

Valstybės investicinis kapitalas UAB

**INTERIM FINANCIAL STATEMENTS
PREPARED ACCORDING TO THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS FOR THE PERIOD OF 6 MONTHS THAT ENDED ON 30 JUNE 2023
(UNAUDITED)**

4 August 2023

TABLE OF CONTENTS

INTERIM STATEMENT OF FINANCIAL POSITION	3
INTERIM STATEMENT OF COMPREHENSIVE INCOME	4
INTERIM STATEMENT OF CHANGES IN EQUITY	5
INTERIM CASH FLOW STATEMENT	6
NOTES TO THE FINANCIAL STATEMENTS.....	7-18
INTERIM SIX-MONTH REPORT	19-29

INTERIM STATEMENT ON FINANCIAL POSITION

ASSETS	Notes	30/06/2023	31/12/2022
Fixed assets			
Other fixed assets	3.1	46 062	64 805
Financial assets are accounted at their fair value, any change of which is recognised as profit or loss	3.2	190 251 634	179 922 428
Deferred income tax assets		4 929	4 929
Total fixed assets		190 302 625	179 992 162
Current assets			
Other current assets	3.3	39 660	43 167
Cash and cash equivalents	3.4	393 307	1 388 824
Total current assets		432 966	1 431 991
TOTAL ASSETS		190 735 591	181 424 153
EQUITY AND LIABILITIES			
	Notes	30/06/2023	31/12/2022
Equity			
Authorised capital	3.5	101 200 000	101 200 000
Retained earnings (losses)		(10 405 440)	(20 133 062)
Total equity		90 794 560	81 066 938
Fixed liabilities			
Issued bonds	3.6	99 860 839	99 832 490
Total fixed liabilities		99 860 839	99 832 490
Current liabilities			
Interest of issued bonds	3.7.	53 134	491 205
Amounts payable to employees	3.8	19 910	9 150
Other amounts payable and accrued expenses	3.9	7 148	24 370
Total current liabilities		80 192	524 725
Total liabilities		99 941 031	100 357 215
TOTAL EQUITY AND LIABILITIES		190 735 591	181 424 153

The noters to the interim financial statements provided below form an integral part of the present interim financial statements.

Interim financial statements were approved and signed on 4 August 2023.

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Robertas Vyšniauskas
 Director General

Inga Čėsniėnė
 Authorised person of Nordgain UAB

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Notes

		Period that ended on 30/06/2023	Financial year that ended on 31/12/2022
OPERATING INCOMES			
Sales		-	-
(Cost) of sales		-	-
Other incomes (resold)		-	-
GROSS PROFIT			
		-	-
Operating (expenses)	3.10	(107 671)	(159 131)
Other expenses	3.11	(51 278)	(91 365)
Interest expenses	3.12	(442 635)	(514 618)
OPERATING INCOME (LOSS)		(601 584)	(765 114)
Change in the value of financial assets accounted at their fair value, a change of which is recognised as profit or (loss)	3.13	10 329 206	(11 341 765)
PROFIT (LOSS) BEFORE TAXES		9 727 622	(12 106 879)
Income tax profit (loss)		-	-
NET PROFIT (LOSS)		9 727 622	(12 106 879)
OTHER GENERAL INCOMES			
		-	-
TOTAL GENERAL INCOMES			
		-	-
Usual profit (loss) per share (EUR per share)	3.14	0.961	(1.196)

The notes to the interim financial statements provided below form an integral part of the present interim financial statements.

Interim financial statements were approved and signed on 4 August 2023.

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Robertas Vyšniauskas
Director General

Inga Čėsniėnė
Authorised person of Nordgain UAB

INTERIM STATEMENT OF CHANGES IN EQUITY

	Authorised capital	Retained earnings (losses)	Total
Balance on 31 December 2021	101 200 000	(8 026 183)	93 173 817
Formation of the authorised capital	-	-	-
Net profit (loss)	-	(12 106 879)	(12 106 879)
Increase (reduction) of the authorised capital	-	-	-
Dividends	-	-	-
Other payment to owners	-	-	-
Balance on 31 December 2022	101 200 000	(20 133 062)	81 066 938
Formation of the authorised capital	-	-	-
Net profit (loss)	-	9 727 622	9 727 622
Increase (reduction) of the authorised capital	-	-	-
Dividends	-	-	-
Other payment to owners	-	-	-
Balance on 30 June 2023	101 200 000	(10 405 440)	9 074 560

The notes to the interim financial statements provided below form an integral part of the present interim financial statements.

The Interim financial statements were approved and signed on 4 August 2023.

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Robertas Vyšniauskas
 Director General

Inga Čėsniėnė
 Authorised person of Nordgain UAB

INTERIM STATEMENT OF CASH FLOWS

Notes

		Period that ended on 30/06/2023	Financial year that ended on 31/12/2022
Operating cash flows			
Revenue of reporting period		-	12 600
Other revenue		-	12 600
Payments of reporting period		(126 517)	(209 438)
Wage payments		(28 459)	(47 518)
Paid taxes		(37 450)	(40 425)
Money paid to suppliers		(34 430)	(58 991)
Expenses related to issue of bonds		-	(51 725)
Guarantee payment		-	-
Additional bank account administration fee		-	-
Other payments		(26 179)	(10 778)
Net cash flows of operating activities		(126 517)	(196 838)
Investment acquisition	3.2	-	(50 000 000)
Net cash flows from investing activity		-	(50 000 000)
Cash flows of financing activities			
Revenue from the issue of bonds		-	50 000 000
Formation of the authorised capital		-	-
Deposits		-	-
Received loans		-	-
Investment return	3.2	-	1 000 000
Paid interest		(869 000)	-
Net cash flows from financing activities		(869 000)	51 000 000
Effect of foreign exchange difference on the balance of cash and cash equivalents		-	-
Net increase (decrease) in cash flows		(995 517)	803 162
Cash and cash equivalents at the beginning of the period		1 388 824	585 662
Cash and cash equivalents at the end of the period	3.4	393 307	1 388 824

The notes to the interim financial statements provided below form an integral part of the present interim financial statements.

Interim financial statements were approved and signed on 4 August 2023.

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Robertas Vyšniauskas
 Director General

Inga Čėsniėnė
 Authorised person of Nordgain UAB

NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General information

Valstybės investicinis kapitalas UAB (hereinafter referred to as the Company or Enterprise) is a limited liability company registered in the Republic of Lithuania. Its business seat is at:

**Gedimino pr. 38,
Vilnius,
Republic of Lithuania**

The business fields of the Company is to help the Lithuanian economy to recover from the consequences of COVID-19 coronavirus in accordance with the provisions laid down in the Activity description of the Measure 'Business Aid Fund' approved by the Minister of Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic of Lithuania, by financing the measures of business aid and capital market development from the funds attracted by the state and capital market measures.

The Company was registered on 26 August 2020. On 31 December 2022, 100% of the Company's authorised capital was owned by the Republic of Lithuania, company code 111105555.

The registered authorised capital of the Company is EUR 101 200 000, consisting of 10 120 000 ordinary registered shares of the par value of EUR 10 each. On 30 June 2023, all shares were fully paid.

On 30 June 2023, the average yearly number of the Company's employees was 1.

Financial year of the Company coincides with a calendar year.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The principal accounting policies applied during preparation of the Company's financial statements for the period that ended on 30 June 2023 are as follows:

2.1. Conformity clearance

The Company prepared its interim financial statements according to the International Financial Reporting Standards (IFRS) applicable in the European Union (hereinafter referred to as the EU).

