Noviti
(joint stock company)
INDEPENDENT AUDITOR’S REPORT,
FINANCIAL STATEMENTS AND MANAGEMENT REPORT
prepared in accordance with IFRS as adopted by the EU
for the period ended as at
31 December 2024

CONTENTS:

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of UAB Noviti

Opinion

We have audited the financial statements of UAB Noviti (the Company), which comprise the statement of financial position as at December 31, 2024, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2024, and (of) its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

The financial statements of the Company for the financial year ended December 31, 2023, were audited by another auditor, who issued an unqualified opinion on the aforementioned financial statements on May 8, 2024.

Other Information

The other information comprises the information included in the Company's Management Report but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Company's Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements and whether Management Report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of financial statements, in our opinion, in all material respects:

- The information given in the Company's Management Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's management report, excluding the requirements for the information on sustainability matters, has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

• Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

• Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

• Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management

• Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

• Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Moore Mackonis UAB
Sigita Pranckėnaitė
Certified Auditor
Kauno str. 22, Vilnius

Only the independent auditor's report is signed by the auditor's electronic signature
The date of the audit opinion is the date in the electronic signature

(All amounts are presented in Euros, unless indicated otherwise)

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes No.	2024-12-31	2023-12-31
NON-CURRENT ASSETS			
Intangible assets	1	207 976	175 986
Tangible assets	2	33 768	44 244
Non-current financial assets	3	15 670 100	12 462 647
Deferred tax asset	4	113 248	
Long-term prepayments	7	17 460	
TOTAL NON-CURRENT ASSETS		16 042 552	12 682 877
CURRENT ASSETS			
Prepayments	7	86 357	105 652
Receivables	6	18 548	28 765
Current financial assets	3	11 363 851	12 157 645
Cash and cash equivalents	8	228 337	1 957 956
TOTAL CURRENT ASSETS		11 697 093	14 250 018
TOTAL ASSETS		**27 739 645**	**26 932 895**

EQUITY AND LIABILITIES	Notes No.	2024-12-31	2023-12-31
EQUITY CAPITAL			
Share capital	9	1 130 610	1 035 120
Share premium	9	734 542	32
Retained earnings (losses)	9.1	629 034	129 988
TOTAL EQUITY CAPITAL		2 494 186	1 165 140
LIABILITIES			
LOMG-TERM LIABILITIES			
Loans received	10	10 097 220	18 195 418
Provisions for financial guarantees	10	2 372 999	747 793
Subordinated loans	10	1 450 000	1 450 000
Lease (finance lease) liabilities	10	181	302
Grants and subsidies		34 125	28 125
Non-current prepayments received	10	17 460	
TOTAL LONGTERM LIABILITIES		13 971 985	20 421 638
SHORT-TERM LIABILITIES			
Loans received (current year share)	11	10 790 025	4 991 004
Leasing (financial lease) liabilities	11	1 572	
Trade accounts payable	11	57 663	43 104
Prepayments received and deferred income	11	27 060	47 028
Employment-related liabilities	11	107 230	89 669
Income tax liabilities	11	58 977	
Other short-term lpayable amounts	11	230 947	175 312
TOTAL SHORT-TERM LIABILITIES		11 273 474	5 346 117
TOTAL EQUITY AND LIABILITIES		**27 739 645**	**26 932 895**

Director Linas Armalys
Authorized person of a company providing accounting services
UAB "Aruditas" Vytautas Vasiliauskas

The date of electronic signature

(All amounts are presented in Euros, unless indicated otherwise)

STATEMENT OF COMPREHENSIVE INCOME

Items	Notes No.	2024	2023
Revenue from customer contracts	12	4 721 051	3 055 971
Cost of sales	13	(1 598 608)	(1 289 107)
Gross profit (loss)		**3 122 443**	**1 766 864**
Selling costs		(267 476)	(380 211)
General and administrative expenses	14	(2 468 136)	(1 373 800)
Other operating result		37 728	(6 160)
Operating profit (loss)		**424 559**	**6 693**
Financial operating income	15	93 106	27 657
Financial operating expenses	15	(72 783)	(5 306)
Profit (loss) before tax		**444 882**	**29 044**
Income (expense) from profit tax	16	(5 669)	(119)
Net profit (loss)		**439 213**	**28 925**
Items that will never be reclassified to the income statement			
Items that are or may be reclassified to the income statement			
Other comprehensive income			
Total comprehensive income for the period:		**439 213**	**28 925**
Net earnings per share		17,17	1,21

The following notes are an integral part of these financial statements.

Director Linas Armalys

Authorized person of a company providing accounting services
UAB "Aruditas" Vytautas Vasiliauskas

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STATEMENT OF CHANGES IN EQUITY

	Share capital	Share premium	Mandatory reserve	Retained earnings (losses)	Total
Balance at 31 December 2022	**1 035 120**	**32**		**2 051**	**1 037 203**
Correction of previuos periods				99 011	99 011
Net profit (loss)				28 925	28 925
Other comprehensive income					
Total comprehensive income				28 925	28 925
Reserves formed					
Increase/decrease in authorised capital					
Dividends					
Balance at 31 December 2023	**1 035 120**	**32**		**129 987**	**1 165 139**
Correction of previuos periods				59 834	59 834
Net profit (loss)				439 213	439 213
Other comprehensive income					
Total comprehensive income				439 213	439 213
Reserves formed					
Increase/decrease in authorised capital	95 490	734 510			830 000
Dividends					
Balance at 31 December 2024	**1 130 610**	**734 542**		**629 034**	**2 494 186**

The following notes are an integral part of these financial statements.

Director Linas Armalys

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STATEMENTS OF CASH FLOWS

Items	Notes No.	2024	2023
Cash flows from operating activities			
Net profit		439 213	28 925
Reversal of non-cash items:		**439 213**	**28 925**
Increase (decrease) in deferred tax		(113 248)	
Depreciation and amortisation		110 235	43 420
Depreciation of assets held under right of use		58 441	185 564
Interest expense (income)		(6 505)	
Change in working capital:		**488 136**	**257 909**
Decrease (increase) in prepayments and other receivables		(6 762)	
Decrease (increase) in accounts receivable and other current assets		(13 295)	1
Increase (decrease) in trade debtors		10 217	
Income tax paid			
Increase (decrease) in other current liabilities		83 039	(8 430)
Net cash flow from operating activities		**561 335**	**249 480**
Cash flows from investing activities			
Fixed assets (acquisition)		(130 663)	(209 871)
Financial assets (acquisition)		(17 460)	
Loans granted		(4 792 773)	(7 411 764)
Interest received		3 364 402	2 839 436
Net cash flows from investing activities		**(1 576 494)**	**(4 782 199)**
Cash flows from financing activities			
Issue of shares		830 000	
Received loans		6 805 070	9 154 698
Repaid loans		(6 760 738)	(2 036 977)
Interest paid		(1 561 527)	(874 600)
Interest on lease liability		(708)	(2 473)
Lease (finance lease) (payments)		(26 557)	(12 217)
Net cash flow from financing activities		**(714 460)**	**6 228 431**
Net increase (decrease) in cash flows		***(1 729 619)***	***1 695 712***
Cash and cash equivalents at beginning of period		**1 957 956**	**262 244**
Cash and cash equivalents at end of period		**228 337**	**1 957 956**

The following notes are an integral part of these financial statements.

