UAB FMĮ “Orion Securities”

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR 2023, PREPARED IN ACCORDANCE WITH THE
INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION
PRESENTED TOGETHER WITH INDEPENDENT AUDITOR’S REPORT

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ROSK CONSULTING

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 2023, 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 2023, 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 Handbook of the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of the Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements 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 key audit matter
Recognition of service and commission revenue (see Note 1)	
The Company provides 3 main types of services: capital markets brokerage services, 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 recognised based on issued invoices or by charging the customer's accounts directly in accordance to the contractual commissions and other fees rates. The Company's service and commission revenue in 2023 amounted to EUR 5.34 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 recognised based on issued invoice or by contracts. We have performed control and detailed tests for revenue recognised after 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.

Key audit matter	Our response to the key audit matter
	• 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 6 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 the audit of the financial statements.

The audit engagement partner for this independent auditor's report is Arūnas Užbalis.

Auditor Arūnas Užbalis
Auditor certificate No. 000543

ROSK Consulting UAB
Audit company certificate No. 001514

Vilnius, Lithuania
27 March 2024

A WORD FROM THE HEAD

In 2023, the global economy faced a challenging environment marked by continued recovery efforts from the COVID-19 pandemic, inflationary pressures and geopolitical tensions. Central banks, especially the European Central Bank (ECB) and the US Federal Reserve Bank (FED), have played a crucial role in attempts to stabilise economies and control inflation through monetary policy measures (raising base interest rates).

In response to the prolonged inflation in the Eurozone, the ECB raised the base interest rates 6 times from 2.5 % to 4.5 %. The ECB's actions were aimed at tightening the monetary conditions by reducing excessive demand and returning inflation to 2 % over the medium term. The US Federal Reserve Bank raised the base interest rates 4 times from 4.5 % to 5.5 % in 2023.

Under the influence of the strict monetary policy of the central banks, the inflation decreased consistently in 2023, but still remained above the target of 2 %. Like in the USA, the inflation reached 3.4 % in the European Union and 2.9 % in the Eurozone at the end of the year. The rate of inflation decline was significant enough, thus the central banks took a pause in raising interest rates at the end of the year already leading to speculations in November that we would see the first reductions in base interest rates in Europe and the USA as soon as March 2024.

The situation in Lithuania

Lithuania continued to focus on security issues, especially in light of the ongoing war in Ukraine. This was reflected in higher defence spending and close cooperation with partner states, the importance of this connection being symbolically marked at the NATO summit held in Vilnius in July.

Strengthening the state's defence capabilities and expansion of the country's defence potential have remained among the most important tasks of Lithuania. More than 2 billion euros (2.52 % of GDP) was allocated to the defence of Lithuania in 2023. It is predicted that in 2024 Lithuania's defence spending will reach 2.35 billion Euros, or 2.75 % of GDP. Although last year's fund growth was covered only by a temporary bank solidarity levy, there was increasing discussion about the idea of developing defence bonds.

The Lithuanian economy remained sluggish in 2023. Despite the initial forecasts of a small growth, the GDP of Lithuania shrank by 0.3 % during the year and amounted to 72.1 billion Euros. The economic activity was mostly reduced by the drop in industrial production. The situation is worsened by deteriorating external demand, especially from the main trading partners in Europe, increased interest rates, and a decrease in temporary orders.

It is worth noting that the inflationary pressure is weakening after the decrease in the prices of energy and raw materials, the disappearance of supply disruptions and the application of a strict monetary policy: after reaching a record high level - almost 19 % - in the first half of the year, inflation declined at the end of the year and finally settled at 8.7 %. However, the increased interest burden depressed private consumption and prevented businesses from investing more in development. On the other hand, infrastructure projects and government initiatives to promote fixed growth have helped maintain the pulse of capital investment.

The labour market was stable throughout the year, with unemployment remaining low and wage growth outpacing inflation, providing some support to domestic consumption. Lithuania continued to be characterised by a competitive business environment, a favourable tax procedure, and a qualified workforce, which attracted foreign investments.

The situation in the capital markets

Year 2023 was significantly better for markets than it could have been expected at the end of 2022. Most market participants expected the year to end with a minor positive change, but the escalation of the topic of artificial intelligence became the axis driving the majority of the market news.

Regional banks in the USA faced liquidity problems in March 2023, when the base interest rates increased and the prices of fixed bonds dropped accordingly, the banks faced significant losses, which led to a massive flight of capital from regional banks to large banks, thereby further deepening the already difficult situation of these banks. Within weeks, "Silicon Valley Bank", "Signature Bank", and "First Republic Bank" went bankrupt. The US Federal Reserve Bank saved from systematic problems by announcing that banks facing liquidity problems would be able to buy their bonds at par value, and this was followed by the announcement that the FED would bail out all banks. Although the mentioned news were denied / specified that only systemically important banks would be bailed out, this was enough to stabilise the market and the situation of regional banks.

The topic of artificial intelligence revolved around the whole year 2023. The largest share returns were generated by companies related to or developing this technology in one way or another. "Nvidia" rose by 239 %, "Meta Platforms" by 194 %, "Alphabet" by 59 %, "Microsoft" by 57 %. The SnP 500 index rose by 24.8 % during the year, Nasdaq 100 by almost 54 %. In comparison, the OMX Baltic Stock Exchange index rose by 4.48 % during the year.

The Chinese market, which inspired high hopes at the beginning of 2023, did not live up to expectations. Although China did not have the inflationary problems of the western world and could stimulate the markets instead of restricting the economy, the stimulus did not work. Domestic consumption is relatively weak, the real estate sector has stalled and foreign capital has withdrawn from the Chinese market for the first time in 20 years, with the CSI 300 index down by 11.4 % within the year.

Forecasts for year 2024

Lithuania's economy is expected to grow in 2024. This is based on the increasing purchasing power of the population, expected higher investments, and more favourable conditions in foreign trade partner countries. The Eurozone, which is Lithuania's main export market, shows signs of stabilisation. The highest growth of economic activity in 7 months was recorded in this region in December 2023. In addition, the improving situation in the industrial sector is indicated by the decreasing level of inventories in Germany. This is a good sign for export-oriented Lithuanian companies.

Furthermore, the outlook for domestic demand is also positive, with real revenue starting to rise and growing EU support flows in 2024 will lead to faster economic development. Wages are expected to increase at a significantly faster pace (+7 %) compared to inflation (+1.7 %) in 2024. This increase in purchasing power will stimulate domestic consumption, further contributing to the overall growth of Lithuania's economy. It is predicted that the real GDP of Lithuania will increase by about 2 percent compared to 2023, but the possibility of faster growth is not ruled out.

Most major central banks are expected to move from restrictive to looser monetary policies, which will have a significant impact on financial market returns in 2024. A continuation of the global equity bull market with more significant volatility, a rally in bond prices, and a low probability of a severe global recession are expected. Tactical allocations are seen in emerging markets, while European stocks are likely to face risks from a potential economic slowdown.

The European region faces the risk of an economic slowdown and a higher probability of a recession than other regions, but the ECB's changing policy towards less austerity will affect the capital markets. With the recession out of the way, we are likely to see a stronger increase in stock prices. We prioritise cyclical stocks as well as growth stocks over value stocks. Interest rate reductions should have a positive effect on the bond market and as a potential safety net in a recession.

At the moment, the US economy looks stronger than other regions. It is likely that the FED will start reducing the base interest rates in the middle of the year, which will provide additional strength to the capital markets. 2024 is the presidential election year in the USA. Historically, when there was a change of president, the market ended the year positively together with the outgoing president, and the following year, when the new one was in charge of the White House, the markets used to reach the bottom in May, and the strongest rise in stock prices used to be in June - August. It is likely that the history would repeat itself this year, and the FED's plan to start cutting interest rates in June would not disturb the markets. The US markets, like other regions, are expected to experience periods of higher volatility.

THE MOST IMPORTANT EVENTS OF 2023

- There was a significant demand for corporate bonds due to high base rates in 2023. "Orion Securities" implemented 2 public bond placement projects: 4 million euro issues for UAB "Integre Trans" and bond placement in the amount of 5 million euros for UAB "Sun Investment Group".
- "Orion Securities" implemented 2 sales transactions of companies with a value exceeding 7 million euros in 2023.
- Major focus is placed on educating and informing investors through social media and other platforms. Market reviews are available not only in a written form, but also in audio and video formats starting from 2024.
- Major focus is placed on the IT field. The Company has implemented solutions and trained personnel to reduce the risk of cyber-attacks. We have installed a remote investor identification system. We have started using a new accounting subsystem in 2023, which includes a trading platform, an accounting system and has a secure interface for data exchange with our investor self-service portal. We have started the updating work for the new self-service portal.

- We have placed major focus on the protection of investors' assets in a turbulent geopolitical situation in 2023. The Company has diversified investors' funds with the majority thereof now kept in foreign banks.
- We provided shareholder accounting services for about 500 Lithuanian companies in 2023. After the amendments to the Law on Companies came into force, we contributed to the implementation of the mandatory buyout of shares from minority shareholders.
- Depositary services are successfully implemented. We are the depositary of 20 collective investment undertakings (hereinafter referred to as the CIU) registered in Lithuania at the end of 2023. 4 management companies has already entrusted with the supervision of their fund assets to "Orion Securities" depositary and the total value of the net assets of the CIU under our supervision exceeds 358 million euros.

ABOUT THE COMPANY

The value of funds and securities managed, kept in custody, and administered by the Company's Clients amounted to 1,789 million euros in 2023.

UAB FMĮ "Orion Securities" is the largest financial brokerage company in Lithuania, engaged in mediation in the trading of securities, provision of corporate finance, investment banking and financial management services to natural and legal entities, successfully developing a depositary service for investment funds, provision of accounting services for UAB [private limited company] and AB [public limited company] issuers. We have been operating in the Lithuanian market since 1993. "Orion Securities" is a member of the Vilnius, Riga, and Tallinn stock exchanges, a licensed financial brokerage company supervised by the Bank of Lithuania.

The Company was established on 12 August 1993 in Vilnius City under the name "Baltijos vertybiniai popieriai". The Company was re-registered at the Ministry of Economy of the Republic of Lithuania on 3 November 1997. Company code: 122033915.

On 12 January 2007 Private Limited Company – Financial Brokerage Company "Baltijos vertybiniai popieriai" has registered a new company name: UAB FMĮ "Orion Securities" (hereinafter referred to as the Company) and a new registered office address: A. Tumėno Str. 4, Vilnius at Vilnius Department of the Register of Legal Entities.

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

- accept and transmit orders;
- execute orders at the expense of clients;
- enter into transactions at their own expense;
- manage financial instrument (FI) portfolios;
- give investment recommendations;
- distribute financial instruments under the obligation to distribute them;
- distribute financial instruments without the obligation to distribute them;
- provide investment services, engage in investment activities, and provide additional services related to financial instruments, assets or other objects which derivative financial instruments specified in Clauses 5, 6, 7, and 10 of Paragraph 15 of Article 3 of the Law on Financial Instruments Markets of the Republic of Lithuania are linked to, on the condition that the provided investment services or additional services or the investment activities carried out are linked to these derivative financial instruments;
- provide foreign currency exchange services when they are related to the provision of investment services;
- keep financial instruments in custody, account for them, and manage them at the expense of clients, including custody of assets and other related services, such as managing money or financial collateral, with the exception of managing 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, financial analysis, or give other general recommendations related to transactions involving financial instruments;
- consult companies on capital structure, business strategy and other related issues, as well as provide advice and services related to corporate reorganisation and acquisition;
- grant the investor a credit or loan enabling the investor to enter into a transaction for one or more financial instruments, when the company providing the credit or loan itself is involved in the conclusion of the transaction;

- provide services related to the distribution of financial instruments.

Basic facts:

The Company employed 38 employees as on 31 December 2023 (there were 32 employees in 2022).

The Company's net profit amounted to 1,257,137 euros in 2023. It was 903,567 euros in 2022 (it increased by 39 percent). The Company's assets amounted to 3,996,910 euros in 2023 while in 2022 they amounted to 4,089,631 euros (they decreased by 2 percent).

Karolis Pikūnas is the Director of the Company

The Board of the Company consists of 3 persons. Chairperson of the Board: Alius Jakubėlis, the Board Members: Justinas Jarusevičius, Mindaugas Strėlis.