2.2. Basis for preparation of interim financial statements

Interim financial statements were prepared at the historical acquisition cost value.

Financial year of the Company starts on 1 January and finishes on 31 December.

Financial statements were prepared in Euro (EUR).

The below-described accounting policy was consistently applied to all periods provided in the present financial statements, unless otherwise stated.

2.3. Equity

Equity includes paid-up share of the authorised capital, share premiums, revaluation reserve (results), required reserve, reserve for own stock acquisition, other reserves, retained earnings (losses).

Subscribed authorised capital is accounted and revealed in the financial statements at its full value, irrespective of the paid-up amount. Unpaid shares are accounted and revealed in the financial statements for the contra account (item) of the authorised capital.

If assets (including other joint stock company's shares) are used to pay for issued shares, the price of share issue is equal to the fair value of the asset received for them. Only par value of shares is registered on the authorised capital account. If issue price is higher than the par value of issued shares, the price excess is registered in the share premium account.

If a decision is made to increase or reduce the authorised capital, the increase or reduction is registered in accounting when amendments to the articles of association of the company are registered following the procedure established by legal acts.

2.4. Expense recognition

Expenses are recognised based on accrual and comparison principles in the reporting period when revenue associated with these expenses is earned, regardless of the timing of payment for these expenses.

At present, expenses of the company consist of salary and labour related taxes, holiday payments, accounting service expenses, insurance expenses, board members' remunerations, recruitment and deferred income tax expenses.

2.5. Rent

According to IFRS 16, rent is defined as an agreement, a part of the agreement, by which the right to use property (main property) is transferred for a certain period in exchange for consideration. Under such agreement, the new model requires the lessee to be recognised as the property managed by the use right and related lease obligation. Property managed by the use right is worn, and interest accrues for obligation.

2.5.1. Company as the lessee

Property rented through financial lease during the initial recognition is recorded as assets of the Company at the value equal to the fair value of the leased property in the beginning of the lease, or, if smaller – at the present value of minimum lease payments. Respective obligation of the lessor is recorded in the statement of financial position as the financial lease liability.

Lease payments are distributed between reductions of financial costs and outstanding liabilities to reflect fixed indicator of liability return from the balance outstanding liabilities. Finance expenses are recognised as profit or losses immediately, unless they are directly related to long preparation asset, in such even they are capitalised according to the general borrowing expense policy of the Company. Undefined lease fees are recorded as expenses in the period they are incurred.

Operating lease payments are recorded as expenses in the income (loss) statement and other general income statement on a straight-line basis during the lease period, unless other systematic mode suits better, more suitable in terms of time to reflect receipt of economic benefit from leased property. Undefined operating lease fees are recorded as expenses in the period they are incurred.

2.6. Foreign currencies

Operating financial results and financial position of the Company are in Euro, which is the functional currency of the Company and the currency of the Company's financial statements.

Operations in foreign currencies are converted into Euro at the official exchange rate established by the Bank of Lithuania on the day concerned, which is approximately equal to the market rate. Monetary assets and liabilities are converted into Litas at the exchange rate effective on the day of preparation of the statement of financial position. Any differences in exchange rate because of operations in foreign currencies will be included through profit or losses at the time they occur. Incomes and expenses resulting from fluctuations in currency exchange rate, when converting monetary assets or liabilities into Euro, are included into the profit (loss).

2.7. Income tax and deferred income tax

Income tax expenses consist of the expenses of the income tax and deferred income tax of the current year. Income tax is assessed in accordance with the requirements laid down in the tax laws of the Republic of Lithuania.

2.7.1. Current year tax

Current year income tax is paid on the basis of taxable profit. Taxed income is different from the income presented in the income (loss) and other general income statement because of taxable or accountable income or expenses of the next year and income or expenses which were never taxed or accounted. Company's liability regarding current year's income tax is assessed according to the income tax tariff that was effective on the day of preparation of the report of financial position. Standard income tax applicable to companies of the Republic of Lithuania is 15 per cent.

2.7.2. Deferred tax

Deferred tax is recognised as the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are recognised jointly for all temporary differences. Deferred tax asset is recognised at the amount that is likely to reduce the taxable income in the future through realisation of temporary differences. The above-mentioned deferred assets and liabilities are not recognised, if temporary differences are related to prestige or initial recognition of assets or liabilities (of others than during business merger), at the moment of a rise (transactions) of which no impact is made on taxable or financial income.

Deferred tax assets are subject to revision on the closing day of every reporting period and are reduced if the Company does not expect to have sufficient taxed profit for such assets realisation down to the amount expected to reduce the taxed profit in the future.

Deferred tax assets and liabilities are evaluated according to the effective tax rate to be applied in the year in which the temporary differences are planned to be covered or paid, based on the tax rates (and tax laws) which are or will be approved before the end of the reporting period. Deferred tax assets and liabilities reflect taxation consequences expected by the Company for the end of the reporting period in order to pay or cover its assets or liabilities.

2.7.3. Current year's and deferred tax for the period

Current year's and deferred tax are accounted as expenses in the income or losses, unless they are related to items recognised in other general incomes or directly in the equity; in such event, tax is also recognised accordingly in other general incomes and directly in the equity. When current year's tax and deferred tax arises from initial recognition of business merger, the effect of tax is included into business merger accounting.

Deferred income assets are accounted in the report on financial position when the management expects planned taxable income to be received in the nearest future, that will be sufficient for realisation of assets. If some deferred tax assets are likely not to be realised, then the deferred tax amount concerned is not recognised in financial statements.

2.8. Financial measures

Financial assets and financial liabilities are recognised at the time the Company becomes a party to a financial measure agreement.

Financial assets and financial liabilities are evaluated at their fair value during initial recognition. Transaction expenses that are directly related to acquisition and spending of financial assets (except for financial assets and financial liabilities, changes in the fair value of which are recognised through income or losses) during the initial recognition are added to or deducted from the fair value of financial assets or financial liabilities, accordingly. Transaction expenses that are directly related to financial assets or financial liabilities, presented at their fair value through income or losses, are recognised at once in the income or losses.

Financial measure is any agreement resulting in financial assets for one company and financial liability of equity measure for the other.

Recognition and recognition cancellation in the report of financial position

The Company recognises financial assets or financial liabilities in its report on financial position at the time and only when it becomes a party to the contractual terms of a measure.

Purchase or sale of financial assets are recognised by the Company or their recognition is cancelled on the day of concluding a transaction. Recognition of financial assets is cancelled by the Company in the report on financial position at the time and only when:

- the validity term of contractual rights to cash flows from financial assets expires; or
- the Company transfers its financial assets to the other party.

The Company stops recognising financial liability (or a part of the financial liability) in the report of financial position at the time and only when the obligation concerned is cancelled, i.e., when the duty laid down in the agreement:

- is fulfilled; or
- revoked; or
- expires.

Financial assets are divided by the Company into the following categories:

- evaluated at the amortised cost,
- evaluated at their fair value, any change of which is recognised as profit or loss.

The Company attributes debt financial assets to an appropriate category depending the business model of financial assets management and contractual properties of cash flows for appropriate financial assets. Business model applied to the group of financial assets is determined considering how all groups of financial assets are managed in joint pursuit of specific business goal of the Company.

Company's investments into equity securities when the Company has no control over or significant impact on the company into which it invested are accounted at the fair value, any changes in the value of which are recognised as income or losses.

The Company attributes trade receivables, issued loans, other amounts earned by financial assets and cash and cash equivalents to the assets evaluated at amortised cost.

The Company evaluates all financial liabilities at the amortised cost.