Director Linas Armalys

Authorized person of a company providing accounting services
UAB "Aruditas" Vytautas Vasiliauskas

The date of electronic signature

EXPLANATORY NOTES

General Information

Noviti, UAB (hereinafter referred to as the "Company") is a private limited liability company registered in the Republic of Lithuania. Its registered office address is:
The company register, where data is collected and stored, is the Register of Legal Entities of the State Enterprise Centre of Registers.

The Company's principal activity is:

The company was registered on 2015 02 17.

The company does not belong to a group of companies.
The company has a branch: UAB Noviti filiale Latvia (code 55403056371, address: Dzirnavu Street 57a, Riga, LV-
The financial data of the Branch are included in the data of the Company's annual financial statements and are reflected in the Company's financial statements.
The company has no subsidiaries.
The Company does not have any associated companies or companies controlled under an operating (partnership)
The authorized capital of the Company as of December 31, 2024 is EUR 1,130,610. The total number of shares is 26,214 units.
All shares, each with a nominal value of 43.13, are ordinary and were fully paid in 2024 and 2023.

These financial statements for the period ended 31 December 2024 have been audited. The annual financial statements for the year ended 31 December 2024 were audited by Moore Mackonis, UAB.
The Company's shareholders have the right to either approve these financial statements or not approve them and require the preparation of new financial statements.
The Company has an average roster size of 19 employees in 2024 and 15 employees in 2023.

ACCOUNTING POLICY

Accounting principles
These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (EU), including International Accounting Standard (IAS). The financial statements have been prepared on the historical cost basis, taking into account the fair value through profit or loss of financial assets and liabilities (including derivatives) that are subject to measurement. The preparation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union requires the use of certain accounting estimates. The same accounting principles are applied in all material respects as in the previous year's financial statements.

The Company applies the following main accounting principles:

Presentation of financial statements
General purpose financial statements are intended to meet the needs of users whose circumstances do not permit them to require the preparation of statements containing information that meets their needs. The objective of financial statements is to provide information that enables the many users of financial statement information to make economic decisions about the financial position, financial performance and cash flows of an entity. The financial statements also show the results of management's stewardship of the resources entrusted to it.

Principle of continuity of operations
Management is required to make an assessment of the entity's ability to continue as a going concern in preparing the financial statements. The financial statements shall be prepared on a going concern basis unless the entity's management intends to liquidate the entity, to discontinue operations, or is constrained to do so because it has no realistic alternative. If, in making that assessment, management is aware of material uncertainties related to events or conditions that may cast significant doubt about the entity's ability to continue as a going concern, it shall disclose those uncertainties. If the financial statements are prepared on a basis other than the going concern basis, that fact shall be disclosed by stating the basis on which those financial statements are prepared and the reason why the going concern basis is not applied to the entity. In assessing whether the going concern assumption applies to this entity, management shall consider any available information about the future for a period of at least, but not limited to, twelve months from the balance sheet date.

Applying the accruals basis of accounting
An entity's financial statements (other than cash flow information) shall be prepared using the accrual basis of accounting. When the accrual basis of accounting is applied, items are recognised as assets, liabilities, equity, income and expenses (the elements of financial statements) when they meet the definitions of those elements and the criteria for recognition specified in the framework.

Consistency of presentation
The presentation and recognition of items in the financial statements shall remain unchanged throughout the reporting periods, except when: (a) following a significant change in the nature of the entity's operations or a review of its financial statements, it is evident that a different presentation or recognition would be more appropriate, taking into account the criteria for the selection and application of accounting policies set out in IAS 8; or (b) a standard or an interpretation requires a change in the presentation. A significant acquisition, disposal or review of the presentation of the financial statements may lead to the conclusion that the financial statements should be presented differently. An entity shall change the presentation of financial statements only if the changed presentation provides reliable and more relevant information to the users of the financial statements and the modified presentation structure can continue to be used without impairing comparability.

Significance and connectivity
Each significant group of similar items shall be presented separately in the financial statements. Items that are not similar in nature or purpose shall be presented separately unless they are immaterial. Financial statements are prepared by processing a large number of transactions or other events that are aggregated into groups according to their nature or purpose. The final stage of aggregation and grouping is the presentation of the concise and grouped data that make up the line items in the statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes. If a line item is not material in its own right, it is aggregated with other line items in these statements or notes. However, an item that is not sufficiently significant to require separate presentation in those statements may be sufficiently significant to require separate presentation in the notes. Applying the concept of materiality means that it is not necessary to apply a particular Standard or Interpretation's disclosure requirement if the information is immaterial.

Offset

Assets and liabilities, or income and expenses, shall not be offset unless required or permitted by a standard or an interpretation. It is important that assets and liabilities and income and expenses are presented separately. Offsetting in the statement of comprehensive income or statement of financial position reduces the ability of users both to understand the transactions, other events and conditions that have occurred and to assess the entity's future cash flows, unless the offsetting conveys the substance of the transaction or other event.

Revenue is required to be measured at the fair value of the consideration received or receivable, taking into account the amounts of any trade discounts and similar concessions granted to the entity. In the normal course of business, the Company also enters into transactions that do not generate revenue but are firmly linked to its principal revenue-generating activity. The results of the transactions, net of the related costs of the same transaction, are presented when the presentation reflects the substance of the transaction or other event.

Gains or losses on the disposal of non-current assets, including investments and assets used in operations, are presented net of the carrying amount of the asset and the related costs of disposal from the proceeds of disposal; and Expenses relating to provisions recognised in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets and reimbursed in accordance with a contractual agreement with a third party.

In addition, gains or losses arising from similar transactions within the group are presented as net gains or losses, for example, foreign exchange gains or losses arising on available-for-sale financial instruments. However, such gains or losses are presented separately if they are material.

Comparative information

Comparative information shall be disclosed for all amounts in the financial statements for the preceding period, except to the extent that a standard or an interpretation permits or requires otherwise. Comparative information shall include data and descriptive information that is relevant to an understanding of the financial statements for the current period.

Changes in accounting policies

The Company has consistently applied the accounting policies set out in note II for all periods presented in these financial statements.

