UAB FMĮ Orion Securities

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR 2022, PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
PRESENTED TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the shareholders of UAB FMĮ Orion Securities:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of UAB FMĮ Orion Securities (hereinafter – „the Company"), which comprise the statement of financial position as at 31 December 2022, the statement of profit (loss) and other 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 2022, 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.

Key audit matter	**Our response to the audit matter**
Recognition of service and commission revenue (see Note 1)	
The Company provides 3 main types of services: brokerage in capital markets, corporate finance, and private and investment banking. Other services (market making, financial instrument accounting and custody) make up 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. The Company's service and commission revenue in 2022 amounted to EUR 5.06 million. Significant changes related to transaction volumes, applicable commission rates and other fees could have a significant impact on the financial performance of the Company for the reporting year. Due to the significance of this amount, we consider this area to be a key audit matter.	Among others, we have performed the following audit procedures: We have performed detailed tests and reviewed received third-party approvals for revenue accounted for by issuing invoices to customers or by contracts. We have performed control and detailed tests for revenue accounted for after a transaction, and for which payment is deducted directly from the client's account (according to the rates set by the Company, which are also provided for in the contract with the client). We have checked the control procedures related to performed transactions: • We have selected certain revenue records in the accounting system, and compared them with the details in the Company's system, where transactions are recorded.

	• We have compared selected transactions with transactions in the banking systems via which these transactions were formed (transaction date, amount, type). • We have checked whether the commission charged for relevant transactions corresponds to the rates applied by the Company. • We have tested the control of confirmation of completed transactions – checked selected transactions with confirming signatures and orders, reviewed orders made by clients via telephone calls/received confirmations regarding transactions, etc.

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 for the financial year for which the financial statements 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 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 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 14 April 2022 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 5 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
27 March 2023

THE HEAD'S WORD

2022 was the worst year for global markets since 2008. Most stock market indices recorded double-digit losses. Higher-than-usual (2%) inflation crept in crossing the 6-8% mark, which has not been seen for a long time, and the repeated mantra of Central Banks that this was temporary was negated in the middle of the year. Hope that businesses would resolve supply chain problems caused by Covid-19 by themselves also did not work out. The outbreak of the war in Ukraine further deepened the problems of inflation. The price of gas in Europe jumped more than 20 times in the middle of the year compared to 2020-2021. Many investors started looking for similar situations that have occurred historically. The 1980s were remembered, when the US Federal Reserve Bank raised base interest rates to 20% in an attempt to control high, persistent inflation. In the second half of the year, the central banks of the world were forced to change their tone and start actively raising their base interest rates. Europe ended the year with a 10.4% inflation and 2.5% base interest rates, and the US with a 6.5% inflation and 4.5% base interest rates. It should be noted that, based on historical data, base interest rates were 0.5-1.5% higher than inflation, therefore the current situation is concerning.

The geopolitical situation is still shrouded in uncertainty. The war in Ukraine continues, and the western world is making every effort to support Ukraine both militarily and financially. While the Russian government seeks to turn the failed "three-day" war into a long-term conflict. China's involvement in the war by providing weapons to Russia also poses a significant threat. And the issue of Taiwan is still relevant as well. China's bid to annex this country could result in long-term economic ramifications, as Taiwan produces about 26% of the world's semiconductors.

Lithuania is doing well

After the Russian invasion of Ukraine, the development of the Lithuanian economy in 2022 decreased to 1.9%. Quarterly growth was modest throughout the year, but turned negative in the fourth quarter (-1.7%). Reduced exports to some Eastern European countries and lower private spending have weighed on economic activity, since high inflation has not been offset by rising wages.

After reaching its highest point in September 2022, inflation began to decline at the end of the year due to falling raw material prices and domestic efforts to curb the rise in energy prices for consumers, including reduction of the VAT rate for thermal energy. By contrast, non-energy price inflation remains relatively high, reflecting the lagged impact of rapid cost increases in previous months.

Situation in capital markets

Shares of growth companies, which were dominant for the whole decade, were massively sold off in 2022, and market participants chose safer investments. 2022 has practically become a period of search for a safety net, the role of which was assumed by the energy sector and the US dollar. In the wake of the war in Ukraine, high prices of energy raw materials ensured excellent results for this sector, while the US dollar reached parity with the euro for the first time since 2002. Fears of inflation and rising base interest rates weighed on capital markets, however rising bond yields have made the markets remember this particular asset class. High volatility in the markets and rising value of money have influenced investors to deleverage, which could be felt throughout the second half of the year. Long touted by some investors as a hedge against traditional asset classes and a potential hedge against inflation, cryptocurrencies have not become a safety net in the face of market turmoil. The largest cryptocurrency Bitcoin has lost more than 60% of its value in 2022.

Forecast for 2023

In 2023, global GDP growth is likely to shrink from 3.4% to 2.9% and inflation should slow down from 8.8% to 6.6%. In Lithuania, inflation is expected to shrink from 18.9% to 9.5%, while GDP is expected to grow by 1.3%. The war in Ukraine and high inflation with its consequences are currently having the greatest impact on global economy. When the war broke out in 2022, Europe experienced a shock after realizing that it was unprepared. Gas reserves that were depleted in 2022 did not become so by chance. A number of countries rushed to invest in energy independence and replenish their gas reserves, thus causing a shock to the gas market and unwittingly putting enormous upward pressure on inflation. Gas reserves were filled in September-October and tensions seemed to subside. Gas prices began to return to pre-war levels. However the war is not over and the possible intervention of China in the supply of weapons to Russia may have a negative impact not only on the course of the war, but also on the prices of raw materials. If the situation in the front lines does not worsen, it is likely that we have already passed the peak of inflation. The good news is that Russia's influence on Europe is decreasing, countries are building gas terminals and investing in renewable energy, we were not freezing in winter, and businesses were not coming to a standstill, as was forecasted by the Russian government.

Central banks are likely to continue raising their base interest rates by the middle of the year, after which there will be a waiting period. Most major investment banks do not see a possible reduction in interest rates this year. The value of money will remain high, and businesses will look for alternatives to tightened bank financing. Bonds will become particularly attractive. Base interest rate is likely to reach 4% in Europe and 5.5% in the US.

The development of the Lithuanian economy in the coming year will be mainly influenced by the course of the Russian war against Ukraine, and the government's efforts to mitigate the negative economic consequences of the war. The global prices of raw materials, especially of energy and food, have risen sharply due to the war, the sanctions imposed and the response to them.

According to the data provided by the Bank of Lithuania, annual inflation in 2022 reached 18.9%. As the effect of a higher comparative base, lower raw material prices and waning supply chain disruptions strengthens, annual inflation is expected to decrease by nearly a half to 9.5% in 2023.

It is also expected that in 2023 the demand for Lithuanian goods and services in foreign markets will return to pre-war levels. Based on such a forecast of the Bank of Lithuania, it is likely that Lithuania's GDP will grow by 1.3% in 2023, compared to 2.5% in 2022. Although the increase is almost two times lower, the persistent uncertainty prevents making more optimistic forecasts.

A significant increase in the unemployment rate is not expected in 2023. The Bank of Lithuania predicts that the unemployment rate will reach 6.7% in 2023 compared to 6.1% last year.

In an environment of high base rates and high inflation, this year investors will direct their investments to private debt funds, bonds, and money market instruments. And investment funds that invest in physical assets (forests, land, gold, etc.) will be a good choice for those seeking protection against inflation. As interest rates rise, the liquidity risk that borrowers will not be able to service or refinance existing loans is significantly increasing, therefore it is very important to diversify one's investments. Cash is slowly regaining its "value", however the resilience of banks where it is held needs to be carefully assessed. There is a high possibility that we will see a wave of new defaults this year, therefore it is important to get reliable consultations from investment advisers to help assess all counterparty risks.

Investors have faced significant market fluctuations and challenges over the past few years, therefore investing discipline, patience and assessment of one's investment goals are essential. I wish you a successful year in investing.

27 March 2023

Director Alius Jakubėlis

MAJOR EVENTS IN 2022

- **Orion corporate finance team has joined the international Pandea Global M&A network**

In 2022, Orion has joined Pandea Global M&A, a wide international network of companies providing consultations on mergers and acquisitions (M&A), and capital raising.
This gives us better access to foreign buyers, investors and local information, as well as access to a larger circle of international investors for our clients based in Lithuania in order to realise the value of their business.

Pandea Global M&A statistics

- Countries – 28
- Offices – 48 worldwide
- Number of successful transactions – 2 150+
- Transaction value – 27 billion EUR
- Uniting 150 professionals

- Greater attention is paid to the IT sector. The Company has implemented solutions and trained its personnel to reduce the risk of cyber-attacks. We have implemented the initiation of instant payments on our investor self-service portal, as well as started updating our main systems. In 2023, we plan to start using a new accounting subsystem, which will include the trading platform and the accounting system, and will have a secure interface for data exchange with our investor self-service portal. We have successfully completed an IT analysis and design updates of the new self-service portal, collecting data for future programming work.

- In 2022, priority was given to the protection of investors' assets in the currently turbulent geopolitical situation. The Company has diversified its investors' funds, most of which are now kept in foreign banks.

- Depository services are also successfully being carried out. By the end of 2022, we were the depository of 17 collective investment entities (hereinafter - CIE) registered in Lithuania. Orion Securities depository has already been entrusted with the custody of fund assets of 3 management companies, and the total value of CIE assets under our custody exceeds 267 million euros.

ABOUT THE COMPANY

In 2022, the Company's managed, held and administered funds and securities of Clients amounted to 1.477,5 million euros.

UAB FMĮ Orion Securities is the largest non-banking financial brokerage company in Lithuania, engaged in securities brokerage, as well as corporate finance, private banking, and finance management services for private and legal persons, successfully developing depository services for investment funds, and providing private limited liability and public liability company accounting services for issuers. We have been operating in the Lithuanian market since 1993. Orion Securities is a member of Vilnius, Rīga, Tallinn and Warsaw stock exchanges, and a licensed brokerage firm supervised by the Bank of Lithuania.

The Company was established on 12 August 1993 in Vilnius and named Baltijos Vertybiniai Popieriai. On 3 November 1997, the Company was re-incorporated in the Ministry of Economy of the Republic of Lithuania. Company code: 122033915.

On 12 January 2007, the private limited liability financial brokerage company Baltijos Vertybiniai Popieriai officially changed its name to UAB FMĮ Orion Securities (hereinafter - Company) and registered its new legal address at A.Tumėno str. 4, Vilnius, with the Register of Legal Entities. On 31 December 2022, UAB FMĮ Orion Securities had no branches or representative offices.

UAB FMĮ Orion Securities is a private limited liability company, holding a category A financial brokerage firm license (A 106) issued by the Securities Commission of the Republic of Lithuania, entitling the Company to engage in the following activities:

- Accept and transfer orders;
- Execute orders at the expense of clients;
- Execute transactions at its own expense;
- Manage portfolios of financial instruments (FI);
- Provide recommendations on investment;
- Offer financial instruments with the obligation to distribute them;
- Offer financial instruments without the obligation to distribute them.
- Provide investment services, engage in investment activities and provide additional services relating to financial instruments, assets or other objects to which the derivative financial instruments, specified in clauses 5, 6, 7 and 10 of Article 3(15) of the Law on Markets in Financial Instruments of the Republic of Lithuania, are linked, provided that the

supplied investment services or additional services or executed investment activities are related to these derivative financial instruments;

- Provide foreign currency exchange services when they are related to the provision of investment services;
- Safeguard financial instruments, account for and manage them at the expense of clients, including custody of property and other related services such as management of money or financial collateral, and excluding management of securities accounts at the highest level in accordance with Chapter VI of the Law on Markets in Financial Instruments of the Republic of Lithuania;
- Conduct investment research, perform financial analysis, or provide other general recommendations related to transactions regarding financial instruments;
- Provide consultations on capital structure, business strategy and other related matters, as well as provide advice and services relating to the reorganisation and acquisition of companies;
- Provide investors with credit or loans which the investors could use to conclude transactions in one or several financial instruments, and the company providing the credit or loan can be involved in the transaction conclusion process;
- Provide services related to the distribution of financial instruments.

Background:

On 31 December 2022, the Company had 32 employees (31 employees in 2021).

The Company's net profit amounted to 903,567 euros in 2022, compared to 1,320,093 euros in 2021 (decreasing by 32%). The Company's assets amounted to 4,089,631 euros in 2022, compared to 4,020,479 euros in 2021 (increasing by 2%).

Alius Jakubėlis is the Director of the Company.

The Company's Board consists of 3 persons. Chairman of the Board – Alius Jakubėlis, members – Justinas Jarusevičius, Mindaugas Strėlis.