The Company attributes trade liabilities, bonds, borrowed amounts to the financial liabilities evaluated at the amortised cost. During the initial recognition of bonds, expenses related to bonds distribution and any discount arising during distribution are recognised at the acquisition cost of bonds and recognised in the income (loss) statement within the bond term (until their redemption) by applying the calculated interest rate.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in transit and cash in bank, demand deposits and other current highly liquid investments of maximum three months maturity (from the acquisition day) that can be easily converted into the known cash amounts and which are subject to insignificant risk of fluctuations in value.

Cash and cash equivalents in the statements of cash flows comprise of cash on hand, short-term bank deposits, other current highly liquid investments.

2.9. Payments to employees

Short-term payments to employees are recognised as current expenses during the period of service provision by employees. Payments include salaries, wages, social insurance benefits, bonuses, paid leave, etc. There are no long-term benefits for employees.

2.10. Evaluation at the fair value

Most accounting principles and revelations of the Company require establishment of the fair value of financial and non-financial assets and liabilities. The fair value is a price, at which on the day of valuation the asset would be sold, or a liability would be transferred under an orderly transaction concluded between market participants on the main market, and if none exists – on the most favourable market accessible by the Company on the day of valuation. The fair value of a liability shows the effect of risk

of its default. Fair values are established according to quoted market prices, analyses of discounted cash flows, and option price models, whichever applies.

When establishing the fair value of an asset or liability, the Company refers to available market data, whenever possible. Fair values are presented in the below-stated three hierarchical levels of fair value, based on variables applied in the valuation methods:

1st level: prices quoted on the active markets of the same asset or liability (unadjusted).

2nd level: other variables, except for the quoted asset or liability prices included into the 1st level, which are monitored directly (i.e., same as prices) or indirectly (i.e., derived from prices).

3rd level: asset or liability variables not based on monitored market data (not monitored variables).

If variables used to establish the fair value of an asset or liability can be attributed to different hierarchical levels of the fair value, the hierarchical level of the fair value, to which the total fair value established is attributed, must be determined on the basis of the lowest level variable relevant for establishing the total fair value.

The Company recognises amounts moved between the hierarchical levels of fair value in the end of the reporting period, in which the change took place.

2.11. Related parties

Parties recognised related to the Company include shareholders, Board members, their family members and companies having direct or indirect (via intermediary) control of the Company or under control separately or together with the other party, which is recognised as related party, provided that the latter relationship entitles one of the parties to control the other party or make significant impact on the other party when making financial and management decisions.

2.12. Contingencies

Contingent liabilities are not recognised in financial statements, except for contingent liabilities in business mergers. Contingent liabilities are disclosed in the financial statements unless the probability that these liabilities will cause the outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements, but they are disclosed in the financial statement when it is likely that economic benefits will flow to the entity.

2.13. Post-reporting events

Events after the reporting period, which provide additional information about the Company's situation on the day of preparation of the report on financial position (adjusting events) are reflected in the financial statements. Post-reporting events, other than adjusting events, occurring after the balance sheet date are disclosed in the notes when their impact is significant.

2.14. Comparative information

Comparative information is adjusted in the general income report according to the reporting period's classification, by distinguishing Staff expenses and Depreciation and amortisation expenses.

2.15. Important accounting estimates and management's decisions

The Company conducted the analysis and made the conclusion that it does not have control of Pagalbos verslui fondas (limited partnership, hereinafter referred to as the Fund) and does not make significant impact on the Fund. During the reporting period, the Company had no power to manage the Fund, held no voting rights granted by equity measures, had no possibility to manage important activity directly or through other economic entities. The Company is entitled to variable return, however it cannot make direct decisions on the amount of a variable return or period, when it must be paid.

The Company's investment into the Fund is evaluated at the fair value determined on the basis of the net assets of the Fund. All investments of the Fund are evaluated at the fair value, while the balance value of current amounts receivable and payable and of cash and cash equivalents of the Fund is very close to their fair value, therefore the net assets of the Fund are also evaluated at their fair value.

2.16. Initial application of the amendments to the new effective standards during the reporting period

This year, the Company adopted all new and revised Standards and explanations that are relevant for the Company's activity and effective for the reporting period starting from 1 January 2023.

(a) The new standards, amendments and explanations are mandatory for the reporting periods starting from 2023

- 17th IFRS provides initial thorough recommendations for accounting of insurance agreements according to the IFRS. Its purpose is to enhance transparency and reduce the diversity of insurance agreement accounting.
- Disclosure of the accounting policy (amendments to the 1st IAS 'Presentation of financial statements' and 2nd IFRS practice statement 'Adoption of decisions on significance')
- Definition of accounting estimates (8th IAS 'Accounting policy, changes in accounting estimates and errors) amendments explain how companies distinguish accounting policy changes from changes in accounting estimates, mainly focusing on the definition and guidelines of accounting estimates. The difference is important as changes in the accounting policy are applied retrospectively, while changes in accounting estimates – prospectively.
- Deferred tax related to assets and liabilities arising from one transaction (12th IAS 'Income taxes' amendments)

The above-mentioned amendments did not affect financial statements of the Company.

2.17. Management of financial risks and capital

Any type of investment is inseparable from risk. Investments into the Fund involve risk. The main types of risks encountered by the Company in its daily activities include credit risk, operational risk, liquidity risk, and market risk, risk of price fluctuations of securities. Optimal and balanced risk management serves as the basis for effective assurance of the Company's activity stability.

Credit risk. It is a risk of the other party's inability to fulfil its obligations to the Company. The Company applies measures ensure transactions are concluded with trustworthy clients and the amount of transactions does not exceed the credit risk limits at all times. The Company has not issued guarantees for other parties' obligations. The company encounters the risk of the other party's inability to fulfil its obligations to the Company.

Operational risk. It is a risk to incur direct and/or indirect losses because of inadequate or defaulted internal control processes, staff's errors and/or illegal actions and disruptions in information system and technology operation, or impact of external factors. Operational risks can be managed by performing the internal control function, establishing the procedures restricting potential manifestation of contingent risk, and activity continuation plans, assessing acceptability of services provided by the Company, analysing processes and procedures taking place in the Company, identifying risk factors and assessing their control sufficiency.

Liquidity risk. It is a risk of incapability to fulfil own payment obligations in time. The Company manages the liquidity risk by reserving enough cash and cash equivalents, securing financing, fulfilment of planned obligations.

Market risk. It is a risk of incurring losses by the Company because of fluctuation of market variables. Risk of fluctuation in securities prices is most relevant for the Company. Besides, the Company did not

have any financial derivatives intended to control the risks of interest rate fluctuations. The Company invest all its financial means available into Limited partnership Pagalbos verslui fondas. Since all the operations by the Company are in Euro, and open positions of foreign currency are insignificant, the exchange rate risk is irrelevant for the Company.

Fair value of financial assets and financial liabilities

Fair value is defined as the amount, for which assets or services can be exchanged or for which mutual obligation between unrelated parties can be offset, which intend to buy or sell assets or offset their mutual obligation. Fair value of financial assets and financial liabilities is based on quoted market prices, models of discounted cash flows, or option price models, whichever the circumstances are. In other words, fair value is a price, at which on the day of valuation the asset would be sold, or a liability would be transferred under an orderly transaction concluded between market participants on the main market, and if none exists – on the most favourable market accessible by the Company on the day of valuation. The fair value of a liability shows the effect of risk of its default. Where applicable, fair value is established according to the published price on the active market, by applying the models of discounted cash flow value and option valuation. When establishing the fair value of assets or liabilities, the Company refers to monitored market data, wherever possible. Fair values are attributed to different levels of fair value according to the variables applied in valuation methods:

- 1st level: prices quoted on the active markets of the same asset or liability (unadjusted).
- 2nd level: other variables, except for the quoted asset or liability prices included into the 1st level, which are monitored directly (i.e., same as prices) or indirectly (i.e., derived from prices).
- 3rd level: asset or liability variables not based on monitored market data (not monitored variables). Company's investment into the Fund belongs to the 3rd level hierarchy.

