UAB „Partnerystės projektai keturi“

Interim consolidated and separate
financial statements for six-month period ended 30 June 2024
(unaudited)

Were drawn up according to the International Financial Reporting Standards as adopted by the European Union

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UAB „Partnerystės projektai keturi“
Company’s registration number - 304950437, address – A. Goštauto g. 40B, Vilnius

STATEMENT OF FINANCIAL POSITION
AS OF 30 JUNE 2024

(all the amounts are presented in euros, unless stated otherwise)

			The Group		The Company	
		Notes	**30 June 2024**	**31 December 2023**	**30 June 2024**	**31 December 2023**
	ASSETS					
A.	***NON-CURRENT ASSETS***					
I.	PROPERTY, PLANT AND EQUIPMENT		838	1 555	-	-
II.	CONTRACT ASSETS	4	22 586 694	14 518 800	-	-
III.	INVESTMENTS IN SUBSIDIARIES	5	-	-	4 000 000	4 000 000
IV.	LOANS TO COMPANIES		-	-	9 661 777	9 232 044
V.	ASSETS OF DEFERRED INCOME TAX	11	128 841	128 841	-	-
	TOTAL NON-CURRENT ASSETS		**22 717 373**	**14 649 196**	**13 661 777**	**13 232 044**
B.	***CURRENT ASSETS***					
I.	TRADE RECEIVABLES		534 879	-	-	-
II.	PREPAYMENTS	6	111 558	59 649	-	-
III.	DEFERRED EXPENSES		19 317	14 373	6 390	2 670
IV.	OTHER RECEIVABLE AMOUNTS WITHIN ONE YEAR	7	3 833 514	11 530 971	15	16
V.	SHORT-TERM INVESTMENTS		6 500 000	-	-	-
VI.	CASH AND CASH EQUIVALENTS	8	2 608 012	1 826 754	544 262	963 940
	TOTAL CURRENT ASSETS		**13 607 280**	**13 431 747**	**550 667**	**966 626**
	TOTAL ASSETS		***36 324 653***	***28 080 943***	***14 212 444***	***14 198 670***
	EQUITY AND LIABILITIES					
C.	***EQUITY***					
I.	SHARE CAPITAL	9	6 000 000	6 000 000	6 000 000	6 000 000
II.	LEGAL RESERVE	9	-	-	-	-
III.	RETAINED EARNINGS		(1 699 986)	(842 555)	48 892	26 156
	TOTAL EQUITY		**4 300 014**	**5 157 445**	**6 048 892**	**6 026 156**
D.	***ACCOUNTS PAYABLE AND OTHER LIABILITIES***					
I.	*NON-CURRENT LIABILITIES*					
I.1.	LOANS RECEIVED AND INTEREST PAYABLE		29 776 087	20 163 791	8 000 000	8 000 000
I.2.	DEFERRED INCOME TAX	10, 17	-	-	-	-
	TOTAL NON-CURRENT LIABILITIES		**29 776 087**	**20 163 791**	**8 000 000**	**8 000 000**
II.	*CURRENT LIABILITIES*					
II.1.	TRADE PAYABLES		1 540 611	1 978 748	312	9 344
II.2.	EMPLOYMENT-RELATED LIABILITIES		3 600	675	83	-
II.3.	LOANS RECEIVED AND INTEREST PAYABLE	10, 17	643 852	777 053	159 939	159 939
II.4.	PAYABLE CORPORATE INCOME TAX	11	3 218	3 170	3 218	3 170
II.5.	OTHER CURRENT ACCOUNTS PAYABLES AND LIABILITIES	17	57 271	61	-	61
	TOTAL CURRENT LIABILITIES		**2 248 552**	**2 759 707**	**163 552**	**172 514**
	TOTAL ACCOUNTS PAYABLE AND LIABILITIES		**32 024 639**	**22 923 498**	**8 163 552**	**8 172 514**
	TOTAL EQUITY AND LIABILITIES		***36 324 653***	***28 080 943***	***14 212 444***	***14 198 670***

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

The financial statements were signed on 23 September 2024:

Signed electronically	Signed electronically
Artūras Klangauskas Director	Živilė Jablonskytė Person acting under power of attorney – Senior Financial Officer of UAB „Eika“

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(all the amounts are presented in euros, unless stated otherwise)

			The Group		The Company	
		Notes	**30 June 2024**	**30 June 2023**	**30 June 2024**	**30 June 2023**
I.	REVENUE	12	10 283 567	10 231 136	-	-
II.	COST OF SALES	13	(10 020 737)	(10 164 328)	-	-
III.	**GROSS PROFIT**		**262 830**	**66 807**	**-**	**-**
IV.	GENERAL AND ADMINISTRATIVE EXPENSES	14	(106 789)	(71 675)	(42 949)	(4 868)
VII.	**OPERATING PROFIT (LOSS)**		**156 041**	**(4 867)**	**(42 949)**	**(4 868)**
VIII.	FINANCE INCOME	4	59 010	(1)	429 733	255 826
IX.	FINANCE COSTS	15	(1 068 434)	(440 050)	(360 000)	(239 296)
X.	**PROFIT (LOSS) BEFORE TAX**		**(853 383)**	**(444 919)**	**26 784**	**11 662**
XI.	INCOME TAX	11	(4 048)	(1 810)	(4 048)	(1 810)
XII.	**NET PROFIT (LOSS)**		(857 431)	**(446 728)**	**22 736**	**9 853**
XIV.	**TOTAL COMPREHENSIVE INCOME**		**(857 431)**	**(446 728)**	**22 736**	**9 853**

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

The financial statements were signed on 23 September 2024:

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Artūras Klangauskas Director	Živilė Jablonskytė Person acting under power of attorney – Senior Financial Officer of UAB „Eika“

STATEMENT OF CHANGES IN EQUITY
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(all the amounts are presented in euros, unless stated otherwise)

The Group

	Share capital	Legal reserve	Retained earnings	Total
Balance on 31 December 2022	**2 500**	**-**	**(101 909)**	**(99 409)**
Net profit (loss) for the year	-	-	(740 646)	(740 646)
Increase of authorized capital	5 997 500	-	-	5 997 500
Balance on 31 December 2023	**6 000 000**	**-**	**(842 555)**	**5 157 445**
Net profit for the year	-	-	(857 431)	(857 431)
Balance on 30 June 2024	**6 000 000**	**-**	**(1 699 986)**	**4 300 014**

The Company

	Share capital	Legal reserve	Retained earnings	Total
Balance on 31 December 2022	**2 500**	**-**	**(27 831)**	**(25 331)**
Net profit (loss) for the year	-	-	53 987	53 987
Increase of authorized capital	5 997 500	-	-	5 997 500
Balance on 31 December 2023	**6 000 000**	**-**	**26 156**	**6 026 156**
Net profit for the year	-	-	22 736	22 736
Balance on 30 June 2024	**6 000 000**	**-**	**48 892**	**6 048 892**

