

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 2024
(UNAUDITED)**

19 August 2024

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INTERIM STATEMENT OF FINANCIAL POSITION

| ASSETS | Notes | <u>30/06/2024</u> | <u>31/12/2023</u> |
|--|-------|--------------------|--------------------|
| Non-Current Assets | | | |
| Other non-current assets | 3.1 | 13 605 | 27 210 |
| Financial assets at fair value the change in which is recognised in profit or loss | 3.2 | 203 169 652 | 198 410 147 |
| Deferred income tax assets | | 4 929 | 4 929 |
| Total non-current assets | | 203 188 186 | 198 442 286 |
| Current assets | | | |
| Other current assets | 3.3 | 34 638 | 43 491 |
| Cash and cash equivalents | 3.4 | 797 309 | 1 772 664 |
| Total current assets | | 831 947 | 1 816 155 |
| TOTAL ASSETS | | 204 020 133 | 200 258 441 |
| EQUITY AND LIABILITIES | | | |
| | Notes | <u>30/06/2024</u> | <u>31/12/2023</u> |
| Equity | | | |
| Authorised capital | 3.5 | 101 200 000 | 101 200 000 |
| Retained earnings (loss) | | 2 841 137 | (1 324 007) |
| Total equity | | 104 041 137 | 99 875 993 |
| Non-current liabilities | | | |
| Issued bonds | 3.6 | 74 901 792 | 99 870 819 |
| Total non-current liabilities | | 74 901 792 | 99 870 819 |
| Current liabilities | | | |
| Issued bonds | 3.6 | 25 000 000 | |
| Accrued interest of issued bonds | 3.7. | 54 331 | 491 205 |
| Amounts payable to employees | 3.8 | 16 011 | 13 384 |
| Other amounts payable and accrued expenses | 3.9 | 6 862 | 7 040 |
| Total current liabilities | | 25 077 204 | 511 629 |
| Total liabilities | | 99 978 996 | 100 382 448 |
| TOTAL EQUITY AND LIABILITIES | | 204 020 133 | 200 258 441 |

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

The interim financial statements were approved and signed on 19 August 2024.

On behalf of Valstybės investicinis kapitalas UAB

Chief Accountant

Robertas Vyšniauskas
General Director

Inga Čėsniėnė
Authorised person of Nordgain UAB

INTERIM STATEMENT OF COMPREHENSIVE INCOME

Notes

| | | Period ended on 30/06/2024 | Financial year ended on 31/12/2023 |
|--|-------------|----------------------------------|---|
| OPERATING INCOME | | | |
| Sales | | - | - |
| Cost of sales | | - | - |
| Other income (resold) | | - | - |
| GROSS PROFIT | | - | - |
| Interest income | 3.10 | 8 279 | - |
| Operating (expenses) | 3.11 | (105 663) | (183 343) |
| Other costs | 3.12 | (53 144) | (102 908) |
| Interest expenses | 3.13 | (443 832) | (892 413) |
| OPERATING PROFIT (LOSS) | | (594 360) | (1 178 664) |
| Change in the value of financial assets accounted at fair value, which is recognised as profit or loss | 3.14 | 4 759 505 | 19 987 719 |
| PROFIT (LOSS) BEFORE TAXES | | 4 165 145 | 18 809 055 |
| Income tax expense/income | | - | - |
| NET PROFIT (LOSS) | | 4 165 145 | 18 809 055 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME | | - | - |
| Basic and diluted earnings (loss) per share (EUR per share) | 3.15 | 0.412 | 1.859 |

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INTERIM STATEMENT OF CHANGES IN EQUITY

| | Authorised capital | Retained earnings (loss) | Total |
|------------------------------------|-----------------------|--------------------------|--------------------|
| Balance on 31 December 2022 | 101 200 000 | (20 133 062) | 81 066 938 |
| Net profit (loss) | - | 18 809 055 | 18 809 055 |
| Balance on 31 December 2023 | 101 200 000 | (1 324 007) | 99 875 993 |
| Net profit (loss) | - | 4 165 145 | 4 165 145 |
| Balance on 30 June 2024 | 101 200 000 | 2 841 137 | 104 041 137 |

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INTERIM CASH FLOW STATEMENT
Notes

| | | Period ended on 30/06/2024 | Financial year ended on 31/12/2023 |
|--|-----|---|---|
| Cash flows from operating activities | | | |
| Payments of reporting period | | (106 355) | (247 160) |
| Wage payments | | (30 839) | (53 315) |
| Paid taxes | | (33 159) | (66 366) |
| Payments to suppliers | | (25 812) | (64 980) |
| Expenses related to issue of bonds | | - | (20 000) |
| Other payments | | (16 545) | (42 499) |
| Net cash flows from operating activities | | (106 355) | (247 160) |
| Investment return | 3.2 | - | 1 500 000 |
| Bonds interest paid | | (869 000) | (869 000) |
| Net cash flows from financing activities | | (869 000) | 631 000 |
| Impact of exchange rate fluctuations on the balance of cash and cash equivalents | | - | - |
| Net increase (decrease) in cash flows | | (975 355) | 383 840 |
| Cash and cash equivalents at the beginning of the period | | 1 772 664 | 1 388 824 |
| Cash and cash equivalents at the end of the period | 3.4 | 797 309 | 1 772 664 |

