JSC „Project RE 1“

Financial statements
for year ended 31 December 2024

Table of content

JSC „Tezaurus auditas“

Code: 122740926
Register of legal entities
VAT code: LT227409219
J. Jasinskio str. 4-15
LT01112 Vilnius, Lithuania
www.tezaurus.lt

INDEPENDENT AUDITOR‘S REPORT

FOR SHAREHOLDER JSC „PROJECT RE 1“

CONCLUSION ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have performed audit of JSC „Project RE 1“ (hereinafter – the Company) of financial statements, that include 31 December 2024 balance and statements that ended on that day: income (loss) statement, explanatory notes, including a summary of significant accounting policies.

In our opinion, added financial statements, in all material respects, give a true and fair view of the Company’s financial situation on 31 December 2024 and financial results that ended on that day in accordance with Lithuanian Financial Accounting Standards.

Basis for declaring opinion

We have performed Audit according to international auditing standards (hereinafter – IAS). Our responsibility under these standards is described in detail in note section of the „Auditor's responsibility for the audit of financial statements “. We are independent from the Company according to International Ethics Standards for Accountants board released Professional Accountants Ethic Codex (here in after – Codex of IESAB) and Lithuanian Republic Law on Audit requirements related to the audit of the Republic of Lithuania. We also follow other ethical requirements related to the law of audit in the Republic of Lithuania and the Law IESAB Codex. We believe that the audit evidence we have obtained is sufficient and appropriate to our opinion.

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

The Management is responsible for the preparation of financial statements in accordance with accounting standards for business and for such internal control as management determines is necessary to prepare the financial statements to be free from significant distortions due to fraud or error.

By preparing financial statements, the Management must evaluate the Company’s ability to continue activity and disclose (if necessary) things related to continuation of activity and accounting principles application of the continuation of activity, except when management intends to liquidate the Company or cease activity or has other alternatives to do so.

Persons responsible for management must maintain the process of the preparation of the Company’s financial statements.

The auditor‘s responsibility to the audit financial statements

Our intention is to obtain sufficient assurance to find out that financial statements as a whole are not significantly distorted due to fraud or error, and to issue auditor’s report which includes our opinion. Significant assurance – a high level of assurance, but not the guarantee that the significant distortion can always be detected by audit that is performed according to IAS. Distortions that can appear due to fraud and error are considered significant if it can reasonably be expected to, either individually or together, that they can have a significant impact on the economic decisions taken on the basis of the financial statements.

While performing the audit according to IAS, we have accepted professional decisions and we have followed the principle of professional scepticism: We have also:

- Identified and evaluated the risk of significant distortions of financial statements due to fraud and error, planned and performed procedures in response to such risk and obtained in our opinion sufficient and appropriate audit evidence to justify our opinion. The non-detection risk of significant distortion due to fraud is higher than non-detection risk of significant

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distortion due to errors because the fraud can be forgery, deliberate omission, false explanation or disregarding of internal control.

- We have understood internal controls related to audit, so we could plan appropriate audit procedures for specific circumstances but not that we could give our opinion about the effectiveness of internal control of the Company.
- We have evaluated the appropriateness of applied accounting policies, accounting estimates and related disclosures validity, that are by management.
- We concluded about the applied principle of the continuation of activity and whether, on the basis of obtained evidence, does significant uncertainty related to events and conditions exists which might raise significant doubts about whether the Company is able to continue activity. If we conclude that this significant uncertainty exists, in auditor's report we must draw attention to related disclosures in the financial statements or, if such disclosures are not sufficient, we need to modify our opinion. Our conclusions are based on audit evidences that we have gathered by the auditor's report date. However, future events or conditions may result that the Company will not be able to continue its activities.
- We have evaluated the general presentation of financial statements, its structure and contents included disclosures and whether there are underlying transactions and events in financial statements that match the fair presentation of the concept.

We, above all other things, have informed persons responsible for management about the extent, time of performance and other significant notes of the audit included significant internal control deficiencies identified by the audit.