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

The financial statements were signed on 23 September 2024:

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Artūras Klangauskas Director	Živilė Jablonskytė Person acting under power of attorney – Senior Financial Officer of UAB „Eika“

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2024

(all the amounts are presented in euros, unless stated otherwise)

			The Group		The Company	
		Notes	**30 June 2024**	**30 June 2023**	**30 June 2024**	**30 June 2023**
I.	**CASH FLOWS FROM OPERATING ACTIVITIES**					
I.1.	Net profit (loss) before tax		(853 383)	(446 728)	26 784	11 662
	Adjustments for non-monetary expenses (income)					
I.2.	Depreciation and amortisation expenses		547	496	-	-
I.3.	Elimination of financing and investing activities result	15	1 009 424	390 051	(69 733)	48 266
I.4.	Other non-monetary items		(4 944)	8 897	(3 720)	(6 250)
	Changes in working capital					
I.5.	(Increase) decrease in contract assets	4	(415 699)	(10 231 136)	-	-
I.6.	(Increase) decrease in prepayments	6	(51 909)	(47 980)	-	-
I.7.	(Increase) decrease in other receivables	7	45 262	(107 215)	1	1
I.8.	(Increase) decrease in trade receivables		(534 879)	-	-	-
I.9.	Increase) in current other assets		(6 500 000)	-	-	-
I.10.	Increase (decrease) in trade payables and other payable amounts		(382 002)	(85 946)	(13 010)	(1 385)
	NET CASH FLOWS FROM OPERATING ACTIVITIES		(7 687 583)	(10 519 561)	(59 678)	52 294
II**.**	**CASH FLOWS FROM INVESTING ACTIVITIES**					
II.1.	Purchase of Property, Plant and Equipment		(830)	-	-	-
II.2.	Acquisitions of shares in subsidiaries	5	-	-	-	(3 997 500)
II.3.	Loans granted		-	-	-	(9 989 000)
II.4.	Recovery of loans granted		-	-	-	3 853 402
II.5.	Interest received		59 010	-	-	144 098
	NET CASH FLOWS FROM INVESTING ACTIVITIES		58 180	-	-	(9 989 000)
III.	**CASH FLOWS FROM FINANCING ACTIVITIES**					
III.1.	Issue of shares	9	-	5 997 500	-	5 997 500
III.2.	Loans received	10	9 877 983	14 428 382	-	12 960 000
III.3.	Loans returned	10	(398 888)	(7 497 000)	-	(7 497 000)
III.4.	Interest paid, loan administration and commitment fees	10,15	(1 068 434)	(275 010)	(360 000)	(189 296)
	NET CASH FLOWS FROM FINANCING ACTIVITIES		8 410 661	12 653 871	(360 000)	11 271 204
IV.	**INCREASE (DECREASE) IN NET CASH FLOW**		781 258	2 134 310	(419 678)	1 334 498
V.	**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD**		1 826 754	10 173	963 940	2 460
VI.	**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD**		2 608 012	2 144 483	544 262	1 336 958

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

The financial statements were signed on 23 September 2024:

Signed electronically	Signed electronically
Artūras Klangauskas Director	Živilė Jablonskytė Person acting under power of attorney – Senior Financial Officer of UAB „Eika“

1. General information

These consolidated financial statements have been prepared for UAB "Partnerystės projektai keturi" (hereinafter - the Company) and its controlled companies (hereinafter - the Group).

The Company was registered on 12 November 2018. The address of the Company is A. Goštauto st. 40B, LT-03163, Vilnius, Lithuania. The main activity of the Company is construction development.

In 2024 June 30 and 2023 December 31 the Group consisted of the Company and its subsidiary UAB "Samogitia miestelis", 100% of which shares were owned by the Company. UAB "Samogitia miestelis" was registered on 9 December 2020, its address is A. Goštauto st. 40B, LT-03163, Vilnius, Lithuania; its main activity is lease and exploitation of its owned or leased real estate.

The sole shareholder of the Group is UAB "Eika": company‘s registration number - 121191079, address - A. Goštauto str. 40B, LT-03163, Vilnius, Lithuania.

In 2024 June 30 the average number of the Group employees according to the list was 5 (in 2023 - 6).

2. Summary of significant accounting principles

2.1. Basis for preparation of financial statements

These consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (hereinafter - IFRSs), as adopted by the European Union (hereinafter - the EU).
In accounting policy below, where the Group is mentioned, all policy provisions apply to the Company as well.

2.2. Consolidation principles

The financial statements comprise the financial statements of the parent company and its directly and indirectly controlled subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is generally obtained by holding more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of subsidiaries have been prepared using uniform accounting policies and for the same reporting period as that covered by the financial statements of the Group. On consolidation, all inter-company transactions, balances and unrealized gains and/or losses on transactions among the Group companies are eliminated.

Non-controlling interest represents a part of net profit and net assets which is not controlled by the Group. Non-controlling interest is reported separately in the statement of profit or loss. The share of equity attributable to the non-controlling interest and to the owners of the parent is shown separately in the consolidated statement of financial position.

2.3. Application of new and amended IFRS

New and/or amended standards and interpretations effective from 1 January 2024

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current period and were adopted by the Group:

- IFRS 17 Insurance Contracts; including Amendments to IFRS 17 (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on or after 1 January 2024);

- Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on or after 1 January 2024).

The application of these standards, amendments and interpretations had no material impact on the Group’s financial statements.

Standards, amendments and interpretations to existing standards issued by IASB, adopted by EU, but not yet effective

At the date of authorisation of these financial statements, the Group has not early adopted the following new and revised IFRS standards, amendments and interpretations that have been issued but are not yet effective:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date; Classification of Liabilities as Current or Non-current – Deferral of Effective date; Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024).

The management of the Group does not expect that the adoption of these standards, amendments and interpretations listed above will have a material impact on the financial statements of the Group in future periods.

Standards, amendments and interpretations to existing standards that are not yet effective and have not been endorsed by EU

IFRSs currently endorsed by EU are not significantly different from the standards, endorsed by IASB, except the standards, amendments and interpretations that were not endorsed by EU (the effective dates are applicable to IFRS to full extent). These standards, amendments and interpretations are listed below:

- Amendments to IAS 7 “Statement of Cash Flows” and IFRS 7 “Financial Instruments: Disclosures”: Supplier Finance Arrangements (applicable for annual reporting periods beginning on 1 January 2024);
- Amendments to IAS 21 “The Effects of Changes in Foreign Exchange Rates”: Lack of Exchangeability (applicable for annual reporting periods beginning on 1 January 2024).