If variables used to establish the fair value of an asset or liability can be attributed to different hierarchical levels of the fair value, the hierarchical level of the fair value, to which the total fair value established is attributed, must be determined on the basis of the lowest level variable relevant for establishing the total fair value.

The Company recognises amounts moved between the hierarchical levels of fair value in the end of the reporting period, in which the change took place.

Fair values of assets and liabilities recorded in the report on financial position on 30 June 2023 do not differ from the accounting values of assets and liabilities.

Capital management

The key goal of capital management is to ensure the Company maintains good solvency and satisfies appropriate capital indicators in order to support its business and maximise benefits. The Company's Board controls compliance of its investments with the requirements laid down in legal acts and loan agreements applicable to the capital and provides necessary information.

The Company's capital consists of the authorised capital, share premiums, reserve, and retained earnings.

The Company manages and modifies the structure of its capital considering changes in economic conditions and specific risk of its business. To maintain or modify the capital structure, the Company can issue new shares. According to the Companies Law of the Republic of Lithuania, the equity capital of the Company must account for minimum 50% of its authorised capital. On 30 June 2023 and 31 December 2022, the Company observed the above-mentioned requirement of the law.

3. NOTES

3.1. Other fixed assets

Other fixed assets on 30 June consisted of the following:

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
State guarantee (long-term share)	46 062	64 805
Total	<u>46 062</u>	<u>64 805</u>

3.2. Financial assets are accounted at their fair value, any change of which is recognised as profit or loss

Pursuant to Stakeholders' Agreement of 6 October 2020, including all subsequent amendments and supplements (hereinafter referred to as the Agreement), the Company undertook an obligation to invest up to EUR 250 000 000 (two hundred fifty million Euro) into Limited partnership Pagalbos verslui fondas. The Company's investment obligation includes all transfers under Payment calls and transfer amount may not exceed the investment obligation amount at any time.

The Company invested EUR 7 000 000 into Limited partnership Pagalbos verslui fondas under the call, the money was transferred on 26 November 2020. The above-mentioned investment was revalued in the end of 2020, its value dropped to EUR 2 875 183 and amounted to EUR 4 124 817 on 31 December 2020. During 2021, the amount of EUR 143 000 000 was invested at the payment call into Limited partnership Pagalbos verslui fondas, EUR 11 000 000 was transferred on 22 March 2021, EUR 82 000 000 was transferred on 25 March 2021, EUR 30 000 000 – on 4 October 2021, EUR 20 000 000 – on 6 December 2021. The value of the investment of EUR 143 000 000 was reduced in the end of the year by the amount of EUR 4 860 624 and amounted to EUR 142 264 193 on 31/12/2021. In the period from 1 January 2022 until 31 December 2022, the amount of EUR 50 000 000 was invested into Limited partnership Pagalbos verslui fondas at the payment call, EUR 25 000 000 of which was transferred on 10 March 2022, EUR 25 000 000 – on 8 July 2022. On 28 December 2022, the limited partner's share of EUR 1 000 000 was repaid to the Fund.

Despite it is stated in the Company's accounting policy that investments are revalued once a year – in the end of a year, however, following the receipt of unaudited half-year reports of Limited partnership Pagalbos verslui fondas, because of significant change in the value, it was decided to revalue the investments on 30 June. On 30 June 2023, value restoration of EUR 10 329 206 was conducted according to the unaudited quarterly reports of Limited partnership Pagalbos verslui fondas, and on 30 June 2023 it amounted to EUR 190 251 634.

The Company's has the right to withdraw from the activity of Limited partnership Pagalbos verslui fondas following the rules described in the agreement. When withdrawing, accounts are settled with the Company following the below-mentioned principles: (a) if the Fund is under liquidation, accounts are settled with the Company following the rules laid down in Paragraph 12 of the Agreement – upon sale of the assets, payment of the Fund's taxes and fees, money is transferred; (b) if the Company's rights and duties regarding the Fund are taken over by the other person, the Company's withdrawal conditions (including return of Called liabilities) are discussed in a separate agreement between the Company, full member and taking-over person (new Limited partner); (c) if the Company withdraws from the Fund without transferring its rights and duties to a third party, accounts are settled with the Company regarding the Called liabilities following the rules laid down in Paragraph 12 of the Agreement – assets are sold, Fund's taxes and fees are paid, money is transferred (while Uncalled liabilities of the Company expire).

3.3. Other current assets

Other current assets on 30 June consisted of the following:

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
Expenses of future periods	39 660	43 167
Total	<u>39 660</u>	<u>43 167</u>

Neither in 2022, nor on 30 June 2023, the Company had amounts receivable from associated parties.

3.4. Cash and cash equivalents

Cash and equivalents consisted of the following:

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
Cash at bank	393 307	1 388 824
Total	<u>393 307</u>	<u>1 388 824</u>

3.5. Authorised capital

According to the Agreement of Association of 7 August 2020, the Shareholders contributed RU 100 200 000 to form the authorised capital. All shares of the Company are ordinary registered non-material shares, and their number is 10 020 000.

On 17 March 2021, the increase of the authorised capital was registered, and 100 000 ordinary registered non-material shares were additionally issued. On the reporting day, the registered authorised capital of the Company was EUR 101 200 000, consisting of 10 120 000 ordinary registered shares of par value of EUR 10 each. All shares were fully paid up.

3.6. Issued bonds

In 2021, 1 series 2 parts of bonds were issued for the total value of EUR 50 000 000 (ISIN code LT0000405664) (the decisions of the Company's Board were adopted on 9 July 2021, No. 25, 15 September 2021, No. 27, 25 November 2021, No. 30 and 31, accordingly).

In 2022, 2 series 1 part bonds were issued for the value of EUR 25 000 000 (ISIN code LT0000406258), (the decisions of the Company's Board were adopted on 1 March 2022, No. 3 and No. 4), and 3 series 1 part bonds – for the value of EUR 25 000 000 (ISIN code LT0000406613) (the decisions of the Company's Board were adopted on 28 June 2022, No. 7, No. 8, and No. 9).

