

SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY AB TEWOX

AUDITED CONSOLIDATED FINANCIAL STATEMENTS FOR YEAR ENDED
31 DECEMBER 2023, PREPARED IN ACCORDANCE IFRS ACCOUNTING
STANDARDS AS ADOPTED BY THE EUROPEAN UNION

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Independent Auditor's Report

To the shareholders of special closed-end real estate investment company AB Tewox

Report on the Audit of the Consolidated Financial Statements

■ Opinion

We have audited the consolidated financial statements of special closed-end real estate investment company AB Tewox, managed by UAB Lords LB Asset Management ("Management Company"), and its subsidiaries ("the Group"). The Group's consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2023,
- the consolidated statement of profit or loss and other comprehensive income for the year then ended,
- the consolidated statement of changes in equity for the year then ended,
- the consolidated statement of cash flows for the year then ended, and
- the notes to the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

■ 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants and the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

■ Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Valuation of investment property

See Note 2.14 for accounting policy of investment property and Note 3.3 to the financial statements for financial disclosures.

The key audit matter	How the matter was addressed in our audit
<p>One of the main items of the Group's assets is the fair value of investment property amounting EUR 127 608 thousand as at 31 December 2023 (EUR 69 004 thousand as at 31 December 2022). The fair value of investment property is determined by external appraisers engaged by the Management Company; the fair value is generally determined under the discounted cash flow method and comparative transactions valuation method.</p> <p>The application of the above-mentioned valuation techniques requires a significant degree of judgement, including, but not limited to, in respect of discount rates, assumptions on future cash flows, terminal growth rate and comparative transactions.</p> <p>Due to the magnitude of the amounts involved and significance of judgments underlying the valuation of investment property we have identified this area as a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> - Obtaining understanding of the Group's fair value valuation process of investment property and testing the design and implementation of the selected key internal controls; - Assessing the experience, professional qualifications and objectivity of the external appraisers engaged the Management Company; - Assisted by our own valuation specialist: <ul style="list-style-type: none"> o reviewing the sample of contracts with tenants and assessing the appropriateness of the valuation methods and models applied by external appraisers by comparing them to the methodologies commonly used in valuations of similar assets as well as against the requirements of the relevant financial reporting standards; o challenging the key assumptions used in the valuation models applied by the external appraisers by comparing the key inputs, such as location, size, rent fees used in the discounted cash flow calculations, to our understanding of the SPVs' current operations, underlying contracts with tenants and external market data and our knowledge of the industry; o comparing the forecasted growth rates, discount rate and the exit yield used in the above valuations to current external market data and performing a retrospective review of budgeting accuracy in prior years; o evaluating the mathematical accuracy and integrity of the discounted cash flow models used in the valuation of assets; o assessing the appropriateness of selected comparative transactions and adjustment assumptions. - Evaluating the completeness of the financial statements disclosures relating to the valuation of the fair value of investment property.

Significant judgments with regards to assessment of the Group's ability to continue as a Going Concern

See Note 3.28 to the financial statements for financial disclosures.

The key audit matter	How the matter was addressed in our audit
<p>As at 31 December 2023 the Group's current liabilities by 23 181 506 EUR exceed current assets. The major part of short term liabilities comprise of Group's public bond emission in amount of EUR 24 965 133 which terms end on 30 April 2024 and 7 September 2024. The Group management plans to repay bonds by issuing new emission as described below.</p> <p>On December 29 2023, the Group has executed an early payment for a bond amount of EUR 4 200 000 and accrued interest of EUR 75 354, for which the term ends on 30 April 2024. Bond and accrued interest have been redeemed on 2 January 2024 (see Notes 3.6. and 3.11.). The remaining bond amount of EUR 4 870 000 and accrued interests will be refinanced by the Group's newly issued bonds on 1 February 2024.</p> <p>On 1 February 2024, the Group issued non-publicly distributed bonds for the total amount of EUR 10 000 000. During first tranche the investors acquired bonds for a total amount of EUR 2 604 000. During the second tranche the investors acquired bonds for a total amount of EUR 6 183 731. The Group is carrying out the third distribution of the bonds, according to which the bonds should be settled on 30 April 2024. Bond emission is meant to refinance bond emission, which term ends on 30 April 2024.</p> <p>Also, the Group plans to issue second, two-year non-public bond emission of EUR 16 000 000 in order to finance its bond emission, which term ends 7 September 2024. Therefore, the Group's liquidity shall be ensured by an additional cash inflow from new bond emission.</p> <p>Based on the reasons provided above, Management of the Group decided, that no material uncertainty exists regarding Group's ability to continue as a going concern and these financial statements have been prepared on a going concern basis.</p> <p>The Group's use of the going concern basis of accounting is a key audit matter due to the associated extent of uncertainty, and consequently, high level of judgment required in evaluating the Managements' ability to raise capital and obtain financing.</p>	<p>Our procedures over the going concern assumption included but were not limited to:</p> <ul style="list-style-type: none"> - inspecting the Managements' going concern assessment, including their evaluation of the business and liquidity risks and plans for further actions in response to the risks identified; - Assessing the availability of financing facilities and arrangements including Company's and Group's ability to raise capital and obtain financing in previous years and after reporting date before issuance of the financial statements for the year ending 31 December 2023; - considering whether any additional relevant facts or information have become available since the date on which the Group made its assessment; - evaluating the appropriateness of Group's disclosures in respect of the going concern assessment, subsequent events and any related uncertainties in the annual accounts.

■ Other Information

The other information comprises the information included in the consolidated annual management report, but does not include the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the consolidated annual management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements and whether consolidated annual management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the consolidated financial statements, in our opinion, in all material respects:

- The information given in the consolidated annual management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- The consolidated annual management report has been prepared in accordance with the requirements of the Law on Consolidated Financial Reporting by Groups of Undertakings of the Republic of Lithuania.

■ Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

■ Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



■ Report on Other Legal and Regulatory Requirements

Based on the agreement signed under decision of the Managing Company shareholders we were appointed on 19 October 2021 for the first time to audit the Group's financial statements for 2021. Our appointment to audit the Group's financial statements is renewed every three years. The total uninterrupted period of engagement is 3 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the additional report which we have submitted to the to the Group and its Audit Committee.

We confirm that in light of our knowledge and belief, services provided to the Group are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of audit, we have not provided any other services except for audit of the separate and consolidated financial statements.

On behalf of KPMG Baltics, UAB

Toma Jensen
Partner pp
Certified Auditor

Vilnius, the Republic of Lithuania
29 April 2024

The electronic auditor's signature applies only to the Independent Auditor's Report on pages 3 to 8 of this document.

Consolidated Statement of Financial Position

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Right of use assets	3.2.	2 300 025	930 406
Investment property	3.3.	127 607 886	69 004 293
Other non-current assets	3.4.	374 000	661 294
Derivative financial instruments	3.5.	1 235 976	514 507
Total non-current assets		131 517 887	71 110 500
Current assets			
Other current assets	3.6.	4 546 625	49 346
Contract assets	3.7.	627 605	237 346
Trade receivables	3.8.	166 652	101 018
Derivative financial instruments	3.5.	25 820	-
Cash and cash equivalents	3.9.	3 338 331	3 577 277
Total current assets		8 705 033	3 964 987
TOTAL ASSETS		140 222 920	75 075 487

The following notes form an integral part of these financial statements.

These reports have been electronically signed by:

Director of management company
Company manager
Company representative in charge of accounting

Vilma Tvaronavičienė
Efim Hiterer
Tadas Pranckevičius

Consolidated Statement of Financial Position (cont'd)

	Notes	31 December 2023	31 December 2022
EQUITY AND LIABILITIES			
Equity			
Share capital	3.10.	38 036 364	31 430 000
Share premium	3.10.	636	-
Currency revaluation reserve		763 248	19 918
Retained earnings (losses)		5 176 682	1 686 326
Total equity		43 976 930	33 136 244
Non-current liabilities			
Loans received	3.11.	60 961 797	20 768 412
Lease liabilities	3.12.	2 333 744	937 226
Deferred tax liabilities	3.25.	982 455	347 635
Contract liabilities	3.13.	81 455	118 677
Total non-current liabilities		64 359 451	22 171 950
Current liabilities			
Trade and other payables	3.14.	1 138 898	903 944
Contract liabilities	3.13.	247 894	26 406
Income tax liabilities	3.25.	-	22 186
Loans received	3.11.	2 991 225	8 670 278
Bonds issued	3.11.	24 965 133	10 128 063
Payments received in advance	3.14.	2 500 000	-
Lease liabilities	3.12.	691	701
Employment related liabilities	3.16.	42 698	15 715
Total current liabilities		31 886 539	19 767 293
TOTAL LIABILITIES		96 245 990	41 939 243
TOTAL EQUITY AND LIABILITIES		140 222 920	75 075 487

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Efim Hiterer
Tadas Pranckevičius

Consolidated Statement of Profit or Loss and Other Comprehensive Income

	Notes	2023	2022
Income	3.17.	8 209 089	4 280 483
Profit due to changes in fair value of investment property	3.3.	2 078 941	142 351
Real estate and land tax expense	3.18.	(380 872)	(204 050)
Maintenance and repair costs of buildings	3.19.	(587 947)	(345 852)
Utilities	3.20.	(145 317)	(41 988)
Administrative costs	3.21.	(1 991 243)	(1 230 868)
Wages and related expenses	3.22.	(347 916)	(136 769)
Other costs	3.23.	(493 409)	(185 448)
Operating profit		6 341 326	2 277 859
Finance costs	3.24.	(4 848 091)	(1 192 877)
Finance income	3.24.	2 921 225	517 655
Profit before tax		4 414 460	1 602 637
Income tax	3.25.	(924 104)	(270 611)
Net profit (loss)		3 490 356	1 332 026
Other comprehensive income			
Other comprehensive income that will not be reclassified to profit or loss:			
Exchange rate differences on translation of foreign operations		743 330	19 918
Net other comprehensive income that will not be reclassified to profit or loss		743 330	19 918
Total comprehensive income		4 233 686	1 351 944

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Company representative in charge of accounting

Vilma Tvaronavičienė
Efim Hiterer
Tadas Pranckevičius

Consolidated Statement of Changes in Equity

	Share capital	Share premium	Currency revaluation reserve	Retained earnings	Total
Balance as at 31 December 2021	23 475 000	-	-	354 300	23 829 300
Net profit	-	-	-	1 332 026	1 332 026
Other comprehensive income	-	-	19 918	-	19 918
Total comprehensive income for the year	-	-	19 918	1 332 026	1 351 944
Shares issued	7 955 000	-	-	-	7 955 000
Balance as at 31 December 2022	31 430 000	-	19 918	1 686 326	33 136 244
Balance as at 1 January 2023	31 430 000	-	19 918	1 686 326	33 136 244
Net profit	-	-	-	3 490 356	3 490 356
Other comprehensive income	-	-	743 330	-	743 330
Total comprehensive income for the year	-	-	743 330	3 490 356	4 233 686
Shares issued	6 606 364	636	-	-	6 607 000
Balance as at 31 December 2023	38 036 364	636	763 248	5 176 682	43 976 930

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Company manager
Company representative in charge of accounting

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Efim Hiterer
Tadas Pranckevičius

Consolidated Statement of Cash Flows

	Notes	2023	2022
Profit before tax		4 414 460	1 602 637
Adjustments for:			
Finance income	3.24.	(2 921 225)	(517 655)
Finance costs	3.11., 3.24.	4 848 091	1 192 877
Right of use assets depreciation	3.2., 3.23.	22 994	12 570
Profit (loss) from acquisition of subsidiaries	3.17., 3.23.	69 701	(3 709)
(Increase)/decrease in fair value of investment property	3.3.	(2 078 941)	(142 351)
Operating cash flows before working capital adjustments		4 355 080	2 144 369
Decrease/(increase) in trade and other receivables	3.6., 3.8.	(287 098)	172 736
Decrease/(increase) in contract assets	3.7.	(390 259)	(36 934)
Increase/(decrease) in trade and other payables	3.15.	258 888	126 223
Increase/(decrease) in contact liabilities	3.7.	184 266	(20 516)
Operating cash flows after working capital adjustments		4 120 877	2 385 878
Income taxes paid		(320 054)	(232 343)
Net cash flows from operating activities		3 800 823	2 153 535
Acquisition of investment property	3.3.	(54 904 364)	(9 407 798)
Acquisition of subsidiaries	3.1.	(67 114)	(4 024 676)
Payments to deposit bank account	3.4., 3.9.	287 294	(351 492)
Net cash flows used in investment activities		(54 684 184)	(13 783 966)
Advances received for shares to be issued	3.10.	2 500 000	-
Interest paid	3.11.	(2 115 385)	(656 023)
Loans received	3.11.	57 545 440	3 971 620
Loans repaid	3.11.	(24 552 458)	(7 333 658)
Bonds issued	3.11.	24 087 602	10 128 063
Bonds redeemed	3.11.	(10 128 063)	-
Advance payments	3.6.	(4 275 354)	-
Other financial costs	3.24.	(101 692)	(415 955)
Shares issued	3.10.	6 606 364	7 955 000
Payment of lease liabilities	3.12.	(114 404)	(65 595)
Share premium		636	-
Net cash flows from financing activities		49 452 686	13 583 452
Net change in cash and cash equivalents		(1 430 675)	1 953 021
Cash and cash equivalents at the beginning of the year		3 577 277	1 560 144
Impact of foreign exchange rate changes		1 191 729	64 112
Cash and cash equivalents at the end of the year		3 338 331	3 577 277

The following notes form an integral part of these financial statements.

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Director of management company
Company manager
Company representative in charge of accounting

Vilma Tvaronavičienė
Efim Hiterer
Tadas Pranckevičius

Notes to the Financial Statements

1. General information

Special closed-end real estate investment company AB Tewox (hereinafter referred to as the "Company") was registered in the Republic of Lithuania on 6 April 2021, registration number 305733600. The address of the company is Jogailos str. 4, Vilnius. Data is stored and collected by the Centre of Registers. On 26 April 2021 the Supervision Service of the Bank of Lithuania approved the Articles of Association of the Company and allowed to choose the depositary. The code assigned to the company is F095.

The Company's purpose is to earn a return to shareholders from investments in income generating real estate objects in the Baltic Sea region countries – Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland and Germany. The period of operation of the Company is 50 years from the moment when the Supervision Service of the Bank of Lithuania approves the Articles of Association of the Company, i.e. until 26 April 2071. During the period of the company's activity, the redemption of shares is restricted.

The paid-up share capital of the Company as at 31 December 2023 is equal to EUR 38 036 364 (2022 - EUR 31 430 000). Share capital consists of 38 036 364 (2022 - 31 430 000) - ordinary intangible shares with a nominal value of EUR 1 per share. Share premium amounts to EUR 636 (2022 - EUR 0). The Company does not have its own shares.

As at 31 December 2023 the Company controlled the following subsidiaries:

Subsidiary	Country	Acquisition date	Ownership share	Number of shares	Nominal value, EUR
UAB "Janonio 27"	LT	2021-06-18	100%	1 226 500	1,00
UAB "Prekybos centrų plėtros investicijos"	LT	2021-08-26	100%	1 356 000	1,00
SIA Gronvest	LV	2021-10-25	100%	2 800	1,00
UAB "SMI Alytus"	LT	2021-10-27	100%	18 500	2,90
UAB "BFIII Kaunas"	LT	2021-11-23	100%	3 955	144,81
UAB "Kuršėnų turtas"	LT	2022-01-31	100%	1 108 000	1,00
"Peppercon 8" Sp. z o.o.	PL	2022-02-01	100%	100	11,52
Reinvest Holding OU	EE	2022-08-31	100%	1	10 000,00
UAB "Esulda"	LT	2022-10-20	100%	2 500	1,00
"KA Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
"PR Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
"SW Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
"PU Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
"GL Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
UAB "MD Europa"	LT	2022-12-13	100%	100 000	0,29
UAB "Lairina"	LT	2023-05-18	100%	2 500	1,00
"Valcutel Investments" sp. z o.o.	PL	2023-08-22	100%	100	11,52
"Dotilleby Investments" sp. z o.o.	PL	2023-08-22	100%	100	11,52
"Baixeredost Investments" sp. z o.o.	PL	2023-09-26	100%	100	11,52

Special closed-end real estate investment company AB Tewox
Registration number: 305733600, address: Jogailos str. 4, Vilnius
The Company's Consolidated Financial Statements for the year ended 31 December 2023
Management company UAB Lords LB Asset Management, reg. code: 301849625
(all amounts presented in EUR unless otherwise indicated)

As at 31 December 2022 the Company controlled the following subsidiaries:

Subsidiary	Country	Acquisition date	Ownership share	Number of shares	Nominal value, EUR
UAB „Janonio 27“	LT	2021-06-18	100%	1 226 500	1,00
UAB „Prekybos centrų plėtros investicijos“	LT	2021-08-26	100%	1 356 000	1,00
SIA „Gronvest“	LV	2021-10-25	100%	2 800	1,00
UAB „SMI Alytus“	LT	2021-10-27	100%	18 500	2,90
UAB „BFI Kaunas“	LT	2021-11-23	100%	3 955	144,81
UAB „Kuršėnų turtas“	LT	2022-01-31	100%	1 108 000	1,00
„Peppercorn 8“ sp. z o.o.	PL	2022-02-01	100%	100	10,68
„Reinvest Holding“ OU	EE	2022-08-31	100%	1	10 000,00
UAB „Esulda“	LT	2022-10-20	100%	2 500	1,00
„Caruantil Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
„Espidatell Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
„Evoratedelle Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
„Eximendell Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
„Faroditelles Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
UAB „MD Europa“	LT	2022-12-13	100%	100 000	0,29

The activity of subsidiaries is the development and management of real estate. Subsidiaries generate income from real estate objects located in Lithuania and Poland, except for the subsidiaries SIA Gronvest and Reinvest holding OU. The latter operates in Latvia and Estonia.

During 2023, the Company's Polish subsidiaries, namely Caruantil Investments Sp. Z o.o., Espidatell Investments Sp. Z o.o., Evoratedelle Investments Sp. Z o.o., Eximendell Investments Sp. Z o.o. and Faroditelles Investments Sp. Z o.o., have been renamed to KA Park Sp. Z o.o., PR Park Sp. Z o.o., SW Park Sp. Z o.o., PU Park Sp. Z o.o. and GL Park Sp. Z o.o. respectively.

The management of the Company has assessed whether the Company meets the definition and characteristics of an investment entity in accordance with IFRS 10. Based on the management's assessment, the Company does not meet the definition and characteristics of an investment entity, as firstly, the Company does not only provide investment management services, but Company manager actively participates in day-to-day Company's operations. Company manager is responsible for negotiating with tenants and signing contracts. Moreover, there are more management company's employees which are responsible for maintenance work, such as area cleaning, pipe repairing and etc. Secondly, the Company does not have exit strategy and it is designed to operate as Cash Flow generating unit.

Therefore, based on the above, the Company has assessed the control of subsidiaries and prepared consolidated financial statements to present the assets, liabilities, equity, expenses and cash flows of the Company and its subsidiaries as a single economic unit (thereinafter - the Group).

As at 31 December 2023 the Group had 4 employees (3 employees as at 31 December 2022).