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

Alius Jakubėlis		
1	UAB FMĮ "Orion Securities", company code: 122033915, address: A. Tumėno 4, Vilnius (main workplace)	Chairperson of the Board
2	Gaucher Association, company code: 302620864, address: Smilgų Str. 8, Avižieniai Village, Vilnius District	Board Member
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	Support Fund of Vilnius University Foundation, company code: 304222713, address: Universiteto Str. 3, Vilnius	Chairperson of the Investment Board
6	UAB "Woodest", company code: 305690978, address: Eduardo Andrė Str. 14-5, Vilnius	Director
7	UAB "Taurus Wealth", company code: 305673384, address: Upės Str. 21, Vilnius	Board Member

Mindaugas Strėlis		
1	UAB FMĮ "Orion Securities", company code: 122033915, address: A. Tumėno 4, Vilnius (main workplace)	Board Member
2	UAB "Taurus Wealth", company code: 305673384, address: Upės Str. 21, Vilnius (main workplace)	Director, Board Member
3	UAB "Utopia Capital", company code: 304918681, address: Konstitucijos Ave. 21A, Vilnius	Director
4	UAB "I asset management", company code: 304405305, address: Upės Str. 21, Vilnius	Chairperson of the Board
5	UAB "AAA Holdingas", company code: 111524090, address: Didžioji Str. 35, Vilnius	Board Member
6	UAB "Ateities verslo investicijos", company code: 304639468, address: Oreivių Str. 32, Vilnius	Board Member
7	SIA "I Future Investments", company code: 42103086791, address: Latvia	Board Member

8	"Vanezza" sp. z o.o., company code: KRS 0000771166, address: Mieczyslawa Medweckiego 22, 32-083 Balice, Poland	Board Member
9	UAB "Indie Finance", company code: 304435572, address: J. Basanavičiaus Str. 9C-4, Vilnius	Board Member

Justinas Jarusevičius		
1	Professional Association of Attorneys-at-Law Motieka and Audzevičius, company code: 302594113, address: Gynėjų Str. 4, Vilnius (main workplace)	Attorney-at-Law, Partner
2	UAB FMĮ "Orion Securities", company code: 122033915, address: A. Tumėno 4, Vilnius	Board Member
3	Charity and Support Fund "Bažnyčios kronika", company code: 192033380, address: Kaunas, Rotušės a. 14A, LT-44279	Board Member
4	Premises Owners' Association "Purvynės poilsio namai", company code: 302338320, address: Neringa, Vėtrungių Str. 3, LT-93128	Board Member
5	Gardening Association "Vanaginė", company code: 300562444, address: Vilnius, Marcelijaus Martinaičio Str. 39, LT-08449	Board Member

Karolis Pikūnas		
1	UAB FMĮ "Orion Securities", company code: 122033915, address: A. Tumėno 4, Vilnius (main workplace)	Director
2	Vilnius Jesuit High School Support Fund, company code: 306001101, address: Augustijonų Str. 5, Vilnius	Board Member
3	UAB "Noviti", company code: 303680362, address: I. Šimulionio Str. 3-87, Vilnius	Board Member
4	UAB "KIP Investicijos", company code: 305600009, address: Ievų Str. 10-1, Klevinė, Vilnius District	Director

The Company has not acquired or transferred its shares during the current or previous reporting periods. The Company does not engage in research and development activities. All additional information as well as off-balance sheet events are disclosed in the notes to the financial statements.

Services provided

The Company focuses on three main services:

- mediation services in the capital markets;
- corporate finance services;
- investment banking services;

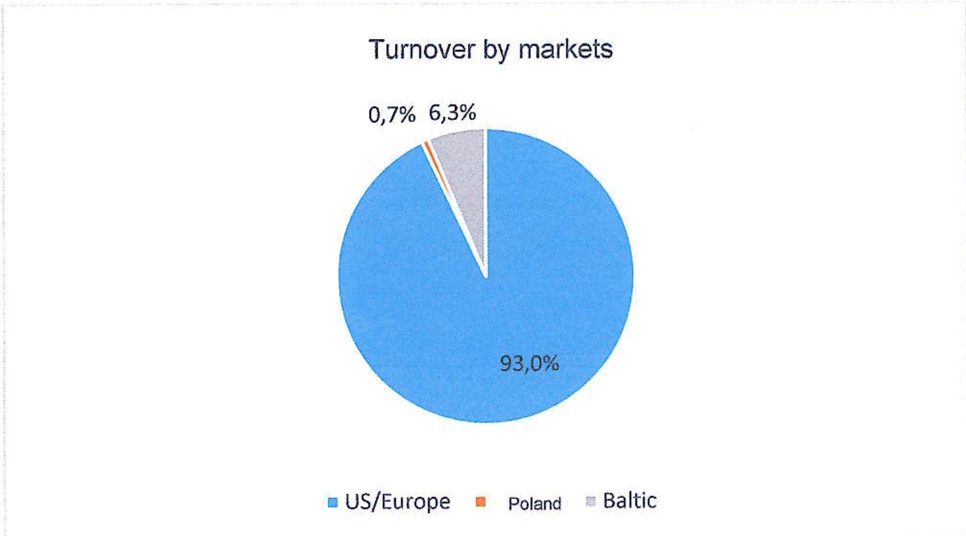
- other services:
    - depositary services.
    - accounting and custody of financial instruments
    - market marketing;

MEDIATION IN THE CAPITAL MARKETS

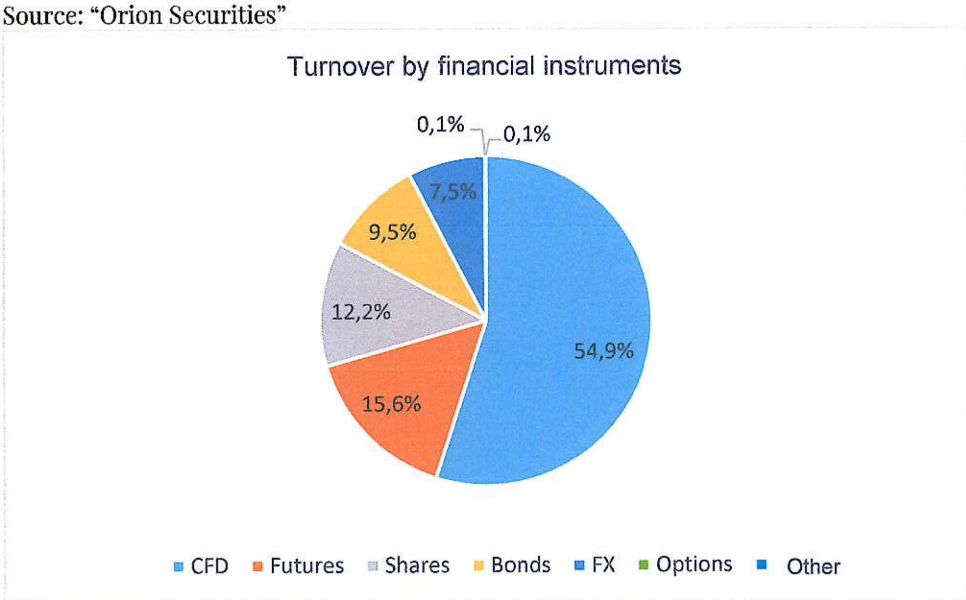
"Orion Securities" provides real-time trading opportunities on all major global stock markets.

Main services offered to clients:

- mediation in buying and selling FIs (on behalf and at the expense of the clients);
- mediation in buying and selling FIs (on behalf and at the expense of the Company);
- On-line trading system.



Source: "Orion Securities"



Source: "Orion Securities"

INVESTMENT BANKING

The investment banking department focuses on active supervision of investment portfolios, aims to offer creative solutions to complex problems, help manage accumulated assets today and find new sources of asset growth for tomorrow. The department works with both private and business clients by helping them to deal with issues of raising capital, selling or acquiring shares.

The following services are offered to clients:

- Active supervision of investment portfolios;
- Consulting on investment issues;
- Distribution of various investment funds and bonds.

Alternative investment products were distributed in 2023, including: debt funds, real estate and private equity funds as well as corporate bonds. The department focused on increasing the base of important business clients, offering them business sale or purchase brokerage services, and offering to attract additional capital for business development. The number of clients of the department grew and so did the revenue generated in 2023.

CORPORATE FINANCE

The corporate finance team advises companies carrying out acquisition and sale, restructuring, business appraisal, alternative borrowing transactions in addition to giving advice on corporate financial management issues.

The corporate finance department offers the following services:

- consulting on issues of corporate acquisitions and mergers;
- consulting on issues of business sales;
- appraisal of companies or a part thereof;
- distribution of shares and bonds;
- concentration of shareholdings;
- Initial Public Offering of shares;
- other financial services and consultations.

The department placed major focus on capital raising projects in the form of debt in 2023: the value of debt raising projects implemented during the year exceeded 50 million euros.

OTHER SERVICES

ACCOUNTING AND CUSTODY OF FINANCIAL INSTRUMENTS

The Company provided accounting of shares and bonds, representation in the depositary, payment of dividends, registration of transactions outside the stock exchange and other services for private limited companies and public limited companies. Share accounting services were provided to approximately 500 Lithuanian companies in 2023.

The accounting department offers the following services to companies:

- accounting of shares and bonds of ABs [public limited companies], UABs [private limited companies]
- registration of the securities issue in the depositary and representation of the client during significant events and in other cases
- providing lists of shareholders to companies
- mediation in paying out dividends to the Company's shareholders and sending notifications concerning this matter
- registration of unlisted ABs', UABs' transactions outside the stock exchange
- consulting on convening shareholders' meetings and related issues
- organisation of mandatory buyout of shares from minority shareholders
- NAV calculation and accounting services for investment funds

DEPOSITARY SERVICES

The custodian service provided by "Orion Securities" for funds is important for the security of the assets entrusted by investors. The depositary can only be a financial institution regulated by the Bank of Lithuania, which safeguards and supervises the fund's assets and controls the fund's activities in accordance with the fund's rules and applicable legislation. The depositary acts for the benefit and interests of the fund's investors by ensuring that the fund's manager properly, fairly, and transparently manages the assets entrusted by the investors.

The functions and services of the depositary include:

- Custody of financial instruments, ownership verification, and accounting
- Ensuring the correctness of the value of net assets
- Transaction monitoring
- Control of investment rules
- Control of issuance and redemption of investment units / shares
- Monitoring of cash flows

"Orion Securities" managed to build a reputation in the market as a reliable, flexible, and professional depositary service provider. We work closely with each fund manager, delve into their and investors' needs and expectations. Our team's competence and the most extensive experience accumulated in the market of registered funds in Lithuania make them stand out among others. We actively contribute to the development of the Lithuanian financial market as well as the development of the best practices in order to properly control and secure our investors' assets.

We provide a depositary service for various types and forms of funds using different investment strategies and have investments spread across various EU countries and the USA. The depositary of "Orion Securities" is already used by:

- 4 management companies
- 20 funds and sub-funds registered in Lithuania
- funds with the net assets valued at 358 million euros.

MARKET MAKING

In 2023 the Company provided market making services to the following listed companies: AB "AUGA Group", "City Service" SE, AB "Grigeo", AB "Novaturas", OMX Baltic Benchmark Fund, AB "Vilkyškių pieninė". The Company participated in the Baltic and Warsaw securities market making program. Share trading turnover of "Orion Securities", as a market maker, amounted to 1.7 million euros in 2023, the average monthly turnover amounted to 144 thousand euros. The market maker placed over 5.9 thousand orders (24 orders per day) and concluded 7.5 thousand transactions (30 transactions per day), the average share of turnover of marketed positions reached 18 %. As always, the contribution of "Orion Securities", as a market maker, to share trading liquidity was much higher than that of other Nasdaq Baltic market makers.

RISK MANAGEMENT

Internal control

The effectiveness of internal control is one of the main conditions in order to ensure not only efficient internal company processes and their security, but is also an essential prerequisite for providing quality services to clients. The focus on internal control is emphasised in order to successfully implement the European Union's MiFID 2 directives and local legislation. Whereas national legislations are also subject to continuous improvements, the Company's employees continuously cooperate with legal service firms and supervisory authorities.

Three types of internal control are used for effective implementation of internal control: preliminary, immediate, subsequent. The Company's compliance officer periodically submits inspection reports to the Chairperson of the Board and the Head of the Company, which reflect the observed deficiencies, and recommends methods for improving departmental activity control.

The Company places major focus on risk assessment and effective management thereof, taking into account the groups of each product and service. Particular focus is placed on the dual control system to ensure early elimination of operational and human risks.

The operations of a financial brokerage company is characterised by a large amount of information. Early prevention of conflicts of interest and information security are the Company's priorities. The organisational structure and internal procedures ensure compliance with these priorities.

The Company regularly reviews the Company's policies, procedures, and contracts in order to improve the Company's operations and make it more efficient.

Prevention of money laundering and terrorist financing

Special focus has been placed on the implementation of the prevention of money laundering and terrorist financing in recent years both in the Baltic states and throughout Europe. The Company places special focus on changing market practices and constantly improves internal processes and systems in order to be able to respond accordingly. As a part of the prevention of money laundering and terrorist financing, it collects and stores information related to the monitoring of the client's business relations, thus implementing the requirements set forth by the regulations.

