

Project RE 1, UAB

Set of Financial Statements
30 September 2024

Project RE 1, UAB, 305804218

(the legal form, the name, the code of the entity)

J. Jasinskio g. 14B, Vilnius

(address, register where data about the entity is collected and kept)

(legal status if the entity is in liquidation, reorganisation or is bankrupt)

(Approved)

BALANCE SHEET as at September 30, 2024**2024-11-15**

(reporting date)

2024-01-01 - 2024-09-30

(reporting period)

(Eur)

(Reporting currency, specify degree of accuracy)

Article No.	Article	Notes No.	Reporting period	Previous reporting period
	ASSETS			
A.	FIXED ASSETS		18 166 720	12 050 654
1.	Intangible assets		985	1 477
2.	Tangible assets		18 162 735	12 049 177
3.	Financial assets		0	
4.	Other fixed assets		3 000	
B.	CURRENT ASSETS		419 552	302 750
1.	Stocks		0	213
2.	Amounts receivable within one year		110 778	42 199
3.	Short-term investments		0	0
4.	Cash and cash equivalents		308 774	260 338
C.	DEFERRED EXPENSES AND ACCRUED INCOME		7 625	4 913
	TOTAL ASSETS		18 593 897	12 358 317
	EQUITY AND LIABILITIES			
D.	EQUITY		500 000	-62 575
1.	Capital		500 000	500 000
2.	Share premium account		0	700 000
3.	Revaluation reserve			
4.	Reserves			
5.	Retained profit (loss)		0	-1 262 575
E.	GRANTS, SUBSIDIES			
F.	PROVISIONS			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES		18 082 790	12 409 785
1.	Amounts payable after one year and other long-term		17 106 528	9 524 141
2.	Amounts payable within one year and other short-term		976 262	2 885 644
H.	ACCRUALS AND DEFERRED INCOME		11 107	11 107
	TOTAL EQUITY AND LIABILITIES		18 593 897	12 358 317

(title of the head of entity administration)

(signature)

(name, surname)

(title of the chief accountant (accountant)
or of other person responsible for
accounting)

(signature)

(name, surname)

Project RE 1, UAB, Company code 305804218

(the legal form, the name, the code of the entity)

J. Jasinskio g. 14B Vilnius, Lietuvos Respublika

(address, register where data about the entity is collected and kept)

Not registered

(legal status if the entity is in liquidation, reorganisation or is bankrupt)

(Approved)

PROFIT AND LOSS ACCOUNT as at September 30, 2024

2024-11-15

(reporting date)

2024-01-01 - 2024-09-30

(reporting period)

Eur

(Reporting currency, specify degree of accuracy)

Article No.	Article	Notes No.	Reporting period	Previous reporting period
1.	Net turnover		33 270	0
2.	Cost of sales		-4 568	0
3.	Fair value adjustments of the biological assets			
4.	GROSS PROFIT (LOSS)		28 702	0
5.	Selling expenses		-72 051	-20 070
6.	General and administrative expenses		-150 502	-125 373
7.	Other operating results		20 633	3 691
8.	Income from investments in the shares of parent, subsidiaries and associated			
9.	Income from other long-term investments and loans			
10.	Other interest and similar income		41	432
11.	The impairment of the financial assets and short-term investments			
12.	Interest and other similar expenses		-872 122	-654 483
13.	PROFIT (LOSS) BEFORE TAXATION		-1 045 299	-795 803
14.	Tax on profit			
15.	NET PROFIT (LOSS)		-1 045 299	-795 803

Note. Amount decreases are shown in brackets or with a minus.

(title of the head of entity administration)

(signature)

(name, surname)

(title of the chief accountant (accountant)
or of other person responsible for
accounting)

(signature)

(name, surname)



JSC „Tezaurus auditas“

JSC „Project RE 1“

**Financial statements
for year ended 31 December 2023**

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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 2023 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 2023 and financial results, cash flows that ended on that day in accordance with Lithuanian legislation on accounting and financial reporting, and Business Accounting Standards.

Basis for declaring opinion

We have performed Audit according to international auditing standards (here in after – 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.

