



ANNUAL REPORT 2022

Responsible Logistics



CEO Letter

CEO Letter

Dear Clients, Partners, Colleagues, and Communities,
As we reflect on 2022, it is evident that this past year presented us with yet another set of challenges. Emerging from the pandemic period, we faced the outbreak of war in Ukraine and the subsequent geopolitical shifts in Europe. These events forced us to reassess our priorities, modify our business plans, and adjust to a rapidly changing industry environment.

Since joining the United Nations Global Compact (UNGC) in 2015, we have adopted and consistently supported the principles of responsible business conduct, aligning with broader UN goals, including the Sustainable Development Goals (SDG). Our commitment to these principles reflects Girteka's Sense of Purpose and our dedication to environmental sustainability and social responsibility.

Throughout 2022, our primary focus was on the health and safety of our employees. We also aligned our operations with evolving regulations, including the EU Mobility Package. We continued our efforts to reduce greenhouse gas (GHG) emissions in our operations and expand our intermodal rail transport activities. As a result, we managed to decrease our CO2 emissions per kilometre and leverage Artificial Intelligence (AI) tools to reduce the number of empty kilometres driven.



Edvardas
Liachovičius

CEO Letter

Despite facing numerous challenges, such as rising inflation, we managed to grow and adapt to the ever-changing market conditions.

In the middle of 2022, we introduced our new brand positioning – “Responsible Logistics”. At Girteka, responsibility is at the core of our values. From our clients to our colleagues, partners, and the wider community, we prioritize ethical and sustainable practices.

With digital transformation, we provide real-time visibility and reliable logistics solutions. We empower our colleagues to grow personally and professionally, fostering a culture of tolerance and openness. Our partnerships are built on mutual benefit and respect. As part of the community, we focus on road safety and reducing our carbon footprint.

“Responsible Logistics” is not just a tagline for us at Girteka – it is our unwavering commitment to upholding ethical and sustainable practices in every facet of our operations. It is our

pledge to balance economic growth with environmental stewardship and social responsibility, ensuring the well-being of all stakeholders and guaranteeing the long-term success and resilience of our business.

With our Communication on Progress (COP) 2022, we aim to be fully transparent in accordance with the requirements of the UN Global Compact. As part of our ongoing commitment to the UNGC, we highlight our efforts in the areas of human rights, labour, environment, and corruption prevention during 2022 and provide an update on our actions towards the achievement of the Sustainable Development Goals.

Thank you for your continued support as we navigate these challenges and work towards a more sustainable and responsible future of our company and the industry as a whole.

Sincerely,
Edvardas Liachovičius
CEO, Girteka Group



Organization

A New Visual Identity to Address Modern World Challenges

“Responsible Logistics” – New Brand Positioning

Girteka’s evolution in its brand identity and corporate re-positioning were developed in 2022 to more effectively reflect the company’s commitment to responsible logistics.

To remain the first choice for clients and employees, Girteka aimed to present a brand that communicated its values and commitment to the environment, society, and employee well-being visually.

“Responsible Logistics” has been an integral part of Girteka’s core values and business philosophy for many years. It epitomizes our dedication to upholding ethical and sustainable practices in order to build a robust business for long-term success.

Girteka looks to balance economic growth with environmental and social responsibility, whilst contributing to the safety and well-being of our clients, colleagues, partners, and communities.

To Girteka, a responsible logistics company means a commitment to the highest standards of ethical and sustainable practices to provide reliable logistics solutions from a trustworthy partner and company.



Our Sense of Purpose

For over 26 years, our Sense of Purpose has defined the Girteka culture, work values, and the service quality that we provide to our clients. It has continually served as our North Star, helping to establish the objectives that have driven the business and will help sustain Girteka's continuous growth.

We want to remain the first choice for our communities at large, our clients, colleagues, suppliers, partners, and shareholders. Our Sense of Purpose is the foundation of Girteka's organization, encompassing activities ranging from transporting humanitarian aid to

mobilizing our resources for the arts by bringing opera to the community with the "Traveling Opera" project.

Girteka is aware of its ongoing accountability for the social well-being of the population it serves in the form of clients, colleagues, partners, and the wider community. We strive to lead by example with our key road safety message, working alongside the Lithuanian Road Administration and emergency services to organize the annual "Safety Day" initiative.

As a responsible logistics company, Girteka prioritizes safety and sustainability, while striving to become a company known

for its state-of-the-art truck technologies, sustainable solutions, operational efficiency, exceptional service quality, and digitalization.

At the same time, balancing economic growth with environmental stewardship and social responsibility, to ensure the well-being of all stakeholders and secure the long-term success and resilience of our business.

Digitalization has been without a doubt a key area for development for Girteka to remain a competitive transportation company and achieve our strategic ambition of becoming one of the top 10 logistics companies in Europe.

OUR SENSE OF PURPOSE TO BE THE OBVIOUS FIRST CHOICE

RESPONSIBLE LOGISTICS



CLIENTS

Transportation service reliability and long-lasting partnership



COLLEAGUES

Making a meaningful impact together with a driven team



COMMUNITY

Road safety and environmental protection, contribution to community well-being



SHAREHOLDERS

Profitable growth and cost-consciousness



PARTNERS

Sustainable collaboration and mutual benefit

Organizational Changes to Adapt to Market and Client Needs

The Girteka Group

During 2022, Girteka made enormous changes and progress in terms of becoming a more international, digitalized company and taking a leading role in shaping the future of road transportation in Europe.

Girteka began its operations in 1996 with three employees and one truck, and has grown today to have 23,000 employees (including 19,500 drivers) and 9,200 trucks transporting international cargoes all over Europe.

Today, the Girteka Group structure reflects the changes made to enable the organization to better respond to our clients' needs, become more flexible and faster when responding to events in the market and making informed decisions.

Girteka Group is now made up of four separate companies: Girteka Europe West, Girteka Nordic (combined with two Scandinavian brands

Thermo-Transit and Thermomax), TNDM Trucking, and ClassTrucks. All are focusing on providing road transportation services and support in their respective geographical regions and areas of expertise.

Followed by the Group's functions, Girteka Competence Center is responsible for IT, Finance, Procurement, and Risk Management, as well as Strategy Implementation, People and Culture, and Marketing and Communication. Girteka Transport covers drivers, maintenance, and transport services. There is also the newly established Girteka Business Services (GBS) centre in Tbilisi, Georgia.

Girteka Group plans to continue its business development in Europe and Scandinavia with each of the business units concentrating on their particular geographical area: Girteka Europe West will be focusing on Western Europe; and Girteka Nordic will concentrate on the Scandinavian market.

Girteka Europe West also provides sustainable transportation solutions such as intermodal rail transport, alternative fuels (HVO, LNG), and electric trucks. The business unit works with various sectors, including fresh & frozen food, pharmaceutical, automotive, industrial, FMCG, excised goods, electronics, retail goods and others.

The main activity of the Girteka Group is transportation of full truck loads (FTL) in Europe and Scandinavia. This accounted for 80% of the company's revenue. As the largest European asset-based road freight transportation provider, Girteka executed more than 776,000 FTL deliveries in 2022, with over 9,200 trucks (EURO 6) and 9,800 semi-trailers, including 7,600 refrigerated vehicles in its fleet.

As a result of the war in Ukraine, the Girteka Group decided to separate part of its Eastern European operations into an independent group, known as Everwest, which focuses on cargo transportation between Asia (China, Kazakhstan, etc.) and Europe.



Girteka Fleet Rebranded Into TNDM Trucking

Remaining as an independent entity within the Girteka Group, in 2022 Girteka Fleet was re-branded as TNDM Trucking, a dedicated carrier for round-trip deliveries.

Established in 2016, TNDM Trucking currently has 700+ trucks in its fleet, providing tailored transport services on a round-trip basis, renting either trucks with drivers or trucks with trailers and drivers.

The new name, visual identity, and logo better reflect the brand's unique value proposition and business model.

As the name "TNDM Trucking" suggests, the company promises to work "in tandem" to accelerate the growth of the client's core business with a stable capacity of modern trucks and trailers, and provide the best trucking experience.

TNDM aims to remain cost-conscious while ensuring profitable growth and sustainable collaborations.

"Despite the challenges of 2022, our unique dedicated trucking business model enabled our clients to develop their own FTL network, remaining asset-light while we took care of the operational setup. Our expertise in logistics, operational excellence, and client-centricity were the key drivers for building beneficial and sustainable long-term partnerships with our clients."

Andrius Ivašauskas

Chief Executive Officer, TNDM Trucking

Worldwide Expansion GBS – Girteka Business Services

The decision to grow and develop Girteka's presence internationally supports our strategic goal of becoming one of the top 10 logistics companies in Europe by 2026. In addition, access to an expanded pool of driver talent will allow Girteka to increase its operational capabilities in Europe and Scandinavia.

Creating an estimated 1000+ jobs, the newly established Girteka Business Services (GBS) centre in Tbilisi, Georgia, will allow the company to expand its operations and recruit local talent in various positions.

Georgia was selected out of a list of six countries, all of which went through a due diligence process, including assessing the talent pool, education and competence level, business climate, and the cost of doing business in the country.



8 DECENT WORK AND
ECONOMIC GROWTH



9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE





Developing a Strategic Transport Base

Poland plays a key role in Girteka's ambitious growth plans. It holds the strategic importance of accelerating the company's expansion of operations into Western Europe. Since its establishment in 2019, the transport base in Sady near Poznań, is now the largest base in Girteka's network and will also play a part in recruiting and hiring drivers from outside Poland and the EU.

Most importantly, with the new regulatory requirements regarding drivers' working conditions, as outlined by the Mobility Package, the base in Sady will help accommodate the needs of drivers returning every four weeks, in addition to trucks having to come back to the place where the operator is based every eight weeks.

Up to 8,200 drivers and 450 mechanics are currently based at this facility, which can service up to 4,000 trucks at the same time. In addition, an outdoor parking lot has been prepared for over 200 trucks with semi-trailers. This base is the Group's second, following the base located in Šiauliai, Lithuania.