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NOTES TO THE INTERIM FINANCIAL STATEMENTS

1. General Information

Valstybės investicinis kapitalas UAB (hereinafter – the Company or Enterprise) is a limited liability company registered in the Republic of Lithuania. Registered address of the Company:

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

The purpose 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 30 June 2024 and 31 December 2023, 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 2024, all shares were fully paid.

On 30 June 2024, 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 main accounting policies applied during preparation of the Company's financial statements for the period that ended on 30 June 2024 are as follows:

2.1. Confirmation of compliance

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

2.2. Basis of preparation of Financial Statements

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments that are measured at revalued amounts or fair values at the end of each reporting period, as explained in the accounting policies below.

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

Financial reports are presented in euros (EUR).

The below-described accounting policies were consistently applied to all periods presented in these financial statements, unless otherwise stated.

2.3. Equity

Equity consists of the paid share of the authorised capital, retained profit (loss).

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

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, vacation accruals, accounting service expenses, insurance expenses, board members' remunerations, recruitment.

2.5. 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.

2.5.1. 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 statement of comprehensive income 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 tariff applicable to companies of the Republic of Lithuania is 15 per cent.

Deferred tax

Deferred tax is recognised as the temporary 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. Such deferred assets and liabilities are not recognised, if temporary differences are related to goodwill or initial recognition of assets or liabilities (of others than during business merger), at the moment of occurrence whereof (transactions) no impact is made on taxable or financial income.

Deferred income tax assets are reviewed on the last day of each reporting period and are reduced to the extent that it is not probable that sufficient taxable profit will be available to the Company for realising of such assets, to an estimated amount by which the taxable profit will be reduced in future.

Deferred tax liabilities and assets are measured using the tax rate in effect for the year in which the temporary differences are expected to be covered or paid, based on the tax rates (and tax laws) that have been or will be approved by the end of the reporting period. Deferred tax assets and liabilities reflect the tax consequences that the Company expects at the end of the reporting period in order to pay or settle its assets or liabilities.

2.5.2. Current year and deferred tax for the period

Tax for the current year and deferred tax are accounted as expenses in profit or losses.

Deferred tax assets are recognised in the statement of financial position when management expects that sufficient taxable profit will be generated in the nearest future to realise the asset. If it is probable that part of the deferred tax asset will not be realised, this part of the deferred tax asset is not recognised in the financial statements.

2.6. Financial instruments

Financial assets and financial liabilities are measured at fair value on initial recognition. Transaction expenses that are directly related to acquisition or disposal of financial assets (except for financial assets and financial liabilities, changes in the fair value of which are recognised through profit or loss) 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 profit or loss.

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

Recognition and derecognition in the statement of financial position

The Company recognises financial assets or financial liabilities in its statement of financial position at the time and only when it becomes a party to a contract for financial instrument.

The Company recognises or derecognises the purchase or sale of a financial asset on the transaction date. The Company derecognises a financial asset in the statement of financial position when, and only when:

- contractual rights to the cash flows from the financial asset expire; or
- it transfers the financial asset to another party.

The Company derecognises a financial liability (or part thereof) in the statement of financial position when, and only when, that liability is derecognised, i.e. where the obligation specified in the contract:

- has been discharged; or
- has been revoked; or
- has expired.

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

- measured at the amortised cost;
- measured 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 on 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 profit or loss.

The Company attributes cash and cash equivalents to the assets measured at the amortised cost.

The Company measures all financial liabilities at the amortised cost.

The Company attributes trade liabilities, bonds, borrowed amounts to the financial liabilities measured 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 profit or loss 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 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 statement of cash flows are comprised of cash on hand, short-term bank deposits, other current highly liquid investments.

2.7. Payments to employees

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

2.8. Fair value measurement

Most accounting principles and disclosures 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 determined 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 for 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.

2.9. 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.

2.10. Contingencies

Contingent liabilities are not recognised in financial statements, except for contingent liabilities in business combinations. 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 recognised in the financial statements but they are disclosed in the financial statement when it is likely that Company will receive income or economic benefits.

2.11. 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, are disclosed in the notes when their impact is significant.

2.12. Significant accounting estimates and management judgements

The Company conducted the analysis and made the conclusion that it does not have control of Pagalbos verslui fondas KŪB (hereinafter – 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 instruments, 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 has to 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 by the Fund are measured at the fair value, the carrying amount 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 the fair value.