Information about the management positions held by the Director and members of the Board in other companies and organisations:

Alius Jakubėlis		
1	UAB FMĮ Orion Securities, company code 122033915, address A. Tumėno 4, Vilnius (main workplace)	Chairman of the Board, Director
2	Gošė Asociacija, company code 302620864, address Smilgų str. 8, Avižieniai, Vilnius district.	Member of the Board
3	Lithuanian Financial Brokers Association, company code 122253313, address Konstitucijos Ave. 23, Vilnius	President
4	UAB Suprema LT, company code 304135030, address S. Fino str. 6-3, Vilnius	Director
5	Vilnius University Fund (Endowment), company code 304222713, address Universiteto str. 3, Vilnius	Chairman of Investment Board
6	UAB Woodest, company code 305690978, address Eduardo André str. 14-5, Vilnius	Director
7	UAB Orion Wealth, company code 305673384, address A. Tumėno 4, Vilnius	Member of the Board

Mindaugas Strėlis		
1	UAB FMĮ Orion Securities, company code 122033915, address A. Tumėno 4, Vilnius	Member of the Board
2	UAB Orion Wealth, company code 305673384, address A. Tumėno 4, Vilnius (main workplace)	Director, Member of the Board
3	UAB Utopia Capital, company code 304918681, address Konstitucijos Ave. 21A, Vilnius	Director

Justinas Jarusevičius		
1	Professional Law Partnership Motieka & Audzevičius, company code 302594113, address Gynėjų str. 4, Vilnius (main workplace)	Lawyer, partner
2	UAB FMĮ Orion Securities, company code 122033915, address A. Tumėno 4, Vilnius	Member of the Board
3	SB Vanaginė, company code 300562444, address M.Martinaičio 39, Vilnius	Member of the Board

During the current or previous reporting periods, the Company has not acquired or transferred own shares. The Company is not engaged in research and development activities. All additional information and subsequent events are disclosed in the notes to the financial statements.

Provided services

The Company focuses on three key services:

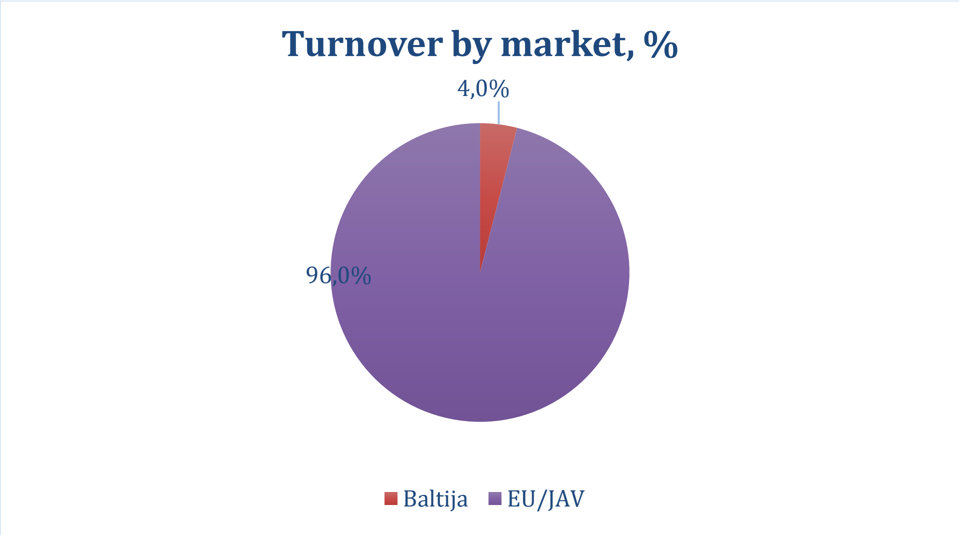
- Brokerage in capital markets;
- Corporate finance;
- Private and investment banking;
- Other services:
  - Depository services.
  - Financial instrument accounting and custody
  - Market making;

BROKERAGE IN CAPITAL MARKETS

Orion Securities provides the possibility to trade in all the major global stock markets by making real time purchases.

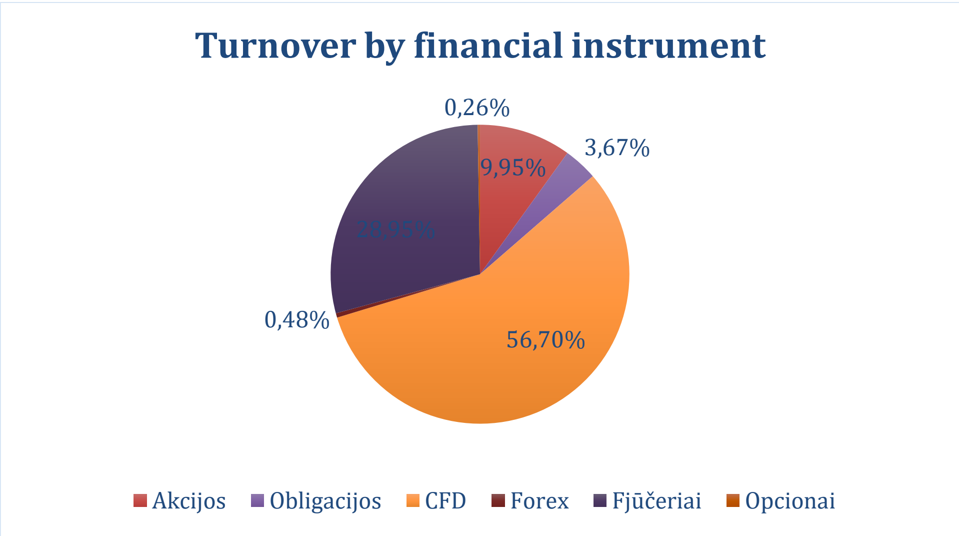
We offer our clients the following services:

- Brokerage in purchasing and selling FI (on behalf of and at the expense of clients);
- Brokerage in purchasing and selling FI (on behalf of and at the expense of the company);
- On-line trading system.



Baltic Region EU/USA

Source: Orion Securities



Shares Bonds CFD Forex Futures Options

Source: Orion Securities

INVESTMENT BANKING

The Investment Banking Division focuses on the active management of investment portfolios and aims to offer creative solutions for complex problems, help manage assets today as well as find new ways to increase assets in the future. The division also works with private and corporate clients helping them to resolve capital attraction, share sale and acquisition issues.

We offer our clients the following services:

- Active management of investment portfolios;
- Consultations on investment related matters;
- Distribution of various investment funds and bonds.

Alternative investment products were distributed in 2022: debt funds, real estate and private capital funds, and corporate bonds. The division focused on expanding its important business client base by offering them business sale or purchase brokerage services, and by offering to attract additional capital for business development. In 2022, the number of employees of the division and its generated income have increased.

CORPORATE FINANCE

The team of the Corporate Finance Division advises companies which enter into purchase and sale, restructuring, business valuation, and alternative borrowing transactions, as well as provides consultations on corporate financial management.

The Corporate Finance Division offers the following services:

- Consulting on mergers and acquisitions;
- Consulting on sale of business;
- Valuation of companies or their divisions;
- Share and bond offerings;
- Concentration of shareholdings;
- Initial public offering;
- Other financial and consulting services.

Capital raising forecast

Based on current trends, Orion Securities estimates that capital raising will be mostly in the form of debt in 2023 . The increase in interest rates of central banks correspondingly increases the cost of corporate borrowing in order to control the increased inflation. Rising interest rates and economic uncertainty led to a decrease in bank lending to companies of various sizes, making bonds an increasingly attractive source of funding. Investors are enjoying the current high interest rate environment, which is reflected in the number of medium-sized bond issues implemented in the Baltic region this year.
In February 2023, several bond issues were put out, in which demand was exceeded several times:

- The demand for the 8 million euro bond issue of the Latvian environmental and waste management company AS Eco Baltia was exceeded 3 times.
- Estonian bank Big Bank distributed a bond issue of 15 million euros (amount of the issue was increased from 10 million euros), the demand for which was exceeded more than twice (compared to the initial amount of the issue).

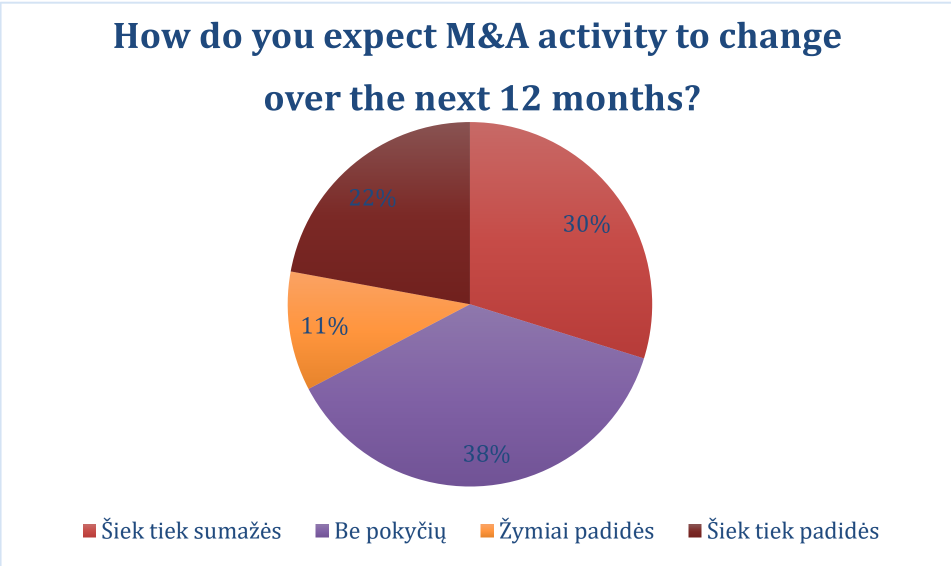
According to the economic forecasts of the Baltic countries for 2023, the high interest rate environment should not end this year, therefore we predict more than one such issue this year, the demand for which will exceed the amount thereof.

Mergers and acquisitions (M&A) market forecast

Financial analysts at Orion Securities have surveyed strategic investors to better understand investor moods, plans and attitudes towards this year's M&A market.

According to the survey data, the opinions of strategic investors differed on M&A activity. About 30% of them predict a slowdown in M&A activity, while 33% disagree with this, believing that the M&A market will pick up this year. 22% believe that activity will increase only slightly, 11% believe that the M&A market will be extremely active this year, and 38% of respondents do not believe that there will be any changes in M&A activity.

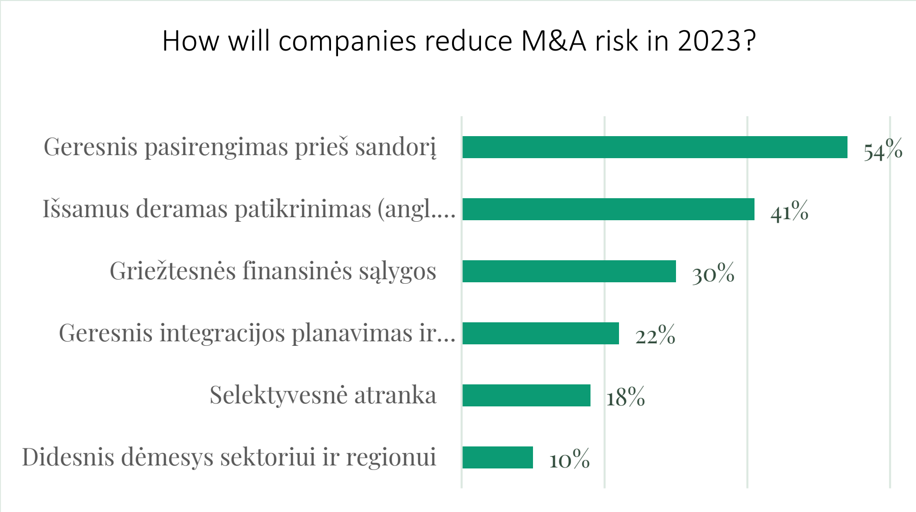
Although the optimism of investors has not returned to the level of 2021, based on the results of the survey, the majority of investors do not expect a slowdown in the M&A market, and even vice versa - a third of them expect more activity than last year.



Slight decrease	No changes	Significant increase	Slight increase

Source: Orion Securities

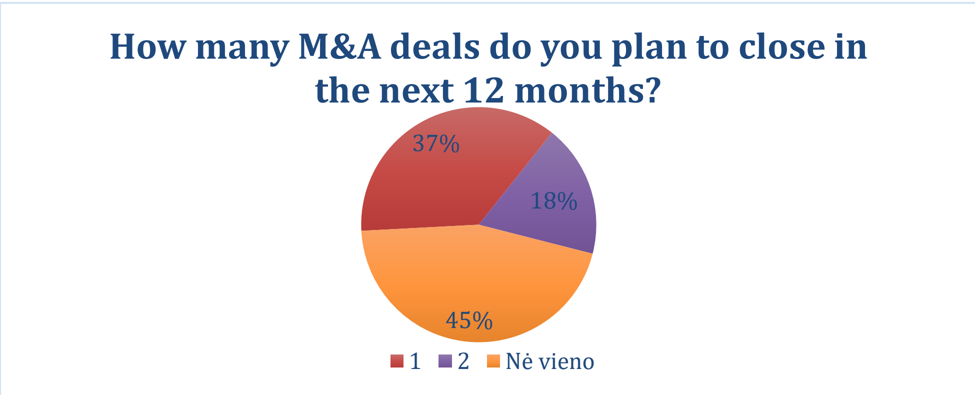
When asked about how they will try to reduce the risks involved in the M&A process, 54% of respondents singled out the importance of better pre-transaction preparations. This includes not only the proper selection of advisers, but also the appointment of a specific person within the company for more efficient work. A more detailed than usual due diligence of a company (target) will also be very important to investors (41% of respondents), in order to better understand the risks and opportunities surrounding a company and its activities. Finally, investors will seek to reduce risks by using stricter financial conditions (30% of respondents), which may include deferred payments, their tying to the company's future results, etc.



