

UAB "ORKELA"

UNAUDITED FINANCIAL STATEMENTS FOR YEAR END 31 DECEMBER 2023,
PREPARED IN ACCORDANCE WITH LITHUANIAN FINANCIAL REPORTING STANDARDS

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Balance sheet

	Notes	31 December 2023	31 December 2022
ASSETS			
A. NON-CURRENT ASSETS		34 540 723	19 082 679
1. INTANGIBLE ASSETS		-	-
1.1. Development work		-	-
1.2. Goodwill		-	-
1.3. Software		-	-
1.4. Concessions, patents, licenses, trademarks and similar rights		-	-
1.5. Other intangible assets		-	-
1.6. Prepayments for intangible assets		-	-
2. TANGIBLE ASSETS	3.1.	34 540 723	19 082 679
2.1. Land		-	-
2.2. Buildings and structures		-	-
2.3. Plant and equipment		-	-
2.4. Vehicles		-	-
2.5. Other equipment, fittings and tools		-	-
2.6. Investment property		2 696 391	2 522 547
2.6.1. Land		2 696 391	2 522 547
2.6.2. Buildings		-	-
2.7. Prepayments for tangible assets and assets under construction		31 844 332	16 560 132
3. FINANCIAL ASSETS		-	-
3.1. Shares in group companies		-	-
3.2. Intercompany loans		-	-
3.3. Intercompany amounts receivable		-	-
3.4. Shares in associates		-	-
3.5. Loans to associates		-	-
3.6. Receivables from associates		-	-
3.7. Long-term investments		-	-
3.8. Amounts receivable after one year		-	-
3.9. Other financial assets		-	-
4. OTHER NON-CURRENT ASSETS		-	-
4.1. Deferred tax asset		-	-
4.2. Biological assets		-	-
4.3. Other assets		-	-
B. CURRENT ASSETS		123 561	2 782 591
1. INVENTORIES		109	152
1.1. Raw materials, materials and consumables		-	-
1.2. Production and work in progress		-	-
1.3. Finished goods		-	-
1.4. Goods for resale		-	-
1.5. Biological assets		-	-
1.6. Non-current tangible assets held for sale		-	-
1.7. Prepayments		109	152
2. AMOUNTS RECEIVABLE WITHIN ONE YEAR	3.2.	60 899	199 854
2.1. Trade receivables		-	-
2.2. Intercompany amounts receivable		-	-
2.3. Amounts receivable from associates		-	-
2.4. Other amounts receivable		60 899	199 854
3. SHORT-TERM INVESTMENTS		-	-
3.1. Shares in group companies		-	-
3.2. Other investments		-	-
4. CASH AND CASH EQUIVALENTS	3.3.	62 553	2 582 585
C. PREPAID EXPENSES AND ACCRUED INCOME	3.4.	7 090	18 817
TOTAL ASSETS		34 671 374	21 884 087

Balance Sheet (cont'd)