Emphasis of Matter Paragraph

We draw your attention to the fact that according to Article 38 of Republic of Lithuania Law on Joint Companies, if the Company's equity capital is less than ½ of the authorized capital, the Company's management must take steps to restore the equity capital. In 2023 December 31 The equity capital of the company was less than ½ of the authorized capital. This issue has not been resolved so far. Our opinion on this matter is unqualified.

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

JSC „Tezaurus auditas“

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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 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 continents 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
30 April 2024, Vilnius
Auditors certification No. 000592

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

AMBRIDGE BALANCE SHEET

24 April 2024
(reporting date)

2023/1/1 – 2023-12/13
(reporting period)

EUR
(reporting currency, specify degree of accuracy)

Article No.	Article	Notes No.	Reporting period	Previous reporting period
	ASSETS			
A.	FIXED ASSETS		12 050 654	5 889 39
1.	Intangible assets	1	1 447	2 133
2.	Tangible assets	2	12 049 177	5 886 806
3.	Financial assets			
4.	Other non-current assets			
B.	CURRENT ASSETS		302 750	94 244
1.	Stocks	3	213	26 046
2.	Amounts receivable within one year	4	42 199	41 045
3.	Short-term investments		-	-
4.	Cash and cash equivalents		260 338	27 153
C.	PREPAYMENTS AND ACCRUED INCOME	5	4 913	15 038
	TOTAL ASSETS		12 358 317	5 998 221
	EQUITY AND LIABILITIES			
D.	EQUITY	6	(62 575)	(464 271)
1.	Capital		500 000	2 500
2.	Share premium		700 000	-
3.	Revaluation reserve		-	-
4.	Reserves		-	-
5.	Retained earnings (accumulated deficit)		(1 262 575)	(466 771)
E.	GRANTS, SUBSIDIES		-	-
F.	PROVISIONS		-	-
G.	ACCOUNTS PAYABLE AND OTHER LIABILITIES	7	12 409 785	6 425 608
1.	Amounts payable after one year and other long-term liabilities		9 524 141	3 476 643
2.	Amounts payable within one year and other short-term liabilities		2 885 644	2 948 965
H.	ACCRUALS AND DEFERRED INCOME		11 107	36 884
	TOTAL EQUITY AND LIABILITIES		12 358 317	5 998 221

Director

Agnius Tamošaitis

Representative of the accounting firm

Ernestas Švoba

PROFIT AND LOSS ACCOUNT

24 April 2024
 (report preparation date)

2023/1/1 - 2023/12/31
 (reporting period)

EUR
 (reporting currency, specify degree of accuracy)

Article No.	Article	Notes No.	Reporting period	Previous reporting period
1	Sales income			9 782
2	Cost of sales			
3	Fair value adjustments of the biological assets			
4	GROSS PROFIT (LOSS)		-	9 782
5	Selling expenses	8	(20 070)	(4 901)
6	General and administrative expenses	9	(125 373)	(193 256)
7	Other operating results		3 690	1 536
8	Income from investments in the shares of parent, subsidiaries and associated entities			
9	Income from other long-term investments and loans			2 500
10	Other interest and similar income		84	
11	The impairment of the financial assets and short-term investments			
12	Interest and other similar expenses	10	(654 135)	(239 983)
13	PROFIT (LOSS) BEFORE TAXATION		(795 804)	(424 322)
14	Tax on profit			
15	NET PROFIT (LOSS)		(795 804)	(424 322)

 Director

 Agnius Tamošaitis

 Representative of the accounting firm

 Ernestas Švoba

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 A. Domaševičiaus g. 9, Vilnius.

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

During 2023 the average number of employees in the Company was 4 (2022 - 1).

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 2023 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 – 8 million. EUR;
- 2) the value of assets on the balance sheet – 4 million EUR;
- 3) the average annual number of payroll employees during the reporting period – 50.

According to Article 23 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 starts 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 2023 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 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. The residual value is determined and equals to 1 EUR.

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	15
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.