Geresnis pasirengimas prieš sandorį – Better preparation before a transaction
Išdamus deramas patikrinimas – Thorough due diligence
Griežtesnės finansinės sąlygos – Tighter financial conditions
Geresnis integracijos planavimas ir vykdymo preciziškumas – Better integration planning and execution precision
Selektyvesnė atranka – More selective screening
Didesnis dėmesys sektoriui ir regionui – Greater focus on the sector and region

Source: Orion Securities

Investors also spoke about their plans in the M&A market. 45% of those who spoke about their expansion plans by acquiring other companies say that they do not intend to do so over the coming year. Meanwhile, 37% plan one and the remaining 17% as many as two acquisitions this year, which basically shows that more than half of the surveyed strategic investors are considering an M&A deal this year.



1 2 None

Source: Orion Securities

In summary, the M&A market, which experienced a slowdown last year, appears to be returning to historical levels. Macroeconomic and geopolitical challenges do not deter investors from investing in companies operating in the Baltic region, however they still require better pre-transaction preparations and more detailed company due diligence to identify risks and hedge against them, as well as see synergies that could be realized.

OTHER SERVICES

FINANCIAL INSTRUMENT ACCOUNTING AND CUSTODY

The Company has been providing services of share and bond accounting, representation in the depository, dividend payment, registration of transactions outside the stock exchange, and other services to private and public limited liability companies. In 2022, share accounting services were provided to over 400 Lithuanian enterprises.

The Accounting Division offers the following services to companies:

- Accounting of the shares and bonds of private and public limited liability companies
- Registration of the issue of securities at the depository, and client representation during material events and in other cases
- Provision of lists of shareholders to companies
- Mediation when dividends are paid out to shareholders of the company, and submission of notifications regarding the latter
- Registration of unlisted over-the-counter transactions of private and public limited liability companies
- Provision of consultations to companies regarding general meetings of shareholders and other related matters
- NAV calculation and accounting services for investment funds

DEPOSITORY SERVICES

The aim of the depository is to ensure the security of fund participant investments without interfering with the investment strategy of the managers. Depository services provided by Orion Securities stand out in the financial market with their flexibility and professionalism. We understand that every client is unique with different strategies, visions and priorities, therefore we take the time to understand the needs and requirements of management companies. Our team has experience working with various funds, their different forms (UAB, AB, KŪB) and different strategies (securities, real estate, loans, green energy, start-up), and can provide valuable insights and advice to fund managers to help them comply with complex regulatory requirements. We work closely with fund managers to ensure that their assets are properly accounted for and securely protected across various geographies (Baltic, Scandinavian, Central European countries, USA, etc.).
We started providing depository services on 1 October 2021, and today our clients are:

- 3 management companies;
- 17 collective investment entities registered in Lithuania;
- 267 million net asset value of supervised funds.

The activities of the depository are regulated and supervised by the Bank of Lithuania. At the beginning of 2022, the depository of Orion Securities had an assessment visit by the supervisory authority. We are happy to announce that the Bank of Lithuania did not provide any significant notes, which proves the competence and professionalism of our team. We constantly set high standards for ourselves and strive to do more, therefore we actively participate in the development process of the Lithuanian financial market and in the formation of best CIE practices together with the regulator and commercial banks operating in Lithuania.

MARKET MAKING

In 2022, the Company provided market making services to the following quoted companies: AUGA group AB, City Service SE, Grigeo AB, Novaturas AB, OMX Baltic Benchmark Fund, and Vilkyškių Pieninė AB. The Company participated in the Baltic and Warsaw Stocks Market Making Programme. In 2022, the share trade turnover generated by Orion Securities as a market maker reached 2.9 million EUR, and the average generated monthly turnover reached 242 thousand EUR. The market maker made over 9.4 thousand orders (38 orders per day) and concluded 10.3 thousand contracts (41 contract per day). The average share of turnover of formed positions reached 20%. The contribution of Orion Securities as a market maker to the liquidity of stock trading was much larger than of other Nasdaq Baltic market makers.

RISK MANAGEMENT

Internal control

Efficiency of internal control is one of the main conditions to ensure not only effective internal processes of a company and their safety, but is also essential for the provision of quality services to clients. Focus on internal control is emphasized in order to successfully implement the European Union MiFID 2 directives and local legislation. Since national legal acts are also under constant improvement, the Company's employees work in cooperation with law firms and supervising authorities on a daily basis.

Three following types of internal control are applied to the efficient control process: preliminary, instant, and corrective. The Company's Compliance Officer periodically submits inspection reports to the chairman of the Board and the head of the Company, which reflect observed shortcomings and recommend divisional control improvement methods.

The Company has a strong focus on risk assessment and effective management of it in respect of each product and service group. Particular attention is paid to the dual control system in order to ensure early elimination of harmful activities and human errors.

Activities of the financial brokerage company involve a high amount of information. Advanced prevention of conflicts of interest and information security are the Company's priorities. Organizational structure and internal procedures ensure compliance with the above-mentioned priorities.

In order to improve its performance and efficiency, the Company regularly reviews its policies, procedures and contracts.

Anti-money laundering and terrorist financing

In recent years, both in the Baltic States and throughout Europe, special attention was paid to the implementation of anti-money laundering and terrorist financing prevention measures. The Company is responding to the changing market practices and pays particular attention to continuously improving its internal processes and systems. The Company collects and stores information related to the monitoring of business relations of clients for the prevention of money laundering and terrorist financing, and implementation of regulatory requirements.

Risk management

Risk management is an essential part of a successful company's system. Risk management processes are continuously improved in the Company; new solutions are introduced in advance to meet the demand of the financial market and financial derivatives. The Company has a risk management committee responsible for risk control and assessment at the Company.

Financial system risk factors that affect the Company's performance:

- Economic risk
  In 2022, geopolitical disturbances wreaked havoc on financial markets, with one of the biggest market falls in decades. With the geopolitical situation largely unchanged, the direction of markets remains unclear. Continuous monitoring of markets and response to events is one of the components of the risk management system. Forecasting of economic events and preparation for potential shock is an important and inseparable part of the Company's operations.

- Systemic risk
  Over the past few years, the Lithuanian financial market has experienced a lot of shocks that were significantly affected by systemic risks. The risk that upon similar systemic risk factors domestic financial system institutions may experience similar shocks will remain in the future.

- Operational risk
  The Company constantly reviews its internal processes and implements system upgrades. Regular staff training and constant process optimization is arranged. This allows minimizing the risks that may occur due to human and systemic errors. Operational risk is also related to geopolitical risk, which may affect the company's operations. The Company has prepared a business continuity plan, the proper implementation of which will allow it to operate in difficult situations.

- Reputation risk
  The importance of reputation for a financial institution is especially high. The Company regularly carries out training for its employees. All employees are motivated not only for quantitative, but also for qualitative results. This allows managing and maintaining a high level of service quality.

- Concentration risk
  The Company aims to offer a vast variety of financial services, thus diversifying income flows and reducing the concentration risk.

- Counterparty credit risk
  The Company provides its clients with a possibility to trade in financial derivatives, thus it is of high importance to have adequate and functioning systems in place, which enable as big reduction of the Company's credit risk as possible. The Company pays considerable attention to the reduction of the counterparty credit risk. Proper selection of a counterparty ensures security and high quality services. The counterparty credit risk is one of the key risks of the Company.

- Cyber security risk
  Over the past few years, the risk of cyber-attacks has increased significantly all over the world, including in Lithuania. The Company increasingly prioritizes strengthening cyber security, constantly improving and updating its software, training its employees, and carrying out appropriate tests. Development of the IT sector will result in an increasing number of additional risks in the future, therefore it is important to respond to changing technologies and constantly improve security systems in an appropriate and timely manner.

The Company does not use hedging instruments that are subject to hedge accounting.

Events after the end of the financial year

Director of Orion Alius Jakubėlis is handing over the wheel of the company to Karolis Pikūnas, Head of Investment Banking Department. Karolis Pikūnas has been working at Orion Securities since 2008, and was the Head of Investment Banking Department at the company since 2016. On 20 February 2023, the Bank of Lithuania officially approved the candidacy of Karolis Pikūnas, who was applying for the position of Director of UAB FMĮ Orion Securities. Alius Jakubėlis will continue to actively participate in the management of the company as the chairman of the Company's board.

27 March 2023

Director Alius Jakubėlis

STATEMENT OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME

	Notes	2022	2021
Income from services and commission fees		5.061.139	4.518.995
Costs of services and commission fees		(1.071.119)	(794.140)
Net income from services and commission fees	1	**3.990.020**	**3.724.855**
Interest income		94.248	100.901
Interest expense	16	(102.168)	(101.543)
Net interest income	2	**(7.920)**	**(642)**
Net profit (loss) of trade in securities and derivatives and transactions in foreign currency	3	39.742	119.273
Change in impairments and other provisions	4	(3.920)	303
Personnel expenses	5	(1.867.506)	(1.283.802)
Depreciation and amortisation	6	(70.649)	(36.529)
Administrative expenses	7	(1.038.117)	(1.048.100)
Other income (expenses)		-	-
Profit (loss) before taxation		**1.041.650**	**1.475.358**
Income (expenses) from corporate income tax	8	(138.083)	(155.265)
Net profit (loss)		**903.567**	**1.320.093**
Other comprehensive income, net of taxes		**-**	**-**
Total annual comprehensive income, net of taxes		**903.567**	**1.320.093**

Accounting principles and notes provided in pages 23 - 48 are an integral part of these financial statements.

These financial statements were signed on: 27 March 2023.

Director
Alius Jakubėlis

Dainius Minelga
Authorised accountant

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2022	31 December 2021
ASSETS			
Non-current assets			
Non-current intangible assets	15	6.273	3.508
Non-current tangible assets	15	207.696	256.380
Deferred corporate income tax assets	8	8.058	7.495
Other non-current financial assets	14	212 550	56 939
Total non-current assets		**434.577**	**324.322**
Current assets			
Loans	14	227.768	544.754
Derivative financial instruments	13	3.983	-
Securities measured at fair value through profit (loss)	12	806.728	1.280.306
Trade receivables and prepayments	11	1.420.590	905.469
Other current assets	10	149.919	98.417
Cash and cash equivalents	9	1.046.066	867.211
Total current assets		**3.655.054**	**3.696.157**
TOTAL ASSETS		**4.089.631**	**4.020.479**
LIABILITIES AND EQUITY			
Share capital	20	1.592.654	1.592.654
Legal reserve	20	159.292	159.292
Retained result		930.124	1.326.557
Total equity		**2.682.070**	**3.078.503**
Non-current liabilities			
Leasing liabilities	16	113.667	139.106
Total non-current liabilities		**113.667**	**139.106**
Current liabilities			
Loans received and leasing liabilities	16	766.732	320.034
Derivative financial instruments	13,17	-	-
Other financial liabilities	17	13.400	32.696
Trade debts		139.024	79.455
Payroll liabilities	18	305.993	180.038
Income tax payable		-	95.418
Other current liabilities	19	68.745	95.229
Total current liabilities		**1.293.894**	**802.870**
TOTAL EQUITY AND LIABILITIES		**4.089.631**	**4.020.479**

Accounting principles and notes provided in pages 23 – 48 are an integral part of these financial statements.

These financial statements were signed on: 27 March 2023.

Director
Alius Jakubėlis

Dainius Minelga
Authorised accountant

STATEMENT OF CHANGES IN EQUITY

	Share capital	Legal reserve	Retained result	Total
31 December 2020	**1.592.654**	**159.292**	**1.056.464**	**2.808.410**
Net profit	-	-	1.320.093	1.320.093
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**1.320.093**	**1.320.093**
Dividends declared	-	-	(1.050.000)	(1.050.000)
31 December 2021	**1.592.654**	**159.292**	**1.326.557**	**3.078.503**
Net profit	-	-	903.567	903.567
Other comprehensive income	-	-	-	-
Total comprehensive income	**-**	**-**	**903.567**	**903.567**
Dividends declared	-	-	(1.300.000)	(1.300.000)
31 December 2022	**1.592.654**	**159.292**	**930.124**	**2.682.070**

Accounting principles and notes provided in pages 23 – 48 are an integral part of these financial statements.

These financial statements were signed on: 27 March 2023.