2.13. 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 periods starting from 1 January 2024.

- Amendments to IFRS 16 'Lease Liability in a Sale and Leaseback'

The amendments are effective for the annual periods beginning on or after 1 January 2024. Earlier application is permitted. The amendments aim at improving the requirements that a seller-lessee applies in measuring the lease liability resulting in sale and leaseback transactions under IFRS 16, however, they do not change the accounting of lease not relating to sale and leaseback transactions. First of all, a seller-lessee determines 'lease payments' or 'revised lease payments' such that the seller-lessee does not recognise a gain or loss that relates to the right of use retained by the seller-lessee. These requirements do not prevent a seller-lessee from recognising in profit or loss any gain or loss relating to the partial or full termination of a lease. A seller-lessee applies the amendments retrospectively in accordance with IAS 8 to sale and leaseback transactions entered into after the date of initial application, which is defined as the beginning of the annual reporting period in which the entity first applied IFRS 16. According to the management's assessment, the amendment will not affect the Company.

The standards and the amendments to standards that have not yet entered into force and have not been adopted for application by the EU

- Amendments to IAS 7 'Statement of Cash Flows' and to IFRS 7 'Financial Instruments. Disclosures' – 'Supplier Finance Arrangements'.

The amendments are effective for the annual periods beginning on or after 1 January 2024. Earlier application is permitted. The amendments supplementing the effective IFRS clauses require an economic entity to disclose information about the conditions of suppliers' financing agreements. Besides, economic entities must, at the beginning and end of a reporting period, disclose accounting values and items of financial liabilities arising under suppliers' financing agreements, which show the liabilities concerned, and accounting values of financial liabilities and items, for which the financiers already settled the account by paying appropriate trade debts. Furthermore, economic entities must disclose the effect of changes in accounting values of financial liabilities unrelated for cash flows, which arise under suppliers' financing agreements, that make comparison of accounting values of financial liabilities impossible. The amendments further require an economic entity to disclose the interval of payment terms of financial liabilities to financiers and similar trade amounts payable, other than a part of the above-mentioned agreements, at the beginning and the end of a reporting period. These amendments have not

been approved by the EU yet. According to the management's assessment, the amendment will not affect the Company.

- Amendments to IAS 21 'The Effects of Changes in Foreign Exchange Rates' – 'Lack of Exchangeability'

The amendments are effective for the annual periods beginning on or after 1 January 2025. Earlier application is permitted. The amendments provide how an economic entity should assess whether a currency is interchangeable and how to determine an exchange rate when it is not. Currency is considered exchangeable, when an economic entity can get the other currency in a certain period of time, during which a usual administration-related delay is possible, through a market or currency exchange mechanism creating exercisable rights and enforceable duties. If a currency is not exchangeable, an economic entity must determine a spot exchange rate. When determining an exchange rate, an economic entity must mirror an exchange rate on which market players would strike a straight currency exchange transaction on the economic conditions prevailing on the date of evaluation. The amendments note that an economic entity can use a monitored exchange rate that needs no correction or any other method of determination. These amendments have not been approved by the EU yet. According to the management's assessment, the amendment will not affect the Company.

2.14. Management of financial risks and capital

Any type of investment is inseparable from risk. Investments into the Fund involve long-term 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 to 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. Credit risk is insignificant for the Company.

Liquidity risk. It is a risk of incapability to fulfil own payment obligations in time. The Company manages the liquidity risk by reserving sufficient quantity of cash and cash equivalents, securing financing, fulfilment of planned obligations. Before the next financial year, the Company makes the Company's budget for the next year, while necessary amount or cash or cash equivalents needed to cover the Company's liabilities is called by the Company (as investment repayment) from the Fund before the new financial year starts.

| 30/06/2024 | Less than 1 year | 1 - 2 years | 2 - 5 years | Total |
|---------------------------|---------------------|---------------------|---------------------|----------------------|
| Cash and cash equivalents | 797 309 | - | - | 797 309 |
| Financial assets | 203 169 652 | | | 203 169 652 |
| Trade debts | (2 542) | - | - | (2 542) |
| Bonds and bonds interest | (25 051 422) | (50 706 500) | (26 413 000) | (102 170 922) |
| Other current liabilities | (20 330) | - | - | (20 330) |
| Total Assets | 203 966 961 | - | - | 203 966 961 |
| Total Liabilities | (25 071 752) | (50 706 500) | (26 413 000) | (102 191 252) |
| Net amount | 178 892 666 | (50 706 500) | (26 413 000) | 101 773 166 |

| 31/12/2023 | Less than 1 year | 1 - 2 years | 2 - 5 years | Total |
|---------------------------|-------------------------|---------------------|---------------------|----------------------|
| Cash and cash equivalents | 1 772 664 | - | - | 1 772 664 |
| Financial assets | 198 410 147 | | | 198 410 147 |
| Trade debts | (2 721) | - | - | (2 721) |
| Bonds and bonds interest | (874 647) | (75 780 455) | (26 413 000) | (103 068 102) |
| Other current liabilities | (17 703) | - | - | (17 703) |
| Total Assets | 200 182 811 | - | - | 200 182 811 |
| Total Liabilities | (895 071) | (75 780 455) | (26 413 000) | (103 088 526) |
| Net amount | 199 287 740 | (75 780 455) | (26 413 000) | 97 094 285 |