JSC Project RE 1, Company code 305804218
Address A. Domaševičiaus st. 9, Vilnius

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 2021					-
- Acquisitions	2 625				2 625
- Assets transferred and written off					-
31 December 2022	2 625		-	-	2 625
- Acquisitions					-
- Assets transferred and written off					-
31 December 2023	2 625		-	-	2 625
Accumulated amortization					
31 December 2021					-
- Acquisitions	492				492
- Assets transferred and written off					-
31 December 2022	492		-	-	492
- Acquisitions	656				656
- Assets transferred and written off					-
31 December 2023	1 148		-	-	1 148
Residual value					
31 December 2022	2 133		-	-	2 133
31 December 2023	1 477		-	-	1 477

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) works of tangible assets are underway
Acquisition cost				
31 December 2021				4 200 000
- Acquisitions			2 759	1 684 399
- Assets transferred and written off				
31 December 2022	-		2 759	5 884 399
- Acquisitions				6 163 330
- Assets transferred and written off	-		-	-
31 December 2023	-		2 759	12 047 729
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	5 884 399
31 December 2023	-		1 449	12 047 729

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:

Insurance

Reporting period	Previous reporting period
4 913	15 038
4 913	15 038

Total:

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:

Loans received from the parent company

Accrued interest to the parent company

Loans received from other companies of the group

Accumulated interest for other group companies

Liabilities to credit institutions

Debt to suppliers

Other payables from group companies

Received advances from third parties

Liabilities related to labour relations

Within one year	From 1 to 5 years	After 5 years
1 664 000	4 183 450	
	381 415	
	2 941 705	
	322 876	
	1 694 695	
1 102 620		
60 817		
39 916		
18 291		
2 885 644	9 524 141	-

Total:

Accounts payable and other liabilities in 2022 consisted of:

Loans received from the parent company

Accrued interest to the parent company

Liabilities to credit institutions

Debt to suppliers

Liabilities related to labour relations

Other amounts due

Within one year	From 1 to 5 years	After 5 years
	3 338 450	
	138 193	
2 495 000		
443 174		
10 711		
80		
2 948 965	3 476 643	-

Total:

8 Note. Selling expenses (EUR)

Selling expenses consisted of:

Advertising

Reporting period	Previous reporting period
20 070	4 901
20 070	4 901

Total:

9 Note. General and administrative expenses (EUR)

General and administrative expenses consisted of:

Commitment fee

Accounting services, audit and other consulting costs

Wages and related costs

Activity taxes costs

Depreciation and amortization of fixed assets

Contract administrative fee

Other expenses

Reporting period	Previous reporting period
83 666	78 361
26 427	23 271
7 607	
4 378	3 084
1 614	845
	65 000
1681	22 695
125 373	193 256

Total:

10 Note. Interest and other similar expenses (EUR)

Interest and other similar expenses consisted of:

Interest on loans issued

Exchange rate loss

Fines and penalties

Other expenses

Reporting period	Previous reporting period
654 079	227 839
	61
56	-
	12 083
654 135	239 983

Total:

11 Note. Income tax (EUR)

Income tax was composed consisted of:

Profit (loss) before taxes

Corporate tax expenses (income), calculated using the current corporate tax rate (15%)

Tax effect of non-deductible expenses / non-taxable income

Amount of taxable profit for the reporting year

Deferred tax expense (income)

Income tax

Reporting period	%	Previous reporting period	%
(795,803)		(424,322)	
	15		15
188			
(795,615)			
-	-	-	-

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



JSC „Tezaurus auditas“

JSC „PROJECT RE 1“
FINANCIAL STATEMENTS FOR YEAR ENDED 31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT

FOR SHAREHOLDERS JSC „PROJECT RE 1“

CONCLUSION ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have performed audit of JSC „Project RE 1“ (hereinafter - Company) of financial statements, that include 31 December 2022 balance and statements that ended on that day: income (loss) statement, explanatory notes, including a summary of significant accounting policies.

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Basic for declaring opinion

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Emphasis of Matter Paragraph

We draw your attention to the fact that according to Article 38 of the Republic of Lithuania Law on Companies, if the Company's equity capital is less than ½ of the authorized capital, the company's management must take steps to restore the equity capital. 31 December 2022 the equity capital of the company was less than ½ of the authorized capital. This issue has not been resolved so far. Our opinion on this matter is unqualified.