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
Issued bonds	100 000 000	100 000 000
Bonds issue expenses	(139 161)	(167 510)
Total	<u>99 860 839</u>	<u>99 832 490</u>

3.7. Interest of issued bonds

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
Accrued interest LT0000406613	1 935	358 089
Accrued interest LT0000406258	51 199	133 116
Total	<u>53 134</u>	<u>491 205</u>

3.8. Amounts payable to employees

Amounts payable:

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
Wages due	3 483	-
Taxes due	2 710	(2)
Holidays reserve accruals	13 717	9 152
Total	<u>19 910</u>	<u>9150</u>

3.9. Other amounts payable and accrued expenses

Amounts payable:

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
Remunerations due to the Board's members	2 731	12 438
Taxes due from the remuneration of the Board's members	1 591	7 402
Short-term trade debts to suppliers	2 825	4 530
Total	<u>7 148</u>	<u>24 370</u>

3.10. Operating expenses

Operating expenses consisted of:

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
Wages and related taxes	(61 129)	(86 504)
Expenses of Board members' remuneration	(29 701)	(32 440)
Accounting expenses	(7 768)	(15 536)
Audit expenses	1(7 260)	(7 260)
Bank fee expenses	(70)	(113)
Legal assistance expenses	(594)	(3 509)
Other administrative expenses	(1 149)	(13 768)
Total	<u>(107 671)</u>	<u>(159 131)</u>

3.11. Other expenses

Other expenses consisted of:

	<u>Year ending on 30/06/2023</u>	<u>Year ending on 31/12/2022</u>
Expenses of issue/distribution of non-equity securities	(32 528)	(53 865)
Other expenses of financial and investment activities	(18 750)	(37 500)
Total	<u>(51 278)</u>	<u>(91 365)</u>

3.12. Interest expenses

Interest expenses consisted of:

	Year ending on 30/06/2023	Year ending on 31/12/2022
Bonds interest expenses	(442 635)	(514 618)
Total	(442 635)	514 618

3.13. Change in the value of financial assets accounted at their fair value, a change of which is recognised as profit or (loss)

Change in the value of financial assets accounted at their fair value, a change of which is recognised as profit or (loss) consisted of:

	Year ending on 30/06/2023	Year ending on 31/12/2022
Change in the value of fixed financial assets (decrease/increase)	10 329 206	(11 341 765)
Total	10 329 206	(11 341 765)

3.14. Profit (loss) per one share

Ordinary income (loss) per share is calculated by dividing the net income (loss) of the period by the weighted average of the number of ordinary shares issued during the period concerned. The weighted average of shares in 2023 was 10 120 000 shares.

Income (loss) per share:

	2023	2022
	January – June December	January – December
Net profit (loss)	9 727 622	(12 106 879)
Weighted average of issued ordinary shares	10 120 000	10 120 000
Ordinary income (loss) per share	0.961	(1.196)

3.15. Transactions with associated parties

The management of the Company consists of the director general and board members. The Fund is considered as other associated parties.

Salary for the main managers

	2023	2022
Remunerations and other short-term benefits to employees	55 580	80 413
Remunerations due to the Board's members	29 701	32 439
Total	85 281	112 852

3.16. Rights and obligations, other than specified in the report on financial position

The Republic of Lithuania guaranteed for the bonds issued by the Company up to EUR 150 000 000.

3.17. Events after the date of the report on financial position

No events that would impact the present financial statements or should be additionally revealed took place in the period from the end of the financial period till the day of the approval of the present financial statements.

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Robertas Vyšniauskas
Director General

Inga Čėsniėnė
Authorised person of Nordgain UAB

Valstybės investicinis kapitalas UAB INTERIM SIX MONTHS' REPORT

Assessment of the compliance of the interim six months' report of 2023 of the Company (or interim performance report) with the provisions of the business transparency guidelines of state-managed companies, management code of companies listed by NASDAQ Vilnius, and the Law on Financial Statements of Companies (or the Law on State and Municipal Companies), and other good accountability practices.

DESCRIPTION AND PURPOSES OF THE COMPANY'S ACTIVITIES

General information

Valstybės investicinis kapitalas UAB (hereinafter referred to as the **VIKA or the Company**) is a limited liability company registered in the Republic of Lithuania. The Company was registered on 26 August 2020.

The Company is registered at the address: Gedimino pr. 38, Vilnius.

The tax payer's code of the Company – 305611945.

Electronic mail address: info@vika.lt.

Shareholder: The State

Institution representing the state: Ministry of Finance of the Republic of Lithuania.

Share owned by the state: 100%

Manager's Address

Valstybės investicinis kapitalas (VIKA) was founded to help Lithuanian business to overcome pandemic caused challenges.

All bonds of the value of EUR 100 million issued by VIKA are listed on the stock exchange of Nasdaq Vilnius and can participate in the operations of the monetary policy of the European Central Bank.

VIKA made the total investment of EUR 200 million in Limited partnership Pagalbos verslui fondas and the latter amount of investment was determined by the real demand of Lithuanian businesses. In 2022, the investment of EUR 1 million paid back to VIKA.



It is important that Limited partnership Pagalbos verslui fondas finished the period of active investment and VIKA will no longer make any investment into Limited partnership Pagalbos verslui fondas, accordingly. It should be mentioned that VIKA is fulfilling its obligations to the investors in a proper manner, i.e., in March and June 2023, interest according to the issued securities was paid. I would like to introduce the performance results to you.

VIKA activity description and activity model

According to the Activity Description of the Measure 'Business Aid Fund' approved by the Minister of Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic, the purposes of the Fund is to help the Lithuanian economy to recover from the consequences of COVID-19 coronavirus, by financing the measures of business aid and capital market development from the funds attracted by the state and capital market measures.

VIKA is the company founded by the Ministry of Economy and Innovation of the Republic of Lithuania in 2020, which is a limited partner of Limited partnership Pagalbos verslui fondas, making a state contribution into the fund.

The letter of the Ministry of Economy and Innovation of the Republic of Lithuania regarding the expectations of the state (VIKA's shareholder) named the main expectations regarding its activity, including the requirements applied to the issue of debt securities (DS):

- VIKA can attract EUR 400 million by issuing DS and exert efforts to ensure VIKA does not operate at a loss.
- VIKA must ensure the total price of attracted funds meets the best market conditions during DS issue, by taking advantage of all possible solutions optimising the costs of DS issue and of the whole financial cycle, e.g., by applying credit rating establishment and other measures.
- VIKA must install proper risk management measures.

Considering the state expectations for VIKA's activity, the DS programme of EUR 400 million with unconditional state guarantee was approved for attracting money from private investors. Fitch Ratings international rating agency gave the A rating for the above-mentioned programme. Securities of the bond programme when needed are issued in lots. On the day of this report, the state issued the guarantee of EUR 150 million to VIKA to secure the bonds programme. It should be noted that DS distributed by VIKA do not certify any rights to objects or commodities that are immovable by nature, or any rights or duties to acquire or transfer such securities.

Valstybės investicinis kapitalas UAB issued DS in total for EUR 50 million during 2022. No DS was issued in 2023.

All bonds distributed by the company are included into the Debt securities list of Nasdac Baltics from 30 September 2021. The state guarantee was issued to secure obligations of the bonds.

DS distribution process of VIKA is standard and complies with the practice currently applied on the market. Since VIKA is a newly established company with no competence in distributing DS independently, VIKA contracted suppliers of legal and financial services for provision of the above-mentioned services. Luminor Bank AS Lithuanian Branch, being the organiser of DS distribution, undertook an obligation to act as an intermediary in DS distribution process from its beginning till the end, i.e., undertook an obligation to provide all services related to DS issue and its offer to third parties, including preparation for DS issue, DS issue organisation, DS offer for investors, coordination of DS issue in the process of obtaining an external independent credit rating, etc.

It was agreed in writing that VIKA will pay a remuneration to the organiser for intermediation in DS transactions as a per cent from the DS earnings, but only if VIKA's DS are successfully distributed. If the organiser fails in distributing VIKA DS issue, i.e., providing the main service of intermediation in DS transactions, the organiser will receive no remuneration from VIKA.

The main activity of VIKA comprises the following:

- management of assets owned by the state that were transferred to VIKA;
- foundation, financing of legal entities intended to implement the activity purpose of VIKA and participation in their activities;
- issue of bonds;

➤ attraction of private investments.

According to the Agreement of Association of 7 August 2020, the Shareholder contributed EUR 100 200 000 to form the authorised capital. All shares of the Company are ordinary registered non-material shares, and their number is 10 020 000.

The registered authorised capital of the Company is EUR 101 200 000, consisting of 10 120 000 ordinary registered shares of the par value of EUR 10 each.