The management of the Group does not expect that the adoption of these standards, amendments and interpretations listed above will have a material impact on the financial statements of the Group in future periods.

2.4. Functional and financial statements currency

The Group’s functional and financial statements currency is euro.

2.5. Intangible assets

Intangible assets are measured initially at cost. Intangible assets are recognized if it is probable that future economic benefits that are attributable to the asset will flow to the Group and the cost of asset can be measured reliably. After initial recognition, intangible assets are measured at cost less accumulated amortization and any accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their estimated useful lives. The useful lives, residual values and the method of amortization are reviewed annually, to ensure that they are consistent with the expected pattern of use of intangible asset.

Costs incurred in order to restore or maintain the future economic benefits that the Group expects from the existing software are recognized as an expense when the restoration or maintenance work is carried out.

2.6. Property, plant and equipment

Property, plant and equipment are accounted for at acquisition cost less accumulated depreciation and the impairment losses, if any. The impairment losses are presented under general and administrative expenses.

The initial cost of property, plant and equipment comprises its acquisition price, including non-refundable purchase taxes and any directly attributable costs of bringing the asset to its condition and location for its intended use. Expenditures incurred after the property, plant and equipment have been put into operation, such as repair and maintenance costs, are charged to profit or loss in the period when the costs are incurred.

The depreciation is calculated on the straight-line basis over the following estimated useful life periods:

Group of assets	Useful life period, in years
Buildings	30
Structure	15
Machinery and equipment	5
Vehicles	6
Other fittings and fixtures	4
Other tangible assets	4

Every component of property, plant and equipment the cost of which is significant in respect of the total acquisition cost, is depreciated within a different period of time, complying with the most economically useful life duration thereof. The assets' residual values and useful lives are reviewed periodically to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items in property, plant and equipment. The impact of revision, if any, is recognised perspectively. The depreciation costs are presented under cost of sales and general and administrative expenses.

When assets are sold or written-off, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is recognized in profit or loss.

2.7. Impairment of non-financial assets

At each financial reporting date, the Group reviews the carrying amount of intangible assets and property, plant and equipment to determine whether there is any indication that the value of an asset has decreased. If such indications exist, the Group assesses the recoverable amount of the asset in order to measure the impairment (if any). When it is impossible to assess the recoverable amount of the asset, the Group calculates the recoverable amount of the cash generating unit to which the asset belongs.

The recoverable amount is the higher of the fair value less costs to sell and value in use. In determining value in use, estimates of future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and asset-specific risk.

If it is determined that the recoverable amount of an asset (or cash generating unit) is less than the carrying amount of the asset, the carrying amount of the asset is reduced to its recoverable amount. Impairment losses are immediately recognized as expense.

If the impairment loss is subsequently reversed, the carrying amount of the asset (or cash generating unit) is increased to the recoverable amount of the asset, but in such a way that the increased carrying amount does not exceed the carrying amount that would be determined if, in the previous year, that asset (or cash generating unit) would not be recognized for impairment losses. Reversal of impairment losses is immediately recognized as income.

2.8. Financial instruments

Financial assets

The financial assets of the Group include cash and cash equivalents, trade debtors and other receivables.

Trade debtors are initially recognized when they arise. Upon initial recognition, other financial assets are recognized when the Company become parties to the contractual provisions of the instrument. Financial assets (except for trade debtors without a significant financing component), if not measured at fair value through profit or loss, are initially measured at fair value plus transaction costs directly attributable with acquisition or issue. Trade debtors without a significant financing component are initially recognized at the transaction price.

Financial assets are classified in three groups according to their measurement:
i. financial assets that are subsequently measured at amortized cost;
ii. financial assets that are subsequently measured at fair value through other comprehensive income;
iii. financial assets that are subsequently measured at fair value through profit or loss.

The classification of a financial asset depends on the financial asset management business model (assessing how the Group manages the financial assets to generate cash flows) and the characteristics of the contractual cash flows of the financial asset (whether contractual cash flows include only principal and interest payments).

Financial asset is stated at amortized cost if both of the following conditions are met:
1) financial asset is held within a business model the objective of which is to hold financial assets in order to collect contractual cash flows; and
2) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interests on the principal amount outstanding.

Financial assets that do not meet the above conditions are measured at fair value in profit or loss and other comprehensive income.

In 2024 and 2023 the Group had no financial assets, which, in subsequent periods, are measured at fair value in profit or loss and other comprehensive income.

Financial assets that are subsequently measured at amortized cost are measured using the effective interest method. Amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses, and impairment losses are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

The effective interest method is a method of calculating the amortized cost of a financial asset or liability and of allocating the interest income or expense over a period of time. The effective interest rate is the rate that discounts estimated future cash payments through the expected life of the financial asset or liability or, where appropriate, a shorter period.

Financial assets at fair value through profit or loss are initially recognized at fair value in profit or loss. Subsequently, the fair value gain and loss, including any interest and dividends, is recognized in profit or loss and other comprehensive income.

Financial assets are derecognised when:
i. the right to receive cash flows from the financial asset expires;
ii. the Group retains the right to receive cash flows from the asset, but have agreed to pay in full without material delay to a third party under a 'pass through' arrangement;
iii. the Group transfers their right to receive cash flows from assets and/or: (a) have transferred substantially all the risks and rewards of the financial asset; (b) have neither transferred nor retained substantially all the risks and rewards of the financial assets but have transferred control of the assets.

When the Group transfers rights to receive cash flows from an asset but neither transfer nor retain substantially all the risks and rewards of the asset nor transfer control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset.

The Group reduces the gross carrying amount of their financial asset if they cannot reasonably expect to recover all or part of the financial asset. A write-off is an event of derecognition.

Financial liabilities

The Group's financial liabilities comprise loans received, trade payables and other payables.

At the time of initial recognition, financial liabilities are recognised when the Group becomes a party to the contractual terms of the instrument.

Financial liabilities are divided into two groups according to their measurement:
i. financial liabilities that are subsequently measured at amortised cost;
ii. financial liabilities that are subsequently measured at fair value through profit or loss.

A financial liability is classified as at fair value through profit or loss if it is classified as held-for-sale, it is a derivative or it is designated as such on initial recognition. Financial liabilities at fair value through profit or loss are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group derecognises financial liabilities when their contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different. In this case, the new financial liability is recognized at fair value under the modified terms of the contract.

In the event of derecognition of a financial liability, the difference between the carrying amount written off and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss in the statement of profit or loss and other comprehensive income.

Trade and other payables. Upon initial recognition, trade and other payables are recognized when the Group becomes a party to the contractual provisions. Trade and other payables are initially measured at fair value plus directly attributable transaction costs.