	Notes	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
D. EQUITY		2 549 672	(875 831)
1. CAPITAL		1 050 000	1 000 000
1.1. Share capital	3.5.	1 050 000	1 000 000
1.2. Unpaid share capital (-)		-	-
1.3. Own shares, stock (-)		-	-
2. SHARE PREMIUM	3.5.	12 385 500	8 935 500
3. REVALUATION RESERVE		-	-
4. RESERVES		-	-
4.1. Legal reserve		-	-
4.2. Acquisition of own shares		-	-
4.3. Other reserves		-	-
5. RETAINED EARNINGS (LOSS)	3.6.	(10 885 828)	(10 811 331)
5.1. Profit (loss) of the reporting year		(74 497)	(4 251 298)
5.2. Profit (loss) of the previous years		(10 811 331)	(6 560 033)
E. GRANTS, SUBSIDIES		-	-
F. PROVISIONS		-	-
1. Pensions and similar provisions		-	-
2. Deferred tax liability		-	-
3. Other provisions		-	-
G. AMOUNTS PAYABLE AND OTHER LIABILITIES		32 113 302	22 746 318
1. NON-CURRENT AMOUNT PAYABLE AND LIABILITIES	3.8.	27 969 143	20 261 899
1.1. Financial debts		23 277 089	14 517 452
1.2. Amounts owed to credit institutions		-	-
1.3. Advances received		-	-
1.4. Trade payables		1 019 976	1 506 104
1.5. Payables under the bills and checks		-	-
1.6. Intercompany amounts payable	3.13.	3 672 078	4 238 343
1.7. Amounts payable to associates		-	-
1.8. Other amounts payable and non-current liabilities		-	-
2. CURRENT AMOUNTS PAYABLE AND LIABILITIES	3.8.	4 144 159	2 484 419
2.1. Current portion of financial debts		652 601	285 069
2.2. Amounts owed to credit institutions		-	-
2.3. Advances received		-	-
2.4. Trade Payables		3 473 932	2 188 138
2.5. Payables under the bills and checks		-	-
2.6. Intercompany amounts payable		-	-
2.7. Amounts payable to associates		-	-
2.8. Corporate income tax liabilities		-	-
2.9. Liabilities related to employment relations		8 050	1 632
2.10. Other amounts payable and current liabilities		9 576	9 580
H. ACCRUED EXPENSES AND DEFERRED INCOME	3.9.	8 400	13 600
TOTAL EQUITY AND LIABILITIES		34 671 374	21 884 087

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were signed electronically:

Director
Company representative in charge of accounting

Anastasija Pocienė
Marina Lysova

Income statement

	Notes	31 December 2023	31 December 2022
1. Sales revenue		-	-
2. Cost of sales		-	-
3. Fair value adjustments of biological assets		-	-
4. GROSS PROFIT (LOSS)		-	-
5. Selling expenses		-	-
6. General and administrative expenses	3.10.	(386 310)	(239 548)
7. Other operating results		-	-
8. Income from investments into shares of parent, subsidiaries and associates		-	-
9. Income from other long-term investments and loans		-	-
10. Other interest and similar income		-	-
11. Impairment of the financial assets and short-term investments		-	-
12. Interest and other similar expenses	3.11.	311 813	(4 011 750)
13. PROFIT (LOSS) BEFORE TAXATION		(74 497)	(4 251 298)
14. Income tax	3.12.	-	-
15. NET PROFIT (LOSS)		(74 497)	(4 251 298)

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were signed electronically:

Director
 Company representative in charge of accounting

Anastasija Pocienė
Marina Lysova

UAB "ORKELA"

Company code: 304099538, Jogailos st. 4, Vilnius

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(all amounts presented in EUR unless otherwise indicated)

Statement of Changes in Equity

	Share capital	Share premium	Own shares (-)	Revaluation reserve Non-current tangible assets	Financial assets	Legal reserve Compulsory reserve or emergency (reserve) capital	Reserve for acquiring own shares	Other reserves	Retained earnings (losses)	Total
1. Balance at the end of the reporting (yearly) period before previous	2 500	-	-	-	-	-	-	-	(6 763 760)	(6 761 260)
2. Result of changes in accounting policies	-	-	-	-	-	-	-	-	-	-
3. Result of correcting material errors	-	-	-	-	-	-	-	-	-	-
4. Recalculated balance at the end of the reporting (yearly) period before previous	2 500	-	-	-	-	-	-	-	(6 763 760)	(6 761 260)
5. Increase (decrease) in the value of non-current tangible assets	-	-	-	-	-	-	-	-	-	-
6. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-
7. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
8. Profit (loss) not recognised in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-
9. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(4 251 298)	(4 251 298)
10. Dividends	-	-	-	-	-	-	-	-	-	-
11. Other payments	-	-	-	-	-	-	-	-	-	-
12. Formed reserves	-	-	-	-	-	-	-	-	-	-
13. Used reserves	-	-	-	-	-	-	-	-	-	-
14. Increase (decrease) of share capital or shareholders' contributions (shares' repayment)	997 500	8 935 500	-	-	-	-	-	-	-	9 933 000
15. Other Increase (decrease) of share capital	-	-	-	-	-	-	-	-	-	-
16. Contributions to cover losses	-	-	-	-	-	-	-	-	203 727	203 727
17. Balance at the end of the previous reporting (yearly) period	1 000 000	8 935 500	-	-	-	-	-	-	(10 811 331)	(875 831)