Auditor Aistė Perminaitė
25 April 2024, Vilnius
Auditors certification No. 000592

JSC „Tezaurus auditas“
Audit company's certification No. 001211

JSC Project RE 1, Company code 305804218
Address J. Jasinskio st. 14B, Vilnius

AMBRIDGE BALANCE SHEET

25 April 2025
(reporting date)

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2024/1/1 – 2024/12/13
(reporting period)

EUR
(reporting currency, specify degree of accuracy)

Article No.	Article	Notes No.	Reporting period	Previous reporting period
	ASSETS			
A.	**FIXED ASSETS**		**24 142 135**	**12 050 654**
1.	Intangible assets	1	820	1 477
2.	Tangible assets	2	24 141 315	12 049 177
3.	Financial assets			-
4.	Other non-current assets		-	-
B.	**CURRENT ASSETS**		**574 763**	**302 750**
1.	Stocks	3	-	213
2.	Amounts receivable within one year	4	144 922	42 199
3.	Short-term investments		-	-
4.	Cash and cash equivalents		429 841	260 338
C.	**PREPAYMENTS AND ACCRUED INCOME**	**5**	**9 208**	**4 913**
	TOTAL ASSETS		**24 726 106**	**12 358 317**
	EQUITY AND LIABILITIES			
D.	**EQUITY**	**6**	**5 166 957**	**(62 575)**
1.	Capital		500 000	500 000
2.	Share premium		-	700 000
3.	Revaluation reserve		-	-
4.	Reserves		-	-
5.	Retained earnings (accumulated deficit)		4 666 957	(1 262 575)
E.	**GRANTS, SUBSIDIES**		-	-
F.	**PROVISIONS**		-	-
G.	**ACCOUNTS PAYABLE AND OTHER LIABILITIES**	**7**	**19 504 440**	**12 409 785**
1.	Amounts payable after one year and other long-term liabilities		18 201 949	9 524 141
2.	Amounts payable within one year and other short-term liabilities		1 302 491	2 885 644
H.	**ACCRUALS AND DEFERRED INCOME**	**8**	**54 709**	**11 107**
	TOTAL EQUITY AND LIABILITIES		**24 726 106**	**12 358 317**

Director		Agnius Tamošaitis
Representative of the accounting firm		Ivona Karklinevska

JSC Project RE 1, Company code 305804218
Address J. Jasinskio st. 14B, Vilnius

PROFIT AND LOSS ACCOUNT

25 April 2025
(report preparation date)

2024/1/1 - 2024/12/31
(reporting period)

EUR
(reporting currency, specify degree of accuracy)

Article No.	Article	Notes No.	Reporting period	Previous reporting period
1	Sales income	9	236 929	-
2	Cost of sales	10	(152 438)	-
3	Fair value adjustments of the biological assets		-	-
4	**GROSS PROFIT (LOSS)**		**84 491**	**-**
5	Selling expenses	11	(115 481)	(20 070)
6	General and administrative expenses	12	(200 033)	(125 373)
7	Other operating results		-	3 690
8	Income from investments in the shares of parent, subsidiaries and associated entities		-	-
9	Income from other long-term investments and loans		-	-
10	Other interest and similar income	13	5 078 005	84
11	The impairment of the financial assets and short-term investments		-	-
12	Interest and other similar expenses	14	(1 225 324)	(654 135)
13	**PROFIT (LOSS) BEFORE TAXATION**		**3 621 658**	**(795 804)**
14	Tax on profit		-	-
15	**NET PROFIT (LOSS)**		**3 621 658**	**(795 804)**

Director		Agnius Tamošaitis
Representative of the accounting firm		Ivona Karklinevska

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS

1. General information.

Project RE 1, JSC (hereinafter – the Company) is a private limited liability company registered in the Republic of Lithuania. Its registered office address is J. Jasinskio st. 9, Vilnius.

The main activity of the Company - Controlling companies and real estate operations activity.

During 2024 the average number of employees in the Company was 4 (2023 - 4).

The company was registered in the register of legal entities on 21 June 2021.

Basis for preparation of the financial statements

The presented financial statements have been prepared in accordance with the laws of the Republic of Lithuania on financial accounting and the Lithuanian Republic reporting of companies and the Lithuanian Financial Reporting Standards (LFRS). The financial statements are prepared based on the acquisition value principle.

Financial statements of the company for the year ended 31 December 2024 does not include reports of cash flows and changes in capital, because the Law on the Reporting of Companies of the Republic of Lithuania stipulates that the set of financial statements of small companies consists of a balance sheet, a profit (loss) statement and an explanatory letter. Small companies are considered companies who is not less than two indicators on the last day of the financial year does not exceed the following values:

1) net sales revenue during the reporting period – 15 million. EUR;
2) the value of assets on the balance sheet – 7,5 million EUR;
3) the average annual number of payroll employees during the reporting period – 50.