None of these amendments is expected to have a material impact on the Company's financial statements.

The following are new standards and amendments to standards effective from 1 January 2024.

New standards and interpretations of standards in force

These Standards and amendments are effective for annual periods beginning on or after 1 January 2024.

Amendment to IAS 1. Classification of Liabilities as Current or Non-current

This amendment changes IAS 1 to clarify requirements for the presentation of liabilities in the statement of financial position as current or non-current. The amendments clarify that if a liability is subject to covenants, the organisation may only classify a liability as non-current if it meets the covenant tests as at the reporting date, even if the lender does not test compliance until a later date. The meaning of settlement of a liability is also clarified. This amendment has been further amended by Non-current Liabilities with Covenants and should be considered together.

The mandatory application date of this amendment has been deferred to 1 January 2024 but is available for early adoption If an entity early adopts this amendment after October 2022, it must also early adopt the amendment Non-current Liabilities with Covenants at the same time.

The amendment is to be applied retrospectively.

Amendments to IAS 1. Non-current Liabilities with Covenants

This amendment changes IAS 1 to clarify the presentation of liabilities in the statement of financial position as current or non-current. It further amends the Classification of Liabilities as Current or Non-current amendments as discussed above.
Under these amendments, covenants that are to be complied with after the reporting date do not affect the classification of the debt as current or non-current. Instead, the amendments require the organisation to disclose information about these covenants in the notes.
This amendment can be early adopted and if early adopted the amendment relating to Classification of Liabilities as Current or Non-current, must be early adopted on or before this amendment. The amendment is to be applied retrospectively.

Amendments to IFRS 16. Lease Liability in a Sale and Leaseback

This amendment updates IFRS 16 to clarify that the requirements for Right of Use assets and lease liabilities in IFRS 16 apply to a sale-and-lease back after initial recognition. It also clarifies that the 'lease payments' shall be determined in such a way that the seller-lessee would not recognise any gain or loss that relates to the Right-of-Use asset retained by the seller-lessee. This amendment is applied retrospectively.

Amendments to IAS 7 and IFRS 7. Supplier Financing Arrangements

These amendments to IAS 7 and IFRS 7 require entities to provide additional disclosures about their use of supplier financing arrangements and ensure that users have the information to enable them to assess:
-how the supplier financing arrangement affects the entity's cash flows and liabilities;
-the effect the supplier financing arrangements have on liquidity risk.
The IAS 7 disclosures are not required to be provided for the comparative period.

The following are newly issued standards and amendments to standards issued by the IASB that are not mandatory for financial periods ending after 31 December 2024 but may be applied early.

These Standards and amendments are effective for annual periods beginning on or after 1 January 2025.

Amendments to IAS 21. Lack of Exchangeability
This amendment updates IAS 21 to require entities to apply a consistent approach in assessing whether a currency is exchangeable and how to estimate the exchange rate if it is not. Additional disclosures are also required around how you estimate the exchange rate. There are also consequential amendments to IFRS 1.
The comparative period is not restated for this amendment.

These Standards and amendments are effective for annual periods beginning on or after 1 January 2026.

Amendments to IFRS 9 and IFRS 7. Amendments to the Classification and Measurement of Financial Instruments
This amendment updates IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures as a result of the post implementation review of IFRS 9. It updates the requirements relating to:
- timing of derecognition of liabilities when they are settled using an electronic payments system
- how to assess contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features.

It also amends the disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and cost.
Whilst the amendment is applied retrospectively, the comparative period is not restated for this amendment.

Annual Improvements to IFRS Accounting Standards – Volume 11

The annual improvements make the following minor amendments to the following IFRS Accounting Standards:
- IFRS 1 First-time adoption of International Financial Reporting Standards minor amendments to the cross references for hedge accounting by first-time adopters
- IFRS 10 Consolidated Financial Statements to provide additional guidance on determining what constitutes a 'd facto agent'.
- IFRS 7 Financial Instruments: Disclosures minor wording changes around the need to disclose gains or losses arising on derecognition where a fair value measurement involves unobservable inputs. The implementation guidance accompanying IFRS 7 is also updated with regards to disclosures of deferred differences between fair values and transaction prices and guidance on credit risk disclosures.
- IFRS 9 Financial Instruments two minor amendments clarify how a lessee accounts for the derecognition of a lease receivable when it is extinguished, and amended wording that clarifies trade receivables are recognised at the amount determined applying the requirements of IFRS 15 Revenue from Contracts with Customers.
- IAS Statement of Cash Flows minor amendments around the term cost in relation to the measurement of investments in associates and joint ventures.

These amendments are applied retrospectively with the comparative period restated, except for the amendments relating to derecognition of lease liabilities in IFRS 9, which only applies to lease derecognised on or after the amendment is adopted.

These Standards and amendments are effective for annual periods beginning on or after 1 January 2027.

IFRS 18. Presentation and Disclosures of Financial Statements
This standard will replace IAS 1 Presentation of Financial Statements. Whilst many of the requirements have been bought across without amendment. IFRS 18 introduces three key changes.
The statement of profit of loss will be required to be broken down into three subsections, operating, investing and financing, similar to the layout of the cash flow statement.
Management performance measures, that are used by an entity in other communications, must now be included in a note to the financial statements including a reconciliation to the nearest IFRS equivalent measure.
Additional guidance is provided on how to aggregate and disaggregate information on the face of financial statements and the notes in order to provide more detailed and useful information to users.
IFRS 18 is applied retrospectively with the comparative period restated.

IFRS 19. Subsidiaries without Public Accountability: Disclosures
IFRS 19 is a voluntary standard that will not be required in order to claim compliance with IFRS Accounting Standards.
Subsidiaries without Public Accountability, who meet specific criteria, may apply this standard that provides reduced disclosure requirements instead of the disclosure requirements of other IFRS Accounting Standards.
Recognition and measurement criteria of other standards will still be required to be applied.

Intangible assets
Intangible assets acquired separately are initially recognised at cost. An intangible asset is recognised if it is probable that future economic benefits associated with the asset will flow to the Company and the asset's value can be measured reliably. After initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortised on a straight-line basis over their estimated useful lives of 5 years or less if shorter periods are required by law or accounting standards.

Software
The cost of new software is capitalised and recognised as an intangible asset to the extent that it is not a component of computer hardware. Software is amortised over a period of three years. The useful lives, residual values and amortisation method are reviewed annually to ensure that they are consistent with the intended use of the intangible asset.

Intangible assets are assessed for impairment when there is an indication that the asset may be impaired.

Equipment
Tangible fixed assets are carried at cost less accumulated depreciation and estimated impairment losses. When an asset is sold or written off, its cost and accumulated depreciation are eliminated in the accounts and the gain or loss on sale is recorded in the profit and loss account.