UAB "ORKELA"

Company code: 304099538, Jogailos st. 4, Vilnius

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2023

(all amounts presented in EUR unless otherwise indicated)

Statement of Changes in Equity (cont'd)

	Share capital	Share premium	Own shares (-)	Revaluation reserve Non-current tangible assets	Financial assets	Legal reserve Compulsory reserve or emergency (reserve) capital	Reserve for acquiring own shares	Other reserves	Retained earnings (losses)	Total
18. Increase (decrease) in the value of non-current tangible assets	-	-	-	-	-	-	-	-	-	-
19. Increase (decrease) in the value of effective hedging instruments	-	-	-	-	-	-	-	-	-	-
20. Acquisition (sale) of own shares	-	-	-	-	-	-	-	-	-	-
21. Profit (loss) not recognised in the profit (loss) statement	-	-	-	-	-	-	-	-	-	-
22. Net profit (loss) of the reporting period	-	-	-	-	-	-	-	-	(74 497)	(74 497)
23. Dividends	-	-	-	-	-	-	-	-	-	-
24. Other payments	-	-	-	-	-	-	-	-	-	-
25. Formed reserves	-	-	-	-	-	-	-	-	-	-
26. Used reserves	-	-	-	-	-	-	-	-	-	-
27. Increase (decrease) of authorised capital or shareholders' contributions (shares' repayment)	50 000	3 450 000	-	-	-	-	-	-	-	3 500 000
28. Other Increase (decrease) of share capital	-	-	-	-	-	-	-	-	-	-
29. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
30. Balance at the end of the reporting period	1 050 000	12 385 500	-	-	-	-	-	-	(10 885 828)	2 549 672

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements are electronically signed:

Director

Company representative in charge of accounting

*Anastasija Pocienė**Marina Lysova*

Cash Flow Statement

	Notes	31 December 2023	31 December 2022
1. Cash flows from operating activities			
1.1. Net profit (loss)		(74 497)	(4 251 298)
1.2. Depreciation and amortisation expenses		-	-
1.3. Elimination of results of disposals of fixed tangible and intangible assets		-	-
1.4. Elimination of results of financing and investing activities	3.11.	(311 813)	4 011 750
1.5. Elimination of results of other non-cash transactions		-	-
1.6. Decrease (increase) in intercompany amounts receivable and receivables from associates		-	-
1.7. Decrease (increase) in other amounts receivable after one year		-	-
1.8. Decrease (increase) in deferred tax asset		-	-
1.9. Decrease (increase) in inventories, except prepayments		-	-
1.10. Decrease (increase) in prepayments		43	(152)
1.11. Decrease (increase) in trade receivables		-	-
1.12. Decrease (increase) in intercompany amounts owed and amounts owed by associates		-	-
1.13. Decrease (increase) in other receivables		17 701	12 945
1.14. Decrease (increase) in short-term investments		-	-
1.15. Decrease (increase) in prepaid expenses and accrued income		11 727	17 277
1.16. Increase (decrease) in provisions		-	-
1.17. Increase (decrease) in long-term trade payables and prepayments		-	-
1.18. Increase (decrease) in long-term amounts payable under the bills and checks		-	-
1.19. Increase (decrease) in long-term intercompany payables and payables to associates		-	-
1.20. Increase (decrease) in trade with short-term trade payables and advances received		37 292	(22 381)
1.21. Increase (decrease) in amounts payable under the bills and checks		-	-
1.22. Increase (decrease) in short-term intercompany payables and payables to associates		-	-
1.23. Increase (decrease) in corporate income tax liabilities		-	-
1.24. Increase (decrease) in employment related liabilities		6 418	399
1.25. Increase (decrease) in other amounts payable and liabilities		(4)	(2)
1.26. Increase (decrease) in accruals and deferred income		(5 200)	10 000
Net cash flows from operating activities		(318 333)	(221 462)
2. Cash flows from investing activities			
2.1. Acquisition of fixed assets (excluding investments)		(12 657 311)	(10 211 854)
2.2. Disposal of fixed assets (excluding investments)		-	-
2.3. Acquisition of long-term investments		-	-
2.4. Disposal of long-term investments		-	-
2.5. Loans granted		-	-
2.6. Loans recovered		-	-
2.7. Dividends and interest received		-	-
2.8. Other increases in cash flows from investing activities		-	-
2.9. Other decreases in cash flows from investing activities		-	-
Net cash flows from investing activities		(12 657 311)	(10 211 854)

