

Know
what you
own, and
know why
you own
it.



Alius Jakubėlis | "Orion" CEO

2021: The world & Lithuania

While still struggling with the pandemic and its consequences, the world is now facing new challenges: the war in Ukraine and inflation.

As unfortunate as it is, the Western world continues to witness the barbaric attacks by the Russian Federation against the peaceful and democratic state of Ukraine and its people. We are seeing large flows of war refugees to neighboring countries, as well as to Lithuania, as the humanitarian crisis matures. We understand that this is a major test for human rights, the international community, and international law. It is also a war against the values cherished by the Western world.

The war in Ukraine and the imposition of international sanctions on Russia have severely affected the already high energy and raw material prices. As early as the first half of 2021, central banks calmed the markets, saying that inflation was only temporary and linked it to a pandemic and disrupted logistics chains. Economic stimulus continued, and many did not even see the bigger threat.

Everything started to change in the second half of the year. In September, markets began to wait for the first indications from the US Federal Reserve about raising interest rates. The tone remained unchanged initially, the stimulus continued, and inflation rose. The US has had a 40-year high inflation rate, and Europe is not lagging behind either. The growth rate of the countries' economies remained unchanged, but there was a massive shortage of components and raw materials. Most stock markets in 2021 recorded positive returns. The US S&P 500 index rose 26.9% over the year, while the Euro Stoxx 50 rose 21%. The raw materials that stood out the most were those that grew the most during the year, some almost double or even more (e.g., gas). Even the change in sentiment at the end of the year did not destroy the performance of the indices for the whole year.

The year 2021 began with the de facto withdrawal of the United Kingdom from the European Union (the transition period ended), the massive Black Lives Matter movement started in the United States, and tensions between the United States and China prevailed in the markets. The Chinese government has begun to interfere in the activities and management of its country's major companies. Several Chinese real estate development companies have found themselves on the brink of insolvency, raising fears that it will not lead to an international financial crisis. Some global investment banks have rated the Chinese market as particularly risky for investment.

Lithuania is doing well

The recorded economic growth in 2021 shows that Lithuania has managed to prepare properly for the pandemic. Lithuanian exporters continued to increase

their sales in foreign markets. The production volume of many manufacturing companies was the highest in the last few years. Successful development in foreign markets, companies' sound financial position, and other factors have contributed to the recovery of private sector investment.

In 2021, Lithuania's GDP amounted to 55.4 billion euros. Compared to last year, it increased by 5.1%. Last year, retail trade and services (2.6%), manufacturing (2.6%), and industry (2.1%) grew the most. The largest increases were in chemical products (45.6%), cars and trailers (39.9%), other vehicles and equipment (34.9%), metals (28.9%), manufacture of computers, electronics, and optical products (28.2%).

In December 2021, annual inflation reached 10.6% and was the highest in the last five years. Inflationary pressures were fueled by 24.6% increased prices for housing-related products and services, such as water, electricity, gas, and other fuels.

Prices for transport products and services went up by 17.8% last year, and for food and non-alcoholic beverages - by 10.4%. 2021 The average annual inflation calculated according to the harmonized index of consumer prices was 2.9% in the EU and 4.6% in Lithuania.

Last year, Lithuanian real estate prices reached an all-time high. In the third quarter of 2021, compared to the same period last year, they rose by 18.9%. Economic growth has improved the labor market. The average monthly pre-tax salary increased by more than 10% in Lithuania last year and amounted to 1,568 euros. The average salary after taxes was 995.3 euros. In 2021, real wages rose by 4.1%, in line with inflation. Employees earned the highest net earnings in the information and communication sectors (around €1,721), financial and insurance activities (around €1,612), and professional, scientific, and technical activities (around €1,230). The median after-tax salary was €804, i.e., half of the country's workers earned €804 or less. Last year, Lithuania exported goods worth 34.5 billion and imported goods worth €37.5 billion. Compared to the previous year, in 2021, exports rose by 20.3%, and imports increased by 28.5%. In January-November last year, the main export directions of Lithuania were Russia, Latvia, Germany, and Poland. The chemical and related sectors accounted for 14.9%, machinery and electrical equipment (13.5%), and mineral products (10%). Similarly, imports into the country were mainly machinery and mechanical appliances (17.8%), mineral products (17.3%), and chemical and allied products (17.3%).

Last year, accumulated foreign direct investment in Lithuania increased by 4.1%. If in 2021, in September amounted to 24.8 billion euros. Sweden, Estonia, the Netherlands, Hong Kong, Poland, and Cyprus invested the most in Lithuania, followed by Germany.

Lithuania's accumulated foreign direct investment rose by 4.4 percent last year and, in September 2021, amounted to 9 billion euros. Most money was invested in the United States, Latvia, Estonia, Cyprus, and the Netherlands.

Situation in capital markets

The 2022 markets began with only two themes: inflation and tensions between Russia and Ukraine. The sanctions imposed on Russia will significantly impact the European stock market, as companies in many countries have one or another interest in Russia. Rising commodity prices will also affect the results, as Europe will have to find a way to distance itself from Russian gas and fuel. U.S. markets are not expected to be significantly affected, but high inflation and its controls will be closely monitored. Historically, the interest rate for the last 70 years has been about 1-2% higher than inflation. We are now observing a situation where inflation in the U.S. is 7.5%, and interest rates are close to zero. Some large investment banks expect interest rates to rise to 2%, which could strongly impact expensive growth stocks. As of the end of 2021, markets should prioritize stocks of value and quality.

Forecast for 2022

Economic activity is expected to slow to 3% this year. Although household incomes will continue to grow strongly, labor shortages remain partly due to faster wage growth. Rising inflation is expected to have a negative impact on private spending. Investment is likely to be significantly affected by slower growth of domestic and international demand and prolonged concerns about the ongoing epidemic. Increased revenues from EU funds should have a positive impact on investment. In addition to the projected slowdown in the economic growth of major trading partners, the geopolitical turmoil caused by Russia's invasion of Ukraine in 2022 is likely to have a negative impact on exports.

At the end of 2021, inflation in Lithuania accelerated mainly due to higher energy prices. Despite the Lithuanian government's efforts to spread the growth of administered energy prices over the next few years, inflation is projected to increase in 2022, according to the harmonized index of consumer prices, due to the carry-over effect and continued high energy prices will increase by 6.7%.

Service prices are also likely to rise at the fastest pace in more than a decade, as they are particularly driven by rising wages and recovering domestic demand. Other consumption expenditures are expected to increase, mainly for global reasons, such as shortages of intermediate and final consumer goods. Inflation is projected to fall to 2-3% in 2023 as energy prices return to normal and commodity shortages decline.

Diversification is now more critical than ever for investors. It is vital that you feel safe about the allocation of your assets. We've seen how most asset classes have risen in price over the past few years, so investors often get the impression that investing is straightforward. However, given the market correction at the beginning of the year, it is recommended to have a balanced (growth and value) equity portfolio.

And finally, the most important thing is not to panic and make hasty decisions. Severe market fluctuations and geopolitical events can lead to poor investment decisions. It is advisable to consult your investment advisor to help you formulate investment strategies and risk management.

I wish clients and investors inner peace of mind and the right investment decisions.





Our services:

Wealth management Orion Wealth
Investment banking
Capital markets
Corporate finance
Issuers accounting
Depositary
Leasing for business Orion Leasing



We operate in Lithuanian, Latvian, Estonian, Polish, Norwegian, British and US markets.