The initial cost of property, plant and equipment consists of the purchase price, including non-refundable acquisition taxes and all directly attributable costs associated with bringing the asset to the point of use or placing it in service. Costs, such as repairs and maintenance, incurred after the property, plant and equipment is brought into use are generally charged to the income statement in the period in which they are incurred. Where it can be clearly demonstrated that the expenditure will result in an increase in the economic benefits to be derived from the use of the property, plant and equipment and/or an increase in the estimated useful life of the property, plant and equipment, the expenditure is capitalised and added to the cost of the property, plant and equipment. The Company classifies as fixed assets those assets with an estimated useful life of more than one year and a minimum value of EUR 300.

Depreciation is provided using the straight-line method over such useful lives:

Vechicles	5-6 years
Office equipment, furniture and tools	3-6 years
Computer equipment and communication	3 years

Useful lives and residual values are reviewed annually and adjusted as necessary.
Construction in progress is carried at acquisition cost. This comprises the value of construction, structures and equipment and other directly attributable costs. Depreciation of construction in progress is not charged until the construction is completed and the asset is put into use.

Financial assets
In accordance with IAS 39 Financial Instruments: Recognition and Measurement, the Company's financial assets are classified as loans and receivables.

Receivables and loans granted
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. Such assets are carried at amortised cost using the effective interest rate method. A gain or loss is recognised in profit or loss when the asset is written down, impaired or amortised.

An impairment of receivables is recorded when there is an indication that the receivables may be impaired, in which case the carrying amount of the receivables is reduced using an impairment account. Impaired receivables are written off when they are assessed as uncollectible.

Derecognition of financial assets and liabilities

Financial assets

A financial asset (or, where appropriate, part of a financial asset or part of a group of similar financial assets) is derecognised when:

• the right to the cash flows from the financial asset expires;

• the Company retains the right to the cash flows but assumes an obligation to pay the full amount to a third party under a transfer agreement within a short period of time.

Financial liabilities

A financial liability is derecognised when it is settled, cancelled or expires. When one existing financial liability is replaced by another to the same lender but on different terms, or when the terms of an existing liability are substantially modified, the change is treated as a derecognition of the original liability and the creation of a new liability. The difference between the respective carrying amounts is recognised in profit or loss.

Cash and cash equivalents

Cash consists of cash in hand and in bank accounts, and cash on the move. Cash equivalents are short-term, highly liquid investments that are easily convertible into a known amount of money. These investments have a maturity of less than three months and are subject to very little risk of changes in value.

For the purpose of preparing the cash flow statement, cash and cash equivalents are cash in hand and in bank accounts and other short-term liquid investments not exceeding three months.

Shareholders' equity

Equity includes: paid-up share capital, share premium, revaluation reserve, statutory reserve, other reserves, retained earnings (loss).

The amount of the Company's capital shall be equal to the sum of the nominal values of all the Company's

If the Company revalues its property, plant and equipment, the amount of the increase is recorded in the asset and equity accounts. Within equity, the amount is recorded in the revaluation reserve (results) account.

If a reduction in the revaluation reserve (results) is recorded because of the depreciation of a previously revalued asset, the revaluation reserve (results) is reduced by the amount by which the asset was depreciated. If the amount of the impairment exceeds the amount of the revaluation reserve (results) for that asset, a reduction in the revaluation reserve (results) and an impairment loss shall be recorded. If a decrease in the revaluation reserve (results) is recorded as a result of a write-down, disposal or other transfer of a revalued asset, the revaluation reserve (results) is reduced only by the amount attributable to that asset. The amount by which the revaluation reserve (results) is reduced increases retained earnings (decreases losses). When a revalued asset is depreciated, a reduction in the revaluation reserve (results) is recorded. This reserve (result) is reduced by the amount by which the revaluation of the asset increased depreciation expense. The amount by which the revaluation reserve/result is reduced increases retained earnings (decreases losses).

The Company's statutory reserve is made up of deductions from net profit and is used to cover losses. If the amount of the required reserve is less than 1/10 of the share capital, deductions to the required reserve shall be compulsory and shall not be less than 1/20 of the net profit or such other amount as would bring the net profit to 1/10 of the share capital. When the reserve is used to reduce losses, a decrease in losses and in the statutory reserve shall be recorded in the accounts.

When the shareholders decide to establish or reduce the reserve, an increase or decrease in the reserve shall be recorded in the accounts, with a corresponding decrease or increase in retained earnings.

Retained earnings (losses) show profits or losses earned in the current and prior periods but not yet distributed or covered.

A distribution of profits is recorded in the Company's accounts when the owners decide to distribute the profits, i.e. on the date of the shareholders' meeting, irrespective of when they are earned.

The Company provides qualitative information about its capital management objectives, policies and processes,

- a description of the achievement of capital management objectives;
- a summary of the quantitative data on capital under management. Some entities consider certain financial liabilities (e.g. some types of subordinated debt) to be part of capital. Other entities exclude certain elements of equity from capital;
- any changes in information from previous periods;
- whether it has complied with all external capital requirements applicable to it during the reporting period;
- If an entity fails to meet such external capital requirements imposed on it, it shall state the reasons for the failure.

Earnings per share

A company shall calculate the amount of profit or loss attributable to ordinary equity holders of the parent, diluted by earnings per share, and (if presented) the amount of profit or loss attributable to those equity holders as a result of continuing operations.

For the purpose of calculating diluted earnings per share, the number of ordinary shares shall be the weighted average number of ordinary shares plus the weighted average number of ordinary shares that would be issued upon conversion of the fully dilutive potential ordinary shares into ordinary shares.

Commitments

Financial liabilities that have a long maturity and will not be repaid within 12 months of the balance sheet date are long-term liabilities. Loans are initially recognised at fair value less transaction costs. Subsequently, the financial liability is recognised at amortised cost, being the amount at which the financial liability was measured at initial recognition less any repayments of principal, plus or minus the cumulative amortisation of the difference between the original and the final amounts using the effective interest rate method, and less any difference relating to impairment or non-recovery of debts.

Current liabilities, such as amounts owed to suppliers or other accruals to employees and other liabilities that are for the normal development of the Company's operations. Such operating liabilities are classified as current liabilities if they will be settled within 12 months of the date of the financial statements.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred unless they are capitalised as part of the cost of the asset. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset shall be capitalised as part of the cost of that asset. The portion of borrowing costs eligible for capitalisation shall be determined in accordance with IAS 23 Borrowing Costs.

Lease accounting

Operating lease payments are allocated on a straight-line basis over the lease term and recognised in profit or loss.

Minimum lease payments are allocated to finance operating expenses and reduction of the outstanding liability. Finance charges are allocated to each period over the lease term to determine a constant rate of interest to cover the residual value of the liability in each period.