Statement of Cash Flows (cont'd)

	Notes	31 December 2023	31 December 2022
3. Cash flows from financing activities			
3.1. Cash flows related to entity's owners		-	-
3.1.1. Issue of shares		-	-
3.1.2. Owner's contributions to cover losses		-	-
3.1.3. Purchase of own shares		-	-
3.1.4. Dividends paid		-	-
3.2. Cash flows related to other financing sources		10 455 612	12 985 121
3.2.1. Increase in financial debts		11 806 936	14 704 640
3.2.1.1. Loans received		-	-
3.2.1.2. Issue of bonds		11 806 936	14 704 640
3.2.2. Decrease in financial debts		(1 249 784)	(1 599 999)
3.2.2.1. Loans repaid		-	-
3.2.2.2. Redemption of bonds		(149 949)	(1 233 285)
3.2.2.3. Interest paid		(1 099 835)	(366 714)
3.2.2.4. Finance leases payments		-	-
3.2.3. Increase in entity's other liabilities		-	-
3.2.4. Decrease in entity's other liabilities		-	-
3.2.5. Other increases in cash flows from financing activities		-	-
3.2.6. Other decreases in cash flows from financing activities		(101 540)	(119 520)
Net cash flows from financing activities		10 455 612	12 985 121
4. Adjustments due to changes in exchange rates on the balance of cash and cash equivalents		-	-
5. Increase (decrease) of net's cash flows		(2 520 032)	2 551 805
6. Cash and cash equivalents at the beginning of the period		2 582 585	30 780
7. Cash and cash equivalents at the end of the period		62 553	2 582 585

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were signed electronically:

Director
Company representative in charge of accounting

Anastasija Pocienė
Marina Lysova

Notes to the financial statements

1. General information

UAB Orkela, company code 304099538 (hereinafter referred to as the Company) is a private limited liability company registered with the State Enterprise Centre of Registers on 24 September 2015. Registered as the value-added taxpayer since 10 March 2016. The Company's data is collected and stored with the Register of Legal Entities of the Republic of Lithuania.

As at 31 December 2023 and 31 December 2022, the shareholder of the Company is closed-end investment fund intended for informed investors Lords LB Special Fund IV, managed by UAB Lords LB Asset Management (company code 301849625, registered address Jogailos st. 4, Vilnius).

	31 December 2023		31 December 2022	
	Number of shares	Share of the stock held	Number of shares	Share of the stock held
Lords LB Special Fund IV	42 000	100%	40 000	100%
Total:	42 000	100%	40 000	100%

As at 31 December 2023 the Company's authorised share capital amounted to EUR 1 050 000 (31 December 2022 - EUR 1 000 000), share capital is divided into 42 000 (31 December 2022 – 40 000) ordinary registered shares with the par value of EUR 25 each. As at 31 December 2023 the Company's share capital is fully paid. The Company does not have its own shares.

The Company's registered office address is Jogailos st. 4, Vilnius.

The main activity of the Company is real estate development and construction.

As at 31 December 2023 and 31 December 2022 the Company had no branches or representative offices.

As at 31 December 2023 the average number of employees was 2 (31 December 2022 – 1).

2. Accounting policy

The financial statements are prepared in accordance with the legal acts regulating financial accounting and preparation of financial statements in the Republic of Lithuania and Lithuanian Financial Reporting Standards.

The Company's financial year coincides with a calendar year.

The figures in these financial statements are presented in the currency of the Republic of Lithuania - Euro (EUR).

The company complies with the criteria of a public interest entity established in the Companies' Financial Reporting Law when preparing financial statements.

2.1. Investment property

Investment property is real estate held to earn income and / or capital gains.

