

UAB Kvartalas

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024
PREPARED IN ACCORDANCE WITH LITHUANIAN FINANCIAL REPORTING
STANDARDS

Table of Contents

Independent Auditor's Report	3
Balance Sheet	5
Profit and Loss Statement	7
Statement of Changes in Equity	8
Cash flow statement	10
Explanatory Notes to the Financial Statements.....	12
1. General information.....	12
2. Accounting policies	12
3. Notes	16
3.1. Non-current tangible assets – Investment assets	16
3.2. Other financial assets	17
3.3. Prepayments made	17
3.4. Accounts receivable within one year	17
3.5. Cash and cash equivalents	17
3.6. Structure of authorised capital	18
3.7. Draft profit distribution.....	18
3.8. Accounts payable and other liabilities	18
3.9. Accrued expenses and deferred income.....	19
3.10. Rights and liabilities of the Company not shown in the balance sheet	19
3.11. Sales revenue	19
3.12. General and administrative costs	19
3.13. Interest and other similar costs	19
3.14. Corporate income tax and deferred tax.....	20
3.15. Financial relationships with the Company's managers and other related parties	20
3.16. Going concern	20
3.17. Post-balance sheet events	20

Translation note: This version of the report is a translation from the original, which was prepared in Lithuanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the document takes precedence over this translation

Independent auditor's report

To the shareholder of Kvartalas UAB

Our opinion

In our opinion, the financial statements give a true and fair view of the financial position of Kvartalas UAB (the "Company") as at 31 December 2024, and the Company's financial performance and cash flows for the year then ended in accordance with Lithuanian Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the balance sheet as at 31 December 2024;
- the statement of income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services that are relevant to our audit of the financial statements in the Republic of Lithuania. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Law of the Republic of Lithuania on the Audit of Financial Statements and Other Assurance Services.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Lithuanian Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

PricewaterhouseCoopers UAB, J. Jasinskio g. 16B, LT-03163 Vilnius, Lithuania
+370 (5) 239 2300, lt_vilnius@pwc.com, www.pwc.lt

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of PricewaterhouseCoopers UAB

Rimvydas Jogėla
Partner
Auditor's Certificate No.000457

Vilnius, Republic of Lithuania
27 February 2025

The auditor's electronic signature is used herein to sign only the Independent Auditor's Report
Original report is signed in Lithuanian language.

Balance Sheet

	Notes	31 December 2024	31 December 2023
ASSETS			
A. NON-CURRENT ASSETS		27,799,382	15,877,055
1. INTANGIBLE ASSETS		-	-
1.1. Development work		-	-
1.2. Goodwill		-	-
1.3. Software		-	-
1.4. Concessions, patents, licences, trademarks and similar rights		-	-
1.5. Other intangible assets		-	-
1.6. Prepayments made		-	-
2. TANGIBLE ASSETS		27,567,645	15,877,055
2.1. Land		-	-
2.2. Buildings and construction		-	-
2.3. Plant and machinery		-	-
2.4. Vehicles		-	-
2.5. Other fixtures, fittings, tools and equipment		-	-
2.6. Investment assets	3.1.	12,284,734	12,284,734
2.6.1. Land		12,284,734	12,284,734
2.6.2. Buildings		-	-
2.7. Prepayments made and construction of tangible assets in progress		15,282,911	3,592,321
3. FINANCIAL ASSETS		231,737	-
3.1. Shares in group companies		-	-
3.2. Loans to group companies		-	-
3.3. Accounts receivable from group companies		-	-
3.4. Shares in associates		-	-
3.5. Loans to associates		-	-
3.6. Accounts receivable from associates		-	-
3.7. Long-term investments		-	-
3.8. Accounts receivable after one year		-	-
3.9. Other financial assets	3.2.	231,737	-
4. OTHER NON-CURRENT ASSETS		-	-
4.1. Deferred tax assets		-	-
4.2. Biological assets		-	-
4.3. Other assets		-	-
B. CURRENT ASSETS		5,985,677	1,478,719
1. INVENTORIES		15,410	1,333
1.1. Raw materials, supplies and components		-	-
1.2. Unfinished goods and work in progress		-	-
1.3. Finished goods		-	-
1.4. Goods for resale		-	-
1.5. Biological assets		-	-
1.6. Non-current tangible assets for resale		-	-
1.7. Prepayments made	3.3.	15,410	1,333
2. ACCOUNTS RECEIVABLE WITHIN ONE YEAR	3.4.	174,416	31,666
2.1. Trade debtors		-	26,630
2.2. Debts of group companies		-	-
2.3. Debts of associates		-	-
2.4. Other accounts receivable		174,416	5,036
3. SHORT-TERM INVESTMENTS		-	-
3.1. Shares in group companies		-	-
3.2. Other investments		-	-
4. CASH AND CASH EQUIVALENTS	3.5.	5,795,851	1,445,720
C. DEFERRED EXPENSES AND ACCRUED INCOME		7,906	10,381
TOTAL ASSETS		33,792,965	17,366,155