Contingent lease payments are accounted for by reviewing the minimum lease payments over the remaining lease term when the lease adjustment is approved.

When the Company is the lessee under a finance lease and substantially all the risks and rewards of ownership are transferred with the asset, the leased asset is initially recorded as a non-current asset at a cost that is less than the fair market value or, if less, the present value of the minimum lease payments. The minimum lease payments shall be presented as finance charges and a reduction of the remaining liability, respectively. Finance charges shall be spread over the lease periods so as to produce a constant rate of interest on the balances outstanding in each period. Contingent lease payments shall be expensed as incurred. The depreciable amount of a leased asset is allocated on a systematic basis over each period of the expected lease term in accordance with the lessee's depreciation accounting policy for its own depreciable assets. If it is reasonably certain that the lessee will take ownership before the end of the lease term, then the estimated useful life is the full useful life of the asset, otherwise the asset is depreciated and accounted for over the shorter of the lease term or its useful life.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an obligation to settle the obligation will arise and a reliable estimate of the amount can be made. The Company may expect that some or all of the costs required to settle the provision will be reimbursed and the reimbursement will be recognised as a separate asset. The expense related to the provision may be presented in the income statement net of the amount expected to be reimbursed.

Corporate income tax

The calculation of corporation tax is based on the annual profit for the year, after taking into account deferred corporation tax. Corporate income tax is calculated in accordance with the requirements of the tax laws of the Republic of Lithuania. The corporate income tax rate applicable to companies in the Republic of Lithuania is 15%.

Tax losses can be carried forward indefinitely, except for losses arising from the disposal of securities and/or derivatives. Such carry-forward shall cease if the enterprise ceases to carry on the activity giving rise to the losses. Losses arising from the disposal of securities and derivatives may be carried forward for a period of 5 years and shall only be covered by profits from transactions of the same nature.

Deferred income tax is accounted for using the liability method, taking into account future differences for tax purposes between the carrying amounts of assets and liabilities in the financial statements and their respective tax bases. Deferred tax reflects the net tax effect of temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred tax assets and liabilities are measured at the tax rate that is expected to apply in the period in which the asset is realised or the liability settled, based on tax rates enacted at the statement of financial position date.

Deferred tax assets are recognised in the statement of financial position to the extent that the Company's management expects that they will be realised in the foreseeable future, taking into account forecasts of taxable profit. If it is probable that part of the deferred tax will not be realised, that part of the deferred tax is not recognised

Revenue recognition

Revenue is recognised when it is probable that the economic benefits associated with the transaction will flow to the Company and the amount of revenue can be measured reliably. Sales are accounted for net of VAT and discounts Revenue from the sale of services is recognised when the services have been rendered and the risks and rewards of the services have been transferred.

The Company recognises revenue from the sale of services at the beginning of each month before the services are Interest income is accounted for on an accrual basis (using the effective interest rate).

Cost recognition

Costs are recognised on an accruals and comparative basis in the period in which the related income is earned, irrespective of the timing of cash outflows. Where expenses incurred during the period cannot be directly attributed to the generation of specific income and will not generate income in future periods, they are recognised as an expense in the period in which they are incurred.

The amount of the expense is generally measured at the amount of cash paid or payable, excluding VAT. In cases where there is a long settlement period and interest is not earned, the amount of the expense is estimated by discounting the settlement amount at the market interest rate.

Operating expenses represent the costs incurred during the reporting period in connection with the typical activities of the enterprise. The Company classifies all operating expenses as general administrative expenses. General and administrative expenses are the portion of operating expenses for the period that relates to the typical activities of the enterprise that generate revenue for the period. General and administrative expenses are recognised, recorded and reported in the financial statements in the same period in which they are incurred.

Financial risk management policy

Credit risk

The Company's credit risk is mainly related to trade receivables. In the balance sheet, receivables are presented net of doubtful receivables, which are estimated by the Company's management based on historical experience and the current economic environment.

The Company does not have a significant concentration of credit risk as credit risk is spread over a large number of

Interest rate risk

The Company did not have any financial instruments designed to manage the risk of interest rate fluctuations.

Impairment of assets

Financial assets

Financial assets are assessed for impairment at each statement of financial position date. When it becomes apparent that the Company will not recover all of its loans and receivables when due, impairment losses on financial assets carried at amortised cost or bad debts are recognised in the income statement. Reversals of impairment losses recognised in prior periods are accounted for when the reversal of those losses can be objectively supported by events occurring after the impairment was recognised. Such reversals are accounted for in the income statement. However, the increase in the carrying amount is increased only to the extent that it does not exceed the amortised cost that would have existed if the impairment had not been recognised.

Other assets

Other assets are assessed for impairment when events or circumstances indicate that the asset may not be recoverable. When the carrying amount exceeds the asset's recoverable amount, an impairment loss is recognised in the income statement. A reversal of an impairment loss recorded in prior periods is accounted for when there is an indication that the recognised impairment loss on the asset no longer exists or has decreased materially. The reversal is accounted for in the income statement in the same line item in which the impairment loss was recorded.

An impairment loss is recognised to the extent that the carrying amount of the asset exceeds the amount expected to be recovered. The recoverable amount is the higher of the asset's fair value less costs to sell and its value in use. In measuring value in use, the expected future cash flows are discounted to their present value using a pre-tax discount rate that reflects realistic market assumptions about the time value of money and the risks inherent in the asset that have not been considered in the calculation of cash flows.

In determining impairment, assets are grouped into the smallest groups for which individual cash flows (cash-generating units) can be identified.

Use of estimates in preparing financial statements

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties. Significant areas in these financial statements where estimates are used include the determination of the fair value of property, plant and equipment, depreciation, impairment of property, plant and equipment and impairment of receivables, and the assessment of the recognition of income for long-term employee benefits. Future events may change the assumptions used in making the estimates. The result of such changes in estimates will be recorded in the financial statements when determined.

Uncertainties

Contingent liabilities are not recognised in the financial statements. They are disclosed in the notes unless the probability of loss of economic benefits is remote.

Contingent assets are not recognised in the financial statements. It is designated in the notes when it is probable that income or economic benefits will flow.

Events after the balance sheet date

Subsequent events that provide additional information about the Company's position at the balance sheet date (adjusting events) are reflected in the financial statements. Sub-accounting events that are not adjusting events are described in the notes if material.

Offsets and comparative figures

Assets and liabilities and income and expenses are not offset in the preparation of the financial statements unless a separate standard requires such offsetting.