Offsetting financial assets and financial liabilities

Financial assets and financial liabilities are offset when, and only when, the Company has a legally enforceable right to set off the amounts and it intends either to settle them on the net basis or to realise the asset and settle the liability simultaneously.

2.9. Impairment of financial assets

Impairment losses on financial assets measured at amortized cost are measured using the expected credit loss (ECL) model. Credit losses are measured at the present value of all cash losses (the difference between the cash flows that the Group holds under the contract and the cash flows the Group expects to receive). ECLs are discounted applying an effective interest rate.

At the end of each reporting period, the Group recalculates and records the allowance for expected credit losses, taking into account past events, current market conditions and future prospects. At the end of each financial period, the Group assesses whether there has been a material change in the credit risk of the financial instrument since initial recognition.

Expected credit losses on financial assets are measured at the amount of the impairment loss:

(a) 12-month expected credit losses; it is the expected credit loss that arises from the default of financial liabilities that is possible within 12 months from the date of the financial statements, or

b) all expected credit losses; that is, for all expected credit losses that arise from all possible defaults during the life of a financial asset. Impairment losses on all expected credit losses are calculated if the credit risk on such financial assets has increased significantly since initial recognition. For all other financial assets, expected credit losses are calculated based on 12-month expected credit losses.

Expected credit losses are probabilistic weighted estimates of the present value of credit losses. They are measured as the difference between the present value of the cash inflows expected to be received from the Group's contractual flows and the cash flows expected to be received by the Group as a result of a number of future economic events, discounted at the effective interest rate of the financial asset.

The carrying amount of a financial asset is written off when the Group has no reasonable expectation of recovering all or part of the asset. Non-recoverable assets are written off against recognized related impairment loss allowance, provided that all necessary steps have been taken to recover the asset and the amount of the loss has been determined. The amounts previously written off and collected in subsequent periods are credited to the impairment loss account within the statement of profit or loss and other comprehensive income.

2.10. Inventories

Inventories are initially recorded at acquisition cost. Subsequent to initial recognition, inventories are valued at the lower of cost or net realizable value. Net realizable value is the selling price in the ordinary course of business, less the costs related to sales. Cost of sale is determined by FIFO method. Net realizable value equals to estimated market price less the expenses related to disposal.

2.11. Lease

The Group first of all assesses whether the concluded contract qualifies for the lease. In case the contract qualifies for the lease (it provides the right to use defined asset for a certain period of time for a pre-defined price), the below described accounting principles are applied.

Finance and operating lease – the Group is the lessee

The Group recognises the right to use the assets and lease liability when the lease period commences. The right to use the asset during the initial recognition is accounted for at acquisition cost, which is composed of initial lease liability less discounts and lease contributions paid before the commencement of the lease period or on the first day of the lease period and increased by the amount of related direct expenses.

After the initial recognition the right to use the asset is depreciated on a straight-line basis over the period of the lease, except for the cases, when at the end of lease period the ownership of the asset is transferred to the Group or it is probable that at the end of the lease period the Group will exercise the option to purchase the asset. In such cases the right to use the asset is depreciated over the useful life of the assets. The right to use the asset is presented net of impairment losses (if any) and adjusted accordingly if the lease liability is reassessed due to the changes in the circumstances.

The initial amount of lease liability is recognized at present value of unpaid lease payments at the date of the lease period commencement. The discount rate applied equals to the interest rate indicated in the lease contract, if such is indicated, or to average alternative interest rate which the Group would likely pay to the borrower for the loan used for acquisition of the leased asset.

Short-term lease and lease of low-value assets

The Group decided not to recognise the right to use the assets and lease liability for short-term lease and lease of low-value assets. Such lease payments are recognised as expenses in profit or loss on straight-line basis over the period of the lease.

Operating lease – the Group as the lessor

Payments received under operating leases (net of any incentives given to the lessee) are recognized in profit or loss on a straight-line basis over the period of the lease.

2.12. Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of past event, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be reliably estimated. The provisions are reviewed at each statement of financial position date and adjusted in order to present the most accurate current estimate. If the effect of the time value of money is material, the amount of provision is equal to the present value of the expenses, which are expected to be incurred to settle the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a borrowing cost.

2.13. Corporate income tax and deferred tax

The corporate income tax is calculated in accordance with the requirements established under the Law on Taxes of the Republic of Lithuania. In 2024 and 2023 the standard corporate income tax rate charged in the Republic of Lithuania was 15 percent.

Deferred taxes are calculated using the liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse based on tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognized in the statement of financial position to the extent the management believes it will be realized in the foreseeable future, based on taxable profit forecasts. If it is expected that part of the deferred tax asset is not going to be realized, this part of the deferred tax asset is not recognized in the financial statements. Deferred tax assets and liabilities are offset when they are related to taxes levied by the same tax authority and when there is a legally enforceable right to cover current payable taxes at net value.

Income tax and deferred tax expenses (income) are accounted for in profit or loss, except when they relate to items included directly to equity, in which case the deferred tax is also accounted for in other comprehensive income.

2.14. Revenue recognition

The Group recognizes revenue at such time and to such an extent that the transfer of goods or services to customers represents the consideration that the Group expects to receive in exchange for those goods or services.

The Group's revenue is recognized using the 5-step model:

Step 1 - Identify customer agreements.
A contract recognizes an agreement between two or more parties (subject to purchase / sale terms) that creates enforceable rights and enforceable obligations (not applicable if a joint venture agreement is signed). A contract is within the scope of IFRS 15 if all of the following criteria are met:

- the parties have approved the contract (in writing, orally or in accordance with any other normal commercial practice) and are bound by their obligations under the contract,
- it is possible to identify the rights of each party with regard to the goods and / or services to be transferred,
- it is possible to identify the payment terms for the goods and / or services to be transferred,
- the contract has commercial substance,
- it is probable that the consideration to which the Group is entitled to in exchange for the goods or services will be collected.

Contracts with the customer may be aggregated or disaggregated into several contracts, while retaining the criteria of former contracts. Such aggregation or disaggregation is considered modification of the contract.

Step 2 - Identify performance obligations in the contract.
Contractual commitment to deliver goods and (or) services to a customer. If separate goods and (or) services are identifiable, the liabilities are recognized separately. Each liability is identified in one of two ways:

- a good and (or) service is distinct, or
- a set of individual goods and (or) services that are substantially the same and have the same pattern of transfer to the customer.

Step 3 - Determine the transaction price.
The transaction price may be fixed, variable, or both. The transaction price is also adjusted considering the time value of money, if the contract includes a significant financing arrangement, and considering any consideration payable to the customer and non-cash consideration received, if any. The Group applies the following sales price calculation methods: adjusted market assessment approach, expected cost plus margin approach and residual approach. Similar transactions are measured equally.