Within five years, the company plans to invest at least 5 million EUR in new equipment and maintenance, improving the operational development of the transport network, sustainable solutions, and digitization, as well as the quality of services and working conditions for drivers.

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Tackling Driver Shortage

Activities Outside of the EU

As an industry leader with a significant number of drivers in its employ, Girteka takes on the responsibility of finding ways to secure a reliable supply chain when it comes to sourcing truck drivers.

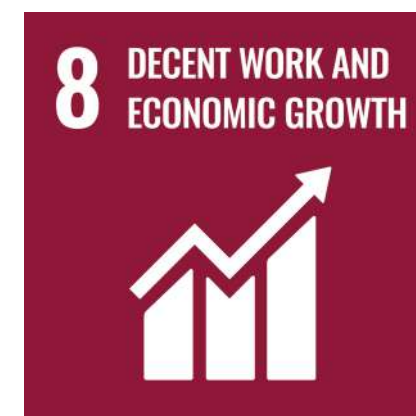
We acknowledge the existing driver shortage and are actively pioneering innovative solutions to establish dependable and resilient supply chains to meet the demand.

Driver shortages have been affecting the whole of Europe. There are several factors contributing to this issue. For instance, after the war broke out in Ukraine, approximately 4,000 drivers did not return to their job as they were not allowed to

leave Ukraine or simply decided to stay in their homeland. Bans on recruiting Belorussians also made the staff shortage worse.

These resource challenges have meant that Girteka had to think outside of the box and look for recruitment possibilities in countries outside of the EU – in Asia. As a result, Girteka is either fully present or cooperating with employee recruitment agencies in Kazakhstan and Kyrgyzstan.

The recruitment agencies are tasked with finding new drivers – selecting, interviewing candidates and assessing their skills.



Environment

Girteka Group Manages Emissions by Utilizing Sustainable Solutions

As the transportation of goods forms the core of Girteka Group's operations, we continuously strive to review and reduce our CO2 emissions.

Our primary objective is to digitally transform our business, retain our competitiveness, and reduce the carbon footprint within supply chains across Europe and Scandinavia.

The following are a number of Girteka Group's activities focused on sustainability and decreasing our CO2 emissions.



Reducing GHG Emissions

Girteka aims to lead the industry in sustainable development and environmental management by utilizing the latest truck technologies and providing sustainable transportation solutions to our clients.

Fleet Results

Focusing more on decarbonization of its transportation services, Girteka continues to renew its fleet, digitalize its operations, increase intermodal rail transportation capacity, educate drivers on eco-driving practices, and communicate on responsible consumption internally.

In 2022, Girteka Group recorded 935g of CO2 emissions per kilometre driven while transporting cargo. This calculation is conducted in accordance with the Global Logistics Emission Council (GLEC) Framework, ensuring the measurement encapsulates the full fuel life-cycle emissions.

To be able to reduce a company's carbon footprint, it is crucial to monitor its CO2 emissions. A company's GHG emissions, when reported, are classified into three scopes:

- Scope 1 are emissions released into the atmosphere as a direct result of a company's activities.
- Scope 2 are indirect emissions such as those generated by the use of purchased energy, for example, electricity consumption.
- Scope 3 are indirect emissions that occur in the value chain linked to a company's operations.

As a company deeply committed to responsible logistics, Girteka Group acknowledges the importance of transparency in our sustainability progress, specifically in relation to the reporting of Scope 1 and Scope 2 emissions.

We are currently expanding our focus to include the calculation and reporting of Scope 3 emissions in the forthcoming period. This effort aligns with our commitment to ensure full disclosure of our environmental footprint and advance our sustainability initiatives.

| | Measured Total Emissions (tCO2e) |
|-------------------|----------------------------------|
| Scope 1 emissions | 647,879,395 |
| Scope 2 emissions | 1,860,563 |

Girteka Group offers a HVO mass balancing system – a service aimed at supporting our clients' sustainability goals. This solution is tailored to enhance the use of our HVO fuel network while providing flexibility in regions with varying infrastructure.

Using this service, clients can acquire a specific quantity of HVO fuel, which is subsequently integrated into our fleet. This practice contributes to the reduction of the overall cargo transportation emissions.

With the HVO mass balancing system, the alternative fuel can be used across Europe, substituting traditional diesel fuel. The fuel used for each cargo delivery is balanced within our network using HVO.

Upon request, we can provide regular proof of HVO refueling to our clients for their sustainability reporting needs.



Cooperation Towards a Greener Future

Girteka has teamed up with Scania in an aim to reduce GHG emissions in the transport sector. The partnership will oversee the delivery of up to 600 battery-electric vehicles over the next four years, with an additional focus on developing people sustainability as well as improving driver safety and comfort.

At the same time, the companies will collaborate on establishing charging infrastructure and optimizing charging solutions. The goal is to help reduce our clients' carbon emissions by deploying electric trucks that deliver affordable and sustainable logistics services.

In addition, the scale-up of sustainable transportation will be made possible with Scania's new Super Powertrain, which delivers 8% fuel savings compared to the previous generation. In 2022, Scania won the Green Truck award for the sixth consecutive year.

Girteka will continue to actively collaborate with other truck manufacturers, such as Volvo, Mercedes, and MAN, to leverage the latest advances in sustainable truck technology and work on the decarbonization of the road freight transport industry.

9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE



12 RESPONSIBLE
CONSUMPTION
AND PRODUCTION



17 PARTNERSHIPS
FOR THE GOALS



Digitalization

Girteka continues its journey towards a more sustainable future, digitalizing its operations and working on fully integrated solutions to simplify and automate complex logistics and administration processes.

SAP Implementation

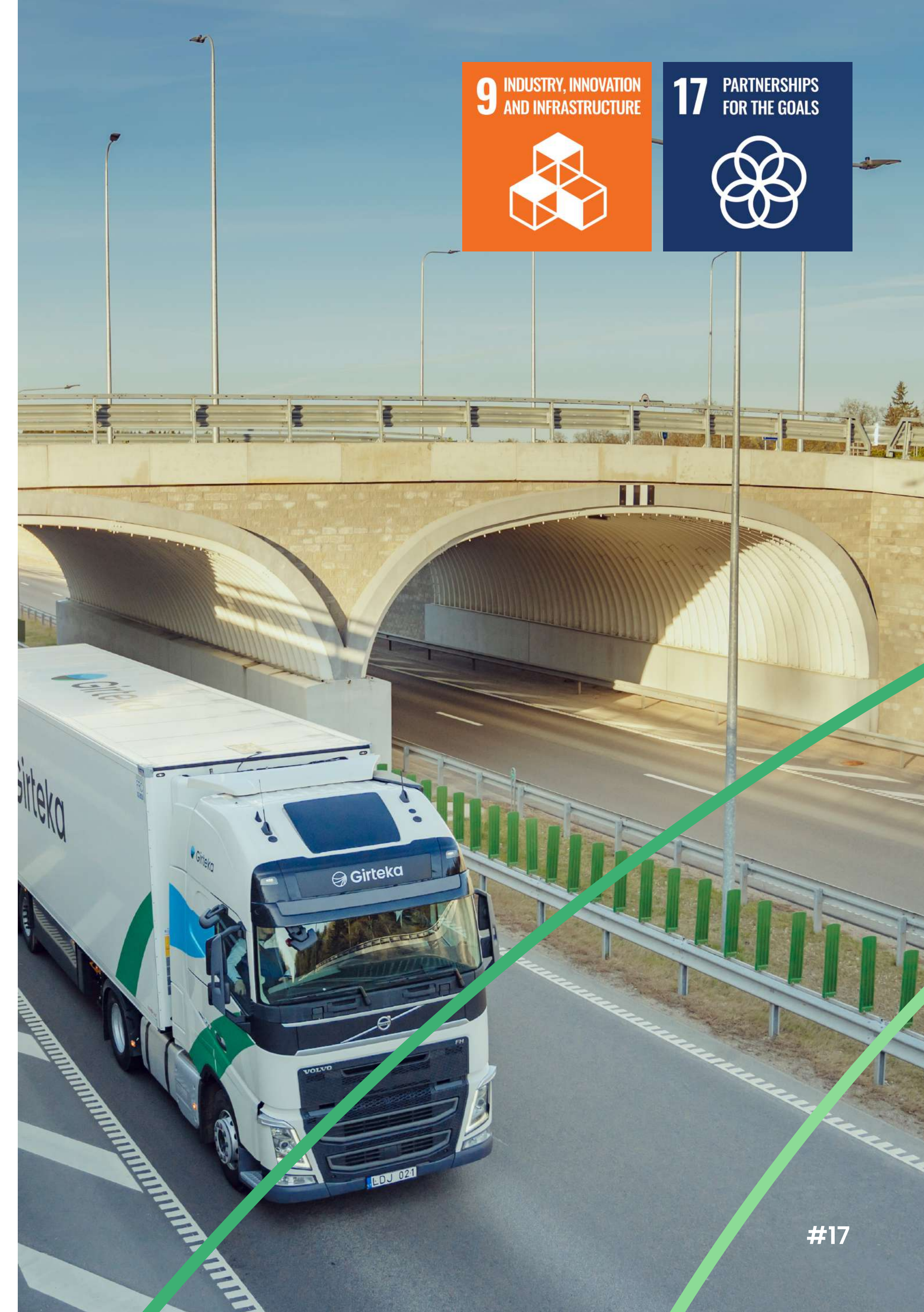
With the progress that Girteka has made by implementing SAP solutions, it can access real-time visibility (RTV) with dedicated Artificial Intelligence (AI) based tools for fleet optimization.

The ambitious transformation journey is already showing the results of optimizing the company's business processes through digitalization, providing consistent and reliable data to facilitate process automation.

All employees now have access to reliable data from a single "source of truth" that can be easily updated and managed, while reducing errors, saving time, and increasing sustainability.

Optimized and standardized business processes provide a solid structure for growth, enabling fast, accurate decision - making and planning, reducing the risk of human mistakes and providing complete transparency.