The Company places major focus on the implementation of sanctions following the entry into force of new sanction packages from 2022. The Company constantly reviews, updates, and improves internal processes in order to implement the legislations on the implementation of international sanctions and to avoid taking advantage of the Company to circumvent sanctions.

Risk management

Risk management is a very important part of the system used by a successfully operating company. Risk management processes used by the Company are constantly being improved and new solutions are being implemented while moving forward together with the financial market and derivative financial instruments. The Company has a risk management committee, which is responsible for monitoring and assessing the Company's risks.

Risk factors of the financial system influencing the Company's activities:

- Geopolitical risk
  In recent years, the Company has allocated a lot of resources to ensure the continuity of the Company's activities under the most unfavourable conditions: improved IT systems, created opportunities for employees to work remotely, implemented and tested data recovery procedures, performed tests to carry out operations in the event of critical factors, such as power and / or internet connection failure, etc. As the geopolitical situation does not improve, the Company continues its development processes and the search for the most effective solutions to ensure the continuity of its activities.

- Economic risk
  The significant growth of the markets in 2023 was quite unexpected, and one of the biggest over the past few decades. As the geopolitical situation fundamentally does not improve, the direction of the markets remains unclear, and the probability of market fluctuations is even higher. Constant monitoring of markets and response to events is one of the parts of the risk management system. Forecasting economic events, preparing for possible shocks is an important and integral part of the Company's activities.

- Systemic risk
  The Lithuanian financial market has experienced many shocks, which were significantly influenced by systemic risk over the past few years. The risk that domestic financial system institutions may experience similar shocks under similar systemic risk factors remains in the future.

- Operational risk
  The Company continuously reviews internal processes and implements system improvements. Regular employee training and continuous optimisation of processes take place. This enables to minimise the risks that may arise due to human and systematic errors. Operational risk is also related to geopolitical risk, which can affect the Company's operations. The Company has prepared a business continuity plan: the proper implementation thereof would enable it to operate in difficult situations.

- Reputational risk
  The importance of reputation is very significant for the operations of a financial institution. The Company continuously holds in-service trainings for its employees. All employees are incentivised not only based on quantitative but also qualitative results. This enables management and assurance of high-level service quality.

- Risk of concentration
  The Company aims to provide its clients with the widest possible range of financial services, thereby diversifying revenue flows and reducing the risk of concentration.

- Credit and counterparty risk
  The Company enables its clients to trade derivatives, therefore, it is very important to have appropriate and functioning systems enabling to minimise the Company's credit risk. The Company places major focus on credit and counterparty risk reduction, proper selection of the counterparty ensures security and high-quality services. Credit and counterparty risk is one of the Company's most important risks.

- 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 pays more attention to strengthening cyber security, software is continuously improved and updated, training is conducted for employees, and testing is carried out. The development of the IT sector will bring increasingly more additional risks in the future, therefore, it is important to respond to changing technologies appropriately and timely as well as to continuously improve security systems.

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

27 March 2024

Director Karolis Pikūnas

STATEMENT OF PROFIT (LOSS) AND OTHER COMPREHENSIVE INCOME

	Notes	2023	2022
Service and commission revenue		5,341,911	5,061,139
Service and commission costs		(1,100,710)	(1,071,119)
Net service and commission revenue	1	**4,241,201**	**3,990,020**
Interest revenue		389,628	94,248
Interest costs	17	(33,156)	(102,168)
Net interest revenue	2	**356,472**	**(7,920)**
Net profit (loss) from transactions in securities and derivative financial instruments and transactions in foreign currency	3	133,372	39,742
Change in impairment and other provisions	4	1,762	(3,920)
Personnel costs	5	(2,077,031)	(1,867,506)
Depreciation and amortisation	6	(72,768)	(70,649)
Administrative costs	7	(1,100,117)	(1,038,117)
Other revenue (costs)		-	-
Profit (loss) before taxation		**1,482,891**	**1,041,650**
Corporate income tax revenue (costs)	8	(225,754)	(138,083)
Net profit (loss)		**1,257,137**	**903,567**
Other comprehensive income:			
Items that will not be subsequently reclassified to profit (loss)		-	-
Items that will or may be subsequently reclassified to profit (loss)		-	-
Other comprehensive income		-	-
Total comprehensive income		**1,257,137**	**903,567**

The accounting principles and notes presented on pages 19 - 45 are an integral part of these financial statements.

These financial statements were signed on 27 March 2024

Director
Karolis Pikūnas

Dainius Minelga,
Designated accountant

STATEMENT OF FINANCIAL POSITION

	Notes	31 December 2023	31 December 2022
ASSETS			
Non-current assets			
Fixed intangible assets	15	94,524	6,273
Fixed tangible assets	15	153,760	207,696
Deferred income tax assets	8	700	8,058
Investments in subsidiaries and associated companies	16	147,591	108,858
Other non-current financial assets		6	212 550
Total non-current assets		**396,581**	**543,435**
Current assets			
Loans	14	603,018	227,768
Derivative financial instruments	13	15,899	3,983
Securities valued at fair value through profit (loss)	12	851,684	697,870
Trade receivables and prepayments	11	1,039,053	1,404,133
Other current assets	10	179,362	166,376
Cash and cash equivalents	9	911,313	1,046,066
Total current assets		**3,600,329**	**3,546,196**
TOTAL ASSETS		**3,996,910**	**4,089,631**
LIABILITIES AND OWNER'S EQUITY			
Share capital	21	1,592,654	1,592,654
Mandatory reserve	21	159,292	159,292
Retained earnings		1,257,261	930,124
Total owner's equity		**3,009,207**	**2,682,070**
Long-term liabilities			
Leasing liabilities	17	54,975	113,667
Total long-term liabilities		**54,975**	**113,667**
Short-term liabilities			
Received loans and leasing liabilities	17	257,251	766,732
Other financial liabilities	18	114,205	13,400
Trade payables		159,469	139,024
Payroll-related liabilities	19	251,024	305,993
Corporate income tax payable		47,460	-
Other short-term liabilities	20	50,414	68,745
Provisions	24	52,905	-
Total short-term liabilities		**932,728**	**1,293,894**
TOTAL OWNER'S EQUITY AND LIABILITIES		**3,996,910**	**4,089,631**

The accounting principles and notes presented on pages 19 - 45 are an integral part of these financial statements.

These financial statements were signed on 27 March 2024

Director
Karolis Pikūnas

Dainius Minelga,
Designated accountant

STATEMENT OF CHANGES IN EQUITY

	Notes	Share capital	Mandatory reserve	Retained result	Total
31 December 2021	21	**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**
Declared dividends	25	-	-	(1,300,000)	(1,300,000)
31 December 2022	21	**1,592,654**	**159,292**	**930,124**	**2,682,070**
Net profit		-	-	1,257,137	1,257,137
Other comprehensive income		-	-	-	-
Total comprehensive income		-	-	**1,257,137**	**1,257,137**
Declared dividends	25	-	-	(930,000)	(930,000)
31 December 2023	21	**1,592,654**	**159,292**	**1,257,261**	**3,009,207**

The accounting principles and notes presented on pages 19 - 45 are an integral part of these financial statements.

These financial statements were signed on 27 March 2024

Director
Karolis Pikūnas

Dainius Mihelga,
Designated accountant

STATEMENT OF CASH FLOWS

	Notes	2023	2022
Cash flows from operating activities			
Net profit		1,257,137	903,567
Cost (revenue) adjustments:			
Depreciation and amortisation	15	72,768	70,649
Interest costs	2	33,156	102,168
Interest (revenue)	2	(389,628)	(94,248)
Change in impairment of receivables	11	1,848	(1,839)
(Profit) from the sale of fixed tangible and intangible assets		-	-
Change in deferred corporate income tax	9	7,358	(563)
Other non-cash costs (revenue)		(178)	(867)
Corporate income tax costs		218,396	138,646
Change in derivative financial instruments		(11,916)	(3,983)
		1,188,941	**1,113,530**
Changes in working capital:			
Decrease (increase) in trade receivables and advance payments	11	383,947	(513,282)
Increase (decrease) in trade debts		20,445	59,569
Increase (decrease) in payroll liabilities		(54,969)	125,955
Increase (decrease) in other assets		178,843	(212,922)
(Decrease) in other payables	18;20	34,574	(26,484)
Corporate income tax paid		(170,936)	(272,644)
Net cash flows from operating activities		**391,904**	**(839,808)**
Cash flows from investing activities			
(Acquisition) of fixed intangible, tangible, and investment assets	15	(107,118)	(24,837)
Loan (issuance)		(1,519,010)	(1,917,522)
Loan recovery		1,143,760	2,278,897
(Acquisition of) trading securities		(45,501,669)	(30,947,279)
Transfer of trading securities		45,309,122	31,420,857
Dividends received	3	213	974
Interest received	2	389,628	94,248
Net cash flows from investing activities		**(285,074)**	**905,338**
Cash flows from financial activities			
Obtaining loans		3,006,783	7,005,584
Loan (repayment)		(3,442,105)	(6,577,979)
Interest (paid)	2	(33,156)	(102,168)
Dividends (paid)		(930,000)	(1,300,000)
Leasing (financial lease) payments		(32,046)	(25,642)
Net cash flows from financial activities		**(1,430,524)**	**(1,000,205)**
Net increase (decrease) in cash flows		**(134,753)**	**178,855**
Cash and cash equivalents at the beginning of the period		1,046,066	867,211
Cash and cash equivalents at the end of the period		911,313	1,046,066

The accounting principles and notes presented on pages 19 - 45 are an integral part of these financial statements.

These financial statements were signed on 27 March 2024

Director
Karolis Pikūnas

Dainius Minelga,
Designated accountant

GENERAL INFORMATION

UAB FMĮ "Orion Securities" (hereinafter referred to as the Company) is a private limited company registered in the Republic of Lithuania. The registered office address thereof is:

Antano Tumėno Str. 4,
Vilnius, Lithuania.

The Company is engaged in financial intermediation, which includes four main groups of services provided: securities brokerage services, corporate finance services, market marketing services, and asset management services. The Company started its operations on 12 August 1993.

Shareholders of the Company as on the 31st of December in 2023 and in 2022:

	31 December 2023		31 December 2022	
	Number of shares owned	Share of ownership	Number of shares owned	Share of ownership
"Orion Managing Partners" B.V (Registered office: Minderbroederssingel 11 6041 KG, Roermond, the Netherlands Legal entity code: 856097378)	55,008	70.01 percent	55,008	70.01 percent
UAB Suprema LT (Registered office: S. Fino Str. 6-3, Vilnius, Lithuania Legal entity code: 304135030)	15,714	20.00 percent	15,714	20.00 percent
Mindaugas Strėlis	7,850	9.99 percent	7,850	9.99 percent
Total	78 572	100.00 percent	78 572	100.00 percent

All shares, each with a nominal value of 20.27 euros, are ordinary and were fully paid as on the 31st of December in 2023 and in 2022. The authorised capital did not change in 2023 and 2022. The Company had not purchased its own shares.

36 employees on average worked at the Company in Lithuania in 2023 (there were 33 employees in 2022).

The Company's management approved these financial statements on 27 March 2024, shareholders have the right to approve or dismiss the annual financial statements and demand that management to prepare new financial statements.

UAB FMĮ "Orion Securities" operates as a financial brokerage company under category A License No. A106 issued on 6 September 2007 by Decision No. 2K-286 of the Securities Commission of the Republic of Lithuania.

Category A license entitles the Company to provide the following investment services:

- accept and transmit orders;
- execute orders at the expense of clients;
- enter into transactions at their own expense;
- manage financial instrument portfolios;
- give investment recommendations;
- distribute financial instruments under the obligation to distribute them;
- distribute financial instruments without the obligation to distribute them.

The Company provides the following additional services:

- distributes units of investment funds;
- keeps, records, and manages financial instruments;
- provides loans aimed at enabling the client to make a transaction with financial instruments, if the provider is associated with that transaction;
- performs company analysis and evaluation.

ACCOUNTING PRINCIPLES

The following provides a description of the significant accounting principles used in the preparation of these financial statements.

Basis of preparation of financial reporting

The Company's financial statements have been prepared in accordance with the International Financial Reporting Standards adopted in the European Union (hereinafter referred to as the IFRS). The financial statements have been prepared on the historical cost basis, with the exception of securities and derivative financial instruments valued at fair value through profit (loss).

Functional and presentation currency

The amounts presented in these financial statements are represented in the national currency - euros (EUR), which is also the functional currency of the Company.