Step 4 - Allocate the transaction price to each performance obligation.
A performance obligation is a contractual promise to deliver to the customer a separate good or service, or a set of individual goods or services that are substantially the same and have the same pattern of transfer to the customer. The transaction price is apportioned between each performance obligation based on the relative separate selling prices of the good or service promised in the contract. If the contracts do not specify separately the price of the service or good (for example, one price for two products), the Group shall determine it. In measuring the transaction price, the Group estimates a discount or variable amount of consideration that relates only to a particular portion of the contract.

Step 5 - Recognise revenue when (or as) the Group satisfies a performance obligation.
The Group recognizes revenue when it satisfies a performance obligation by transferring promised goods or services to the customer (i.e. when the customer obtains control of the mentioned goods or services). The recognized amount of revenue is equal to the amount of satisfied performance obligation. Performance obligation may be satisfied at a point of time or over time. A period of time is recognised as a calendar month.

The recognition of revenue depends on whether the obligation is satisfied over a period of time (continuous) or at a point in time. In any event, the transfer of control is taken into account. Revenue is recognized at the fair value of the consideration received or receivable. Revenue is reduced by the estimated amount of customer returns, discounts, and other similar provisions. Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Group and the amount of the revenue can be measured reliably. Revenue from sales is recognized net of VAT and discounts, including any cumulative expected discounts for the current year.

2.15. Recognition of expenses

Expenses are recognized on the basis of accrual and revenue and expense matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was spent. In those cases when the costs incurred cannot be directly attributed to the specific income and they will not bring income during the future periods, they are expensed as incurred.

The amount of expenses is usually accounted for as the amount paid or due, excluding VAT. In the cases when a long period of payment is established and the interest is not separated, the amount of expenses shall be estimated by discounting the amount of payment using the market interest rate.

2.16. Foreign currency transactions

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies on the statement of financial position date are recognized in profit or loss. Such balances are translated at period-end currency exchange rates. Non-monetary assets and liabilities that are measured in historical cost in a foreign currency are translated using the currency exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to euro at foreign exchange rates ruling at the dates the fair value was determined.

2.17. Using the accounting estimates in preparation of financial statements

The preparation of the financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and disclosure of contingencies, at the reporting date and within the next financial year.

Estimates and judgements are continually assessed and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Adjustments to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The significant areas of these financial statements, where the accounting estimates are used, include investments in subsidiaries (Notes 5), assessment of deferred tax asset (Notes 2.13), impairment of contract assets, trade and other receivables (Notes 2.9 and 4, 6, 7).

During preparation of the financial statements, the group took into account the influence of climate-related factors. Impacts related to climate change can arise from physical changes in the climate, new regulations related to climate change in the construction sector. Every year, when preparing financial statements the group reviews the assumptions underlying future cash flow forecasts, assesses assets and liabilities, analyzes known external circumstances (legislation, group projects, physical climate variability and change, etc.). The management of the group reasonably expects that climate-related factors will not have a significant impact on their activities and/or the value of assets and liabilities.

2.18. Fair value measurement

Some of the Group's accounting policies and disclosures require to estimate the fair value of financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell or paid to transfer a liability in an ordinary transaction between market participants on a principal market, or in the absence of a principal market, on the most advantageous market into which the Group may enter on the date of measurement. The fair value reflects the non-performance risk.

(all the amounts are presented in euros, unless stated otherwise)

To measure the fair value of assets and liabilities, the Group, to the extent possible, rests on the available data on the market. For fair value measurement, a fair value hierarchy is used, on the basis of the inputs used in valuation:

- Level 1: the quoted prices of active markets for identical assets or liabilities (unadjusted);
- Level 2: other variables than the quoted prices included under level 1 that are observed for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices);
- Level 3: asset or liability variables, which are not based on the observed market data (unobserved variables).

If the inputs, used for measurement of the fair value, may be attributed to different levels of a fair value hierarchy, the level of the fair value hierarchy, to which the total measured value is attributed, shall be measured on the basis of the input of the lowest level, significant to the measurement of the total fair value.

The Group recognizes the amounts of transfers between levels of the fair value hierarchy at the end of the reporting period, when the change occurs.

2.19. Contingencies

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

2.20. Events after the reporting period

Events after the reporting date that provide additional information about the Company position at the statement of financial position date (adjusting events) are reflected in the financial statements. Events after the reporting date that are not adjusting events are disclosed in the notes when material.

3. Financial risk management

Financial risk is composed of credit, liquidity and market risks (foreign currency and interest rate risks). By managing these risks, the Group seeks to reduce the impact of factors that could negatively affect the Group's financial performance.

Credit risk

In 2024 and 2023 Group's credit risk is related to contract assets, cash and cash equivalents.

The Group holds its cash in Lithuanian banks appraised by international rating agencies, continuously monitors the changes in those ratings and also follows the related recommendations of the Central Bank of Lithuania.

The Group has only one client (to which the contract assets are related to) but a 15-year contract has been concluded with this client, which guarantees the Group's ability to continue as going concern. Since the mentioned contract was concluded with a public entity, i.e. Ministry of National Defense, and involves high revenue the Group is not seeking for new customers.

The carrying amount of financial assets reflects the highest possible credit risk. The maximum credit risk at the reporting date was:

	The Group		The Company	
	30 June 2024	**31 December 2023**	**30 June 2024**	**31 December 2023**
Contract assets (non-current part)	22 586 694	14 518 800	-	-
Contract assets (current part)	3 833 499	11 485 694	-	-
Cash and cash equivalents	2 608 012	1 826 754	544 262	963 940
Total	**29 028 205**	**27 831 248**	**544 262**	**963 940**

Market risk

The Group’s income and operating cash flows are significantly affected by changes in market interest rates, as in 2024 the Group received loans with variable interest rates. Samogitia miestelis UAB concluded a loan agreement for the amount of EUR 28 million with the bank Luminor for the project of the military campus under construction. The variable interest rate is 3 month EURIBOR.

The Group is not subject to foreign currency risk because all of its assets as well as liabilities are denominated in euros.

Liquidity risk

Liquidity risk means that the Group may be not able to settle its financial liabilities on time. The Group seeks to ensure that its liquidity is always sufficient for timely settlement of its financial liabilities, without incurring unacceptable losses and without risking to damage to the reputation of the Group.

On 30 June 2024 and 31 December 2023 the Group‘s current liquidity ratio and quick liquidity ratio was equal to 6,0 ir 4,8 respectively.