The management of the Company is transferred to the management company UAB Lords LB Asset Management (hereinafter referred to as the Management Company), which was established and registered on 8 September 2008, the company code 301849625, registered office at Jogailos str. 4, Vilnius, Republic of Lithuania. Company data is collected and stored in the Register of Legal Entities of the Republic of Lithuania. Decided by the Lithuanian Securities Commission, on 23rd of December 2008 UAB Lords LB Asset Management was granted an asset management licence (no. VJK – 016), acting in accordance with the Lithuanian Collective Investment Undertakings Law. On 5th of December, 2013, decision no. 03-201, the management of the Bank of Lithuania has decided to extend the asset management licence no. VJK – 016 and to grant the Management entity the power to manage collective investment undertakings, established based on the Lithuanian Law of Collective Investment Undertakings for informed investors. On 23rd of June 2015 the Management entity was granted the licence (no. 1) of a Management entity operating in accordance with the Law of Collective Investment Undertakings for professional investors.

The depository of the Company is AB Swedbank, company code 112029651, registered office at Konstitucijos ave. 20A, 03502, Vilnius, Lithuania.

The Company's audit is carried out by KPMG Baltics, UAB, company code 111494971, registered office at Lviso str. 101, 08104, Vilnius, operating under licence no. 001446 issued by the Lithuanian Chamber of Auditors.

The financial year of the Group coincides with the calendar year.

According to the laws of the Republic of Lithuania, the Group has prepared annual financial statements and it has to be approved at the Board meeting. Members of the Board have the right to approve or reject and to require the preparation of new financial statements.

2. Accounting policy

The following are the main accounting principles used by the Group in preparing these consolidated financial statements.

2.1. Basis for preparation

The Management Company, managing the Company's accounting and compiling financial statements, complies with the laws of the Republic of Lithuania on accounting, the laws of the Republic of Lithuania on collective investment undertakings, general accounting principles as defined in IFRS Accounting Standards (hereinafter referred to as – IFRS) adopted for use in the European Union (EU) as well as other legal acts.

The Company's accounts are kept separately from the Management Company in accordance with the approved chart of accounts. The Company is managed in accordance with the Republic of Lithuania Law on Collective Investment Undertakings.

The consolidated financial statements are prepared based on going concern and on the assumption that the Group will be able to continue its activities in the near future.

These financial statements are prepared on the basis of the historical cost of acquisition, adjusted for the revaluation of investment property and derivative financial instruments at fair value through profit or loss.

All amounts in these consolidated financial statements are denominated in euro. Transactions denominated in foreign currency are accounted for at the official exchange rate of the Bank of Lithuania at the date of the transaction. Gains and losses on such transactions and on the revaluation of foreign currency assets and liabilities at the date of the statement of financial position are recorded in the profit and loss account. Such balances are revalued at the exchange rate at the end of the reporting period.

2.2. Calculation of net asset value (NAV)

The Company's net asset value is calculated as the difference between the value of the Company's assets and liabilities. The Company's NAV calculation principles are set out in the Company's prospectus and articles of association. The Company's NAV shall be determined for the last calendar day of the quarter of the calendar year. During the distribution periods, the Company's NAV may be additionally determined on the last calendar day of the calendar month preceding the calendar month in which the decision to increase the share capital is taken. In the case of redemption of shares, NAV may be additionally determined on the last calendar day of the calendar month in which redemption takes place.

When calculating NAV, the Company is not consolidated with its owned companies. In NAV's calculations, the Company's equity holdings are valued at fair value based on an independent appraiser valuation and may therefore differ from the equity assigned to the shareholders provided in these consolidated financial statements.

The value of the Company's shares is determined by dividing the NAV by the total number of paid shares in circulation. The value of the Company's shares is determined to four decimal places.

The values of the Company's net assets (NAV) and shares are calculated in euros.

2.3. Principles of consolidation

The consolidated financial statements include the financial statements of the Company and its controlled entities (subsidiaries) as of 31 December of each year. The Company is considered to have control when:

- Has the power to manage an investee;
- Is entitled to a variable return on investment; and

- Has the power to affect return on investment.

The Company reassesses whether it controls an investment entity if the facts and circumstances indicate a change in one or more of the three elements of control listed above.

Where the Company holds less than a majority of the investor's voting rights, it shall be deemed to have power over the investment entity when the voting rights are sufficient to unilaterally influence the relevant activities of the investment entity. The Company shall consider all relevant facts and circumstances when assessing whether the Company's voting rights in an investment entity are sufficient to empower it, including:

- The size of the voting rights held by the Company in relation to the size and distribution of shares held by other shareholders;
- Possible voting rights held by the Company, other holders of votes or other parties;
- Rights arising from other contracts; and
- Any additional facts and circumstances that indicate that the Company currently has or does not have the ability to direct the relevant activities at a time when decisions need to be made, including voting patterns at previous shareholders meetings.

Consolidation of a subsidiary begins when the Company acquires control of the subsidiary and ends when the Company loses control of the subsidiary. The results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date on which the Company obtains control until the date that the Company ceases to control the subsidiary.

The main activities of the subsidiaries are carried out in Poland, whose national currency is the Polish zloty (PLN), and local financial statements are prepared using the national currency, therefore it was decided to consider the zloty as the functional currency of the subsidiaries.

Profit or loss and each component of other comprehensive income are attributed to the Company's owners and minority interests.

Where necessary, the financial statements of subsidiaries are adjusted to ensure consistency with the policies adopted by the Group.

All the Group's assets and liabilities, equity, income, expenses and cash flows related to transactions between Group members are eliminated on consolidation.

When the Group loses control of a subsidiary, the gain or loss on disposal recognized in profit or loss is calculated as the difference between (i) the fair value of the consideration received and the Company's interest in the entity after the transaction and (ii) the previous carrying amount of assets (including goodwill) minus the liabilities of the subsidiary and minority interests. All amounts previously recognized in other comprehensive income relating to a subsidiary are accounted for as if the Group had directly transferred the related asset or liability of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required / permitted by applicable IFRS). Any investment retained in a former subsidiary after the transfer of ownership of the subsidiary is carried at fair value on initial recognition in accordance with IFRS 9 Financial Instruments, or at cost of an associate.

2.4. Asset acquisitions

Where property is acquired, via corporate acquisitions or otherwise, management considers the substance of the assets and activities of the acquired entity in determining whether the acquisition represents the acquisition of a business or assets. The basis of the judgement is set out in Note 2.23. Where such acquisitions are not determined to be an acquisition of a business, they are not treated as business combinations. Rather, the cost to acquire the corporate entity or assets and liabilities is allocated between the identifiable assets and liabilities of the entity based on their relative values at the acquisition date.

2.5. Financial risk management

The Group is exposed to market, credit, liquidity, foreign exchange and capital management risks. These risks shall be managed in accordance with the principles of best practice. Management continuously monitors these risks for the appropriateness of financing and hedging strategies.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and

commodity risk. Financial instruments affected by market risk include loans and borrowings and derivative financial instruments. The Group is not exposed to price risk.

The following sections provide the description about each of the market risk and the impact to the Group's results due to changes in market prices.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates.

Interest rate risk may relate to a variable EURIBOR interest rate that would increase or decrease the Group's receivables and/or payables if interest rate would change.

The Group's loans relate to a variable interest rate linked to EURIBOR and create interest rate risk. The Group has financial liabilities with a variable interest rate as follows:

	31 December 2023	31 December 2022
Financial assets	-	-
Financial liabilities	(88 918 155)	(39 566 753)
	(88 918 155)	(39 566 753)

The changes in the Group's result due changes of EURIBOR interest rate is presented in the table below:

	Increase by 2,5%	Decrease by 2,5%	Increase by 1%	Decrease by 1%
31 December 2022	(989 169)	989 169	(395 668)	395 668
31 December 2023	(2 222 954)	2 222 954	(889 182)	889 182

As at 31 December 2023 and 31 December 2022 the Group has hedged against the variable interest rate risk for the loan received (note 3.5.).

The nominal value of interest rate swap instrument is provided below:

	31 December 2023	31 December 2022
Interest rate swap nominal value	30 969 706	8 402 758
	30 969 706	8 402 758

If the EURIBOR interest rate changes by one percentage point, the Group's result would change as follows:

	Increase by 1%	Decrease by 1%
31 December 2022	5 145	(5 145)
31 December 2023	12 618	(12 618)

The fair value of the interest rate swap is presented in Note 3.5.

Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates.

Group's payments with partners related to Group's activity in Poland are mostly made in local currency zloty. Accordingly, there is a risk that the Group's receivables and payables will increase or decrease due to changes in the exchange rate.

Meanwhile, the Group's payments with partners related to Group's activity in Lithuania and Baltic region are made in euro, except in isolated cases that may occur, so there is no material foreign currency exchange risk.

The Group does not use any derivative instruments for the risk management of foreign currency exchange rate changes.

As at 31 December, the Group's assets and liabilities that are exposed to foreign currency exchange rate risk is presented in the table below:

	31 December 2023	31 December 2022
Assets	80 419 114	22 642 320
Liabilities	(39 796 606)	(5 587 120)
Net assets	40 622 508	17 055 200

Respectfully, if the exchange rate between euro and zloty changes by one percentage point, the Group's equity would change as follows:

	Increase by 1%	Decrease by 1%
31 December 2022	168 863	(172 275)
31 December 2023	402 203	(410 328)

Although a large part of the Group's assets consists of property in Poland, accounted for in zlotys, the management of the Group has determined that the functional currency of the Group is euros, since the majority of the Group's payments are made in euros, the majority of lease agreements are concluded in euros, and all the Group's loans are received in euros.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risks from both its leasing activities and financing activities, including deposits with banks and financial institutions and derivatives.

The credit risk of the Group relates mainly to receivables for which a simplified model is used to calculate expected credit loss, when historical bad debts and macroeconomic indicators are assessed, thereby calculating the expected credit loss. Receivables include:

Trade receivables under contracts with customers

Tenants are assessed according to Group criteria prior to entering into lease arrangements. Credit risk is managed by requiring tenants to pay rentals and services to tenants in advance. Outstanding tenants' receivables are regularly monitored by the Group's management. An impairment analysis is performed at each reporting date on an individual basis for all tenants' receivables. Generally, the receivables are written-off if they are past due for more than 181 days. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial asset. Based on the impairment analysis the amount of EUR 399 of impairment were recognized due to tenants who were declared insolvent.

Financial instruments and cash deposits

Credit risk related to banks and financial institutions is limited as the Group performs operations with banks with high long-term credit ratings issued by foreign rating agencies. Bank ratings are given in Note 3.9. Having assessed the high creditworthiness ratings of banks, the Group's management considers the probability of bankruptcy of banks to be close to zero.

Liquidity risk

Liquidity risk is the risk that the Group may not be able to generate sufficient cash resources to fully meet its obligations under the intended terms or may only do so under materially disadvantageous conditions. The purpose of the Group is to maintain sufficient liquidity resources to carry out its activities, cover its financial obligations and provide funds for capital expenditure and investment opportunities. The Group aims to achieve its goals in the following ways:

- Preparation of regular forecast cash flows to anticipate the use of funds; and
- Identification of future financing, including new debt opportunities.

The table below summarizes the maturity of the Group's financial liabilities on the basis of undiscounted contractual payments:

31 December 2023

	Cash flows				
	Total	Up to 1 year	In 1 - 2 years	In 2 - 5 years	After 5 years
Interest-bearing loans and liabilities	90 929 404	28 895 773	8 518 014	53 515 617	-
Nuomos įsipareigojimai	12 678 825	163 087	163 087	489 261	11 863 390
Trade payables	459 890	459 890	-	-	-
Contract liabilities	329 349	329 349	-	-	-
	104 397 468	29 848 099	8 681 101	54 004 878	11 863 390

31 December 2022

	Cash flows				
	Total	Up to 1 year	In 1 - 2 years	In 2 - 5 years	After 5 years
Interest-bearing loans and liabilities	43 339 669	20 404 825	1 766 169	21 168 675	-
Lease liabilities	4 610 579	66 794	66 794	267 174	4 209 818
Trade payables	653 187	653 187	-	-	-
Contract liabilities	145 083	145 083	-	-	-
	48 748 518	21 269 888	1 832 963	21 435 849	4 209 818

The information on the Group's cash at bank is presented in Note 3.9 and amounts receivable from contracts with customers in Note 3.8.

The Group does not have any unused credit lines. The information on the Group's going concern is presented in Note 3.28.

Capital management

The Group's objectives in the management of capital are to safeguard the Group's ability to continue its activities as a going concern in order to provide returns to investors and benefits other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the Group's capital management, capital includes issued share capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Group's capital management is to maximise the shareholder value.

The Group performs the following in order to maintain capital structure and ensure effective capital management:

- Regularly monitor the performance of the Group and adjust distributions the Group pays to shareholders;
- Issue new shares in accordance with the constitutional documents of the Group to existing or new shareholders;
- Restrict redemption of shares in accordance with the constitutional documents.

2.6. Principles for recognizing revenue under contracts with customers

Revenue under contracts with customers is recognised under the 5-step model:

Step 1 – Identify contracts with customers.

A contract is an agreement between two or more parties (depending on the terms of a purchase or sale) that creates enforceable rights and enforceable obligations and to which the customer is a party. The customer is a party to a contract with the Group to receive services for consideration. A contract with a customer to which IFRS 15 applies is accounted for when the following criteria are met:

- the parties have approved the contract (in writing, orally or in accordance with other normal business practices) and are committed to their respective obligations;
- it is possible to identify the rights of each party in relation to the goods or services to be transferred;
- it is possible to identify the payment terms provided for the goods or services to be transferred;

- the contract is of a commercial nature;
- The Group will receive a consideration, the right to which it will acquire in exchange for goods or services that will be transferred to the customer.

Step 2 – Identify operational commitments.

An operating obligation is a contractual commitment to provide services. If the services can be separated, the performance obligation is recognized separately. Each performance obligation is identified in one of the following ways:

- a service (package of services) that is distinct,
- a set of separate services that are essentially the same and delivered to the customer according to the same model.

Step 3 – Set the transaction price.

In determining the transaction price, the Group takes into account the terms of the agreement, the legislation of the Republic of Lithuania and its usual business practices. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for the promised services delivered to the customer, excluding amounts collected on behalf of third parties (such as certain sales taxes). The consideration promised in the contract with the client may include fixed amounts, variable amounts or both. As of 31 December 2023 and 2022, the Group had only contracts with fixed amounts.

Step 4 – Assigning the transaction price to operating liabilities.

When assigning a transaction price, the Group attributes to each operating liability the amount of the transaction price that represents the amount of consideration to which the Group expects to be entitled in exchange for the promised services delivered to the customer.

Step 5 – Revenue recognition when the company carries out operating obligations.

The Group recognizes revenue when it discharges an operating obligation by delivering a promised service to a customer. Operating commitments are settled over a period of time. The amount of revenue recognized is equal to the amount attributed to the operating obligation fulfilled. Revenue is recognized when the Company transfers control over the services.

Rental income

Rental income from operating leases is recognized on a straight-line basis over the lease term. Discounts or other incentives to enter into a lease are recognized on a straight-line basis over the term of the lease, regardless of cash flows. The lease term is the minimum period for which the lessee must lease the leased object. The lease term includes an additional period for which the lessee is given the opportunity to extend the lease if the Company's management reasonably believes that the lessee will exercise this option.

Termination income or compensation for damage caused by a lessee is recognized when it is probable that the economic benefits associated with the termination of the transaction or the damage will flow to the Group.

Utility revenue

The Group provides utilities to customers who rent premises from the Group. The Group does not provide utilities itself but arranges for the services to be provided to the customer, so the Group acts as an intermediary. Only net income, which remains for the Group as commissions, is recognized as revenue. Revenue is recognized when the service is rendered.

2.7. Segment information

The Group operates in one operating segment from which it recognises income – retail. The Group acquires, develops, and leases shopping malls. Further, the Group generates income from two geographical areas – Lithuania and Poland.

The information on Group's income and investment assets based on the different segments and geographical areas are presented in the table below:

	Retail
Revenue Rental income	8 209 089
Lithuania	4 037 163
Poland	4 171 926
Investment assets	127 607 886
Lithuania	51 912 529
Poland	75 695 357

There are no revenues from transactions with a single external customer that account for 10% or more of the Group's total revenues.

2.8. Expense recognition

Expenses are recognized on an accrual and matching principles in the accounting period in which the related revenue is earned, regardless of when the cash is disbursed. Where expenses incurred during the reporting period cannot be directly related to the earning of specific revenue and will not generate revenue in future periods, these expenses are recognized as an expense in the same period in which they were incurred. The cost is usually estimated by the amount of money paid or payable, excluding VAT. In cases where a long settlement period and interest are not allocated, the cost is estimated by discounting the settlement amount at the market interest rate.

The Company may incur only such expenses that are related to the management of the Company and are set forth in the Company's prospectus or articles of association. All other costs not specified in the prospectus or in the statutes or exceeding the amounts set shall be paid by the Management Company.

The Company incurs Management fee, depositary fee, remuneration of auditors and asset appraisers, accounting, exchange rate insurance, litigation, financial institutions, securities and other account management fees, clearance, registration and deregistration of collateral, forced recovery, state and municipal taxes and levies, preparation and provision of information about the Company to participants, establishment, consultation, remuneration to financial intermediaries of the Company are covered by the Company's assets. The limit of all these expenses shall not exceed 15% of the Company's average annual NAV.

For individual types of costs, maximum cost amounts are set from the Company's average annual NAV:

Type of expense	Maximum amount
Depositary fee	0.20 %
Remuneration of financial intermediaries	1.50 %

Shareholders pay a one-time Distribution Fee to the Management Company or another distributor in accordance with the conditions described below, which apply to each Shareholder individually. The amount of the distribution fee shall be:

- 2.0% of the amount paid for the Shares, if the amount paid by the Shareholder for the Shares is up to EUR 249 999;
- 1.0% of the amount paid for the Shares, if the amount paid by the Shareholder for the Shares is between EUR 250 000 and EUR 499 999;
- 0.0% of the amount paid for the Shares if the amount paid by the Shareholder for the Shares is EUR 500 000 or more.

The management fee is the remuneration paid to the Management Company for the management of the Company's assets, which is calculated in the following order:

- from the beginning of the Company's activities to the first day of the investment – EUR 50 000;
- from the first day of the investment until the end of the month in which the Company's NAV reaches EUR 150 000 000 – 1.50% per annum from the Company's respective monthly NAV;
- from the beginning of the month following the month in which the Company's NAV reaches EUR 150 000 000 to the end of the month in which the Company's NAV reaches EUR 250 000 000 – 1.00% per year from the Company's corresponding monthly NAV;
- from the beginning of the month following the month in which the Company's NAV reaches EUR 250 000 000 – 0.75% per year from the Company's respective monthly NAV.

The Articles of Association of the Company provide for a success fee for the Management Company, which depends on the Company's net return on investment throughout its life. When the 10 % hurdle rate is exceeded, the success fee is recorded on an accruals basis.

All other deductions to the Management Company, the depositary and other expenses shall be recognized on an accruals basis.

2.9. Leases

Lease – Group as a lessor

The Group, as lessor, enters into leases for certain of its investment property. Under IFRS 16, a lease where the Group is the lessor, is classified as a finance or operating lease. When the terms of a lease transfer substantially all the risks and rewards incidental to ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating the lease of a non-current asset and adding the leased asset are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

Amounts payable from lessees under finance leases are recognized as receivables.

Lease – Group as a lessee

For leases where the Group is recognised as a lessee, the right of use assets and the corresponding lease liability are recognized from the moment the leased asset becomes available for use by the Group.

A right of use asset is measured at acquisition cost, which includes an initial estimate of the lease liability, lease payments made before or after starting the lease of the asset (less the lease incentives received), initial direct costs incurred by the Group. Lease liabilities are valued at net present value of lease payments.

Lease payments are discounted at the interest rate provided for in the lease agreement. If interest rate could not be easily determined, the borrowing rate may be used. This is the interest rate that the lessee would have to pay for the debt obligations necessary for the acquisition of right of use assets in a similar economic environment and under similar conditions and guarantees as provided for in the lease agreement.