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

The auditor's responsibility for the audit of 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 skepticism: 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 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 to inform 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
28 April 2023, Vilnius
Auditors' certification No. 000592

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

JSC „PROJECT RE 1“

Address A. Domaševičiaus st. 9, Vilnius, company code 305112892, reporting date: 13 April 2023

**BALANCE SHEET
31 DECEMBER 2022**

ASSETS		NOTES NO.	2022.12.31 EUR	2021.12.31 EUR
A.	FIXED ASSETS		5 888 939	4 200 000
I.	INTANGIBLE ASSETS	1	2 133	
II.	TANGIBLE ASSETS	2	5 886 806	4 200 000
III.	FINANCIAL ASSETS			
IV.	OTHER FIXED ASSETS			
B.	CURRENT ASSETS		94 244	913 378
I.	STOSKS	3	26 046	25 000
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	4	41 045	883 684
III.	SHORT-TERM INVESTMENTS			
IV.	CASH AND CASH EQUIVALENTS	5	27 153	4 694
C.	PREPAYMENTS AND ACCRUED INCOME	6	15 038	
TOTAL ASSETS:			5 998 221	5 113 378
EQUITY AND LIABILITIES		NOTES NO.	2022.12.31	2021.12.31
D.	EQUITY	7	(464 271)	(39 949)
I.	CAPITAL		2 500	2 500
II.	SHARE PREMIUM ACCOUNT			
III.	REVALUATION RESERVE			
IV.	RESERVES			
V.	RETAINED PROFIT (LOSS)		(466 771)	(42 449)
E.	GRANTS, SUBSIDIES			
F.	PROVISIONS			
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES	8	6 425 608	5 153 327
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG-TERM LIABILITIES		3 476 643	1 714 000
II.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT-TERM LIABILITIES		2 948 965	3 439 327
H.	ACCRUALS AND DEFERRED INCOME	9	36 884	
TOTAL EQUITY AND LIABILITIES:			5 998 221	5 113 378

Director

Agnius Tamošaitis

JSC Nordgain authorized person

Erika Lukša

JSC „PROJECT RE 1“

Address A. Domaševičiaus st. 9, Vilnius, company code 305112892, reporting date: 13 April 2023

PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2022

Article	NOTES NO.	2022.01.01- 2022.12.31 EUR	2021.01.01- 2021.12.31 EUR
I. Net turnover	10	9 782	
II. Cost of sales			
III. Fair value adjustments of the biological assets			
IV. GROSS PROFIT (LOSS)		9 782	0
V. Selling expenses	11	(4 901)	
VI. General and administrative expenses	12	(193 256)	(36 207)
VII. Other operating	13	1 536	
VIII. Income from investments in the share of parent, subsidiaries and associated entities			
IX. Income from other long-term investments and loans	14	2 500	
X. Other interest and similar income			
XI. The impairment of the financial assets and short-term investments			
XII. Interest and other similar expenses	15	(239 983)	(6 242)
XIII. PROFIT (LOSS) BEFORE TAXATION		(424 322)	(42 449)
XIV. Tax on profit	16		
XV. NET PROFIT (LOSS)		(424 322)	(42 449)

Director

Agnius Tamošaitis

JSC Nordgain authorized person

Erika Lukša

JSC „PROJECT RE 1“

Address A. Domaševičiaus st. 9, Vilnius, company code 305112892, reporting date: 13 April 2023

EXPLANATION NOTES FOR THE YEAR ENDED 31 DECEMBER 2022

1. GENERAL

JSC „Project RE 1“ (hereinafter - the Company) was registered in the register of legal entities on 21 June 2021. The legal form of the company is a closed joint-stock company. Company code 305804218. Registered office address A. Tumėno st. 4, Vilnius.

The main activity of the company is the activity of holding companies and real estate operations.

During 2022 The company's average number of employees was 1 (in 2021 - 0).

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

100 percent of the company's shares belong to JSC „Jasinskio 14 project“.