Application of new and revised International Financial Reporting Standards

Currently valid (effective from 1 January 2023) standards and their interpretations

The following revised standards issued by the International Accounting Standards Board (IASB) and adopted by the EU, as well as additions and clarifications to existing standards, are currently valid:

- Amendments of IFRS 17 "Insurance Contracts"; including the amendments of IFRS 17 (effective for annual periods beginning on or after 1 January 2023);
- Amendments of IAS 1 "Presentation of Financial Statements" and IFRS Practice Statement 2: Disclosure of Accounting Policies (effective for annual periods beginning on or after 1 January 2023);
- Amendments of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors": Definition of Accounting Estimates (effective for annual periods beginning on or after 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 or after 1 January 2023);
- Amendments of IFRS 17 "Insurance Contracts": Initial application of IFRS 17 and IFRS 9 - Comparative Information (effective for annual periods beginning on or after 1 January 2023);
- Amendments to IAS 12 "Income taxes": International Tax Reform – Pillar Two Model Rules (effective for annual periods beginning on or after 1 January 2023).

The adoption of the aforementioned standards, their amendments, and interpretations did not have a significant impact on the Company's financial statements.

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

As of the date of signing these financial statements, the Company has not applied the following new and revised IFRS standards, their amendments and clarifications, which have already been approved but have not yet entered into force, ahead of the time:

- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current Date; Classification of Liabilities as Current or Non-current – Deferral of Effective date; Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IFRS 16 "Leases": Lease liability in a sale and leaseback (effective for annual periods beginning on or after 1 January 2024).

The Company believes that the adoption of these standards, amendments and interpretations of the current standards would not have a significant impact on the Company's financial statements during the period of their initial application.

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

At present, the IFRS adopted by the EU are almost no different from the standards approved by the IASB, except for standards, changes to currently valid standards and interpretations that have not yet been approved by the EU (effective dates apply to IFRS in full scope). These standards, their amendments and interpretations are presented below:

- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments": Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024);
- Amendments to IAS 21 "The Effects of Changes in Foreign Exchange Rates": Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

The Company believes that the adoption of these standards, amendments, and interpretations of the current standards would not have a significant impact on the Company's financial statements during the period of their initial application.

Financial assets

Financial assets - cash and cash equivalents, contractual rights to receive money or other financial assets, contractual rights to exchange financial instruments with another party on potentially favourable terms, equity instruments of other companies and contracts, which would or may be used for settling the Company's own equity instruments.

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

All regular purchases and sales of financial assets are recognised on the settlement date, which is the date on which the Company undertakes to purchase or sell the asset.

A financial asset is valued at amortised cost if both of the following conditions are met:

- financial assets are held according to a business model, the purpose of which is to hold financial assets in order to collect the cash flows specified in the contract;
- due to the terms of the financial asset contract, cash flows that are only principal and interest payments on the outstanding principal amount may occur on specified dates.

Financial assets valued at amortised cost

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not traded in an active market. After initial recognition, loans and receivables are subsequently accounted for at amortised value using the effective interest method, net of any impairment. Amortised value is calculated inclusive of any acquisition discounts or premiums and includes taxes inseparable from the effective interest rate and transaction price. Profit or losses are recognised in the statement of comprehensive income when such assets are written off, impaired, or amortised.

Loans and receivables are recognised in the statement of financial position on the date they are disbursed, when the money is transferred to the borrowers. They are accounted for in off-balance sheet items from the date of signing the loan agreement to the date of loan disbursement.

Repurchase (Repo) and Reverse Repurchase (Reverse Repo) transactions

The recognition of securities sold in accordance with contracts with a fixed date to buy them back in the future is not terminated in the accounting, since the Company retains all the risks and benefits of their ownership. Funds received from these transactions are recognised in the statement of financial position as an asset with an obligation to return it, including accrued interest as a liability and disclosing the economic meaning of this transaction as a loan granted to the Company.

Securities acquired under reverse repurchase agreements concluded at a fixed date in the future are not recognised in the statement of financial position. Reverse repurchase transactions are classified as loans received and payables from banks and other clients and accounted for using the amortised net cost method. The difference between the purchase price and the repurchase price is accounted for as interest and accrues over the term of the contract using the effective interest rate method.

Financial assets valued at fair value, the change of which is recognised as other comprehensive income

A financial asset is valued at fair value, the change of which is recognised as other comprehensive income if both of the following conditions are met:

- financial assets are held in accordance with a business model, the purpose of which is achieved by collecting contractual cash flows and selling financial assets;
- due to the terms of the financial asset contract, cash flows that are only principal and interest payments on the outstanding principal amount may occur on specified dates.

The Company did not have such financial assets as on the 31st of December in 2023 and in 2022.

Financial assets valued at fair value, the change of which is recognised as profit or loss

Financial assets valued at fair value, the change of which is recognised as profit or loss, include those financial assets that are not classified as Financial assets valued at amortised cost and Financial assets valued at fair value, the change of which is recognised as other comprehensive income. At the time of initial recognition, a financial asset may be irrevocably classified as a financial asset valued at fair value, the change of which is recognised as profit or loss, if such classification eliminates or reduces contradictions (accounting discrepancies) in the evaluation and recognition of financial instruments. This financial asset cannot be subsequently transferred to another group of financial assets.
Changes in fair value are accounted for as net profit (losses) from securities transactions. Most of the Company's financial assets are assigned to this category.

The category of a financial asset is determined at the time of acquisition of this asset.

Derivative financial instruments

Derivative financial instruments, which include currency exchange forward transactions, transactions (issued and purchased by the Company) for price differences (contracts for differences or CFDs) and other derivative financial instruments, are initially accounted for in the statement of financial position at their fair value. Fair values are determined in accordance with a model the variables of which include market data. Derivative financial instruments are recorded as assets if the fair value is positive or as liabilities if the fair value is negative.

A transaction for price differences is an agreement between two parties, i.e., between the buyer and the seller, according to which one of the parties pays the price difference between the current market price of the underlying financial instrument and the initial price on the day of the transaction. If the CFD price of a specific instrument rises, the seller pays the price difference, if it drops, the buyer pays the price difference. A CFD is a derivative whose price is based on the share market price.

The Company, which has entered into a CFD transaction with the client, enters into the same transaction with a third party for hedging or buys the same amount of securities on the basis of which the CFD transaction was concluded with the client.

Certain derivative financial instrument transactions (CFDs), although providing an effective economic effect of risk management (hedging), according to the Company's risk management policy, are accounted for as derivative financial instruments held for trading purposes, with changes in their fair value recorded as net profit (losses) from transactions with derivative financial instruments for the reporting period. This accounting method was chosen for risk management purposes.

Accounting for CFD transactions concluded with a third party. In the event that the price of a specific CFD instrument is lower compared to the initial price recorded on the day of the transaction, the difference in price is recorded in the liability items as a financial obligation to the client on the day the transaction is closed and settled. After settlement with the client, this liability is settled. If the price of a specific CFD instrument drops, on the closing and settlement date of the transaction, the price difference is recorded in the asset items as the receivables from the client for the CFD. These receivables are settled after the client settles.

Accounting for CFD transactions on the basis of which securities are purchased. On the day of concluding the CFD transaction with the client, the Company buys the same amount of securities into its portfolio on the basis of which the CFD transaction was concluded with the client. All securities purchased as a result of CFDs are accounted for in a separate company portfolio under financial asset items. Each time financial statements are drawn up, these assets are valued at their fair value, the result of the increase being recorded in the liability items, and the result of the decrease in value being recorded in the asset items. These securities are sold on the closing and settlement date. In this case, the result of the CFD consists of the sum of the revaluation results and the profit or loss result of the sale. If the result is positive (the price of the securities has risen), a financial liability is recorded for the client. After settlement with the client, this obligation is settled. If the result is negative (the price of the securities has dropped), the amount receivable from the client is recorded. These receivables are cancelled after the client settles.

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

Certain derivative financial instruments embedded in other financial instruments, such as options on index-linked bonds, are treated as separate derivatives when their economic characteristics and risk types are not closely related to the economic characteristics and risk types of the underlying contract and the underlying contract is not valued at fair value through profit (loss). These embedded derivative financial instruments are measured at fair value, with changes in fair value recorded in the statement of comprehensive income for the reporting period.

The fair values of derivative financial instruments are disclosed in Note 13.

Impairment of financial assets

The Company recognises impairment due to expected credit losses (ECL) for the following financial assets that are not valued at fair value through profit or loss: loans and advances to clients; debt securities; financial guarantee contracts issued.

No impairment losses are recognised for equity securities.

Expected credit losses of financial assets are assessed at the amount of impairment equal to:

- For expected credit losses over 12 months; that is, expected credit losses that result from financial defaults that are possible within 12 months of the date of the financial statements, or
- For all expected credit losses; that is, for all expected credit losses that result from all potential defaults over the life of the financial asset.

Impairment of all expected credit losses for financial assets is calculated if the credit risk for such financial assets has increased significantly since initial recognition. For all other financial assets, expected credit losses are calculated based on 12-month expected credit losses.

Expected credit losses are a probability-weighted estimate of the present value of credit losses. They are measured as the difference in present value between the cash flows arising from the contractual flows received by the Company and the cash flows the Company expects to receive arising from a number of future economic events, discounted at the effective interest rate of the financial asset.

Financial liabilities

Trade and other payables and debts are initially recognised at the fair value of the funds received, minus transaction costs. They are subsequently recorded at amortised cost (except for derivatives, see above) and the difference between the receivables and the amount payable over the term of the debt is included in profit or loss for the period. Debts are classified as long-term if, up to the date of the statement of financial position, financial contracts provide evidence that the liabilities are long-term at the date of the statement of financial position.

Derecognition and offsets of financial assets and liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised when:
- the right to cash flows of financial assets expires; or
- the Company transferred its rights to the cash flows of the financial asset or retained the right to the cash flows, but assumed the obligation to pay the full amount to a third party under the transfer agreement within a short period of time; and
- the Company either (a) transferred substantially all of the risks and benefits of ownership of the financial asset, or (b) neither transferred nor retained the risks and benefits of ownership of the financial asset, but transferred control of the asset.

When the Company has transferred the rights to the asset's cash flows, but has not transferred the risks, benefits, and control of the asset ownership, the asset is recognised to the extent that the Company is associated with it.

Financial liabilities

A financial liability is derecognised when it is settled, cancelled, or expires.

When an existing financial liability to the same creditor is replaced by another liability, with substantially different terms, or the terms of an existing liability are substantially changed, such changes are recognised by derecognition of existing liabilities and recognition of new liabilities, the difference between them being recognised as profit (loss) in the statement of comprehensive income.

Mutual offsets

Financial assets and liabilities can be offset against each other and presented at net value in the statement of financial position if there is a legal possibility to set off the amounts recognised and there is an intention to settle the net value or to sell the asset and settle the debt at the same time.

Cash and cash equivalents

When compiling the statement of cash flows, cash and cash equivalents include cash and other valuables, funds in bank accounts, and other short-term highly liquid investments with a maturity under 3 months.

Recognition of income and costs

The Company recognises revenue in the amount that corresponds to the consideration, the right to which the Company expects to have in exchange for the transferred goods or services.

The Company records a contract with the client only when all the following criteria are met:
- the parties to the contract have confirmed the contract (in writing, orally, or in line with other normal business practices) and are committed to fulfilling their respective obligations;
- the Company can identify the rights of each party regarding the goods or services to be transferred;
- the Company can identify the terms of payment provided for the goods or services to be transferred;
- the contract has a commercial basis (i.e., it is likely that due to the contract the frequency or amount of future cash flows of the business entity or the risk associated with them will change) and it is likely that the Company will receive the remuneration to which it will be entitled in exchange for the goods or services that will be transferred to the client.

Revenue from contracts with clients consists primarily of service-related fees. They are included in "Commission revenue" in the statement of comprehensive income.

Interest revenue and costs

Interest revenue and costs on all financial instruments that earn interest are recognised in the statement of comprehensive income as interest revenue and interest costs using the effective interest rate. The effective interest rate method is a method of calculating the amortised cost of a financial asset or financial liability and allocating interest revenue and interest costs over the relevant period. The effective interest rate discounts future cash payments or inflows over the expected life of the financial instrument or, if appropriate, a shorter period to the net book value of the financial asset or financial liability. When calculating the effective interest rate, the Company evaluates cash flows taking into account all the provisions of the signed contracts on financial instruments (for example, prepayment options), but does not take into account future credit losses. The calculations include all fees paid or received between the parties to the contract, which are a component of the effective interest rate, transaction costs and all other bonuses or discounts.

Service and commission revenue and costs

Service and commission revenue / costs are generally recognised on an accrual basis at the time the relevant service is provided.

Corporate finance services, which include negotiations or representation of a third party in negotiations, are recognised as commission revenue only upon completion of the transaction in question. Commissions or part of commissions linked to certain performance results are recognised upon fulfilment of established conditions.

Dividend revenue

Dividends are recognised in the statement of comprehensive income when the right to receive them arises.

Other costs

Other costs are recognised in accounting in accordance with the principles of accrual and comparison of revenue and costs in the accounting period when the revenue related to them is earned, regardless of the time of spending money. In cases where the costs made during the reporting period cannot be directly linked to the earning of specific revenue and they will not generate revenue in future periods, these costs are recognised as costs in the same period in which they were incurred. Costs are usually valued by the amount of money paid or payable.