Director
Alius Jakubėlis

Dainius Minelga
Authorised accountant

CASH FLOW STATEMENT

	Notes	2022	2021
Cash flows from operating activities			
Net profit		903.567	1.320.093
Expense (income) adjustments:			
Depreciation and amortisation	15	70.649	50.490
Interest expense	2	102.168	101.543
Interest (income)	2	(94.248)	(100.901)
Change in impairment of amounts receivable	11	(1.839)	(680)
(Profit) from sale of non-current tangible and intangible assets		-	-
Change in deferred income tax	9	(563)	144
Other non-cash expenses (income)		(867)	(148)
Income tax expenses		138.646	155.121
		1.117.513	**1.525.662**
Changes in working capital:			
Decrease (increase) of trade receivables and pre-payments	11	(513.282)	(205.057)
(Decrease) increase of trade debts		59.569	(28.203)
Increase (decrease) in employment-related liabilities		125.955	17.249
Increase (decrease) in other assets		(212.922)	(25.116)
(Decrease) of other amounts payable	19;17	(26.484)	61.895
Paid corporate income tax		(272.644)	(181.470)
Net cash flows from operating activities		**277.705**	**1.164.960**
Cash flows from investing activities			
(Acquisition) of non-current intangible, tangible assets and investments	15	(24.837)	(281.343)
Transfer of non-current intangible, tangible assets and investments	15	-	172.498
(Granting) of loans		(1.917.522)	(1.602.776)
Recovery of loans		2.278.897	1.400.604
Change in derivative financial instruments		(3.983)	(71.882)
(Acquisition) of trade securities		(30.947.279)	(25.173.051)
Transfer of trade securities		31.420.857	24.636.123
Dividends received	3	974	148
Interest received	2	94.248	100.901
Net cash flows from investing activities		**901.355**	**(818.778)**
Cash flows from financing activities			
Loans received		7.005.584	2.838.229
Loans (repaid)		(6.577.979)	(2.779.405)
Interest (paid)	2	(102.168)	(101.543)
Dividends (paid)		(1.300.000)	(1.050.000)
Leasing (financial lease) payments		(25.642)	(19.323)
Net cash flows from financing activities		**(1.000.205)**	**(1.112.042)**
Net increase (decrease) of cash flows		**178.855**	**(765.860)**
Cash and cash equivalents at the beginning of the period		867.211	1.633.071
Cash and cash equivalents at the end of the period		1.046.066	867.211

Accounting principles and notes provided in pages 23 – 48 are an integral part of these financial statements.

These financial statements were signed on: 27 March 2023.

Director
Alius Jakubėlis

Dainius Minelga
Authorised accountant

GENERAL INFORMATION

UAB FMĮ 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 2022 and 2021, the Company's shareholders were as follows:

	31 December 2022		31 December 2021	
	Number of shares held	**Percentage**	**Number of shares held**	**Percentage**
Orion Managing Partners B.V (Registered office address: Minderbroederssingel 11 6041 KG, Roermond, The Netherlands Legal entity code: 856097378)	55.008	70.01 %	55.008	70.01 %
UAB Suprema LT (Registered office address: S. Fino str. 6-3, Vilnius, Lithuania Legal entity code: 304135030)	15.714	20.00 %	15.714	20.00 %
Mindaugas Strėlis	7.850	9.99 %	7.850	9.99 %
Total	78 572	100.00 %	78 572	100.00 %

All shares whose nominal value per each is 20.27 euros are ordinary and were fully paid as of 31 December 2022 and 2021. Authorised share capital remained unchanged in 2022 and 2021. The Company did not acquire its own shares.

In 2022, the Company had an average of 33 employees in Lithuania (27 employees in 2021).

The management of the Company approved these financial statements on 27 March 2023; the shareholders may approve or not approve these annual financial statements and may ask the management to prepare new financial statements.

UAB FMĮ 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.

ACCOUNTING PRINCIPLES

The main accounting principles based on which these financial statements were prepared are set out below.

Basis of preparation of financial statements

The Company's financial statements were prepared in accordance with the International Financial Reporting Standards applied in the European Union (hereinafter – IFRS). Financial statements were prepared on the historical cost basis, except for securities and derivative financial instruments measured at fair value through profit (loss).

Functional and presentation currency

Amounts provided in these financial statements are presented in local currency - euro (EUR), which is also the functional currency of the Company.

Application of new and revised International Financial Reporting Standards

Effective standards (as of 1 January 2022) and their interpretations

The following are the effective standards issued by the International Accounting Standards Board (IASB) and adopted by the EU, as well as their supplements and interpretations:

- Amendments to IFRS 3 Business Combinations, IAS 16 Property, Plant and Equipment, IAS 37 Provisions, Contingent Liabilities and Contingent Assets, and annual improvements thereof for 2018–2020 (effective for annual periods beginning on 1 January 2022).

- IFRS 16 Covid-19-Related Rent Concessions after 30 June 2021 (effective for annual periods beginning on 1 April 2021);

Application of the standards, their amendments and interpretations listed above had no material impact on the Company's financial statements.

Standards issued by IASB, approved in the EU, but not yet effective

At the date of signing these financial statements, the Company did not prematurely apply the following new and revised IFRS standards, their amendments and interpretations that have been approved but not yet effective:

- IFRS 17 Insurance Contracts; including amendments to IFRS 17 (effective for annual periods beginning on 1 January 2023);

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for annual periods beginning on 1 January 2023);

- Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates (effective for annual periods beginning on 1 January 2023);

- Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective for annual periods beginning on 1 January 2023 or later);

- IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information (effective for annual periods beginning on 1 January 2023).

The Company believes that the application of these standards, effective standard amendments and interpretations will not have a material impact on the Company's financial statements during their initial application period.

Standards and interpretations issued by IASB, but not yet approved in EU

There are almost no differences between IFRS that are currently adopted in the EU and the standards that were approved by the IASB, excluding the standards, amendments to the effective standards and their interpretations which were not yet approved in the EU (effective dates apply to IFRS in full scope). These standards, their amendments and interpretations are set out below:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-Current; Classification of Liabilities as Current or Non-Current and Classification of Liabilities as Current or Non-Current – Deferral of Effective Date; Non-Current Liabilities with Covenants (effective for annual periods beginning on 1 January 2024);

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (effective for annual periods beginning on 1 January 2024).

The Company believes that the application of these standards, effective standard amendments and interpretations will not have a material impact on the Company's financial statements during their initial application period.

Financial assets

Financial assets are cash and cash equivalents, contractual rights to receive cash or other financial assets, contractual rights to exchange financial instruments with another party on potentially favourable terms, and the equity instruments and contracts of other companies under which the Company's own equity instruments will or may be used as payment.

Financial assets are divided into:
- Measured at amortised cost;
- Measured at fair value, the change of which is recognized as other comprehensive income;
- Measured at fair value, the change of which is recognized as profit or loss.

All ordinary purchases and sales of financial assets are recognized on date of payment, which is the date when the Company undertakes to buy or sell assets.

Financial assets are measured at amortised cost when the following criteria are met:

- Financial assets are held under a business model, the purpose of which is to hold financial assets in order to collect the cash flows established in the contract;
- Cash flows of financial assets may arise on the dates established in the conditions of the contract, which are simply the payments of interest of the main amount and main uncovered amount.

Financial assets measured at amortised cost

Loans and receivables

Loans and amounts receivable are non-derivative financial assets with fixed payments or payments calculated using an established method, which are not sold in the active market. After initial recognition, loans and amounts receivable are later accounted for at amortised value by using the effective interest rate method, less any impairment losses. Amortised value is calculated by including all acquisition discounts or supplements, and covers fees that are inseparable from the effective interest rate and transaction price. Profit or loss is recognized in the statement of comprehensive income when such assets are written off, the value of such assets decreases or the assets are amortised.

Loans and short-term receivables are accounted for after measuring their impairment.

Loans and amounts receivable are recognized in the statement of financial position on the day they are paid out, when money is transferred to the borrowers. From the day of signing of the loan contract until the day of loan repayment, they are accounted for under off-balance items.

Repurchase (repo) and reverse repurchase (reverse repo) agreements

Securities sold under agreements to repurchase at a specified future date are not derecognized from the statement of financial position, since the Company retains all the risks and rewards of ownership. The corresponding cash received is recognized in the statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability, reflecting the transaction's economic substance as a loan to the Company.

The securities purchased under agreements to resell at a specified future date are not recognized in the statement of financial position. Reverse repurchase agreements are classified as loans received and amounts payable, received from banks and other clients, and are accounted for using the amortised cost method. The difference between sale and repurchase price is accounted for as interest, and accrued over the life of the contract using the effective interest rate method.

Financial assets measured at fair value, the change of which is recognized as other comprehensive income

Financial assets are measured at fair value, the change of which is recognized as other comprehensive income, when both of the following criteria are met:

- Financial assets are held under a business model, the purpose of which is to collect the cash flows established in the contract, and sell the financial assets;
- Cash flows of financial assets may arise on the dates established in the conditions of the contract, which are simply the payments of interest of the main amount and main uncovered amount.

The Company did not have such financial assets on 31 December 2022 and 2021.

Financial assets measured at fair value, the change of which is recognized as profit or loss

Financial assets measured at fair value, the change of which is recognized as profit or loss, include financial assets which are not classified as financial assets measured at amortised cost and financial assets measured at fair value, the change of which is recognized as other comprehensive income. During initial recognition, financial assets may be irrevocably attributed to financial assets measured at fair value, the change of which is recognized as profit or loss, if such designation eliminates or reduces contradictions in the measurement and recognition of financial instruments (accounting discrepancies). These financial assets cannot be transferred to another financial asset group later on.
Changes in fair value are accounted for as net profit (loss) from securities transactions. Most of the Company's financial assets are assigned to this category.

Financial asset category is determined during the acquisition of these assets.

<u>Derivative financial instruments</u>

Derivative financial instruments including forward contracts, contracts for differences - CFD (issued or acquired by the Company) and other derivative financial instruments are initially recognized in the statement of financial position at their fair value. Fair values are determined according to the model whose variables include market data. Derivative financial instruments are recognized as assets when fair value is positive, and as liabilities when fair value is negative.

Contracts for differences is an agreement between two parties, i.e. the buyer and the seller, whereby one party pays the difference between the current market price and the initial price of the underlying instrument, valid on the date of the transaction. If the price of a specific CFD increases, the price difference is paid by the seller, if it drops - by the buyer. CFD is a derivative financial instrument with the price based on the stock market price.

The Company, entered into CFD transaction with a client, is insured by making the same transaction with a third party or by buying the same amount of securities which are the basis of the CFD transaction with the client.

Certain derivative transactions (CFD), even though providing an effective hedging of economic risk according to the risk management policy of the Company, are accounted for as derivative financial instruments held for trade purposes, by accounting for the changes in their fair value as net profit (loss) from transactions in derivative financial instruments of the reporting period.

Accounting of CFD transactions entered into with a third party. If the price of a certain CFD instrument is lower compared to the initial price registered on the date the transaction was made, the price difference on the transaction closing and payment date is recorded under liabilities items as a financial liability to a client. Upon paying the client, this liability is offset. If the price of a certain CFD drops, the price difference on the transaction closing and settlement date is recorded under assets items as receivables from a client for CFD. Upon payment by the client, these receivables are offset.

Accounting of CFD concluded based on acquired securities. On CFD transaction opening date with a client, the Company buys the same amount of securities for its portfolio as a basis for the CFD transaction made with the client. All securities purchased for CFDs are recorded in a separate portfolio of financial assets thereof. Every time when preparing the financial statements, these assets are measured at fair value, by recording an increase under the liabilities items, and a decrease under the assets items. On the transaction closing and settlement date, these securities are sold. In this case, the CFD result includes results of revaluations and the amount of a profit or loss from sale. If the result is positive (price of securities increased), financial liability to a client is recorded. Upon paying the client, this liability is offset. If the result is negative (price of securities dropped), it is recorded as receivables from a client. Upon payment by the client, these receivables are annulled.

Changes in the fair value of derivatives held for trading are included in net profit (loss) from transactions in derivative financial instruments.

Certain derivatives embedded in other financial instruments, such as index linked options in bond issued, are treated as separate derivatives when their economic characteristics and risks are not closely related to those of the host contract and the host contract is not measured at fair value through profit or loss. These embedded derivatives are measured at fair value by accounting for fair value changes in the statement of comprehensive income of the reporting period.

Fair values of derivative financial instruments are disclosed in Note 13.

Impairment of financial assets

The Company shall recognize impairment from expected credit losses (ECL) for the following financial assets which are not measured at fair value through profit or loss: loans and advances to clients; debt securities; financial guarantee contracts.

Impairment losses are not recognized for equity securities.

The expected credit losses of financial assets are measured at an impairment amount equal to:
- 12 months of expected credit losses; these are expected credit losses resulting from failure to fulfil one's financial obligations, which are possible within 12 months after the date of the financial statements, or
- All expected credit losses; these are all expected credit losses resulting from all possible failures to fulfil one's obligations during the financial asset validity period.

Impairment of all expected credit losses for financial assets is measured if the credit risk for such financial assets has significantly increased after initial recognition. Expected credit losses for all other financial assets are measured by considering the 12 months of expected credit losses.

Expected credit losses is the probable weighted estimate of the current value of credit losses. They are measured as current value difference between cash flows arising from contractual flows received by the Company, and cash flows, which the Company expects to receive, arising due to a number of future economic events, discounted according to the effective interest rate of the financial assets.

Financial liabilities

Trade and other payables and debts are at first recognized at fair value of received funds less costs of the transaction. Later they are accounted for at amortised value (excluding derivative financial instruments, see above), and the difference between the received funds and the amount which will have to be paid within the term of the debt is included in the profit or loss of the period. Debts are classified as long-term, if evidence is provided in the financial statements until the date of statement of financial position that the liabilities of the date of statement of financial position are long-term.

Derecognition and offsetting of financial assets and liabilities

Financial assets

Financial assets (or, where necessary, financial asset part or part of the similar financial asset group) are derecognized when:
- The period of the right to financial asset cash flows expires; or
- The Company transferred its rights to financial asset cash flows or retained its right to cash flows, but assumed an obligation to pay the entire amount to a third party according to a transfer agreement within a short amount of time; and
- The Company either (a) transferred basically all the risk and benefit related to financial asset ownership, or (b) did not transfer, not retained the risk and benefit related to financial assets, but transferred the control of these assets.