Taking care of investors' financial well-being since 1993



Our results

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Since 1993	One of the longest-running independent investment banking companies in Lithuania.
5,534 billion Eur	Investor assets under management and value of securities in 2021.
25%	Profit growth by 25% in 2021.
200+ million Eur	Value of transactions in the corporate finance department.
100+ million Eur	Capital raised for businesses.
7	Number of Lithuanian companies we helped with initial public offering.
977,5 million Eur	Annual trading turnover of the capital markets department.
25 funds	25 successfully distributed funds with a total amount exceeding 200 million Eur.
8,1 million Eur	The size of the philanthropic fund "MJJ fondas" at the end of the year. It has grown by as much as 113,84% since its establishment.
400+	Issuers accounting services provided to more than 400 Lithuanian companies.





Orion Dakar Team won first place in the Dakar2022 competition

Representing the Orion Dakar Team, Arūnas Gelažninkas crossed the finish line on February 14 and secured first place in the singles stand for the second time.

In 2021, A. Gelažninkas won a historic victory in the Dakar Rally - he took first place in the "Original by Motul" class of singles.

We are glad that again this year, the motorcyclist managed to overcome the challenges on the track and, after covering 7,324 kilometers in Saudi Arabia, finished first.

Read more about A. Gelažninkas' adventures on the racetrack on his Facebook account, where he kept a consistent diary about his path to victory.



#OrionDakarTeam

Arūnas
Gelažninkas

Wealth management



Mindaugas Strėlis
"Orion Wealth" CEO

"After 30 years of independence, we are feeling a big change in the financial and business market – not only the wishes, needs and sentiments of investors are changing, but also the generations that dispose of these assets are changing. As people become more financially literate and technologically advanced, we realize that it is no longer enough to be just a financial advisor – we want to become an equal partner for our investors. The "Orion Wealth" team is committed not only to accompanying the investor at every step from the idea to its implementation, but also to investing and taking risks together. We believe in what we do, so we want to ensure one hundred percent investor confidence." – M. Strėlis



Tailored solutions for your exclusive needs

Our experience of serving investors since 1993 has shown that all investors have a common goal – to take care of their family, business or community. In the meantime, it is our responsibility to ensure that the property is protected, mobile and ready for transfer.

Against the background of a dynamic financial market and an ever-changing regulatory environment, "Orion Wealth" ensures the fulfillment of complex needs and the achievement of set goals. Let your property serve you not only today but also in the future.

Long-term partnership according to your needs

"Orion Wealth" - is an independent multi-family bureau, providing integrated asset management, optimization and planning services to individuals, families and legal entities.

Investment management

- Creating a personal investment strategy
- Asset analysis
- Risk management

Project development and management

- Project implementation at all stages of operation
- Search for strategic partners
- Co-investment

Inheritance planning

- Individually developed solutions
- Asset preservation planning and implementation
- Preparation of heirs

Alternative services

- Organization and management of philanthropic activities
- Collecting alternative assets
- Concierge services



The Philanthropic MJJ Foundation: EUR 1,251,000 has already been awarded for scholarships



Marius Jakulis Jason fondas

Liisa Leitzinger ir Marius Jakulis Jason - founders of "MJJ" fund;
Kotryna Stankutė-Jaščemskienė – "MJJ" fund CEO, Mindaugas Strėlis – board member, "Orion Wealth" CEO

On February 15, 2019, on his birthday, lawyer, investor, and philanthropist Marius Jakulis Jason announced the establishment of a non-profit fund in his name. He donated 3.5 million EUR of his family's money.

During the first three years of operation, the MJJ Foundation has already awarded EUR 1,251,000 in scholarship support to academics, students, and business developers returning to Lithuania who can and want to contribute to the future of our country. Today, twenty-one such researchers teach students and conduct research in Lithuanian universities and science valleys.

"Every year, the Foundation announces a Science Competition and awards a financial reward to selected researchers who want to return and continue their research in Lithuania. By doubling the salaries of universities, we contribute to the competitiveness of our educational institutions and research centers by attracting the best minds. During the three years of operation, more than 600 thousand EUR have already been awarded for research scholarships. The experience of the consistently growing research community, knowledge, innovative research that is beneficial to the university community, as well as businesses created in the future based on their innovations, would be a major economic added value for Lithuania," says Kotryna Stankutė-Jaščemskienė, MJJ Foundation Manager.

Seventeen young people have already received scholarships to study in the master's programs of the best universities in the world, and a total of 371 thousand EUR have been allocated for this purpose.

Philanthropic science and knowledge scholarships are awarded to individuals who want to contribute to Lithuania's growth. The fund's business investments are in startups that create technological solutions for educational innovations, more convenient employment platforms, and research-based health well-being solutions.

MJJ Fund has already invested in ThermoPharma, Randu.

It, Digiklasė and will soon announce its fourth joint investment. Over three years, the fund has invested 180 thousand EUR in startups that meet the fund's priority directions.

Last year, the MJJ Foundation, together with its partners, acquired Vilnius Business College. This higher education institution has been chosen for its many years of experience, high student employment and employer evaluation index, and entrepreneurship study programs. "The MJJ Foundation invests in education, science, and knowledge because I believe it is the key to the prosperity of our entire country. We aim to implement another important ambition for the Foundation soon - to create a program to train top-level hospitality specialists for the hotel business," says Marius Jakulis Jason, the Foundation's founder.

Almost 100 thousand EUR grants have also been awarded to social and educational initiatives important to Lithuania, such as the Teacher Technological Empowerment Program "Vedliai" ("Guides"), together with the Lithuanian Junior Achievement Student Entrepreneurship Program in the Regions "Class X" and others.

The sustainability of the MJJ fund is entrusted to Orion Wealth, and the fund's capital is growing. Three years ago, the initial assets of the fund were appointed by Marius Jakulis Jason in December 2021 amounted to 8.23 million EUR. Mindaugas Strėlis, a member of the Board of MJJ Fund and the head of Orion Wealth, says that during the first year, the direction of the fund, the work done, and the investment strategy of the fund's capital created a strong foundation for the sustainable operation of the organization. "The most important thing is not to be afraid to do good works out loud and not to be afraid to do them today. Only by example can we infect each other, and only together can we achieve strong results," says the head of Orion Wealth, who, together with the fund's board, will work to attract other entrepreneurs who believe in philanthropic activities.

Succession ABC: Sprint or Marathon?



Indrė Butkevičiūtė
"Orion Wealth" senior wealth manager

During the 30 years since Lithuania's independence that have been filled with changes, the obligation to take care of the family, business, and community has not changed. Nevertheless, even with the changing generations of wealth management, the topics of wealth continuity in Lithuania are still considered taboo, although no longer new. Observing the uncertainty in the market and the lack of good practice, the Orion Wealth team is embarking on a new project with a symbolic name, ABC of Inheritance. To educate society and stimulate discussion at each family table, welfare management professionals will review and compare different inheritance methods, strengths, and weaknesses.

So what should you know about inheritance before you start planning it?

Why is it important to plan ahead and where to start?

If your assets are not just cash in one bank account, be prepared that asset planning will not be an easy or enjoyable task.