According to Article 19 of the Law on Enterprise Reporting of the Republic of Lithuania, a company may not prepare an annual report if it meets the criteria listed above.

The company's financial year stars on 1st January and ends on 31st December.

The financial statements currency is euro (EUR). The financial statements are made to the nearest euro.

2. Principles for accounting

The main principles for accounting used to prepare the Company's financial statements for 2024 are as follows:

Fixed intangible assets

Fixed intangible assets are at acquisition value minus accumulated amortization and value reduction losses, if there is any.

Amortization is calculated using the straight-line method. The liquidation value is not determined. Amortization costs are classified as operating costs.

Gains or losses incurred from the transfer of fixed intangible assets are recognized in the profit (loss) statement of that year.

Long-term intangible assets include software, concessions, patents, licenses, other intangible assets which amortise period is 3 years. Licenses - according to the intended period of use.

Fixed tangible assets

Fixed tangible assets when it is acquired or produced, it is recorded at acquisition cost and thereafter at acquisition cost less accumulated depreciation and assets impairment losses, if any.

The minimum value of fixed tangible assets comprises 500 EUR.

Investment property after purchasing it is accounted for initially measured at cost and later acquired cost less accumulated depreciation and assets impairment losses, if any.

Fixed tangible assets depreciation is calculated using the straight-line basis. For machinery and equipment, buildings and structures, and vehicles, the liquidation value is set at 10% of the asset value. For other equipment, devices and installations, computer equipment and communication means and other fixed tangible assets, the liquidation value is determined and is equal to EUR 1.

The useful life is regularly reviewed to ensure that the depreciation period corresponds to the estimated useful life of the property, plant and equipment. Depreciation expenses are attributed as general and administrative expenses.

The following asset useful life periods have been determined by asset groups:

Material assets:	**Useful life (years)**
Buildings and premises	25
Machinery and equipment	5
Vehicles	4-10
Other tools and equipment	3-4
Computers	3
Other tangible assets	4

Financial assets

In the balance sheet, financial assets consist of: fixed financial assets, receivables within one-year, short-term investments and cash and cash equivalents.

When evaluating financial assets, they are divided into three groups: held-for-sale, held-to-maturity, and granted loans and receivables.

At initial recognition, financial assets are valued at acquisition cost.

Financial assets held for sale after initial recognition are recorded at fair value.

Financial assets held to maturity and loans granted and receivables are recorded at amortized cost after initial recognition, which is obtained using the imputed interest method.

Impairment of financial assets is calculated and recognized in the income statement when there is objective evidence that the value of these assets has decreased.

Stock

When registering inventories in accounting, they are valued at the cost of acquisition, and when drawing up financial statements, they are accounted for at the lower of acquisition (production) cost and net realizable value. Net realizable value is the selling price under normal business conditions, less costs of completion and possible selling costs. Cost of inventory sold is calculated using the FIFO method.

Authorized capital

The size of the authorized capital is equal to the sum of the nominal values of all shares signed in the Company's articles of association. If the shareholders decide to increase (decrease) the authorized capital, the increase (decrease) in the authorized capital is recorded in the accounting when, according to the procedure established by law, the amended articles of association in the register of companies.

Stock add-ons – a part of the Company's equity equal to the difference between the share issue price and the nominal value. Stock add-ons can be used to increase the company's authorized capital and cover losses.

Reserves

Mandatory reserve is formed from distributable profit. It must be at least 1/10 of the authorized capital and can be used only to cover the company's losses. The part of the mandatory reserve exceeding 1/10 of the authorized capital dividing redistributed to the profit of the next financial year.

Revaluation reserve is the amount of increase in the value of long-term tangible assets and financial assets obtained after revaluation of assets. The authorized capital can be increased with the revaluation reserve or its part. Losses cannot be deducted from the revaluation reserve.

Grants

Grants are accounted for on an accrual basis, that is grant or their parts are recognized as used in the periods in which they are incurred associated costs.

Asset-related grants include grants that are received in the form of fixed assets or for the purchase or construction of fixed assets. Such grants are recorded at the value of the asset received or at fair value, if the value of this asset was not specified or significantly exceeds the fair value and subsequently recognized as income, reducing the depreciation/amortization costs of the asset, over the useful life of the relevant fixed asset.