When the Company transfers its rights to asset cash flows, but does not transfer the risk, benefit and asset control related to asset ownership, the assets are recognized to the extent the Company is related to them.

Financial liabilities

Financial liabilities are derecognized when they are covered, cancelled or their period of validity has expired.

When the current financial liability for the same creditor is replaced with another liability, with essentially other conditions, or the conditions of the current liability are essentially changed, such changes are recognized as the derecognition of current liabilities and the recognition of new liabilities, by recognizing their difference as profit (loss) in the statement of comprehensive income.

Netting

Financial assets and liabilities can be netted-off against each other and presented at fair value in the statement of financial position if there is a legal possibility to net-off recognized amounts, and it is planned to pay in fair value or sell assets and cover obligations at the same time.

Cash and cash equivalents

When drawing up a cash flow statement, cash and cash equivalents include money and other valuables, bank balances, and other short-term highly liquid investments with original maturities of 3 months or less.

Recognition of income and expenses

The Company recognizes income at an amount which matches the remuneration, the right to which the Company hopes to receive in exchange for the transferred goods or services.

Contracts with clients are accounted for by the Company only when all the following criteria are met:
- The contract was approved by the contractual parties (in writing, orally, or according to other usual business practices) which undertake to fulfil their respective obligations;
- The Company is able to identify the rights of each party regarding the goods or services to be transferred;
- The Company is able to identify the payment conditions applied to the goods or services to be transferred;
- The contract has a commercial basis (i.e. it is likely that the contract will change the periodicity or amount of future cash flows of entities, or the risk related thereto), and it is likely that the Company will receive remuneration, the right to which will be granted in exchange for goods or services that will be transferred to the client.

Income from contracts with clients is first of all comprised of fees relating to services. They are included in the Commission Income item of the statement of comprehensive income.

Interest income and expenses

Interest income and expenses for all interest-bearing financial instruments are recognized as ‘interest income’ and ‘interest expenses’ in the statement of comprehensive income using the effective interest rate method. The effective interest rate method is a method of calculating the amortised cost of financial assets and liabilities, and of allocating the interest income and interest expenses over the relevant period. The effective interest rate is the rate that discounts future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Company measures cash flows by considering all provisions of the financial instruments (for example, prepayment options), but does not consider future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Service and commission income and expenses

Service and commission income and expenses are generally recognized on an accrual basis when the service has been provided.

Corporate finance services income, arising from negotiating or participating in the negotiation of a transaction for a third party, are recognized on completion of the underlying transaction. Commission fees or components of such fees that are linked to certain performance are recognized after fulfilling the established conditions.

<u>Dividend income</u>

Dividends are recognized in the statement of comprehensive income when the entity's right to receive payments is established.

<u>Other expenses</u>

Other expenses are recognized on the basis of accrual and revenue and expense matching principles during the reporting period when income related to these expenses is earned, irrespective of the time the money was spent. In cases when expenses incurred during the reporting period cannot be directly linked to the specific income and will not provide income during future accounting periods, these expenses are recognized as expenses for the period during which they were incurred. The amount of expenses is usually accounted for as the amount paid or due.

Lease

Upon signing the arrangement, the Company determines whether an arrangement is a lease or contains a lease. The Company recognizes the right-to-use lease assets and respective lease liabilities based on all the lease arrangements where the Company is the Lessor, excluding short-term lease (lease with a term of 12 months or less) and low-value asset lease (e.g., lease of tablets and personal computers, small office furniture and phones). For this lease, the Company recognizes lease payments as operating expenses by using the straight-line method over the lease term, excluding cases when another systematic method is more representative of the time period during which the economic benefits from the leased assets are consumed.

Lease liabilities are initially measured at the present amount of lease payments which has not yet been paid, and the aforesaid amount is subsequently discounted using the interest rate provided in the lease agreement. If no interest rate is specified in the lease agreement, the Company shall use its borrowing rate.

Lease liabilities are measured by increasing the carrying value to reflect the related interest rate (by using the effective interest rate method), and by decreasing the carrying value to reflect the lease payments made.

Right-to-use lease assets are comprised of initial assessment of the relevant lease obligation, and lease fees paid at the beginning of the day or earlier minus any lease discounts and any initial direct costs. They are later measured at cost less accumulated depreciation and impairment losses.

Right-to-use assets are depreciated over the lease term or useful life of the main assets, by considering which one is shorter. If, after the lease of assets, the right of ownership to the main assets is transferred or the costs of right-to-use lease assets reflect the fact that the Company expects to assess the asset acquisition option, the right-to-use assets concerned are depreciated over the service life of the main assets. Depreciation starts from the date of commencement of the lease of assets.

Non-current intangible assets

Intangible assets are accounted for at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised using the straight-line method over their estimated useful life.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic lives of 3 to 4 years and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least at each financial year-end. The Company owns no assets of indefinite useful life.

Non-current tangible assets

Non-current tangible assets are accounted for at acquisition cost less accumulated depreciation and impairment. Depreciation is calculated using the straight-line (linear) method by proportionally writing off the acquisition value of each separate asset unit over the following useful lives of assets:

Furniture	6 years,
Office equipment	3 years,
Vehicles	6 - 10 years,
Other non-current assets	4 - 6 years.

Non-current tangible assets are constantly reviewed in order to evaluate the reduction of their value, if any changes of events or circumstances show that the accounting value might be non-recoverable. The accounting value of assets is immediately reduced to recoverable amount in case the accounting value exceeds the established recoverable amount. Recoverable amount is the fair value of assets less costs of sales, or the value of use, depending on which is higher. Profit or loss from sales of non-current tangible assets is based on its accounting value and is included in the statement of comprehensive income. On each accounting date, the net book value of assets and useful life periods are reviewed and updated respectively, if necessary.

Fair value of assets and liabilities

Fair value is the price that would be received when selling assets or paid when transferring liabilities via an ordinary transaction between market participants at the measurement date. Fair value measurement is based on the presumption that the asset sale or liability transfer transaction takes place either:

- In the principal market of the assets or liabilities;
- In the absence of a principal market, in the market that is the most advantageous for these assets or liabilities.

The principal or the most advantageous market must be accessible to the Company.

All assets and liabilities with a fair value are measured and recognized in these financial statements according to the fair value hierarchy provided below. The hierarchy is comprised according to the lowest level input which is important for determining fair value:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities;
Level 2: fair value calculated using measurement methods; where the lower level variables having a significant effect on the fair value are directly or indirectly available in the market;
Level 3: fair value calculated using measurement methods, when variables of the lowest level having a significant effect on the fair value are not based on information available in the market.
If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The fair value of an asset or liability is measured using assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account the market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in certain circumstances, and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

The fair value of interest-bearing assets is estimated based on discounted cash flow value using the interest rates for items with similar terms and risk characteristics. In the case of inactive markets, valuation techniques are applied for measuring fair value.

Fees

Corporate income tax

In accordance with the Republic of Lithuania Law on Corporate Income Tax, the current income tax rate is 15% on taxable income. Expenses related to taxation charges and included in these financial statements are based on calculations made by the management in accordance with the Lithuanian tax legislation.

Deferred income tax is accounted for using the balance sheet liability method on all temporary differences arising between the tax bases of assets and liabilities and their accounting values in the financial statements. Deferred tax assets are recognized in respect of tax losses to the extent that it is probable that taxable profit will be earned against which the losses can be utilized. Likely future taxable profit is measured when determining the amount of deferred tax assets that can be recognized. Deferred income tax is calculated by applying tax rates that are effective or approved on the statement of financial position date, and are expected to be applied when the deferred income tax assets are realized or the deferred income tax liability is settled. However, deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit nor loss.

Tax losses can be transferred for an unlimited period, except losses incurred due to the transfer of securities. Losses from the transfer of securities can be carried forward for 5 consecutive years. As of 1 January 2014, forwarded tax losses can cover no more than 70% of the taxable income of the current year.

Deferred tax related to the re-measurement of available-for-sale securities which are accounted for in the statement of comprehensive income (other comprehensive income), is also accounted for in the statement of comprehensive income and subsequently recognized in the profit (loss) together with the deferred gain or loss.

Other taxes

Other taxes are accounted for under the administrative expenses item in the statement of comprehensive income.

Foreign currencies

Foreign currency transactions

Foreign currency transactions are converted to euros according to the exchange rate of the respective currency and euro established by the Bank of Lithuania which was effective on the date of the operation. Profit and loss arising from the execution of such operations and from the conversion of monetary assets and liabilities denominated in currencies other than the euro are accounted for as profit or loss.

Monetary assets and liabilities denominated in foreign currency are translated into functional currency using the exchange rate of the relevant currency which was effective at the date of the statement of financial position. Foreign currency exchange gains and losses are recognized as profit or loss. Non-monetary items are accounted for at acquisition value using the exchange rate that was effective on the date of the transaction, and non-monetary assets accounted for at fair value or revalued value are converted by using the exchange rate that was effective on the date the fair value was determined.

Employee benefits

Social security contributions

The Company pays social security contributions to the State Social Insurance Fund (hereinafter - the Fund) for its employees according to the established contribution plan and in accordance with the legal requirements of the Republic of Lithuania. The established contribution plan is a plan according to which the Company transfers contributions of an established size to the Fund and has no legal or constructive obligation to continue paying these contributions, if the Fund does not have sufficient assets to be able to pay all the benefits to employees related to their service during current and previous periods. Social security contributions are recognized as expenses on an accrual basis and are included within staff costs. Social security contributions are allocated each year by the Fund for pension, health, sickness, maternity and unemployment payments.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it will likely require economic resources to settle obligations, and this amount can be reliably estimated. Expenses relating to provision accounting are recognized in the statement of comprehensive income. If the effect of the time value of money is material, provisions are discounted using the pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase of a provision reflecting the previous period is registered in accounts as borrowing costs.

Contingent assets and liabilities

Contingent liabilities are not recognized in the financial statements. They are described in the notes to financial statements, excluding cases when the likelihood that resources providing economic benefits will be lost is very small.

Contingent assets are not recognized in the financial statements, however they are disclosed when an inflow or economic benefits are probable.

Off-balance items - entrusted assets/funds and related liabilities (trusteeship)

Assets and income together with related liabilities to return these assets, and/or any related income of the client are not included in these financial statements in cases when the Company acts as a trustee, proxy or agent. Securities and financial instruments acquired on assignment and using the funds of the client, on own behalf and on behalf of clients, are accounted for in the off-balance sheet statement of the clients' accounts.

Client funds/money means the resources kept in trust on behalf of the Company in current bank accounts and bank accounts under the term deposit contract. Clients' money is separated from the Company's resources and kept in trust in commercial banks.

Securities purchased on behalf of clients are securities purchased for clients on behalf of the Company in Lithuania and through foreign intermediaries. These securities are stored on behalf of the Company in various depositories and with other account managers.

Value of securities stored by the clients in the Company's securities accounts is calculated on the financial reporting date, by multiplying the quantity of the securities by the securities' market price, and, if such is not available - by the nominal value. Bonds purchased on behalf of clients are accounted for in off-balance accounts at their nominal value.

Contracts for Difference (CFD) are transactions in force on the reporting date, entered into on clients' behalf and account or on own behalf and the clients' account. CFD entered into on own behalf and the clients' account, i.e. derivative financial instruments held at the Company's accounts opened with the third parties (omnibus type accounts), any benefits or loss of which solely belongs to clients, and the Company acts as mediator only. The value of CFD on the day of financial statements is calculated by multiplying the amount of financial instruments by the difference between market value of related securities (on the day of transaction and revaluation). CFD acquired on the clients' account are accounted for at fair value as off-balance items, and factual receivables and payables arising from these financial instruments (between the Company and the clients) are included in the statement of financial position.

Client transactions on derivative financial instruments with a third party are Option and Forex transactions in force on the reporting date. They are included in off-balance accounts at fair value.

Post balance sheet events

All events that have occurred after the date of the statement of financial position (adjusting events) are provided in the financial statements if they are related to the reporting period and have a significant impact on the financial statements. All events that are significant but are not adjusting events are disclosed in the notes to these financial statements.

Use of measurements in the preparation of financial statements

Preparation of financial statements in conformity with the IFRS requires the use of measurements and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Although these measurements are based on management's best knowledge of current events and actions, actual results may ultimately differ from these measurements. The impact of such changes will be included in the financial statements once they appear.

Business continuity

The Company's management is fully convinced of stable and balanced performance going forward and based on that prepared these financial statements on the going concern basis.

Impairment of loans, trade receivables and prepayments

The Company reviews its granted loans, trade receivables and prepayments to assess impairment at least on a quarterly basis. When determining whether an impairment loss should be recorded in the statement of comprehensive income, the Company measures whether there is any objective proof indicating that there is a significant decrease in future cash flows from loans granted, trade receivables and prepayments.

Such objective proof may include signs indicating that there has been an adverse change in the payment status of borrowers, or national or local economic conditions that correlate with failure to fulfil one's obligations, as well as other objective and subjective factors. The Management uses measurements based on historical losses from assets related to similar credit risk and objective impairment proof when assessing its future cash flows. The methodology and assumptions used for measuring both the amount and timing of future cash flows are reviewed regularly to reduce any differences between calculated loss amounts and actual loss experience.

Fair value of financial instruments

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques that include the use of mathematical models. The input to these models is taken from observable markets where possible, but where this is not feasible, certain assumptions are made when measuring fair values. The fair values of financial assets and liabilities are provided in the note on financial risk management.