Probably the most challenging aspect of inheritance planning is the length of the process. It is often said to be a lifelong project. Not surprisingly, when thinking about a transfer of assets, it is essential to develop a long-term strategy and anticipate who will be responsible for it. The most important questions, of course, are who exactly

will inherit your property, when, and how. Unfortunately, the answers to them are often unclear and affected by emotions. To protect both yours and theirs interests, it is recommended to seek the help of specialists - psychologists and wealth management professionals who can help you assess the talents and abilities that are emerging among your offspring and come up with a plan that meets everyone's expectations.

In addition, when assets are distributed not only by asset class but also geographically, it is worth considering whether the management of the asset needs to be consolidated before it can be divided. And perhaps already today, to involve family members in different businesses and thus decide the fate of the property in advance.

Because of the complexity of these issues, it is best to start this debate today, first with yourself and then with family members. Even if you do not have a clear plan for the future, and perhaps no heirs yet, do not wait for anything and make a basic inheritance plan and gradually complete it. It is important to understand that any will or other method of inheritance cannot become constant and should be reviewed and adjusted at least every five years.

What happens if you do nothing?

In the absence of a will or other distribution of property,

it is divided into the parts prescribed by law in the event of death. In this case, 1/4 of the deceased's property goes to the spouse, and the rest is divided equally between the children. If there are more than three heirs, the spouse and other heirs will inherit your property in equal shares. It is important to remember that if the property was in joint ownership, the spouse would legally acquire the property you own before the division of the property. The rest will be divided according to the above proportions.

By law, other relatives may also claim your property. Subsequent heirs can inherit your property only if the heirs of the previous successor do not exist or do not accept the inheritance. The assets would be divided in the following order:

1. children of the testator (including adopted children) and children of the testator born after his death;
2. parents (adoptive parents), grandchildren of the testator;
3. the grandparents of the testator, both on the father's and mother's side, the grandchildren of the testator;
4. the brothers and sisters, great-grandparents and great-grandparents of the testator, both father, and mother;
5. children of the testator's brother and sister (nephews and granddaughters), as well as siblings of the testator's father and mother (uncles and aunts);
6. children of siblings (cousins) of the father and mother of the testator.

Is this distribution suitable for you? Then it would be best if you thought about the benefits that such a succession plan will bring to your family and property:

Shares in assets (cash, company shares, other securities) - the heirs divide them according to their shares. It is not difficult to divide such assets into parts, so there should be no problems. However, the question is - are you really prepared to allow your company to be managed by more than one shareholder, such as six - possibly without a shared vision? How will this affect its activities, partners, and investors?

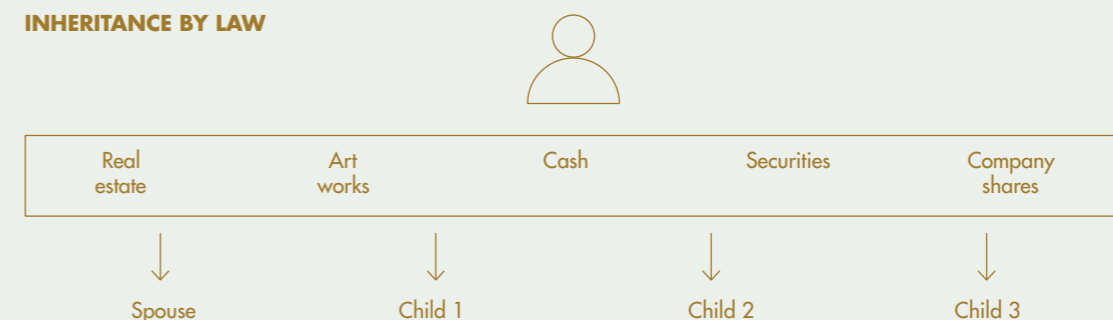
Immovable property (real estate, works of art, etc.) - This property cannot be divided, so your heirs would become its co-owners and could only dispose of

it by mutual consent. Think about the fate awaiting your residential home, which three different families would suddenly claim? Some will want to live there; others will sell as soon as possible. And which heir will have the privilege of admiring your most valuable works of art if that is desired by more than one? Such situations can lead to a conflict between the heirs, and your property will suffer. However, the only solution in these cases is simply to sell the property as soon as possible.

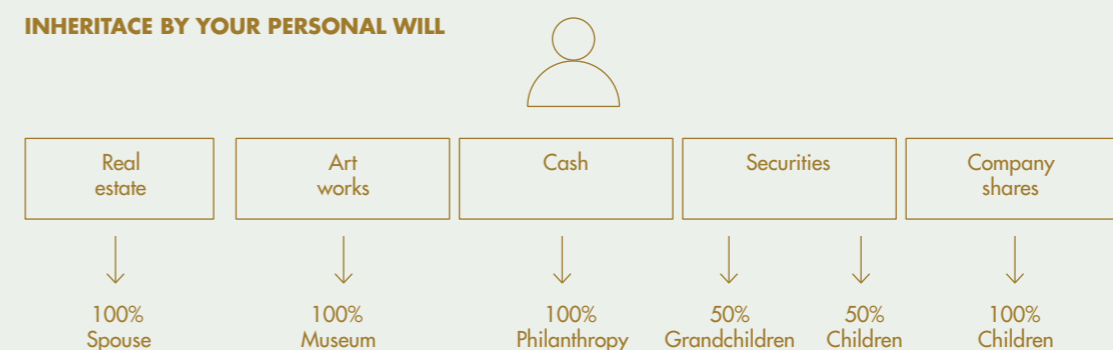
Indebtedness - Even when planning your estate, it is often forgotten that all your liabilities will be inherited along with your assets. In this case, the best thing you can do is talk openly with your heirs so they know what property they can inherit. When inheriting property, heirs can accept it according to the circular: e.g., the bailiff can make an accurate inheritance list. In this case, debts can only be recovered from the inherited property. In the absence of an inventory, the heirs are liable for the testator's debts with all their personal assets. By creating the future of our property and assets, we create history

There are several dozen family businesses in Western Europe and Asia. Not surprisingly, what is relatively new to us is often a common practice for them. As the first generation of entrepreneurs still dominates in Lithuania, it is their task to draw inspiration from abroad. History has shown that sound asset management, maintenance, and continuity strategy undoubtedly contribute to the well-being of the family and the well-being of the economy as a whole. Of course, you can say that no succession plan will prevent potential conflicts that could disassemble any property or business, but if that happens, at least it will be executed according to your pre-arranged risk management plan. It is to be hoped that we will create solid Lithuanian businesses and the practice of successful transfer of assets for future generations in the next decade. Both the marathon and preparing for it is not an easy job, but the fruits are still extremely sweet. So what are we still waiting for?

INHERITANCE BY LAW



INHERITANCE BY YOUR PERSONAL WILL



W Invest – members club for women investors



Women for women about investing

That's right: women invest DIFFERENTLY. Research shows that men are more prone to speculative investing. They like higher-risk products that often offer the potential for higher returns.

Women, meanwhile, tend to opt for a longer investment horizon and focus on overall long-term returns. They are more concerned with understanding all the possible risks and having a way out of an adverse event.

Often, low-risk tolerance is beneficial in long-term investments. Therefore, when it comes to investment management, women are really ahead of men.

Did you know that women reach 0.81 percent in three years of investing higher returns than men? So by investing for 30 years, women would get 25 percent by the end of the term larger portfolio than men.



Investment banking



Karolis Pikūnas
Head of Investment Banking

5,534 billion Eur

Investor assets under management
and value of securities in 2021.