Related parties

Parties are said to be related if one of the parties is in a position to control the other party or to exercise significant influence over the other party in financial and other decisions. Related parties include shareholders, employees, members of the Board of Directors, their close relatives and companies that directly or indirectly through an intermediary control the Company or are controlled, either individually or jointly, by another party that is also considered a related party. A related party transaction is a transfer of assets and liabilities or the provision of services, whether or not for consideration, between related parties.

Parties are related if one of the parties has the ability to control the other party or to exercise significant influence over the other party in making financial or other decisions. Related parties include shareholders, employees, members of the Board, their close relatives and entities that control the Company, directly or indirectly through an intermediary, or that are controlled, either individually or jointly, by another party that is also a related party. A related party transaction is a transfer of assets and liabilities or the provision of services, whether or not for consideration, between related parties.

(All amounts are presented in Euros, unless indicated otherwise)

Notes

1. Non-current Intangible Assets

Items	Software
Acquisition value	
31 December 2023	236 734
Acquired	125 287
Written-off (-)	
Reclassifications	
31 December 2024	362 021
Accumulated amortization	
31 December 2023	60 748
Calculated for the period	93 297
Written-off (-)	
Reclassifications	
31 December 2024	154 045
Balance value	
31 December 2023	175 986
31 December 2024	207 976

Amortization of non-current intangible assets (EUR 93 297) is disclosed in the statement of comprehensive income under general and administrative expenses.

(All amounts are presented in Euros, unless indicated otherwise)

1. Non-current Tangible Assets

Items	Computer equipment	Vehicles	Total
Acquisition value			
31 December 2023	29 998	49 600	79 598
Acquired from	6 462		6 462
Written off (-)			
Reclassifications			
31 December 2024	36 460	49 600	86 060
Revaluation/depreciation			
31 December 2023			
Revalued (+), devalued (-)			
Depreciated during the period			
31 December 2024			
Accumulated depreciation			
31 December 2023	13 998	21 356	35 354
Charged for the period	8 671	8 267	16 938
Written off (-)			
Reclassifications			
31 December 2024	22 669	29 623	52 292
Balance value			
31 December 2023	16 000	28 244	44 244
31 December 2024	13 791	19 977	33 768

There are no indications of depreciation of tangible fixed assets. Depreciation of property, plant and equipment (EUR 16 696) is disclosed in the statement of comprehensive income under general and administrative expenses.

Balance value of leased assets

Asset group	**2024-12-31**	**2023-12-31**
Vehicles		28 244
Other equipment, appliances and tools	4 238	2 209
Total	**4 238**	**30 453**

Future operating lease payments

	2024-12-31
Within one year	1 572
One to five years	181
After five years	
Total	**1 753**

(All amounts are presented in Euros, unless indicated otherwise)

3. Financial assets

	<1 year	1-3 year	Total
31-12-2024			
Loans receivable and accrued interest	11 363 851	15 670 100	27 033 951
Total	**11 363 851**	**15 670 100**	**27 033 951**
31-12-2023			
Loans receivable and accrued interest	12 157 645	12 462 647	24 620 292
Total	**12 157 645**	**12 462 647**	**24 620 292**

As of December 31, 2024, loans receivable are pledged as collateral for bond obligations.
Loans are granted in Lithuania, Latvia and Poland. The average interest rate on loans granted in Lithuania is 13%, in Latvia - 17%, in Poland - 17%.
Loans are granted for a period of 12-36 months. The average loan period is 30 months.

	31-12-2024	2023-12-31
Opening loss allowance at 1 January	**-95 000**	**-115 000**
Decrease in allowance recognised in profit or (loss) durring the year		20 000
Increase in allowance recognised in profit or (loss) durring the year	-526 312	
Closing loss allowance at 31 December	**-621 312**	**-95 000**

Provisions are formed on defaulted term loans and the presence of portfolio guarantees. Defaulted loans without guarantees are assessed conservatively – provisions for such loans amount to 50% of the overdue loan balance. Meanwhile, for defaulted loans with portfolio guarantees, provisions are calculated only on the non-guaranteed portion of the loan.

(All amounts are presented in Euros, unless indicated otherwise)

4. Deferred income tax assets

Taxable and deductible temporary differences	Basis for deferred tax assets	Rate %	Deferred income tax assets
31-12-2024			
Holiday accumulations	86 486	16	13 838
Tax losses			
Impairment of bad and doubtful debts	621 312	16	99 410
Total	**707 798**	**16**	**113 248**
31-12-2023			
Holiday accumulations	79 630	15	11 945
Tax losses	224 262	15	33 639
Impairment of bad and doubtful debts	95 000	15	14 250
Total	**398 892**	**15**	**59 834**
Result			**-53 414**

Deferred income tax assets were calculated for the first time, resulting in an adjustment made through the statement of changes in equity for comparative data.

6. Amounts Receivable

	31-12-2024	31-12-2023
Amounts Receivable within one year		
Receivables from customers	7 534	7 317
Receivables from employees		20 972
	5 759	
Short-term loans	5 255	477
Total	**18 548**	**28 766**

7. Prepayments

	31-12-2024	31-12-2023
Long-term paid advance payments	17 460	
Paid advance payments	29 130	104 229
Deferred costs	57 226	1 423
Total	**103 817**	**105 652**

(All amounts are presented in Euros, unless indicated otherwise)

8. Cash

	31-12-2024	31-12-2023
Cash in bank	228 337	1 957 956
Total	**228 337**	**1 957 956**

9. Authorised Capital Structure

In 2024, the company's share capital was EUR 1 130 610. All of the shares of Company, each with a nominal value of EUR 43,13, are ordinary shares and were fully paid up on 31 December 2024. During 2024, the Company increased its authorized capital by issuing new ordinary registered book-entry shares. On 30 January 2024, an additional 1,147 units of the Company's shares were issued. On 25 June 2024 - 1,067 units. Share premium as of 31-12-2024 amounted to EUR 734 542 (as of 31-12-2023 share premium amounted EUR 32).

9.1. Profit distribution project

Item	Year	Amount
Retained result - profit (loss)	31-12-2023	129 988
Net result of the financial year - profit (loss)		439 213
Result available for distribution - profit (loss) at the end of the financial year	31-12-2024	629 034
Shareholder contributions to cover the loss		
Transfers from reserves		
Profit available for distribution		**629 034**
Profit distribution:		
- to legal reserves		113 061
- to other reserves		
- to dividends		
- other		
Retained result - profit (loss)		**515 973**

9.2. Statutory reserve

The company's statutory reserve was not formed in 2024 and 2023.

9.3. Earnings per share

Earnings per share is calculated by dividing the net profit/loss for the period by the weighted average number of ordinary shares in issue during the period.

The weighted average share price in 2024 was 25 585 units.