FINANCIAL RISK MANAGEMENT

The Company analyses, measures, assumes and manages risks and risk groups in its activity. The purpose of risk management is to ensure acceptable profitability and return on equity by proper management of risks. Key types of risks that the Company faces are credit, concentration, foreign currency, interest rate, liquidity, market and operational risk. Concentration risk is seen as part of the credit risk. The Board and management of the Company, heads of divisions and internal controller are responsible for management of individual risks within their competence.

The Company is a financial institution, and management of its various financial risks is strictly regulated and supervised. For risk management, relevant procedures have been prepared: Trading Policy, Trading Risk Management Policy, Internal Capital Adequacy Assessment Process and Risk Management Strategy, Solvency and Liquidity Rules, Operational Risk Assessment and Management Strategy and Procedures, as well as other documents.

The following main financial risk management procedures are applied in the Company:

Capital adequacy – on a daily basis the Company must meet the capital adequacy ratio, calculated according to Regulation (EU) No 575/2013 of the European Parliament and of the Council;
In trading activities – compliance with and assessment of position limits and additional restrictions;
Internal control performance is carried out by the specially assigned employee.

Credit risk

Credit risk means the risk for the Company to incur losses due to the failure of counterparties to fulfil their financial obligations towards the Company. Credit risk arises principally in investing and crediting activities and it is the most significant risk in the Company's business. Due to regular statements, the management of the Company is constantly informed on the level of credit risks taken and changes thereof.

When measuring the impairment losses on loans and financial assets, the Company follows the requirements of IAS 39 Financial Instruments.

Loans and receivables

Credit risk arising from crediting activities is managed by carrying out a thorough analysis of the client before granting loans, and by monitoring thereof after the credit disbursement. The Company manages concentration risk by limiting and controlling concentration of credit risk; it evaluates possibilities of the client to repay the loan and collaterals.

Maximum credit risk position, irrespective of pledging measures and other liability implementation assurance tools:

	31 December 2022	**31 December 2021**
Credit risk exposures relating to on-balance sheet assets are as follows:		
Securities measured at fair value through profit (loss)	806.728	1.280.306
Cash and cash equivalents	1.046.066	867.211
Long-term financial assets	212.550	56.939
Loans granted	227.768	589.143
Trade receivables and prepayments	1.420.590	905.469
Derivative financial instruments	3.983	-
Total	**3.717.685**	**3.699.068**

The table above represents credit risk exposure on 31 December 2022 and 2021, without taking into account any credit risk mitigation techniques.

When managing cash-related credit risks, the Company diversifies cash keeping places and stores cash in Lithuanian and foreign banks and financial brokerage firms which the Company believes to be secure. The management actively monitors ratings of banks and status of financial brokerage firms, therefore the management believes that the parties of the transaction will implement their liabilities.
Information on loans granted and trade receivables, prepayments and other non-current financial assets for December 31 are summarized in the tables below:

	2022		2021	
	Loans	Trade receivables, prepayments and other non-current financial assets	Loans	Trade receivables, prepayments and other non-current financial assets
Loans and receivables neither past due nor impaired	227.768	1.565.108	589.143	868.101
Loans and receivables, past due but not impaired	-	68.032	-	94.307
Impaired loans and receivables	9.860	39.987	9.860	38.148
Total value	**237.628**	**1.673.127**	**599.003**	**1.000.556**
Minus: impairment	(9.860)	(39.987)	(9.860)	(38.148)
Net value	**227.768**	**1.633.140**	**589.143**	**962.408**

Past due but not impaired loans, trade receivables and prepayments mean loans, trade receivables and prepayments that are past due but have no individual allowances for impairment considering collaterals and other risk mitigating circumstances.

Impaired loans, trade receivables and prepayments mean loans, trade receivables and prepayments that have individual allowances for impairment by 100 percent, since it is not expected to recover them.

Analysis of past due but not impaired loans, trade receivables and prepayments for December 31 is as follows:

	2022		2021	
	Loans	Trade receivables and prepayments	Loans	Trade receivables and prepayments
Past due 1 -30 days	-	4.256	-	40.988
Past due 31-60 days	-	1.389	-	11.437
Past due 61-90 days	-	37.488	-	17.700
Past due over 90 days	-	24.899	-	24.182
Total	**-**	**68.032**	**-**	**94.307**

Having evaluated the financial status of debtors on 31 December 2022 and 2021, the Company did not additionally impair past due loans and prepayments for clients. The Company did not make additional value adjustments for trade receivables.

Securities measured at fair value through profit (loss)

Below is the analysis of securities measured at fair value through profit (loss) by geographical trade zone:

	31 December 2022	**31 December 2021**
Baltic countries	435.134	1.130.611
USA and Canada	371.593	96.676
Other EU countries	-	53.017
Other countries	1	2
Total	**806.728**	**1.280.306**

Derivative financial instruments

The credit risk arising from derivative instruments is managed daily by assessing the potential market value fluctuations. Margining agreements are established with the clients. Security measures (deposited funds or securities) are applied to manage the credit risk of these financial instruments, therefore the management believes that credit risk associated with derivative financial instruments is not significant.

General assessment of risk

In the table provided below, low risk transactions are secure transactions, i.e. sound financial status, stable operations, implementation of agreements without major violations, no past due short-term receivables and no past due receivable loans. Monetary funds are considered of low risk if they are kept in banks of the EU states and the USA, the parent banks of which have investment ratings and the share of cash at accounts of EU countries and USA brokers' platforms, which are covered by liabilities on the same platform. Receivables for which deposits have been taken from clients are also classified as low risk transactions. Transactions that have loss factors and have risk of loan not being repaid, also cash at accounts of EU states and USA brokers platforms which are not covered by liabilities on the same platforms are assessed as those having higher risk.

Unclassified risk concerns such positions which have no credit risk assessment.

Low risk equity securities are securities traded in regulated markets.

Low risk debt securities are securities of rating BBB- and above, securities of higher risk - securities of rating below BBB-.

31 December 2022:	**Low risk**	**Higher risk**	**Unclassified**	**Total**
Credit risk exposures relating to on-balance sheet assets are as follows:				
Securities measured at fair value through profit (loss)	806.728	-	-	**806.728**
Cash and cash equivalents	1.046.066	-	-	**1.046.066**
Loans granted	227.768	-	-	**227.768**
Long-term financial assets	212.550	-	-	**212.550**
Trade receivables and prepayments	629.287	68.032	723.271	**1.420.590**
Total	**2.922.399**	**68.032**	**723.271**	**3.713.702**

31 December 2021:	**Low risk**	**Higher risk**	**Unclassified**	**Total**
Credit risk exposures relating to on-balance sheet assets are as follows:				
Securities measured at fair value through profit (loss)	1.280.306	-	-	**1.280.306**
Cash and cash equivalents	867.211	-	-	**867.211**
Loans granted	486.526	102.617	-	**589.143**
Long-term financial assets	56.939	-	-	**56.939**
Trade receivables and prepayments	511.494	94.307	299.668	**905.469**
Total	**3.202.476**	**196.924**	**299.668**	**3.699.068**

Concentration risk.

Concentration risk is a risk arising from positions of counterparties, positions of groups of related counterparties, and concentration of positions in one economic sector or geographical region. When assessing the concentration risk, it is recommended that the concentration in one geographical region (excluding European Union countries) should not exceed 8% of the Company's capital.

Foreign exchange risk

The policy of the Company is to coordinate cash flows from highly probable future sales with purchases in each foreign currency. The Company has entered into an FX contract in order to manage the foreign exchange risk. On 31 December 2022 and 2021, cash assets and cash liabilities in different currencies were as follows (equivalent in euros):

	31 December 2022		**31 December 2021**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
EUR	3.019.130	654.108	3.576.309	603.098
USD	1.068.817	715.818	338.657	269.910
PLN	92	-	102.927	-
NOK	-	35.213	1.670	68.968
Other currencies	1.592	2.422	916	-
Total	**4.089.631**	**1.407.561**	**4.020.479**	**941.976**

The table below provides sensitivity of the Company's profit before tax and equity to possible foreign currency changes, when all other variables are treated as fixed (considering changes of cash assets and fair values of liabilities).

	Change	**31 December 2022**	**31 December 2021**
USD	-10 %	(35.300)	(6.875)
PLN	-10 %	(9)	(10.293)
NOK	-10 %	(3.521)	(6.730)
Other currencies	-10 %	(83)	(92)
Total	**-10 %**	**(38.913)**	**(23.990)**

Sensitivity of foreign exchange risk is calculated by assessing possible losses from open positions, i.e. open foreign exchange position is multiplied by the expected foreign currency change.

Interest rate risk

Interest rate risk is the risk that the Company will incur losses due to price fluctuations of financial assets and liabilities measured at fair value through profit or loss in the statement of comprehensive income, concerning changes in the market interest rate.

Loans granted and received by the Company have fixed interest rates, thus the Company is not subject to interest rate risk, except for concluded financial leasing agreements which have a 3-month EURIBOR variable interest rate component. This interest rate risk is insignificant.

Liquidity risk

Liquidity risk is a risk that the Company will not be able to fulfil its financial liabilities upon their maturity. The policy of the Company is to maintain a sufficient amount of cash and cash equivalents or secure funding through an appropriate quantity of credit lines or other borrowing instruments in order to fulfil obligations both under ordinary and under difficult conditions without suffering unacceptable losses and without risking to lose good reputation.

Liquidity risk management is carried out by implementing the internal control function, establishing business continuity plans and procedures limiting any possible unforeseen risk, assessing the acceptability or unacceptability of services provided by the Company, carrying out product and service pricing management and internal resource reallocation functions, analysing the Company's processes and procedures, identifying risk points, and assessing the sufficiency of their control.

The table below summarizes the Company's financial liability return deadlines on 31 December 2022 according to the undiscounted contractual payments.

	Within three months	**After three months, but no later than within one year**	**After one year, but no later than within five years**	**After five years**	**No deadline /On demand**	**Total**
Liabilities						
Leasing (financial lease) liabilities	6.576	20.103	113.667	-	-	**140.346**
Leasing interest payable	1.783	4.906	10.759	-	-	**17.448**
Trade debts	139.024	-	-	-	-	**139.024**
Other financial liabilities	-	-	-	-	13.400	**13.400**
Loans received	-	-	-	-	740.053	**740.053**
Payroll liabilities	305.993	-	-	-	-	**305.993**
Total liabilities	**453.376**	**25.009**	**124.426**	**-**	**753.453**	**1.356.264**

The table below summarizes the Company's financial liability return deadlines on 31 December 2021 according to the undiscounted contractual payments.

	Within three months	**After three months, but no later than within one year**	**After one year, but no later than within five years**	**After five years**	**No deadline /On demand**	**Total**
Liabilities						
Leasing (financial lease) liabilities	6.333	20.549	139.106	-	-	**165.988**
Leasing interest payable	2.073	5.803	17.448	-	-	**25.324**
Trade debts	79.455	-	-	-	-	**79.455**
Other financial liabilities	-	-	-	-	32.696	**32.696**
Loans received	-	-	-	-	293.152	**293.152**
Payroll liabilities	180.038	-	-	-	-	**180.038**
Total liabilities	**267.899**	**26.352**	**156.554**	**-**	**325.848**	**776.653**

Market risk.

Market risk is a risk to suffer losses due to low market liquidity which prevents from selling the current assets (investment) on time and for the desired price, or which completely prevents from selling the current assets (investment). The main preventive tools for managing market risk in the Company are asset class limits in the managed portfolio and various position limits in the managed portfolio.

Operational risk

Operational risk is a risk to suffer direct and indirect losses due to improper or unimplemented internal control processes, employee errors and/or illegal actions, as well as information systems and technology malfunctions or due to the influence of external factors.

Operational risk management is carried out by implementing the internal control function, establishing procedures limiting any possible unforeseen risk, insuring the Company's tangible assets, assessing the acceptability or unacceptability of services provided by the Company, carrying out product and service pricing management and internal resource reallocation functions, analysing the Company's processes and procedures, identifying risk points and assessing the sufficiency of their control.

Internal capital for operational risk is calculated by applying the basic indicator method in accordance with Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRDIV/CRR).

The table below discloses the method of calculation of operational risk according to the basic indicator method in thousand EUR:

31 December 2022	**Year -3**	**Year -2**	**Last year**	**Average**
1. ALL BUSINESS LINES ACCORDING TO THE BASIC INDICATOR METHOD	3.045	2.529	3.896	3.157
CAPITAL CHARGE, %	-	-	-	15%
Exposure value, thousand EUR (Average* coefficient)				474
Capital requirements, thousand EUR (394*12,5)	**-**	**-**	**-**	**5.925**

31 December 2021	**Year -3**	**Year -2**	**Last year**	**Average**
1. ALL BUSINESS LINES ACCORDING TO THE BASIC INDICATOR METHOD	2.302	3.045	2.529	2.625
CAPITAL CHARGE, %	-	-	-	15%
Exposure value, thousand EUR (Average* coefficient)				394
Capital requirements, thousand EUR (298*12,5)	**-**	**-**	**-**	**4.925**

Fair value of financial assets and liabilities

The following items of financial assets and financial liabilities are not disclosed in the statement of financial position at their fair value: cash and cash equivalents, trade receivables and prepayments, loans granted, borrowings, other financial liabilities, trade debts. The management bodies of the Company have evaluated that the fair values of these assets and liabilities on 31 December 2022 and 2021 are approximately equal to their accounting value. Fair value of trade receivables and payables, loans and other non-derivative financial assets, as well as liabilities was treated as their accounting value due to relatively short term of instruments concerned (level 3).