Market risk. It is a risk of incurring losses by the Company because of fluctuation of market variables. The Company had no financial instruments aimed at managing the risk of interest rate fluctuations, as the Company has no financial instruments with variable interest rate. The Company invest all its financial means available into Pagalbos verslui fondas KŪB. Since all the operations by the Company are in Euro, and open positions of foreign currency are insignificant, the market 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. 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 for 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.

Amortised cost of assets and liabilities recorded in the report on financial position on 30 June 2024 does not differ from the accounting values of assets and liabilities.

Capital management

The key goal of capital management is to ensure the Company maintains appropriate capital structure as required by law (please see below).

The Company's capital consists of the authorised capital, share premiums, reserve, and retained earnings. The Company's capital can be financed by shareholder contributions and liabilities (in this case, bonds).

Debt to Equity ratio (D/E) as of 30 June 2024 was 1,9610 (as of 31 December 2023 – 1,0051).

The state guarantee was issued to secure obligations of the bonds up to 150 million EUR according to 400 million state guarantee bond programme. As of 30 June 2024, 100 million EUR bonds were issued. Additional 50 million could be a source of additional capital contribution if needed.

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 Law on Companies of the Republic of Lithuania, the equity capital of the Company must account for minimum 50% of its authorised capital. In 2023 and 2024, the Company observed the above-mentioned requirement of the law. In case of non-compliance, the management would take required actions, as provided for in the Law on Companies of the Republic of Lithuania.

3. NOTES

3.1. Other non-current assets

Other non-current assets on 30 June consisted of the following:

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|----------------------------------|-------------------------------------|-------------------------------------|
| State guarantee (long-term part) | 13 605 | 27 210 |
| Total | 13 605 | 27 210 |

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

In accordance with the Stakeholders' Agreement of 6 October 2020, including all subsequent amendments and supplements (hereinafter – the Agreement), the Company undertook an obligation to invest up to EUR 250 000 000 (two hundred fifty million Euro) into Pagalbos verslui fondas KŪB. 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 Pagalbos verslui fondas KŪB under the Payment call, the money was transferred on 26 November 2020. The above-mentioned investment was revalued in the end of 2020, its value decreased 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 by the payment calls into Pagalbos verslui fondas KŪB, 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 December 2021. In the period from 1 January 2022 until 31 December 2022, the amount of EUR 50 000 000 was invested into Pagalbos verslui fondas KŪB by the payment call, EUR 25 000 000 of which was transferred on 10 March 2022, and EUR 25 000 000 – on 8 July 2022. On 28 December 2022, the limited partner's investment of EUR 1 000 000 was repaid from the Fund. On 27 December 2023, the limited partner's investment of EUR 1 500 000 was repaid from the Fund.

While, according to the Company's accounting policies, revaluation of an investment takes place once in a year – at the end of the year, the Company decided, on receipt of unaudited quarterly financial statements of Pagalbos verslui fondas KŪB, because of significant change in the value, to revalue the investments every quarter, if the relevant quarterly statements have been received. Whereas the unaudited quarterly financial statements of Pagalbos verslui fondas KŪB for the second quarter were not yet received when the half-year financial statement of 2024 was being drawn up, the revaluation of the investment was only carried out based on the unaudited quarterly financial statements of Pagalbos verslui fondas KŪB for the first quarter.

The Company has the right to withdraw from the activity of Pagalbos verslui fondas KŪB 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 30/06/2024</u> | <u>Year ending on 31/12/2023</u> |
|----------------------------|--------------------------------------|--------------------------------------|
| Expenses of future periods | 34 638 | 43 491 |
| Total | <u>34 638</u> | <u>43 491</u> |

Neither on 31 December 2023, nor on 30 June 2024, 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 30/06/2024</u> | <u>Year ending on 31/12/2023</u> |
|---------------|--------------------------------------|--------------------------------------|
| Cash at banks | 797 309 | 1 772 664 |
| Total | <u>797 309</u> | <u>1 772 664</u> |

3.5. Authorised capital

According to the Agreement of Association of 7 August 2020, the Shareholders contributed EUR 100 200 000 to form the authorised capital. All shares of the Company are ordinary registered uncertificated 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 uncertificated 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). No bonds were issued in 2023.