Balance Sheet (continued)

	Notes	31 December 2024	31 December 2023
SHAREHOLDERS' EQUITY AND LIABILITIES			
D. EQUITY		1,620,350	2,644,634
1. CAPITAL	3.6.	4,034,000	4,034,000
1.1. Authorised (subscribed) or core capital		4,034,000	4,034,000
1.2. Subscribed unpaid capital (-)		-	-
1.3. Own shares, shares (-)		-	-
2. SHARE PREMIUM		-	-
3. REVALUATION RESERVE		-	-
4. RESERVES		-	-
4.1. Legal reserve or reserve capital		-	-
4.2. For acquiring own shares		-	-
4.3. Other reserves		-	-
5. RETAINED EARNINGS (LOSSES)	3.7.	(2,413,650)	(1,389,366)
5.1. Profit (loss) of the reporting year		(1,024,284)	(457,879)
5.2. Profit (loss) of the previous year		(1,389,366)	(931,487)
E. GRANTS, SUBSIDIES		-	-
F. PROVISIONS		-	-
1. Provisions for pensions and similar liabilities		-	-
2. Tax provisions		-	-
3. Other provisions		-	-
G. ACCOUNTS PAYABLE AND OTHER LIABILITIES	3.8.	32,167,465	14,715,271
1. ACCOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES		28,957,462	14,533,046
1.1. Debts		8,000,000	-
1.2. Debts to credit institutions		-	-
1.3. Prepayments received		676,587	594,133
1.4. Debts to suppliers		-	-
1.5. Amounts payable under bills of exchange and cheques		-	-
1.6. Accounts payable to group companies	3.15.	20,280,875	13,938,913
1.7. Accounts payable to associates		-	-
1.8. Other accounts payable and non-current liabilities		-	-
2. ACCOUNTS PAYABLE WITHIN ONE YEAR AND OTHER CURRENT LIABILITIES		3,210,003	182,225
2.1. Debts		22,732	-
2.2. Debts to credit institutions		-	-
2.3. Prepayments received		-	-
2.4. Debts to suppliers		3,173,796	164,217
2.5. Amounts payable under bills of exchange and cheques		-	-
2.6. Accounts payable to group companies		-	-
2.7. Accounts payable to associates		-	-
2.8. Income tax liabilities		-	-
2.9. Employment-related liabilities		13,465	17,645
2.10. Other accounts payable and current liabilities		10	363
H. ACCRUED EXPENSES AND DEFERRED INCOME	3.9.	5,150	6,250
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		33,792,965	17,366,155

The Explanatory Notes are an integral part of these financial statements.

These financial statements have been electronically signed by:

Chief Executive Officer
Representative of the company managing the accounts

Ieva Antanaitytė - Genevičienė
Marina Lysova

Profit and Loss Statement

	Notes	2024	2023
1. Sales revenue	3.11.	947	135,335
2. Cost of sales		-	-
3. Change in the fair value of biological assets		-	-
4. GROSS PROFIT (LOSS)		947	135,335
5. Selling expenses		-	-
6. General and administrative costs	3.12.	(279,983)	(130,179)
7. Results of other activities		463	-
8. Income from investments in shares of parent company, subsidiaries and associates		-	-
9. Income from other long-term investments and loans		-	-
10. Other interest and similar income		11,948	4,592
11. Impairment of financial assets and short-term investments		-	-
12. Interest and other similar costs	3.13.	(757,659)	(467,627)
13. PROFIT (LOSS) BEFORE TAX		(1,024,284)	(457,879)
14. Corporate income tax	3.14.	-	-
15. NET PROFIT / (LOSS)		(1,024,284)	(457,879)

The Explanatory Notes are an integral part of these financial statements.

These financial statements have been electronically signed by:

Chief Executive Officer

Representative of the company managing the accounts

Ieva Antanaitytė - Genevičienė
Marina Lysova

Statement of Changes in Equity

	Paid-up authorised capital or core capital	Share premium	Own shares (-)	Revaluation reserve Non-current tangible assets	Financial assets	Legal reserves Legal reserve or reserve capital	For acquiring own shares	Other reserves	Retained earnings (losses)	Total
1. Balance at the end of the reporting (annual) period before previous	4,034,000	-	-	-	-	-	-	-	(931,487)	3,102,513
2. Result of changes in accounting policies	-	-	-	-	-	-	-	-	-	-
3. Result of correcting material errors	-	-	-	-	-	-	-	-	-	-
4. Recalculated balance at the end of the reporting (annual) period before previous	4,034,000	-	-	-	-	-	-	-	(931,487)	3,102,513
5. Increase /(decrease) in the value of non- current tangible assets	-	-	-	-	-	-	-	-	-	-
6. Increase /(decrease) in the value of an effective hedging instrument	-	-	-	-	-	-	-	-	-	-
7. Acquisition/ (sales) of own shares	-	-	-	-	-	-	-	-	-	-
8. Profit /(loss) not recognised in the profit and loss statement	-	-	-	-	-	-	-	-	-	-
9. Net profit / (loss) of the reporting period	-	-	-	-	-	-	-	-	(457,879)	(457,879)
10. Dividends	-	-	-	-	-	-	-	-	-	-
11. Other payments	-	-	-	-	-	-	-	-	-	-
12. Formed reserves	-	-	-	-	-	-	-	-	-	-
13. Used reserves	-	-	-	-	-	-	-	-	-	-
14. Increase / (reduction) of authorised capital or contributions of shareholders/repayment of shares	-	-	-	-	-	-	-	-	-	-
15. Other increase / (decrease) of authorised or core capital	-	-	-	-	-	-	-	-	-	-
16. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
17. Balance at the end of the previous reporting (annual) period	4,034,000	-	-	-	-	-	-	-	(1,389,366)	2,644,634

Statement of Changes in Equity (CONTINUED)

	Paid-up authorised capital or core capital	Share premium	Own shares (-)	Revaluation reserve Non-current tangible assets	Financial assets	Legal reserves Legal reserve or reserve capital	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 an effective hedging instrument	-	-	-	-	-	-	-	-	-	-
20. Acquisition /(sale) of own shares	-	-	-	-	-	-	-	-	-	-
21. Profit / (loss) not recognised in the profit and loss statement	-	-	-	-	-	-	-	-	-	-
22. Net profit / (loss) of the reporting period	-	-	-	-	-	-	-	-	(1,024,284)	(1,024,284)
23. Dividends	-	-	-	-	-	-	-	-	-	-
24. Other payments	-	-	-	-	-	-	-	-	-	-
25. Formed reserves	-	-	-	-	-	-	-	-	-	-
26. Used reserves	-	-	-	-	-	-	-	-	-	-
27. Increase /(decrease) of authorised capital or contributions of shareholders/ repayment of shares	-	-	-	-	-	-	-	-	-	-
28. Other increase /(decrease) of authorised or core capital	-	-	-	-	-	-	-	-	-	-
29. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-
30. Balance at the end of the reporting period	4,034,000	-	-	-	-	-	-	-	(2,413,650)	1,620,350

The Explanatory Notes are an integral part of these financial statements.

These financial statements have been electronically signed by:

Chief Executive Officer
 Representative of the company managing the accounts

Ieva Antanaitytė - Genevičienė
Marina Lysova

Cash flow statement

	Notes	2024	2023
1. Cash flows from operating activities			
1.1. Net profit / (loss)		(1,024,284)	(457,879)
1.2. Depreciation and amortisation costs		-	-
1.3. Elimination of results of disposals of non-current tangible and intangible assets		-	-
1.4. Elimination of results of financing and investing activities		745,711	463,035
1.5. Elimination of results of other non-cash items		-	-
1.6. Decrease /(increase) in accounts receivable from group companies and associates		-	-
1.7. Decrease /(increase) in other accounts receivable after one year		-	-
1.8. Decrease /(increase) in deferred tax assets		-	-
1.9. Decrease /(increase) in inventories other than prepayments made		-	-
1.10. Decrease /(increase) in prepayments made		(14,077)	(611)
1.11. Decrease / (increase) in trade debtors		26,630	(15,768)
1.12. Decrease / (increase) in debts of group companies and associates		-	-
1.13. Decrease / (increase) in other accounts receivable		(45,920)	26,584
1.14. Decrease /(increase) in short-term investments		-	-
1.15. Decrease /(increase) in deferred expenses and accrued income		5,942	(10,360)
1.16. Increase /(decrease) in provisions		-	-
1.17. Increase/ (decrease) of long-term debts to suppliers and prepayments received		82,454	594,133
1.18. Increase/ (decrease) in accounts payable after one year under bills of exchange and cheques		-	-
1.19. Increase/ (decrease) of long-term debts to group companies and associates		-	-
1.20. Increase/ (decrease) of short-term debts to suppliers and prepayments received		33,413	8,223
1.21. Increase/ (decrease) in accounts payable within one year under bills of exchange and cheques		-	-
1.22. Increase/ (decrease) of short-term debts to group companies and associates		-	-
1.23. Increase/ (decrease) in income tax liabilities		-	-
1.24. Increase/ (decrease) in employment-related liabilities		(4,180)	12,856
1.25. Increase/ (decrease) in other accounts payable and liabilities		(353)	(64)
1.26. Increase/ (decrease) in accrued expenses and deferred income		(1,100)	400
Net cash flows from operating activities		(195,764)	620,549
2. Cash flows from investing activities			
2.1. Acquisition of non-current assets other than investments		(8,840,135)	(1,838,844)
2.2. Disposal of non-current assets (excluding investments)		-	-
2.3. Acquisition of non-current investments		-	-
2.4. Disposal of non-current investments		-	-
2.5. Loans granted		-	-
2.6. Loans recovered		-	-
2.7. Dividends and interest received		8,481	4,592
2.8. Other increase in cash flows from investing activities		-	-
2.9. Other decrease in cash flows from investing activities	3.2.	(231,737)	-
Net cash flows from investing activities		(9,063,391)	(1,834,252)