Profit (loss) per share:

	31-12-2024	31-12-2023
Net profit (loss), EUR	439 213	28 925
Weighted average number of ordinary shares in	25 585	24 000
Ordinary earnings (loss) per share (EUR per share)	**17,17**	**1,21**

(All amounts are presented in Euros, unless indicated otherwise)

10. Long-term debts

	31-12-2024	31-12-2023
Loans received	8 247 220	11 342 720
Long-term portion of bonds	3 300 000	8 302 698
Provisions for financial guarantees	2 372 999	652 793
Payables for lease companies	181	302
Non-currect advanced payments received	17 460	
	13 937 860	**20 298 512**

As of December 31, 2024, long-term liabilities with a duration exceeding 5 years amount to EUR 1 million subordinated loan from the European Investment Fund (EIF).

As of December 31, 2024, loans received and bonds have an average interest rate of 7%.

As of December 31, 2024, loans receivable are pledged as collateral for bond obligations.

11. Amounts Payable Within One Year

	31-12-2024	31-12-2023
Current loans received	4 996 025	4 967 000
Short-term portion of bonds	5 794 000	
Trade payables	57 663	43 104
Payroll liabilities	20 745	42 506
Lease liabilities	1 572	24 004
Income tax liabilities	58 977	
Vacation payable accrued	86 486	79 630
Other liabilities	258 006	189 873
	11 273 474	**5 346 117**

As of December 31, 2024, loans received and bonds have an average interest rate of 7%.

As of December 31, 2024, loans receivable are pledged as collateral for bond obligations.

12. Sales revenue

	2024	2023
	January - December	
Contract fee and interest	4 285 965	2 771 448
Contract fee and interest in Latvia	43 762	67 988
Revenue from fines and late payment interest	391 324	185 821
Other revenue		30 714
	4 721 051	**3 055 971**

13. Cost of sales

	2024	2023
	January - December	
Interest	1 552 670	1 013 419
Recovery costs, legal		52 505
Bond discounts	45 426	
Other expenses	512	223 183
	1 598 608	**1 289 107**

(All amounts are presented in Euros, unless indicated otherwise)

14. General and administrative costs

	2024	2023
	January - December	
Salary costs	1 013 218	921 237
Car operating and rental costs	21 807	20 769
Accounting and auditing costs	38 434	31 696
Provision expenses	526 312	(20 000)
Depreciation and amortization	96 735	65 873
Ofice rent and maintenance costs	118 917	101 716
Communication services	42 352	34 982
Recovery costs, legal	191 799	
Other	418 562	217 527
	2 468 136	**1 373 800**

15. Financing and Investing Activities

	2024	2023
	January - December	
Income from financial activities	**93 106**	**27 657**
Interest		22 145
Positive effect of currency exchange	93 106	5 512
Cost of financial activities	**72 782**	**5 306**
Interest		
Negative effect of currency exchange		967
Other finance and investment costs	72 782	4 339
Results	**20 325**	**22 351**

16. Income Tax Costs

	2024	2023
	January - December	
16.1. Components of profit tax cost (income)		
Income tax expense for the year under review	59 083	119
Deferred income tax costs (income)	(53 414)	
Income tax (income) cost recognised in the income statement	**5 669**	**119**

	2024	2023
	January - December	
16.2. Profit before tax	**444 882**	**29 044**
Tax-free income (-), income not included in the tax base (-) and expenses not reducing taxable profit (+)	173 265	(165 821)
Amount of operating losses deducted from operating	(224 262)	
Income tax expense recognised in the income statement	**59 083**	

Income tax expense for the period includes income tax for the period and deferred income tax. Profit (loss) for 2024 is taxed at a corporate tax rate of 15% (2025: 16%) in accordance with the tax laws of the Republic of Lithuania.

(All amounts are presented in Euros, unless indicated otherwise)

17. Financial assets and liabilities, risk management

Credit risk

The Company is exposed to credit risk – this is the risk that a counterparty to a financial instrument will fail to meet its obligations, resulting in financial losses for the Company.

The concentration of trading counterparties within the Company is very low, and the existing internal control procedures ensure that sales are made only to customers with an appropriate credit history and within approved credit limits. All new customers are assessed using publicly available data and internal databases, while existing customers are continuously evaluated based on their payment history.

The highest credit risk exposure is reflected in the carrying amount of each financial asset. Therefore, the Company considers that its maximum credit risk exposure is equal to the total carrying amount of long-term and short-term receivables, less the allowances for expected credit losses recognized as of the balance sheet date.

Credit risk is also monitored through the aging analysis of receivables, which is conducted on a monthly basis.

The Company continuously improves its risk management measures to ensure an effective credit control process and to minimize potential financial losses.

Financial assets at amortized cost		
Non-current financial assets	15 687 560	12 462 647
Current financial assets	11 363 851	12 157 645
Cash and cash equivalents	228 337	1 957 956
Maximum credit rist exposure	**27 279 748**	**26 578 248**

Cash at bank may be measured by the bank's credit risk ratio. The bank's credit quality was assessed based on Standard & Poor's long-term credit ratings. The table below presents cash and cash equivalents by bank credit rating:

	2024-12-31	2023-12-31
Cash and cash equivalents		
A+	133 678	1 711 178
Other	94 659	246 778
Cash and cash equivalents in total	**228 337**	**1 957 956**

Liquidity risk

The Company's policy is to maintain an adequate level of cash and cash equivalents or to ensure access to financing through a sufficient amount of committed credit facilities in order to meet all obligations under strategic plans at any given time.As of 31 December 2024, the Company’s liquidity ratio (current assets / current liabilities) amounted to 1.04, compared to 2.67 at the same date in 2023.

The Company's management implements internal liquidity risk management procedures to ensure the timely fulfilment of its obligations.

The Company is subject to a financial covenant requiring the liquidity ratio to be not less than 1. Management continuously monitors this indicator to ensure compliance with the covenant requirements.

Fair value of financial assets and liabilities

The Company's main financial instruments that are not measured at fair value are cash, non-current financial assets, current financial assets, trade and other payables, and long-term and short-term debt liabilities. All of the Company's financial assets are classified as "Financial assets measured at amortized cost". All of the Company's financial liabilities are classified as "Other financial liabilities measured at amortized cost".

Fair value is defined as the amount for which an instrument could be exchanged between knowledgeable, willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair value is determined based on publicly available market prices, discounted cash flow models, and option pricing models, taking into account appropriate methods.

The fair value of debt is calculated by discounting expected future cash flows at current interest rates. The fair value of loans and other financial assets is calculated using market interest rates.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments:

a) Cash, trade and other payables, loans granted and short-term debt obligations have fair values that approximate their carrying amounts.

b) The fair value of long-term debt obligations is based on publicly quoted market prices for similar or analogous debt obligations or current interest rates applicable to debt obligations with the same repayment profile. The fair value of long-term debt obligations with variable interest rates approximates their carrying amounts.