Financial statements of the company for the year ended 31 December 2022 does not include reports of cash flows and changes in capital, because according of the Republic of Lithuania Law on Financial Reporting of Companies, the company, being a small company, chose the criteria applied to a set of financial statements of small companies, which consists of a balance sheet, a profit (loss) statement and an explanatory letter. Very small enterprises are considered enterprises whose at least two indicators on the last day of the financial year do not exceed the following values:

- 1) net sales revenue during the reporting financial year – 700 000 EUR;
- 2) the value of assets indicated in the balance sheet – 350 000 EUR;
- 3) average annual number of employees according to the list during the reporting financial year – 10.

According to Article 25 of the Republic of Lithuania Law on Financial Reporting of Companies, a company may not prepare an annual report if it meets the criteria listed above.

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

Financial statements are presented in Euros (EUR).

2. ACCOUNTING POLICY

The main accounting principles applied in the preparation of the company's 2022 annual financial statements are as follows:

2.1. Fixed intangible assets

Fixed intangible assets are stated at acquisition value less accumulated amortization and impairment losses, if there are any.

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

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

2.2. Fixed tangible assets

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

Investment property after purchasing it is carried at acquisition value and thereafter at acquisition cost less accumulated depreciation and asset impairment losses, if there are any.

The liquidation value of tangible assets cannot be less than one euro and more than 10 (ten) percent of the asset's cost price.

The useful life is regularly reviewed to ensure that the depreciation period corresponds to the expected fixed tangible asset's useful life of the property, plant and equipment. Depreciation costs are classified as operating costs.

2.3. 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.

2.4. Stocks

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.

2.5. 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 capital 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 the losses.

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

2.6. 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.

2.7. 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 likely, that it will require the use of available assets to fulfil it, and the amount of the liabilities can be reliably estimated. Provisions are reviewed at each balance sheet date and their value is adjusted to new events and circumstances. 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.

2.8. Amounts payable

Current and non-current payables are initially recognized at cost. Later, payables that relate to market prices are carried at fair value, while other payables are carried at amortized cost.

2.9. Recognition of income and expenses

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 recognised, recorded and shown in the profit (loss) statement when they meet the definition of expenses and their value can be reliably determined. 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.

2.10. Profit tax

The current year's profit 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 profit tax rate valid on the date of preparation of the financial statements, in accordance with the Republic of Lithuania Laws on requirements of the tax.

2.11. Uncertainties

Contingent liabilities are not recognized in the financial statements. They are described in the financial statements, except when the probability that the resources yielding of economic benefits will be lost is extremely low.

Contingent assets are not recognized in the financial statements, but they are described in the financial statements when it is probable that income or economic benefits will be received.

2.12. 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 the adjusted events are described in the notes when it is significant.

3. EXPLANATION NOTES**3.1. Fixed intangible assets**

Indicators	Licenses	Software	Other intangible assets	Advances paid	TOTAL:
RESIDUAL VALUE 2021.12.31	0	0	0	0	0
Purchase value:					0
Residual 2021.12.31					0
Acquisitions	2 625				2 625
Assets transferred and written off (-)					0
Residual 2022.12.31	2 625	0	0	0	2 625
Amortization					
Residual 2021.12.31					0
Amortization per year	492				492
Amortization of assets transferred and written off (-)					0
Residual 2022.12.31	492	0	0	0	492
RESIDUAL VALUE 2022.12.31	2 133	0	0	0	2 133

3.2. Fixed tangible assets

In order to ensure the fulfilment of the obligations for the construction of the purchased building and the plot of land, the company's immovable property was pledged with a mortgage agreement:

Fixed asset groups	Unique No.	Value
Building	4400-2008-3592	
A plot of land	4400-1491-7761	4 200 000
Building	1094-0122-3021	
TOTAL:	-	4 200 000

JSC „PROJECT RE 1“

Address A. Domaševičiaus st. 9, Vilnius, company code 305112892, reporting date: 13 April 2023