By providing professional services
and personal attention:

1

We help to understand the
principles of financial markets
and potential risks;

2

We provide consultations on how
to properly form an investment
portfolio;

3

We provide access to a wide range
of investment opportunities;

4

We help you choose investment
products that meet the goals and
risk level of the individual investor.

Where do Lithuanian millionaires invest?

The average Lithuanian millionaire is a 56 years old man, an entrepreneur who has not yet retired from the direct management of his companies, with assets under management of 20 million, shows the analysis of the 500 richest people in Lithuania by "Orion Securities".

"Unlike in the countries of old Europe, where about half of all millionaires have inherited their assets, the absolute majority of the richest Lithuanian people earned it in the business they established, who have started to move away from direct corporate management only recently. Some sell businesses or parts of businesses to expansion-minded competitors or hand over control to children. In recent years, we have increasingly seen that businesses are actively bought by professional managers - private equity funds," - says Alius Jakubėlis, CEO of "Orion Securities".

Financiers also see the changing trends when talking about where the richest Lithuanians invest - investing in real estate with partners or lending money to other entrepreneurs at a significant interest rate is replaced by investments in private equity funds, and active community project support is complemented by non-profit science and academic funds.

The favorite Lithuanian investment is real estate

"Twenty or even ten years ago, it was common for entrepreneurs to reinvest all the money they earned in the development of their business. Sometimes they didn't even have their own homes - all the money went only to fuel their single business. This was a growth stage, without which we would not have strong, international Lithuanian businesses successfully competing in the global market today," - notes A. Jakubėlis.

And those who did not feel the need to invest all their funds in business, usually chose their favorite Lithuanian investment - real estate, as an alternative. "Apparently, psychology is at work here," - says A. Jakubėlis. - Real estate is tangible, visible and gives a sense of security. This outweighs its disadvantages as complex liquidity or additional liabilities to the bank, which often fall on the shoulders of the core business."

For a long period, the second most popular type of investment was lending money to fellow entrepreneurs, which generated significant returns and the same time - considerable headaches.

"Banks' lending conditions for business in Lithuania have never been very favorable, so they often had to look for money for business development or even working capital from fellow entrepreneurs. It can be said that a kind of alternative financing system worked. However, the joy of high interest was overwhelmed by the fact that borrowers were not always able to meet their obligations, and then a difficult process had to be started, at the end of which you did not always recover the funds, but you inevitably found enemies," - says the head of Orion.

3 Lessons learned during the crisis

According to the interviewee, the changes in the investment habits of the richest people of the country formed 5-6 years ago and were largely related to the lessons learned during the 2008-2009 crisis.

"It took both time and effort to recover from the financial crisis, and the 3 most important lessons were evaluated after the recovery," - says A. Jakubėlis.

The first is that by putting everything together into a single business, however successful it is, increases the risks, so investments need to be diversified.

The second is that when you manage everything yourself, you start lacking time. The extra investment consumes so much time, that there is not enough left for the core business. Therefore, entrepreneurs began investing not with friends or long-term business partners, but with those who have experience in a new business segment. Financial investors and those developing a new business have split up.

The third is understanding, that investing is also a job that I would rather entrust to professionals. Thus, initially, people who supervised investments appeared within companies, and with the growing demand for new competencies, the first Family offices appeared, supervising the assets of one or more entrepreneurs. An alternative solution, often chosen by an entrepreneur in the 500 richest people in the country, is to invest through various funds.

"The crisis has had not only financial but also psychological consequences. The pursuit of large, fast, and risky money has been replaced by the desire to preserve existing assets first and to divide investments wisely. New goals are set for investment - there is no longer a need to obtain a controlling stake in each object or to necessarily participate in its management. Overall, many of the richest people, those who have been building their businesses for 30 years, are gradually withdrawing from active participation in operational management. Many of their companies are run by hired directors, while in others leadership positions are gradually being taken over by their children," says A. Jakubėlis.

A new generation of "digital millionaires"

There is also a new generation of "digital millionaires" - young people under the age of 40 who are on the ranks of the digital IT or so-called fintech business. Also young people who unexpectedly made money from a wave of cryptocurrencies.

"Their investment habits are more aggressive, more focused on an area they know well - digital services. They make decisions faster, tend to play in global markets, they follow a much larger amount of information, have a good command of foreign languages. They are the way many of the richest were 20 years ago - willing to take risks and not experience the consequences of the crisis," - describes A. Jakubėlis.

Investments are made not alone and not only for profit

"The sharing economy has permeated the habits of the richest," - the interlocutor says, noting that group investment, so-called "club deals" - are becoming dominant. And not just when it comes to investing for the sake of profit for yourself. Today, a successful investment strategy is often associated with charity, and the most suitable sector for that is the scientific-academic one.

Capital markets



Mantvidas Žėkas
Head of Capital Markets

- 1 We help to form an investment portfolio;
- 2 We provide strategies to protect your investment portfolio from potential market fluctuations;
- 3 We offer currency and commodity hedging transactions;
- 4 We actively monitor the positions of existing investors;
- 5 We promptly execute your orders and consult on market issues;

977,5 million Eur

Annual trading turnover of the Capital markets division;

We offer a wide range of financial instruments: stocks, bonds, currencies, commodities, etc.

9:00–23:00

We are available by phone, e-mail, Skype, Viber, Whats App, Telegram and other channels.

Sustainable investment is an accelerating investment strategy

2021 was solid for stock markets, with significant indices generating solid double-digit returns. It was another success for sustainable investment, with strategies similar to or even better than conventional investment. The S&P 500 ESG index, which consists only of companies that meet the highest environmental, social and corporate governance standards, grew by 29.90 percent and generated a higher return than the well-known S&P 500 index of 26.89 percent. Indices based on ESG criteria also indicate lower volatility, leading to higher returns when assessing risk.

ESG figures for 2021

1. Although the definitions of ESGs vary from source to source, according to Bloomberg Intelligence, assets in ESG investments will grow from \$35 trillion in 2021 to \$41 trillion. USD this year. This change was also determined by the US Build Back Better infrastructure package adopted last year, which includes as much as 550 billion euros. The US dollar is spent on green investment: renewable energy, transport, industry, and sustainable agriculture. According to the Global Sustainable Investment Association, the assets managed by ESG already account for 1/3 of the total assets under management.
2. Although the ESG has emerged as a phenomenon in corporate equity investment strategies, more and more green bonds have been issued in recent years. In 2021, their value amounted to \$1.6 trillion.
3. Assets held in sustainable closed-ended and exchange-traded funds (ETFs) grew by 53% last year and reached \$2.7 trillion. This amount accounts for almost half of the total value of ESG funds in 2019, so it can be seen that this type of investment is only gaining momentum.

ESG criteria help make more informed decisions

A Morningstar study examining the long-term effectiveness of 745 sustainable European funds shows that most strategies have been implemented better than non-ESG funds in one, three, five, and ten years. This means that their returns were higher, and the survival period was longer than that of the traditional alternatives.

The success rates of sustainable funds were depended on the asset class. Of the seven asset classes examined by Morningstar, the best performers are large and mixed-capital US funds investing sustainably, with more than 80% of funds in this category having outperformed traditional funds over ten years.

In conclusion, investors are better prepared

to make informed long-term investment decisions by combining fundamental analysis with key sustainability data.

ESG trends today and in the near future

Following the unprecedented impact of fiscal and monetary policies on markets, business leaders have increased their commitment to climate neutrality and social equality in recent years.