The table below summarizes the terms of repayment of the Group‘s financial liabilities as at 30 June 2024 and 31 December 2023 under undiscounted contract payments:

The Group	**Up to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**After 5 years**	**Total**	**Carrying amount**
Loans received	-	3 525 065	32 282 824		35 807 889	30 419 939
Trade payables	1 540 611	-	-	-	1 540 611	1 540 611
Balance as of 30 June 2024	**1 540 611**	**3 525 065**	**32 282 824**	**-**	**37 348 500**	**31 960 550**
Loans received	-	2 335 960	23 289 729	-	25 625 689	20 940 844
Trade payables	1 978 748	-	-	-	1 978 748	1 978 748
Balance as of 31 December 2023	**1 978 748**	**2 335 960**	**23 289 729**	**-**	**27 604 437**	**22 919 592**

The table below summarizes the terms of repayment of the Company ‘s financial liabilities as at 30 June 2024 and 31 December 2023 under undiscounted contract payments:

The Company	**Up to 3 months**	**From 3 to 12 months**	**From 1 to 5 years**	**After 5 years**	**Total**	**Carrying amount**
Loans received		753 939	8 596 000		9 349 939	8 159 939
Trade payables	312	-	-	-	312	312
Balance as of 30 June 2024	**312**	**753 939**	**8 596 000**	**-**	**9 350 251**	**8 160 251**
Loans received	-	753 939	9 082 000	-	9 835 939	8 159 939
Trade payables	9 344	-	-	-	9 344	9 344
Balance as of 31 December 2023	**9 344**	**753 939**	**9 082 000**	**-**	**9 845 283**	**8 169 283**

Capital risk management

Capital includes equity attributable to the shareholders. The Group manages its own capital in order to ensure the ability to continue as going concern, fulfil obligations to its customers and provide the returns to shareholders. The capital structure is managed considering the changes in economic conditions and risk characteristics of the Group‘s activities.

According to the Law on Joint-Stock Companies of the Republic of Lithuania, the Company must ensure that the equity is not less than 50% of share capital. The Company complies with the legal requirement and meets the ratio mentioned. If equity becomes less than 50% of share capital, loans received from the shareholder would be capitalized by increasing share capital of the Company.

(all the amounts are presented in euros, unless stated otherwise)

Fair value of financial assets and liabilities

The carrying amount of Group's contract assets and trade payables is close to their fair value, as trade receivables and payables are receivable/payable within one year, and contract assets are discounted at an interest rate based on market conditions (level 3). The fair value of cash and cash equivalents and time deposits is also equal to their fair value (level 2).

4. Contract assets

Contract assets relate to accrued income accounted for in accordance with the level of completion of construction project at discounted value. In 2024 June 30 the applied discount rate was equal to 7,84 percent (31 December 2023 – 7,84 percent).

Change of contract assets during the year:

	The Group	
	30 June 2024	**31 December 2023**
1st of January	**26 004 494**	**2 422 808**
Revenue recognized according to the extent of construction works completed during the period (Note 12)	9 984 402	23 391 769
Unwind of discount	-	189 917
Payments received	(9 568 703)	-
30st June/31st of December (part of this is as a current asset, Note 7)	**26 420 193**	**26 004 494**

The Group carried out the construction works of a military unit in accordance with the partnership agreement signed with the Ministry of National Defense of the Republic of Lithuania. Construction was carried out by the subsidiary UAB "Samogitia miestelis". According to the partnership agreement, the Group provide maintenance services for this facility. The partnership agreement was signed for a period of 15 years. The total unindexed value of the contract is 67 240 thousand Euros, of which the value of the construction works comprises 37 873 thousand Euros.

5. Investments in subsidiaries

	Shareholding %		Acquisition cost	
Name of the company	**2024**	**2023**	**2024**	**2023**
UAB Samogitia miestelis	100	100	4 000 000	2 500
Total	**-**	**-**	**4 000 000**	**2 500**

6. Prepayments

As at 30st June/31st of December prepayments consisted of the following:

	The Group	
	30 June 2024	**31 December 2023**
Prepayments paid to third parties, gross value	111 558	59 649
Prepayments paid to related parties, gross value (Note 17)	-	-
	111 558	**59 649**
Less: impairment allowance	-	-
Total	**111 558**	**59 649**

(all the amounts are presented in euros, unless stated otherwise)

7. Other receivable amounts within one year

As at 30st June/31st of December other receivable amounts within one year consisted of the following:

	The Group		The Company	
	30 June 2024	**31 December 2023**	**30 June 2024**	**31 December 2023**
VAT receivable	-	45 261	-	-
Other receivables, contract assets (current part)	3 833 499	11 485 694	-	-
Other receivables, gross value	15	16	15	16
	3 833 514	**11 530 971**	**15**	**16**
Less: impairment allowance	-	-	-	-
Total	**3 833 514**	**11 530 971**	**15**	**16**

8. Cash and cash equivalents

As at 30 June 2024 cash and cash equivalents of the Group comprised 2 608 012 euros of cash held in the accounts of the banks operating in the Republic of Lithuania (31 December 2023 – 1 826 754 euros). As at 30 June 2024 the sum of EUR 380,000 which is required for the payment of the interest and obligation fee for the granted credit has been deposited in the special account of Luminor Bank.

As at 30 June 2024 cash and cash equivalents of the Company comprised 544 262 euros of cash held in the accounts of the banks operating in the Republic of Lithuania (31 December 2023 – 963 940 euros).

9. Share capital and legal reserve

Share capital
30 June 2024 and 31 December 2023 the share capital of the Company consisted of 240 000 ordinary shares, each of which had a nominal value of 25 euros. As at 30 June 2024 and 31 December 2023 all shares were fully paid. In 2024 and 2023 the Company did not acquire or transfer its own shares.

As at 30 June 2024 the sole shareholder of the Company and the Group was UAB "Eika": company‘s registration number - 121191079, address - A. Goštauto str. 40B, LT-03163, Vilnius, Lithuania.

Legal reserve
Legal reserve is a compulsory reserve under legislation of the Republic of Lithuania. Not less than 5 percent of the distributable profit is annually transferred to this reserve until the reserve reaches the amount equal to 10 percent of the owner’s capital value. The legal reserve can only be used to cover the future losses. As at 30 June 2024 and 31 December 2023 legal reserve was not formed.

10. Loans received and interest payable

	The Group		The Company	
	30 June 2024	**31 December 2023**	**30 June 2024**	**31 December 2023**
NON-CURRENT				
Bank loan	21 776 087	12 163 791	-	-
Bonds	8 000 000	8 000 000	8 000 000	8 000 000
Loans and interest to UAB "Eika"	-	-	-	-
	29 776 087	**20 163 791**	**8 000 000**	**8 000 000**
CURRENT				
Bank loan	483 913	617 114	-	-
Bonds	126 000	126 000	126 000	126 000
Loans and interest to UAB "Eika"	33 939	33 939	33 939	33 939
	643 852	777 053	159 939	159 939
Total	**30 419 939**	**20 940 844**	**8 159 939**	**8 159 939**

(all the amounts are presented in euros, unless stated otherwise)

In April 2023, the Company distributed an issue of 3 year bonds with the nominal value of EUR 8 million, with a fixed interest rate of 9 per cent. The maturity date of the bonds is 28 April 2026.