The journey to a modernized Girteka is not only about the changes in technologies and business processes but also about the people. Girteka is now focused on upgrading internal processes to make them more efficient and self-managed for all employees, including remote teams or those that are traveling.





Utilization of Artificial Intelligence in the Development of Services

The AI Operator

Managing over 9,200 trucks, 9,800 trailers, and 19,500 drivers is a challenging task. Yet with Robotic Process Automation (RPA) and Artificial Intelligence (AI) solutions, the task is made easier and is executed more effectively.

Planning transportation and deliveries needs a lot of focus and verified data. As every minute counts, it is crucial to transport cargo on the most efficient route, considering the client's needs, as well as regulations and restrictions regarding heavy-duty truck operations.

The AI Operator defines the best possible route for cargo delivery. Girteka collects data from its trucks with variables, like road standards, parking places, petrol stations, and other data that the AI tool can analyze and learn from.

Thanks to the AI Operator, planning transport can include such requirements as estimated arrival time (ETA), distance or emissions and an optimized route. The system is updated every hour, so if there are any changes, the program re-calculates and proposes an optimal solution.

AI and RTV solutions provide on-demand information not only about the cargo and its status but also about the route, ETA, estimated emissions, and distance.

The AI Planner

The AI Planner finds appropriate drivers, trucks, and trailers, fulfilling the client's requirements and complying with regulations. At the same time, the AI tool calculates the right cargo balance to reduce empty mileage as well as deliver the cargo in the fastest time possible.

With the AI Planner, all simple, repeatable cargoes are planned, leaving time for more complex client cases. The AI calculates the earliest time a cargo can be delivered, utilizing the data gathered over the many years of managing our fleet.

The AI tool provides solutions that concentrate on maximizing the utilization of the entire fleet, preventing empty mileage, reducing emissions and the truck's waiting time between shipments.

The AI Planner follows the requirements of the Mobility Package as well as local requirements in terms of cabotage or truck drivers' work time, ensuring breaks, adequate driving time, and resting periods.

With the AI tool, work time is planned more evenly across the whole fleet and non-compliance is prevented, securing the best drivers' conditions and aligning them with all legal requirements.

The main benefits are quicker planning and reduced risk of errors, especially for SPOT or short-notice deliveries.

With the AI Planner, almost 50% of Girteka's transport is planned much faster and more effectively.

RPA Tools

Girteka uses Robotic Process Automation (RPA) tools to mimic human actions across selected business scenarios where the activity is standardized, repeatable, rules-driven, and system-based.

For example, in the transport department, a RPA solution covers the requirements implemented by the Mobility Package. In 6 months, it has already covered more than 500,000 cases. If Girteka had to do this manually, it would need to hire 17 full-time employees, available 24/7.

At Girteka, there are more than 120 robotized processes already being undertaken to support clients and employees in everyday tasks in finance, HR, business, and transport areas.





Delivering instant information 24/7, minimizing errors, maintaining operations during peak season, with the flexibility to turn on and off at any time, the RPA supports innovative solutions, such as real-time calculation of emissions during cargo transportation with 99% precision.

RTV

Girteka offers its clients the Real-Time Visibility (RTV) solution, which allows to share the location of trucks associated with a particular client's loads at any time.

The RTV solution can be integrated with any of the leading digital supply chain visibility services.

Girteka plans to integrate the RTV solution with the SAP Transport Management System (TMS).

Transporeon Awards

Girteka has been awarded the "Transporeon Top Carrier Award 2022" and a second prize in the category "Most Sustainable Carriers".

Transporeon is Europe's leading cloud-based Transportation Management Platform, an ecosystem to move, manage and monitor freight, where all participants in the supply chain are interconnected.

"Girteka is using data to drive better decisions, winning the Transporeon Carrier Award for the second year in a row. Considering they are competing with a total of 145,000 carriers in this category this achievement cannot be overestimated," stated Serge Schamschula, Senior Partner Manager, Transporeon.

Proper information delivered in real-time about transportation helps many producers optimize their production and supply chain flows, increasing effectiveness while taking care of the environment.



Development of Intermodal Rail Transport Services

Intermodal rail services represent an economic and environmentally friendly solution for long-distance FTL deliveries.

Since the beginning of our intermodal transport activities in 2017, Girteka has evolved from an intermodal pioneer to an intermodal expert, becoming the largest refrigerated trailer carrier by way of intermodal rail transport in Europe.

To achieve climate neutrality by the year 2050, as outlined in the European Green Deal, the EU targets a 90% reduction in GHG emissions from the transportation industry.

Carrying goods by intermodal rail systems with electric propulsion can save as much as 90% of CO₂ emissions compared to road transport.

Girteka achieved great results in 2022, saving more than 16,7 million kg of CO₂ emissions over a distance of 16 million km. This amounts to an increase of 16% in CO₂ savings in 2022, compared to the year before.



According to the EU Corporate Sustainability Reporting Directive (CSRD), new rules will be applied for the first time in the 2024 financial year for reports published in 2025. From that point on, logistics will also be included in companies' manufacturing cycle's GHG emissions recording.

What differentiates Girteka's intermodal offering is that we own all our trucks and trailers, making our solution completely end-to-end. The company controls the whole transportation process, so if there are any disruptions on the line, the trailers could be transferred to the road.

Girteka has a well-established rail network in Western Europe with around 550 FTL units being transported along these rail lines every week. Despite many market disruptions in 2022, there was an increase of 8% in our intermodal rail shipments compared to 2021.

Out of a total of 16,555 shipments carried by intermodal transport, the vast majority – 12,000 units – were delivered from and to Spain. This figure will continue to grow as the line has also been extended for clients who export or import from Poland, offering an even longer distance by rail that will save even more CO₂ emissions.

Girteka projects a further 40% growth in its intermodal rail capacity, with a goal to carry out 20% of its long-distance FTL shipments via intermodal rail transport by 2025.

Education

Securing Safe and Eco-Friendly Driving

The transport sector is responsible for approximately 25% of total CO2 emissions in the EU. Road transportation itself covers 71% of those emissions. That means, if we can reduce emissions in each car, bus, and truck by 20%, we get approximately 4% of total emissions reduced in the EU.

With more than 9,200 trucks, Girteka views the reduction of carbon emissions as a key strategic element in developing responsible logistics. By continuously investing in modernizing our fleet (average truck age is 2 years old) and focusing on drivers' behaviour on the road, Girteka is making an impact on sustainable logistics.

The company hosts the ECO League - an annual contest for our drivers to showcase their eco-driving skills. Eco-driving has the additional benefit of increased road safety. Drivers learn how to avoid accidents,

predict situations on the road, and be more aware of their vehicle and other road users.

Integrating a culture of economical driving with advanced vehicle technologies enables us to foster a more responsible driving competence that reduces vehicle operating costs and GHG emissions.



Responsible Consumption

New Sustainable Office Premises

With 23,000+ people supporting Girteka's transportation and warehousing operations, there is a big opportunity to set a positive example in the workplace, that extends into the wider community.