The Group incurs a potential future increase in variable lease payments related to an index in a lease agreement that is not included in the value of the lease liability until it enters into force. When a correction of lease payments due to a change in the index occurs, the lease liability is recalculated and adjusted, as well as the value of the right-of-use asset.

Lease payments are allocated between the cost of covering the lease liability and the interest expense. Interest expense is recognised in profit/loss over the lease term at a constant interest rate for the remaining amount of the lease liability in each period.

Right of use assets are depreciated over the lease term of the asset.

2.10. Employee benefits

Short-term employee benefits are expensed as the related service is provided. Past service cost is recognized as an expense on a straight-line basis over the average period until the benefit becomes vested. Gains or losses arising from changes in the terms of benefits (reductions or increases) are recognized immediately in profit or loss.

Actuarial gains and losses are recognized immediately in operating expenses and selling expenses in the income statement.

2.11. Income tax

The calculation of income tax is based on the annual profit, taking into account the deferred income tax. Income tax is calculated in accordance with the requirements of the tax laws of the Republic of Lithuania.

Lithuania

The corporate income tax rate applicable to companies of the Republic of Lithuania is 15%.

In accordance with the Law on Income Tax of the Republic of Lithuania, the income of companies with legal status as an investment company and operating under the Law on Collective Investment Undertakings is non-taxable. Accordingly, based on the legislation, costs occurred to generate non-taxable income are classified as non-deductible expenses. Thus, all income of the Company is non-taxable, and all expenses are non-deductible.

Tax losses may be carried forward for an indefinite period of time, except for losses arising from the transfer of securities and / or derivatives. Such a transfer is terminated if the Company ceases to carry on the activities that caused the loss, unless the Company ceases to carry on the activities for reasons beyond its control. Losses from the transfer of securities and / or derivatives can be carried forward for 5 years and covered only from the profit of the same type of transactions. The amount of deductible tax losses carried forward may not exceed 70% of the amount of taxable profit for the reporting year.

Deferred tax is provided using the balance sheet liability method. Deferred 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 taxation purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax assets are recognized in the statement of financial position to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. If it is probable that part of the deferred tax will not be realized, this part of the deferred tax is not recognized in the financial statements.

Latvia

The corporate income tax rate applicable to companies of the Republic of Latvia is 20 %.

In accordance with the Law of the Republic of Latvia on Corporate Income Tax, taxation period is one month and current tax for the reporting period is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Corporate income tax is calculated on:

- distributed profit (dividends calculated, payments equivalent to dividends, conditional dividends); and
- conditionally or theoretically distributed profit (non-operating expenses, doubtful debts, excessive interest payments, loans to related parties, decrease of income or excessive expenses which are incurred by entering transactions at prices other than those on the market that should be calculated using the methodology determined by the Cabinet of Ministers of Republic of Latvia, other expenses as specified in the Law on Corporate Income Tax of Republic of Latvia).

In accordance with the Law of the Republic of Latvia on Corporate Income Tax deferred tax assets or liabilities are not recognized, as rules of the law cancels all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Poland

The corporate income tax rate applicable to companies of the Republic of Poland is 19%.

Estonia

The corporate income tax rate applicable to companies of the Republic of Estonia is 20%.

In accordance with the Law of the Republic of Estonia on Corporate Income Tax, taxation period is one month and current tax for the reporting period is the expected tax payable on the taxable income for the period, using tax rates enacted or substantially enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. Corporate income tax is calculated on:

- distributed profit (dividends calculated, payments equivalent to dividends, conditional dividends); and
- conditionally or theoretically distributed profit (non-operating expenses, doubtful debts, excessive interest payments, loans to related parties, decrease of income or excessive expenses which are incurred by entering transactions at prices other than those on the market that should be calculated using the methodology determined by the Cabinet of Ministers of Republic of Estonia, other expenses as specified in the Law on Corporate Income Tax of Republic of Estonia).

In accordance with the Law of the Republic of Estonia on Corporate Income Tax deferred tax assets or liabilities are not recognized, as rules of the law cancels all temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

2.12. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of an asset that takes a substantial period of time to get ready for its intended use or sale are included in the cost of the asset until such time as the asset is substantially ready for its intended use or sale. As at 31 December 2023 and 2022, no borrowing costs were capitalized.

Investment income earned on the temporary investment of a specific borrowed amount that has not yet been used for such assets is deducted from the borrowing costs allowed to be capitalized.

All other borrowing costs are included in profit or loss in the period in which they are incurred.

2.13. Income and expenses from financial activities

The Group's financial income and expenses include interest income, interest expense, liability tax and the positive or negative impact of changes in foreign exchange rates on financial assets and financial liabilities, and loan administration expenses.

Interest income or expense is recognised using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments of receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

The positive or negative effect of a change in a foreign exchange rate on financial assets and financial liabilities is recognized on a net basis as income from financing activities or as an expense from financing activities, depending on whether the change in foreign exchange rate results in a net gain or loss.

2.14. Investment property

The investment property of the Group consists of commercial buildings and land.

Investment property is property held to earn rentals and / or for capital appreciation. Investment property is initially recognized at cost including all relevant transaction costs. Subsequently, after initial recognition, investment property is measured at fair value by an independent appraiser. Gains or losses arising from changes in fair value are included in profit or loss in the period in which they arise.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of finished goods comprises the cost of materials, direct labour and other costs directly attributable to bringing the investment property to working condition for its intended use, as well as capitalized borrowings.

An investment property is derecognised upon disposal or when the investment property ceases to be used in its entirety and no future economic benefits are expected from its sale. Any gain or loss arising on derecognition of an investment property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the investment property is derecognised.

Repair costs of investment property carried at fair value are recognized as an expense in the period in which they are incurred.

2.15. Financial assets

Financial assets are classified into the following specified categories: financial asset at amortised cost, financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets are classified into the afore-mentioned categories based on the business model the Group applies when managing its financial assets. The business model applied to the group of financial assets is determined at a level that reflects how all groups of financial assets are managed together to achieve a particular business objective of the Group. The intentions of the Group's management regarding separate instruments have no effect on the applied business model. The Group may apply more than one business model to manage its financial assets.

The business model for managing financial assets is a matter of fact and not merely an assertion. It is typically observable through the activities that the Group undertakes to achieve the objective of the business model. In determining the business model applicable for managing financial assets, the Group justifies its decision not by a single factor or activity, but in view of all relevant evidence that is available at the date of the assessment.

The Group recognises a financial asset in its statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. The purchase or sale of financial assets is recognised and derecognised, as applicable, using trade date accounting.

At initial recognition, the Group measures financial assets at fair value, except for trade receivables that do not have a significant financing component. In the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction costs comprise all charges and commission that the Group would not have paid if it had not entered into an agreement on the financial instrument. If the fair value of the financial asset at initial recognition differs from the transaction price, the difference is recognised in profit or loss.

Financial assets measured at amortised cost

The Group's receivables are accounted for using the business model, in which the purpose of holding financial assets is to collect contractual cash flows, which may include cash flows related to the payment of principal and interest.

Loans, bonds and other receivables are carried at amortized cost using the effective interest method. Gains or losses are recognized in profit or loss when the assets are impaired or amortized. Loans, bonds and other receivables are initially recognized at cost (at the fair value of the consideration given). Subsequently, current receivables are carried at amortized cost less any impairment losses and non-current receivables and loans are carried at amortized cost using the effective interest method, less any impairment losses.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability, or, when appropriate, a shorter period to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

Loans, bonds and receivables are classified as current assets, unless they have a maturity of more than 12 months after the statement of financial position date. In the latter case, they are classified as non-current assets.

Trade receivables

Trade receivables are amounts receivable from customers for services rendered in the ordinary course of business. If receivables are expected to be receivable within one year or less (or during the normal period of business, if later), trade receivables are classified as current assets. Otherwise, these amounts are classified as non-current assets.

After initial recognition, trade receivables are measured at amortized cost using the effective interest method, including impairment losses, and trade receivables with a maturity of less than 12 months from the date of recognition (i.e. without a financing element) that are not factored are not discounted and are valued at nominal value. Impaired receivables are written off when considered uncollectible.

Cash and cash equivalents

Cash consists of cash on hand and in bank accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. The term of such investments does not exceed three months and the risk of changes in value is negligible.

The Group has demand deposits, which are cash deposits in separate bank accounts, subject to usage restrictions agreed with a third party. Deposits returned to tenants for deposits, deposits or to cover tenants' debts if needed. Demand deposits are accounted for as cash and cash equivalents.

In the statement of cash flows, cash and cash equivalents comprise cash at bank and in hand, other short-term highly liquid investments. The carrying amount of this asset approximates its fair value.

Derecognition of financial assets

Financial assets are derecognised when:

- The rights to cash flows of the asset have expired;
- The Group has retained the right to the cash flows but has undertaken to pay the full amount to a third party under the assignment agreement within a short period of time;
- The Group has transferred its right to receive cash inflows from the assets or has transferred substantially all the risks and rewards of ownership of the financial assets, or has neither transferred nor retained substantially all the risks and rewards of ownership but has transferred control of the assets.

When the Group transfers rights to the cash flows of an asset but neither transfers nor retains the risks and rewards of ownership of the asset and does not transfer control of the asset, the asset is recognized to the extent that the Company is still a party to the asset.

Impairment of financial assets – expected credit loss

Impairment requirements are applied to recognise lifetime expected credit losses for all financial instruments for which there have been significant increases in credit risk since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, an entity measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses (ECL).

The Group considers a financial asset in default when contractual payment is 90 days past due and is higher than the deposit paid by debtor. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

The Group monitors the increase in credit risk by monitoring the timely execution of debts. A significant increase in credit risk is considered when the debt is overdue and there is no reason to believe that the debt will be repaid soon.

The Group uses the following models to determine impairment losses:

- general model (basic),
- simplified model for trade receivables.

ECL is calculated using the “three-stage” model (the “general model”) for impairment:

Stage 1

Includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECL are recognised and interest revenue is calculated on the gross carrying amount of the asset (that is, without deduction for credit allowance). 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months.

Stage 2

Includes financial instruments that have had a significant increase in credit risk (SICR) since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Stage 3

Includes financial assets that have objective evidence of default at the reporting date. For these assets, life of ECL and interest income are calculated on the net carrying amount. ECL for trade receivables which do not have a significant financial component is stated over all debt period. The Group applies a simplified model for impairment of trade receivables.

For trade receivables, a simplified model is used to assess historical bad debts, macroeconomic indicators and calculate expected credit loss. Majority of trade receivables are not overdue, therefore it is considered that the expected credit loss is EUR 97 835 as at 31 December 2023 (2022 – EUR 339).

Credit risk associated with funds at banks is limited as the Group carries out operations with banks with high long-term credit ratings issued by foreign rating agencies. Bank ratings are presented in Note 3.9. Having assessed the high creditworthiness ratings of banks, the Group considers the probability of banks default to be zero.

2.16. Financial liabilities

All financial liabilities are initially recognized at fair value and, in the case of loans and payables, are net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, loans.

Subsequent evaluation

The measurement of financial liabilities depends on their classification as described below.

Loans, bonds and other borrowings

Loans are recognized initially at fair value, net of transaction costs incurred. Loans are subsequently carried at amortized cost and any difference between proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the loan.

Loans are classified as current unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Trade payables

Trade payables are liabilities paid for goods or services provided by suppliers during the normal course of business. Trade payables are classified as current liabilities if they are due to be settled within one year or less (or during the normal operating cycle, whichever is longer). Otherwise, they are classified as non-current liabilities. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation is discharged or cancelled or expires. When one existing financial liability is replaced by another liability to the same lender but on different terms, or when the terms of an existing liability are substantially changed, such a change is treated as a termination of the original liability and the creation of a new liability. The difference between the respective carrying amounts is recognized in the income statement.

2.17. Derivative financial instruments and hedge accounting

The Group uses derivative financial instruments, such as interest rate swaps (IRS) to hedge against interest rate risks. The Group does not apply hedge accounting. Hence, derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The change in the fair value of a hedging instrument is recognised in the statement of profit or loss and other comprehensive income.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in profit or loss.

2.18. Provisions

A provision is recognized when the Group has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are determined by discounting the estimated future cash flows using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the liability. The reversal of the discount is recognized as a finance cost.

2.19. Methods and assumptions of asset and liability estimates, periodicity of investment revaluation

The financial statements include the fair value of the Group's assets if they are not accounted for under the amortised cost or acquisition cost method and the fair value of liabilities at the end of the reporting period.

The Group's financial instruments at fair value as at 31 December 2023 is presented in the table below:

	Carrying amount			
	Fair value through PL	Financial assets at amortized cost	Other financial liabilities	Total
Financial assets measured at fair value				
Derivative financial instruments	1 261 796	-	-	1 261 796
	1 261 796	-	-	1 261 796
Financial assets not measured at fair value				
Other assets	-	4 920 625	-	4 920 625
Contract assets	-	627 605	-	627 605
Trade receivables	-	166 652	-	166 652
Cash and cash equivalents	-	3 338 331	-	3 338 331
	-	9 053 213	-	9 053 213
Financial liabilities not measured at fair value				
Loans received	-	-	63 953 022	63 953 022
Bonds issued	-	-	24 965 133	24 965 133
Lease liabilities	-	-	2 334 435	2 334 435
Contract liabilities	-	-	329 349	329 349
Trade and other payables	-	-	1 138 898	1 138 898
Employment related liabilities	-	-	42 698	42 698
	-	-	92 763 535	92 763 535

The Group's financial instruments at fair value as at 31 December 2022 is presented in the table below:

	Carrying amount			
	Fair value through PL	Financial assets at amortized cost	Other financial liabilities	Total
Financial assets measured at fair value				
Derivative financial instruments	514 507	-	-	514 507
	514 507	-	-	514 507
Financial assets not measured at fair value				
Other assets	-	710 640	-	710 640
Contract assets	-	237 346	-	237 346
Trade receivables	-	101 018	-	101 018
Cash and cash equivalents	-	3 577 277	-	3 577 277
	-	4 626 281	-	4 626 281
Financial liabilities not measured at fair value				
Loans received	-	-	29 438 689	29 438 689
Bonds issued	-	-	10 128 063	10 128 063
Lease liabilities	-	-	937 927	937 927
Contract liabilities	-	-	145 083	145 083
Trade and other payables	-	-	903 944	903 944
Employment related liabilities	-	-	15 715	15 715
	-	-	41 569 421	41 569 421

The fair value hierarchy based on IFRS 13 is used to determine fair value in a more consistent and comparable manner. All assets and liabilities whose fair value is determined or disclosed in the financial statements are classified according to a fair value hierarchy based on the significant lowest level data used to determine fair value:

- Level 1 – the same assets or liabilities quoted (unadjusted prices in active markets);
- Level 2 – valuation techniques that directly or indirectly monitor the lowest level inputs that are significant in determining fair value;
- Level 3 – valuation techniques that do not observe the lowest level inputs that are significant in determining fair value.

For assets and liabilities that are re-recognized in the financial statements, the Group determines, when reassessing the distribution, whether the amounts transferred have occurred between levels of the hierarchy (the lowest fair value is defined as the amount for which an arm's length transaction could be or in the event of liquidation). Fair value is based on quoted market prices, discounted cash flow models or options (option pricing models as appropriate).

As at 31 December 2023 and 31 December 2022 the carrying amount of the Group's assets and liabilities is a reasonable approximation of a fair value for the Level 3 valuation methodology.

The fair value of cash and cash equivalents in credit institutions is equal to their nominal value.

The value of non-equity securities consists of their nominal value and the interest accrued and not paid between the acquisition and the reporting period and other costs associated with the acquisition of non-equity securities.

The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows. Estimates of future floating-rate cash flows are based on quoted swap rates, futures prices, and interbank borrowing rates. Estimated cash flows are discounted using a yield curve constructed from similar sources and which reflects the relevant benchmark interbank rate used by market participants for this purpose when pricing interest rate swaps. The fair value estimate is subject to credit risk adjustment that reflects the credit risk of the Group and of the counterparty. This is calculated based on credit spreads derived from current credit default swap or bond prices.

The fair value of the interest rate swaps is calculated by the counterparty (credit institution) and presented to the Group every quarter. The Group considers the estimated fair value of the interest rate swap calculated by the credit institution to be a reliable source for setting the fair value for the level 3 valuation methodology.

The Company invests in real estate directly or by acquiring equity securities of the special purpose vehicles that own such objects.

The fair value of real estate objects (both directly owned by the Company and special purpose vehicles acquired or established by the Company) is determined according to the data provided by an independent property appraiser entitled to perform valuation and meeting the criteria set out in the Company's founding documents. The assessment shall be carried out at least twice a year in the absence of substantial changes in economic or market prices requiring a new assessment. If the valuation of assets belonging to special purpose vehicles is performed, the valuation of the equity securities of those companies is also performed.

In the period between valuations, the fair value of the investment may be adjusted accordingly by interest receivable or payable by the company arising from other liabilities between the Company and the company, the impact of which on the value of equity securities can be reliably assessed without an external expert.

Other equity securities that are not traded on regulated markets are valued as follows:

1. Based on the valuation by an external property valuator who is legally allowed to perform the valuation and complies with the criteria set out in the Company rules if no more than a year has passed since the last valuation and if there were no events responsible for a significantly lower/higher market price than the one determined by the appraiser;
2. If the valuation under the conditions in subsection 1 is not performed or the set out conditions have not been met, the valuation then follows the comparable company approach, taking such company's pre-tax earnings per share (using the weighted average number of shares of common stock outstanding during a certain period), ratio, and multiplying it by the 12-month earnings per share of the company being valued;
3. If, due to various reasons, the methods specified in subsections 1 and 2 cannot be applied, the valuation is then performed using the auditor approved financial statements of the entities owned by the Company. As such, the value of equity securities is determined by the sum of auditor approved book value of equity divided by the total number of shares outstanding and

multiplying by the number of securities owned by the Company. In case of negative equity, the total value of equity securities is equal to 1 EUR. The valuation of equity securities will be performed at least once every 12 months under the prescribed procedure in this subsection.

The fair value of financial instruments that are traded in regulated markets, is determined by market prices, by comparable financial asset prices or by any other means common in the financial markets. The assets are valued by selecting two financial institutions that trade in these assets and taking the average of the prices reported during the reporting period.

If the financial instruments have no market price but a comparable instrument does, the fair value is then determined using this market price of a comparable financial instrument. The price of a financial asset or instrument can also be determined by an independent expert.

In case the fair value approach cannot be reasonably applied for the purpose of valuing financial assets and liabilities, the valuation is then performed under the following conditions:

- Financial assets intended to be held until the redemption period whose fair values cannot be determined based on the price in the active market (except financial assets held for sale valued at amortized cost), is determined using the effective interest rate method by subtracting the decrease in value;
- In exceptional cases, when investments in financial assets cannot be reasonably valued at fair value or at amortized cost, the value is then determined by subtracting the decrease in value from the cost of acquisition;
- Financial liabilities unrelated to market prices are valued at amortized cost.

Interest income is recognized on accrual basis if economic benefits are expected and if the revenue can be reasonably determined.

Other assets are valued based on provisions of net asset value calculation, approved by the Management entity.

2.20. Share capital and value of shares

The share capital is recognized in the statement of financial position at its nominal value and is accounted in euro.

The value of the share is calculated by dividing the Company's NAV, determined at the date of calculation, by the number of paid shares in circulation.