Bond maturity dates: LT0000405664: 22 September 2025; LT0000406258: 8 March 2025; LT0000406613: 30 June 2027. Bonds interest rates: LT0000405664 - 0%; LT0000406258 - 0.65%; LT0000406613 - 2.826%. Bonds issue terms and conditions stipulate the Company's right to redeem the Bonds earlier, i.e., one year precisely before the Bonds maturity date. Bonds early redemption dates: LT0000405664: 22 September 2024; LT0000406258: 8 March 2024; LT0000406613: 30 June 2026.

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|---|-------------------------------------|-------------------------------------|
| Issued bonds (to be returned after one year) | 75 000 000 | 100 000 000 |
| Issued bonds (to be returned within one year) | 25 000 000 | - |
| Bonds issue expenses | (98 208) | (129 181) |
| Total | 99 901 792 | 99 870 819 |

3.7. Accrued interest of issued bonds

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|-------------------------------|-------------------------------------|-------------------------------------|
| Accrued interest LT0000406613 | 2 909 | 358 089 |
| Accrued interest LT0000406258 | 51 422 | 133 116 |
| Total | 54 331 | 491 205 |

3.8. Amounts payable to employees

Amounts payable:

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|-------------------------------------|-------------------------------------|-------------------------------------|
| Salaries payable | 3 676 | - |
| Other amounts payables to employees | 201 | - |
| Taxes payable | 2 860 | (2) |
| Vacation reserve accrual | 9 274 | 13 386 |
| Total | 16 011 | 13 384 |

3.9. Other amounts payable and accrued expenses

Amounts payable:

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|---|-------------------------------------|-------------------------------------|
| Remuneration payable to members of the Board | 2 731 | 2 731 |
| Taxes payable on remuneration to the members of the Board | 1 588 | 1 587 |
| Short-term trade payables to suppliers | 2 543 | 2 722 |
| Total | 6 862 | 7 040 |

3.10. Interest income

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|----------------------------------|-------------------------------------|-------------------------------------|
| Interest income on bank balances | 8 279 | - |
| Total | 8 279 | - |

3.11. Operating expenses

Operating expenses consisted of:

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|---|-------------------------------------|---|
| Wages and related taxes | (57 100) | (98 778) |
| Expenses of Board members' remuneration | (29 412) | (52 109) |
| Accounting expenses | (7 768) | (15 536) |
| Audit expenses | (7 260) | (7 260) |
| Bank fee expenses | (97) | (112) |
| Legal assistance expenses | - | (594) |
| Other administrative expenses | (4 026) | (8 954) |
| Total | <u>(105 663)</u> | <u>(183 343)</u> |

3.12. Other expenses

Other expenses consisted of:

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|---|-------------------------------------|-------------------------------------|
| Expenses of issue/distribution of non-equity securities | (34 394) | (65 408) |
| Other expenses of financial and investment activities | (18 750) | (37 500) |
| Total | <u>(53 144)</u> | <u>(102 908)</u> |

3.13. Interest expenses

Interest expenses consisted of:

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|-------------------------|-------------------------------------|-------------------------------------|
| Bonds interest expenses | (443 832) | (892 413) |
| Total | <u>(443 832)</u> | <u>(892 413)</u> |

3.14. Change in the value of financial assets accounted at their fair value, which is recognised as profit or loss

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

| | Year ended on 30/06/2024 | Year ended on 31/12/2023 |
|--|-------------------------------------|-------------------------------------|
| Non-current financial asset value change (decrease)/increase | 4 759 505 | 19 987 719 |
| Total | <u>4 759 505</u> | <u>19 987 719</u> |

3.15. Basic and diluted earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) of the period by the weighted average number of ordinary shares issued during the period concerned. The weighted average number of shares in 2023 and 2024 was 10 120 000.

Earnings (loss) per share:

| | 2024 | 2023 |
|---|------------------|------------------|
| | Jan – Jun | Jan – Dec |
| Net profit (loss) | 4 165 145 | 18 809 055 |
| Weighted average number of issued ordinary shares | 10 120 000 | 10 120 000 |
| Basic and diluted earnings (loss) per share | 0.4116 | 1.8586 |

3.16. Related party transactions

The key management personnel of the Company consists of the General Director and members of the Board. The Fund is considered as another related party.

In 2024, the Company had no transactions with any related party.

Salary of the key management personnel

| | 2024 | 2023 |
|---|---------------|----------------|
| Remuneration and other short-term benefits to employees | 59 772 | 92 857 |
| Remuneration to the Board members | 29 411 | 52 109 |
| Total | 89 183 | 144 966 |

3.17. Rights and obligations not disclosed in the Statement of Financial Position

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

3.18. Events after the date of the Interim Financial Statement

No other post-reporting events that would impact the present Financial Statements or should be additionally disclosed took place in the period from the end of the financial period that ended on 30 June 2024 till the day of the approval of the present Financial Statements.