On 30 December 2020, the amount of EUR 1 000 000 was received from the shareholder for increasing the authorised capital.

On 17 March 2021, the increase of the authorised capital was registered, and 100 000 ordinary registered non-material shares were additionally issued. On the reporting day, the registered authorised capital of the Company was EUR 101 200 000, consisting of 10 120 000 ordinary registered shares of par value of EUR 10 each.

All shares were fully paid up.

Financial year of the Company coincides with a calendar year.

The Company prepared its financial statements according to the International Financial Reporting Standards (IFRS) applicable in the European Union (hereinafter referred to as the EU).

Description of the activity during the reporting period

In March 2023, interests of the Securities issue LT0000406258 were paid. In June 2023, interests of the Securities issue LT0000406613 were paid.

Important events after 30 June 2022.

No events that would impact the present financial statements or should be additionally revealed took place in the period from the end of the financial year till the day of the approval of the present financial statements.

STRATEGY AND ITS IMPLEMENTATION

The strategic directions, mission, vision, and goals of the Company

The key purpose of the activity of VIKA is to help Lithuanian economy to recover from the consequences of the COVID-19, by financing aid measures for business and capital market development from the funds attracted by the state and capital market measures.

The Ministry of Economy and Innovation of the Republic of Lithuania named the expectation for VIKA in its letter on the state (shareholder of VIKA) expectations that VIKA will cooperate with private limited company State Investment Management Agency and through the jointly-established limited partnership Pagalbos verslui fondas (hereinafter referred to as the Fund) in helping Lithuanian economy to recover from the consequences of the COVID-19, by financing aid measures for business and capital market development from the funds attracted by the state and capital market measures. For this purpose, if needed, VIKA must try to attract up to EUR 400 million from private investors and invest it.

The business fields and directions of the Company is to help the Lithuanian economy to recover from the consequences of COVID-19 coronavirus in accordance with the provisions laid down in the Activity description of the Measure 'Business Aid Fund' approved by the Minister of Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic of Lithuania, by financing the measures of business aid and capital market development from the funds attracted by the state and capital market measures. It must be noted that the specific purpose of the activity of VIKA determines definition of the mission, strategy, and vision of VIKA in the letter of shareholder's expectations rather than in separate documents and coincides with the established purposes of activity of VIKA.

Coherence

The Company's position is to ensure maximum reflection of the matters of coherence and sustainability in daily activities. The activity specifics of the Company and employment of 1 person determine the fact that the company has not acquired any property, does not rent or use the company's office, vehicles, or other equipment on any other grounds, and has no other direct expenses that would affect the environment, therefore, conducting an analysis of the main environmental, social and economic effects is inexpedient. Furthermore, the company promotes and aspires compliance of green procurements through public procurements carried out via CPO LT.

Business plans and forecasts of the Company

Pursuant to Stakeholders' Agreement of 6 October 2020, including all subsequent amendments and supplements, the Company undertook an obligation to invest up to EUR 250 000 000 (two hundred fifty million Euro) into Limited partnership Pagalbos verslui fondas. The Company invested EUR 200 million and will no longer invest into Limited partnership Pagalbos verslui fondas, as the period of investment into Limited partnership Pagalbos verslui fondas finished. If needed, the Company can continue issuing bonds within the framework of the programme of medium-term non-equity securities covered by the guarantee of the Republic of Lithuania up to EUR 400 million.

ANALYSIS OF FINANCIAL AND PERFORMANCE RESULTS

Incomes

The Company had no incomes in 2023 and 2022. The construction of the activity model of the Company is such that apart from receipt of investments with return the Company plans no additional incomes in the nearest future.

Expenses

The Company's operating expenses, other expenses and interest expenses on 30 June 2023 were EUR 601 584. In 2023, the decrease in the value of the Investment into Limited partnership Pagalbos verslui fondas was restored – EUR 10 329 206. In 2022, according to the audited financial statements of Limited partnership Pagalbos verslui fondas, the decrease of EUR 11 341 765 in the value of the financial assets accounted at the fair value, any change in the value of which is recognised as income or loss, was accounted.

It is stated in the financial statements of Limited partnership Pagalbos verslui fondas that when estimating the positions of the investment portfolio at the fair value, the data of individual credit risk assessment of appropriate segments of financial markets and internal companies were observed.

Activity result of the Company

Following the restoration of the decrease in value of Limited partnership Pagalbos verslui fondas, the net profit of the Company on 30 June 2023 was EUR 9,73 million. In 2022, the net loss of the Company was EUR 12,11 million.

Profit (loss) per one share

Ordinary income (loss) per share is calculated by dividing the net income (loss) of the period by the weighted average of the number of ordinary shares issued during the period concerned. The weighted average of shares on 30 June 2023 was 10 120 000 shares.

Income (loss) per share:	30 June 2023	2022
Net profit (loss)	9 727 622	(12 106 879)
Weighted average of issued ordinary shares	10 120 000	10 120 000

Ordinary income (loss) per share	0.961	(1.196)
----------------------------------	--------------	----------------

Table 3 Balance groups of the Company and their changes

Balance sheet analysis	30/06/2023	31/12/2022	Change in EUR	Change %
Fixed assets	190 302 625	179 973 092	10 329 533	6%
Current assets	432 966	1 431 991	(999 025)	-70%
TOTAL ASSETS	190 735 591	181 405 083	9 330 508	5%
Total equity	90 794 560	81 047 868	9 746 692	12%
Fixed liabilities	99 860 839	99 832 490	28 349	0%
Current liabilities	80 192	524 725	(444 533)	-85%
TOTAL LIABILITIES	99 941 031	100 357 215	(416 184)	0%

In 2023, the growth of EUR 10 329 533 of the fixed assets is observed. This change was impacted by the restoration of the decrease in value of the investment into Limited partnership Pagalbos verslui fondas.

In 2023, the Company had EUR 393 307 on its bank account.

Table 4 Main financial indicators of the Company

Key financial indicators	30/06/2023	31/12/2022
Income	-	-
Expenses	-601 584	-765 114
Change in the value of the financial assets accounted at the fair value, the change in the value of which is recognised as income or (loss)	10 329 206	-11 341 765
Net loss	9 727 622	-12 106 879
Liquidity indicators		
Current liquidity coefficient	5.40	2.73
Critical liquidity coefficient	5.40	2.73
Indicator of absolute liquidity in cash	4.90	2.65
Circulating capital	352 774	907 266
Profitability indicators		
Net profitability	-	-
Asset turnover indicator	-	-
Average return on asset ROA %	5.23%	-7.46%
Equity capital profitability ROE %	10.71%	-14.94%
Debt-equity coefficient	1.10	1.24

All financial data provided in this report were calculated according to the International Financial Reporting Standards (IFRS), adopted for application in the EU, unless otherwise stated.

RISK FACTORS

Key risk factors and their management policy

The Company's activity must comply with Commission Decision No. C(2020) 3534 (final) of 26 May 2020 'State Aid SA.57008(2020/N) – Lithuania COVID-19: Aid Fund for Business' (as subsequently amended and supplemented) (hereinafter referred to as the Aid Scheme) and the provisions of the Description of Activities of the Measure 'Aid Fund for Business' approved by the Minister of the Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic of Lithuania (as subsequently amended and supplemented) Such specifics of the activity of the Company determines limited need for risk management policy. On the other hand, general risk management controls are implemented in the company.

Credit risk. It is a risk of the other party's inability to fulfil its obligations to the Company. The Company applies measures ensure transactions are concluded with trustworthy clients and the amount of transactions does not exceed the credit risk limits at all times. The Company has not issued guarantees for other parties' obligations. The company encounters the risk of the other party's inability to fulfil its obligations to the Company.