1. Formulation of clearer intermediate ESG actions and presentation of implemented results

Governments and businesses will be under more pressure to translate their commitments into concrete action. Many companies have committed to becoming climate-neutral by 2050, but so far, less than a tenth have set clear milestones on how to achieve this, according to S&P Global. According to a 2018 report from the United Nations, zero carbon emissions are crucial in limiting the worst effects of climate change, such as droughts, floods, hurricanes, and earthquakes.

To achieve this, international organizations are standardizing ESG evaluation systems. The newly formed International Sustainability Standards Board, established by the well-known IFRS Foundation for Financial Reporting, will seek to summarize existing methods and reporting standards.

2. More focus on employee well-being

Social challenges in supply chains will become even more pressing. As the global labor market approaches the extremely low level of unemployment, employers are gaining momentum by promoting the implementation of human rights compliance, fair pay, and racial and gender equality in their activities. Directives such as the EU's Sustainable Corporate Governance initiative in 2021, which led to adjustments to German, French, and Dutch labor codes, are likely to be extended.

In this labor market, companies that best meet the needs of their employees are expected to attract the most talents and perform better. Thus, compliance

with the standards of the social component of the ESG may directly lead to better financial results in this case, which means a higher return for investors.

3. ESG investment direction clarification: avoid investments that do not meet ESG or look for investments that meet the highest ESG standards

In 2021, many asset management companies and banks opted for a negative ESG investment search strategy, choosing to abandon those that meet the ESG standards or have the most significant negative risks to the environment, social welfare, or governance. Such methods are best illustrated by the negative sentiment of companies linking their activities to fossil fuels. In 2022, this type of investment filtering is projected to only intensify due to the ongoing war and increased international sanctions.

The biggest challenge to ESG investment earlier this year was the Russian-initiated war in Ukraine. Although both companies and foundations have largely taken the position that European and US companies in the country are not in line with ESG standards since the start of the war, some analysts are asking why such a decision has only taken place now, not 8 years ago. Index-based MSCI has downgraded Russia's ESG from B to the lowest level. Opponents argue that the complete exit of foreign capital from Russia will not affect the political regime but ordinary civilians, thus adversely affecting the ESG. Therefore, the debate remains on whether it is more meaningful to implement the ESG by restricting capital flows to certain investments or looking for opportunities that meet the ESG criteria as much as possible.

To sum up, due to the relevance of its issues, ESG investments become even more relevant to investors. This is due to the increased involvement of market participants through increasing capital flows and the commitment of public authorities and companies to increase compliance with the ESG criteria. Such investments not only contribute to a more sustainable environment for future generations but also to a more stable return than the traditional alternative and are also suitable for diversification. Thus, ESG investments are likely to remain relevant in the capital markets and are also gaining momentum.

References:
www.bloomberg.com
www.ft.com
www.spglobal.com

SUSTAINABLE
future

Corporate finance



Mykantas Urba
Head of Corporate Finance

1

We help attract alternative financing: bonds, private debt, private investors;

2

We provide consultations on acquisitions, sales or mergers;

3

We help companies go public through IPOs or bond offers.

200+ million Eur

Amount of completed projects of acquisitions and mergers and raising of capital.

Our clients



Blockchain technology in securities accounting



Marius Mykolaitis
Head of Investors Services

Blockchain is starting to move the standard business infrastructure and change the way we think about how data, information, assets, or even its management can be transformed. In 2021, investment in companies developing blockchain technology-based solutions for the public and private sectors amounted to \$30 billion and was 4.5 times higher than in 2020.

A study by the World Trade Organization has revealed that blockchain technology can significantly contribute to the faster development of international trade. This technology can increase the transparency of organizations and help detect fraud quickly. This would take organizational social responsibility and customer safety to new heights, benefiting medium-sized companies and developing countries the most.

Blockchain technology has the potential to increase the world's gross domestic product (GDP) by \$1.76 trillion by 2030.

With the Orion Securities team, we actively monitor global cryptocurrency trends and look for opportunities to apply blockchain technology to securities accounting and securitization.

We actively cooperate with companies operating in Lithuania engaged in developing businesses based on blockchain technology. We share our experience in the financial markets. Together, we are looking for ways to improve our financial services so that our clients can conduct financial transactions more accessibly, faster, and more securely. We hope to offer Orion Securities services with blockchain technology soon.

Issuers accounting



Justina Nedzinskaitė
Head of Finance Department

ISSUERS ACCOUNTING ACCOUNTING AND OTHER SERVICES FOR COMPANIES

Issuers accounting

- Accounting of joint-stock company and private limited liability company shareholders, bondholders;
- Registration of securities transactions; registration of options; no notarial registration required;
- Escrow account for settlements;
- Payment of dividends, coupons; inheritances;
- Registration of the issue of securities in the depository, representation of the issuer in the depository during material events;
- Advising on convening shareholders' meetings; organization of share repurchases from minority shareholders, etc.

Market making

- Trading in shares on the Baltic and Warsaw stock exchanges;
- The service is provided to 8 companies.

400+ businesses

We provide issuers accounting services for more than 400 Lithuanian companies.

Private limited liability company share transfer transactions – without notaries



Viktorija Valantiežūtė
Lawyer

“Orion Securities”, providing shareholder accounting services to more than 200 private limited liability companies in Lithuania, notes that the legal requirements for conducting share transactions are not always well known to the heads of companies. Often do not know that the transfer of a package of shares of a private limited liability company can be registered without applying to a notary. By knowing the alternatives, a head of the company cannot only save a lot of money, but also can speed up processes.

The Company may, by agreement, delegate the management of shareholders’ personal securities accounts to an account manager. Account manager - a legal entity that has the right to open and manage personal accounts of owners of financial instruments in accordance with the Law on Markets in Financial Instruments of the Republic of Lithuania (“Orion Securities” acts as an account manager in providing shareholder accounting services). The activities of the account manager are regulated and supervised by the Bank of Lithuania.

How are limited liability company share transactions registered without a notary?

The company itself cannot register large transactions when 25 percent or more of the shares of a private limited company are sold or the sale price of the sold shares exceeds 14,500 euro. Such transactions are registered with a notary or account manager. Thus, according to Lithuanian law, a notarial form of a private limited liability company transaction is not necessary. What changes in the registration of a transaction after the transfer of the company’s shareholder accounts to an official account manager, e.g. a financial brokerage firm?

- First. The account manager to whom the company delegates to manage the shareholders’ accounts also takes over the share transfer management process from the company and the ownership rights of shares is changed at the account manager’s operated securities accounts.
- Second. The account manager performs the function of a notary to verify the authenticity of personal identification data and the compliance of the conditions for the transfer of shares with the mandatory legal requirements. This is especially convenient

for foreign companies, as the account manager communicates, accepts and prepares documents in English.

- Third. After accounting for the private limited liability company transaction, the account manager shall provide the shareholders with extracts from personal securities accounts (primary evidence of ownership of shares), and the company with a relevant list of shareholders. The obligation to notify the Center of Registers of the change of shareholders remains with the company, as the account manager does not share this information with third parties.