As described in part 2.2 of Accounting Policy, the Company's equity may differ from the Company's NAV, therefore the share price calculated by dividing the Company's NAV by the number of paid-up shares and the share price calculated by dividing the Company's equity capital by the number of paid-up shares may differ.

2.21. Distribution of dividends

The distribution of dividends to the shareholders of the Company is recognised as a liability in the Company's financial statements in the period when the dividends are approved by the shareholders.

2.22. Portfolio investment structure

The management company will seek to diversify the Company's investment portfolio in accordance with the Articles of Association approved by the Company, according to which:

- The total amount of investments in real estate under construction may not exceed 10% of the net asset value.
- The total amount of investments in commercial real estate generating income is at least 80% of the net asset value.
- The total amount of investments in real estate for other purposes may not exceed 10% of the net asset value.
- The total amount of investments in liquid, investment grade (S&P or alternative certified appraiser) European Union government and/or corporate bonds, money market instruments and bank fixed-term deposits with a maximum duration of 3 years may not exceed 20% of the net asset value.
- The total amount of investment in one immovable property and the movable property and/or equipment necessary for its operation may not exceed 40% of the net asset value.
- Not less than 50 % of the net asset value is invested in items located in euro zone countries.

The structure of the Company's investment portfolio described above will be achieved within four years of the approval of the Company's articles of association by the supervisory authority.

2.23. Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties. Future events may change the assumptions used in making the estimates. The effect of changes in such estimates will be recognized in the financial statements when determined.

Asset acquisitions

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. Respectively, the Group assesses whether acquisition consists of only assets acquired or a business combination as a whole, where an integrated set of activities and assets, including property, is acquired. More specifically, consideration is given to the extent to which substantive processes are acquired and, in particular, the extent of services provided by the subsidiary (e.g., maintenance, cleaning, security, etc.).

During 2023, the Company has acquired the following subsidiaries (see Note 3.1):

- UAB „Lairina”, which at the time of acquisition did not perform any activities;
- Valcutel Investments sp. z o.o., which at the time of acquisition did not perform any activities;
- Dotilleby Investments sp. z o.o., which at the time of acquisition did not perform any activities;
- Baixeredost Investments sp. z o.o., which at the time of acquisition did not perform any activities.

The Company invests in real estate objects through subsidiaries.

The difference between the fair value of the net assets of acquired subsidiaries and the acquisition price paid by the Group, was recognized as Group's expense in the Group's consolidated statement of profit and loss and other comprehensive expense, since the subsidiaries had no assets or liabilities to which the price difference could be attributed (see Note 3.23)

During 2022, the Company has acquired the following subsidiaries (see Note 3.1):

- UAB Kuršėnų turtas which at the time of acquisition owned shopping centre in Kuršėnai.
- Peppercorn 8 Sp. z o.o., which at the time of acquisition owned shopping centre in Wrocław, Poland.
- Reinvest Holding OU, which at the time of acquisition did not perform any activities.
- Caruantil Investments sp. z o.o., which at the time of acquisition did not perform any activities.
- Espidatell Investments sp. z o.o., which at the time of acquisition did not perform any activities.
- Evoratedelle Investments sp. z o.o., which at the time of acquisition did not perform any activities.
- Eximendell Investments sp. z o.o., which at the time of acquisition did not perform any activities.
- Faroditelles Investments sp. z o.o., which at the time of acquisition did not perform any activities.
- UAB Esulda, which at the time of acquisition had signed agreements to purchase and develop an investment property.
- UAB MD Europa, which at the time of acquisition owned shopping centre in Klaipėda.

The difference between the fair value of the net assets of the acquired subsidiaries in Estonia and Poland and the acquisition price paid by the Group, was recognized as Group's income in the Group's consolidated statement of profit and loss and other comprehensive income, since the subsidiaries had no assets or liabilities to which the price difference could be attributed (see Note 3.17).

Companies are used as special purpose vehicles through which the Company invests in real estate objects. Having assessed that most of the value of the assets of the acquired companies consists of real estate assets managed and that neither of subsidiaries acquired provides additional services, which would make up acquisition of business, therefore all transactions are accounted for as acquisitions of assets, with the acquisition price being allocated to the acquired assets. Further, no goodwill or deferred tax arising from the acquisition is recognised.

Investment property fair value measurement

The Group has investment property which is measured at fair value through profit and loss based on valuation reports prepared by independent appraiser. For the fair value measurement of investment property judgements are used. For more information about the assumptions used see Note 3.3.

2.24. Application of new and revised international financial reporting standards

The following amendments are effective from 1 January 2023:

- **IFRS 17 Insurance Contracts.** The standard is effective for annual periods beginning on or after 1 January 2023. This is a comprehensive new accounting standard for insurance contracts, covering recognition and measurement, presentation and disclosure. IFRS 17 applies to all types of insurance contracts issued, as well as to certain guarantees and financial instruments with discretionary participation contracts.
- **IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (Amendments).** The Amendments are effective for annual periods beginning on or after January 1, 2023. The amendments provide guidance on the application of materiality judgements to accounting policy disclosures. In particular, the amendments to IAS 1 replace the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies. Also, guidance and illustrative examples are added in the Practice Statement to assist in the application of the materiality concept when making judgements about accounting policy disclosures.
- **IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (Amendments).** The amendments become effective for annual reporting periods beginning on or after January 1, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. The amendments introduce a new definition of accounting estimates, defined as monetary amounts in financial statements that are subject to measurement uncertainty, if they do not result from a correction of prior period error. Also, the amendments clarify what changes in accounting estimates are and how these differ from changes in accounting policies and corrections of errors.
- **IAS 12 Income taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments).** The amendments are effective for annual periods beginning on or after January 1, 2023. The amendments narrow the scope of and provide further clarity on the initial recognition exception under IAS 12 and specify how companies should account for deferred tax related to assets and liabilities arising from a single transaction, such as leases and decommissioning obligations. The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement, having considered the applicable tax law, whether such deductions are attributable for tax purposes to the liability or to the related asset component. Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal.
- **IAS 12 Income taxes: International Tax Reform - Pillar Two Model Rules (Amendments).** The amendments are effective immediately upon issuance, but certain disclosure requirements are effective later. The Organization for Economic Co-operation and Development's (OECD) published the Pillar Two model rules in December 2021 to ensure that large multinational companies would be subject to a minimum 15% tax rate. On 23 May 2023, the IASB issued International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules and disclosure requirements for affected entities on the potential exposure to Pillar Two income taxes. The Amendments require, for periods in which Pillar Two legislation is (substantively) enacted but not yet effective, disclosure of known or reasonably estimable information that helps users of financial statements understand the entity's exposure arising from Pillar Two income taxes. To comply with these requirements, an entity is required to disclose qualitative and quantitative information about its exposure to Pillar Two income taxes at the end of the reporting period. The disclosure of the current tax expense related to Pillar Two income taxes and the disclosures in relation to periods before the legislation is effective are required for annual reporting periods beginning on or after 1 January 2023, but are not required for any interim period ending on or before 31 December 2023.

2.25. New and revised IFRS Standards in issue but not yet effective

The standards provided below are adopted, but not yet in force and have not been applied. In preparing these financial statements, the Company decided not to apply the new standards or amendments in advance. It is considered that the following revised standards and interpretations will not have a material impact on the financial statements of the enterprise.

- IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments). The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted, and will need to be applied retrospectively in accordance with IAS 8.
- IFRS 16 Leases: Lease Liability in a Sale and Leaseback (amendments). The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted.
- IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments Disclosure - Supplier Finance Arrangements (Amendments). The amendments are effective for annual reporting periods beginning on or after January 1, 2024, with earlier application permitted.
- IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments). The amendments are effective for annual reporting periods beginning on or after January 1, 2025, with earlier application permitted.
- Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting

3. Notes

3.1. Asset acquisitions

Acquisitions in 2023

On 18 May 2023 the Company acquired UAB Lairina under the shares purchase and sale agreement.

On 22 August 2023 the Company acquired Valcutel Investments Sp. Z o.o. and Dotilleby Investments Sp. Z o.o. under the shares purchase and sale agreements.

On 26 September 2023 the Company acquired Baixeredost Investments Sp. Z o.o. under the shares purchase and sale agreement.

The fair value of the net assets of the acquired companies at the date of acquisition is given below:

	UAB Lairina	Valcutel Investments sp. z o.o.	Dotilleby Investments sp. z o.o.	Baixeredost Investments sp. z o.o.	Total
Other current assets	-	94	20	348	462
Cash and cash equivalent	2 500	596	992	2 683	6 771
Total assets:	2 500	690	1 013	3 031	7 233
Trade and other payables	-	-	-	(3 049)	(3 049)
Total liabilities:	-	-	-	(3 049)	(3 049)
Net assets:	2 500	690	1 013	(19)	4 183
Acquisition price	3 500	3 001	3 406	1	9 908

During 2023, there was a price correction for the subsidiary UAB MD Europa acquired in 2022, according to which, the Company recognized EUR 63 977 expense from asset acquisition (**Note 3.23**).

The difference between the fair value of the net assets of the acquired subsidiaries in Estonia and Poland and the acquisition price paid by the Group, was recognized as the Group's income in the Group's consolidated statement of profit and loss and other comprehensive income, since the subsidiaries had no assets or liabilities to which the price difference could be attributed (**see Note 3.23**).

Acquisitions in 2022

On 31 January 2022 the Company acquired UAB Kuršėnų turtas under the shares purchase and sale agreement.

On 1 February 2022 the Company acquired Peppercom 8 sp. z o.o. under the shares purchase and sale agreement. The part of amount payable was settled with the Company's advance paid in 2021.

On 31 August 2022 the Company acquired Reinvest Holding OU under the shares purchase and sale agreement.

On 20 October 2022 the Company acquired UAB Esulda under the shares purchase and sale agreement.

On 24 November 2022 the Company acquired Caruantil Investments sp. z o.o., Eximendell Investments sp. z o.o., Faroditelles Investments sp. z o.o., Evoratedelle Investments sp. z o.o. and Espidatell Investments sp. z o.o. under the shares purchase and sale agreement.

On 13 December 2022 the Company acquired UAB MD Europa under the shares purchase and sale agreement.

The fair value of the net assets of the acquired companies at the date of acquisition is given below:

	UAB Kuršėnų turtas	Peppercorn 8 sp. z o.o.	UAB Esulda	UAB MD Europa	Reinvest Holding OU
Investment property	2 382 110	21 561 727	-	8 266 625	-
Other non-current assets	-	309 802	-	-	-
Derivative financial instruments	-	(5 110)	-	-	-
Other current assets	52 813	77 677	-	146	-
Contract assets	15 742	-	-	40 630	-
Trade receivables	-	58 198	-	31 130	-
Cash and cash equivalent	34 931	363 834	2 500	166 279	10 000
Total assets:	2 485 596	22 366 128	2 500	8 504 809	10 000
Loans received	(2 271 391)	(15 225 764)	-	(4 800 000)	-
Trade and other payables	(142 381)	(55 721)	-	(67 719)	(75)
Contract liabilities	-	(43 588)	-	(81 292)	-
Income tax liabilities	-	-	-	(8 873)	-
Current loans received	(62 500)	(543 383)	-	(210 615)	-
Total liabilities:	(2 476 272)	(15 868 455)	-	(5 168 498)	(75)
Net assets:	9 324	6 497 673	2 500	3 336 311	9 925
Acquisition price	9 324	6 497 673	2 500	3 336 311	1

	Caruantil Investments sp. z o.o.	Espidatell Investments sp. z o.o.	Evoratedelle Investments sp. z o.o.	Eximendell Investments sp. z o.o.	Faroditelles Investments sp. z o.o.	Total
Investment property	-	-	-	-	-	32 210 463
Other non-current assets	-	-	-	-	-	309 802
Derivative financial instruments	-	-	-	-	-	(5 110)
Other current assets	39	39	39	39	39	130 831
Contract assets	-	-	-	-	-	56 372
Trade receivables	-	-	-	-	-	89 328
Cash and cash equivalent	1 024	1 024	1 024	1 024	1 024	582 663
Total assets:	1 063	1 063	1 063	1 063	1 063	33 374 349
Loans received	-	-	-	-	-	(22 297 154)
Trade and other payables	-	-	-	-	-	(265 896)
Contract liabilities	-	-	-	-	-	(124 880)
Income tax liabilities	-	-	-	-	-	(8 873)
Current loans received	-	-	-	-	-	(816 498)
Total liabilities:	-	-	-	-	-	(23 513 300)
Net assets:	1 063	1 063	1 063	1 063	1 063	9 861 048
Acquisition price	2 533	2 815	2 815	2 784	2 784	9 859 538

During the 2022, there was a price correction for the subsidiary UAB Prekybos centrų plėtros investicijos acquired in 2021, according to which, the Company recognized EUR 2 199 income from asset acquisition (see Note 3.17).

The difference between the fair value of the net assets of the acquired subsidiaries in Estonia and Poland and the acquisition price paid by the Group, was recognized as the Group's income in the Group's consolidated statement of profit and loss and other comprehensive income, since the subsidiaries had no assets or liabilities to which the price difference could be attributed (see Note 3.17).

3.2. Right of use assets

As at 31 December 2023 the Group, as a lessee, has concluded long-term lease agreements for the lease of land, which is used for the construction and development of the real estate objects. Maturity date of the lease agreements concluded by the Group vary from 67 to 88 years.

The residual value of the Group's right of use assets as at 31 December 2023 and the movement during 2023 are presented in the table below:

	Right of use asset
Balance as at 1 January 2022	165 923
Acquisitions	780 158
Adjustment due to change in rent payments	(3 069)
Depreciation	(12 570)
Exchange rate differences	(36)
Balance as at 31 December 2022	930 406
Acquisitions	1 200 657
Adjustment due to change in rent payments	193 725
Depreciation	(22 994)
Exchange rate differences	(1 769)
Balance as at 31 December 2023	2 300 025

Right of use assets and lease liabilities are recognized in the Group's Consolidated Statement of Financial Position (**see Note 3.12**), meanwhile depreciation of right of use assets and interest expense on lease liabilities for the year are recognized in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income (**see Notes 3.23 and 3.24, respectively**).

Depreciation of right of use assets for the year 2023 is EUR 22 994 (2022 – EUR 12 570) and is recognised in other costs, in the Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income (**see Note 3.22**). The difference due to exchange rate is recognised as other comprehensive income in Group's Consolidated Statement of Profit or Loss and Other Comprehensive Income.

The Group had total cash outflows for leases of EUR 114 404 in 2023 (EUR 65 595 in 2022). The Group also had non-cash additions to right-of-use assets and lease liabilities of EUR 1 200 657 in 2023 (EUR 780 158 in 2022) (**see Note 3.12**).

3.3. Investment property

	Investment assets
Fair value as at 1 January 2022	27 537 000
Assets acquired with acquired subsidiaries (see Note 3.1)	32 210 463
Purchased investment property	9 407 798
Change in fair value of investment property	142 351
Exchange rate differences	(293 319)
Fair value as at 31 December 2022	69 004 293
Purchased investment property	54 904 364
Change in fair value of investment property	2 078 941
Exchange rate differences	1 620 288
Fair value as at 31 December 2023	127 607 886

By acquiring subsidiaries in 2022, the Company also acquired investment property held by subsidiaries at fair value at the time of acquisition (**see Notes 2.22 and 3.1**).

Information about the results of the investment properties is provided below:

	31 December 2023	31 December 2022
Rental income derived from investment properties	7 029 459	3 549 083
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	(1 114 136)	(591 890)
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	(2 832 568)	(1 553 085)
Profit arising from investment properties carried at fair value	3 082 755	1 404 108

As the Group's main activity is to generate income from investment property, all Group's rental income is rental income derived from investment properties and all direct costs are related to investment property. Rental income in 2023 amounted to EUR 7 029 459 (EUR 3 549 083 in 2022) (see Note 3.17). Direct operating expenses generating rental income in 2023 amounted to EUR 1 114 136 (EUR 591 890 in 2022) (see Notes 3.18, 3.19 and 3.20). Direct operating expenses that did not generate rental income in 2023 amounted to EUR 2 832 568 (EUR 1 553 085 in 2022) (see Notes 3.21, 3.22 and 3.23).

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance, and enhancements. During 2023 the Group also acquired:

- Land plot, located at Mokyklos str. 2, Ukmergė. The purchase price was EUR 224 246.
- Commercial building, located at Sikorskiego Str. 59, 81, Głowno. The purchase price was EUR 8 652 616.
- Commercial building, located at Młynarska Str. 131, Kalisz. The purchase price was EUR 12 311 496.
- Commercial building, located at Lwowska Str. 17a, Przemyśl. The purchase price was EUR 13 836 382.
- Commercial building, located at Generała Fieldorfa „Nila” Str. 12, 14, Puławy. The purchase price was EUR 4 313 715.
- Commercial building, located at Sikorskiego Str. 22, Świdnica. The purchase price was EUR 14 962 699.

The change in fair value of investment property was accounted for on the basis of the independent asset appraiser's estimates. The investment property of the Group consists of:

- Complex of buildings located at Janonio str. 27, Klaipėda, owned by UAB Janonio 27. Value as at valuation date 31 October 2023 – EUR 1 567 000.
- Land plots located at Kupiškio str. 48, 50 and 52, Utena, owned by UAB Janonio 27. Value as at valuation date 31 October 2023 – EUR 611 000.
- Land plot located at Burbiškių str. 31, Vilnius, owned by UAB Janonio 27. Value as at valuation date 31 October 2023 – EUR 1 240 000.
- Land plot located at Klebniškių str. 2, Skaidiškių k, Vilnius district, owned by UAB Janonio 27. Value as at valuation date 31 October 2023 – EUR 130 000.
- Shopping centre PC RIMI located at Šiltnamų str. 21, Vilnius, owned by UAB Investicija 21, a subsidiary of UAB Prekybos centrų plėtros investicijos. Value as at valuation date 31 October 2023 – EUR 5 870 000.
- Shopping centre PC Alytus, located at Ūdrijos str. 1, Alytus, and the land plot located at Naujoji str. 7C, 7D, Alytus, owned by UAB SMI Alytus. Value as at valuation date 31 October 2023 – EUR 10 150 000 and EUR 140 000 respectively.
- Shopping centre PC Kaunas, located at Savanorių ave. 321, Kaunas, owned by UAB BFIII Kaunas. Value as at valuation date 31 October 2023 – EUR 12 320 000.
- Shopping centre PC Kuršėnai, located at Vilniaus str. 40, Kuršėnai, owned by UAB Kuršėnų turtas. Value as at valuation date 31 October 2023 – EUR 2 400 000.
- Shopping centre PC Kretinga, located at Šventosios str. 54A, Kretinga, owned by UAB Kuršėnų turtas. Value as at valuation date 31 October 2023 – EUR 2 950 000.
- Shopping centre PC Mlyn, located at 110 Bolesława Krzywoustego str., Wrocław, Poland, owned by Peppercom 8 sp. z o.o.. Value as at valuation date 31 October 2023 – EUR 21 930 000.
- Complex of buildings located at Tunelio str. 4A, Vilnius, owned by UAB Esulda. Value as at valuation date 31 October 2023 – EUR 2 420 000.
- Shopping centre PC RIMI, located at Liepojos str. 27, Klaipėda, owned by UAB MD Europa. Value as at valuation date 31 October 2023 – EUR 10 650 000.
- Land plot located at Mokyklos str. 2, Ukmergė, owned by UAB Lairina. Value as at valuation date 31 October 2023 – EUR 259 000.
- Shopping centre PC Kalinka, located at Młynarska Str. 131, Kalisz, Poland, owned by KA Park Sp. z o.o. Value as at valuation date 31 October 2023 – EUR 11 340 000.
- Shopping centre PC Blue Park, located at Lwowska Str. 17a, Przemyśl, Poland, owned by PR Park Sp. z o.o. Value as at valuation date 31 October 2023 – EUR 13 280 000.
- Shopping centre PC Multi Park, located at Sikorskiego Str. 22, Świdnica, Poland, owned by SW Park Sp. z o.o. Value as at valuation date 31 October 2023 – EUR 14 810 000.
- Shopping centre PC Puławy, located at Generała Fieldorfa „Nila” Str. 12, Puławy, Poland, owned by PU Park Sp. z o.o. Value as at valuation date 31 October 2023 – EUR 4 200 000.
- Shopping centre PC Galeria Głowno, located at Sikorskiego Str. 81, Głowno, Poland, owned by GL Park Sp. z o.o. Value as at valuation date 31 October 2023 – EUR 8 300 000.