Operational risk. It is a risk to incur direct and/or indirect losses because of inadequate or defaulted internal control processes, staff's errors and/or illegal actions and disruptions in information system and technology operation, or impact of external factors. Operational risks can be managed by performing the internal control function, establishing the procedures restricting potential manifestation of contingent risk, and activity continuation plans, assessing acceptability of services provided by the Company, analysing processes and procedures taking place in the Company, identifying risk factors and assessing their control sufficiency.

Liquidity risk. It is a risk of incapability to fulfil own payment obligations in time. The Company manages the liquidity risk by reserving enough cash and cash equivalents, securing financing, fulfilment of planned obligations.

Ongoing war in Ukraine and related sanctions against the Russian Federation can have global impact on the economy of Europe. The Company has no direct links with Ukraine, Russia, or Belarus, however, the Fund granted financing to clients engaged in the activities that are directly and/or indirectly related to the above-mentioned countries. Financial difficulties of the Fund's clients can have negative impact on the value of the financial assets of the Fund, which in its turn may have direct adverse impact on the valuation of the Company's investment into the Fund. Impact on the general economic situation can call for certain revision of presumptions and estimations. At present, the management is not capable of reliable assessment of the impact of the above-mentioned events, as the situation is changing on a daily basis.

Market risk. It is a risk of incurring losses by the Company because of fluctuation of market variables. Risk of fluctuation in securities prices is most relevant for the Company. Besides, the Company did not have any financial derivatives intended to control the risks of interest rate fluctuations. The Company invest all its financial means available into Limited partnership Pagalbos verslui fondas. Since all the operations by the Company are in Euro, and open positions of foreign currency are insignificant, the exchange rate risk is irrelevant for the Company.

INVESTMENT PROJECTS

Main investment projects under implementation and implemented.

During 2020, the Company invested EUR 7 million into Limited partnership Pagalbos verslui fondas at the call.

During 2021, the Company invested EUR 143 000 000 into Limited partnership Pagalbos verslui fondas at the calls.

During 2022, the Company invested EUR 50 000 000 into Limited partnership Pagalbos verslui fondas at the calls.

Pursuant to Stakeholders' Agreement of 6 October 2020, including all subsequent amendments and supplements, the Company undertook an obligation to invest up to EUR 250 000 000 into Limited partnership Pagalbos verslui fondas. The Company invested EUR 200 million and will no longer invest into Limited partnership Pagalbos verslui fondas, as the period of investment into Limited partnership Pagalbos verslui fondas finished.

Planned investment projects

According to the approved programme of EUR 400 million, the Company can issue bonds to attract additional funds, should the Company assume additional obligations.

Apart from the investments into Limited partnership Pagalbos verslui fondas, the Company did not plan any other investment.

Investment policy

The specifics of the Company's activity determine limited need for investment policy. The Company's activity is based on the Commission Decision No. C(2020) 3534 (final) of 26 May 2020 'State Aid SA.57008(2020/N) – Lithuania COVID-19: Aid Fund for Business' (as subsequently amended and supplemented) (hereinafter referred to as the Aid Scheme) and the provisions of the Description of Activities of the Measure 'Aid Fund for Business' approved by the Minister of the Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic of Lithuania (as subsequently amended and supplemented)

On 8 December 2022, the board adopted the decision (minutes No. 12 of the meeting) approving the policy of investment of free funds into Limited liability company Valstybės investicinis kapitalas. It established the possibility of investing free funds of the Company into the following financial instruments:

- Term deposits in the banks of the European Union Member States, Switzerland, and European Economic Area Member States or their branches, including in the Bank of Lithuania;
- Government's debt securities;
- Debt securities of commercial banks;
- Investment units of investment funds of money market.

The purpose of the Company's investments according to the policy of investment of free funds is temporary investment of free funds of the Company until the need for their use in implementation of the Company's projects or repayment to the owners of the bonds issued by the Company, shareholders or creditors of the Company arises; and when implementing the latter purpose, free funds of the Company must be invested according to the following sequence of priorities:

- Security of investments – the priority goal of investment is to ensure security of invested money, i.e., guarantee that a part of invested money would always be recovered.
- Liquidity assurance – money must be managed to provide the Company with a possibility to carry out its usual activity and fulfil its obligations.
- Maximisation of the return on investments – money must be managed to ensure receipt of maximum possible return on investment following the principles for assurance of investment security and liquidity.

The Company has not made any investment according to the policy of investment of free funds in 2022.

MANAGEMENT STRUCTURE, MANAGEMENT AND SUPERVISION BODIES OF THE COMPANY

Main shareholders of the Company, their rights

On 13 April 2022, the Government of the Republic of Lithuania adopted the decision to transfer all shares owned by the state and managed by trust by the Ministry of Economy and Innovation of the Republic of Lithuania, i.e., 10 120 000 ordinary registered non-material shares, granting 100 per cent votes at

VIKA's general meeting of shareholders, to the Ministry of Finance of the Republic of Lithuania to manage, use, and dispose by trust.

The rights and duties of the shareholders of VIKA are established by the Joint Stock Companies Law and other laws of the Republic of Lithuania.

Rights granted by VIKA's shares are exercised following the procedure established by the Joint Stock Companies Law, other laws, and legal acts, and Articles of Association of the Company.

On 31 December 2022, 100% of the Company's authorised capital was owned by the Republic of Lithuania, company code 111105555.

Governing bodies of the Company (structure)

VIKA has the following governing bodies:

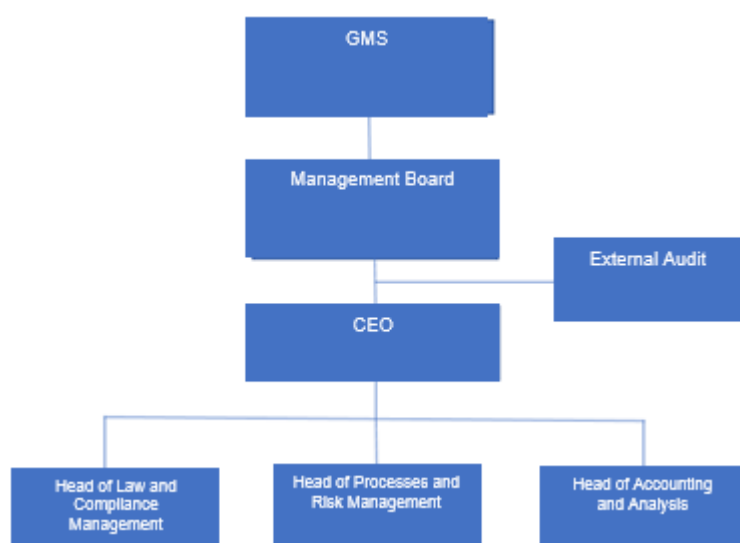
- general meeting of shareholders
- board
- VIKA's head (director general)

The Company together with the other company (Valstybės investicijų valdymo agentūra UAB) is the founder of Limited partnership Pagalbos verslui fondas.

The management of the Company consists of the director general and board members. Parties recognised related to the Company include shareholders, Board members, their family members and companies having direct or indirect (via intermediary) control of the Company or under control separately or together with the other party, which is recognised as related party, provided that the latter relationship entitles one of the parties to control the other party or make significant impact on the other party when making financial and management decisions.

The Company has approved governing structure and positions (see Picture 2 below). According to the effectiveness purposes stipulated in the letter of expectations of VIKA's shareholder, the Company employed no other persons except for the head.