The tables below summarize the Company's financial assets and liabilities measured at fair value. Financial instruments are provided in three fair value levels, as described in the note “Accounting principles”.

Financial instruments were not reclassified from one level to the next in 2022 and 2021.

Measurement of financial assets and liabilities measured at fair value was performed on the statement of financial position date.

2022:	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments, assets (Note 13)	3.983	-	-	3.983
Derivative financial instruments, liabilities (Note 13)	-	-	-	-
Securities measured at fair value through profit or loss (Note 12):				
Debt securities	20.000	-	-	20.000
Equity securities	786.728	-	-	786.728
Total	**810.711**	-	-	**810.711**

2021:	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments, assets (Note 13)	-	-	-	-
Derivative financial instruments, liabilities (Note 13)	-	-	-	-
Securities measured at fair value through profit or loss (Note 12):				
Debt securities	151.496	-	-	151.496
Equity securities	1.128.810	-	-	**1.128.810**
Total	**1.280.306**	-	-	**1.280.306**

The fair value of derivative financial instruments of the Company is assigned to Level 1. It consists of the foreign exchange hedge (FX).

Capital management

For reporting periods beginning on or after 1 July 2021, the Company's capital is calculated and distributed to risks in accordance with European Parliament and Council Directives (2019/2033, 2019/2034, 2021/2284), European Parliament and Council Regulation 575/2013 (CRDIV/CRR), as well as Basel III standards and the legal acts of the Republic of Lithuania.

For reporting periods up to 30 June 2021, the Company's capital was calculated and distributed to risks in accordance with European Parliament and Council Directive 2013/36/EU, European Parliament and Council Regulation 575/2013 (CRDIV/CRR), as well as Basel III standards and the legal acts of the Republic of Lithuania. The Company's capital management objectives are as follows:

1) Follow capital requirements established by the European Union and higher capital ratios to be achieved, which are established by the main shareholder,
2) Ensure continuity of the Company's performance, return for shareholders and benefits for other interested parties,
3) Promote the development of the Company's business based on stable capital basis.

Every quarter, information on capital adequacy is provided to the supervising institution based on the requirements of the European Union and the Bank of Lithuania. The capital of the Company is subdivided into the following 2 levels:

1) Level 1/General level one equity (CET 1) capital, which consists of registered capital, retained earnings of the previous financial year, other reserves, accrued other comprehensive income, value adjustments according to the requirements of valuation based on risk limiting principles, less intangible assets, prepayments and deferred tax assets.
2) Level 2 capital consists of other transitional adjustments related to other accrued comprehensive income.

On 31 December 2022 and 2021, the Company had no level 2 capital.

Assets evaluated according to risk are calculated based on the risk-weighting of assets, which are attributed to classes according to the type of assets and type of party of the transaction, also by considering collaterals and guarantees, which are recognized as adequate for risk minimization. Accordingly, with certain modifications, off-balance sheet items are also measured based on risk.

The table below provides the composition of capital and ratios of the Company for the year ended on 31 December 2022, and comparable data for the year 2021. By considering the requirements of the supervising institutions, the Company is subject to an 100% capital adequacy ratio. Moreover, new capital reserves were introduced in 2016, which must be carried out by the Company, i.e. in 2016, additional capital conservation buffer of 2.5% was applied to all Lithuanian financial brokerage firms of class A. In 2022 and in the previous year, the Company met all capital requirements to which it was subject.

	Ratios (thousand EUR)	**2022**	**2021**
1.	**Level one capital of the Company**	**1.719**	**1.714**
1.1.	Authorized capital	1.593	1.593
1.2.	Reserves	159	159
1.3.	Total value of additional valuation adjustment (AVA) estimates	(6)	(5)
1.4.	Profit of previous year	27	6
1.5.	Profit of reporting year	-	-
1.6.	Intangible assets	(6)	(4)
1.7.	Deferred corporate income tax assets	(8)	(7)
1.8.	Prepayments and deferred expenses	(40)	(28)
2.	**Capital requirements CR (maximum amount of rows 2.1; 2.2; 2.3)**	**751**	**750**
2.1.	Minimum initial capital	750	750
2.2.	One quarter of the company's added cost amount of last year	751	614
2.3.	General K-factor requirement	660	634
3.	**Capital adequacy ratio (1 row/2 row)**	**228,89%**	**228,53%**

OTHER NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 NET INCOME FROM SERVICES AND COMMISSION FEES

	2022	2021
Income from services and commission fees:		
Income from commission fees	2.987.890	2.905.251
Valuation and consulting services	975.834	757.452
Accounting for and storage of securities	572.975	513.484
Depository services	240.986	37.409
Accounting services	159.263	120.656
Market making and other fixed fee services	85.024	132.330
Currency exchange income	39.167	52.413
Total income from services and commission	**5.061.139**	**4.518.995**
Costs of services and commission fees:		
Fees to brokers	(725.125)	(447.351)
Fees to stock exchanges, depositories	(167.671)	(169.357)
Software maintenance	(95.774)	(50.827)
Fees for access to trading and data platforms	(27.958)	(24.144)
Consultations	-	(59.600)
Other expenses	(54.591)	(42.861)
Total costs of services and commission fees	**(1.071.119)**	**(794.140)**
Net income from services and commission fees	**3.990.020**	**3.724.855**

NOTE 2 NET INTEREST INCOME

	2022	2021
Interest income:		
Interest on cash held in bank accounts	52.465	72.542
REPO transaction interest	28.681	24.640
Interest for loans	13.102	3.719
Total interest income	**94.248**	**100.901**
Interest expense:		
Interest for loans	(102.168)	(101.543)
Total interest expense	**(102.168)**	**(101.543)**
Net interest income	**(7.920)**	**(642)**

NOTE 3 NET PROFIT (LOSS) OF TRADE IN SECURITIES, DERIVATIVES AND FOREX TRANSACTIONS

	2022	2021
Realized profit (loss) from trade in shares	70.883	99.396
Positive (negative) impact of forex changes	10.645	2.271
Net dividend income	974	148
Realized profit (loss) from derivatives	(307)	(219)
Net unrealized revaluation result of financial assets and liabilities measured at fair value through profit or loss	(42.453)	17.677
Total	**39.742**	**119.273**

NOTE 4 CHANGE IN IMPAIRMENT AND OTHER PROVISIONS

	2022	2021
Change in impairment of doubtful debts	81	713
Doubtful debt expenses	(4.001)	(410)
Total	**(3.920)**	**303**

NOTE 5 PERSONNEL EXPENSES

	2022	2021
Salaries	(1.723.552)	(1.228.667)
Social insurance expenses	(30.607)	(19.750)
Change in unused annual leave accrual	(103.940)	(32.151)
Other employee-related expenses	(9.407)	(3.234)
Total	**(1.867.506)**	**(1.283.802)**

NOTE 6 DEPRECIATION AND AMORTISATION

	2022	2021
Depreciation of vehicles, plant and equipment	(68.431)	(35.459)
Amortisation of intangible assets	(2.215)	(1.070)
Total	**(70.649)**	**(36.529)**

NOTE 7 ADMINISTRATIVE EXPENSES

	2022	2021
Donations	(212.000)	(174.000)
Taxes (excluding corporate income tax)	(139.845)	(163.385)
Legal services	(117.320)	(121.993)
Professional training and secondment expenses	(95.513)	(79.033)
Premises rent and utilities expenses	(91.352)	(75.215)
Accounting services	(69.000)	(69.715)
Vehicle lease and maintenance expenses	(52.253)	(61.486)
Advertising and marketing expenses	(57.717)	(50.801)
Office expenses	(38.122)	(55.096)
Communication expenses	(17.901)	(16.947)
Compensations to clients	(3.997)	(1.211)
Fines	(305)	(40.003)
Other	(142.792)	(139.215)
Total	**(1.038.117)**	**(1.048.100)**

NOTE 8 CORPORATE INCOME TAX

	2022	2021
Components of income tax expenses (income)		
Income tax expenses of the reporting year	138.646	203.224
Costs (income from) of deferred corporate income tax	(563)	144
Last year's corporate income tax adjustment*	-	(48.103)
Income tax (income) expenses accounted for under the statement of comprehensive income	138.083	155.265

*****Corporate income tax expenses for the previous year were adjusted by recalculating the income tax after the date of the financial statements, after taking over tax losses from companies of the group.

Calculation of corporate income tax expenses for 2022 and 2021:

Profit (loss) before taxes for the reporting year	1.041.650	1.523.461
Total amount of increase in profit before taxes	339.039	287.853
Total amount of decrease in profit before taxes	(16.643)	(45.850)
Loss (profit) from transfer of securities	(32.362)	(89.774)
Loss (profit) from transfer of derivatives	312	291
Deducted double amount of granted support	(424.000)	(348.000)
Operating profit amount after deduction of support	**907.996**	**1.327.981**
Profit (loss) from transfer of securities	32.362	89.774
Profit (loss) from transfer of derivatives	(312)	(291)
Amount of losses of the previous year deducted from the profit of securities and derivatives	(15.740)	(62.638)
Taxable profit (loss) for the reporting year	**924.306**	**1.354 826**
Income tax for the reporting year	**138.646**	**203.224**
Costs (income from) of deferred corporate income tax	(563)	144
Last year's corporate income tax adjustment	-	(48.103)
Income tax expenses of the reporting year	**138.083**	**155.265**

	31 December 2022	**31 December 2021**
Deferred income tax assets		
Impairment of assets	76.427	74.588
Annual leave pay accrual	4.174	2.366
Unrealized profit/loss from revaluation of financial assets	(303)	(406)
Deferred income tax assets before realization allowance	**80.298**	**76.548**
Less: realization allowance	(26.580)	(26.580)
Net deferred income tax assets	53.718	49.968
Deferred income tax liabilities	-	-
Income tax rate	15 %	15 %
Deferred income tax	**8.058**	**7.495**

On 31 December 2022 and 2021, deferred income tax assets and liabilities were calculated by applying a 15 percent rate.

The changes of temporary differences before and after tax effect in the Company were as follows:

	2020	**In the statement of comprehensive income**	**2021**	**In the statement of comprehensive income**	**2022**
Decrease (increase) in value of assets	75.265	(677)	74.588	1.839	76.427
Social insurance contributions	2.086	280	2.366	1.808	4.174
Unrealized profit/loss from revaluation of financial assets	156	(562)	(406)	103	(303)
Total temporary differences	77.507	(959)	76.548	3.750	80.298
Less: realization allowance	(26.580)	-	(26.580)	-	(26.580)
Temporary differences before income tax rate	50.927	(959)	49.968	3.750	53.718
Applied income tax rate	15%	15%	15%	15%	15%
Net deferred income tax	7.639	(144)	7.495	563	8.058

NOTE 9 CASH AND CASH EQUIVALENTS

	31 December 2022	31 December 2021
Cash in bank accounts	1.046.066	867.211
Travelling cash	-	-
Total	**1.046.066**	**867.211**

On 31 December 2022 and 2021, cash included resources in different currencies in Lithuanian and foreign bank accounts and financial brokerage firms. On 31 December 2022 and 2021, the Company had no short-term fixed maturity deposits.

NOTE 10 OTHER CURRENT ASSETS

	31 December 2022	31 December 2021
Accrued income	65.877	82.081
Other assets	45.462	16.336
Advance income tax payments	38.580	-
Total	**149.919**	**98.417**

NOTE 11 TRADE RECEIVABLES AND PREPAYMENTS

	31 December 2022	31 December 2021
Receivables from buyers	682.269	628.719
Prepayments	16.457	15.230
Receivables from buyers related to contracts for differences	759.196	294.648
Accrued CFD commission fee	2.655	5.020
Total	**1.460.577**	**943.617**
Less: doubtful trade receivables and prepayment impairment	(39.987)	(38.148)
Total	**1.420.590**	**905.469**

Receivables from buyers are non-interest bearing and their payment term is usually 30 days.

Receivables from buyers and prepayments with a nominal value of 40 thousand euros on 31 December 2022 (38 thousand euros on 31 December 2020) were impaired by 100%. The reversal of value adjustments on receivables of 1 thousand euros is recognized in the statement of comprehensive income.

The ageing analysis of receivables from buyers and prepayments of the Company for 31 December 2022 and 2021 is provided in the credit risk section of the Financial Risk Management note.