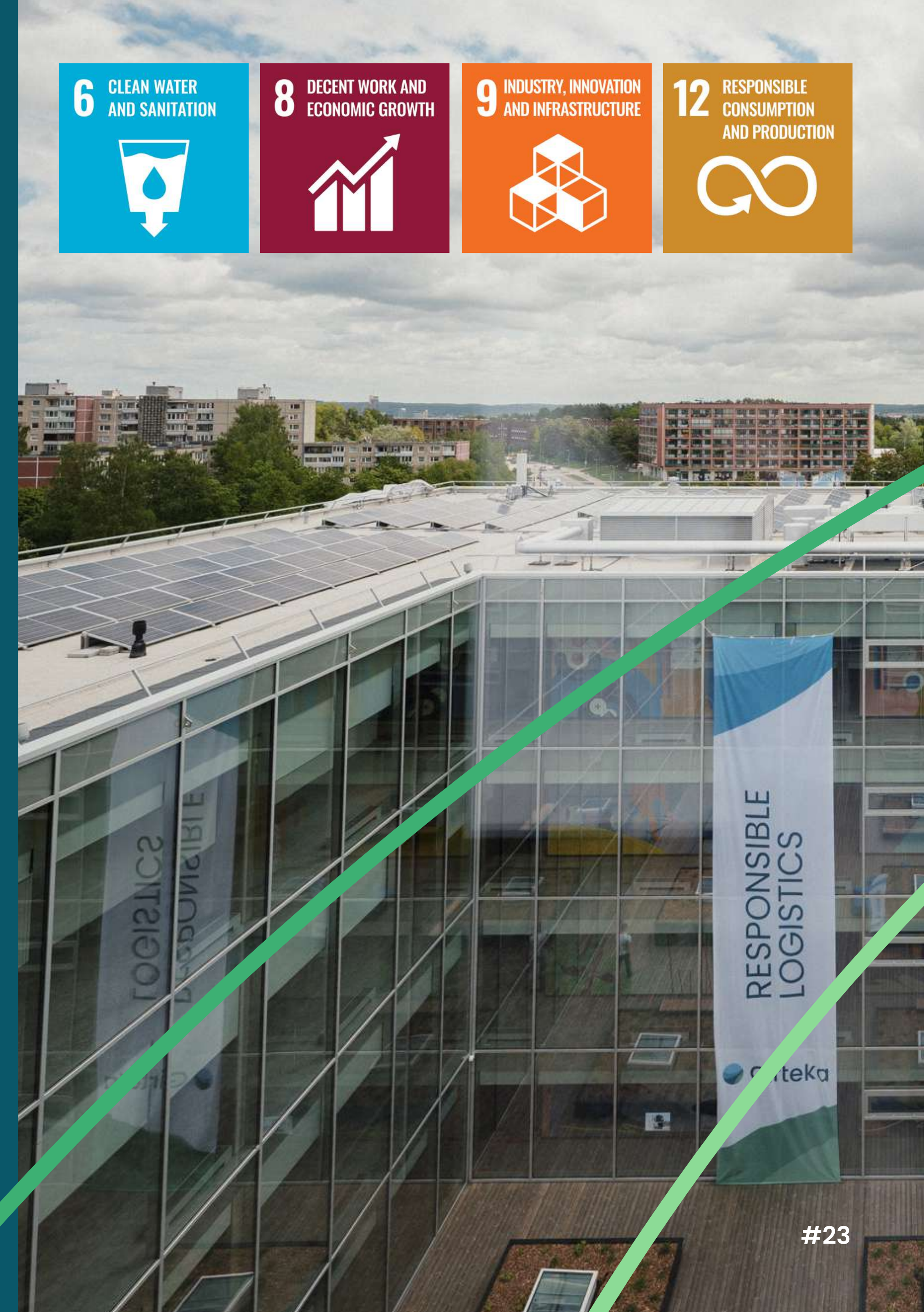
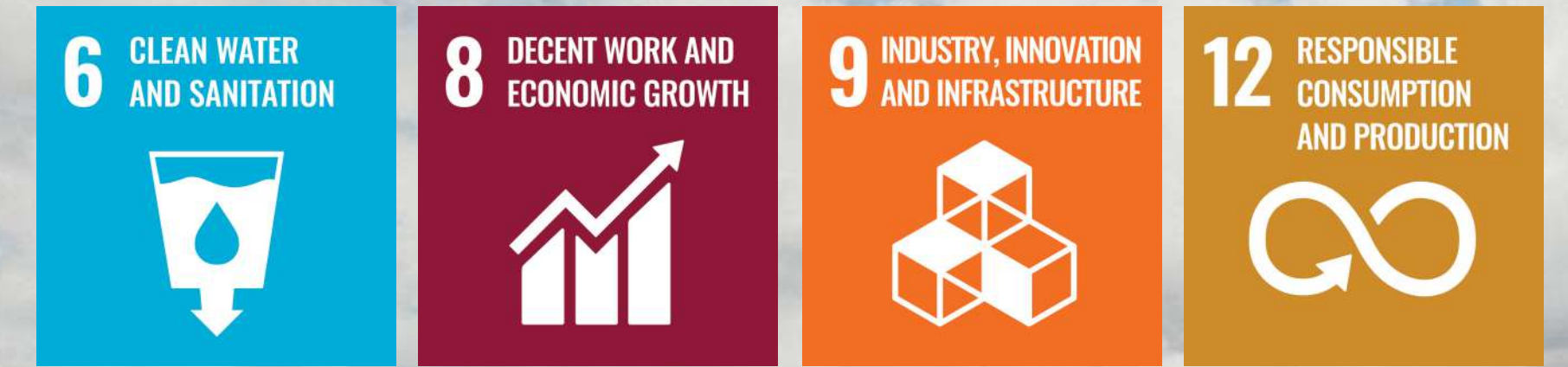
Every new Girteka building runs on renewable energy. Girteka Park, located in Vilnius, Lithuania, is an A+ energy-class building, with a BREEAM Very Good certificate for the technical design of the building. Solar panels, installed on the roof, cover 10% of the annual electricity needed for the business center.

When it comes to renewable energy consumption as a percentage of total energy consumption, the 2023 target is to reach 42% of total energy consumption from renewable sources.

The staff at Girteka Park are also making an impact by no longer using paper cups. On average, using at least 10 boxes of paper cups per week with each box containing 1,000 pieces means that per month, in Girteka Park alone, we would use and throw away 40,000 paper cups.

It is estimated that one water bottle replaces 167 plastic bottles a year; one reusable coffee cup with a lid can replace 500 disposable coffee cups; and one metal straw can replace 540 plastic ones.

With more sustainable choices and by promoting waste sorting, proper disposal, and raising environmental awareness internally, Girteka aims to set an example on how to reduce environmental pollution and CO2 emissions in administrative operations.





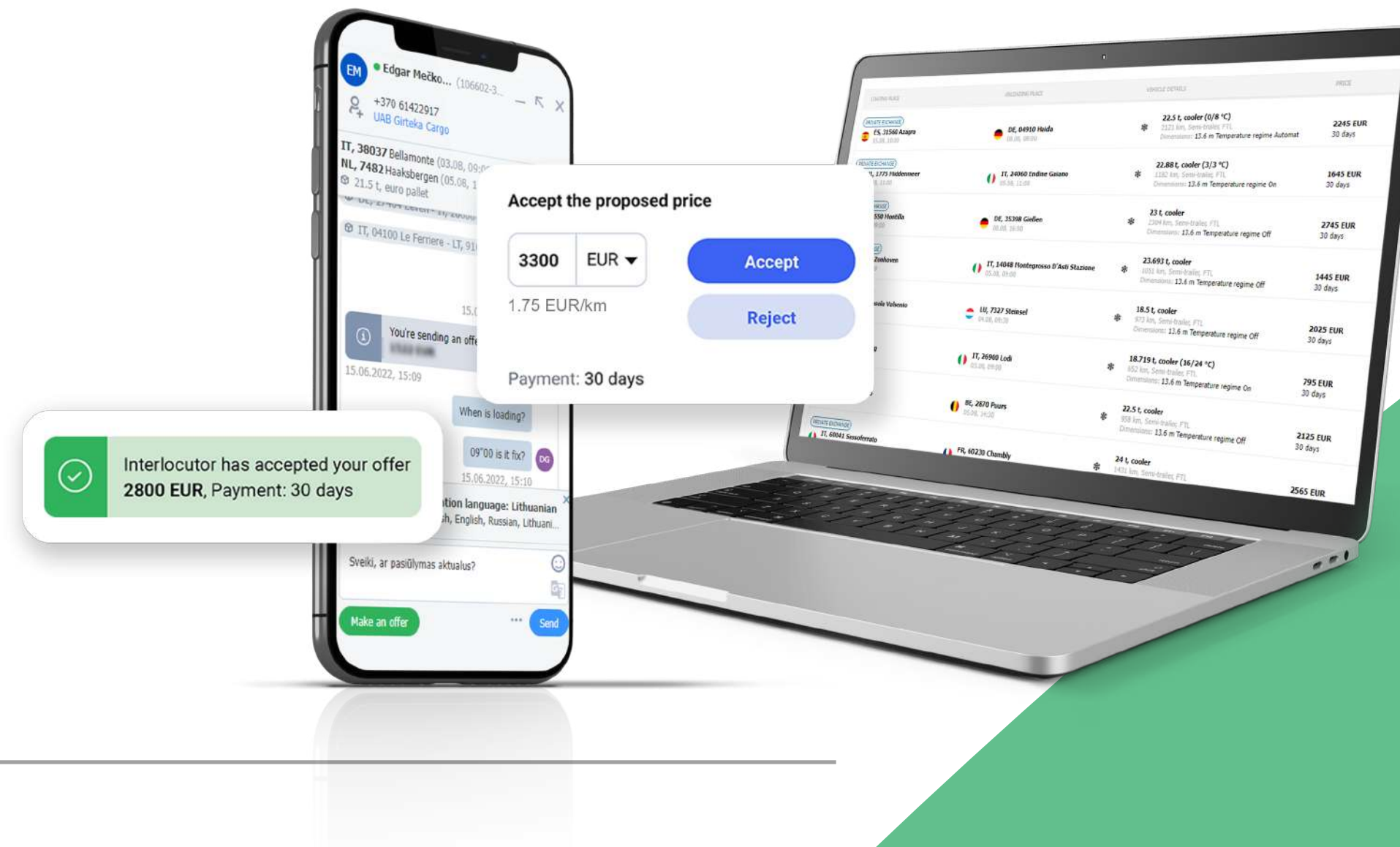
Partnerships

At Girteka, we see our partners as integral components of our journey, central to our long-term growth strategy. We champion the principles of mutual benefit and shared growth, harnessing opportunities that emerge when we align our development goals with our valued partners.

MarketSpace

In 2022, Girteka introduced MarketSpace, a specially designed road transport platform, dedicated to carriers who want to start working with Girteka on a spot basis.

The platform allows finding quick cargo contracts, communicating directly in real-time and managing shipment documentation all in one place.



CarrierSpace

For carriers, Girteka developed CarrierSpace, an extranet portal that seamlessly connects to MarketSpace where a carrier can manage all the information, documentation, processes and ongoing communication regarding transports and contracts.

Social Responsibility



Social Responsibility

At Girteka, responsibility is at the core of our values. From our clients to our colleagues, partners, and the wider community, we prioritize ethical and sustainable practices, while empowering our colleagues to grow personally and professionally.

A Supportive Member of the Community

With 23,000 colleagues, Girteka is aware of being part of a larger community and society.

A company's responsibilities to its colleagues play a vital role in creating a positive work environment that fosters growth, innovation, and employee satisfaction.

Workplace health and safety are crucial for employee well-being. Opportunities to develop are the foundation of Girteka's responsibilities to our colleagues.

The UNGC's 10 Principles

This is the eighth consecutive year that the Girteka Group continues its commitment to the Ten Principles of the UN Global Compact (UNGC).

It can be found in our strategies, policies, and procedures to reduce our environmental impact and strengthen our social commitments.

We believe corporate sustainability starts with a company's value system and a principles-based approach to business.

This means running our business in a way that, at minimum, meets fundamental responsibilities in the areas of human rights, labour, environment, and anti-corruption.

As a responsible business, the Ten Principles of the UNGC are incorporated into the company at every level, encouraging us to take action and consider our social and environmental impact.

We are proud to be a member of the UN Global Compact.



Partnerships for Achieving Sustainability Goals

The European Clean Trucking Alliance (ECTA)

As a member of the ECTA, Girteka urges the European Commission (EC) to be more ambitious in its plans to decarbonize road freight in the European Union (EU) and to help the road transport sector to become emissions-free.

As truck manufacturers and other industry participants have made pledges and set targets to utilize more environmentally friendly vehicles, including zero-emission trucks, the infrastructure for charging and refueling across the EU is lacking.