The Interim Financial Statements were approved and signed on 19 August 2024.

On behalf of Valstybės investicinis kapitalas UAB

Chief Accountant

Robertas Vyšniauskas
 General Director

Inga Čėsniėnė
 Authorised person of Nordgain UAB

Valstybės investicinis kapitalas UAB INTERIM REPORT FOR SIX MONTHS

Assessment of the compliance of the interim report for the six months of 2024 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 – **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 RoL

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 Nasdaq Vilnius and can participate in the operations of the monetary policy of the European Central Bank.

VIKA has made the total investment of EUR 200 million in limited partnership Pagalbos verslui fondas KŪB and such amount of the investment has been pre-determined by the real demand of Lithuanian businesses. In 2023, the planned investment of 1.5 million returned to VIKA (2.5 million have returned to VIKA, in total).



It is important that limited partnership Pagalbos verslui fondas has finished the period of active investment and, accordingly, VIKA will no longer make any investment into limited partnership Pagalbos verslui fondas. It should be mentioned that VIKA fulfils its obligations to the investors in a proper manner, i.e., in March and June 2024, interest according to the issued securities was paid. I would like to introduce the performance results to you.

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 of Lithuania, 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 in 2020 by the Ministry of Economy and Innovation of the Republic of Lithuania, 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 has to attract EUR 400 million by issuing DS and make 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 for optimising the DS issue and the whole financial cycle costs, e.g., by applying credit rating establishment and other measures.
- VIKA must implement 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 100 million during the period of its operation.

All bonds distributed by the company are included into the Debt Securities List of Nasdac Baltics from 30 September 2021. The obligations of the bonds are secured by the issued state guarantee.

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 providers of legal and financial services for provision of the above-mentioned services. Luminor Bank AS Lithuania 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., in 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 uncertificated 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 uncertificated 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 – the EU).

Description of the activity during the reporting period

On 8 March 2024, interest of the Securities issue LT0000406258 were paid.

On 30 June 2024, interest of the Securities issue LT0000406613 were paid.

Description of the Board's activity during the reporting period

During the first six months of 2024, the Company's Board held 3 meetings, where decisions on the Company's organisational matters, operating budget, and other matters relevant to the Company's activities were adopted.

All decisions were adopted unanimously by the Board members (all appointed Board members were present at all meetings and took part in decision-making).

The Board adopted the following most important decisions:

Board's meeting minutes No. 1 of 14 February 2024

It was decided at this meeting to approve the performance targets for the Company's Head for 2024 and the Company's budget for 2024, as well as the variable part of the remuneration of the Company's Head for 2023.

Board's meeting minutes No. 2 of 29 March 2024

It was decided at this meeting to approve the ranking of the proposals submitted by banks operating in Lithuania for the issuance of the Company's debt securities by inviting the first ranked bank to enter into an agreement.

Board's meeting minutes No. 3 of 9 April 2024

By this decision, the Board approved the 2023 Annual Report and submitted the 2023 Annual Report to the Company's sole shareholder for information and the 2023 Financial Statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union, together with the independent auditor's report, and the draft profit (loss) distribution for approval.

Significant events after the Interim Financial Statements

No other post-reporting events that would impact the present financial statements or should be additionally disclosed took place after the period of the interim financial statements that ended on 30 June 2024 till the day of the approval of the present financial statements.

On 26 July 2024, the Board adopted Resolution No. 4 whereby they approved the amendments made to the stakeholders' and activity agreements dated 6 October 2020 in relation to the activities of Pagalbos verslui fondas KŪB made between the Company and Valstybės investicijų valdymo agentūra UAB (code 305612545).

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 – 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 VIKA activity determines that the mission, strategy and vision of VIKA have been defined 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 no rent or use the Company's office, vehicles, or other equipment on any other grounds, and does not have other direct expenses that would affect the environment, therefore, an analysis of the main environmental, social and economic effects is inexpedient. Furthermore, the Company promotes and aspires compliance with 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's investment obligation includes all transfers under payment calls and transfer amount may not exceed the investment obligation amount at any time. On the other hand, the Company has resources available for increase of the liabilities and investment of up to EUR 500 million because of the approved EUR 400 million bonds programme, and EUR 100 million own funds available.

Conformity of the achieved operating results with the set targets

Over the first six months of 2024, the Company successfully paid interests for bonds, the set targets were reached.

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

Income

The Company received interest of EUR 8 279 in 2024 due to a positive bank balance. The construction of the activity model of the Company is such that apart from receipt of investments with return the Company plans no additional income in the nearest future.

Expenses

The Company's operating expenses, other expenses and interest expenses on 30 June 2024 were EUR 594 360. In 2024, based on the unaudited financial statements of the limited partnership Pagalbos verslui fondas, a revaluation of the investment in the limited partnership Pagalbos verslui fondas was made – EUR 4 759 505.