In April 2023, the Group signed a credit agreement for the amount of EUR 28 million with the bank Luminor for the military campus project under development. The credit repayment term is 20 April 2028. The annual interest is 3,5 per cent + 3 month EURIBOR. (After registration of the project under construction, 100 per cent completion – 2,5 per cent + 3 month EURIBOR). According to this credit agreement is pledged 100 percents of UAB „Samogitia miestelis“ shares and property complex, which includes all existing and future claim rights belonging to the Credit receiver regardless of their origin, nature, term or any other characteristics.

Change in loans during the reporting period:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
Balance of loans as of 1 January	**20 940 844**	**2 582 143**	**8 159 939**	**2 582 143**
Received during the reporting period	9 877 983	25 740 905	-	12 960 000
Returned during the reporting period	(398 888)	(7 497 000)	-	(7 497 000)
Interest calculated	1 045 412	763 506	360 000	549 296
Interest paid	(1 045 412)	(648 710)	(360 000)	(434 500)
Balance of loans as of 30 June /31 December	**30 419 939**	**20 940 844**	**8 159 939**	**8 159 939**

The Company loans received from sole shareholder UAB "Eika" and related interest payable consisted of:

	30 June 2024	**31 December 2023**
Loan: maturity date – 30 April 2025, annual interest rate – 5-6 percent	-	-
Loan: maturity date – 10 September 2024, annual interest rate – 4 percent	-	-
Loan: maturity date – 18 May 2024, annual interest rate – 4 percent	-	-
Loan: maturity date – 30 September 2023, annual interest rate – 4 percent	-	-
Interest payable	33 939	33 939
Total	**33 939**	**33 939**
Less: current part of loans	(33 939)	(33 939)
Total non-current part of loans and interest payable	**-**	**-**

11. Income tax and deferred income tax

	The Group		The Company	
	30 June 2024	**30 June 2023**	**30 June 2024**	**30 June 2023**
Income tax expenses	(4 048)	(1 810)	(4 048)	(1 810)
Deferred income tax asset (liabilities) change	-	-	-	-
Total income tax expenses/income:	**(4 048)**	**(1 810)**	**(4 048)**	**(1 810)**

12. Revenue

For 6 months ended at 30 June revenue consisted of the following:

	The Group	
	2024	**2023**
Revenue recognized according to the extent of construction works completed during the period (Note 4)	9 984 402	10 231 136
Other revenue	299 165	-
Total	**10 283 567**	**10 231 136**

(all the amounts are presented in euros, unless stated otherwise)

13. Cost of sales

For 6 months ended at 30 June cost of sales consisted of the following:

	The Group	
	2024	**2023**
Construction subcontractors (works and materials)	9 807 561	10 034 678
Projection expenses	135 520	129 650
Other	77 656	-
Total	**10 020 737**	**10 164 328**

14. General and administrative expenses

For 6 months ended at 30 June general and administrative expenses consisted of the following:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
Notary, legal services	21 375	29 237	8 830	-
Insurance	27 112	30 935	-	-
Employee related expenses	11 164	2 967	505	-
Representation expenses	105	-	-	-
Other expenses	47 034	8 536	33 614	4 868
Total	**106 789**	**71 675**	**42 949**	**4 868**

15. Finance costs

For 6 months ended at 30 June finance costs consisted of the following:

	The Group		The Company	
	2024	**2023**	**2024**	**2023**
Interest, loan administration and commitment fees expenses	1 068 434	440 050	360 000	239 296
Other	-	-	-	-
Total	**1 068 434**	**440 050**	**360 000**	**239 296**

16. Financial relations with the management of the Group

In 2024 the average number of the Group executive officers per year was 2 (in 2023 - 2).

No guarantees were granted, no assets transferred or no other payments made, except for the amounts related to business relations, to the management of the Group in 2024 and 2023.

17. Related party transactions

During the 6 months ended at 30 June 2024 and the year ended at 31 December 2023 the Group and the Company carried out transactions with the related parties (including internal transactions) . Parties are considered to be related when one party has the ability to control the other or can exercise significant influence over the other party's financial and operational decisions. The related parties of the Group are the sole shareholder UAB "Eika" and its related companies.

(all the amounts are presented in euros, unless stated otherwise)

The table provided below reflects the transactions with related parties during the period ended at **31 December 2023**:

The Group:

Related party	Receivable amounts (incl. VAT and loans granted)	Payable amounts (incl. VAT and loans received)	Revenue (excl. VAT and incl. interest income)	Purchases (excl. VAT and incl. interest expenses)
UAB „Eika“	-	35 716	-	255 990
Total	-	35 716	-	255 990

The Company:

Related party	Receivable amounts (incl. VAT and loans granted)	Payable amounts (incl. VAT and loans received)	Revenue (excl. VAT and incl. interest income)	Purchases (excl. VAT and incl. interest expenses)
UAB „Samogitia miestelis”	9 661 777	-	429 733	-
UAB „Eika“	-	34 060	-	300
Total	**9 661 777**	**34 060**	**429 733**	**300**

The table provided below reflects the transactions with related parties during the period ended at **31 December 2023**:

The Group:

Related party	Receivable amounts (incl. VAT and loans granted)	Payable amounts (incl. VAT and loans received)	Revenue (excl. VAT and incl. interest income)	Purchases (excl. VAT and incl. interest expenses)
UAB „Eika“	-	34 000	-	484 211
Total	**-**	**34 000**	**-**	**484 211**

The Company:

Related party	Receivable amounts (incl. VAT and loans granted)	Payable amounts (incl. VAT and loans received)	Revenue (excl. VAT and incl. interest income)	Purchases (excl. VAT and incl. interest expenses)
UAB „Samogitia miestelis”	9 232 044	-	686 928	-
UAB „Eika“	-	34 000	-	64 087
Total	**9 232 044**	**34 000**	**686 928**	**64 087**

18. Contingent assets and liabilities

The Group did not take part in any court proceedings that according to the management would have a significant effect on financial statements or that would contain information that would have to be additionally disclosed.

19. Going concern

The Group plans to continue its activities because in 2024 has been successfully completed the construction of a military town. The company started receiving payments from the Ministry of National Defence and provides facility maintenance and administration services.