Indicators	Buildings and structures	Vehicles	Other devices, appliances and tools	Advances have been paid and construction (production) works of tangible assets are underway	IŠ VISO:
RESIDUAL VALUE 2021.12.31	0	0	0	4 200 000	4 200 000
Purchase value:					0
Residual 2021.12.31				4 200 000	4 200 000
Acquisitions			2 759	1 684 399	1 687 158
Assets transferred and written off (-)					0
Transcriptions from one article to another +/- (-)					0
Residual 2022.12.31	0	0	2 759	5 884 399	5 887 158
Depreciation					
Residual 2021.12.31					0
Worn out in a year			352		352
Depreciation of assets transferred and written off (-)					0
Transcriptions from one article to another +/- (-)					0
Residual 2022.12.31	0	0	352	0	352
RESIDUAL VALUE 2022.12.31	0	0	2 407	5 884 399	5 886 806

3.3. Stocks

Indicators	2022.12.31	2021.12.31
Stocks		
Advances paid	26 046	25 000
Discounting to net realizable value		
Impairment of paid advances (-)		
TOTAL:	26 046	25 000
Book value of pledged inventory		
Stocks with third parties		

3.4. Receivables

Article	2022.12.31	2021.12.31
Loans granted	374	
Refundable VAT	40 671	883 684
Other receivables		
TOTAL:	41 045	883 684

3.5. Cash and cash equivalents

Article	2022.12.31	2021.12.31
Money in the bank	27 153	4 694
Money in the cash register		
IŠ VISO:	27 153	4 694

JSC „PROJECT RE 1“

Address A. Domaševičiaus st. 9, Vilnius, company code 305112892, reporting date: 13 April 2023

3.6. Deferred expenses and accrued income

Article	2022.12.31	2021.12.31
Expenses for future periods	15 038	
Accumulated income		
TOTAL:	15 038	0

3.7. Equity

Indicator	Number of shares	Nominal value	Amount
Ordinary shares	2 500	1	2 500
TOTAL:	2 500	1	2 500

On 31 December 2022, the authorized capital of the company is 2 500 euros and is divided into 2 500 ordinary registered shares. The nominal value of one share is 1 euro. All shares of the company are paid up. The company has not purchased its own shares.

Since the ownership of the company's shareholders on 31 December 2022 was less than 50 percent authorized capital. According to the Republic of Lithuania Law on Joint-Stock Companies, shareholders' ownership must be at least 50 percent of the company's authorized capital, in case of non-compliance, the shareholders must convene an extraordinary meeting of shareholders to resolve the violation. In 2023, the company's shareholders intend to cover at least half of the accumulated losses with shareholders' contributions.

Although the ratio of the company's equity capital and authorized capital does not meet the requirements of the Republic of Lithuania Law on Joint Stock Companies, the company intends to continue its activities and continues to carry out construction.

Article	Amount
Retained profit (losses) of previous financial years at the end of the reporting financial year	(42 449)
Net profit (loss) for the reporting financial year	(424 322)
Transfers from reserves	
Profit (loss) of the reporting financial year not recognized in the profit (loss) statement	
Distributable profit (loss)	(466 771)
- Part of the profit appointed to the mandatory reserve	
- Part of the profit appointed to the reserve for the purchase of own shares	
- Part of profit appointed to other reserves	
- The part of the profit appointed for the payment of dividends	
- Part of the profit allocated to annual payments (bonus) to members of the board and supervisory board, employee bonuses and other purposes	
Retained profit (losses) at the end of the reporting financial year are carried over to the next financial year	(466 771)

3.8. The state of the company's liabilities

Indicators	Debts or their parts, payable			Debts at the end of the previous financial year
	In one financial year	After one year, but no later than five years	After five years	
Breakdown of payables by type				
Other financial debts	2 495 000	3 338 450		1 764 000
Interest		138 193		5 504
Debt to suppliers	443 174			3 383 636
Amounts payable related to employment relations	10 711			187
Other amounts due	80			
TOTAL:	2 948 965	3 476 643	0	5 153 327

The maturity date of the bonds is 2024 the month of December.