Income-related grants include grants received to offset expenses and not received income, as well as all other grants, non-assignable grant with property. A grant is recognized when it is actually received or when there is reasonable assurance that it will be received.

Provisions

A provision is recorded if and only if, as a result of past events, the Company has a legal liability or an irrevocable promise and it is probable that the use of available assets will be required to settle the obligation, and the amount of the obligation can be reliably estimated. Provisions are reviewed at each balance sheet date and their value is adjusted to new events and ongoing ones. In cases where the effect of the time value of money is significant, provisions must be discounted to their present value. The difference between the undiscounted and discounted amounts is recognized in selling or general and administrative expenses costs.

Accounts payable

Current and non-current payables are initially recognized at cost. Amounts due later that are related to market prices are recorded at fair value, while other payables are recorded at amortized cost.

Revenue and expenditure recognition

Sales revenue and expenses are recognized on an accrual and comparability basis.

The amount of income is estimated at the fair value of the consideration received or receivable.

Expenses are recognized, recorded and shown in the income statement when they meet the definition of expenses and can be reliably determined value. Expenses are recorded in accounting in the same reporting period when they were incurred, in cases where it is not possible to directly associate them with specific income earned.

Profit tax

The current year's income tax expense is calculated from the current year's profit, adjusted for the certain taxable profits non-decreasing/non-increasing expenses/incomes. Profit tax expenses are calculated using the corporate tax rate in effect the date of drawing up the financial statements, in accordance with the requirements of the tax laws of the Republic of Lithuania.

Contingencies

Contingent liabilities are not recognized in the financial statements. Contingent liabilities are disclosed in the financial statements 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 or economic benefits is probable.

Subsequent events

Subsequent events that provide additional information about the Company's position on the balance sheet date and have a direct impact on the data of financial statements that have not yet been approved are adjusting events. Subsequent events that are not adjusting events are described in the notes when applicable significant.

1 Note. Fixed intangible assets (EUR)

	Licenses	Software	Patents	Other intangible assets	Total:
Acquisition cost					
31 December 2022	**2 625**				2 625
- Acquisitions	-				-
- Assets transferred and written off	-				-
31 December 2023	**2 625**	**-**	**-**	**-**	2 625
- Acquisitions					-
- Assets transferred and written off					-
31 December 2024	**2 625**	**-**	**-**	**-**	**2 625**
Accumulated amortization					
31 December 2022	**492**				492
- Acquisitions	656				656
- Assets transferred and written off	-				-
31 December 2023	**1 148**	**-**	**-**	**-**	1 148
- Acquisitions	656				656
- Assets transferred and written off	-				-
31 December 2024	**1 805**	**-**	**-**	**-**	**1 805**
Residual value					
31 December 2023	**1 477**	**-**	**-**	**-**	**1 477**
31 December 2024	**820**	**-**	**-**	**-**	**820**

In 2022, the Company purchased a software license to manage the project. The license is expected to be used for 4 years from its purchased.

2 Note. Fixed tangible assets (EUR)

	Buildings and structures	Vehicles	Other devices, appliances and tools	Advances have been paid and construction (production) wor of tangible asset are underway
Acquisition cost				
31 December 2021	**5 884 399**		**2 759**	**4 200 0**
- Acquisitions	6 163 330		-	1 684 3
- Assets transferred and written off	-		-	
31 December 2022	**12 047 729**	**-**	**2 759**	**5 884 3**
- Acquisitions	6 978 023			6 163 3
- Assets transferred and written off	-	-	-	
31 December 2023	**19 025 752**	**-**	**2 759**	**12 047 7**
Accumulated depreciation				
31 December 2021				
- Depreciation			352	
- Depreciation of assets transferred and written off				
31 December 2022	**-**	**-**	**352**	
- Depreciation	-	-	958	
- Depreciation of assets transferred and written off	-	-	-	
31 December 2023	**-**	**-**	**1 310**	
Residual value				
31 December 2022	**-**	**-**	**2 407**	**5 884 3**
31 December 2023	**-**	**-**	**1 449**	**12 047 7**

In 2021 the Company purchased a building and a plot of land at Jasinskio st. 14, Vilnius. In 2022 and 2023 construction and reconstruction works of the administrative building were carried out. The construction of the building is expected to be finished in 2024.