Movement of impairment accounted for receivables and prepayments:

	Receivables from buyers	Prepayments
Balance on 31 December 2020	**(12.245)**	**(26.580)**
Impairment recovery	677	-
Impairment write-off	-	-
Balance on 31 December 2021	**(11.568)**	**(26.580)**
Impairment recovery	-	-
Impairment write-off	(1.839)	-
Balance on 31 December 2022	**(13.407)**	**(26.580)**

NOTE 12 SECURITIES MEASURED AT FAIR VALUE THROUGH PROFIT (LOSS)

	31 December 2022			31 December 2021		
	Level 1	**Level 2**	**Level 3**	**Level 1**	**Level 2**	**Level 3**
Equity securities						
Baltic countries	389.253	-	-	950.566	-	-
USA and Canada	371.593	-	-	96.676	-	-
Other EU countries	-	-	-	53.017	-	-
Other countries	1	-	-	2	-	-
Total equity securities	**760.847**	-	-	**1.100.261**	-	-
Collective investment undertaking units						
Other EU countries	-	-	-	-	-	-
Baltic countries	25.881	-	-	28.549	-	-
Total collective investment undertaking units	**25.881**	**-**	**-**	**28.549**	**-**	**-**
Debt securities						
Baltic countries	20.000	-	-	151.496	-	-
Total debt securities	**20.000**	**-**	**-**	**151.496**	**-**	**-**
Total securities	**806.728**	**-**	**-**	**1.280.306**	**-**	**-**

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are essentially used for hedging against risks according to the Company's risk management policy. The Company enters into exchange rate hedging contracts seeking to hedge against contracts for differences fair value fluctuation risk and foreign currency risk.

The value of a derivative financial instrument becomes positive (assets) or negative (liabilities) as a result of fluctuations in share prices and currency exchange rates considering the terms of transactions entered.

Aggregate amounts of derivative contracts can fluctuate within the limits set by the Company. Fair values of derivative financial assets and liabilities may fluctuate significantly, depending on circumstances in the market.

The fair values of derivative financial instruments are set out in the following table.

	Nominal values (set out in the agreement)	Fair values	
		Assets	Liabilities
31 December 2022			
Exchange rate hedging transaction FX EUR/USD	EUR 400,00	3.983	-
Total	**EUR 400,00**	**3.983**	**-**
31 December 2021			
Exchange rate hedging transaction FX EUR/USD	-	-	-
Total	**-**	**-**	**-**

NOTE 14 LOANS

	31 December 2022	31 December 2021
Loans pledged by securities*	154.204	486.526
Loans granted to related parties	5.540	5.340
Other loans	77.884	107.137
Total	**237.628**	**599.003**
Total impairment loss:	(9.860)	(9.860)
Other loans	(9.860)	(9.860)
Total net loans granted to clients	**227.768**	**589.143**
Total long-term portion of loans granted	**-**	**44.389**
Fair value of collaterals received*(unaudited)*	**667.039**	**1.285.889**

Remaining amount accounted for as other non-current financial assets were deposits amounting to 212.550 euros in 2022 (12.550 euros in 2021).

* Collaterals received are securities. The circumstances of use thereof are established in agreements with clients.

On 31 December 2022, the agreed terms of loans granted were from 2 to 12 months. The average interest rate for loans granted was 8.9 percent in 2022.

On 31 December 2021, the agreed deadlines of loans granted were from 2 to 24 months (with one exclusive loan having a deadline of 5 years). The average interest rate for loans granted was 8.7 percent in 2021.

Change in the impairment of loans is accounted for under the impairment and other provision expenses item.

Long-term portion of loans granted is accounted for as other non-current assets in the balance sheet together with long-term prepayments made.

NOTE 15 NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

	Vehicles	**Other tangible assets**	**Assets managed under right of lease**	**Total tangible assets**	**Intangible assets**
Acquisition cost:					
31 December 2020	**54.958**	**89.123**	**71.059**	**215.140**	**39.341**
Acquisitions	146.894	76.058	-	222.952	3.500
Write-offs and sales	(54.958)	(13.625)	(40.014)	(108.597)	-
31 December 2021	**146.894**	**151.556**	**31.045**	**329.495**	**42.841**
Acquisitions	-	19.857	-	19.857	4.980
Write-offs and sales	-	(17.147)	-	(17.147)	-
31 December 2022	**146.894**	**154.266**	**31.045**	**332.205**	**47.821**
Depreciation					
31 December 2020	**21.372**	**45.937**	**16.067**	**83.376**	**38.264**
Write-offs and sales	(24.426)	(12.988)	(22.268)	(59.682)	-
Depreciation expenses for the year	9.422	26.037	13.962	49.421	1.069
31 December 2021	**6.368**	**58.986**	**7.761**	**73.115**	**39.333**
Write-offs and sales	-	(17.040)	-	(17.040)	-
Depreciation expenses for the year	24.483	36.190	-	60.673	2.215
Operating lease depreciation expenses	-	-	7.761	7.761	-
31 December 2022	**30.851**	**78.136**	**15.522**	**124.509**	**41.548**
Residual value:					
31 December 2020	**33.586**	**43.186**	**54.992**	**131.764**	**1.077**
31 December 2021	**140.526**	**92.570**	**23.284**	**256.380**	**3.508**
31 December 2022	**116.043**	**76.130**	**15.523**	**207.696**	**6.273**

Non-current intangible assets include computer software and licenses thereof.

There were no non-current tangible assets pledged to a third party on 31 December 2022 and 31 December 2021.

On 31 December 2022 and 31 December 2021, the Company had ownership rights to all of the non-current tangible assets.

Part of the Company's non-current tangible assets whose acquisition value was 21 thousand euros on 31 December 2022 (20 thousand euros on 31 December 2021) was completely depreciated, but still in use. Most of the depreciated assets which were still in use were computer hardware.

Part of the Company's non-current intangible assets whose acquisition value was 39 thousand euros on 31 December 2022 (39 thousand euros on 31 December 2021) was completely depreciated, but still in use. Most of the depreciated assets which were still in use were computer software and licenses thereof.

NOTE 16 LOANS RECEIVED AND FINANCE LEASE

	31 December 2022	**31 December 2021**
Lease – amounts payable after one year, net value	113.667	139.106
TOTAL	**113.667**	**139.106**
Lease – amounts payable within one year, net value	26.679	26.882
Overdrafts (credit balance of current accounts)	740.053	293.152
TOTAL	**766.732**	**320.034**
Total	**880.399**	**459.140**

In 2022 and 2021, all long-term liabilities were to be paid within 5 years.

	2022	**2021**	**2022**	**2021**
	Average duration		Average interest rates	
Lease (finance lease)	48 months	48 months	4,80 %	4,80 %
Lease (assets managed under the right of use)	60 months	60 months	2,24 %	2,24 %
Overdrafts (credit balance of current accounts)	Open-ended	Open-ended	1 – 2 %	1 – 2 %

Interest expenses:

	2022	**2021**
Bank account interest expense	94.261	99.390
Lease company interest expense	7.907	2.153
Total	**102.168**	**101.543**

NOTE 17 OTHER FINANCIAL LIABILITIES

	31 December 2022	**31 December 2021**
Amounts payable for the acquisition of short positions	13.400	32.696
Total gross accounting value of financial liabilities:	**13.400**	**32.696**
Total net accounting value of financial liabilities Total:	**13.400**	**32.696**

NOTE 18 PAYROLL LIABILITIES

	31 December 2022	**31 December 2021**
Accrued unused annual leave	239.979	136.039
Social insurance contributions payable	59.039	43.999
Salaries payable	5.874	-
Personal income tax payable	1.101	-
Total	**305.993**	**180.038**

NOTE 19 OTHER CURRENT LIABILITIES

	31 December 2022	31 December 2021
Accrued expenses	12.095	12.382
Payable VAT	3.340	20.485
Other taxes payable to the budget	4.226	4.230
Debts to accountable persons	1.641	1.756
Prepayments	47.443	56.376
Total	**68.745**	**95.229**

NOTE 20 CAPITAL AND LEGAL RESERVE

Authorized capital

The Company's authorized share capital consists of 78.572 ordinary shares with a par value of EUR 20.27 each, and the authorized share capital in amount of EUR 1.592.654.

In managing the capital, the management bodies of the Company ensure that the size of the equity capital is not smaller that ½ of the Company's authorized share capital, as required by the Law on Companies of the Republic of Lithuania. On 31 December 2022 and 2021, the Company met all the aforesaid requirements.

Capital adequacy ratio is disclosed in the Capital Management section of the Financial Risk Management note.

Legal reserve

The legal reserve is mandatory according to the legal acts of the Republic of Lithuania. At least 5% of net accounting profit must be annually allocated to the legal reserve until it reaches at least 10% of the authorized share capital. On 31 December 2022, the Company's legal reserve was fully formed. The legal reserve may not be allocated as dividends, but may be used to cover future losses.

Undistributed profit

Over the reporting year of 2022, the Company allocated and paid out 1.300 thousand euros of dividends under the decision of shareholders.

NOTE 21 OFF-BALANCE SHEET STATEMENT

Off-balance sheet liabilities are shown in the off-balance sheet statement, which must be provided together with the statement of financial position. The off-balance sheet statement contains information specified in Annex I to Regulation (EU) No 575/2013, including the following information:

- Provided guarantees and sureties – guarantees provided by the company and other contingent liabilities of the company that have the characteristics of a guarantee, for example, repurchase and reverse repurchase agreements concluded by clients, when the company represents clients in a fiduciary capacity.
- Amounts receivable from transactions executed on behalf of clients;
- Pledged securities of clients – securities of clients pledged in favour of the company under loan agreements
- Client securities issued under repurchase agreements – the market value of securities transferred under repurchase agreements, when the repurchase transaction is concluded with an obligation to repurchase.
- Other off-balance sheet liabilities.
- Amounts of clients' transactions with a third party concluded on derivative financial instruments
- Financial instruments based on which clients concluded CFD with a third party
- Financial instruments based on which clients concluded CFD with the company
- Financial instruments based on which the company purchased securities as CFD leverage
- Financial instruments, based on which the company concluded CFD with a third party

I.	Amount of clients' transactions with a third party concluded on derivative financial instruments	1.329.401	562.262
II.	Financial instruments based on which clients concluded CFD with a third party	6.504.280	7.402.276

III.	Financial instruments based on which clients concluded CFD with the company	644.277	917.017
III. 1.	Financial instruments based on which the company purchased securities as CFD leverage	644.277	917.017
	Total	**8.477.958**	**8.881.555**

NOTE 22 ASSETS OF CLIENTS

Assets managed on trustee basis and liabilities are accounted for in the off-balance sheet accounts.

- Managed assets of clients – client assets managed by the investment company under portfolio management agreements and under ongoing consulting agreements;
- Managed funds of clients;
- Managed securities of clients;
- Safeguarded and administered assets of clients - assets of the company's clients, which the company safeguards and administers;
- Safeguarded and administered funds of clients;
- Safeguarded and administered securities of clients.

		31 December 2022	31 December 2021
I.	Guarantees and sureties granted	-	-
II.	Managed assets of clients	**3.996.936**	**2.957.613**
II. 1.1.	Funds of clients	**491.529**	**55.263**
II. 1.2.	Securities purchased on behalf of clients	**3.505.407**	**2.902.350**
III.	Safeguarded and administered assets of clients	**1.473.552.163**	**5.531.382.173**
III.1.1.	Funds of clients	26.352.629	26.017.938
III.1.2.	Securities purchased on behalf of clients	1.174.650.525	5.159.754.686
III.1.4.	Pledged securities of clients		
III.1.5.	Securities purchased from clients under reverse repurchase agreements	667.039	1.285.889
	Total	**1.477.549.099**	**5.534.339.786**

NOTE 23 CONTINGENT LIABILITIES

A year after Russia started the war in Ukraine, we are able to specify the main changes in the Company's activities and investors' behaviour influenced by war:

- The Company diversified the funds of investors and today most of them are kept with foreign intermediaries
- The Company has increased its resistance to cyber-attacks (additional IT solutions have been implemented and staff has been trained)
- The Company has implemented a solution that enables essential functions to continue without the usual electricity and internet providers
- Investors are choosing new investment projects more carefully
- The need for investments outside the Baltic region has increased

NOTE 24 RELATED PARTY TRANSACTIONS

Parties are considered to be related when one party is able to control the other or have significant influence over the other party when making financial and operational decisions. Related parties of the Company are its shareholders and other companies which are controlled by shareholders of the Company.

Transactions of the Company made with related parties in 2021, and balances on 31 December 2021 were as follows:

	Purchases	Sales	Receivables/ Loans	Amounts payable	Dividends
Shareholders	-	-	5.594	-	1.300.000
Other related entities	340.344	348.823	37.445	134.639	-
Total	**340.344**	**348.823**	**43.039**	**134.639**	**1.300.000**

In 2022, the Company provided fund unit distribution services to funds managed by UAB Orion Asset Management employees.

Transactions of the Company made with related parties in 2021, and balances on 31 December 2021 were as follows:

	Purchases	Sales	Receivables/ Loans	Amounts payable	Dividends
Shareholders	-	-	5.340	-	1.050.000
Other related entities	325.228	906.641	63.155	98.785	-
Total	**325.228**	**906.641**	**68.495**	**98.785**	**1.050.000**

In 2021, the Company provided fund unit distribution services to funds managed by UAB Orion Asset Management employees.

The Company has no guarantees from related parties concerning receivables or payables to related parties. On 31 December 2022 and 2021, the Company did not account for any impairment on doubtful debts related to receivables from related parties.

Management's remuneration and other payments

In 2022, remuneration calculated for the Company's management comprised a total of 106 thousand euros (102 thousand euros in 2021). In 2022, the Company's management consisted of 1 employee (1 employee in 2021). In 2022 and 2021, the Company's management did not receive any loans, or any other paid or calculated amounts or asset transfers.

NOTE 25 SUBSEQUENT EVENTS

There were no significant events in the Company after the date of statement of financial position.

These financial statements were signed on: 27 March 2023.

Director
Alius Jakubėlis

Dainius Minelga
Authorized accountant