The cost of acquired investment property consists of the purchase price and any directly attributable costs. Directly attributable costs may include legal fees, property transfer fees and other transaction costs. This accounting principle applies for the whole duration of construction of investment property. The Company classified the investment property under development as investment property in the balance sheet and accounts it at cost less any impairment losses.

Upon completion of investment property, the Company uses the fair value method to account for investment property. The fair value of investment property is determined based on valuation reports of an independent valuer. The valuation by an independent valuer is performed at least once a year (if there are significant changes that could lead to a significant change in the value of the assets, valuations are performed more frequently).

2.2. Financial assets and financial liabilities

Financial assets include cash and cash equivalents and amounts receivable.

Financial assets are recorded when the Company receives or obtains a contractual right to receive cash or any other financial assets. Amounts receivable are carried at cost less impairment losses. Cash and cash equivalents are stated at cost.

When it is probable that the Company will not be able to recover the amounts receivable, the impairment loss is recognised, which is determined as the difference between the carrying amount of the assets and the present value of future cash flows discounted using the effective interest rate.

Financial liabilities include amounts payable for goods and services received and liabilities under bond agreements issued, loans received.

Financial liabilities are recorded when the Company undertakes a commitment to pay cash or settle with any other financial assets. Amounts payable for goods and services are accounted for at cost.

Bonds issued are classified as financial liabilities redeemable in one lump sum or in instalments according to a fixed redemption schedule. Bonds issued and loans received are initially recognised at cost, which is equal to the amount of funds received. Transaction costs are recognised as financing expenses. Subsequently, financial liabilities are measured at amortised cost using the effective interest rate method. The Company has issued non-convertible bonds.

2.3. Effective interest rate method

Effective interest rate method is a method of calculation of amortised cost of financial assets and liabilities and distribution of interest income and expenses over a certain period. Effective interest rate is an interest rate that discounts the estimated future cash flows (including all paid or received taxes that are an integral part of the effective interest rate, transaction costs and other extras or discounts) to the net carrying amount of the initial recognition within the intended period of financial asset and liabilities or (if applicable) within a certain shorter period.

2.4. Foreign currencies

All currency items in the balance sheet are valued in euros using the exchange rate prevailing at the date of the balance sheet. Assets purchased in foreign currency and accounted for in the balance sheet at the cost are valued in euros using the exchange rate prevailing at the acquisition date. Assets whose fair value is determined in a foreign currency are valued in euros in the balance sheet using the exchange rates at the date when the fair value was determined. Foreign currency transactions are valued in euros using the exchange rate prevailing at the date of the transaction. Differences resulting from the settlement of amounts recorded in foreign currencies at different exchange rates are recognised as income or expenses of the reporting period.

2.5. Sales revenue

Revenue is recognised on an accrual basis. The amount of income is estimated at fair value, considering granted and expected discounts, returns and rebates.

When a service transaction is completed in the same period as it is initiated, revenue is recognised in the same period and measured at the amount specified in the contract. When services, according to the service transaction, are provided for more than one reporting period, revenue is allocated to the periods in which the services are rendered.

The Company's typical operating income consists of rental income. Where the Company operates as an intermediary rather than the main service provider, income and expenses are offset.

2.6. Cost of sales and operating expense

Expenses are recognised on an accrual and comparison basis in the accounting period the income related to the costs is generated. Expenses incurred during the reporting period, which cannot be attributed directly to specific revenue earned and will not generate any revenue in subsequent reporting periods, are recognised as expenses when incurred. Expenses are measured at fair value.

2.7. Borrowing costs

Interest on loans and bond agreements are recognised in the income statement on an accrual basis.

2.8. Income tax

Income tax calculations are based on profit for the year after assessing deferred income tax. Income tax is calculated in accordance with the requirements set forth in the Lithuanian legislation.

In 2023, the corporate income tax rate applied to companies in the Republic of Lithuania was 15% (in 2022 - 15%).

Taxable losses can be carried forward to other reporting periods for an unlimited number of periods, except for the losses incurred through transfer of securities and (or) derivative financial instruments. Such carryforward is cancelled if the Company ceases to carry on the activity giving rise to the loss, unless the Company ceases to carry on the activity for any reasons beyond its control. The losses from disposal of securities and (or) derivative financial instruments can be carried forward for 5 consecutive years and only be reduced by taxable income earned from the transactions of the same nature. With effect from 1 January 2014, tax losses available for carry forward can be used to reduce taxable income of the current tax year by maximum 70%.