Cash flow statement (continued)

	Notes	2024	2023
3. Cash flows from financing activities			
3.1. Cash flows related to entity owners		-	-
3.1.1. Issue of shares		-	-
3.1.2. Owners' contributions to cover losses		-	-
3.1.3. Purchase of own shares		-	-
3.1.4. Payment of dividends		-	-
3.2. Cash flows arising from other financing sources		13,609,286	2,500,000
3.2.1. Increase in financial debts		15,700,000	2,500,000
3.2.1.1. Loans received		-	-
3.2.1.2. Issue of bonds		15,700,000	2,500,000
3.2.2. Decrease in financial debts		(2,000,000)	-
3.2.2.1. Loans repaid		-	-
3.2.2.2. Purchase of bonds		(1,769,911)	-
3.2.2.3. Interest paid		(230,089)	-
3.2.2.4. Lease (financial lease) payments		-	-
3.2.3. Increase in other liabilities of the entity		-	-
3.2.4. Decrease in other liabilities of the entity		-	-
3.2.5. Other increases in cash flows from financing activities		-	-
3.2.6. Other decreases in cash flows from financing activities		(90,714)	-
Net cash flows from financing activities		13,609,286	2,500,000
4. Effect of changes in exchange rates in the balance of cash and cash equivalents		-	-
5. Net increase (decrease) in cash flows		4,350,131	1,286,297
6. Cash and cash equivalents at the beginning of the period		1,445,720	159,423
7. Cash and cash equivalents at the end of the period	3.5.	5,795,851	1,445,720

The Explanatory Notes are an integral part of these financial statements.

These financial statements have been electronically signed by:

Chief Executive Officer

Representative of the company managing the accounts

Ieva Antanaitytė - Genevičienė

Marina Lysova

Explanatory Notes to the Financial Statements

1. General information

UAB Kvartalas, company number 305475438 (hereinafter – the Company) is a private limited liability company registered with the state enterprise Centre of Registers on 24 February 2020. The Company was registered as a value added tax payer on 14 April 2021. The Company's data are collected and stored in the Register of Legal Entities of the Republic of Lithuania. The Company's registered office address is Jogailos st. 4, Vilnius.

As of 31 December 2024 and 31 December 2023, the Company's shares are owned by Right Bank Development Fund, a closed-end investment fund for informed investors, managed by UAB Lords LB Asset Management (company code 301849625, registered office address: Jogailos st. 4, Vilnius).

	31 December 2024		31 December 2023	
	Number of shares held	Equity stake	Number of shares held	Equity stake
Right Bank Development Fund	4,034,000	100%	4,034,000	100%
Total:	4,034,000	100%	4,034,000	100%

The Company's main activity is real estate development and construction.

As of 31 December 2024 and 2023, the Company had no branches or representative offices.

As of 31 December 2024, the average number of employees of the Company was 4 (3 as of 31 December 2023).

2. Accounting policies

These financial statements have been prepared in accordance with the legislation governing financial accounting and drawing up of financial statements in the Republic of Lithuania, and with the applicable Business Accounting Standards (BAS).

The financial statements have been prepared on a going concern basis.

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

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

In accordance with the Law on Financial Reporting of Undertakings and Groups of Undertakings of the Republic of Lithuania, in 2024, the Company met the criteria for a micro undertaking. Although the Company is classified as a micro undertaking, the Company has elected not to apply the exemptions from the composition of the set of financial statements applicable to micro undertakings and not to prepare a management report.

The significant accounting policies applied by the Company in the preparation of these financial statements are set out below.

2.1. Investment assets

Investment assets include the real property held to earn income and/or profit from an increase in the value of the property.

The cost of the acquired investment assets comprises the acquisition cost and any directly related costs. Directly related costs may include fees for legal services, title transfer fees and other transaction costs. The acquisition cost accounting principle is applied throughout the construction and development of investment property, i.e. investment property under development and construction is classified by the Company in the balance sheet as investment assets and are carried at acquisition cost less impairment.

The Company uses the fair value method to account for the investment assets upon completion of construction. The fair value of investment assets is determined on the basis of valuation reports of an independent valuer. An independent valuer's valuation is carried out at least once a year (with more frequent valuations if there are significant changes that could lead to a material change in the value of the property). The fair value of investment assets is adjusted every time the financial statements are prepared, with the change recognised as profit or loss in the Profit and Loss Statement.