Girteka, together with other ECTA members, welcomes the EC's "Fit for 55" legislative package, which aims to reduce emissions by at least 55% by 2030, compared to 1990 levels.

TTLA (International Transport and Logistics Alliance)

The TTLA represents 25 of the largest international logistics companies in Lithuania. As a leader in the market, Girteka acts on the behalf of the alliance members on matters that can influence the market and the future of logistics at a national and international level.

TLP – Transport and Logistics Poland

As a member of TLP, Girteka has a stronger platform to express its support for professional drivers, promoting their welfare and urging governments to invest in better rest areas, proper infrastructure and secure parking places across the transport network for adequate rest and recovery, thus enhancing safety for everyone on the road.

Our goal is to instigate changes in regulations and policies that put the welfare of professional drivers at the forefront, highlighting the driver shortage issue, empowering drivers to update their skills and keep up with evolving industry trends and technologies.

The War in Ukraine

Girteka condemns the Kremlin's war in Ukraine and acts of aggression against any nation. Since the war broke out, Girteka has suspended its investments in Russia and does not provide services to companies that are under sanctions.

Girteka continues to provide humanitarian support to Ukraine, in partnership with institutions and organizations that specialize in humanitarian aid.

Upon the outbreak of the war in Ukraine, Girteka joined the Lithuanian Red Cross Society to assist with transporting essential items collected from Vilnius and Kaunas to Poland, from where they would be distributed further to Ukraine.

Girteka also worked with the Red Cross offices in Norway, Sweden, Finland, and Denmark, providing transport for humanitarian efforts at no cost.

In addition, Girteka assists the Lithuanian Food Bank („Maisto bankas“) by providing free transportation to deliver food parcels.

And our transport base in Poland has allocated premises for non-profit organizations to store and sort humanitarian aid items.

Working together with our clients Salmar, transporting humanitarian aid from Norway to Poland, and Oakland International, supplies have been gathered from the United Kingdom and transported to Poland.

Girteka also extends its support to our Ukrainian colleagues, paying driver salaries, keeping the job positions open for those that have left to return to Ukraine, talking to colleagues and consulting on how families can be brought to safety to either Lithuania or Poland.

There are also psychologists available, providing consultations to employees via phone for those most affected.



Community Support

Our efforts in terms of outreach are not limited to transportation. We also act to bring various communities together and make a positive impact on the development of society as a whole.

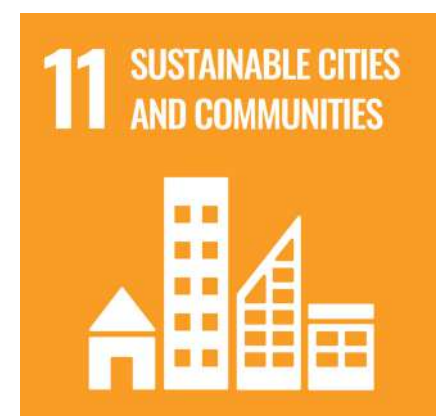


Bringing Culture to Communities

For the third time since the launch of the initiative, Girteka has participated in the “Traveling Opera”: supporting the Lithuanian National Opera and Ballet Theatre’s (LNOBT) production of Giovanni Battista Pergolesi’s one-act comic opera “La Serva Padrona” and traveling to as many as 10 locations across the country.

“The Traveling Opera project was created to bring culture to those audiences that do not have the possibility to come to Vilnius to see the performances. This is our way to contribute to minimizing social exclusion,” shares Jonas Sakalauskas, General Manager at LNOBT.

Such an initiative opens up the door to introduce the opera genre to a much broader audience, including those who reside in smaller towns or villages. The Traveling Opera project is part of Vilnius’ 700 years anniversary program. Find out more at www.700vilnius.lt.



Working for the Benefit of the Earth

As a logistics company tackling sustainability issues and striving to contribute to environmental education of communities, we organize an annual tree planting event.

Bringing family and friends along to participate in the national tree-planting festival, last time, the team from Girteka planted a total of 5,000 trees in the Ukmergė forest.

Aside from being a fun day out, the tree planting event is a great opportunity to build awareness of how we can contribute to reducing our environmental impact and support local communities at the same time.



Community Safety and Well-Being

Girteka is fully aware of its accountability for the social well-being of the broader population that it serves in the form of clients, colleagues, partners, and the community at large. Here are some examples of how we contributed in 2022.



Health Insurance

In addition to implementing comprehensive health and safety policies, in 2022, Girteka introduced additional health insurance for its colleagues.

This insurance covers various treatments and services, ensuring employees receive the necessary care and medical support when needed.

The Step Challenge

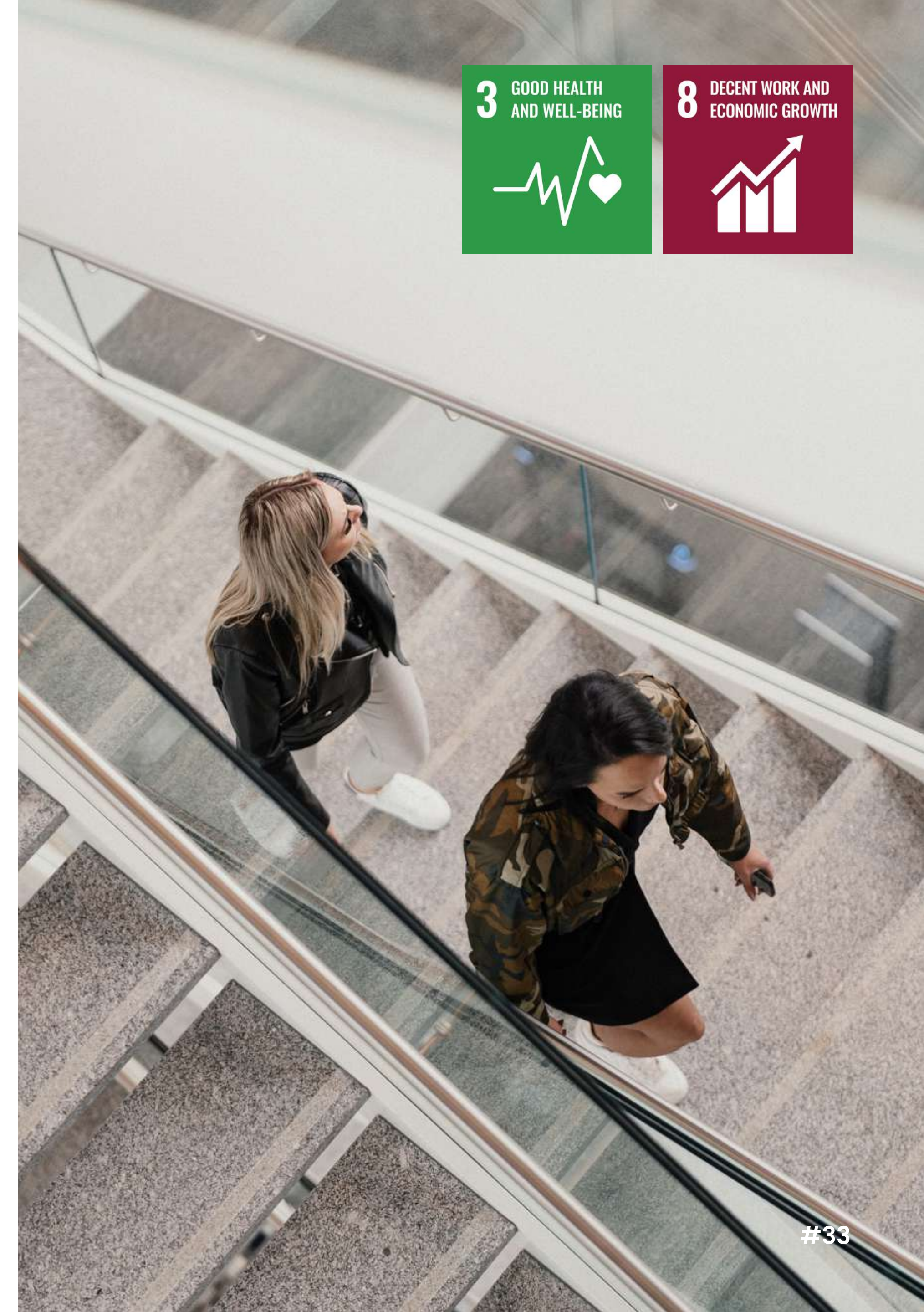
The concept of employee well-being is becoming more and more important to us, as we encourage our colleagues to take action to improve their physical and mental health.

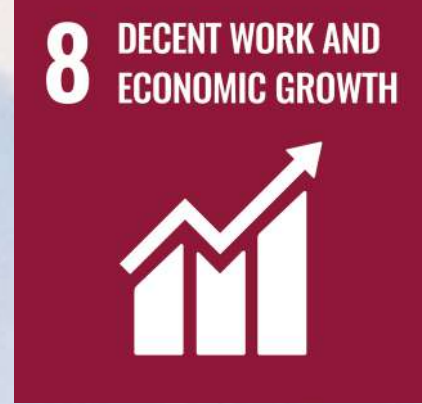
Since walking helps improve our health and reduces stress levels, we thought of a challenge that is both a fun activity to do as a team and a great opportunity to raise awareness about the importance of looking after your health and exercising.

Today, candidates are interested in not only an attractive salary but also in companies that take care of their employee well-being and health.

For the third consecutive year, we invited colleagues to participate in the Girteka Step Challenge, an activity that unites administration and maintenance service colleagues for a common goal to reach 150 million steps.

In addition to walking, our colleagues are invited to educational sessions on healthy lifestyle and sports activities.





Safety Day in Vilnius

A major focus for Girteka continues to be to raise awareness on road safety so that everybody can do their part to reduce road accidents. We actively invest and participate in related events and campaigns throughout the year at local and national level with our clients, colleagues, partners and the community.