The fair value of investment property held by companies based in Poland based on the valuations carried out by an independent appraiser as at 31 October 2023, and differs from the balance value as at 31 December 2023 (EUR 21 481 371) due to changes in exchange rate between EUR and PLN.

The valuation of investment property is based on reports prepared by an independent asset appraiser. The assumptions and sensitivity analysis for the valuation of investment property are presented in the table below:

		Land plot, UAB Janonio 27	Commercial building, UAB Investicija 21	Commercial building, UAB SMI Alytus	Land plot, UAB SMI Alytus	Commercial building, UAB Bfill Kaunas
	Iš viso					
Valuation method	-	Comparative transactions ¹	Income	Income	Comparative transactions ²	Income
Discount rate	-	0,00%	8,75%	10,50%	0,00%	9,78%
Capitalization rate	-	0,00%	6,00%	8,50%	0,00%	7,75%
Value of investment property	126 402 358	1 567 000	5 870 000	10 150 000	140 000	12 320 000
Sensitivity analysis						
Value after increasing capitalization rate by 0.5	122 248 498	1 567 000	5 620 000	9 890 000	140 000	11 960 000
Value change, %	-3,29%	0,00%	-4,26%	-2,56%	0,00%	-2,92%
Value after decreasing capitalization rate by 0.5	131 130 271	1 567 000	6 170 000	10 430 000	140 000	12 730 000
Value change, %	3,74%	0,00%	5,11%	2,76%	0,00%	3,33%
Value after increasing capitalization rate by 1	118 789 832	1 567 000	5 470 000	9 520 000	140 000	11 530 000
Value change, %	-6,02%	0,00%	-6,81%	-6,21%	0,00%	-6,41%
Value after decreasing capitalization rate by 1	134 692 720	1 567 000	6 310 000	10 830 000	140 000	13 180 000
Value change, %	6,56%	0,00%	7,50%	6,70%	0,00%	6,98%

	Commercial building, Peppercorn 8 Sp. z.o.o	Commercial building, UAB Kuršėnų turtas (Kuršėnai)	Commercial building, UAB Kuršėnų turtas (Kretinga)	Land plot, UAB Janonio 27 (Utena)	Land plot, UAB Janonio 27 (Vilnius)	Land plot, UAB Janonio 27 (Skaidiškės)
Valuation method	Income	Income	Income	Comparative transactions ³	Comparative transactions ⁴	Comparative transactions ⁵
Discount rate	6,80%	9,70%	9,55%	0,00%	0,00%	0,00%
Capitalization rate	6,80%	7,50%	7,50%	0,00%	0,00%	0,00%
Value of investment property	22 474 940	2 400 000	2 950 000	611 000	1 240 000	130 000
Sensitivity analysis						
Value after increasing capitalization rate by 0.5	21 603 871	2 320 000	2 850 000	611 000	1 240 000	130 000
Value change, %	-3,88%	-3,33%	-3,39%	0,00%	0,00%	0,00%
Value after decreasing capitalization rate by 0.5	23 479 664	2 480 000	3 050 000	611 000	1 240 000	130 000
Value change, %	4,47%	3,33%	3,39%	0,00%	0,00%	0,00%
Value after increasing discount rate by 1	21 050 812	2 240 000	2 750 000	611 000	1 240 000	130 000
Value change, %	-6,34%	-6,67%	-6,78%	0,00%	0,00%	0,00%
Value after decreasing discount rate by 1	24 023 505	2 570 000	3 160 000	611 000	1 240 000	130 000
Value change, %	6,89%	7,08%	7,12%	0,00%	0,00%	0,00%

	Commercial building, KA Park Sp. Z.O.O.	Commercial building, PR Park Sp. Z.O.O.	Commercial building, SW Park Sp. Z.O.O.	Commercial building, PU Park Sp. Z.O.O.	Commercial building, GL Park Sp. Z.O.O.	Commercial building, UAB MD Europa
Valuation method	Income	Income	Income	Income	Income	Income
Discount rate	7,40%	7,05%	7,25%	6,95%	7,90%	9,50%
Capitalization rate	7,40%	7,05%	7,25%	6,95%	7,90%	6,50%
Value of investment property	11 621 155	13 614 472	15 174 559	4 302 339	8 507 893	10 650 000
Sensitivity analysis						
Value after increasing capitalization rate by 0.5	11 192 534	13 178 938	14 563 890	4 200 945	8 261 320	10 240 000
Value change, %	-3,69%	-3,20%	-4,02%	-2,36%	-2,90%	-3,85%
Value after decreasing capitalization rate by 0.5	12 114 299	14 112 225	15 865 883	4 417 560	8 793 640	11 120 000
Value change, %	4,24%	3,66%	4,56%	2,68%	3,36%	4,41%
Value after increasing discount rate by 1	10 955 179	12 637 401	14 400 277	3 935 937	8 003 226	9 930 000
Value change, %	-5,73%	-7,18%	-5,10%	-8,52%	-5,93%	-6,76%
Value after decreasing discount rate by 1	12 340 131	14 697 546	16 008 757	4 714 829	9 060 952	11 430 000
Value change, %	6,19%	7,96%	5,50%	9,59%	6,50%	7,32%

	Land plot, UAB Esulda	Land plot, UAB Lairina
Valuation method	Comparative transactions ⁶	Comparative transactions ⁷
Discount rate	0,00%	0,00%
Capitalization rate	0,00%	0,00%
Value of investment property	2 420 000	259 000
Sensitivity analysis		
Value after increasing capitalization rate by 0.5	2 420 000	259 000
Value change, %	0,00%	0,00%
Value after decreasing capitalization rate by 0.5	2 420 000	259 000
Value change, %	0,00%	0,00%
Value after increasing discount rate by 1	2 420 000	259 000
Value change, %	0,00%	0,00%
Value after decreasing discount rate by 1	2 420 000	259 000
Value change, %	0,00%	0,00%

¹ according to the comparative method, the average market value of the complex of building was 430 EUR / sq. m. and average market value of land was 15 714 EUR / are.

² according to the comparative method, the average market value of the land was 3 500 EUR / acre

³ according to the comparative method, the average market value of the land was 3 674 EUR / acre

⁴ according to the comparative method, the average market value of the land was 24 800 EUR / acre

⁵ according to the comparative method, the average market value of the land was 2 549 EUR / acre

⁶ according to the comparative method, the average market value of the land was 325 EUR / acre

⁷ according to the comparative method, the average market value of the land was 1 829 EUR / acre

The fair value of advance payments paid for investment property of UAB Janonio 27 (Ukmergė) and UAB Janonio 27 (Kaunas) was equal to carrying amount EUR 855 000 as at 31 December 2023 and was based on the purchase price. As there were no variables

present, hence the sensitivity analysis was not prepared. As at the preparation date of these financial statements, the ownership of investment property was not transferred to the Group.

The fair value of investment property of Janonio 27 (Utena) presented in table above differs from the carrying amount as at 31 December 2023 (EUR 741 658) due to additional advances paid related to investment property in amount of EUR 130 658.

Information of the Group's investment properties fair value hierarchy as at the end of the reporting period is as follows:

	Level 1	Level 2	Level 3	Fair value
Commercial building, UAB Janonio 27	-	-	1 680 275	1 680 275
Commercial building, UAB Investicija 21	-	-	5 870 000	5 870 000
Commercial building, UAB SMI Alytus	-	-	10 150 000	10 150 000
Land plot, UAB SMI Alytus	-	-	140 000	140 000
Commercial building, UAB BFIII Kaunas	-	-	12 320 000	12 320 000
Commercial building, Peppercorn 8 Sp. z.o.o	-	-	22 474 940	22 474 940
Commercial building, UAB Kuršėnų turtas (Kuršėnai)	-	-	2 400 000	2 400 000
Commercial building, UAB Kuršėnų turtas (Kretinga)	-	-	2 950 000	2 950 000
Land plot, UAB Janonio 27 (Utena)	-	-	741 658	741 658
Land plot, UAB Janonio 27 (Vilnius)	-	-	1 248 670	1 248 670
Land plot, UAB Janonio 27 (Skaidiškės)	-	-	130 000	130 000
Advance payment for land plot, UAB Janonio 27 (Kaunas)	-	-	855 000	855 000
Land plot, UAB Esulda	-	-	2 425 548	2 425 548
Commercial building, UAB MD Europa	-	-	10 650 000	10 650 000
Land plot and construction work, UAB Lairina	-	-	351 378	351 378
Commercial building, GL Park Sp. Z o.o.	-	-	8 507 893	8 507 893
Commercial building, KA Park Sp. Z o.o.	-	-	11 621 155	11 621 155
Commercial building, PR Park Sp. Z o.o.	-	-	13 614 472	13 614 472
Commercial building, PU Park Sp. Z o.o.	-	-	4 302 339	4 302 339
Commercial building, SW Park Sp. Z o.o.	-	-	15 174 559	15 174 559
Total	-	-	127 607 887	127 607 887

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

During 2022 the Group also acquired:

- Land plots, located at Kupiškio str. 48, 50 and 52, Utena. The purchase price was EUR 569 122.
- Land plot, located at Klebniškių str. 2, Skaidiškės k, Vilnius district. The purchase price was EUR 164 753.
- Land plot, located at Burbiškių str. 31, Vilnius. The purchase price was EUR 1 405 500.
- Paid advances for the land plot located at Balčkalnio str. 50, Kaunas. Advance paid was EUR 855 000.
- Paid advances for the land plot located at Mokyklos str. 2 Ukmergė. Advance paid was EUR 100 000.
- Paid advances for the assets in development in Group's previously acquired land plots. Advance paid was EUR 26 438.
- Land plot, located at Šventosios str. 54A, Kretinga and finished construction of PC IKI shopping centre in the acquired land plot. The purchase price of the property and performed work – EUR 3 769 100.
- The building complex together with the land located at Tunelio str. 4A, Vilnius. Purchase price was EUR 2 516 886.
- The building complex together with the land located at Janonio str. 27, Klaipėda. Purchase price was EUR 1 430 709.
- Finished construction of commercial building PC RIMI located at Šiltnamių str. 21, Vilnius. Construction and asset acquisition price was EUR 1 854 313.

The investment property of the Group consists of:

- Complex of buildings located at Janonio str. 27, Klaipėda, owned by UAB Janonio 27. Value as at valuation date 31 October 2022 – EUR 1 541 000.
- Land plots located at Kupiškio str. 48, 50 and 52, Utena, owned by UAB Janonio 27. Value as at valuation date 31 October 2022 – EUR 602 000.
- Land plot located at Burbiškių str. 31, Vilnius, owned by UAB Janonio 27. Value as at valuation date 31 October 2022 – EUR 1 240 000.

- Land plot located at Klebniškių str. 2, Skaidiškių k, Vilnius district, owned by UAB Janonio 27. Value as at valuation date 31 October 2022 – EUR 130 000.
- Shopping centre PC RIMI located at Šiltnamių str. 21, Vilnius, owned by UAB Investicija 21, a subsidiary of UAB Prekybos centrų plėtros investicijos. Value as at valuation date 31 October 2022 – EUR 5 710 000.
- Shopping centre PC Alytus, located at Ūdrijos str. 1, Alytus, and the land plot located at Naujoji str. 7C, 7D, Alytus, owned by UAB SMI Alytus. Value as at valuation date 31 October 2022 – EUR 9 440 000 and EUR 130 000 respectively.
- Shopping centre PC Kaunas, located at Savanorių ave. 321, Kaunas, owned by UAB BFIII Kaunas. Value as at valuation date 31 October 2022 – EUR 11 800 000.
- Shopping centre PC Kuršėnai, located at Vilniaus str. 40, Kuršėnai, owned by UAB Kuršėnų turtas. Value as at valuation date 31 October 2022 – EUR 2 290 000.
- Shopping centre PC Kretinga, located at Šventosios str. 54A, Kretinga, owned by UAB Kuršėnų turtas. Value as at valuation date 31 October 2022 – EUR 2 880 000.
- Shopping centre PC Mlyn, located at 110 Bolesława Krzywoustego str., Wrocław, Poland, owned by Peppercom 8 sp. z o.o.. Value as at valuation date 31 October 2022 – EUR 21 350 000.
- Complex of buildings located at Tunelio str. 4A, Vilnius, owned by UAB Esulda. Value as at acquisition date 10 November 2022 – EUR 2 517 886.
- Shopping centre PC RIMI, located at Liepojos str. 27, Klaipėda, owned by UAB MD Europa. Value as at acquisition date 15 December 2022 – EUR 8 266 625.

The valuation of investment property is based on reports prepared by an independent asset appraiser. The assumptions and sensitivity analysis for the valuation of investment property are presented in the table below:

		Land plot, UAB Janonio 27	Commercial building, UAB Investicija 21	Commercial building, UAB SMI Alytus	Land plot UAB SMI Alytus	Commercial building, UAB BFIII Kaunas
	Total					
Valuation method	-	Comparative transacions ¹	Income	Income	Comparative transacions ²	Income
Discount rate	-	0.00%	8.60%	11.13%	0.00%	10.09%
Capitalization rate	-	0.00%	6.00%	8.50%	0.00%	7.75%
Value of investment property	57 113 000	1 541 000	5 710 000	9 440 000	130 000	11 800 000
Sensitivity analysis						
Value after increasing capitalization rate by 0.5	54 863 000	1 541 000	5 460 000	9 210 000	130 000	11 460 000
Value change, %	-3,94%	0.00%	-4.38%	-2.44%	0.00%	-2.88%
Value after decreasing capitalization rate by 0.5	59 763 000	1 541 000	6 000 000	9 710 000	130 000	12 200 000
Value change, %	4,64%	0.00%	5.08%	2.86%	0.00%	3.39%
Value after increasing discount rate by 1	54 593 000	1 541 000	5 310 000	8 860 000	130 000	11 050 000
Value change, %	-4,41%	0.00%	-7.01%	-6.14%	0.00%	-6.36%
Value after decreasing discount rate by 1	59 873 000	1 541 000	6 130 000	10 080 000	130 000	12 630 000
Value change, %	4,83%	0.00%	7.36%	6.78%	0.00%	7.03%

	Commercial building, Peppercorn 8 Sp. z.o.o	Commercial building, UAB Kuršėnų turtas (Kuršėnai)	Commercial building, UAB Kuršėnų turtas (Kretinga)	Land plot, UAB Janonio 27 (Utena)	Land plot, UAB Janonio 27 (Vilnius)	Land plot, UAB Janonio 27 (Skaidiškės)
Valuation method	Income	Income	Income	Comparative transactions ³	Comparative transactions ⁴	Comparative transactions ⁵
Discount rate	6.80%	9.70%	9.40%	0.00%	0.00%	0.00%
Capitalization rate	6.80%	7.50%	7.50%	0.00%	0.00%	0.00%
Value of investment property	21 350 000	2 290 000	2 880 000	602 000	1 240 000	130 000
Sensitivity analysis						
Value after increasing capitalization rate by 0.5	20 080 000	2 220 000	2 790 000	602 000	1 240 000	130 000
Value change, %	-5.95%	-3.06%	-3.13%	0.00%	0.00%	0.00%
Value after decreasing capitalization rate by 0.5	22 860 000	2 370 000	2 980 000	602 000	1 240 000	130 000
Value change, %	7.07%	3.49%	3.47%	0.00%	0.00%	0.00%
Value after increasing discount rate by 1	20 900 000	2 140 000	2 690 000	602 000	1 240 000	130 000
Value change, %	-2.11%	-6.55%	-6.60%	0.00%	0.00%	0.00%
Value after decreasing discount rate by 1	21 850 000	2 450 000	3 090 000	602 000	1 240 000	130 000
Value change, %	2.34%	6.99%	7.29%	0.00%	0.00%	0.00%

¹ according to the comparative method, the average market value of the complex of building was 421 EUR / sq. m. and average market value of land was 16 531 EUR / are.

² according to the comparative method, the average market value of the land was 3 250 EUR / are

³ according to the comparative method, the average market value of the land was 3 620 EUR / are

⁴ according to the comparative method, the average market value of the land was 24 800 EUR / are

⁵ according to the comparative method, the average market value of the land was 2 549 EUR / are

The fair value of investment property of UAB MD Europa as at 31 December 2022, amounted to EUR 8 266 625 and was equal to purchase price as of 15 December 2022. There were no variables present, hence the sensitivity analysis was not prepared.

The fair value of investment property of UAB Esulda as at 31 December 2022, amounted to EUR 2 517 886 and was equal to purchase price as of 10 November 2022. There were no variables present, hence the sensitivity analysis was not prepared.

The fair value of investment property of Peppercorn 8 sp. z.o.o. presented in table above is based on the valuations carried out by an independent appraiser as at 31 October 2022, and differs from the balance value as at 31 December 2022 (EUR 21 481 371) due to changes in exchange rate between EUR and PLN.

The fair value of investment property of Janonio 27 (Utena) presented in table above differs from the carrying amount as at 31 December 2022 (EUR 622 411) due to additional advances paid related to investment property in amount of EUR 20 411.

The fair value of advance payments paid for investment property of UAB Janonio 27 (Ukmergė) and UAB Janonio 27 (Kaunas) was equal to carrying amount as at 31 December 2022 (EUR 100 000 and EUR 855 000 respectively) and was based on the purchase price. As there were no variables present, hence the sensitivity analysis was not prepared. As at the preparation date of these financial statements, the ownership of investment property was not transferred to the Group.

Information of the Group's investment properties fair value hierarchy as at the end of the reporting period is as follows:

	Level 1	Level 2	Level 3	Fair value
Commercial building, UAB Janonio 27	-	-	1 541 000	1 541 000
Commercial building, UAB Investicija 21	-	-	5 710 000	5 710 000
Commercial building, UAB SMI Alytus	-	-	9 440 000	9 440 000
Land plot, UAB SMI Alytus	-	-	130 000	130 000
Commercial building, UAB BFIII Kaunas	-	-	11 800 000	11 800 000
Commercial building, Peppercorn 8 Sp. z.o.o	-	-	21 481 371	21 481 371
Commercial building, UAB Kuršėnų turtas (Kuršėnai)	-	-	2 290 000	2 290 000
Commercial building, UAB Kuršėnų turtas (Kretinga)	-	-	2 880 000	2 880 000
Land plot, UAB Janonio 27 (Utena)	-	-	622 411	622 411
Land plot, UAB Janonio 27 (Vilnius)	-	-	1 240 000	1 240 000
Land plot, UAB Janonio 27 (Skaidiškės)	-	-	130 000	130 000
Advance payment for land plot, UAB Janonio 27 (Ukmergė)	-	-	100 000	100 000
Advance payment for land plot, UAB Janonio 27 (Kaunas)	-	-	855 000	855 000
Land plot, UAB Esulda	-	-	2 517 886	2 517 886
Commercial building, UAB MD Europa	-	-	8 266 625	8 266 625
Total	-	-	69 004 293	69 004 293

3.4. Other non-current assets

	31 December 2023	31 December 2022
Cash in long-term deposits	374 000	661 294
Total	374 000	661 294

As at 31 December 2023, the Group has pledged the amount of EUR 374 000 (as at 31 December 2022 – EUR 661 294) as a long-term deposit to bank in order to fulfil the requirements for the loan agreements.