Capital management

The main objective of the Company's capital management is to ensure that the Company complies with externally imposed capital requirements and maintains a healthy capital ratio in order to sustain its operations and maximize shareholder value (capital includes equity presented in the financial statements).

The Company manages its capital structure and adjusts it taking into account changes in economic conditions and operational risk characteristics. In order to maintain or adjust the capital structure, the Company may issue new shares, adjust the payment of dividends to shareholders or return capital to shareholders. During the financial years ended 31 December 2024 and 31 December 2023, there were no changes to the capital management objectives, policies or processes.

According to the Law on Joint Stock Companies of the Republic of Lithuania, the Company must maintain its equity capital at least 50% of the authorized capital (which consists of authorized capital and share premium). No other externally imposed capital requirements were applied to the Company. As of December 31, 2024 and December 31, 2023, the Company did not violate the above requirement.

Capital is monitored using a debt-to-equity ratio, which should not be less than 45%. Capital includes ordinary shares, reserves and retained earnings attributable to equity holders of the parent company. The Company's management has not set a specific debt-to-equity ratio target, but the current ratios below are considered indicators of sustainable performance.

(All amounts are presented in Euros, unless indicated otherwise)

Liabilities to equity ratio:

	2024-12-31	2023-12-31
Non-current liabilities	13 971 985	20 421 638
Current liabilities	11 273 474	5 346 117
Total liabilities	**25 245 459**	**25 767 755**
Equity	**2 494 186**	**1 165 140**
Liabilities/equity ratio	10,12	22,12

18. Off-balance sheet commitments and contingencies

In 2021, UAB Noviti and INVEGA agreed on the new, relevant version of the agreement signed on April 27, 2020, regarding the incentive financial instrument "Loans to businesses most affected by COVID-19", according to which UAB Noviti does not assume the risk of non-repayment of the Loan and non-payment of other payments under the Loan Agreement. Therefore, in accordance with IAS 37, contingent liabilities are not shown in the company's balance sheet.

19. Related party transactions

Salaries and other benefits of management

	2024-12-31	2023-12-31
Number of board members	5	5
Salary	162 858	142 824
Other payments	48 946	36 603
Social insurance	2 180	1 917

The number of managers includes persons who were replaced in 2024.

In 2024, the Company's management consisted of: the director and four external individuals.

In 2024 and 2023, no guarantees were provided to the Company's management, nor were any other payments or transfers of assets made or accrued.

Transactions with other related parties

Parties are considered related when one party has the ability to control the other or exercise significant influence over the other party in making financial and operating decisions. As of December 31, 2024 and December 31, 2021, the Company's related parties were:

- Linas Armalys
- UAB KIP Investicijos
- MB 42 Ventures
- Šarūnas Šlimas
- HELENOS fund

(All amounts are presented in Euros, unless indicated otherwise)

	Amounts payable		Amounts receivable	
Related parties	**2024-12-31**	**2023-12-31**	**2024-12-31**	**2023-12-31**
Shareholders with a significant number	55		155 145	91 448
Other related parties	550 000	530 000		
Total	**550 055**	**530 000**	**155 145**	**91 448**

	Income		Acquisitions	
Related parties	**2024**	**2023**	**2024**	**2023**
Shareholders with a significant number	5 858	476		
Other related parties			77 726	49 500
Total	**5 858**	**476**	**77 726**	**49 500**

20. Rights and Obligations of the Company Not Indicated in the Balance Sheet

Company did not receive or issue bank guarantees or sponsorships, was not involved in any legal proceedings, which could have significant influence on the financial statements.

21. Events after the Balance Sheet Date

No other post-accounting events have occurred after the end of the financial year and up to the date of approval of these financial statements that would have an impact on the financial statements or need to be disclosed.

Director Linas Armalys ______________________

Authorized person of a company providing accounting services ______________________
UAB "Aruditas" Vytautas Vasiliauskas

The date of electronic signature

UAB "Noviti"

Company code: 304065353

Address: Konstitucijos Ave. 26, Forum Palace, LT-08106 Vilnius, Lithuania

MANAGEMENT REPORT

For the financial year ended 31 December 2024

UAB "Noviti" is a private limited liability company registered in the Republic of Lithuania, established on 17 February 2015. The company specializes in lending to small and medium-sized enterprises and business consultancy services. It does not belong to any group of companies and has no subsidiaries, associates, or jointly controlled entities.

In 2024, the company continued its operations in Lithuania, Latvia, and Poland, maintained stable financial standing, and expanded its loan portfolio.

The main risks faced by the company include credit risk, liquidity risk, regulatory and legal changes, and market competition. These risks are managed through a strict client assessment process, internal control policies, and consistent business analysis.

The company achieved positive financial results in 2024. The average number of employees increased from 15 in 2023 to 19 in 2024.

In terms of environmental responsibility, the company is implementing electronic systems and striving to reduce paper usage. Employee management focuses on improving working conditions and enhancing staff qualifications.

As of 31 December 2024, the company’s share capital amounted to EUR 1,130,610. All 26,214 shares are ordinary registered book-entry shares, each with a nominal value of EUR 43.13, and were fully paid up by the end of 2024.

During the reporting year, the company conducted capital increases:

- On 30 January 2024, 1,147 new shares were issued;

- On 25 June 2024, 1,067 new shares were issued.

The company has one branch in Latvia – UAB Noviti Filiale Latvija, legal entity code: 55403056371, address: Dzirnavu Street 57a, Riga, LV-1010. The branch's data is included in the company’s annual financial statements.

In the near future, the company plans to continue its digitization efforts, improve customer service processes, grow the loan portfolio, and enter the Czech market in 2026.

The company is developing internal IT systems and creating automated solutions for creditworthiness assessment and risk management.

The company manages the following risks:

- Credit risk: through a rigorous evaluation system and credit analysis. Technical tools are also used to process information and support decision-making on client financing.

- Liquidity risk: by maintaining adequate cash reserves.

- Cash flow risk: managed via conservative forecasting and financial planning.

Hedge accounting is not applied.

CEO Linas Armalys works full-time at UAB Noviti and holds no other positions in any other companies. He owns 100% of UAB “Volantis Ventures”.

Board member Vytautas Kubilius is the Director of Google Baltic.

Board member Vytautas Kaikaris is not currently active in Lithuania.

Board member Karolis Pikūnas is not currently active in Lithuania.

Board member Michal Radziwil is not active in Lithuania. He is the Chief Financial Officer of Inpulse, an investment management company registered in the Kingdom of Belgium. Inpulse manages the “Helenos” fund (also registered in Belgium), which is a shareholder of UAB “Noviti”.

Director Linas Armalys