Lease

After signing the contract, the Company evaluates whether the contract is a lease or consists of a lease. The Company recognises a right-of-use asset and a corresponding lease liability in respect of all lease arrangements in which the Company is the lessee, except for short-term leases (leases with a lease term of 12 months or less) and leases of low-value assets (such as tablets and personal computers, small office furniture and telephones). For this lease, the Company recognises lease payments as operating costs using a straight-line method throughout the lease period, except in cases where another systematic method that better reflects the time pattern during which the economic benefits of the leased property are consumed is appropriate.

Lease liabilities are initially valued at the current amount of lease payments that have not yet been paid, then discounted using the interest provided in the lease agreement. If there is no fixed interest rate in the lease agreement, the Company uses its own borrowing rate.

Lease liabilities are valued by increasing the book value to reflect the amount of related interest (using the effective interest method) and decreasing the book value to reflect the lease payments made.

Right-of-use assets consist of the initial valuation of the relevant lease liability, lease payments paid on or before the date of commencement, minus lease discounts received and all initial direct expenses. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated over the shorter of the lease term or the useful life of the underlying asset. If ownership of the fixed asset is transferred after the lease of the asset or the right-of-use costs of the asset reflect that the Company expects to exercise an option to purchase the asset, the related right-of-use asset is depreciated over the useful life of the fixed asset. Depreciation begins to be calculated from the day the asset lease begins.

Fixed intangible assets

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

Intangible assets may have a finite or indefinite useful life. Intangible assets with a limited useful life are amortised over the asset's useful life of 3 to 4 years and are assessed for impairment if there are indications that the value of the intangible asset may be impaired. Amortisation periods and methods for intangible assets with finite useful lives are reviewed at least once at the end of each financial year. The Company does not have asset units with indefinite useful life.

Fixed tangible assets

Fixed tangible assets are recorded at acquisition cost, less accumulated depreciation and impairment. Depreciation is calculated using the straight-line method by writing off the purchase price of each individual asset on a pro rata basis over the following estimated useful lives of the assets:

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

Fixed tangible assets are constantly reviewed in order to assess whether their value has not decreased, when certain events or changes in circumstances indicate that the book value may not be recovered. The book value of the asset is immediately reduced to the recoverable amount if the book value exceeds the determined recoverable amount. Recoverable value is the asset's fair value minus sale costs or value in use, whichever is greater. The profit or loss on the sale of fixed tangible assets is determined based on its book value and is included in the statement of comprehensive income. The assets' residual values and useful lives are reviewed and adjusted accordingly, if necessary, at each reporting date.

Fair value of assets and liabilities

Fair value is the price that would be received upon the sale of the asset or paid upon the transfer the liability in the process of a normal transaction between market participants at the appraisal date. The determination of fair value is based on the assumption that the sale of assets or the transfer of liabilities takes place:

- in the principal asset or liability market;
- in the absence of the principal market, in the most favourable market for this asset or liability.

The principal or most favourable markets must be available to the Company.

All assets and liabilities to which fair value is applied are evaluated and disclosed in these financial statements according to the fair value hierarchy set out below. The hierarchy is based on the lowest level contribution that is relevant to the determination of fair value:

Level 1: quoted (unadjusted) prices of identical assets or liabilities in active markets;
Level 2: fair value calculated by valuation methods; when the lowest-level variables that have a significant impact on fair value are directly or indirectly available in the market;
Level 3: fair value is estimated using valuation methods when the lowest-level variables that have a significant impact on fair value are not supported by available market data.

For assets and liabilities that are recognised at fair value in the financial statements on a recurring basis, the Company determines whether there have been transfers between levels of the hierarchy by reassessing the assignment (based on the lowest level variables that are significant for the determination of fair value) at the end of each reporting period.

The fair value of assets and liabilities is determined by using assumptions that market participants would use to determine the price the assets and liabilities, assuming that they are operating in pursuit of their best economic outcome.

Determination of the fair value of a non-financial asset includes assessment of the ability of market participants to obtain economic benefits by making the best use of the asset or by selling it to other market participants who would make the best use of the asset.

The Company uses valuation methods that are best suited under certain circumstances and for which sufficient data is available to determine fair value, maximising the use of variables available in the market and minimising the use of variables not supported by market data.

The fair value of an interest-earning asset is determined based on the discounted value of cash flows by applying the same interest rate to instruments of similar maturity and risk. In an inactive market, appraisal models are used to determine fair value.

Taxes

Corporate income tax

According to the Law on Corporate Income Tax of the Republic of Lithuania, the taxable profit of the reporting period is subject to 15 % corporate income tax rate. Costs related to taxation and included in these financial statements are based on calculations made by the management in accordance with the tax laws of the Republic of Lithuania.

Deferred corporate income tax is accounted for by using the balance sheet liability method for all temporary differences arising between the tax base of assets and liabilities and their book value in the financial statements. Deferred tax assets for tax loss to be carried forward are recognised to the extent that it is likely that taxable profit would be earned that would be sufficient to utilise the tax loss. Estimates of the expected future taxable profit are assessed to determine the amount of deferred tax assets that can be recognised. Deferred corporate income tax is calculated by applying the tax rates valid or approved at the date of the statement of financial position and which are expected to be applied during the period of realisation of deferred corporate income tax assets or fulfilment of deferred tax liabilities. However, deferred corporate income tax is not accounted for if it occurs during the initial recognition of assets or liabilities not due to a business combination and if the transaction does not affect either accounting or taxable profit or loss.

Tax losses can be carried forward for an unlimited period of time, except for losses that occurred due to the transfer of securities. Losses from the transfer of securities can be carried forward for 5 years. Since 1 January 2014, no more than 70 % of the taxable income of the current tax year can be covered by tax losses carried forward.

Deferred tax on the revaluation of available-for-sale securities, which is recorded in the statement of comprehensive income (other comprehensive income), is also recorded in the statement of comprehensive income and subsequently recognised in profit (loss) together with the deferred profit or loss.

Other charges

Other charges are included in administrative expenses in the statement of comprehensive income.

Foreign currencies

Transactions in foreign currency

Transactions in foreign currency are converted into euros by applying the exchange rate of the relevant currency and the euro established by the Bank of Lithuania on the day of the transaction. Profit and losses resulting from the execution of such transactions and the conversion of monetary assets and liabilities in currencies other than euros are recorded as profit or losses.

Monetary assets and liabilities denominated in a foreign currency are valued in the functional currency by applying the exchange rate of the relevant currency effective on the date of the statement of financial position. Exchange rate gains and losses are recognised as profit or loss. Non-monetary items are accounted for at acquisition value by applying the exchange rate effective on the date of the transaction, while non-monetary assets accounted for at fair value or revalued are converted by applying the exchange rate effective on the fair value determination date.

Employee benefits

Social insurance contributions

The Company pays social insurance contributions for its employees to the State Social Insurance Fund (hereinafter referred to as the Fund) according to the defined contribution plan, in accordance with the requirements set forth by the legislations of the Republic of Lithuania. A defined contribution plan is a plan under which the Company makes fixed-rate contributions to the Fund and has no legal or constructive obligation to continue making contributions if the Fund does not have sufficient assets to pay all employee benefits related to their current and prior service. Social insurance contributions are recognised as costs on the basis of the accrual principle and are classified as personnel costs. Social insurance contributions are distributed to pensions, health, sickness, maternity, and disability benefits annually by the Fund.

Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events; which is likely to require economic resources to fulfil obligations when this amount can be reliably calculated. Costs associated with accounting for provisions are recognised in the statement of comprehensive income. In cases where the effect of the time value of money is significant, provisions are discounted at a tax rate that reflects the risk inherent in the liability. When discounting is used, the increase in the provision reflecting the past period is accounted for as borrowing costs.

Contingent assets and liabilities

Contingent liabilities are not recognised in the financial statements. They are described in the notes to the financial statements, except in cases where the probability that the resources yielding economic benefits will be lost is extremely low.

Contingent assets are not recognised in the financial statements, but are disclosed if the resources providing the economic benefits are probable.

Off-balance sheet items: assets/funds entrusted to manage and related liabilities (activities of trustees)

Assets and income, together with related obligations to return these assets or / and any related income to clients, are not included in these financial statements in cases where the Company acts as a proxy, trustee, or agent. Securities and financial instruments acquired on the behalf of clients and by using the clients' funds are recorded in the off-balance sheet of the client account.

Clients' money is the money kept in trust on behalf of the Company in current and fixed deposit bank accounts. Clients' money is separated from the Company's funds and is kept in commercial banks in trust.

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

The value of securities kept by clients in securities accounts belonging to the Company on the date of preparation of financial statements is calculated by multiplying the amount of securities by the market price of those securities, and if it is not available, by the nominal value. Bonds acquired on behalf of clients are recorded at nominal value in off-balance sheet items.

Contracts for difference (CFDs) are transactions concluded on behalf and at the expense of clients or on one's own behalf and at the expense of clients valid on the reporting date. With CFDs concluded on one's own behalf and at the expense of clients, i.e., "omnibus" type accounts held by the Company with third parties contain financial derivatives, from which any profits or losses arise exclusively owned by the clients and the Company acts only as an intermediary. The CFD value on the date of the financial statements is calculated by multiplying the amount of financial instruments by the difference between the market prices of the relevant securities (on the date of conclusion of the transaction and valuation). CFDs acquired on behalf of clients are accounted for in off-balance sheet items at fair value, and receivables and payables actually generated under these financial instruments (between the Company and clients) are included in the statement of financial position.

Transactions concluded by clients on derivatives with a third party are Opcion and Forex transactions valid on the reporting date. They are reflected in off-balance sheet items at fair value.

Post-reporting events

All events that occurred after the date of preparation of the financial statement (adjusting events) are recorded in the financial statements if they relate 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 estimates for the preparation of financial statements

In the preparation of financial statements in accordance with IFRS, estimates and assumptions are used that affect the amounts of assets and liabilities presented in the statements as well as the possible representation of assets and liabilities at the date of the financial statements as well as the amount of represented revenue and costs during the reporting period. Although these estimates are based on management's best judgment of events and actions, actual results may differ from these estimates. The impact of such changes will be included in the financial statements as they occur.

Going concern

The Company's management is firmly convinced of a stable and balanced operating perspective and has prepared these financial statements on that basis.

Impairment of loans, trade receivables and prepayments

The Company reviews granted loans, trade receivables, and prepayments for impairment at least once a quarter. The Company assesses whether there is objective evidence indicating a significant decrease in future cash flows from granted loans, trade receivables and prepayments when determining whether an impairment loss should be recognised in the statement of comprehensive income.

Objective evidence may include signs of a deterioration in the borrower's solvency or local or national economic conditions directly related to the default and other objective and subjective factors. In terms of estimating expected future cash flows, the management uses estimates based on historical losses from assets with similar credit risk and objective evidence of impairment. The methodology and assumptions used to estimate future cash flows in terms of timing and amount are regularly reviewed to minimise any differences between estimated loss amounts and actual losses incurred.

Fair value of financial instruments

When the fair values of financial assets and liabilities cannot be determined based on data from active markets, they are determined by using several valuation methodologies that include the use of mathematical models. These models use market data wherever possible, however, where this is not possible, certain assumptions are used to determine actual values. The fair values of financial assets and liabilities are disclosed in the financial risk management note.

FINANCIAL RISK MANAGEMENT

The Company analyses, evaluates, assumes, and manages the risks or groups of risks encountered in its activities. The purpose of risk management is to ensure acceptable profitability and return on equity through proper risk management. The most important types of risks faced by the Company are credit, concentration, foreign exchange, interest rate, liquidity, market, and operational risks. Concentration risk is assessed as a part of credit risk. The Company's Board and the Management, Heads of Structural Divisions and the Internal Controller are responsible for managing individual risks within the scope of their competence.

The Company is a financial institution, therefore, the management of various financial risks is strictly regulated and supervised. Relevant processes and procedures have been prepared for risk management: Trading Activity Policy, Trading Activity Risk Management Policy, Internal Capital Adequacy Assessment Process and Operational Risk Management Strategy, Solvency and Liquidity Assurance 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's activities:

Capital adequacy: every day the Company must satisfy the capital adequacy indicator calculated in accordance with Regulation (EU) No. 575/2013 of the European Parliament and Council;
In trading activities: compliance and assessment of position limits and additional restrictions;
Implementation of internal control is conducted by an employee specifically hired for that purpose.

Credit risk

Credit risk is the risk that the Company incurs losses due to the failure in fulfilment of financial obligations assumed by the counterparty to the Company. Credit risk mainly arises from investment and lending activities and it is the most significant risk in the Company's business. The management of the Company is constantly informed about the level and changes in the assumed credit risk through regularly submitted reports.