3.5. Derivative financial instruments

Swap agreement	Nominal value	Residual nominal value	Interest rate	Maturity	31 December 2023	31 December 2022
mBANK	9 450 000	8 004 531	2,00%	2025-01-23	264 645	514 507
PEKAO	4 823 000	4 802 949	3,43%	2028-07-31	213 223	-
PEKAO	1 505 000	1 498 743	3,43%	2028-07-31	66 535	-
PEKAO	5 250 000	5 228 174	3,43%	2028-07-31	232 100	-
PEKAO	3 024 000	3 011 428	3,43%	2028-07-31	133 690	-
PEKAO	4 298 000	4 280 131	3,43%	2028-07-31	190 013	-
Luminor Bank AS	1 381 250	1 381 250	3,87%	2026-08-17	78 858	-
Luminor Bank AS	1 381 250	1 381 250	3,63%	2026-12-15	41 929	-
Luminor Bank AS	1 381 250	1 381 250	3,63%	2026-12-07	40 803	-
Total					1 261 796	514 507

As at 31 December 2023, the Group had interest rate swap agreement with the bank for the amount of EUR 32 493 750 (as at 31 December 2022 – EUR 9 450 000) in order to hedge against the Bank loan (7), Bank loan (10), Bank loan (11), Bank loan (12), Bank loan (13), Bank loan (14), Bank loan (4), Bank loan (5), Bank loan (6) interest rate changes.

According to the hedge agreement, the Group pays a fixed rate of interests to the bank. Meanwhile, depending on the variable interest rate in the market, the Group pays interests to the bank, if the market interest rate is negative, or the bank pays interests to the Group, if the market interest rate is positive.

The change in the fair value of the derivative financial instrument during 2023 and its balance as at 31 December 2023 is presented in the table below:

	Fair value at the beginning of the period	Change in fair value	Accrued interests	Paid (Received) interests	Exchange rate differences	Fair value at the end of the period
Interest rate swap	514 507	657 375	292 678	(267 539)	64 775	1 261 796
Total	514 507	657 375	292 678	(267 539)	64 775	1 261 796

As at 31 December 2022, the Group had interest rate swap agreement with the bank for the amount of EUR 9 450 000 in order to hedge against the Bank loan (7) interest rate changes. The initial nominal value, for which the hedge was made was EUR 12 600 000.

According to the hedge agreement, the Group pays fixed interests to the bank. Meanwhile, depending on the variable interest rate in the market, the Group pays interests to the bank, if the market interest rate is negative, or the bank pays interests to the Group, if the market interest rate is positive.

The change in the fair value of the derivative financial instrument during 2022 and its balance as at 31 December 2022 is presented in the table below:

	Fair value at the beginning of the period	Change in fair value	Accrued interests	Paid interests	Exchange rate differences	Fair value at the end of the period
Interest rate swap	(5 110)	517 655	(5 529)	5 529	1 962	514 507
Total	(5 110)	517 655	(5 529)	5 529	1 962	514 507

3.6. Other current assets

	31 December 2023	31 December 2022
Payments in advance	4 275 354	-
Deposits	96 321	-
Advance income tax	60 201	-
VAT receivable	59 664	16 276
Prepayments to vendors	46 217	28 426
Other future period expenses	8 868	4 644
Total	4 546 625	49 346

Payments in advance consist of an advance payment for bonds and accrued interest redemption, executed on 28 December 2023. Bonds have been redeemed for an amount of EUR 4 200 000, together with accrued interest of EUR 75 354. Redemption of bonds has been registered on 2 January 2024.

3.7. Contract assets and liabilities

	31 December 2023	31 December 2022
Contract assets	627 605	237 346
Deposits received related to renting premises (Note 13)	(329 349)	(145 083)
Trade receivables (Note 3.8)	166 652	101 018
Total	464 908	193 281

As at 31 December 2023, EUR 627 605 of rental revenue was accrued, which had not yet been invoiced (as at 31 December 2022 - EUR 237 346). The expected credit loss on contract assets is considered negligible and has therefore not been recognised.

Trade receivables relate to rental income of premises. For more detailed information, see the relevant notes.

3.8. Trade receivables

	31 December 2023	31 December 2022
Trade receivables	264 487	101 357
Expected credit loss	(97 835)	(339)
Total	166 652	101 018

Trade receivables consist of receivables from customers on the basis of invoices issued (rent, utility costs, etc.).

Expected credit loss is calculated based on the simplified method when historical debts and macroeconomics indicators are assessed. An impairment analysis is performed at each reporting date. Generally, rent and other trade receivables are written-off if past due or more than 181 days and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed above. As at 31 December 2023, the amount of EUR 97 835 (as at 31 December 2022 - EUR 339) of expected credit loss was recognized based on the method above.

Movements in the provision for expected credit loss of receivables is presented in the table below:

	Impairment
Residual value 2022.01.01	-
Recognized expected credit loss	(339)
Written off expected credit loss	-
Residual value 2022.12.31	(339)
Recognized expected credit loss	(97 496)
Written off expected credit loss	-
Residual value 2023.12.31	(97 835)

Ageing of trade receivables

	Total	Not overdue	1 - 30 days	31 - 90 days	91 - 180 days	More than 181 days	Expected credit loss
31 December 2022	101 018	37 617	62 797	605	-	339	(339)
31 December 2023	166 652	73 052	59 107	115 677	16 312	339	(97 835)

Group as a lessor

The Group has entered into leases on its investment property portfolio. The commercial property leases typically have lease terms of between 1 and 15 years and include clauses to enable periodic upward revision of the rental charge according to prevailing market conditions. Some leases contain options to break before the end of the lease term.

Lease income is recognized directly in profit or loss over the period and is charged to the income statement.

Minimum lease payments receivable under lease agreements

	31 December 2023	31 December 2022
Within one year	9 324 112	4 946 045
Between 1 and 2 years	8 316 821	4 547 227
Between 2 and 3 years	6 499 463	4 091 209
Between 3 and 4 years	4 752 265	2 775 634
Between 4 and 5 years	4 047 887	1 946 941
More than 5 years	11 677 841	11 171 883
Total	44 618 389	29 478 940

Part of the leases are concluded for an indefinite period. The minimum lease payments for those agreements were calculated for a minimum period before the tenants have to give a notice of termination of the lease.

3.9. Cash and cash equivalents

	31 December 2023	31 December 2022
Cash in bank accounts (EUR)	3 452 769	4 238 571
Demand deposits (EUR)	259 562	-
Cash in long-term deposits (EUR)	(374 000)	(661 294)
Total	3 338 331	3 577 277

The fair value of cash and cash equivalents as at 31 December 2023 and 31 December 2022 is approximately equal to their carrying amount.

As at 31 December 2023, the Group has pledged the amount of EUR 374 000 (as at 31 December 2022 – EUR 661 294) as a long-term deposit to bank in order to fulfil the requirements for the loan agreements. The Bank will pay the amount to the Group as part of the loan, as soon as all the conditions in the loan agreement are fulfilled.

Demand deposits consist of bank accounts, which can only be used until return of the deposit to the lessee.

The credit risk associated with bank balances is limited as the Group conducts transactions with banks with high long-term debt ratings issued by foreign rating agencies, therefore, due to immateriality, expected credit loss was not recognized. Bank ratings are given below:

	Moody's	Standard & Poor's
AB Swedbank	AA3	A+
SEB bankas, AB	AA3	A+
Luminor Bank AS	A3	-
mBANK SA	A2	A-
Pekao	A2	A-

Net debt reconciliation

	Financial debts	Cash and cash equivalents	Total
Net debt as at 1 January 2022	(9 853 047)	1 560 144	(8 292 903)
Operating and investment cash flows	-	(2 485 813)	(2 485 813)
Acquisition of a subsidiary	(23 113 652)	(9 274 676)	(32 388 328)
Loans received	(3 971 620)	3 971 620	-
Bonds issued	(10 128 063)	10 128 063	-
Loans repayments	7 333 658	(7 333 658)	-
Interest paid	650 494	(656 023)	(5 529)
Payments to long-term deposits	-	(351 492)	(351 492)
Interest expenses	(711 000)	-	(711 000)
Issue of shares	-	7 955 000	7 955 000
Exchange rate differences	226 477	64 112	290 589
Net debt as at 31 December 2022	(39 566 753)	3 577 277	(35 989 476)
Operating and investment cash flows	-	(55 327 452)	(55 327 452)
Acquisition of a subsidiary	-	(67 114)	(67 114)
Loans received	(57 545 440)	57 545 440	-
Loans repayments	34 680 521	(34 680 521)	-
Interest paid	2 382 924	(2 382 924)	-
Bonds issued	(24 087 602)	24 087 602	-
Payments to long-term deposits	-	287 294	287 294
Interest expenses	(4 629 579)	-	(4 629 579)
Issue of shares	-	6 606 364	6 606 364
Share premium	-	636	636
Received advances for issued shares	-	2 500 000	2 500 000
Exchange rate differences	(152 226)	1 191 729	1 039 503
Net debt as at 31 December 2023	(88 918 155)	3 338 331	(85 579 824)

3.10. Equity

	31 December 2023	31 December 2022
Authorised share capital fully paid	38 036 364	31 430 000
Share premium	636	-
Total issued capital	38 037 000	31 430 000

According to the Articles of Association of the Company, the initial share capital formed by the Company on 6 April 2021 was EUR 160 000.

As at 31 December 2023, the paid up share capital of the Company is equal to EUR 38 036 364 (as at 31 December 2022 - EUR 31 430 000) and was comprised of 38 036 364 ordinary intangible shares with a nominal value of EUR 1. During the financial year ended, the authorized share capital was increased by the issue of 6 606 364 ordinary shares with the nominal value of EUR 1 (during 2022 - 7 955 000 ordinary shares with the nominal value of EUR 1). As at 31 December 2023, share premium amounts to EUR 636 (as at 31 December 2022 – EUR 0)

The table below shows the values of the shares issued by the Company as at 31 December 2023 and 31 December 2022:

	31 December 2023	31 December 2022
Balance at beginning of the reporting period	31 430 000	23 475 000
Shares issued	6 606 364	7 955 000
Balance at end of the reporting period	38 036 364	31 430 000

Compulsory reserve

The laws of the Republic of Lithuania require the formation of a compulsory reserve. The Company should transfer annually 5% of the distributable profit calculated in accordance with the requirements of the legal acts regulating accounting in the Republic of Lithuania until the compulsory reserve reaches 10% of the amount of the authorised capital. The Company's compulsory reserve was not yet formed as at 31 December 2023 and 31 December 2022.

Net assets value (NAV)

	31 December 2023	31 December 2022
Equity	43 976 930	33 136 244
Increase (decrease) in net assets	(7 300 034)	(3 658 203)
Net assets value (NAV)	36 676 896	29 478 041
Share capital	38 036 364	31 430 000
Share value, EUR	0,9643	0,9379

IFRS require the preparation of consolidated financial statements of the Company containing consolidated equity of the Company and group companies. Meanwhile, according to the procedure for calculation of NAV, approved by the Management Company, the Company's NAV is calculated based on the fair value of the Company's unconsolidated net assets. Therefore, as at 31 December 2023 and 31 December 2022, there is a difference between the Company's equity and NAV.

3.11. Loans received and bonds issued

Details of long-term loans received:

Non-current loans	Interest rate	Maturity date	31 December 2023	31 December 2022
Bank loan (3)	2,20% + 3M EURIBOR	2027-12-31	4 616 667	4 800 000
Bank loan (4)	2,15% + 3M EURIBOR	2026-08-25	2 832 500	2 997 500
Bank loan (5)	2,15% + 3M EURIBOR	2026-12-15	1 287 500	1 362 500
Bank loan (6)	2,60% + 3M EURIBOR	2026-12-31	1 330 540	1 108 578
Bank loan (7)	2,40% + 3M EURIBOR	2027-01-08	9 978 833	10 499 834
Bank loan (8)	3,20% + 6M EURIBOR	2028-12-20	5 605 720	-
Bank loan (9)	3,20% + 6M EURIBOR	2028-12-20	3 671 540	-
Bank loan (10)	2,90% + 3M EURIBOR	2028-08-02	4 135 542	-
Bank loan (11)	2,90% + 3M EURIBOR	2028-08-02	5 877 808	-
Bank loan (12)	2,90% + 3M EURIBOR	2028-08-02	6 595 740	-
Bank loan (13)	2,90% + 3M EURIBOR	2028-08-02	2 058 193	-
Bank loan (14)	2,90% + 3M EURIBOR	2028-08-02	7 179 714	-
Non-current loan (1)	12,00%	2025-01-25	5 791 500	-
Total			60 961 797	20 768 412

Details of short-term loans received and bonds issued:

Current portion of non-current loans	Interest rate	Maturity date	31 December 2023	31 December 2022
Bank loan (1)	2,20% + 3M EURIBOR	2023-12-18	-	3 447 714
Bank loan (2)	2,20% + 3M EURIBOR	2023-12-18	-	4 156 756
Bank loan (3)	2,20% + 3M EURIBOR	2027-12-31	227 176	210 615
Bank loan (4)	2,15% + 3M EURIBOR	2026-08-25	165 000	165 000
Bank loan (5)	2,15% + 3M EURIBOR	2026-12-15	75 000	75 000
Bank loan (6)	2,60% + 3M EURIBOR	2026-12-31	80 000	80 000
Bank loan (7)	2,40% + 3M EURIBOR	2027-01-08	532 352	535 193
Bank loan (8)	3,20% + 6M EURIBOR	2028-12-20	278 873	-
Bank loan (9)	3,20% + 6M EURIBOR	2028-12-20	335 558	-
Bank loan (10)	2,90% + 3M EURIBOR	2028-08-02	207 569	-
Bank loan (11)	2,90% + 3M EURIBOR	2028-08-02	295 011	-
Bank loan (12)	2,90% + 3M EURIBOR	2028-08-02	331 034	-
Bank loan (13)	2,90% + 3M EURIBOR	2028-08-02	103 302	-
Bank loan (14)	2,90% + 3M EURIBOR	2028-08-02	360 350	-
Short-term issued bonds				
Bonds issued (1)	5,00% + 6M EURIBOR	2023-10-28	-	10 128 063
Bonds issued (2)	6,00% + 6M EURIBOR	2024-09-07	15 735 208	-
Bonds issued (3)	6,00% + 6M EURIBOR	2024-04-30	9 229 925	-
Total			27 956 358	18 798 341

Pledged investment property fair values under bank loans as at 31 December 2023, and 31 December 2022:

Loan agreements	31 December 2023	31 December 2022
Bank loan (1)	-	9 570 000
Bank loan (2)	-	11 800 000
Bank loan (3)	10 650 000	9 310 000
Bank loan (4)	5 870 000	5 710 000
Bank loan (5)	2 400 000	2 290 000
Bank loan (6)	2 950 000	2 880 000
Bank loan (7)	21 550 000	21 350 000
Bank loan (8)	10 290 000	-
Bank loan (9)	12 320 000	-
Bank loan (10)	8 300 000	-
Bank loan (11)	11 340 000	-
Bank loan (12)	13 280 000	-
Bank loan (13)	4 200 000	-
Bank loan (14)	14 810 000	-
Total	117 960 000	62 910 000

Pledged investment property is presented in Note 3.3.

According to the Bank loan (3) agreement, the Company has pledged real estate, existing and future funds in the bank account for the amount of EUR 5 000 000, and 100% of UAB MD Europa shares owned by the Company. The Company must comply with DSCR ratio, Equity to debt ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (4) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of UAB Investicija 21 shares owned by the Company, and the rights of UAB Prekybos centrų plėtros investicijos to the subsidiary UAB Investicija 21. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (5) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of UAB Kuršėnų turtas shares owned by the Company. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (6) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of UAB Kuršėnų turtas shares owned by the Company. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (7) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of Peppercorn 8 sp. z o.o. shares owned by the Company. The Company must comply with DSCR ratio, LTV and positive equity ratio covenants set in the loan agreement.

According to the Bank loan (8) agreement, the Company has pledged real estate and land, existing and future funds in the bank account, 100% of UAB BFIII Kaunas shares owned by the Company. The Company must comply with DSCR ratio, Equity to debt ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (9) agreement, the Company has pledged real estate, existing and future funds in the bank account, 100% of UAB SMI Alytus shares owned by the Company, and rights to receivables under loan agreements with subsidiary lessors. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (10) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of GL Park Sp. Z o.o. shares owned by the Company. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (11) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of KA Park Sp. Z o.o. shares owned by the Company. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (12) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of PR Park Sp. Z o.o. shares owned by the Company. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (13) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of PU Park Sp. Z o.o. shares owned by the Company. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

According to the Bank loan (14) agreement, the Company has pledged real estate, land and all existing and future short-term and non-current assets, movable and immovable property, property rights, funds and other assets, 100% of SW Park Sp. Z o.o. shares owned by the Company. The Company must comply with financial debt to EBITDA ratio, DSCR ratio and LTV ratio covenants set in the loan agreement.

On 28 June 2023, the Group issued publicly distributed bonds for the total amount of EUR 15 000 000. The nominal value of bond is EUR 1 000. The bonds maturity date is 7 September 2024. The interests will be paid thrice – on 7 January 2024, 7 July 2024 and 7 September 2024. The bonds interest rate is 6% + 6M EURIBOR. On 7 July 2023, investors acquired 13 000 units of bonds for the total amount of EUR 13 000 000. During the second tranche, the Group issued an amount of EUR 1 000 000, which investors acquired on 25 July 2023. During the third tranche, the Group issued the remaining amount of EUR 1 000 000, which investors acquired on 10 August 2023. The Company must comply with LTV ratio covenant set in the bond agreement.

On 25 October 2023, the Group issued publicly distributed bonds for the total amount of EUR 10 000 000. The nominal value of bond is EUR 100. The bonds maturity date is 30 April 2024. The interests will be paid on 30 April 2024. The bonds interest rate is 6% + 6M EURIBOR. On 30 October 2023, investors acquired 84 200 units of bonds for the total amount of EUR 8 420 000. During the second tranche, the Group issued the remaining amount of EUR 650 000, which investors acquired on 17 November 2023. The Company must comply with LTV ratio covenant set in the bond agreement.

On 27 October 2023, in compliance with the bond agreement, the Group has redeemed issued bonds for an amount of EUR 10 000 000, together with accrued interest of EUR 798 550. EUR 1 580 000 has been paid out to the investors, whereas EUR 8 420 000 was credited for the first tranche of new issued bonds as of 25 October 2023.

In 2023 and 2022, the Group complied with the covenants according to the loan requirements.

On 24 October 2022, the Group issued publicly distributed bonds for the total amount of EUR 10 000 000. The nominal value of bond is EUR 1 000. The bonds maturity date is 28 October 2023. The interests will be paid twice – on 28 April 2023 and 28 October 2023. The bonds interest rate is 5% + 6M EURIBOR. On 28 October 2022, investors acquired 9 340 units of bonds for the total amount of EUR 9 340 000. During the second tranche, the Group issued the remaining amount of EUR 660 000, which investors acquired on 18 November 2022. Together with acquired bonds nominal value, the investors also paid the difference of accrued interests between the first and the second tranches of bonds distribution. The Company must comply with LTV ratio covenant set in the bond agreement.