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, reference is made to the data of individual credit risk assessment of appropriate segments of financial markets and internal companies.

Operating result of the Company

The net profit of the Company as a result of the value change of Limited partnership Pagalbos verslui fondas between 1 January 2024 and 30 June 2024 was EUR 4.165 million, while in 2023, the Company's net profit was EUR 18.809 million.

Profit (loss) per one share

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

Earnings (loss) per share:

| | 30/06/2024 | 2023 |
|---|--------------|--------------|
| Net profit (loss) | 4 165 145 | 18 809 055 |
| Weighted average number of issued ordinary shares | 10 120 000 | 10 120 000 |
| Ordinary income (loss) per share | 0.411 | 1.859 |

Table 3. Balance groups of the Company and their changes

| Balance sheet analysis | 30/06/2024 | 31/12/2023 | Change in EUR | Change % |
|--------------------------|--------------------|--------------------|---------------|----------|
| Non-Current Assets | 203 188 186 | 198 442 286 | 4 745 900 | 2.39% |
| Current assets | 831 947.00 | 1 816 155 | (984 208) | -54.19% |
| TOTAL ASSETS | 200 258 441 | 200 258 441 | 3 761 692 | 1.88% |
| Total equity | 104 041 137 | 99 875 993 | 4 165 144 | 4.17% |
| Non-current liabilities | 74 901 792 | 99 870 819 | (25 969 027) | -25.00% |
| Current liabilities | 25 077 204 | 511 629 | 24 565 575 | 4801.44% |
| TOTAL LIABILITIES | 99 978 996 | 100 382 448 | (403 452) | -0.40% |

The growth of the fixed assets is observed in 2024 – EUR 4 745 900, mainly because of the change in the value for the investment in Limited partnership Pagalbos verslui fondas.

The significant change in non-current and current liabilities is observed due to the reclassification of issued bonds LT0000406258 from non-current to current liabilities with the maturity date of 8 March 2025.

On 30 June 2024, the Company had EUR 797 309 in its bank account.

Table 4. Main financial indicators of the Company

| Main financial indicators | 30/06/2024 | 31/12/2023 |
|--|-------------|-------------|
| Income | 8 279 | - |
| Expenses (-) | (594 360) | (1 178 664) |
| Change in the value of financial assets accounted at fair value, which is recognised as profit or loss | 4 759 505 | 19 987 719 |
| Net profit (loss) | 4 165 145 | 18 809 055 |
| Liquidity indicators | | |
| Current ratio | 0.03 | 3.55 |
| Critical liquidity ratio | 0.03 | 3.55 |
| Cash liquidity ratio | 0.03 | 3.46 |
| Working capital | -24 245 257 | 1 304 526 |
| Profitability indicators | | |
| Net profit ratio | - | - |
| Asset turnover ratio | - | - |
| Return on assets ROA % | 2.06% | 9.86% |
| Return on equity ROE % | 4.09% | 20.79% |
| Debt-to-equity ratio | 0.9610 | 1.0051 |

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) and with 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 Company's activity determines limited need for risk management policy. On the other hand, general risk management controls have been 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 to 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.

Liquidity risk. It is a risk of incapability to fulfil own payment obligations in time. The Company manages the liquidity risk by reserving sufficient quantity of 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 the prices of securities 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 Pagalbos verslui fondas KŪB. Since all the operations by the Company are in Euro, and open positions of foreign currency are insignificant, the currency exchange 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 in total.

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 nature of the Company's activities predetermines the fact that the need for the investment policy is limited. The Company's activity is based on 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) and on 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 (meeting minutes No. 12) 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 this 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 the money invested 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 2024.

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 resolution 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 uncertificated 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 obligations of VIKA shareholders are defined in the Law on Companies and other legal acts of the Republic of Lithuania.

The rights granted by VIKA's shares are exercised following the procedure established by the Law on Companies, other laws and legal acts, as well as the Articles of Association of the Company.

Between 31 December 2023 and 30 June 2024, 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:

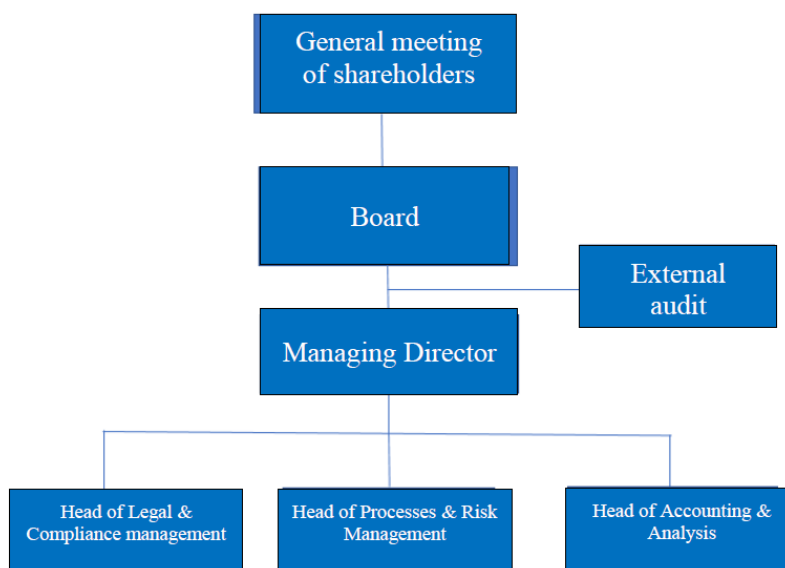
- general meeting of shareholders
- board
- VIKA's head (Managing Director)