Deferred tax is calculated using the balance sheet liability method. Deferred income tax reflects the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered based on tax rates enacted or substantially enacted at the balance sheet date.

Deferred tax asset is recognised in the balance sheet to the extent the management believes it will be realised in the foreseeable future, based on taxable profit forecasts. If it is believed that part of the deferred tax asset is not going to be realised, this part of the deferred tax asset is not recognised in the financial statements.

2.9. Impairment

An impairment loss is recognised whenever events or changes in circumstances indicate that the carrying amount may not be recovered. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment is recognised in the income statement. Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment loss recognised for the asset no longer exists or has decreased. The reversal is accounted for under the same article of the income statement as the impairment loss.

2.10. Recoverable amount

Recoverable amount is calculated as the higher of two values: the fair value less costs to sell and the asset's value in use. An asset's value in use is calculated by discounting future cash flows to their present value using a pre-tax discount rate that reflects current market assumptions about the time value of money and the risks specific to the asset.

2.11. Offsetting

Offsetting of receivables and payables with the same third party shall take place when there is a sufficient legal basis for doing so.

2.12. Subsequent events

Subsequent events that are not adjusting events are disclosed in the notes when material.

2.13. Contingencies

Contingent liabilities are not recognised in the financial statements. They are described in the financial statements, except those cases when the probability that resources generating economic benefit will be lost is very low.

2.14. Significant accounting estimates and judgments

The preparation of financial statements in accordance with Lithuanian financial reporting standards requires from the management to make certain judgments and estimates, based on assumptions that have effect on the application of policies and reported

amounts of assets and liabilities, income and expenses and the disclosure of uncertainties. The significant estimates in these financial statements are the valuation assumptions of investment assets. Future events may change the assumptions used in the estimates. The effect of such changes in estimates will be accounted for in the financial statements when determined.

2.15. Financial risk management

The Company is exposed to a variety of financial risks in the course of its operations. Risk management is performed by management.

The following main financial risk management procedures are applied in the Company's operations:

Credit risk

The Company is not subject to significant credit risk concentration. Credit risks or the risks of counterparties defaulting, are controlled by the application of credit terms and monitoring procedures. Credit risk is controlled by the Company itself and, if necessary, assisted by credit risk management companies.

Foreign exchange risk

The Company has no significant concentration of foreign exchange risk, because the major portion of settlements are conducted in the euro (EUR).

Liquidity risk

The Company is a special purpose development company that does not earn income on its own in the short term. The Company's activities are financed by the shareholder, taking into account the progress of the project and the need for working capital.

The Company's policy is to maintain sufficient cash and cash equivalents or to secure funding from the parent fund and credit institutions to meet the obligations set out in its strategic plans.

Interest rate risk

The Company's income and operating cash flows are substantially independent from changes in market interest rate. The Company has no significant interest-bearing assets.

The most significant balance sheet items of the Company sensitive to changes in interest rates are issued bonds and received loans. Liabilities are with fixed interest rates, but the fixed interest rate is calculated based on related party transfer pricing, which is as close as possible to the arm's length principle. The Company does not use any financial instruments to manage interest rate risk.

Related parties

Parties are considered to be related when one party has the ability to control or influence the other party in making financial and operational decisions.

3. Notes

3.1. Investment property

	Land	Construction-in-progress	Total
Carrying amount as at the end of the previous financial year	2 522 547	16 560 132	19 082 679
a) Acquisition cost			
At the end of the previous financial year	4 601 561	21 405 440	26 007 001
Financial year changes:			
- acquisitions	-	13 530 095	13 530 095
- disposals and written-off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of financial year	4 601 561	34 935 535	39 537 096
b) Revaluation			
At the end of the previous financial year	-	-	-
Financial year changes:			
- increase (decrease) in value +/-	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of financial year	-	-	-
c) Depreciation			
At the end of the previous financial year	-	-	-
Financial year changes:			
- depreciation in financial year	-	-	-
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of financial year	-	-	-
d) Impairment			
At the end of the previous financial year	(2 079 014)	(4 845 308)	(6 924 322)
Financial year changes:			
- increase (decrease) in value +/-	173 844	1 754 105	1 927 949
- written back (-)	-	-	-
- disposed and written off assets (-)	-	-	-
- transfers from one heading to another +/-	-	-	-
At the end of financial year	(1 905 170)	(3 091 203)	(4 996 373)
e) Carrying amount at the end of financial year (a)+(b)-(c)-(d)	2 696 391	31 844 332	34 540 723