On the date of acquisition of the subsidiaries acquired by the Company, the subsidiaries had received short-term loans from unrelated persons for the amount of EUR 833 891 together with accrued interest and had received long-term loans from unrelated persons for the amount of EUR 4 244 462 together with accrued interest. The Company, by purchasing subsidiaries, repaid loans to unrelated persons. The amounts of interest-bearing loans repaid are presented in the Group's consolidated cash flow statement.

The table below shows the movement of loans and bonds during 2023 and their balance as at 31 December 2023:

Special closed-end real estate investment company AB Tewox
Registration number: 305733600, address: Jogailos str. 4, Vilnius
The Company's Consolidated Financial Statements for the year ended 31 December 2023
Management company UAB Lords LB Asset Management, reg. code: 301849625
(all amounts presented in EUR unless otherwise indicated)

	Balance at the beginning of the year	Loans received	Loans repaid	Accrued interest	Interest paid	Exchange rate difference	Balance at the end of the year
Current liabilities							
Bonds issued (1)	10 128 063	-	(10 128 063)	670 487	(670 487)	-	-
Bonds issued (2)	-	15 014 322	-	720 886	-	-	15 735 208
Bonds issued (3)	-	9 073 280	-	156 645	-	-	9 229 925
Short-term loan (1)	-	1 000 000	(1 000 000)	16 278	(16 278)	-	-
Short-term loan (3)	-	2 000 000	(2 000 000)	35 667	(35 667)	-	-
Non-current liabilities							
Bank loan (1)	3 447 714	-	(3 435 730)	173 452	(185 436)	-	-
Bank loan (2)	4 156 756	-	(4 140 988)	208 905	(224 673)	-	-
Bank loan (3)	5 010 615	-	(183 333)	267 299	(250 738)	-	4 843 843
Bank loan (4)	3 162 500	-	(165 000)	165 211	(165 211)	-	2 997 500
Bank loan (5)	1 437 500	-	(75 000)	83 527	(83 527)	-	1 362 500
Bank loan (6)	1 188 578	296 201	(74 239)	74 931	(74 931)	-	1 410 540
Bank loan (7)	11 035 027	-	(485 711)	621 152	-	(659 283)	10 511 185
Bank loan (8)	-	5 875 000	-	9 593	-	-	5 884 593
Bank loan (9)	-	4 000 000	-	7 098	-	-	4 007 098
Bank loan (10)	-	4 159 527	(16 885)	121 575	(49 420)	128 314	4 343 111
Bank loan (11)	-	5 909 307	(23 998)	172 795	(70 240)	184 955	6 172 819
Bank loan (12)	-	6 631 072	(26 930)	193 901	(78 820)	207 551	6 926 774
Bank loan (13)	-	2 069 223	(8 403)	60 506	(24 595)	64 764	2 161 495
Bank loan (14)	-	7 218 183	(29 314)	211 068	(85 798)	225 925	7 540 064
Bank loan (15)	-	3 292 312	(3 292 312)	93 786	(93 786)	-	-
Bank loan (16)	-	3 581 923	(3 581 923)	102 036	(102 036)	-	-
Bank loan (17)	-	1 025 247	(1 025 247)	29 205	(29 205)	-	-
Bank loan (18)	-	2 058 029	(2 058 029)	58 627	(58 627)	-	-
Bank loan (19)	-	2 929 416	(2 929 416)	83 449	(83 449)	-	-
Long-term loan (1)	-	5 500 000	-	291 500	-	-	5 791 500
Total liabilities	39 566 753	81 633 042	(34 680 521)	4 629 579	(2 382 924)	152 226	88 918 155

The table below shows the movement of loans and bonds during 2022 and their balance as at 31 December 2022:

	Balance at the beginning of the year	Loans received	Loans repaid	Accrued interest	Interest paid	Exchange rate difference	Balance at the end of the year
Current liabilities							
Short-term loan (2)	105 704	-	(103 715)	2 074	(4 063)	-	-
Short-term loan (3)	833 891	-	(743 305)	-	(90 586)	-	-
Short-term loan (4)	-	800 000	(800 000)	6 767	(6 767)	-	-
Short-term loan (5)	-	500 000	(500 000)	4 861	(4 861)	-	-
Bonds issued	-	10 002 735	-	125 328	-	-	10 128 063
Non-current liabilities							
Bank loan (1)	3 652 925	-	(217 195)	91 506	(79 522)	-	3 447 714
Bank loan (2)	4 402 788	-	(261 800)	109 363	(93 595)	-	4 156 756
Bank loan (3)	5 010 615	-	-	-	-	-	5 010 615
Bank loan (4)	1 691 630	1 608 370	(137 500)	73 299	(73 299)	-	3 162 500
Bank loan (5)	1 500 000	-	(62 500)	34 226	(34 226)	-	1 437 500
Bank loan (6)	-	1 188 578	-	3 477	(3 477)	-	1 188 578
Bank loan (7)	11 524 684	-	(263 181)	260 099	(260 099)	(226 476)	11 035 027
Long-term loan (1)	4 244 462	-	(4 244 462)	-	-	-	-
Total liabilities	32 966 699	14 099 683	(7 333 658)	711 000	(650 495)	(226 476)	39 566 753

Loan repayment terms

	31 December 2023	31 December 2022
In 1 year	27 956 358	11 744 163
From 1 to 5 years	60 961 797	27 822 590
Total	88 918 155	39 566 753

3.12. Lease liabilities

	31 December 2023	31 December 2022
Non-current lease liabilities	2 333 744	937 226
Current lease liabilities	691	701
Total	2 334 435	937 927

The Group uses leased real estate – land – in its activities. These liabilities are recorded at the present value of the remaining ground lease payments at a discounted interest rate. The interest rate applied to discount land lease payments for the first contract was 9.98%, the second 9.98% and the third 8.85%.

During 2023, the Group signed three new land lease agreements for the amount of EUR 1 200 657. Interest rates used to discount land lease payments are 7.90%, 7.05%, and 6.95% respectively. The Group also recalculated one of the agreements lease liability amounts, due to change in lease payment amount.

During 2022, the Group signed two new land lease agreements for the amount of EUR 780 158. Interest rates used to discount land lease payments are 10.80% and 6.80% respectively. The Group also recalculated one of the agreements lease liability amounts, due to change in lease payment amount.

Interest rate used to discount lease payments is same as discount rate used in the valuation reports of investment property prepared by independent appraisers.

The table below shows the movement of lease liabilities during 2023 and 2022:

	Lease liabilities
Balance as at 1 January 2022	166 058
Lease liabilities recognized	780 158
Adjustment due to change on lease payments	(3 067)
Payments	(65 595)
Interest accrued	60 393
Exchange rate differences	(20)
Balance as at 31 December 2022	937 927
Lease liabilities recognized	1 200 657
Adjustment due to change on lease payments	193 725
Payments	(114 404)
Interest accrued	116 819
Exchange rate differences	(289)
Balance as at 31 December 2023	2 334 435

3.13. Contract liabilities

	31 December 2023	31 December 2022
Non-current lease liabilities		
Non-current deposits received from tenants	81 455	118 677
Current lease liabilities		
Short-term deposits received from tenants	247 894	26 406

Deposits received from tenants are deposits for rented premises that would be returned to tenants upon termination or expiration of the lease, or offset against receivables from tenants in case of default. Non-current deposits are deposits that will have to be repaid under leases that are valid for a period of more than one year. Short-term deposits are deposits that will have to be repaid under leases that will expire in the coming year.

3.14. Advance payments

	31 December 2023	31 December 2022
Payments received in advance	2 500 000	-
Total	2 500 000	-

Payments received in advance consist of a received advance payment, in accordance to a share agreement, on 29 December 2023. As at January 5, 2024, the Company issued new shares related to the payment.

3.15. Trade and other payables

	31 December 2023	31 December 2022
Accrued expenses	606 449	210 131
Trade payables	459 890	653 187
Prepayments received	35 958	2 644
Real estate tax	32 124	30 655
Deferred income	2 791	4 690
Other payables	1 686	2 637
Total	1 138 898	903 944

Accrued expenses consist of a management fee of EUR 135 288 (2022 - EUR 111 595), depositary fees of EUR 8 567 (2022 - EUR 8 396), an audit fee of EUR 155 261 (2022 - EUR 42 896) and other operating expenses.

3.16. Employment related liabilities

	31 December 2023	31 December 2022
Vacation reserve	14 353	8 986
Bonus accruals	11 775	6 729
Employment taxes	9 622	-
Salary	5 914	-
Other payables to employees	1 034	-
Total	42 698	15 715

3.17. Income

	2023	2022
Rental income	6 812 255	3 541 698
Maintenance and utilities revenue	1 096 529	709 249
Other rental income	217 204	7 385
Other unordinary income	78 781	12 694
Due interests and fines income	4 320	5 748
Income from asset acquisitions	-	3 709
Total	8 209 089	4 280 483

Income from asset acquisitions as at December 31, 2022, consists of EUR 2 199 of amount received due to price correction of subsidiary UAB Prekybos centrų plėtos investicijos and the amount of EUR 1 510 recognized as the difference between the fair value of the net assets of the acquired subsidiaries by the Company and the purchase price paid (see note 3.1).

Income is recognized as income over time as services are being provided.

3.18. Real estate and land tax expense

	2023	2022
Real estate tax	372 542	200 430
Land tax	8 330	3 620
Total	380 872	204 050

3.19. Maintenance and repair costs of buildings

	2023	2022
Costs of buildings cleaning and waste management	227 551	129 217
Other costs of building maintenance	184 540	79 054
Repair costs of buildings	105 819	87 806
Security costs	70 037	49 775
Total	587 947	345 852

3.20. Utilities

	2023	2022
Electricity consumption	85 400	29 269
Heat energy consumption	41 880	6 271
Water and sewerage costs	18 037	6 448
Total	145 317	41 988

3.21. Administrative costs

	2023	2022
Professional services	1 089 843	633 714
Management fee	477 460	424 457
Audit fee	160 702	69 999
Asset management fee	125 353	54 068
Insurance	31 135	12 729
Other	106 751	35 900
Total	1 991 244	1 230 868

3.22. Wages and related expenses

	2023	2022
Wage costs	313 709	126 499
Social security costs	19 723	2 251
Car rent	11 264	5 882
Per diem	3 220	2 137
Total	347 916	136 769

3.23. Other costs

	2023	2022
Due interests and fines costs	83 615	4 670
Asset acquisition costs	69 701	-
Depository fee	28 648	25 467
Right of use assets depreciation	22 994	12 570
Other	288 451	124 005
Bad debt costs	-	339
Repayment fee for bonds (Note 3.6)	-	18 397
Total	493 409	185 448

3.24. Finance income and costs

	2023	2022
Income from financial activities	2 921 225	517 655
Positive exchange rate differences	1 971 172	-
Gain due to changes in fair value of derivative financial instruments	657 375	517 655
Interest income on derivative financial instruments	292 678	-
Financial operating expenses	(4 848 091)	(1 192 877)
Interest expenses	(4 746 399)	(776 922)
Interest expenses on loans received	(3 081 562)	(585 671)
Interest expenses on bonds issued	(1 548 018)	(125 329)
Interest expenses on lease liabilities (IFRS 16)	(116 819)	(60 393)
Interest expenses on derivative financial instruments	-	(5 529)
Other financial expenses	(101 692)	(415 955)
Loans administrative and commitment fees	(101 692)	(37 310)
Negative exchange rate differences	-	(378 645)
Total	(1 926 866)	(675 222)

The Group had derivative financial instrument in order to hedge against interest rate fluctuations (see note 3.5). The profit due to the change in fair value amounted to EUR 657 375 (2022 - EUR 517 655), and the interest income on derivative financial instruments amounted to EUR 292 678 (2022 – EUR 5 529).

The Group pays quarterly loan administration fee on the Bank loans.

3.25. Income tax

The main components of income tax expense as at 31 December 2023 and 31 December 2022 are presented in the table below:

	2023	2022
Income tax expense	297 868	231 727
Deferred income tax (income) expense	626 236	38 884
Total	924 104	270 611

Reconciliation of income tax expense is provided below:

	2023	2022
Profit (loss) before tax	4 414 460	1 602 637
Income tax (expense) calculated at the statutory rate in Lithuania	662 169	240 396
Income tax adjustments from previous periods	(2 638)	-
Non-taxable income	(2 101 890)	(17 513)
Non-deductible expenses (permanent differences)	2 119 990	(25 760)
Unrecognized deferred income tax	111 365	(60 451)
Non-taxable result of investment company	62 022	(127 981)
The effect of the difference in tax rates	(17 031)	261 920
Used accumulated tax losses	90 117	-
Income tax at an effective corporate tax rate	924 104	270 611
Income tax expense recognized in profit or loss	924 104	270 611

In accordance with the Law on Income Tax of the Republic of Lithuania, the income of companies with legal status as an investment company and operating under the Law on Collective Investment Undertakings is non-taxable. Accordingly, based on the legislation, costs occurred to generate non-taxable income are classified as non-deductible expenses. Thus, all income of the Company is non-taxable, and all expenses are non-deductible.

The Group's profit from its activities in Poland are subject to 19% income tax rate set by Polish legislation. Accordingly, the difference between the tax rate in Lithuania (15%) and Poland (19%) is equal to EUR 17 031 (2022 - EUR 261 920).

The Group has tax losses of EUR 837 844 (2022 - EUR 728 818), of which EUR 639 710 are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose, and EUR 198 134 over 5 years. The deferred tax effect on accumulated tax losses is presented in the table below.

	2023	2022
Deferred income tax asset		
Accumulated tax losses	133 602	109 323
Accrued expenses	340 419	53 456
Difference between financial and tax value of other liabilities	685 563	60 698
Deferred tax assets before impairment	1 159 584	223 477
Minus: decrease in realizable value	-	-
Deferred tax assets at net value	1 159 584	223 477
Deferred income tax liability		
Depreciation difference between financial and tax value of fixed assets	(963 285)	(474 772)
Difference between financial and tax value of other assets	(1 178 754)	(96 340)
Deferred income tax liability	(2 142 039)	(571 112)
Deferred income tax, net value	(982 455)	(347 635)

The temporary differences associated with investments in the Group's subsidiaries, for which a deferred tax liability has not been recognized in the periods presented, aggregate to EUR 3 467 651 (2022: EUR 1 120 734).

3.26. Transactions with related parties

Management's remuneration and other benefits

	31 December 2023	31 December 2022
Number of managers at the end of the year	1	1
Average number of managers during the year	1	1
Salaries paid to managers	42 761	24 773

There were no other payments to managers.

Transactions with group companies

The Company's transactions with related parties during 2023 and their balances as at 31 December 2023:

	Income	Costs	Receivables	Payables
UAB Lords LB Asset Management	-	490 841	-	135 288
Total	-	490 841	-	135 288

The Company's transactions with related parties during 2022 and their balances as at 31 December 2022:

	Income	Costs	Receivables	Payables
UAB Lords LB Asset Management	-	447 089	-	114 095
Total	-	447 089	-	114 095

Most of the costs from UAB Lords LB Asset Management consist of management fee. Payable amounts consist of EUR 135 288 management fee (2022 – EUR 111 595). As at 31 December 2022 there was also a payable distribution fee of EUR 2 500.

Share purchase and sale transactions with related parties

Balance at the begging of the period	160 000
Shares distributed	5 000 000
Redeemed shares	-
Balance as at 31 December 2022	5 160 000
Shares distributed	500 000
Redeemed shares	-
Payments received in advance	2 500 000
Balance as at 31 December 2023	8 160 000

As at 31 December 2023, related parties owned EUR 5 660 000 of the Company's shares amounting to 14.88% of the total amount of shares.

As at 31 December 2022, related parties owned EUR 5 160 000 of the Company's shares amounting to 16.42% of the total amount of shares.

3.27. Return on investments and risk indicators of the Company

The change in the value of the company's shares and the annual gross and net return on investment in the investment portfolio are shown in the table below. The calculations were made on the basis of the value of net assets calculated by the Company.

	Period			
	Current	1 year ago	2 years ago	10 years ago
Change in share value, EUR	0,0264 €	0,0306 €	0,9073 €	-
Annual gross return on investments, %	-0,47%	-3,84%	-28,91%	-
Annual net return on investments, %	-1,95%	-5,36%	-30,50%	-
Standard deviation of change in value of the share, EUR	0,0196 €	0,0190 €	0,1796 €	-

Change in average share value over the same period, change in average net investment value over the last three, five, 10 years:

	Over 3 years	Over 5 years	Over 10 years	Since the start
Average change in share value, %	-1,20%	-	-	-1,20%
Average gross return on investments, %	-13,60%	-	-	-13,60%
Average net return on investments, %	-12,05%	-	-	-12,05%
Standard deviation of change in value of the share, EUR	0,0871 €	-	-	0,0871 €

Maximum and minimum share values:

	Current period		Previous period	
	Date	Value	Date	Value
Minimum value of the share	2023-04-30	0,9229	2022-01-01	0,9073
Maximum value of the share	2023-05-31	0,9751	2022-05-31	0,9741

Annual net return on investment takes into account trade and management expenses.

Annual gross return on investment takes into account trade expenses.

Standard deviation of change in value of investment unit is a statistical risk indicator that shows the magnitude of fluctuations in the unit's value compared to their average change.

Average change in bookvalue of an investment unit is a geometric mean of annual relative changes in book values of the units during a certain period, expressed as annual interest.

Average gross return on investment is a gross return during a certain period, expressed as annual interest.

Average net return on investment is a net return during a certain period, expressed as annual interest.

3.28. Going concern

As at 31 December 2023 the Group's current liabilities (EUR 31 886 539) exceed current assets (EUR 8 705 033). The major part of short term liabilities comprise of Group's public bond emission in amount of EUR 24 965 133 which terms end on 30 April 2024 and 7 September 2024. The Group management plans to repay bonds by issuing new emission as described below.

On December 29 2023, the Group has executed an early payment for a bond amount of EUR 4 200 000 and accrued interest of EUR 75 354, for which the term ends on 30 April 2024. Bond and accrued interest have been redeemed on 2 January 2024 (**see Notes 3.6. and 3.11.**). The remaining bond amount of EUR 4 870 000 and accrued interests will be refinanced by the Group's newly issued bonds on 1 February 2024.

On 1 February 2024, the Group issued non-publicly distributed bonds for the total amount of EUR 10 000 000. During first tranche the investors acquired bonds for a total amount of EUR 2 604 000. During the second tranche the investors acquired bonds for a total amount of EUR 6 183 731. The company is carrying out the third distribution of the bonds, according to which the bonds will be settled on 30 April 2024. Bond emission is meant to refinance bond emission, which term ends on 30 April 2024.

Also, on July 2024 the Group plans to issue second, two-year non-public bond emission of EUR 16 000 000 in order to finance its bond emission, which term ends 7 September 2024. Therefore, the Group's liquidity shall be ensured by an additional cash inflow from new bond emission.

Based on the reasons provided above, the Management of the Group decided no material uncertainty exists regarding Group's ability to continue as going concern and these financial statements have been prepared on a going concern basis.

3.29. Subsequent events

On 2 January 2024, the Company has redeemed bonds and interests based on an early payment executed on 29 December 2023 (**see Note 3.6.**).

On 3 January 2024, the Company's subsidiary UAB Prekybos centrų plėtros investicijos, in accordance with the reorganization conditions, has been merged with UAB Investicija 21.

On 5 January 2024, the Company has attributed shares under the agreement signed on 28 December 2023. Company's share capital was increased by 2 500 000 units to a total of 40 536 634 units (**see Note 3.14.**).