2.2. Financial assets and financial liabilities

Financial assets include cash and cash equivalents, and accounts receivable.

Financial assets are recorded when the Company receives, or becomes entitled to receive, cash or any other financial asset under a contract. Accounts receivables are measured at acquisition cost less impairment loss. Cash and cash equivalents are stated at acquisition cost. Cash equivalents are short-term (up to three months) liquid investments that are readily convertible into specific amounts of cash and are subject to insignificant risk of changes in value.

If it is probable that the Company will not be able to collect accounts receivables, an impairment loss is recognised and is calculated as the difference between the asset's carrying amount and the present value of the future cash flows discounted at the estimated interest rate.

Financial liabilities include accounts payable for the goods and services received and liabilities under contracts for bonds issued and loans received.

Financial liabilities are recorded when the Company incurs a liability to pay cash or to use other financial assets for settlement. Accounts payable for goods and services are measured at acquisition cost.

The Company has issued non-convertible bonds. 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 recorded at acquisition value, which is equal to the amount of funds received. Transaction costs are recognised as expenses in financing activities. Subsequently, financial liabilities are measured at amortised cost using the estimated interest rate method.

Estimated interest rate method

The estimated interest rate method is a method of calculating the amortised cost of financial assets and liabilities and allocating interest income and expense over the relevant period. The estimated interest rate is the interest rate that exactly discounts estimated future cash flows (including any fees paid or received that are an integral part of the effective interest rate, transaction costs and other premiums or discounts) to the net carrying amount at initial recognition over the expected life of financial assets and liabilities or, if appropriate, over an appropriate shorter period.

2.3. Foreign currencies

All currency items in the Balance Sheet are stated in the Euro using the exchange rate on the Balance Sheet date. Assets recorded at acquisition value that are purchased for foreign currency are stated in Euros in the Balance Sheet at the exchange rate applicable at the time of acquisition. Assets with the fair value measured in a foreign currency are stated in Euros in the Balance Sheet using the exchange rate as of the date of the fair value measurement. Transactions in foreign currencies are stated in the Euro using the exchange rate effective as of the transaction date. Differences that arise from the payment of amounts recorded in foreign currency items at a different exchange rate are recognised as income or expenses in the reporting period.

2.4. Sales revenue

Sales revenue is recognised on an accrual basis. Revenue is measured at fair value, taking into account discounts given and expected to be given and returns and discounts of the goods sold.

When a service transaction is completed in the same period in which it was initiated, revenue is recognised in the same period and measured at the amount specified in the contract. When services are provided for a period exceeding one reporting period under the service provision transaction, revenue is apportioned over the periods during which the services are provided.

2.5. Cost of sales and operating expenses

Expenses are recognised on an accrual and comparative basis in the reporting period in which the related income is earned. Expenses incurred during the reporting period that cannot be directly attributed to the generation of specific income and that will not generate income in future periods are recognised as expenses in the period in which they are incurred. Expenses are measured at fair value.

2.6. Borrowing costs

Interest on loans and under issued bond contracts is recognised in the Profit and Loss Statement on an accrual basis.

2.7. Corporate income tax

The calculation of corporate income tax is based on the annual profit, after taking into account the deferred corporate income tax. The corporate income tax is calculated in accordance with the Lithuanian tax laws.

2024 the corporate income tax rate applied to companies in the Republic of Lithuania was 15% (15% in 2023). The Company's profits for 2025 will be taxed at the corporate tax rate of 16% in accordance with the amended Law on Corporate Income Tax of the Republic of Lithuania.

Tax losses can be carried forward indefinitely, except for losses arising from the transfer of securities and/or derivatives. Such carry-forward 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. Losses on the transfer of securities and/or financial derivatives can be carried forward for 5 years and can only be covered by profits from transactions of the same type. Tax loss carryforwards can be used to offset up to 70% of the taxable profit for the current tax year.

Deferred taxes are calculated using the balance sheet liability method. Deferred tax reflects the net tax effect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period in which the asset is realised or the liability is settled, based on the tax rates that have been enacted or substantively enacted on the Balance Sheet date.

Deferred tax assets are recognised in the Balance Sheet to the extent that the Company's management expects that they will be realised in the foreseeable future, taking into account forecasts of taxable profit. If it is probable that part of the deferred tax will not be realised, that part of the deferred tax is not recognised in the financial statements.

2.8. Impairment of non-financial assets

The Company's assets are assessed for impairment when events or circumstances indicate that the assets may not be recoverable. When the carrying amount exceeds the recoverable amount of assets, an impairment is recorded in the Profit and Loss Statement. A reversal of the impairment loss recorded in previous periods is accounted for when there is an indication that the recognised impairment loss on the asset no longer exists or has decreased materially. The reversal is accounted for in the Profit and Loss Statement under the same item under which the impairment loss was recorded.