As at 31 December 2023 investment assets consist of a land plot and buildings under construction located on Vasario 16-osios st. 1, Vilnius. The investment property was purchased in March 2016. On 8 March 2021 the Company received a construction permit and in September 2021 has begun the construction works.

The recoverable value of all the company's investment assets (i.e. land together with buildings under construction) at the 31 December 2023 was determined based on the property valuation performed by the independent property valuer UAB "Newsec valuations" in December 2023, the asset was valued as of 30 November 2023. Investment property was valued using the discounted cash flow method, using a 16 percent discount rate (2022 – 16 percent) and a 5,75 percent capitalization rate (2022 – 6 percent). Cash flows are forecasted for a period of 2 years with the assumption that the average long-term vacancy rate will be 2-5 percent and the average income growth will be 2,9 percent. According to the report of an independent property valuer, the value of the company's total investment assets, calculated using the discounted cash flow method, amounted to EUR 33 100 000. As a result of the fair value of the asset being higher than its carrying amount, a reversal of impairment of the investment property was recognised for the year ended 31 December 2023 in the amount of EUR 1 927 949. The amount of the impairment has been allocated to the individual groups of investment property in proportion to their carrying amounts.

Sensitivity analysis of the value of investment property

The recoverable amount of the investment property was determined using a yield rate of 5,75%. An increase in the yield rate of 0,5% would reduce the recoverable amount of the investment property by EUR 4 050 000 and a decrease in the yield rate of 0,5% would increase the recoverable amount of the investment property by EUR 4 810 000. Other assumptions remain unchanged as the yield rate changes.

3.2. Amounts receivable within one year

	31 December 2023	31 December 2022
VAT receivable	59 311	166 522
Other amounts receivable	1 588	33 332
Total:	60 899	199 854

3.3. Cash and cash equivalents

	31 December 2023	31 December 2022
Cash in investment account	45 253	173 938
Cash in bank accounts	17 300	2 408 647
Total:	62 553	2 582 585

The company has opened an investment account, from which money can be transferred to a current bank account only after submitting a request to the bank.

3.4. Prepaid expenses and accrued income

	31 December 2023	31 December 2022
Prepaid insurance expenses	7 090	18 817
Total:	7 090	18 817

3.5. Structure of the authorised capital

The company's share capital as at 31 December 2023 is EUR 1 050 000 (31 December 2022 – EUR 1 000 000). In 2023 the Shareholder decided to increase the Company's share capital by issuing 2 000 ordinary registered shares with a nominal par value of EUR 25 each. The issue price was EUR 3 500 000. Since the issue price exceeded the nominal price of the shares, Formed share supplements, additional share premium has been formed in amount of EUR 3 450 000. Share premium as at 31 December 2023 is EUR 12 385 500 (31 December 2022 – EUR 8 935 500). All shares are paid.

3.6. Project of profit distribution

At the time of approval of these financial statements, the profit (loss) distribution project has not been prepared by the Management.

3.7. Rights and commitments not disclosed in the balance sheet

Taxes

Till the end of the year Tax Authorities have not performed a full-scope tax investigation of the Company. The Tax Authorities may inspect accounting, transaction and other documents, accounting records and tax returns for the current and previous 3 calendar years at any time, and where appropriate, for the current and previous 5 or 10 calendar years and impose additional taxes and penalties.

On 4 January 2024 the State Tax Inspectorate has started a tax investigation of the Company. Investigation objects – profit tax for years 2021-2022 and value added tax for the period from 1 January 2021 till 31 October 2023.