The Company follows the requirements of IFRS 9 "Financial Instruments" when assessing impairment losses on loans and financial assets.

Loans and receivables

Credit risk arising from lending activities is managed by conducting a detailed analysis of the client before granting a loan to the client and by monitoring the client after the loan is issued. Concentration risk is managed by the Company by limiting and controlling the concentration of credit risk, the client's ability to repay the loan is assessed, and collaterals are pledged.

Maximum credit risk exposure, regardless of collateral and other means of ensuring the fulfilment of obligations:

	31 December 2023	31 December 2022
Balance sheet asset positions with credit risk:		
Securities valued at fair value through profit (loss)	851,684	697,870
Cash and cash equivalents	911,313	1,046,066
Investments in subsidiaries and associated companies	197,591	108,858
Fixed financial assets	6	212,550
Loans issued	603,018	227,768
Trade receivables and prepayments	1,073,375	1,420,590
Derivative financial instruments	15,899	3,983
Total	**3,652,886**	**3,717,685**

The presented table reveals credit risk positions as on the 31st of December in 2023 and in 2022, regardless of credit risk mitigation measures.

The Company diversifies the location of funds and keeps monetary funds in reliable Lithuanian and foreign banks and financial brokerage companies in order to manage the credit risk associated with monetary funds. The Management actively monitors the ratings of banks and the financial position of financial brokers, therefore, the Management does not believe that counterparties would default.
Information on granted loans and trade receivables, prepayments and other long-term financial assets as on the 31st of December is summarised in the following tables:

	2023		2022	
	Loans	Trade receivables, prepayments and other fixed financial assets	Loans	Trade receivables, prepayments and other fixed financial assets
Loans and receivables that are not overdue and are not impaired	603,018	1,017,656	227,768	1,565,108
Loans and receivables that are overdue but are not impaired	-	55,725	-	68,032
Impaired loans and receivables	9,860	38,138	9,860	39,987
Total value	**612,878**	**1,111,519**	**237,628**	**1,673,127**
Less: impairment	(9,860)	(38,138)	(9,860)	(39,987)
Net value	**603,198**	**1,073,381**	**227,768**	**1,633,140**

Loans, trade receivables, and prepayments that are overdue but are not impaired are loans, trade receivables, and prepayments that are past due but are not individually impaired based on available collateral or other risk-reducing circumstances.

Impaired loans, trade receivables, and prepayments are loans, trade receivables, and prepayments for which impairment losses of 100 % have been recognised individually because they are not expected to be recovered.

Aging analysis of loans, trade receivables, and prepayments shows that there are overdue ones, but they are not impaired as on the 31st of December:

	2023		2022	
	Loans	Trade receivables and prepayments	Loans	Trade receivables and prepayments
Overdue by 1 -30 days	-	8,723	-	4,256
Overdue by 31-60 days	-	3,670	-	1,389
Overdue by 61-90 days	-	16,938	-	37,488
Overdue by more than 90 days	-	26,394	-	24,899
Total	**-**	**55,725**	**-**	**68,032**

The Company did not form an additional impairment for overdue loans and prepayments for clients after assessing the financial condition of the debtors as on the 31st of December in 2023 and 2022. The Company did not calculate an additional value adjustment for trade receivables.

Securities valued at fair value through profit (loss)

The following is a breakdown of securities measured at fair value through profit (loss) by geographic trading area:

	31 December 2023	**31 December 2022**
Baltic States	580,135	326,276
United States of America and Canada	150,632	371,593
Other European Union countries	120,917	-
Other countries	-	1
Total	**851,684**	**697,870**

Derivative financial instruments

Credit risk arising from derivatives is managed by assessing potential fluctuations in market values on a daily basis. Contracts for the requirement of additional collateral are concluded with clients. Collateral measures (deposited funds or securities) are used to manage the credit risk of these financial instruments, therefore, the Management believes that the credit risk associated with derivative financial instruments is not significant.

General risk assessment

In reference to the table below, reliable transactions, i.e., good financial condition, stable operations, contracts are executed without significant violations, short-term receivables and loans receivable are not overdue, are considered low risk. Cash funds are considered low risk if they are kept in banks of the EU countries and the US, provided that parent banks thereof have investment ratings and that part of the money is in the accounts of the EU countries and the US Broker platforms, which is covered by liabilities on the same platform. Amounts receivable, which are covered by deposits taken from clients, are also classified as low-risk transactions.
Transactions where loss events have been identified and there is a risk of failure to repay the loan, as well as money in the accounts of the EU countries and the US Broker platforms, which are not covered by commitments on the same platforms, are considered higher risk.

Unclassified risk includes positions that do not have any credit risk assessment.

Low-risk equity securities are those that are traded on regulated markets.

Low-risk debt securities are considered to be BBB- and higher-rated securities, and higher-risk debt securities are considered to be lower than BBB-.

31 December 2023:	**Low risk**	**Higher risk**	**Unclassified**	**Total**
Balance sheet asset positions with credit risk:				
Securities valued at fair value through profit (loss)	322,351	529,333	-	**851,684**
Cash and cash equivalents	911,313	-	-	**911,313**
Loans issued	603,018	-	-	**603,018**
Fixed financial assets	6	-	-	**6**
Trade receivables and prepayments	522,548	55,725	495,102	**1,073,375**
Total	**2,359,236**	**585,058**	**495,102**	**3,439,396**

31 December 2022:	**Low risk**	**Higher risk**	**Unclassified**	**Total**
Balance sheet asset positions with credit risk:				
Securities valued at fair value through profit (loss)	697,870	-	-	**697,870**
Cash and cash equivalents	1,046,066	-	-	**1,046,066**
Loans issued	227,768	-	-	**227,768**
Fixed financial assets	212,550	-	-	**212,550**
Trade receivables and prepayments	629,287	68,032	723,271	**1,420,590**
Total	**2,813,541**	**68,032**	**723,271**	**3,604,844**

Concentration risk

Concentration risk is the risk arising from the positions of counterparties, the positions of associated groups of counterparties, due to the 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 the European Union countries) should not exceed 8 % of the Company's capital.
The Company monitors the concentration risk and invests its own funds in the region of European Union countries. Investments in the region of the United States and Canada are made in the CFD portfolio. In this case, the same amount of securities is purchased, on the basis of which the CFD transaction was concluded with the client.

Foreign currency risk

The Company's policy is to match cash flows from highly probable future sales with purchases in each foreign currency. The Company has concluded an FX transaction in order to manage the foreign exchange risk. The monetary assets and monetary liabilities in different currencies were as follows (equivalent in euros) as on the 31st of December in 2023 and in 2022:

	31 December 2023		**31 December 2022**	
	Assets	**Liabilities**	**Assets**	**Liabilities**
EUR	3,161,467	669,628	3,019,130	654,108
USD	678,588	228,250	1,068,817	715,818
NOK	98,573	34,602	-	35,213
GBP	43,449	54,427	-	1,665
PLN	4,315	-	92	-
Other currencies	10,518	796	1,592	757
Total	**3,996,910**	**987,703**	**4,089,631**	**1,407,561**

The table below reveals the sensitivity of the Company's profit before taxes and equity to possible changes in foreign currency, holding all other variables constant (taking into account changes in the actual values of monetary assets and liabilities).

	Change	31 December 2023	31 December 2022
USD	-10 percent	(45,034)	(35,300)
NOK	-10 percent	(6,397)	(3,521)
GBP	-10 percent	(1,098)	(167)
PLN	-10 percent	(432)	(9)
Other currencies	-10 percent	(972)	(84)
Total	**-10 percent**	**(53,933)**	**(39,081)**

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

Interest rate risk

Interest rate risk is the risk that the Company will incur losses due to the change in the price of financial assets and liabilities recorded at fair value through profit (loss) in the statement of comprehensive income, related to changes in the market interest rate.

The loans granted and received by the Company have a fixed interest rate, therefore, the Company does not experience interest rate risk, except for financial leasing contracts, which have a 3-month EURIBOR variable interest rate portion. This interest risk is insignificant.

Liquidity risk

Liquidity risk is the risk that the Company would not be able to fulfil one's financial obligations when they are due. The Company's policy to maintain sufficient cash and cash equivalents or to secure financing through an appropriate amount of lines of credit or other borrowing instruments to meet obligations under both normal and difficult conditions without incurring unacceptable losses or risking reputational damage.

Liquidity risk management is carried out by implementing the internal control function, determining possible unforeseen risk-limiting procedures and business continuity plans, assessing the acceptability or unacceptability of the services provided by the Company, performing the functions of product and service pricing management and internal resource redistribution, analysing the processes and procedures taking place in the Company, identifying risk points and assessing the adequacy of their controls.

The table below summarises the repayment terms of the Company's financial liabilities under undiscounted contractual payments as on 31 December 2023.

	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 term	Total
Liabilities						
Leasing (Financial lease) liabilities	37,870	15,454	54,975	-	-	**108,299**
Payable leasing interest	1,478	3,426	5,855	-	-	**10,759**
Trade payables	159,469	-	-	-	-	**159,469**
Other financial liabilities	-	47,460	-	-	114,205	**161,665**
Loans received	-	-	-	-	203,927	**203,927**
Employee related liabilities	251,024	-	-	-	-	**251,024**
Total liabilities	**449,841**	**66,340**	**60,830**	**-**	**318,132**	**895,143**

The table below summarises the repayment terms of the Company's financial liabilities under undiscounted contractual payments as on 31 December 2022.

	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 term	Total
Liabilities						
Leasing (Financial lease) liabilities	6,576	20,103	113,667	-	-	**140,346**
Payable leasing interest	1,783	4,906	10,759	-	-	**17,448**
Trade payables	139,024	-	-	-	-	**139,024**
Other financial liabilities	-	-	-	-	13,400	**13,400**
Loans received	-	-	-	-	740,053	**740,053**
Employee related liabilities	305,993	-	-	-	-	**305,993**
Total liabilities	**453,376**	**25,009**	**124,426**	-	**753,453**	**1,356,264**

Market risk

Market risk is the risk of incurring losses due to low market liquidity, which prevents the sale of the available asset (investment) on time and at the desired price or completely deprives the opportunity to transfer the available asset (investment). The main preventive management tools for 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 the risk of experiencing direct and indirect losses due to inadequate internal control processes or failure to implement them, employee errors and (or) illegal actions, and information system 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 the possible manifestation of unforeseen risks, insuring the Company's material assets, assessing the acceptability or unacceptability of the services provided by the Company, performing the functions of product and service pricing management and internal resource redistribution, analysing the processes and procedures taking place in the Company, identifying risk points and assessing the adequacy of their control.

Internal capital for operational risk is calculated using the base indicator method in accordance with Regulation 575/2013 of the European Parliament and of the Council (CRDIV/CRR).

The table below discloses the calculation of operational risk according to the base indicator method in thousands of euros:

31 December 2023	Year -3	Year -2	Previous year	Average
1. ALL BUSINESS LINES ACCORDING TO THE BASE INDICATOR METHOD	2,529	3,896	3,578	3,334
CAPITAL CHARGE RATE, PERCENTAGE	-	-	-	15%
Risk value of the position, thousands of euros (Average * rete)				500
Capital charge, thousands of euros (394*12,5)	-	-	-	**6,250**

31 December 2022	Year -3	Year -2	Previous year	Average
1. ALL BUSINESS LINES ACCORDING TO THE BASE INDICATOR METHOD	3,045	2,529	3,896	3,157
CAPITAL CHARGE RATE, PERCENTAGE	-	-	-	15%
Risk value of the position, thousands of euros (Average * rete)				474
Capital charge, thousands of euros (298*12,5)	-	-	-	**5,925**

Fair values of financial assets and financial liabilities

The following items of financial assets and financial liabilities are not shown at fair value in the Company's financial statement: cash and cash equivalents, trade receivables and prepayments, loans granted, loans received, other financial liabilities, trade payables. The Management of the Company estimated that the fair value of these assets and liabilities was approximately equal to their book value. The fair value of trade receivables and payables and loans and other non-derivative financial assets and liabilities was equated to the book value as on the 31st of December in 2023 and in 2022 due to the relatively short term of the associated instruments (Level 3).

The tables below summarise the Company's financial assets and liabilities accounted for at fair value. Financial instruments are presented on three levels of fair value, as described in Note "Accounting principles".

There was no reclassification of financial instruments from one level to another in 2023 and 2022.

Determination of the fair value of financial assets and liabilities was carried out on the date of the statement of financial position.