Recoverable amount

Recoverable amount is calculated as the higher of the two: the fair value less sales costs and the value in use of the asset. The value in use of the asset is calculated by discounting future cash flows to their present value using a pre-tax discount rate that reflects realistic market assumptions about the time value of money and the risks associated with the asset.

2.9. Offsetting

Assets and liabilities and income and expenses are not offset in the preparation of financial statements unless a separate Lithuanian financial reporting standard requires such offsetting. Offsets of accounts receivable and accounts payable with the same third party are carried out when there is a sufficient legal basis for doing so.

2.10. Post-balance sheet events

Post-balance sheet events that provide additional information about the Company's position as of the balance sheet date (adjusting events) are reflected in the financial statements. Post-balance sheet events that are not adjusting events are disclosed in the Notes when material.

2.11. Contingencies

Contingent liabilities are not recognised in the financial statements. They are described in the financial statements, except where the likelihood of the loss of economically beneficial resources is very low.

Contingent assets are not recognised in the financial statements, but are described in the financial statements if there is the likelihood of generating income or economic benefits.

2.12. Related parties

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

2.13. Use of estimates in preparing financial statements

The preparation of financial statements in conformity with the Lithuanian Financial Reporting Standards requires the management to make certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of contingencies. For these financial statements, a significant area where estimates are used involves the assumptions used in the valuation of investment assets. Future events may change the assumptions used in making the estimates. The result of changes in such estimates will be accounted for in the financial statements when determined.

2.14. Financial risk management

The Company is exposed to various financial risks in the course of its business. Risk management is carried out by the management team.

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

Credit risk

The Company does not have a significant concentration of credit risk. Credit risk, or the risk that a counterparty will default on its obligations, is controlled through credit conditions and supervisory procedures. Credit risk is controlled by the Company itself and credit risk management companies are used where necessary.

Exchange rate risk

The Company does not have a significant concentration of exchange rate risk as the majority of its settlements are in euros.

Liquidity risk

The Company is a special purpose development vehicle which does not generate income on its own in the short term. The Company's activities are financed with the shareholder's funds based on 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 financing from the parent fund and credit institutions, to meet the commitments set out in its strategic plans.

Interest rate risk

The Company's income and cash flows from operations are largely independent of changes in market interest rates. The Company has no significant interest-earning assets.

The bonds issued by the Company are at fixed interest rates. The Company's bonds purchased by the related party are at the fixed interest rate, which is calculated on the basis of transfer pricing.

The Company does not use any financial instruments to manage the interest rate fluctuation risk.

3. Notes

3.1. Non-current tangible assets – Investment assets

	Land	Construction in progress	Total
a) Acquisition cost			
At the beginning of the previous financial year	12,284,734	1,499,847	13,784,581
Changes in the previous financial year:			
- acquisition of assets	-	2,092,474	2,092,474
- assets disposed of and written off (-)	-	-	-
- transfers from one item to another +/(-)	-	-	-
At the end of the previous financial year	12,284,734	3,592,321	15,877,055
Changes in the financial year:			
- acquisition of assets	-	11,690,590	11,690,590
- assets disposed of and written off (-)	-	-	-
- transfers from one item to another +/(-)	-	-	-
At the end of the financial year	12,284,734	15,282,911	27,567,645
b) Revaluation			
At the beginning of the previous financial year	-	-	-
Changes in the previous financial year:			
- gain / impairment +/(-)	-	-	-
- assets transferred to other parties and written off (-)	-	-	-
- transfers from one item to another +/(-)	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- gain / impairment +/(-)	-	-	-
- assets transferred to other parties and written off (-)	-	-	-
- transfers from one item to another +/(-)	-	-	-
At the end of the financial year	-	-	-
c) Depreciation			
At the beginning of the previous financial year	-	-	-
Changes in the previous financial year:			
- depreciation in the financial year	-	-	-
- reversals (-)	-	-	-
- assets transferred to other parties and written off (-)	-	-	-
- transfers from one item to another +/(-)	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- depreciation in the financial year	-	-	-
- reversals (-)	-	-	-
- assets transferred to other parties and written off (-)	-	-	-
- transfers from one item to another +/(-)	-	-	-
At the end of the financial year	-	-	-
d) Impairment			
At the beginning of the previous financial year	-	-	-
Changes in the previous financial year:			
- impairment in the financial year	-	-	-
- reversals (-)	-	-	-
- assets transferred to other parties and written off (-)	-	-	-
- transfers from one item to another +/(-)	-	-	-
At the end of the previous financial year	-	-	-
Changes in the financial year:			
- impairment in the financial year	-	-	-
- reversals (-)	-	-	-
- assets transferred to other parties and written off (-)	-	-	-
- transfers from one item to another +/(-)	-	-	-
At the end of the financial year	-	-	-

e)	Residual value at the beginning of the previous financial year	12,284,734	1,499,847	13,784,581
	Residual value at the end of the previous financial year	12,284,734	3,592,321	15,877,055
	Residual value at the end of the financial year	12,284,734	15,282,911	27,567,645

The Company owns a commercial land plot of 64.3 ha at Konstitucijos ave. 14A, Vilnius, acquired under the sale and purchase agreement dated 28 April 2021. The site is being developed as an office building with over 19,000 sq.m. of ground floor space, the architectural concept of which was selected in March 2022 in an international architectural competition. A building permit was obtained in October 2023 and construction works started in January 2024.