3 Note. Inventories (EUR)

Stock consisted of:	Reporting period	Previous reporting period
Advances paid for stock	-	1 046
Paid advances (except for stock)	213	25 000
Total:	**213**	**26 046**

4 Note. Amounts receivable within one year (EUR)

Amounts receivable within one year consisted of:	Reporting period	Previous reporting period
Interest on granted loans to associated and other related companies	374	374
Short-term accounts payable	16 590	
Refundable VAT	25 235	40 671
Other receivables		
Total:	**42 199**	**41 045**

5 Note. Deferred charges and accrued income (EUR)

Deferred charges and accrued income consisted of:	Reporting period	Previous reporting period
Insurance	4 913	15 038
Total:	**4 913**	**15 038**

6 Note. Equity capital (EUR)

On 31 December 2022 the share capital of the Company was 100 units ordinary registered shares, each of which has a nominal value of 25 EUR.
On 29 May 2023 the shareholder made a decision to increase the authorized capital and issued 19 900 units shares with a nominal value of 25 EUR.
497 500 EUR is intended for the increase of the share capital. 700 000 EUR is transferred to share bonuses. All shares at the end of the reporting period.

7 Note. Accounts payable and other liabilities (EUR)

Accounts payable and other liabilities in 2023 consisted of:	Within one year	From 1 to 5 years	After 5 years
Loans received from the parent company	1 664 000	4 183 450	
Accrued interest to the parent company		381 415	
Loans received from other companies of the group		2 941 705	
Accumulated interest for other group companies		322 876	
Liabilities to credit institutions		1 694 695	
Debt to suppliers	1 102 620		
Other payables from group companies	60 817		
Received advances from third parties	39 916		
Liabilities related to labour relations	18 291		
Total:	**2 885 644**	**9 524 141**	**-**

Accounts payable and other liabilities in 2022 consisted of:	Within one year	From 1 to 5 years	After 5 years
Loans received from the parent company		3 338 450	
Accrued interest to the parent company		138 193	
Liabilities to credit institutions	2 495 000		
Debt to suppliers	443 174		
Liabilities related to labour relations	10 711		
Other amounts due	80		
Total:	**2 948 965**	**3 476 643**	**-**

8 Note. Selling expenses (EUR)

Selling expenses consisted of:	Reporting period	Previous reporting period
Advertising	20 070	4 901
Total:	**20 070**	**4 901**

9 Note. General and administrative expenses (EUR)

General and administrative expenses consisted of:	Reporting period	Previous reporting period
Commitment fee	83 666	78 361
Accounting services, audit and other consulting costs	26 427	23 271
Wages and related costs	7 607	
Activity taxes costs	4 378	3 084
Depreciation and amortization of fixed assets	1 614	845
Contract administrative fee		65 000
Other expenses	1681	22 695
Total:	**125 373**	**193 256**

10 Note. Interest and other similar expenses (EUR)

Interest and other similar expenses consisted of:	Reporting period	Previous reporting period
Interest on loans issued	654 079	227 839
Exchange rate loss		61
Fines and penalties	56	-
Other expenses		12 083
Total:	**654 135**	**239 983**

11 Note. Income tax (EUR)

Income tax was composed consisted of:	Reporting period	%	Previous reporting period	%
Profit (loss) before taxes	(795,803)		(424,322)	
Corporate tax expenses (income), calculated using the current corporate tax rate (15%)		15		15
Tax effect of non-deductible expenses / non-taxable income	188			
Amount of taxable profit for the reporting year	(795,615)			
Deferred tax expense (income)				
Income tax	**-**	-	**-**	**-**

15 Note. Commitments and contingencies

On 31 December 2023 and 2022 the Company was not involved in any legal proceedings and had no significant contingencies liabilities that, in the opinion of the management, would have a significant impact on the financial statements. On 2023 December 31 the Company's own capital and authorized capital ratio did not match with the provisions of the Law on LB Joint Stock Companies claim and was negative. Nevertheless, the Company intends to carry out activities and ensure the application of the going concern assumption.

16 Note. Subsequent events

There were no subsequent events that would have a significant effect on the financial statements.

Director		Agnius Tamošaitis
Representative of the accounting firm		Ernestas Švoba