20. Events after the reporting period

After the end of the financial year until the approval of these financial statements, there have been no events after the reporting period, except for those mentioned in Note 19, that would have a material effect on the financial statements or should be additionally disclosed.

The financial statements were signed on 23 September 2024:

Signed electronically	Signed electronically
Artūras Klangauskas Director	Živilė Jablonskytė Person acting under power of attorney – Senior Financial Officer of UAB „Eika“

Overview of the Group

Partnerystės projektai keturi UAB (hereinafter - the Company) was incorporated on 12 November 2018. The types of activity of the Company are as follows: consulting business and other management activities. The Company belongs to Eika Group which actively participates in the infrastructure market. Partnerystės projektai keturi UAB has a subsidiary Samogitia miestelis UAB.

The authorised capital of the Company is EUR 6.000.000, it is divided into 240.000 ordinary registered shares.

The Company did not acquire, did not transfer or did not have its own shares during the reporting year.

The sole shareholder of the group is UAB „Eika“: company code – 121191079, office address – A. Goštauto st. 40B, LT-03163, Vilnius, Lithuania.

The company has no representative offices and branches.

The head of the Company: Artūras Klangauskas.

Overview of the activities

In 2020, the Company won one of the tender procedures for Šiauliai military unit, one of the three public-private partnership projects, published by the Ministry of National Defence. The project implementation period is 15 years. The implementation of the project is carried out through the subsidiary Samogitia miestelis UAB. Against the backdrop of the war, this object is important both for our group and for Lithuania as a whole.

The construction of the facility completed in April 2024 and the Company provides the facility maintenance and administration services for the following 12.5 years.

The Duke Margiris Infantry Battalion of the Žemaitija Brigade established in 7.8 ha campus which constructed in Šiauliai. Administrative and special purpose buildings, i.e. barracks, canteen, headquarters, medical station completed, as well as sports facilities and grounds. Technical buildings, i.e. warehouses, garages, service station, laundry, shelter for technicians, as well as standing and machinery areas, parking spaces were constructed.

For the purposes of financing the afore-mentioned project, in April 2023 the Company distributed an issue of three-year bonds with the value of EUR 8 million and on 20 March 2024 the stock exchange Nasdaq Vilnius included the bonds issued by Partnerystės projektai keturi UAB, a project company owned by Eika Group in the List of Debt Securities of Nasdaq Baltic. The bank Luminor organised distribution of the afore-mentioned issue.

The entry of Eika Group on the Nasdaq Baltic stock exchange is another solid and successful step in the search for alternative sources of financing. We are confident that we can develop projects that may attract capital on the international financial market. On the other hand, in this geopolitically turbulent period, the project itself is important for the defence of the entire Baltic region.

According to the terms of the bond issue, in October 2024, the Group will perform a mandatory partialy redemption of bonds by the sum of 4 mln. EUR

In April 2023, Samogitia miestelis UAB concluded a credit agreement for the amount of EUR 28 million with the bank Luminor for the developed military campus project.

Foreseeable trends:

Successfully carry out maintenance and administration of the facility of Šiauliai military unit for the next 12.5 years.

Product risk:

The quality of the products is maintained through the use of the latest technologies, by selecting reliable subcontractors who provide insurance guarantees for the warranty period.

Analysis of financial and non-financial performance results

The Group's purpose – earning a return for the Group's shareholders from the partnership agreement concluded with the Ministry of National Defence.

During 2024, the Group experienced a net loss of EUR 857 431 (in 2023 – a loss of EUR 740.646). Most of the 2024 losses were caused by financing costs.

(all the amounts are presented in euros, unless stated otherwise)

The Group's asset as of 2024 June 30st was 36.324.653 Eur (2023 m. December 31st – 28.080.943 Eur).

Indicators describing the Group's activities:

Indicator	**2024**	**2023**
Debt Ratio = Liabilities / Total Assets	0,88	0,82
Total Liquidity Ratio = Current Assets / Current Liabilities	6,05	4,87

In 2024 and 2023 the Group's liabilities consisted of loans and accrued payable interest and issued bonds.

References and additional explanations about the data presented in the annual financial statements

While preparing the annual financial report, the company is guided by the provisions of the Law on Financial Reporting of Companies of the Republic of Lithuania and international financial reporting standards.

Information about head of company

The head of the Company Artūtras Klangauskas holds management positions:

Person	Legal form	Name	Code	Address	Position
Artūras Klangauskas	UAB	UAB „Partnerystės projektai keturi"	304950437	A. Goštauto st. 40B, Vilnius	CEO
Artūras Klangauskas	UAB	UAB „Samogitia miestelis"	305668921	A. Goštauto st. 40B, Vilnius	CEO

There were no other transactions with the head of the Company, except for salary. The salary is determined by the employment contract, and the bonuses are awarded by the decision of the shareholder and the order of the manager.

Environmental Protection

The Company's activities fully comply with the requirements of legal acts.

Other required disclos information

The Company does not carry out research and development activities.

During preparation of the financial statements, the group took into account the influence of climate-related factors. Impacts related to climate change can arise from physical changes in the climate, new regulations related to climate change in the construction sector. Every year, when preparing financial statements the group reviews the assumptions underlying future cash flow forecasts, assesses assets and liabilities, analyzes known external circumstances (legislation, group projects, physical climate variability and change, etc.). The management of the group reasonably expects that climate-related factors will not have a significant impact on their activities and/or the value of assets and liabilities.

Taking into account the 2022 February 24 started open military aggression launched by the Russian Federation against Ukraine and its people, the EU and its allies established new wide-scale sanctions and restrictive measures against the Russian Federation and the Republic of Belarus the Company ensures compliance with these obligations in its activities. The Company took the necessary steps caused by the international sanctions implemented in the Republic of Lithuania. In its activities, the Company ensures that its suppliers, partners and customers are not included in the list of sanctioned persons. During 2024, while implementing the requirements of these sanctions, among the Company's customers, investors, suppliers and partners, not a single person was identified who was subject to international sanctions.

Signed electronically

Director Artūras Klangauskas

Vilnius, 23 September 2024

CONFIRMATION OF RESPONSIBLE PERSONS

23 September 2024

Following the Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission and the Law on Securities (article 12) of the Republic of Lithuania, the management of UAB "Partnerystės projektai keturi" hereby confirms that, to the best of our knowledge, the attached consolidated and separate financial statements for six-month period ended 30 June 2024 are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit or loss, cash flow.

Present the Management Report for the financial year 2024 includes a fair review of the development and performance of the business and posotions of the Company and the Group in relation to the description of the main risk and contingencies faced thereby.

Signed electronically	Signed electronically
Artūras Klangauskas Director	Živilė Jablonskytė Person acting under power of attorney – Senior Financial Officer of UAB „Eika"