In 2022, Girteka, together with the Lithuanian Road Administration, organized the event “I am safe and I safeguard others” held at The Cathedral Square in Vilnius, Lithuania. The aim was to educate participants about safe behaviour on the road, with a special focus on the education of children and the importance of being visible while on the road.

With an educational reflector zone installed in a Girteka trailer, a treasure hunt, an electric car, a scooter track, a car rollover simulator, great music and a rest area, the event is for everyone – from the youngest to the oldest.

During the event, the special services demonstrated a rescue operation that showcased their activities and equipment, explaining their role in ensuring road safety.

Unilever award

Girteka received a Gold Medal at the Unilever Global Safety Awards 2022 in the category of third-party transport providers and was commended for its high standards regarding safety procedures across its operations.

The company was recognized by the judges panel for its focus on ensuring that transportation services, as well as the working conditions, are as safe as possible.

“We were very impressed by the excellent safety performance recorded by the team in recent years. It takes commitment and determination of strong leadership like yours to deliver these results,” the official Unilever statement reads.

Mobility Package Implementation

While there is no doubt that the Mobility Package has played a key role in improving drivers' work conditions and increasing competitiveness in the industry, it has also affected other areas. In particular, the issue of the so-called 'empty mileage', which has increased noticeably.

Our approach to the changes associated with the Mobility Package has been to analyze and address two key areas – the appropriate planning of drivers' working hours and delivery times in accordance with the new regulations and the issue of the 'empty runs'.

To effectively address these challenges, we have been utilizing digital tools based on AI, which have allowed us to implement changes quickly and efficiently. This ensured that we had a seamless transition, incorporating the Mobility Package changes into our day-to-day operations with out any issues, considering the scale of our operations and the time spent on planning.



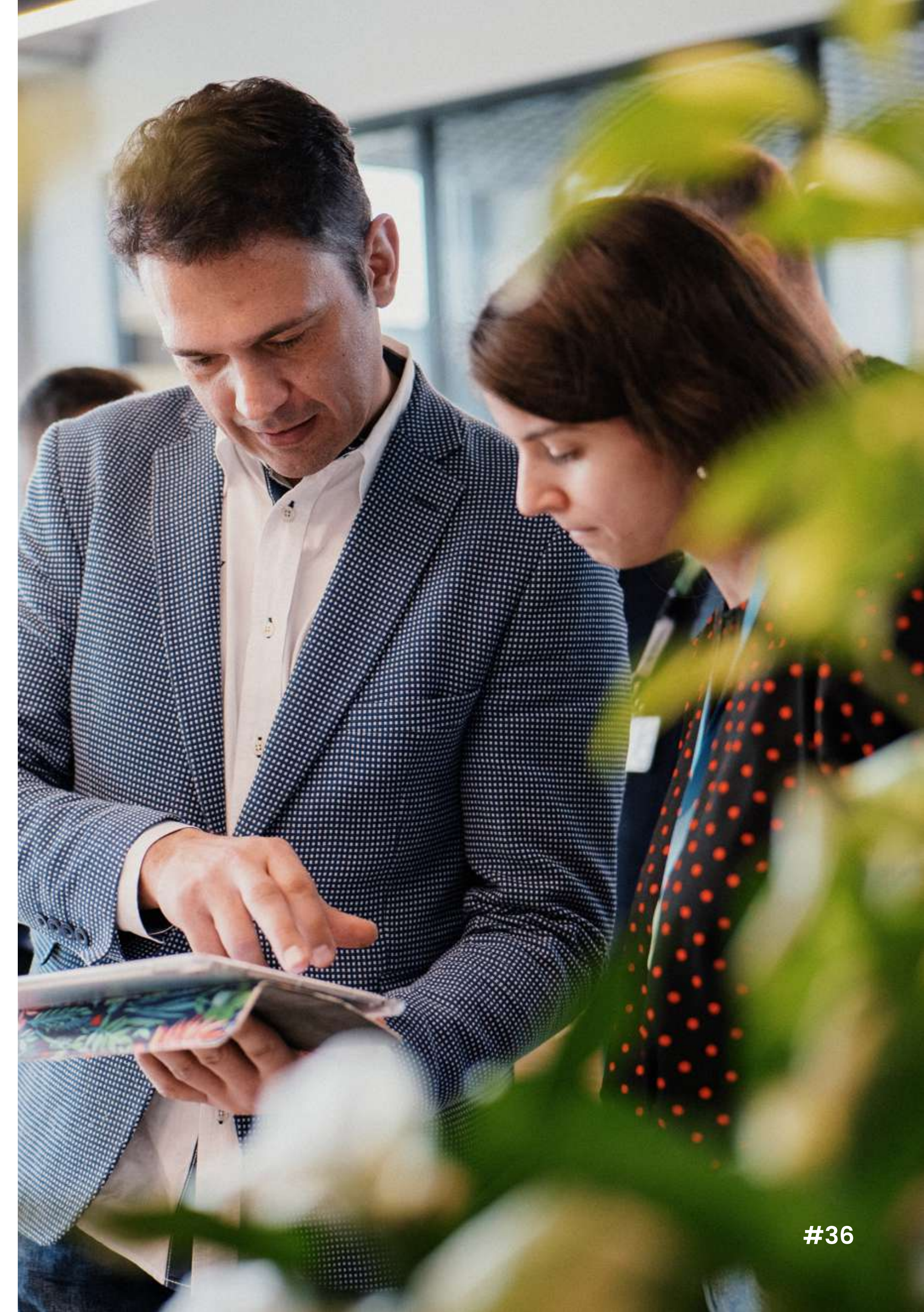
Benefits for Employees

Girteka encourages its employees to contribute to a better environment and society, by not only ensuring a fulfilling job and salary but by adding different benefits and opportunities for personal development.

Below are some of the benefits outlined:

- Internal and external training, mentorship programs, internal career opportunities, hackathons, and the employee loyalty program.
- Health insurance, a gym, as much fruit as you like, step challenges, subsidized breakfast and lunch, and an ergonomic work space.
- Opportunity to enjoy your birthday with a day off, take a paid day off for volunteering, and access a good deeds budget.
- Make time for corporate events, team-building activities, and traditional Christmas and Easter breakfasts.
- Take advantage of a hybrid working model, 30-day workation within the EU or Schengen Area, along with work and rest areas located around the office.

77% of Girteka's management have grown organically with the company and as many as 30% of colleagues progress up the career ladder every year.



Energy Costs Support

As the cost of living continued to rise in 2022, Girteka launched an initiative to subsidize the energy costs for its employees with a sum of up to €1 million.

Analyzing the market situation and cost increase, especially for electricity and heating, the Girteka Group decided to support its employees with a one-time payment of up to €350 net as a response to rising inflation.

7 AFFORDABLE AND
CLEAN ENERGY



Governance

Governance

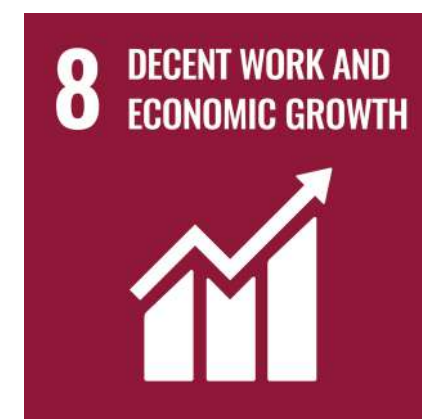
Code of Conduct

Recognizing the dynamic nature of the transportation industry, Girteka continually refines its Code of Conduct to meet evolving expectations.

This underscores our commitment to upholding the highest ethical standards, fostering long-term, mutually beneficial partnerships in the fast-paced world of road transportation.

The Code of Conduct is a guiding tool for ethical behavior that helps foster a culture of integrity and professionalism within our organization.

In 2022, Girteka's Code of Conduct was revised and re-published and is now available on our website.



Corruption Prevention and No Gift Policy

Being a responsible logistics company obliges us to behave ethically and honestly when developing relationships with clients. That is why, all Girteka employees must follow the anti-corruption and no-gift policy.

The main provisions of the anti-corruption policy are that the Girteka Group does not tolerate any forms of corruption, irrespective of the form or degree of their occurrence.

Any employee who has committed a corrupt act, regardless of his/her current position, functions, or merits to the Girteka Group, shall be held liable in the manner prescribed by the law.

Gifts to or from clients, prospective clients, business partners, government officials, suppliers, or any other third parties are not allowed. Except for token or nominal value gifts for representation purposes (branded calendars, cups, pens, etc.). The no-gift

policy is in place to avoid situations that could influence an employee's decision and spark a conflict of interest.

The purpose of these policies is to ensure that the activities and behaviour of the Girteka Group companies meet the highest standards of reliability, integrity, transparency, and business ethics, acceptable to the public and our business partners. The policy was recently revised and all employees are encouraged to take a course to refresh their knowledge of the rules.