Management of the Company is not aware of any circumstances which would cause calculation of additional significant liabilities due to unpaid taxes.

3.8. Amounts payable and other liabilities

	Within one year	After one, but no later than five years	After five years
Financial debts:			
1. Financial debts	652 601	23 277 089	-
2. Intercompany amounts payable (note 3.13.)	-	3 672 078	-
Other debts:			
1. Trade payables	3 473 932	1 019 976	-
2. Employment related liabilities	8 050	-	-
3. Other payables and short-term liabilities	9 576	-	-
Total:	4 144 159	27 969 143	-

The Company has signed an agreement for the distribution of the Company's bonds worth EUR 40 million. During 2023 the Company issued 8 974 units of secured non-convertible bonds with a par value of EUR 1 000 each. As at 31 December 2023 The total amount of Company's issued secured non-convertible bonds was 23 549 units (31 December 2022 - 14 528 units). The interest rate is fixed and interest is payable semi-annually. The bonds mature on 19 January 2025.

After one year, but no later than five years, trade payables are retained amounts payable to contractors, which will be paid after construction is completed. These long-term liabilities are not interest bearing.

3.9. Accrued expenses and deferred income

	31 December 2023	31 December 2022
Accrued audit expenses	7 800	13 000
Accrued expenses for securities accounting	600	600
Total:	8 400	13 600

3.10. General and administrative expenses

	31 December 2023	31 December 2022
Remuneration and other related expenses	92 302	58 981
Donations	92 000	-
Legal services	90 419	85 222
Operating taxes	45 731	44 400
Insurance	23 200	21 310
Accounting and audit expenses	21 278	18 340
Other	21 380	11 295
Total:	386 310	239 548

3.11. Interest and other similar expenses

	31 December 2023	31 December 2022
Bond interest expenses	1 503 753	782 128
Impairment of investment property	(1 927 949)	3 081 010
Other financial and investment expenses	112 383	148 612
Total:	(311 813)	4 011 750

3.12. Income tax and deferred income tax

Deferred income tax is calculated at the rate of 15%.

As at 31 December 2023 the Company had EUR 898 280 (31 December 2022 – EUR 612 772) of unrecognised deferred tax asset from accumulated tax losses and EUR 749 456 (31 December 2022 – EUR 1 038 648) of unrecognized deferred tax asset from impairment of investment property. Deferred tax asset has not been recognized due to uncertainties related to generation of sufficient taxable profit. Accumulated tax losses are carried forward for an indefinite time.

3.13. Financial relations with the company's management and other related parties

The average number of executives in 2023 is 1. The Company's management is considered to be a director with whom there were no transactions other than salaries in 2023 and 2022.

Transactions with other related parties

The following transactions were made with other related parties and their balance as at the end of the year:

Title of article	Revenue from intercompany transactions	Intercompany transaction costs	Amounts receivable	Amounts payable
31 December 2023	-	172 735	-	3 672 078
Related party 1	-	172 735	-	3 672 078
31 December 2022	-	487 365	-	4 238 343
Related party 1	-	487 365	-	4 238 343

In 2023 the Company issued additional bond emission with a maturity date 19 May 2025, interest rate is fixed. The interest rate of the first bond emission is fixed, and maturity date is 21 April 2026. In 2023 the Company capitalized EUR 3 500 000 of bonds and accrued interest, redeemed bonds and paid interest in total amount of EUR 187 000. As at 31 December 2023 the amount of unredeemed bonds was EUR 3 217 710 (31 December 2022 - EUR 3 548 512) and accrued interest payable was EUR 454 368 (31 December 2022 - EUR 689 831).

3.14. Subsequent events

In January 2024, the Company distributed 11 066 units of secured non-convertible bonds with par value of EUR 1 000 each.

There were no other subsequent events.

3.15. Going concern

The financial statements for the year ended 31 December 2023 have been prepared on the assumption that the Company will be able to continue as a going concern in the foreseeable future. The going concern assessment is based on assumption that in 2024 the Company will successfully raise remaining financing from bond emission and equity contribution. However, a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

These financial statements were signed electronically:

Director
Company representative in charge of accounting

Anastasija Pocienė
Marina Lysova