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 Managing Director and board members. The parties recognised as 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 did not employ any 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 member was elected on 7 August 2020.

Board member Jonas Bložė was elected on 3 December 2020.

Board member Tomas Urban, Director of the Business Environment Department of the Ministry of Economy and Innovation, was elected as the Board 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 member Robertas Vyšniauskas was recalled from his post as the Board member on 19 November 2020 because of his appointment to the post of Managing Director of Valstybės investicinis fondas UAB (he was appointed as the Board member under the Agreement of 7 August 2020).

Board member Marius Alubeckas, Chief Specialist of Financial Instruments Division, Investment Department of the Ministry of Finance of the Republic of Lithuania, was appointed 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 Law on Companies. 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 Law on Companies.

The Board also has the following additional competence:

- to consider and approve the policy of investment of temporarily available 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 decisions on the issue of VIKA's bonds, as stipulated in Article 55(4) of the Law on Companies;
- to establish indicators applicable to assessment of the performance of VIKA's head and their planned values, which determine the variable value of the 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 has been delegated to the Board.

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

The head of the Company is Managing Director 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 member (chair of the Board) and Audit committee's member of EPSO-G UAB, 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 and a member of the Audit Committee of Vilniaus vystymo kompanija UAB (chair of the board), lecturer of Vilnius University Business School.

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, Managing Director of Vilniaus prekyba UAB companies, and lawyer of associated or controlling companies.

Calculated salary to the head of the Company for 2024 was EUR 59 771.60. Calculated yearly bonus for 2023 – EUR 22 139.50.

General meeting of shareholders and its activity

The powers of the general meeting of shareholders and the procedure for convening the general meeting of shareholders does not differ from that specified in the Law on Companies, except in the cases referred to in paragraph 23 of the Articles of Association. If all shares of VIKA are owned by one person, his/her written resolutions are equivalent to resolutions of the general meeting of shareholders. The general meeting of shareholders shall have the following additional competence:

- to establish the procedure for determining the remuneration for members of the Board and committees (if any) for their activities in the Board and in the relevant committees;
- to make decisions concerning contracts with members of the Board and committees (if any formed) and their conditions, including the maximum remuneration amount for members and chair of the Board and relevant 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 2024, the annual salary fund consisted of EUR 37 632.10 fixed and EUR 19 058.70 variable component.

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

Managing Director

2024 – EUR 6 272.17

2023 – EUR 6 149.86

Policy of remuneration of the Company's head. On 8 December 2022, the board adopted the decision (meeting minutes No. 12) approving the policy on the remuneration of Valstybės investicinis kapitalas UAB. The policy states as follows:

- Remuneration of the Company's employee consists of the fixed part and variable part of the remuneration. 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 can be established by the board's decision 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.

Actual 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 Robertas Vyšniauskas, Managing Director representing the Company, and Board members.

On 31 December 2022, the Board decided by Decision No. 13 that the following monthly salary for the board members of the Company shall be established: (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; (iii) 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 was established from 5 August 2022 until 5 August 2022. For activities of an independent board member, if holding the chair's position – fixed quarterly salary of EUR 2 200, and for a board member, not holding the chair's position – fixed quarterly salary of EUR 2 000 were established. Salary will be reduced proportionally or not paid at all, if an independent board member did not voice his/her opinion on agenda items and did not cast his/her vote on them or did not attend the board meetings.

Calculated salary to the Board members of the Company for 2024 was EUR 29 411.70.

INFORMATION ABOUT AFFILIATES (ASSOCIATED COMPANIES)

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

Limited partnership Pagalbos verslui fondas was founded in implementing Commission Decision No. C(2020) 3534 (final) '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, and the Fund is managed by Valstybės investicijų valdymo agentūra UAB (VIVA), as stipulated in 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 GOVERNANCE

VIVA adheres to 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 – the Transparency Guidelines). VIVA has prepared the disclosure of adherence to the requirements and recommendations laid down in the Transparency Guidelines, which is enclosed as annex to this annual report.

Implementation of the Transparency Guidelines is actually ensured through the information disclosed in the annual 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.