Securing Transparency and Compliance

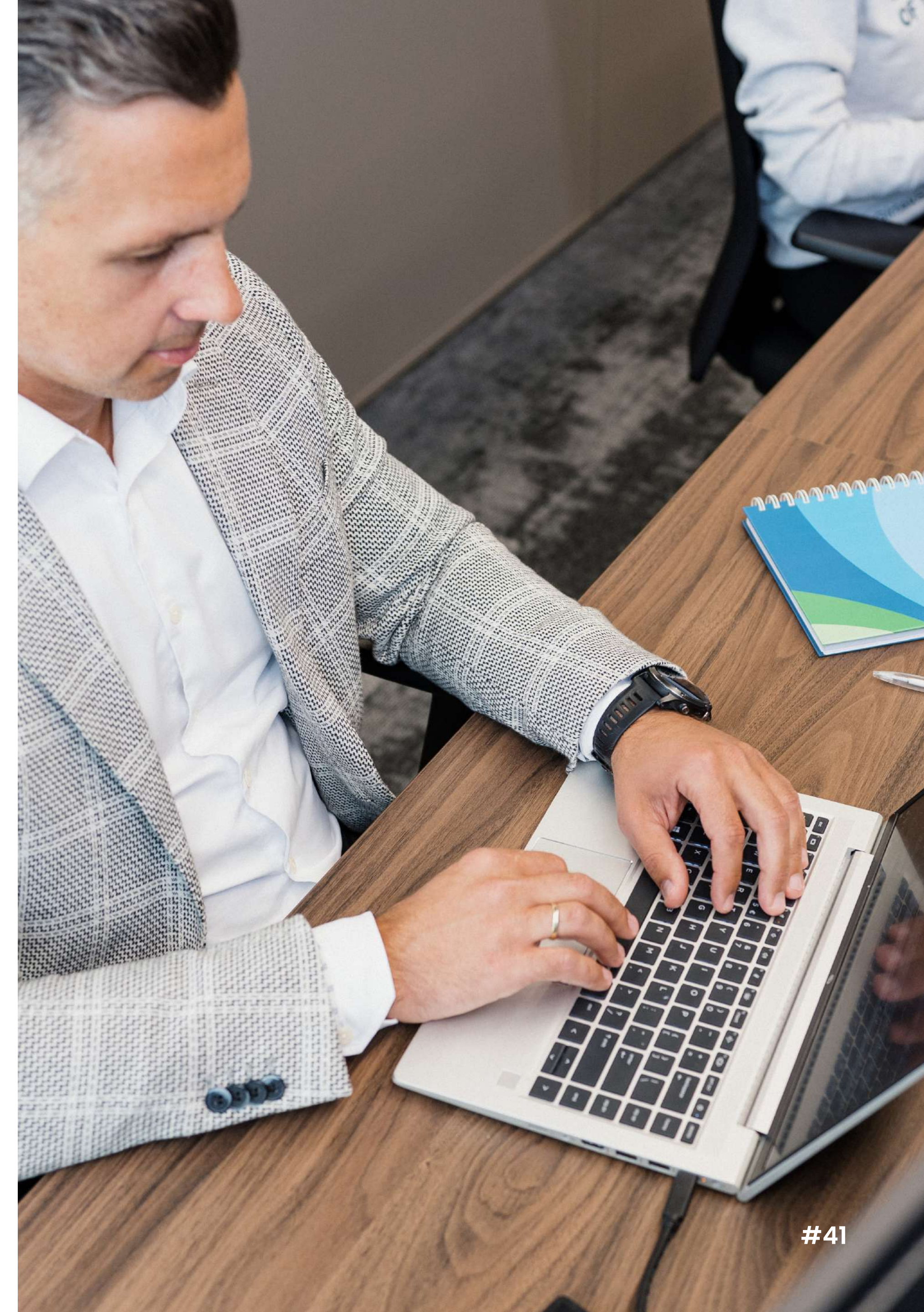
Girteka has reached another SAP milestone by successfully launching the SAP Enterprise Resource Planning (ERP) at the Girteka Competence Center.

The cutting-edge system marks a significant step forward in Girteka's journey towards becoming an intelligent enterprise and featuring as one of the top 10 European logistics companies.

The ERP will help accelerate our business transformation and promote greater flexibility and transparency, by facilitating faster and more data-driven decisions, improving financial performance and delivering greater value to our stakeholders.

The Girteka Competence Center will use the system for procurement, financial and managerial accounting, purchases and administrative services.

With SAP data, Procurement will be able to assess supplier quality, centralize purchasing information, and negotiate better discounts and conditions. Finance will benefit from a reduced risk of fraud, as the entire purchase-to-payment process will be connected to the system. Management and Accounting will see improved data accuracy and availability for quicker decision-making.



Financial Results

UAB Girteka Group
CONSOLIDATED FINANCIAL STATEMENTS
PREPARED IN ACCORDANCE WITH
LITHUANIAN FINANCIAL REPORTING STANDARDS
FOR THE YEAR ENDED 31 DECEMBER 2022 PRESENTED TOGETHER
WITH CONSOLIDATED ANNUAL REPORT AND
INDEPENDENT AUDITOR'S REPORT



UAB „Ernst & Young Baltic“
Aukštaičių g. 7
LT-11341 Vilnius
Lietuva
Tel.: (8 5) 274 2200
Faks.: (8 5) 274 2333
Vilnius@lt.ey.com
www.ey.com

Juridinio asmens kodas 110878442
PVM mokėtojo kodas LT108784411
Juridinių asmenų registras

Ernst & Young Baltic UAB
Aukštaičių St. 7
LT-11341 Vilnius
Lithuania
Tel.: +370 5 274 2200
Fax: +370 5 274 2333
Vilnius@lt.ey.com
www.ey.com

Code of legal entity 110878442
VAT payer code LT108784411
Register of Legal Entities

INDEPENDENT AUDITOR'S REPORT

To the Shareholder of UAB Girteka Group

Opinion

We have audited the consolidated financial statements of UAB Girteka Group and its subsidiaries (hereinafter the Group), which comprise the consolidated balance sheet as at 31 December 2022, the consolidated income statement, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2022 and its consolidated financial performance and cash flows for the year then ended in accordance with Lithuanian financial reporting standards.

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 Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to the 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.

Other Information

Other information consists of the information included in the Group's 2022 Annual Report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

We also have to evaluate, if the financial information included in the Consolidated Annual Report corresponds to the consolidated financial statements for the same financial year and if the Consolidated Annual Report was prepared in accordance with the relevant legal requirements. In our opinion, based on the work performed in the course of the audit of consolidated financial statements, in all material respects:

- The financial information included in the Consolidated Annual Report corresponds to the financial information included in the consolidated financial statements for the same year; and
- The Consolidated Annual Report was prepared in accordance with the requirements of the Law on Consolidated Reporting by Undertakings of the Republic of Lithuania.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Lithuanian financial reporting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 Group or to cease operations, or has no realistic alternative but to do so.



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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated 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 Group'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 Group'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 consolidated 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 Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

UAB ERNST & YOUNG BALTIC
Audit company's licence No. 001335

Asta Štreimikienė
Auditor's licence
No. 000382

13 June 2023

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

UAB Girteka Group (hereinafter - the Company), - the company was established on 3 July 2018, identification code - 304869444, the Company's registration address is Laisvės ave. 36, Vilnius, Lithuania, LT- 13279, VAT payer code LT100005406711. On 21 March 2023 the name of the Company was changed from UAB Girteka Holding to UAB Girteka Group.

The Company's activities are investments in subsidiaries and other companies. The company's subsidiaries are engaged in freight transportation on international routes and provide other logistics, vehicle rental, truck repair and maintenance services.

In 2021 UAB Girteka Group implemented structural changes of the group by acquiring subsidiary companies from its' parent company UAB Willgrow (former - UAB „ME Investicija“). A new group companies was separated from the UAB Willgrow and was formed in UAB Girteka Group. The renewed organizational structure will ensure more efficient operation and further growth of companies.

As of 31 December 2022, UAB Girteka Group group consisted of UAB Girteka Group company and its subsidiaries listed in Note 1 of these financial statements (hereinafter - "the Group").

In 2022 and 2021 the Group had a profit. In the companies of the Group there are always conducted cost-saving and efficiency policies.

In 2022 the Group renewed its fleet and conducted real estate development projects. For the development of these projects, there was ensured sufficient long-term financing from lease companies and banks.

As of 31 December 2022 the Group's equity was 411 million EUR (2021: 274 million EUR).

As of 31 December 2022 the Group employed 21.925 employees (2021: 19.335 employees).

As of 31 December 2022 and 2021 the Group's share capital amounted to 93.556 thousand EUR shares at a nominal value of 1 EUR each.

As of 31 December 2022 and 2021 the Group did not acquire or transfer its own shares and did not implement research and development activity.

The Group operates in compliance with all the environmental requirements.

The Group does not have branches and representative offices.

After the end of 2022 till the date of signing these financial statements there were no material events that would affect the financial results of these financial statements.

In 2023 UAB Girteka Group and its subsidiaries plan to continue the development of its core activities, invest in fleet expansion projects.

Edvardas Liachovičius is also employed as Director in UAB Girteka Cargo (company code: 302579200), UAB Girteka Fleet (company code: 302817897), UAB Girteka Group (company code: 304869444) and UAB Everwest (company code: 300569015) UAB „Girteka Competence Center“ (company code: 306167468) and Girteka Nordic, UAB (company code: 306167443) and is a member of the board in UAB Willgrow (company code: 302489393).

Director

Edvardas Liachovičius

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

| ASSETS | Note | 31.12.2022 | 31.12.2021 |
|---|-----------|----------------|----------------|
| NON-CURRENT ASSETS | | | |
| INTANGIBLE ASSETS | | | |
| Development works | | - | - |
| Goodwill | | 265 | - |
| Software | | 17.942 | 124 |
| Concessions, patents, licenses, trademarks and similar rights | | 3.093 | 5.272 |
| Other intangible assets | | 5 | 2 |
| Prepayments made | | - | - |
| | | 21.305 | 5.398 |
| TANGIBLE ASSETS | | | |
| | 3 | | |
| Land | | - | - |
| Buildings and structures | | 14.908 | 12.830 |
| Machinery and equipment | | 846 | 1.270 |
| Vehicles | | 587.477 | 568.987 |
| Other fixtures, fittings, tools and equipment | | 5.296 | 1.789 |
| | | 608.527 | 584.876 |
| INVESTMENT PROPERTY | | | |
| | 3 | | |
| Land | | 14 | 14 |
| Buildings | | - | - |
| | | 14 | 14 |
| Prepayments made and construction (production) of tangible assets in progress | 3 | 6.634 | 364 |
| TOTAL TANGIBLE ASSETS | | 615.175 | 585.254 |
| FINANCIAL ASSETS | | | |
| Shares in group companies | | - | - |
| Loans granted to group companies | 21 | 6.327 | - |
| Amounts receivable from group companies | | - | - |
| Shares in associated companies | | 96 | 101 |
| Loans granted to associated companies | | - | - |
| Amounts receivable from associated companies | | - | - |
| Non-current investments | | - | - |
| Amounts receivable after one year | | 5.636 | 1.421 |
| Other financial assets | | - | - |
| | | 12.059 | 1.522 |
| OTHER NON-CURRENT ASSETS | | | |
| Deferred tax assets | 20 | 4.921 | 3.408 |
| Biological assets | | - | - |
| Other assets | 4 | - | 1.338 |
| | | 4.921 | 4.746 |
| TOTAL NON-CURRENT ASSETS | | 653.460 | 596.920 |