2023:	**Level 1**	**Level 2**	**Level 3**	**Total**
Derivative financial instruments, assets (Note 13)	-	15,899	-	**15,899**
Derivative financial instruments, liabilities (Note 13)	-	-	-	-
Securities valued at fair value through profit (loss) (Note 12):				
Debt securities	335,722	-	116,488	**452,210**
Equity securities	349,474	-	**50,000**	**399,474**
Total	**685,196**	**15,899**	**166,488**	**867,583**

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 valued at fair value through profit (loss) (Note 12):				
Debt securities	20,000	-	-	20,000
Equity securities	677,870	-	-	677,870
Total	**697,870**	**3,983**	-	**701,853**

The fair value of the derivative financial instrument held by the Company is assigned to Level 1. It consists of a foreign exchange hedging transaction (FX).

Capital management

The Company's capital is calculated and allocated to risks in accordance with the directives of the European Parliament and the Council (2019/2033, 2019/2034, 2021/2284), Regulation 575/2013 of the European Parliament and the Council (CRDIV/CRR), Basel III as well as the legislations of the Republic of Lithuania.

Objectives of the Company's capital management:

1) Comply with the capital requirements established by the European Union and higher capital adequacy requirements established by the main shareholder,
2) Ensure the continuity of the Company's activities, returns to shareholders, and benefits to other interested parties,
3) Promote the Company's business development with the help of a strong capital base.

The supervisory authority is provided with information on capital adequacy on a quarterly basis, in accordance with the requirements of the European Union and the Bank of Lithuania. The Company's capital is divided into 2 tiers:

1) Tier 1 / Common Equity Tier One (CET 1) capital consists of registered capital, retained profit of the previous financial year, other reserves, accumulated other comprehensive income, value adjustments in accordance with prudential valuation requirements, reduced by intangible assets, prepayments and deferred tax assets.
2) Tier 2 capital consists of other transitional adjustments related to accumulated other comprehensive income.

The Company did not have any Tier 2 capital as on the 31st of December in 2023 and 2022.

Risk-weighted assets are calculated by using risk weights that are assigned to classes based on the nature of the asset and the type of counterparty, also by taking into account collaterals and guarantees recognised as suitable for risk mitigation. Accordingly, with certain adjustments, off-balance sheet positions are also assessed based on risk.

The table below shows the composition of the capital and the Company's indicators for the year ended on 31 December 2023 and comparative data for year 2022. Taking into account the requirements of the supervisory authorities, the Company is subject to a 100 % capital adequacy requirement. Furthermore, new capital reserves were introduced in 2016, which the Company is required to implement, i.e., an additional capital protection reserve of 2.5 % has been applied to all Class A financial brokerage companies in Lithuania in 2016. The Company complied with the capital requirements imposed on it in 2023 and in previous years.

	Indicators (in thousands of euros)	2023	2022
1.	**Tier One capital of the Company**	**1,567**	**1,719**
1.1.	Authorised capital	1.593	1.593
1.2.	Reserves	159	159
1.3.	Total value of Additional Valuation Adjustment (AVA) estimates	(5)	(6)
1.4.	Profit of the previous year	-	27
1.5.	Profit of the reporting year	-	-
1.6.	Intangible assets	(95)	(6)
1.7.	Deferred income tax assets	(1)	(8)
1.8.	Prepayments and costs of future periods	(84)	(40)
2.	**Capital requirement CR (maximum amount from lines 2.1; 2.2; 2.3)**	**881**	**751**
2.1.	Minimum initial capital	750	750
2.2.	One quarter of the Company's previous year's total overhead costs	881	751
2.3.	Total K factor requirement	695	660
3.	**Capital adequacy ratio (line 1 / line 2)**	**177.87%**	**228.89%**

OTHER NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 NET SERVICE AND COMMISSION REVENUE

	2023	2022
Service and commission revenue:		
Commission revenue	2,430,707	2,987,890
Appraisal and consulting services	1,597,053	975,834
Securities accounting and custody	682,076	572,975
Depositary services	339,685	240,986
Accounting services	182,250	159,263
Market makinh and other services with a fixed fee	75,012	85,024
Currency conversion revenue	35,128	39,167
Total service and commission revenue	**5,341,911**	**5,061,139**
Service and commission costs:		
Fees for intermediaries	(586,013)	(725,125)
Fees for exchanges, depositories	(185,708)	(167,671)
Consultations	(119,750	-
Software support	(111,526)	(95,774)
Fees for access to trading and data platforms	(32,914)	(27,958)
Other costs	(64,799)	(54,591)
Total service and commission costs	**(1,100,710)**	**(1,071,119)**
Net service and commission revenue	**4,241,201**	**3,990,020**

NOTE 2 NET INTEREST REVENUE

	2023	2022
Interest revenue:		
Interest on funds kept in bank accounts	365,765	52,465
Interest on REPO transactions	16,768	28,681
Interest on loans	7,095	13,102
Total interest revenue	**389,628**	**94,248**
Interest costs:		
Interest on loans	(33,156)	(102,168)
Total interest costs	**(33,156)**	**(102,168)**
Net interest revenue	**(356,472)**	**(7,920)**

NOTE 3 NET PROFIT (LOSS) FROM TRANSACTIONS IN SECURITIES AND DERIVATIVE FINANCIAL INSTRUMENTS AND TRANSACTIONS IN FOREIGN CURRENCY

	2023	2022
Realised profit (loss) from share trading	108,629	70,883
Unrealised result of revaluation of financial assets and liabilities valued at fair value through profit (loss), net value	46,594	(42,453)
Net dividend revenue	213	974
Realized profit (loss) from derivative financial instruments	(1)	(307)
Positive (negative) impact of exchange rate changes	(22,063)	10,645
Total	**133,372**	**39,742**

NOTE 4 CHANGE IN IMPAIRMENT AND OTHER PROVISIONS

	2023	2022
Decrease in expected credit losses	1,886	81
Bad debt costs	(124)	(4,001)
Total	**1,762**	**(3,920)**

NOTE 5 PERSONNEL COSTS

	2023	2022
Employee wages	(2,003,713)	(1,723,552)
The board member wages	(66,863)	-
Social insurance costs	(35,466)	(30,607)
Change in unused vacation accrual	40,587	(103,940)
Other costs for the benefit of employees	(11,576)	(9,407)
Total	**(2,077,031)**	**(1,867,506)**

NOTE 6 DEPRECIATION AND AMORTISATION

	2023	2022
Depreciation of vehicles, equipment, and facilities	(66,558)	(68,431)
Amortisation of intangible assets	(6,210)	(2,215)
Total	**(72,768)**	**(70,649)**

NOTE 7 ADMINISTRATIVE COSTS

	2023	2022
Taxes (excluding corporate income tax)	(167,989)	(139,845)
Professional development and business trip costs	(150,676)	(95,513)
Support	(120,785)	(212,000)
Representation expenses	(114,983)	(82,390)
Premises rent and utility costs	(82,550)	(91,352)
Accounting services	(75,600)	(69,000)
Advertising and marketing costs	(68,823)	(57,717)
Vehicle rental and maintenance costs	(58,862)	(52,253)
Legal services	(54,722)	(117,320)
Office expenses	(45,584)	(38,122)
Communication costs	(13,789)	(17,901)
Other	(145,754)	(64,704)
Total	**(1,100,117)**	**(1,038,117)**

NOTE 8 CORPORATE INCOME TAX

	2023	2022
Cost (revenue) components of corporate income tax		
Corporate income tax costs of the reporting year	218,396	138,646
Deferred corporate income tax costs (revenue)	7,358	(563)
Previous year's corporate income tax adjustment*	-	-
Corporate income tax (revenue) costs accounted for in the statement of comprehensive income	225,754	138,083

Calculation of corporate income tax costs in 2023 and 2022:

	2023	2022
Profit (loss) of the reporting year before taxes	1,482,891	1,041,650
Total amount of increase in profit before taxes	293,682	339,039
Total amount of reduction of profit before taxes	(79,027)	(16,643)
(Profit) loss on transfer of securities	(98,004)	(32,362)
(Profit) loss on transfer of derivative financial instruments	1	312
Deducted double amount of the granted support	(241,570)	(424,000)
Amount of operating profit after deductions for support	**1,357,973**	**907,996**
Profit (loss) on transfer of securities	98,004	32,362
Profit (loss) on disposal of derivative financial instruments	(1)	(312)
The amount of losses of the previous year deducted from the profit on securities and derivative financial instruments	-	(15,740)
Taxable profit (loss) of the reporting year	**1,455,976**	**924,306**
Corporate income tax of the reporting year	**218,396**	**138,646**
Deferred corporate income tax costs (income)	7,358	(563)
Corporate income tax costs of the reporting year	**225,754**	**138,083**

	31 December 2023	31 December 2022
Deferred income tax assets		
Asset impairment	74,679	76,427
Vacation reserve accrual	3,468	4,174
Unrealised profit/loss from revaluation of financial assets	(46,898)	(303)
Deferred corporate income tax assets before impairment	**31,249**	**80,298**
Less: impairment of realisable value	(26,580)	(26,580)
Deferred income tax assets, net value	4,669	53,718
Deferred corporate income tax liability	-	-
Corporate income tax rate	15 percent	15 percent
Deferred corporate income tax	**700**	**8,058**

Deferred corporate income tax assets as on the 31st of December in 2023 and in 2022 were accounted for by applying the 15 percent rate.

The changes in the pre-tax and post-tax impact of the Company's temporary differences were as follows:

	2021	Recognised in the statement of comprehensive income	2022	Recognised in the statement of comprehensive income	2023
Decrease (increase) in asset value	74,588	1,839	76,427	(1,748)	74,679
Vacation reserve accrual	2,366	1,808	4,174	(706)	3,468
Unrealised profit / loss from revaluation of financial assets	(406)	103	(303)	(46,595)	(46,898)
Total temporary differences	76,548	3,750	80,298	(49,049)	31,249
Less: impairment of realisable value	(26,580)	-	(26,580)	-	(26,580)
Temporary differences before the corporate income tax rate	49,968	3,750	53,718	(49,049)	4,669
Applicable corporate income tax rate	15%	15%	15%	15%	15%
Deferred corporate income tax, net value	7,495	563	8,058	7,358	700

NOTE 9 CASH AND CASH EQUIVALENTS

	31 December 2023	31 December 2022
Cash in bank accounts	911,313	1,046,066
Cash in transit	-	-
Total	**911,313**	**1,046,066**

Cash consisted of cash in current accounts of Lithuanian and foreign banks and foreign financial brokerage companies in various currencies as on the 31st of December in 2023 and in 2022. The Company had no short-term term deposits as on the 31st of December in 2023 and in 2022.

All cash balances were classified as low credit risk on the balance sheet date and impairment losses determined based on 12-month expected credit losses make up an insignificant amount.

The cash credit quality can be assessed according to external credit ratings of the banks:

Credit rating	31 December 2023	31 December 2022
AA2	218,963	309,409
AA3	172,796	63,757
A2	328	-
Baa2	92,163	9,364
No rating	427,063	663,536
Total	**911,313**	**1,046,066**

NOTE 10 OTHER CURRENT ASSETS

	31 December 2023	31 December 2022
Accrued revenue	87,487	65,877
Prepayments	34,322	16,457
Other assets	57,553	45,462
Advance corporate income tax payments	-	38,580
Total	**179,362**	**166,376**

NOTE 11 TRADE RECEIVABLES

	31 December 2023	31 December 2022
Receivables from buyers	582,090	682,269
Receivables from buyers related to contracts for price differences	492,711	759,196
Accumulated CFD commission	2,390	2,655
Total	**1,077,191**	**1,444,120**
Less: expected credit losses for trade receivables and prepayments	(38,138)	(39,987)
Total	**1,039,053**	**1,404,133**

Trade receivables are interest-free and typically have a 30-day payment term.

100 percent impairment was accounted for receivables from buyers and prepayments with a nominal value amounting to 38 thousand euros on 31 December 2023 (40 thousand euros on 31 December 2022). The reversal of the value adjustment of receivables of 2 thousand euros is accounted for in the statement of comprehensive income.

Maturity analysis of the Company's receivables from buyers and prepayments as on the 31st of December in 2023 and in 2022 is presented in the credit risk section of the Financial Risk Management Notes.

Movement of impairment recorded for receivables and prepayments:

	Receivables from buyers	Prepayments
Balance as on 31 December 2021	**(11,568)**	**(26,580)**
Reversal of impairment	-	-
Write-off of impairment	(1,839)	-
Balance as on 31 December 2022	**(13,407)**	**(26,580)**
Reversal of impairment	1,884	-
Write-off of impairment	(36)	-
Balance as on 31 December 2023	**(11,559)**	**(26,580)**

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

	31 December 2023			31 December 2022		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
Equity securities						
Baltic States	193,324	-	50,000	280,395	-	-
United States of America and Canada	124,124	-	-	371,593	-	-
Other European Union countries and EEA countries	-	-	-	-	-	-
Other countries	-	-	-	1	-	-
Total equity securities	**317,448**	**-**	**50,000**	**651,989**	**-**	**-**
Units of collective investment entities						
Other European Union countries and EEA countries	-	-	-	-	-	-
Baltic States	5,682	26,344	-	25,881	-	-
Total units of collective investment entities	**5,682**	**26,344**	**-**	**25,881**	**-**	**-**
Debt securities						
Baltic States	188,297	-	116,488	-	-	-
Other European Union countries and EEA countries	120,917	-	-	20,000	-	-
United States of America and Canada	26,508	-	-	-	-	-
Total debt securities	**335,722**	**-**	**116,488**	**20,000**	**-**	**-**
Total trading securities	**658,852**	**26,344**	**166,488**	**697,870**	**-**	**-**

NOTE 13 DERIVATIVE FINANCIAL INSTRUMENTS

Derivative financial instruments are basically used to hedge against risks in accordance with the Company's Risk Management Policy. The Company acquires currency exchange rate hedging transactions in order to hedge against issued transactions due to the risk of fluctuations in the fair value of prices and the risk of currency exchange rates.