Advantages of private limited liability company shareholders’ accounting transfer to the account manager:

- The management of the company’s shareholders’ property is transferred to professionals
- The account manager advises the company on all transactions and securities events
- The account manager accepts documents in English, no notarized translation is required
- Upon request, buyers and sellers of shares can complete the transaction with an account manager
- The account manager checks the transaction documents and indicates what needs to be corrected
- The account manager records not only the purchase and sale of a package of shares, but also various other transactions (gift, inheritance, options, exchange) and securities events (change of company name, nominal value of shares, decrease or increase of number of shares, change of authorized capital, offsetting new issues of shares to existing or new shareholders)
- It is possible to register new issues share issues on “Nasdaq CSD” by assigning an international ISIN code

Are the registration fees for the share transaction and the notary private limited liability company share transaction different?

In many cases, the account manager’s transaction registration fee is fixed and the notary’s fee is a percentage, which increases in proportion to the amount of the transaction. The transfer of shareholder accounting to the account manager is useful when recording a large value and volume transaction, as well as for a group of companies that frequently perform various transactions.

Options – not only to motivate employees, but also to attract investors



Eglė Žėkienė
Issuer accounting specialist

In economically strong Western countries, the option system has been in place for many years, and companies have no doubt about its multiple benefits. In Lithuania, meanwhile, so-called “choice transactions” are still only beginning to conquer their place under the sun. And while a relatively large number of larger companies or start-ups already use options as an incentive system for employees, few know that they can also be offered to attract investors.

An option, also called a choice transaction, is a financial instrument in which one party has the right to buy or sell shares at some agreed time (or until such time) on pre-agreed terms and the other party has an obligation to buy or sell those shares.

Options to motivate employees

Most often, options in companies are offered as a motivational system for employees. As the economy grows together with the competition in the labor market, options help companies to retain talented workers or attract start-ups that do not yet have a stable financial base. This is mutually beneficial, as the right conditions for the acquisition of shares can increase the productivity of employees, their loyalty and the pursuit of the success of the joint venture. Meanwhile, the employee can not only become a shareholder of the company, but also later resell the company’s shares and make a profit.

Options attract investors

It is much less talked about and it is known that options can also be offered to attract investors. In this case, the option agreement is signed between the company’s shareholder (s) and the investor. For example, if a company lacks financial resources and additional investments are sought, then a contract can be signed with a potential investor who acquires the right to acquire shares in the company over a period of time at a certain price, provided certain conditions are met. In this case, existing shareholders wishing to raise funds are obliged to fulfill the conditions set by the investor, for example: to write a business plan, to increase the value of the company, etc. In Lithuania, this method is not yet widespread to attract investment, but such opportunities are often mutually beneficial. From the investor’s point of view, he does not need to immediately acquire shares in order to invest in the company, and he may require

certain actions to be made before that, he wins time to monitor the business situation in the market and make a final investment decision.

Is it necessary to officially register the option subscription?

Each financial option is a contract between two parties. Option transactions can be both very complex and quite simple. And although in most cases both parties agree, such transactions can be registered through a third party as an independent intermediary.

“So, although it is not mandatory, registering a contract with a company with such a right, such as UAB FMJ “Orion Securities”, makes you feel much safer. After all, the third party protects the interests of both parties, ” - says Eglė Žėkienė, UAB FMJ “Orion Securities” share accounting specialist.

Why choose an option registration service?

After purchasing the option registration service, all documents are processed and entries are made in the securities accounts. This saves time, gives both parties a sense of security, and leaves no gaps in the process.

Moreover, professionals, who are competent and experienced in their fields will advise on what should be included in the contract and answer any questions of concern. It is also useful to be able to agree on a reminder at the end of the term, when both parties to the transaction are informed and they are asked whether they intend to exercise the option or not, with such a reminder being provided by the same company that provides the registration service. This helps the most in the case of a long option (such as 5 or 10 years), as during this time the counterparties may forget that such an agreement and the possibility to exercise it exist.

Depositary



Jolita Jonaitienė
Head of Depositary

DEPOSITARY SERVICES:

- Safekeeping/control of financial instruments;
- Verification of ownership and accounting;
- Ensuring the fair value of net assets;
- Control over the issue and redemption of units/shares;
- Cash flow monitoring;
- Control of investment rules;
- Transaction monitoring.

190 million Eur

190 million EUR asset value of supervised funds.

2 management companies;
8 funds

Providing depositary services for two management companies and eight funds.



ZABOLIS PARTNERS



DI Asset Management

Depositary: *A new Orion service*



Orion depositary team (left to right): Jolita Jonaitienė – Head of Depositary; Justina Nedzinskaitė – Head of Finance department; Inga Serebrenikova – Fund control specialist; Marius Mykolaitis – Head of Investors Services.

Growing market

In recent years, there has been a noticeable increase in investment funds and investors in Lithuania and the assets managed by investment funds. There are almost 40 management companies in the country, more than 140 investment funds, and 58 pension funds. The market's rapid growth shows that investors in Lithuania are increasingly investing in funds, looking for opportunities to increase their assets and expand their investment portfolio. Trends in management are also evident, with professional managers increasingly actively buying businesses, and existing investment project developers have also realized that the fund's structure:

- accelerates the development processes of investment projects;
- attracts more investment;
- opens up greater loan opportunities;
- increases the scale of investment projects transparently and securely.

Most investment funds created in Lithuania are intended for informed investors with less strict regulation. However, as the funds' assets grow, management companies registered in Lithuania must operate following the European regulation of the UCITS (AFMD), which allows the distribution of their managed funds outside Lithuania, i. y. professional investors throughout the European Union. The regulation of such funds is in force in the EU and EEA countries and aims to protect the interests of investors, and a depositary supervises the

funds. It acts as an independent party whose primary function is to protect fund investors' investments and their interests and to ensure that the fund manager acts fairly to all fund investors.

Depositary services

Orion Securities has a long-standing relationship with management companies and businesses and provides consulting, alternative financing, distribution, and other services. Facing the background of the growing fund market and the changing regulatory environment, we decided to offer a depositary service. We have assembled a team of depositary professionals with many years of experience in informed investors and alternative, harmonized, and pension funds. We have been providing this service since October 1, 2021, and today we are the depositary of 8 collective investment undertakings (funds, investment companies) registered in Lithuania. Previously, only a few commercial banks provided this service in the Lithuanian market.

Together with the Orion depositary team, we help management companies learn about the benefits of a custodian partnership. The common goal of all fund managers is to earn the highest possible return for investors. In the meantime, we must ensure the investment security of fund participants without interfering with the managers' investment strategy. The experience brought by our team in providing depositary services ensures our independence and reliability, which encourages us to act in the interests of investors.

After deciding to invest in Lithuanian startups, Orion has created a unique motivational system for employees

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Matas Jakubėlis
Head of Orion Ventures

Investment banking company Orion Securities has set up Orion Ventures, an employee fund that will invest in early-stage startups. The head of the company, Alius Jakubėlis, states, "This fund was created to expand Orion's activities into the growing startup community in Lithuania and thus contribute to Lithuania's economic growth. It was also decided to use the fund's earnings to create a unique team motivation system. Orion will allocate a certain amount to each team member each year, and for this amount, the team member will receive an appropriate amount of stock options in the created fund."

Added value for the startup

"When evaluating startups, we use the experience of financial management and investment of companies accumulated during almost 30 years of operation. An experienced team carefully evaluates all financial indicators and takes the time to analyze the market and delve into the startup's plans. From the first interviews with startups, we realized that our financial experience could be very useful in advising young businesses. Hence, we invest in startups and spend more time financially advising selected startups to ensure good results," says Orion Ventures manager M. Jakubėlis.