The recoverable amount of the investment property as at the end of 2024 is calculated on the basis of the valuation of 30 September 2024 carried out by the independent valuer, UAB Newsec valuations. The market value of the investment property is estimated by applying the discounted cash flow method, using a discount rate of 16% (16% in 2023) and a capitalisation rate of 6% (5.5% in 2023). The cash flows are projected over a 2-year period (the 3-year period in 2023), assuming an average long-term vacancy rate of 2-5% (2-5% in 2023) and an average income growth of 2.6-2.7% (2.3-2.9% in 2023). According to the independent valuer's report, the value of the investment property calculated using the discounted cash flow method was EUR 31,520,000 (EUR 16,490,000 in 2023).

Sensitivity analysis of the value of investment assets

The recoverable amount of the investment assets was determined using a capitalisation rate of 6% (5.5% in 2023) and a discount rate of 16% (16% in 2023). A 0.5 percentage point increase in the capitalisation rate would result in an impairment of the property of EUR 2,940,000 (EUR 4,640,000 in 2023) and a 0.5 percentage point decrease in the capitalisation rate would result in an increase in the value of the property of EUR 3,460,000 (EUR 5,570,000 in 2023). A 1 percentage point increase in the discount rate would result in an impairment of the property of EUR 630,000 (EUR 590,000 in 2023) and a 1 percentage point decrease in the discount rate would result in an increase in the value of the property of EUR 650,000 (EUR 610,000 in 2023). Other assumptions remain unchanged by changes in capitalisation and discount rates.

3.2. Other financial assets

	31 December 2024	31 December 2023
Bank guarantee for the performance of the contract	231,737	-
Total:	231,737	-

In March 2024, the Company issued a bank guarantee to AB Vilniaus šilumos tinklai for the performance of the contract, which is necessary to start and carry out the reconstruction of the Company's heat supply networks. The guarantee amount is EUR 231,737 and it is valid for a period of 5 years.

3.3. Prepayments made

	31 December 2024	31 December 2023
Deposit paid	15,000	-
Prepayments made to suppliers	410	1,333
Total:	15,410	1,333

In January 2024, the Company entered into a non-residential lease agreement, under which it paid a deposit of EUR 15,000 to the lessor. The agreement was concluded for a period of 19 months, with an option to extend for a further 3 months.

3.4. Accounts receivable within one year

	31 December 2024	31 December 2023
Receivable VAT	158,018	5,036
Trade debtors	-	26,630
Other accounts receivable	16,398	-
Total:	174,416	31,666

3.5. Cash and cash equivalents

	31 December 2024	31 December 2023
Cash equivalents	4,000,000	-
Cash at bank	1,795,851	1,445,720
Total:	5,795,851	1,445,720

3.6. Structure of authorised capital

The Company's authorised capital as at 31 December 2024 and 31 December 2023 was EUR 4,034,000 and the number of shares was 4,034,000. All the shares are ordinary registered shares with a nominal value of EUR 1 each, which were fully paid up as at 31 December 2024. The Company has no shares of its own.

3.7. Draft profit distribution

As of the date of signing these financial statements, the draft profit distribution had not been prepared.

3.8. Accounts payable and other liabilities

31 December 2024	Within one year	After one year, but no later than within five years	After five years
Financial debts:			
1. Debts	22,732	8,000,000	-
2. Accounts payable to group companies (Note 3.16)	-	20,280,875	-
Other debts:			
1. Debts to suppliers	3,173,796	-	-
2. Prepayments received	-	676,587	-
3. Employment-related liabilities	13,465	-	-
4. Other accounts payable and current liabilities	10	-	-
Total:	3,210,003	28,957,462	-

31 December 2023	Within one year	After one year, but no later than within five years	After five years
Financial debts:			
1. Debts	-	-	-
2. Accounts payable to group companies (Note 3.16)	-	13,938,913	-
Other debts:			
1. Debts to suppliers	164,217	-	-
2. Prepayments received	-	594,133	-
3. Employment-related liabilities	17,645	-	-
4. Other accounts payable and current liabilities	363	-	-
Total:	182,225	14,533,046	-

In 2024, the Company approved a prospectus for the placement of EUR 50 million of the Company's bonds issue. Under the prospectus, the Company is committed to list the bonds on the main list of Nasdaq Vilnius by April 2025. In 2024, the Company issued 80,000 units of secured non-convertible bonds with a nominal value of EUR 100 each. The interest rate is fixed, with interest payments to be made on semi-annual basis. Bond maturity date is 19 December 2026. All of the Company's investment assets are pledged as security for the performance of its obligations to bondholders (see Note 3.1).