3.9. Accrued expenses and deferred income

Indicators	2022.12.31	2021.12.31
Accumulated expenses	36 884	
Deferred income		
TOTAL:	36 884	0

3.10. Sales revenue

Indicators	2022.01.01-2022.12.31	2021.01.01-2021.12.31
Revenue from goods sold	9 782	
Income from services provided		
TOTAL:	9 782	0

3.11. Selling expenses

Indicators	2022.01.01-2022.12.31	2021.01.01-2021.12.31
Advertising and marketing expenses	(4 901)	
Other expenses		
TOTAL:	(4 901)	0

3.12. General and administrative expenses

Indicators	2022.01.01-2022.12.31	2021.01.01-2021.12.31
Commitment fee	(78 361)	
Contract administrative fee	(65 000)	(25 000)
Expenses of accounting services	(19 071)	(1 010)
Expenses of audit services	(4 200)	
Operating tax expenses	(3 085)	
Other general and administrative expenses	(22 557)	(10 197)
Depreciation and amortization of fixed assets	(845)	
Bank tax expenses	(137)	
TOTAL:	(193 256)	(36 207)

JSC „PROJECT RE 1“

Address A. Domaševičiaus st. 9, Vilnius, company code 305112892, reporting date: 13 April 2023

3.13. Results of other activities

Indicators	2022.01.01- 2022.12.31	2021.01.01- 2021.12.31
Rental income		
The result of the transfer of fixed assets	1 536	
Other activity sales income		
Other activity expenses		
TOTAL:	1 536	0

3.14. Interest and similar income

Indicators	2022.01.01- 2022.12.31	2021.01.01- 2021.12.31
Fines, penalties and interest on late payment		
Interest income	2 500	
The amount of exchange rate differences recognized as income for the reporting period		
Other income		
TOTAL:	2 500	0

3.15. Interest and similar expenses

Indicators	2022.01.01- 2022.12.31	2021.01.01- 2021.12.31
Fines, penalties and interest on late payment		
Interest expenses	(227 839)	(5 907)
The impact of exchange rates	(61)	
Other expenses	(12 083)	(335)
TOTAL:	(239 983)	(6 242)

3.16. Profit tax

Indicators	2022.01.01- 2022.12.31	2021.01.01- 2021.12.31
Profit (loss) before tax	(424 322)	(42 449)
Profit tax calculated according to the law profit tax rate		
Expenses/incomes, non-reducing/non-increasing taxable profit, tax effect		
PROFIT TAX:	0	0

3.17. Correction of errors

Impact of error correction on balance sheet:

		Data before adjustments in 2021 EUR	Data after adjustments in 2021 EUR	The difference EUR
A.	FIXED ASSETS	4 200 000	4 200 000	0
B.	CURRENT ASSETS	916 225	913 378	(2 847)
I.	STOCKS	25 347		(25 347)
II.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	886 184	883 684	(2 500)
III.	SHORT-TERM INVESTMENTS		25 000	25 000
	TOTAL ASSETS:	5 116 225	5 113 378	(2 847)
D.	EQUITY	(39 378)	(39 949)	(571)
V.	RETAINED PROFIT (LOSS)	(41 878)	(42 449)	(571)
G.	AMOUNTS PAYABLE AND OTHER LIABILITIES	5 155 603	5 153 327	(2 276)
I.	AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG-TERM LIABILITIES	1 714 000	1 719 504	5 504
II.	AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT-TERM LIABILITIES	3 441 603	3 433 823	(7 780)
	TOTAL EQUITY AND LIABILITIES:	5 116 225	5 113 378	(2 847)

Effect of error correction on the profit and loss account:

	ARTICLE	Data before adjustments in 2021 EUR	Data after adjustments in 2021 EUR	The difference EUR
II.	Cost of sales		(30)	(30)
IV.	GROSS PROFIT (LOSS)	0	(30)	(30)
VI.	General and administrative expenses	(36 337)	(36 356)	(19)
XII.	Interest and other similar expenses	(5 541)	(6 063)	(522)
XIII.	PROFIT (LOSS) BEFORE TAXATION	(41 878)	(42 449)	(571)
XV.	NET PROFIT (LOSS)	(41 878)	(42 449)	(571)

3.18. Transactions with related parties

Transactions with related parties are carried out under market conditions.

3.19. Subsequent events

Significant subsequent events that would affect 31 December 2022 for financial statements, did not happen.

Director _____ Agnius Tamošaitis

JSC Nordgain authorized person _____ Erika Lukša