He also states: "Talking to startups, we quickly noticed that young businesses often lack financial information. Often young businesses do not have the funds for professional consulting, so the experience of our company and the interest of the team in maximizing the value of the startup will be beneficial for the startups who will work with us."

"To contribute to the growth of Lithuanian startups, together with the Orion team, we also offer Lithuanian startups to use the accounting services provided by the Orion team of specialists. For the first two years, startups will be able to use share accounting, share transfer transaction registration, and option registration services free of charge. We will also provide free accounts to shareholders."

A unique way to motivate company employees

Asked about the source of inspiration, A. Jakubėlis, the head of Orion, states: We often educate clients about the long-term values of the investment, so creating an employee motivational system based on that seemed like a perfect solution. We are just setting an example of the importance of a long-term approach to finance. We believe in consistent work and long-term returns. And that's not the only way to invest in the well-being of a team; we continue to invest

in professional development and training of the team actively - we go abroad with the team at least once a year. However, this motivational package - with the opportunity to earn from a successful investment - is more motivating and involves the whole team."

"The team is very supportive of the idea and is pleased that the company has found a unique way to create a motivational system. The idea attracted a lot of interest, a voluntary desire to get involved in the project, and the team came back with excellent ideas. Everyone is free to choose whether to receive the bonus at the end of the year or invest in the fund. It was gratifying to see that the team also believed in the value of a long-term investment. I believe that together we will achieve outstanding results," says the head of Orion.

Already invested in three startups

The fund has already invested in space technology and satellite startup Astrolight, a tool based on artificial intelligence algorithms called Oxus.ai to improve customer service and virtual mobile operator MoreMins. Several more investments are planned in the near future. Other startups to invest in are also being actively sought.

— 33 pg. —

Start-up

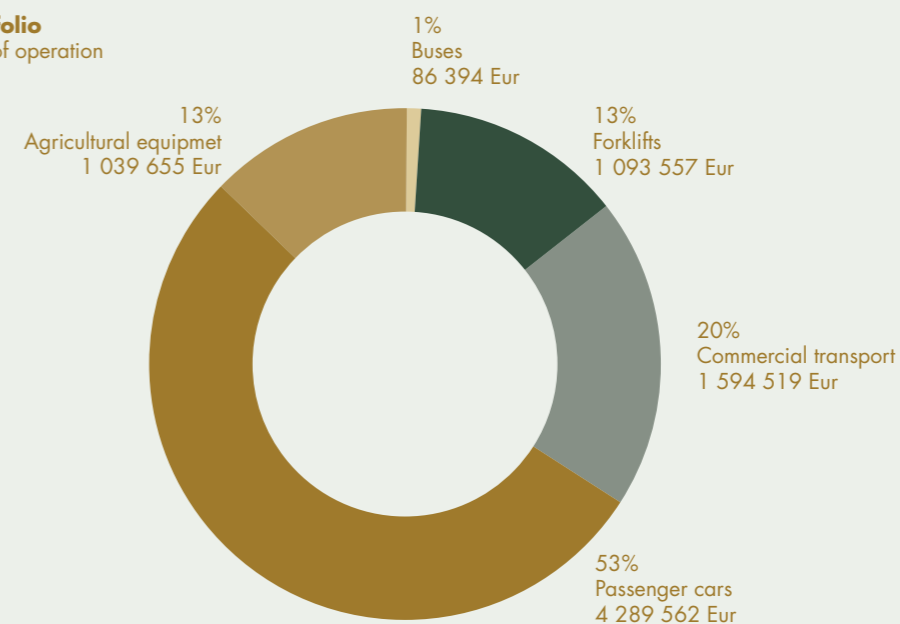


Laimonas Belickas
Head of Orion Leasing

Investment in technology for business

Orion Leasing: first six months from launch

Leasing portfolio First six month of operation



In the middle of 2021, Orion group, together with long-term professionals in the Baltic leasing market, established Orion Leasing, a company that finances innovative businesses.

"All value-creating material technology is the object of our financing. These can be production equipment, construction and agricultural machinery, medical equipment, vehicles, renewable energy sources, and the like," says Laimonas Belickas, the company's founder and CEO.

From the first days of the company's existence, we have felt great interest from companies. We set ourselves extremely high standards of professionalism and strive for a sustainable partnership. We work hard to get the right services to the business when they need them.

I am glad that we also have the largest companies in our region among our customers, in addition to small and medium-sized businesses. And while we're still at the beginning of the road, customer trust is our biggest motivation.

During the first six months, we managed to provide leasing for 8.1 m EUR, formed a professional team, and chose a modern IT system specifically adapted to the leasing business and has not been used in our region so far. We are also gradually gaining the trust of investors.

A significant achievement is that Orion Leasing has become a partner of the European Investment Fund (EIF). The EIF provided a portfolio guarantee of EUR 30

million to the company. "The contract signing with the EIF and the provision of such a guarantee amount to our company marks an important new stage. Businesses will receive funding on more favorable terms, which will allow us to expand the range of services significantly. We firmly believe that this important instrument is a vital first step in further cooperation with the EIF and other international institutions," said Laimonas Belickas.

During the first half of the year, the company concluded 250 leasing agreements, and the portfolio reached 6.5 m EUR - and continues to grow.

Active development and quality of services are our main distinguishing features in the fintech community financing Lithuanian business. Not only small but also large, mature and high-quality companies find exciting opportunities with us.

Soon, we will also expand the geography of our operations to help our customers and partners operate in other EU countries. "Our team has experience in Western and Central Europe; therefore, we will strive to be an active business partner in the Baltic States in these markets as well," notes Laimonas Belickas.

The leasing service impresses with its dynamics, speed, and ability to meet the needs of the business closely; it's a great combination of financial instruments and real tangible investments. Many studies (e.g., LEASEUROPE) note that a leasing product is the fastest and most efficient business financing instrument, directly impacting the economy and value creation.

Statement of comprehensive income

	2021	2020
Income from services and commission fees	4.518.995	3.675.651
Costs of services and commission fees	(794.140)	(476.265)
Net income from services and commission fees	3.724.855	3.199.386
Interest income	100.901	91.412
Interest expense	(101.543)	(38.283)
Net interest income	(642)	53.129
Net profit (loss) of trade in securities and derivatives and transactions in foreign currency	119.273	74.595
Change in impairments and other provisions	303	(2.935)
Personnel expenses	(1.283.802)	(1.207.911)
Depreciation and amortisation	(36.529)	(30.874)
Administrative expenses	(1.048.100)	(875.059)
Other income (expenses)	-	(301)
Profit (loss) before taxation	1.475.358	1.210.030
Income tax benefit (expenses)	(155.265)	(155.053)
Net profit (loss)	1.320.093	1.054.977
Other comprehensive income, net of taxes	-	-
Total annual comprehensive income, net of taxes	1.320.093	1.054.977