The value of derivative financial instruments becomes positive (asset) or negative (liability) due to fluctuations in share prices and currency exchange rates depending on the terms of the concluded transactions.

The total volumes of available financial instrument contracts may fluctuate within the limits set by the Company. The fair values of assets and liabilities of financial instruments may fluctuate significantly depending on market conditions.

The fair values of the derivative financial instruments are shown in the table below.

	Nominal values (specified in the contract)	**Fair values**	
		Assets	**Liabilities**
31 December 2023			
Currency exchange rate hedging transaction FX EUR/USD	EUR 400.00	15,899	-
Total	**EUR 400.00**	**15,899**	**-**
31 December 2022			
Currency exchange rate hedging transaction FX EUR/USD	EUR 400.00	3,983	-
Total	**EUR 400.00**	**3,983**	**-**

NOTE 14 LOANS

	31 December 2023	**31 December 2022**
Loans secured by securities collateral*	532,149	154,204
Loans to associated parties	5,739	5,540
Other loans	74,990	77,884
Total	**612,878**	**237,628**
Total impairment losses:	(9,860)	(9,860)
Other loans	(9,860)	(9,860)
Total net value of loans granted to clients	**603,018**	**227,768**
Long-term part of total granted loans	**-**	**-**
Fair value of collateral received *(unaudited)*	**1,437,270**	**667,039**

* The collateral received consists of securities; the circumstances of their use are stipulated in contracts with clients. The value of these securities is EUR 1,437,270 as on 31-Dec-2023 (it amounted to EUR 667,039 as on 31-Dec-2022).

The contractual terms of granted loans valid on 31 December 2023 were from 3 months to 12 months. The average interest rate of granted loans in 2023 was 9.59 percent. The rates of all loans were fixed.

The contractual terms of granted loans valid on 31 December 2022 were from 2 months to 12 months. The average interest rate of granted loans in 2022 was 8.9 percent.

The change in impairment of loans is accounted in the item of impairment and other costs of provisions.

NOTE 15 FIXED TANGIBLE AND INTANGIBLE ASSETS

	Vehicles	Other tangible assets	Right-of-use assets	Total tangible assets	Intangible assets
Acquisition net cost:					
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**
Acquisitions	-	12,657	-	12,657	94,461
Write-offs and sales	-	(27,748)	-	(27,748)	-
31 December 2023	**146,894**	**139,175**	**31,045**	**317,114**	**142,282**
Depreciation					
31 December 2021	**6,368**	**58,986**	**7,761**	**73,115**	**39,333**
Write-offs and sales	-	(17,040)	-	(17,040)	-
Depreciation costs per year	24,483	36,190	-	60,673	2,215
Lease depreciation costs	-	-	7,761	7,761	-
31 December 2022	**30,851**	**78,136**	**15,522**	**124,509**	**41,548**
Write-offs and sales	-	(27,713)	-	(27,713)	-
Depreciation costs per year	24,482	34,314	-	58,796	6,210
Lease depreciation costs	-	-	7,762	7,762	-
31 December 2023	**55,333**	**84,737**	**23,284**	**163,354**	**47,758**
Residual value:					
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**
31 December 2023	**91,561**	**54,438**	**7,761**	**153,760**	**94,524**

Fixed intangible assets include computer programs and licenses to use them.

Fixed tangible assets were not pledged for the benefit of third parties as on 31 December 2023 and 31 December 2022.

The Company had ownership rights to all fixed tangible assets as on 31 December 2023 and 31 December 2022.

Part of the Company's fixed tangible assets, the acquisition value of which amounted to 16 thousand euros as on 31 December 2023, were fully depreciated (it amounted to 21 thousand euros on 31 December 2022), but were still used in operations. Most of the fully depreciated assets, which are still in use, are computer equipment.

Part of the Company's fixed intangible assets, the acquisition value of which amounted to 39 thousand euros as on 31 December 2023, were fully amortised (it amounted to 39 thousand euros on 31 December 2022), but were still used in operations. Most of the fully amortised assets, which are still in use, are software and licenses.

NOTE 16 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATED COMPANIES

These investments are accounted for at a nominal value.

Consolidated financial statements are not prepared because the companies are considered insignificant in respect of the group. Their assets at the end of the financial year do not exceed 5 percent of the parent company's assets and their net sales revenue during the reporting year does not exceed 5 percent of the parent company's net sales revenue during the same period.

NOTE 17 LOANS RECEIVED AND FINANCIAL LEASING

	31 December 2023	31 December 2022
Leasing - payables after one year, in net value	54,975	113,667
TOTAL	**54,975**	**113,667**
Leasing - payables within one year, in net value	53,324	26,679
Overdraft loans (credit balances in current accounts)	203,927	740,053
TOTAL	**257,251**	**766,732**
Total	**312,226**	**880,399**

All long-term liabilities were payable within 5 years in 2023 and 2022.

	2023	2022	2023	2022
	Average duration		Average interest rates*	
Leasing (Financial lease)	48 months	48 months	4.80 %	4.80 %
Leasing (property managed by the title of lease)	60 months	60 months	2.24 %	2.24 %
Overdraft loans (credit balances in current accounts)	Open-ended	Open-ended	1 – 2 %	1 – 2 %

*Interest rates are fixed

Interest costs:

	2023	2022
Bank account interest costs	26,467	94,261
Leasing company interest costs	6,689	7,907
Total	**33,156**	**102,168**

NOTE 18 OTHER FINANCIAL LIABILITIES

	31 December 2023	31 December 2022
Payables for the acquisition of short positions	114.205	13.400
Total book value of financial liabilities:	**114.205**	**13.400**
Total net book value of financial liabilities:	**114.205**	**13.400**

NOTE 19 PAYROLL-RELATED LIABILITIES

	31 December 2023	31 December 2022
Accumulated vacation reserve	199,391	239,979
Payable social insurance contributions	51,633	59,039
Payable wages	-	5,874
Payable personal income tax	-	1,101
Total	**251,024**	**305,993**

NOTE 20 OTHER SHORT-TERM LIABILITIES

	31 December 2023	31 December 2022
Payable VAT	25,261	3,340
Accrued costs	13,066	12,095
Advance payments	6,281	47,443
Other payable taxes to the budget	4,230	4,226
Debts to accountable persons	1,576	1,641
Total	**50,414**	**68,745**

NOTE 21 CAPITAL AND MANDATORY RESERVE

Authorised capital

The authorised capital of the Company consists of 78,572 ordinary shares, the value of each share is EUR 20.27, and the authorised capital amounts to EUR 1,592,654.

While managing the capital, the Management of the Company constantly monitors to make sure that the size of the equity capital does not become less than ½ of the size of the Company's authorised capital, as required by the Law on Companies of the Republic of Lithuania. The Company met all the above requirements as on the 31st of December in 2023 and in 2022.

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

Mandatory reserve

Mandatory reserve is mandatory in accordance with the legislations of the Republic of Lithuania. At least 5 percent of net accounting profit must be transferred to it every year until the reserve reaches 10 percent of the authorised capital. The Company had fully formed the mandatory reserve as on 31 December 2023. Mandatory reserve cannot be distributed as dividends, but it can be used to cover future losses.

Dividends

Subject to the decision of the shareholders, the Company allocated and paid out 930 thousand euros as dividends during the reporting year 2023.

NOTE 22 STATEMENT OF OFF-BALANCE SHEET ITEMS

Off-balance sheet liabilities are shown in the off-balance sheet statement, which must be submitted 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:

- Issued guarantees and sureties: guarantees issued by the Company and other contingent obligations 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 at the expense of clients;
- Pledged securities of clients: securities of clients pledged for the benefit of the Company in accordance with loan agreements.
- Clients' securities derived 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.
- The amount of transactions concluded by clients for derivative financial instruments with a third party.
- Financial instruments on the basis of which the clients entered into a CFD with a third party.
- Financial instruments on the basis of which clients entered into a CFDs with the Company.
- Financial instruments on the basis of which the Company purchased securities as a CFD leverage.
- Financial instruments on the basis of which the Company concluded a CFD with a third party.

		31 December 2023	31 December 2022
I.	Value of transactions concluded by clients for derivative financial instruments with a third party	49,799	1,329,401
II.	Financial instruments on the basis of which clients concluded CFDs with a third party	6,316,757	6,504,280
III.	Financial instruments on the basis of which clients concluded CFDs with the Company	411,710	644,277
III. 1.	Financial instruments on the basis of which the Company purchased securities as a CFD leverage	411,710	644,277
	Total	**6,778,266**	**8,477,958**

NOTE 23 CLIENT ASSETS

Assets and liabilities assigned for management are recorded in off-balance sheet accounts.

- Managed client assets: client assets managed by the investment company in accordance with portfolio management agreements and in accordance with agreements on ongoing consultations;
- Managed client money;
- Managed client securities;
- Client assets kept in custody and administered: assets of the Company's clients, which the Company keeps in custody and administers;
- Client money kept in custody and administered;
- Client securities kept in custody and administered.

		31 December 2023	31 December 2022
I.	Provided guarantees and sureties	-	-
II.	Client assets under management	**4,242,998**	**3,996,936**
II. 1.1.	Client money	585,425	491,529
II. 1.2.	Securities acquired on behalf of clients	3,657,573	3,505,407
III.	Client assets kept in custody and administered	**1,783,101,698**	**1,473,552,163**
III.1.1.	Client money	23,247,649	26,352,629
III.1.2.	Securities acquired on behalf of clients	1,759,854,049	1,174,650,525
III.1.3.	Pledged client securities		
III.1.4.	Securities acquired from clients under reverse repurchase agreements	1,437,270	667,039
	Total	**1,788,781,966**	**1,477,549,099**

NOTE 24 CONTINGENT LIABILITIES

There is an ongoing dispute between the service provider and Orion regarding outstanding fees for the previous period. According to the Company's assessment, the outstanding amount after evaluating the adjusted figures amounts to EUR 52,905.09. The Company has formed a provision for this amount.

NOTE 25 TRANSACTIONS WITH RELATED PARTIES

Parties are considered related when one party has the ability to control the other or can exercise significant influence over the other party's financial and operational decisions. The Company's related parties are its shareholders and other companies controlled by the Company's shareholders.

The Company's transactions with related parties in 2023 and balances as on 31 December 2023 were the following:

	Purchases	Sales	Receivables / Loans	Payables	Paid dividends
Shareholders	-	-	5,740	-	930,000
Other related companies	356,347	305,666	156,916	86,501	-
Total	**356,347**	**305,666**	**162,656**	**86,501**	**930,000**

The Company provided fund unit distribution services to funds managed by employees of UAB "NTER asset management" in 2023.

The Company's transactions with related parties in 2022 and balances as on 31 December 2022 were the following:

	Purchases	Sales	Receivables / Loans	Payables	Paid dividends
Shareholders	-	-	5,594	-	1,300,000
Other related companies	340,344	348,823	37,445	134,639	-
Total	**340,344**	**348,823**	**43,039**	**134,639**	**1,300,000**

The Company provided fund unit distribution services to funds managed by employees of UAB "NTER asset management" in 2022.

The Company has no guarantees for amounts receivable from or payable to related parties. The Company has not recorded any impairment for doubtful debts related to receivables from related parties as on the 31st of December in 2023 and 2022.

Wages of the Management and other transactions with members of the management bodies:

The total amount of the wages calculated for the Management of the Company and the wages for the Board Members amounted to 201 thousand euros in 2023 (this amount was 106 thousand euros in 2022). The Management of the Company consisted of 1 employee, who was replaced on 29 April 2023, and the Board Members in 2023 (it consisted of 1 employee and the Board Members in 2022). No guarantees were given to the Management of the Company, there were no other amounts paid or accrued or transfer of assets in 2023 and 2022.
There were no other transactions with members of management bodies.

NOTE 26 EVENTS AFTER THE DATE OF THE STATEMENT OF FINANCIAL POSITION

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

These financial statements were signed on 27 March 2024.

Director
Karolis Pikūnas

Dainius Mikelga,
Designated accountant