3.9. Accrued expenses and deferred income

	31 December 2024	31 December 2023
Accrued audit costs	3,700	4,800
Accumulated financial accounting costs	1,000	1,000
Accrued costs of managing securities accounts	450	450
Total:	5,150	6,250

3.10. Rights and liabilities of the Company not shown in the balance sheet

Taxes

The tax administrator has not carried out a full tax audit of the Company. The tax administrator may at any time inspect accounting, transaction and other documents, records and tax returns for the current and the previous 3 calendar years, and in certain cases for the current and the previous 5 or 10 calendar years, and may assess additional taxes and penalties. Management of the Company is not aware of any circumstances that could give rise to a potential material liability for any unpaid taxes.

Legal proceedings

There are no litigations at the time of preparation of the financial statements.

3.11. Sales revenue

	2024	2023
Lease income	947	135,335
Total:	947	135,335

The Company entered into a lease agreement for the land plot at Konstitucijos ave. 14A, Vilnius in May 2021 and leased the land plot until the beginning of January 2024, when planned construction works started on the land plot owned by the Company.

3.12. General and administrative costs

	2024	2023
Employment-related expenses	101,053	81,183
Advertising and marketing	82,251	-
Brokerage services	21,600	-
Accounting and audit	18,215	10,900
Office expenses	15,078	1,392
Car rental and operation	7,598	6,647
Legal services	7,135	10,055
Insurance costs	6,540	1,689
Operating expenses for taxes	6,028	4,084
Business trip expenses	3,595	2,584
Consulting services	-	3,400
Other costs	10,890	8,245
Total:	279,983	130,179

3.13. Interest and other similar costs

	2024	2023
Interest on bonds	664,694	467,627
Other expenses from financing activities	92,965	-
Total:	757,659	467,627

3.14. Corporate income tax and deferred tax

The corporate tax rate used to calculate the deferred tax was 16% (15% in 2023).

As of 31 December 2024, the Company had an unrecognised deferred tax asset of EUR 384,469 (EUR 207,851 in 2022) on accrued tax losses. Deferred tax assets against tax losses were not recognised due to uncertainties in the future generation of sufficient tax profits. Accrued tax losses may be carried forward indefinitely.

3.15. Financial relationships with the Company's managers and other related parties

Average number of managers in 2024 was 1. The Chief Executive Officer is considered to be management of the Company, and there were no other transactions with her other than the remuneration paid in 2024 and 2023.

Transactions with other related parties

Transactions with other related parties and their balance at the end of the year were as follows:

	Costs of intra-group transactions	Accounts payable
2024	641,962	20,280,875
Shareholder	641,962	20,280,875
2023	467,627	13,938,913
Shareholder	467,627	13,938,913

As of 31 December 2024, the outstanding balance of the bonds was EUR 18,936,091 (EUR 13,006,002 as of 31 December 2023) with accrued interest payable amount of EUR 1,344,784 (EUR 932,911 as of 31 December 2023). The interest rate of the bond issue is fixed and the maturity date is 6 October 2026.

3.16. Going concern

In preparing the financial statements, the Company's management has considered all known facts and circumstances, both those that have been recorded and those that are reasonably likely to occur in the future, that could affect the Company's ability to continue as a going concern. The Company's current assets exceeded its current liabilities by EUR 2,778,430 (as of 31 December 2023, the Company's current assets exceeded its current liabilities by EUR 1,300,625).

As of 31 December 2024, the Company's equity capital was less than ½ of the authorised capital as stated in the Articles of Association and did not comply with the requirements of the Law on Companies of the Republic of Lithuania (as of 31 December 2023, the amount of equity capital was in line with the statutory requirements). The assets will be carried at fair value on completion of the development of the investment property, and if assets had been carried at fair value at 31 December 2024, the Company's capital would comply with the statutory requirements.

The Company is a special purpose development vehicle which does not generate income on its own in the short term. The Company's activities are financed with the shareholder's and borrowed funds based on the progress of the project and the need for working capital. As at the respective financial reporting date, the Company had approved a prospectus for a public bond issue totalling EUR 50 million, under which it has already successfully raised EUR 8 million from external financing (Note 3.8). In 2025, the Company plans to raise additional external financing by issuing the bonds, depending on the progress of the project and the need for working capital.

Accordingly, the financial statements have been prepared on a going concern basis.

3.17. Post-balance sheet events

There have been no material post-balance sheet events after the end of the financial year and up to the date of approval of these financial statements.

These financial statements have been electronically signed by:

Chief Executive Officer
Representative of the company managing the accounts

Ieva Antanaitytė - Genevičienė
Marina Lysova