Picture 2. Governing structure of the Company



Board composition of the Company, beginning/end of the term of office

Chair of the Board - Šarūnas Ruzgys. The Board's member was elected on 7 August 2020.

Board's member Jonas Bložė was elected on 3 December 2020.

Board's member Robertas Vyšniauskas was recalled from the position of the Board's member on 19 November 2020 because of his appointment to the post of director general of Valstybės investicinis fondas UAB (he was appointed as the Board's member under the Agreement of 7 August 2020).

Board's member Tomas Urban Director of the Business Environment Department of the Ministry of Economy and Innovation was elected as the Board's member on 7 August 2020, and was recalled from the position by the order of the Minister of Finance of the Republic of Lithuania of 7 February 2023.

Board's member Marius Alubeckas Chief Specialist of Financial Instruments of the Ministry of Finance was elected as the Board's member on 2 May 2023.

Selection principles applied to Board formation

Members of the Board are elected by the general meeting of shareholders for 4 years. The procedure of election and recall of the Board and its individual members coincides with the procedure established in the Joint Stock Companies Law. The Board consists of 3 members, two of whom are independent members. Competences and decision-making procedure of the Board are the same as established in the Joint Stock Companies Law.

The Board also has the following additional competence:

- to consider and approve the policy of investment of temporary free funds,
- to give approval to VIKA's head to conclude a transaction of the value over EUR 50 000 (fifty thousand Euro), excluding VAT,
- to consider and adopt decisions on implementation of appropriate resolutions of the general meeting of shareholders;
- to consider and adopt decision on the issue of VIKA's bonds, as stipulated in Article 55(4) of the Joint Stock Companies Law,
- to establish indicators applicable to assessment of the performance of VIKA's head and their planned values, which determine the variable value of monthly salary of VIKA's head.

No committees have been formed in the Company. Performance of the Audit committee's functions stipulated in legal acts is delegated to the Board.

Head of the Company, his/her qualification, other held positions and salary

Head of the Company is director general Robertas Vyšniauskas.

20 years' professional experience in commercial and business law, deep knowledge of corporate management, business development and strategy, mergers and acquisitions and management of multilateral complex projects.

Other activities: Independent Board's member (chair of the Board) of EPSO-G UAB and Audit committee's member, independent member of the supervisory board of Klaipėdos nafta AB (chair of the supervisory board), and member of the audit and remuneration allocation committee, independent member of the Board of Vilniaus vystymo kompanija UAB (chair of the board).

Previous activity: Independent member of the board of Valstybės investicinis kapitalas UAB, independent member of the board of state enterprise Infostruktūra, member of the board, director general of Vilniaus prekyba UAB companies, and lawyer of associated or controlling companies.

Estimated salary to the head of the Company for the first half of 2023 was EUR 55 580.

General meeting of shareholders and its activity

Competences of the general meeting of shareholders, the procedure of its convocation, decision-making are the same as established in the Joint Stock Companies Law, except for the cases stipulated in Article 23 of the Articles of Association. If all shares of VIKA are owned by the same person, his/her written resolutions are equivalent to resolutions of the general meeting of shareholders. The general meeting of shareholders has the following additional competence:

- to establish the remuneration for board and committee (if any) members for work following the procedure applicable in the board and appropriate committees;
- to adopt decisions on signing agreements with members of the board and committees (if any) and establishment of their conditions, including the maximum remuneration for members and chair of the board and appropriate committees;
- to set the goals for the board and audit committee (if any) and the procedure of accountability for their performance to the general meeting of shareholders.

SALARY AND STAFF

On 30 June 2023 and on 31 December 2022, the average yearly number of the Company's employees was 1. Yearly salary fund in 2023 was EUR 55 580. (fixed part of EUR 36 521 and variable part of 19 058) the Company does not have Staff (human resources management) policy.

The average monthly salary of employees (gross) by the position held (excluding variable part):

Director General

2023: EUR 6 086.95

2022: EUR 5 294

Policy of remuneration of the Company's head. On 8 December 2022, the board adopted the decision (minutes No. 12 of the meeting) approving the policy of remuneration of Limited liability company Valstybės investicinis kapitalas. The following is established in it:

- Remuneration of the Company's employee consists of the fixed part of remuneration and variable part. The fixed part of remuneration is reviewed on a yearly basis, considering the trends on the labour market.
- The fixed monthly part of the salary of the Company's head is established by the board's decision. Variable part of the monthly salary by the board's decision can be established in per cent for the financial year or quarter, having assessed the fulfilment of the tasks of the employee and achievement of the Company's performance assessment indicators for establishment of the variable part of the employee's monthly salary for previous financial year or previous quarter, accordingly.
- Monthly variable part of the remuneration of the Company's head may not exceed 50% of the monthly fixed amount of remuneration established for the head.
- When calculating the average salary of an employee, the variable part of salary is added to the period, for which it was calculated, disregarding the date of estimation and disbursement.

Factual remuneration of the Board's members during the current year

Salary for Board's members is established according to the signed Agreements on Board members' activity between director general representing the Company Robertas Vyšniauskas and Board members.

Monthly salary of the members of the Company's Board: (i) for an independent member of the Board – 1/4 of the average monthly salary of the head of the Company in 2021, i.e., EUR 1 524.22 (one thousand five hundred twenty four Euro 22 cent) before taxes; (ii) for a civil servant holding the position of a member of the Company's Board – 1/8 of the average monthly salary of the head of the Company in 2021, i.e., EUR 762.11 (seven hundred sixty two Euro 11 cent) before taxes; (ii) for the chair of the

Company's Board – 1/3 of the average monthly salary of the head of the Company in 2021, i.e., EUR 2 032.29 (two thousand thirty two Euro and 29 cent) before taxes.

Calculated salary for the Board members for 2023 – EUR 29 701

DIVIDEND POLICY

The Company has not paid dividends. The letter of expectations of VIKA's shareholder sets forth the goal for the company's activity to be non-detrimental (ROE>0). The procedure of payment of dividends and income payments and their potential amounts are regulated for the Company by the resolution of the Government of the Republic of Lithuania 'On dividends for shares of companies owned by the state and income payments of state enterprises'.

INFORMATION ABOUT AFFILIATES (ASSOCIATED COMPANIES)

The Company is the limited partner of Limited partnership Pagalbos verslui fondas.

Limited partnership Pagalbos verslui fondas was founded by implementing the Commission Decision No. C(2020) 3534 (final) of 26 May 2020 'State Aid SA.57008(2020/N) – Lithuania COVID-19: Aid Fund for Business' The State will make investments into the Aid Fund for Business through Valstybės investicinis kapitalas UAB, while the Fund is managed by Valstybės investicijų valdymo agentūra UAB (VIVA), as stipulate in the resolution No. 512 of the Government of the Republic of Lithuania of 6 May 2020.

INFORMATION ABOUT ADHERENCE TO THE TRANSPARENCY GUIDELINES AND THE CODE OF MANAGEMENT

VIVA adheres to the Resolution No. 1052 of the Government of the Republic of Lithuania of 14 July 2010 'On approval of the description of the guidelines for assurance of activity transparency of state-controlled companies' (hereinafter referred to as the Transparency Guidelines). VIKA prepared the disclosure of adherence to the requirements and recommendations laid down in the Transparency Guidelines, which is enclosed as annex to this yearly report.

Implementation of the Transparency Guidelines essentially is ensured through information disclosed in the yearly report, information publication on the websites <https://www.vika.lt/> and <https://nasdaqbaltic.com/>, to provide interest holders with information in accessible and comprehensible form.