On 7 January 2024, the Company executed an interest payment, under the bond emission conditions, for a total amount of EUR 759 616 (**see Note 3.11.**).

On 1 February 2024, the Company issued non-publicly distributed bonds for the total amount of EUR 10 000 000. The nominal value of bond is EUR 1 000. On 13 February 2024, investors acquired 2 604 units of bonds for the total amount of EUR 2 604 000.

On 11 April 2024, the Company has signed a loan agreement with an unrelated party, according to which the Company received a loan of EUR 600 000.

Special closed-end real estate investment company AB Tewox
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Management company UAB Lords LB Asset Management, reg. code: 301849625
(all amounts presented in EUR unless otherwise indicated)

On 19 April 2024, second tranche of bonds distribution, according to 1 February 2024 bonds emission, has ended. Investors acquired 6 076 units of bonds for the total amount of EUR 6 183 731.

On 25 April 2024, the Company's share capital was increased by 1 000 000 units according to share subscription agreement signed on 24 April 2024.

There were no other significant events after the reporting period.

These reports have been electronically signed by:

Director of management company

Company manager

Company representative in charge of accounting

Vilma Tvaronavičienė

Efim Hiterer

Tadas Pranckevičius

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SPECIAL CLOSED-END REAL ESTATE INVESTMENT COMPANY AB TEWOX

CONSOLIDATED ANNUAL MANAGEMENT REPORT FOR YEAR 2023

General information

Special closed-end real estate investment company **AB Tewox** (hereinafter referred to as the **Company** or together with its subsidiaries as the **Group**) registered in the Republic of Lithuania on 6 April 2021, registration no. 305733600. The address of the Company is Jogailos str. 4, Vilnius. The data is stored and collected by the State Enterprise Centre of Registers. On 26 April 2021 the Supervision Service of the Bank of Lithuania approved the Articles of Association of the Company and allowed to choose the depository. The code given to the Company is F095.

The Company's purpose is to earn a return to shareholders from investments in income generating real estate objects in the Baltic Sea region countries – Lithuania, Latvia, Estonia, Finland, Sweden, Denmark, Poland and Germany.

The period of activity of the Company is 50 years from the day when the Supervision Service of the Bank of Lithuania approves the Articles of Association of the Company, i.e. until 26 April 2071. During the period of the Company's activities, the redemption of shares is limited.

The management of the Company is transferred to the management company UAB Lords LB Asset Management (hereinafter referred to as the Management Company), which was established and registered on 8 September 2008, the company code 301849625, registered office at Jogailos str. 4, Vilnius, Republic of Lithuania. Company data is collected and stored in the Register of Legal Entities of the Republic of Lithuania. Decided by the Lithuanian Securities Commission, on 23rd of December 2008 UAB Lords LB Asset Management was granted an asset management licence (no. VJK – 016), acting in accordance with the Lithuanian Collective Investment Undertakings Law. On 5th of December, 2013, decision no. 03-201, the management of the Bank of Lithuania has decided to extend the asset management licence no. VJK–016 and to grant the Management entity the power to manage collective investment undertakings, established based on the Lithuanian Law of Collective Investment Undertakings for informed investors. On 23rd of June 2015 the Management entity was granted the licence (no. 1) of a Management entity operating in accordance with the Law of Collective Investment Undertakings for professional investors.

The depository of the Company is AB Swedbank, company code 112029651, registered office at Konstitucijos ave. 20A, 03502, Vilnius, Lithuania.

Objective overview of the condition, performance and development of the Group

The net asset value (NAV) of the Group and the number of participants as at 31 December 2023 and 31 December 2022 are given in the table below:

	31 December 2023	31 December 2022
NAV	36 676 895.86	29 478 040.69
Number of participants	36	30

Risks and other uncertainties

The Group faces various risks in its activities. The data on the risks incurred by the Group presented in the annual accounts is sufficiently detailed and does not require individual references or additional explanations.

Analysis of financial and non-financial performance

Financial and non-financial performance analysis

Analysis of the management company's non-financial performance, information related to issues of environmental protection, distinguishing actions on climate, personnel, anti-corruption and bribery, separately distinguishing bribery of foreign officials when concluding international business transactions

The company is managed by the Management Company (Lords LB Asset Management), therefore it is subject to all approved procedures and policies of the Management Company. When making investment decisions, the Management company assesses the areas of sustainability relevant to a specific investment, related to the sustainability, ethical, social and environmental impact of the investment. Also, the Management Company has approved the Environmental, Social and Sustainable Management Policy, by which the Management Company undertakes to consider the essential aspects of sustainability when making investments, carrying out due diligence on investments and monitoring and evaluating the Company's managed investments to the extent that it is practical taking into account the circumstances and the Management Company's commitment to earn the best possible returns for investors and to always act in their best interests.

1. Responsible business actions in the Management Company

In its activities, the Management Company applies the Human Resources Management Procedure and the Remuneration Policy, which define that the Management Company organizes its activities in such a way that employees, taking into account their positions and the need to improve their qualifications, are guaranteed equal working conditions, opportunities to develop competence, etc. And also equal opportunities, regardless of employees' gender, race, nationality, language, origin, social status, faith, beliefs or opinions, age, sexual orientation, disability, ethnicity, religion, marital status, membership in a political party or association, etc. Based on the Human Resources Management Procedure and other Management Company procedures, the Management Company ensures the possibility to report inappropriate working conditions, inappropriate or discriminatory behaviour through confidential channels.

Management company in 2019 joined the Principles for Responsible Investment (hereinafter - PRI) supported by the United Nations. In 2006 established PRI is a global network that includes more than 1.7 thousand investment managers. PRI seeks to assess the impact of investments on environmental, social and governance factors. A cost-effective, sustainable global financial system is seen as essential to creating long-term value. Investors who support the principles voluntarily seek to apply them in their investment activities. PRI defines six principles of responsible investment. They include possible actions for incorporating environmental, social and business governance factors into investment practices, from the analysis of investment opportunities, decision-making, to their inclusion in property implementation policies and practices. In addition, it is intended that companies applying these principles promote their implementation in the market and cooperate in order to implement them more effectively.

Additionally, the Management Company since 2015 is committed to complying with the principles of the United Nations Global Compact. The management company supports and adheres to the ten principles of the United Nations Global Compact in the areas of human rights, labor rights, environmental protection, and anti-corruption. By supporting the United Nations Global Compact, we aim to contribute to the achievement of the Sustainable Development Goals (SDGs) and align our daily activities and investments with the aforementioned goals.

By implementing PRI's principles of responsible investment and the principles of the United Nations Global Agreements, the Management Company in December 2022. on the 22nd the updated Responsible Investment Policy, which sets out the main sustainability implementation methods that the Management Company seeks to contribute to public welfare, promote sustainable governance and achieve long-term investment goals. The policy applies to all activities of the Management Company, managed collective investment entities, functions and employees. The policy is periodically reviewed and updated as necessary.

2. Environmental protection and action on climate change

The management company is not committed to achieving climate change goals, but assesses and, if necessary, takes appropriate actions to manage risks related to climate issues. The management company is improving its processes and regularly reviews opportunities to address and achieve specific climate change objectives.

The management company recognizes the potential impact of its investments on sustainability risks, but currently their assessment is carried out at the level of the financial product (product level), i.e. collective investment entities that promote environmental features or whose goal is sustainable investment, as defined in Articles 8 and 9 of Regulation (EU) 2019/2088 of the European Parliament and of the Council on the disclosure of information related to sustainability in the financial services sector.

The purpose of the fund is not sustainable investment, as defined in Regulation (EU) 2019/2088 of the European Parliament and Council of 27.11.2019 on the disclosure of information related to sustainability in the financial services sector.

Meanwhile, the Management Company determines the possible main negative impact on sustainability and priorities in the company's Responsible Investment Policy, Business Organization Policy and through dialogue with interested parties, i.e., guided by the principles of responsible investment supported by the United Nations, we can expand our knowledge and ensure that we are aware of the potential and actual impact of our investments on sustainability. In addition, the Management Company is currently helping one of its managed collective investment entities to fulfil its obligation in implementing the requirements of the sustainability system of the European Bank for Reconstruction and Development related to green (sustainable) projects.

3. Fight against corruption and bribery, bribery of foreign officials when concluding international business deals

In order to reduce the risk of external and internal bribery, the Management Company applies internal procedures that ensure transparency of operations by preventing the possibility of being involved in crimes.

In its activities, the Management Company has approved the Policy for the Management of Conflicts of Interest, which establishes the general standards of the Management Company's activities, which the Management Company's employees must follow in their activities. It is a set of business conduct guidelines for rationally organizing your activities, making the right and best decisions based on the principles of business ethics. The Management Company has also approved the Incentives Policy in its activities, the purpose of which is to ensure that the Management Company and its employees, when providing collective investment entity management services, act honestly, fairly and professionally, in the best interests of the collective investment entities, avoiding any conflicts of interest, related to the receipt or provision of incentives, since such provision or receipt of incentives may lead to biased behavior and thereby violate the obligation to act in the best interests of collective investment entities.

4. Additional non-financial information, disclosure of information related to sustainability

Since the number of employees of the Management Company does not exceed 500 (the number of employees of the Management Company as of December 31, 2023, was 33 employees), the Management Company is not subject to requirements regarding the preparation of non-financial statements.

Supermarkets market analysis

In recent years, retail supermarkets selling food products have shown exceptionally good results. Since March 2020, with the impact of the first wave of Covid-19 and the substantial halt in domestic and international trade, this type of asset segment has proven its resilience and liquidity. During 2022 and 2023 a strong growth in the sales results of the retail trade sector was visible, but due to increased inflation (according to Eurostat data, in 2022 and 2023, inflation calculated according to consumer price index increased to 18.9% and 8.7% in Lithuania, and 9.2% and 6.4% in EU27 countries), real growth slowed down or became negative. Occupancy at retail centres remain high, and performance is closely linked to consumer purchase power.

This is also demonstrated by the annual changes in food, beverage and tobacco sales presented in the table below.

Annual changes in sales of food, beverages and tobacco

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Lithuania	2,5	3,0	2,6	0,5	3,5	1,8	2,5	5,8	-5,8	-4,1
Latvia	3,6	2,8	-1,3	4,0	4,2	1,1	3,6	-3,7	-0,8	-4,9
Estonia	5,1	2,7	1,1	-2,2	-1,4	3,9	3,6	4,3	-3,0	-4,1
Poland	2,7	4,8	2,8	4,6	3,9	-0,3	-2,1	-1,0	9,2	-3,9
Denmark	1,8	-0,2	0,4	-1,3	0,2	0,0	4,2	-0,2	-4,7	-0,6
Sweden	0,7	1,4	0,9	0,5	1,3	1,0	1,7	1,7	-1,9	-3,6
Finland	-0,4	-0,8	0,4	1,8	0,4	0,1	5,5	0,4	-4,9	-2,4
Germany	1,1	2,2	0,5	2,1	1,6	1,5	5,3	-1,6	-4,9	-3,5

The current year is compared to the corresponding period of the previous year. Taking into account inflation indicators.
Source: Eurostat

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Analysis of the financial and non-financial performance of subsidiaries controlled by the Group

As at 31 December 2023 the Company controlled the following subsidiaries:

Subsidiary	Country	Acquisition date	Ownership share	Number of shares	Nominal value, EUR
UAB "Janonio 27"	LT	2021-06-18	100%	1 226 500	1,00
UAB "Prekybos centrų plėtros investicijos"	LT	2021-08-26	100%	1 356 000	1,00
SIA Gronvest	LV	2021-10-25	100%	2 800	1,00
UAB "SMI Alytus"	LT	2021-10-27	100%	18 500	2,90
UAB "BFIII Kaunas"	LT	2021-11-23	100%	3 955	144,81
UAB "Kuršėnų turtas"	LT	2022-01-31	100%	1 108 000	1,00
"Peppercon 8" Sp. z o.o.	PL	2022-02-01	100%	100	11,52
Reinvest Holding OU	EE	2022-08-31	100%	1	10 000,00
UAB "Esulda"	LT	2022-10-20	100%	2 500	1,00
"KA Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
"PR Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
"SW Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
"PU Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
"GL Park" Sp. z o.o.	PL	2022-11-24	100%	100	11,52
UAB "MD Europa"	LT	2022-12-13	100%	100 000	0,29
UAB "Lairina"	LT	2023-05-18	100%	2 500	1,00
"Valcutel Investments" sp. z o.o.	PL	2023-08-22	100%	100	11,52
"Dotilleby Investments" sp. z o.o.	PL	2023-08-22	100%	100	11,52
"Baixeredost Investments" sp. z o.o.	PL	2023-09-26	100%	100	11,52

As at 31 December 2022 the Company controlled the following subsidiaries:

Subsidiary	Country	Acquisition date	Ownership share	Number of shares	Nominal value, EUR
UAB „Janonio 27“	LT	2021-06-18	100%	1 226 500	1,00
UAB „Prekybos centrų plėtros investicijos“	LT	2021-08-26	100%	1 356 000	1,00
SIA „Gronvest“	LV	2021-10-25	100%	2 800	1,00
UAB „SMI Alytus“	LT	2021-10-27	100%	18 500	2,90
UAB „BFIII Kaunas“	LT	2021-11-23	100%	3 955	144,81
UAB „Kuršėnų turtas“	LT	2022-01-31	100%	1 108 000	1,00
„Peppercorn 8“ sp. z o.o.	PL	2022-02-01	100%	100	10,68
„Reinvest Holding“ OU	EE	2022-08-31	100%	1	10 000,00
UAB „Esulda“	LT	2022-10-20	100%	2 500	1,00
„Caruantil Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
„Espidatell Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
„Evoratedelle Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
„Eximendell Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
„Faroditelles Investments“ sp. z o.o.	PL	2022-11-24	100%	100	10,68
UAB „MD Europa“	LT	2022-12-13	100%	100 000	0,29

The activity of the Group is the development and management of real estate. The Group generates revenue from real estate objects located in Lithuania in Poland, with the exception of the planned investment in Latvia and Estonia through subsidiaries SIA Gronvest and Reinvest Holding OU respectively.

The financial data and additional disclosures contained in the annual accounts of these subsidiaries are sufficiently detailed and do not require individual references or additional explanations.

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The number of all own shares acquired and held by the Group, their nominal value and the share of the authorised capital which those shares constitute

The paid-up share capital of the Company as at 31 December 2023 is equal to EUR 38,036,364 (2022 - EUR 31,430,000). Share capital consists of 38,036,364 ordinary intangible shares with a nominal value of EUR 1 per share. As at 31 December 2023, share premium amounts to EUR 636 (as at 31 December 2022 – EUR 0). (The Company does not have its own shares).

Information on important events that occurred after the end of the financial year

On 2 January 2024, the Company has redeemed bonds and interests based on an early payment executed on 29 December 2023 (see Note 3.6.).

On 3 January 2024, the Company's subsidiary UAB Prekybos centrų plėtros investicijos, in accordance with the reorganization conditions, has been merged with UAB Investicija 21.

On 5 January 2024, the Company has attributed shares under the agreement signed on 28 December 2023. Company's share capital was increased by 2 500 000 units to a total of 40 536 634 units (see Note 3.14.).

On 7 January 2024, the Company executed an interest payment, under the bond emission conditions, for a total amount of EUR 759 616 (see Note 3.11.).

On 1 February 2024, the Company issued non-publicly distributed bonds for the total amount of EUR 10 000 000. The nominal value of bond is EUR 1 000. On 13 February 2024, investors acquired 2 604 units of bonds for the total amount of EUR 2 604 000.

On 11 April 2024, the Company has signed a loan agreement with an unrelated party, according to which the Company received a loan of EUR 600 000.

On 19 April 2024, second tranche of bonds distribution, according to 1 February 2024 bonds emission, has ended. Investors acquired 6 076 units of bonds for the total amount of EUR 6 183 731.

On 25 April 2024, the Company's share capital was increased by 1 000 000 units according to share subscription agreement signed on 24 April 2024.

There were no other significant events after the reporting period.

Group activity plans and forecasts

The purpose of the Group is to accumulate the funds of the shareholders by distributing the shares in accordance with the procedure laid down in the Articles of Association and by dividing the risk of collectively investing them in the assets specified in the Articles of Association, in accordance with the Group's investment strategy and in compliance with the investment requirements established by legal acts. In order to achieve this goal, the Group carries out investment and reinvestment activities.

Plans and strategy

The Group plans to:

- invest in food supermarkets and trade parks projects in the Baltic Sea region;
- diversify its portfolio both geographically and through the acquisition of assets operated by different food operators;
- build a portfolio that generates stable and predictable cash flow in the market. Over time, traffic should increase by indexing rental prices.
- actively explore opportunities to acquire assets that would be located in densely populated areas and near major transport corridors.

Information about the Group's research and development activities

Such activities are not carried out.

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Information on the objectives of financial risk management, the hedging instruments used in hedging accounting and the extent of the Group's price risk, credit risk, liquidity risk and cash flow risk when the Group uses financial instruments and where this is relevant for the valuation of the Group's assets, equity, liabilities, income and expenses

This information is disclosed in Note 2.5 of the financial statements.

Information about other managerial positions held by the head of a limited liability company and a private limited liability company, members of the board, members of the supervisory board

The Group does not have a board. Management is transferred to the management company.

Board of management company: As at 31 December 2023 the Board consisted of 5 board members:

Jan Ake Gustaf Litborn;
Mindaugas Marcinkevičius;
Andrius Stonkus;
Antanas Vainauskas;
Giedrius Bernotas.

Data on the participation of board members in activities and capital of other undertakings, institutions and organisations:

No.	Member of the Board	Name of company, body or organisation	Position held	Percentage share of capital and votes held
1.	Antanas Vainauskas	UAB Serenus	Shareholder	100%
		UAB INVESTI LT	Manager	50% of shares are owned by UAB Serenus
		Law firm Vainauskas and partners	Lawyer	100%
		UAB LL Investicijos	Member of the Board	0%
		UAB TAN Oil	Member of the Board	0%
		UAB Diseta	Member of the Board	0%
2.	Mindaugas Marcinkevičius	UAB Glera	Shareholder, Manager	100%
		UAB Taikos projektas	Shareholder, Manager	100%
		UAB Biruliškių projektas	Shareholder, Manager	100%
		OÜ Attexo	Shareholder, Member of the Board	100%
		UAB Ordeta	Member of the Board	0%
		AS PN Project	Member of the Supervisory Board	0%
3.	Andrius Stonkus	UAB Aemulus	Shareholder	100%
		Starlynx investment OU	Member of the Board	100%
		UAB Konversijos projektai	Indirect shareholder by owning shares in UAB Aemulus	100%
		UAB Parkdema	Member of the Board	0%
		UAB Cogito Invest	Head, board member	0%
		UAB Humitas	50% of the shares are owned by Starlynx investment OÜ, where Andrius Stonkus is a shareholder	50%
		AB Sparta	Member of the Supervisory Board	0%
4.	Jan Ake Gustaf Litborn	Law Firm PK Advokat AB	Managing partner	44%
		Varakani AB	Shareholder	100%
		Donap Advokat AB	Shareholder	100%
		Atlant Ocean Racing AB	Shareholder	19%
		Varakani Invest AB	Shareholder	100%
		Backastad AB	Shareholder	15%
5.	Giedrius Bernotas	UAB Airport Business Park	Shareholder	10%
		Lords LB Special Fund V	Fund manager	
		AS PN Project	Member of the Board	0%
		SIA Management	Member of the Board	0%
		UAB Matuda	Manager	0%
		UAB Preses Nams	Manager	0%
		UAB BO valdymas	Manager	0%

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This annual management report has been signed electronically by the
Manager of special closed-end real estate investment company AB Tewox

Efim Hiterer