Statement of financial position

	31 December 2021	31 December 2020
ASSETS		
Non-current assets		
Non-current intangible assets	3.508	1.077
Non-current tangible assets	256.380	131.764
Deferred income tax assets	7.495	7.639
Other non-current financial assets	56.939	72.365
Total non-current assets	324.322	212.845
CURRENT ASSETS		
Loans	544.754	325.478
Derivative financial instruments	-	-
Securities measured at fair value through profit (loss)	1.280.306	743.378
Trade receivables and prepayments	905.469	699.732
Other current assets	98.417	74.979
Cash and cash equivalents	867.211	1.633.071
Total current assets	3.696.157	3.476.638
TOTAL ASSETS	4.020.479	3.689.483
LIABILITIES AND EQUITY		
Share capital	1.592.654	1.592.654
Legal reserve	159.292	159.292
Retained result	1.326.557	1.056.464
Total equity	3.078.503	2.808.410
NON-CURRENT LIABILITIES		
Lease (finance lease) liabilities	139.106	70.414
Total non-current liabilities	139.106	70.414
CURRENT LIABILITIES		
Loans received	320.034	27.576
Derivative financial instruments	-	71.882
Other financial liabilities	32.696	285.653
Trade debts	79.455	107.658
Payroll liabilities	180.038	162.789
Income tax payable	95.418	121.767
Other current liabilities	95.229	33.334
Total current liabilities	802.870	810.659
TOTAL EQUITY AND LIABILITIES	4.020.479	3.689.483

Report on the audit of the financial statements

Opinion

We have audited the financial statements of UAB FMJ Orion securities (hereinafter – „the Company“) which comprise the statement of financial position as at 31 December 2021, the statement of the comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended and the notes to the financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with 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' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements 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.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our respective response are described below.

The key audit matter

Recognition and measurement of financial instruments

As at 31 December 2021 in the statement of financial position the Company accounted for the financial assets which are measured at fair value through profit (loss) and which amounted to EUR 1 280 thousand and financial assets which are carried at amortized cost that amounted to EUR 590 thousand.

Most of the Company's financial instruments are carried at fair value. Fair value is determined according to the publicly available prices for active financial market stock prices or other publicly available information. Part of the financial instruments such as granted loans with fixed interest rate and REPO contracts are carried at amortized cost, using the effective interest rate method. The financial instruments and their value in the Company's statement of financial position as at 31 December 2021 comprise a significant amount – about 47% of the Company's assets, therefore we believe that this area is the key audit matter.

Response to the key audit matter

We conducted these audit procedures, among others: For the selected financial instruments exposures, we have recalculated the carrying amounts at the year-end based on the type of the financial instrument and the corresponding accounting policy requirements:

- We have received third-party confirmations for the amounts and actual balances of certain financial instruments; in some cases in third-party (bank) confirmations market prices were quoted;
- We have reviewed the financial instruments, measured at amortized costs as at 31 December 2021, and we have assessed the correctness of accounting for these amounts, including interest calculation and value;
- We have recalculated the balances of the respective financial instruments by using publicly available regulated market prices or other available data and we have compared them with the carrying amounts of the respective financial instruments in 31 December 2021 in the statement of financial position of the Company.

Recognition of income from services and commission fees

The Company provides 3 main services: brokerage services in capital markets, corporate finance services and private and investment banking services. Other services (market making and financial instrument accounting and custody) comprise a small part of the Company's revenue.

The Company's revenue is accounted for by issuing invoices or charging directly from the customer's accounts according to the contractual commissions and other fees rates.

During 2021 the Company's revenue from services and commission fees amounted of EUR 4.5 million. Significant changes related to the transaction volumes, commissions and other fees could have a significant impact on the Company's financial performance for the reporting year. Due to significance of this amount, we believe that this area is the key audit matter.

Other information

The other information comprises the information included in the Company's annual 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, except to the extent otherwise explicitly stated in our report, 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 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 annual report, are prepared is consistent with the financial statements and whether annual report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the financial statements, in our opinion, in all material respects:

- The financial information presented in the Company's annual report is consistent with the financial statements; and
- The Company's annual report has been prepared in accordance with the requirements of the Law on Financial Reporting by Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for Financial Statements

Management is responsible for the preparation and fair

We conducted these audit procedures, among others:

We have performed tests of detail and reviewed third-party approvals for revenue accounted for by issuing invoices to customers or by contracts.

We have performed tests of control and tests of detail for revenue that is accounted for on completion of the transaction and for which the payment is charged directly from the customer's account (according to the Company's set rates which are also provided in a contract with a customer).

We have reviewed control procedures, related with the completed transactions:

- We have selected certain records within revenue in the accounting system and compared them with details of the relevant records in the Company's system where transactions are recorded;
- We have checked selected transactions with the transactions in the banking system through which these transactions were made (date, amount, transaction type);
- We have checked whether commission fee charged for the respective transaction meets rates applied by the Company;
- We have tested the verification controls of the performed transactions – for selected transactions we listened to the customer's orders/confirmations of transactions made by phone call.

presentation of the financial statements in accordance with 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 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 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 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may

reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Under the decision of the general shareholders' meeting on 16 June 2020 we were appointed to audit the Company's financial statements. Our appointment to audit the Company's financial statements was approved by the decision of the general shareholders' meeting for 2 years, and the total uninterrupted period of engagement is 4 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the audit report for the financial statements presented to the Company and its management board.

We confirm that to the best of our knowledge and belief, services provided to the Company are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of audit, we have not provided any other services except for audit of the financial statements.

The audit engagement partner for this independent auditor's report is Romanas Skrebnevskis.

Auditor
Romanas Skrebnevskis
Auditor certificate No. 000471

ROSK Consulting UAB
Audit company certificate No. 001514

Vilnius, Lithuania
25 March 2022

General information

UAB FMJ Orion Securities (hereinafter - the Company) is a private limited liability company registered in the Republic of Lithuania. Its registered office address is:

Antano Tumėno str. 4,
Vilnius, Lithuania.

The Company provides financial brokerage services, including the following four main groups of services: security contract brokerage, corporate finance, market making and asset management services. The Company began operating on 12 August 1993.

On 31 December 2020 and 2019, the Company's shareholders were as follows:

	31 December 2021		31 December 2020	
	Number of shares held	Percentage	Number of shares held	Percentage
Orion Managing Partners B.V	55.008	70,01 %	55.008	70,01 %
(Registered office address: Minderbroederssingel 11 6041 KG, Roermond, The Netherlands Legal entity code: 856097378)				
UAB Suprema LT	15.714	20 %	15.714	20 %
(Registered office address: S. Fino str. 6-3, Vilnius, Lithuania Legal entity code: 304135030)				
Mindaugas Strėlis	7.850	9,99 %	7.850	9,99 %
Total	78.572	100 %	78.572	100 %

All shares whose nominal value per each is 20.27 euros are ordinary and were fully paid as of 31 December 2021 and 2020. Authorised share capital remained unchanged in 2021 and 2020. The Company did not acquire its own shares.

In 2021, the Company had an average of 27 employees in Lithuania (in 2020 - 25 employees).

The management of the Company approved these financial statements on 25 March 2022; the shareholders may approve or not approve these annual financial statements and may ask the management to prepare new financial statements.

UAB FMJ Orion Securities operates under category A financial brokerage firm license No. A106, issued on 6 September 2007 by Resolution No. 2K-268 of the Securities Commission of the Republic of Lithuania.

Category A license grants the Company the right to provide the following investment services:

- Accept and transfer orders;
- Execute orders at the expense of clients;
- Execute transactions at its own expense;
- Manage portfolios of financial instruments;
- Provide recommendations on investment;
- Offer financial instruments with the obligation to distribute them;
- Offer financial instruments without the obligation to distribute them.

The Company is providing the following additional services:

- Distributes units of investment funds;
- Secures, accounts for and manages financial instruments;
- Grants loans intended to allow the client to carry out transactions with financial instruments, if the grantor is associated with these transactions;
- Carries out an analysis and evaluation of companies.