(Continued)

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

| | Note | 31.12.2022 | 31.12.2021 |
|---|-----------|------------------|------------------|
| CURRENT ASSETS | | | |
| INVENTORIES | | | |
| Raw materials and mounting parts | | 12.215 | 8.865 |
| Work in progress | | - | - |
| Finished goods | | 6.881 | 4.139 |
| Goods purchased for resale | | 57 | - |
| Biological assets | | - | - |
| Non-current assets held for sale | 5 | 23.326 | 10.555 |
| Prepayments made | | 2.124 | 7.205 |
| | | 44.603 | 30.764 |
| AMOUNTS RECEIVABLE WITHIN ONE YEAR | | | |
| Trade receivables | 6 | 239.726 | 224.795 |
| Receivables from group companies | 21 | 109.867 | 33.033 |
| Receivables from associated companies | 21 | 564 | 12.902 |
| Other amounts receivable | 7 | 72.019 | 67.345 |
| | | 422.176 | 338.075 |
| CURRENT INVESTMENTS | | | |
| Shares of group companies | | - | - |
| Other investments | | - | - |
| | | - | - |
| CASH AND CASH EQUIVALENTS | 8 | 63.674 | 23.877 |
| DEFERRED EXPENSES AND ACCRUED INCOME | 9 | 35.291 | 31.577 |
| TOTAL CURRENT ASSETS | | 565.744 | 424.293 |
| TOTAL ASSETS | | 1.219.204 | 1.021.213 |

(Continued)

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

| | Note | 31.12.2022 | 31.12.2021 |
|--|------|------------------|------------------|
| EQUITY AND LIABILITIES | | | |
| EQUITY | | | |
| CAPITAL | | | |
| Authorized (subscribed) capital | 10 | 93.556 | 93.556 |
| Subscribed unpaid capital (-) | | - | - |
| Own shares (-) | | - | - |
| | | 93.556 | 93.556 |
| SHARE PREMIUM | 10 | 681.238 | 681.238 |
| REVALUATION RESERVE | | - | - |
| RESERVES | | | |
| Legal reserve | 10 | 1.451 | - |
| Reserve for acquisitions of own shares | | - | - |
| Other reserves | | - | - |
| | | 1.451 | - |
| RETAINED EARNINGS (LOSS) | | | |
| Profit (loss) of the current year | | 143.450 | (500.255) |
| Profit (loss) of the previous years | | (501.703) | (3) |
| | | (358.253) | (500.258) |
| EFFECT OF EXCHANGE RATE CHANGES | | (1.095) | (176) |
| MINORITY | | - | - |
| TOTAL EQUITY | | 416.897 | 274.360 |

(Continued)

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED BALANCE SHEET AS OF 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

| | Note | 31.12.2022 | 31.12.2021 |
|---|------|------------------|------------------|
| GRANTS AND SUBSIDIES | | | |
| | | - | - |
| PROVISIONS | | | |
| Pension and other similar provisions | | - | - |
| Tax provisions | 20 | 8.733 | 11.479 |
| Other provisions | | - | - |
| | | 8.733 | 11.479 |
| AMOUNTS PAYABLE AND OTHER LIABILITIES | | | |
| AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER NON-CURRENT LIABILITIES | | | |
| Debt obligations | 11 | 166.012 | 251.506 |
| Borrowings from credit institutions | 12 | 180.921 | 39.694 |
| Advances received | | 5 | 9 |
| Trade amounts payable | | 340 | 427 |
| Payable amounts under bills of exchange and cheques | | - | - |
| Payables to group companies | 21 | - | 25.184 |
| Payables to associated companies | | - | - |
| Other amounts payable amount and non-current liabilities | 13 | - | - |
| | | 347.278 | 316.820 |
| ACCOUNTS PAYABLE WITHIN ONE YEAR AND CURRENT LIABILITIES | | | |
| Debt obligations | 11 | 100.376 | 166.073 |
| Borrowings from credit institutions | 12 | 54.927 | 48.411 |
| Advances received | | 5.653 | 1.743 |
| Trade payables | | 142.882 | 124.388 |
| Payable amounts under bills of exchange and cheques | | - | - |
| Payables to group companies | 21 | 19.956 | 22 |
| Payables to associated companies | 21 | 15.577 | 1.596 |
| Income tax payable | | 20.977 | 8.189 |
| Employment related liabilities | | 42.652 | 23.743 |
| Other amounts payable and current liabilities | 13 | 18.472 | 18.924 |
| | | 421.471 | 393.089 |
| ACCRUED EXPENSES AND DEFERRED INCOME | 14 | 24.825 | 25.465 |
| TOTAL LIABILITIES | | 802.307 | 746.853 |
| TOTAL EQUITY AND LIABILITIES | | 1.219.204 | 1.021.213 |

The accompanying explanatory notes are an integral part of these consolidated financial statements

These consolidated financial statements were approved on 13 June 2023 and signed by:

 Edvardas Liachovičius
 Director

 Milda Kazlauskienė
 Chief accountant

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED INCOME STATEMENT FOR THE YEAR, ENDED 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

| | Note | 2022 | 2021 |
|--|------|----------------|----------------|
| SALES | 15 | 1.931.538 | 1.437.430 |
| COST OF SALES | 16 | (1.591.939) | (1.273.539) |
| CHANGE IN FAIR VALUE OF BIOLOGICAL ASSETS | | - | - |
| GROSS PROFIT (LOSS) | | 339.599 | 163.891 |
| SELLING EXPENSES | | (1.540) | (1.000) |
| GENERAL AND ADMINISTRATIVE EXPENSES | 17 | (155.293) | (100.287) |
| RESULTS FROM OTHER ACTIVITY | 18 | (1.412) | 21.349 |
| INCOME FROM INVESTMENTS INTO SHARES OF PARENT, SUBSIDIARIES AND ASSOCIATED COMPANIES | | - | - |
| INCOME FROM OTHER LONG-TERM INVESTMENTS AND LOANS | | - | - |
| OTHER INTEREST AND SIMILAR INCOME | 19 | 1.244 | 5.004 |
| IMPAIRMENT OF FINANCIAL ASSETS AND SHORT-TERM INVESTMENTS | | (5) | - |
| INTEREST AND OTHER SIMILAR EXPENSES | 19 | (16.090) | (11.057) |
| PROFIT (LOSS) BEFORE TAXATION | | 166.503 | 77.900 |
| INCOME TAX | 20 | (23.053) | (10.862) |
| PROFIT (LOSS) BEFORE MINORITY SEPARATION | | 143.450 | 67.038 |
| MINORITY | | - | - |
| NET PROFIT (LOSS) | | 143.450 | 67.038 |

The accompanying explanatory notes are an integral part of these consolidated financial statements

These consolidated financial statements were approved on 13 June 2023 and signed by:

 Edvardas Liachovičius
 Director

 Milda Kazlauskienė
 Chief accountant

UAB Girteka Group

code 304869444, Laisvės ave. 36, Vilnius, Lithuania

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

| | Authorized (subscribed) capital | Share premium | Own shares (-) | Revaluation reserve | | Legal reserves | | | Retained earnings (loss) | Effect of exchange rates | Minority share | Total |
|--|---------------------------------|---------------|----------------|-----------------------------|------------------|----------------|-------------------------------|----------------|--------------------------|--------------------------|----------------|-----------|
| | | | | Non-current tangible assets | Financial assets | Legal reserve | For acquisition of own shares | Other reserves | | | | |
| Group at the end of the previous period | 3 | - | - | - | - | - | - | - | (3) | - | - | - |
| Changes in policy | - | - | - | - | - | - | - | - | - | - | - | - |
| Correction of errors | - | - | - | - | - | - | - | - | - | - | - | - |
| Adjusted balance at the end of the previous period | 3 | - | - | - | - | - | - | - | (3) | - | - | - |
| (decrease) in equity, plant and equipment | - | - | - | - | - | - | - | - | - | - | - | - |
| (decrease) in equity from hedging | - | - | - | - | - | - | - | - | - | - | - | - |
| (disposal) of equity | - | - | - | - | - | - | - | - | - | - | - | - |
| (unrecognised statement of loss) for a period | - | - | - | - | - | - | - | - | (567.293) | - | - | (567.293) |
| Dividends paid | - | - | - | - | - | - | - | - | 67.038 | - | - | 67.038 |
| Dividends formed | - | - | - | - | - | - | - | - | - | - | - | - |
| Dividends used | - | - | - | - | - | - | - | - | - | - | - | - |
| (decrease) in equity | 93.553 | 681.238 | - | - | - | - | - | - | - | - | - | 774.791 |
| Equity to cover | - | - | - | - | - | - | - | - | - | - | - | - |
| Exchange rates (decrease) of equity | - | - | - | - | - | - | - | - | - | (176) | - | (176) |
| Equity at the end of the year | 136.553 | 1.362.476 | - | - | - | - | - | - | (3) | (176) | - | 1.362.476 |

(Cont.

Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

| Notes | Authorized (subscribed) capital | Share premium | Own shares (-) | Revaluation reserve | | Legal reserves | | | Retained earnings (loss) | Effect of exchange rates | Minority share |
|---------------------------------------|---------------------------------|---------------|----------------|-----------------------------|------------------|----------------|-------------------------------|----------------|--------------------------|--------------------------|----------------|
| | | | | Non-current tangible assets | Financial assets | Legal reserve | For acquisition of own shares | Other reserves | | | |
| at the end of reporting period | 93.556 | 681.238 | - | - | - | - | - | - | (500.258) | (176) | - |
| Increase (decrease) in equity, plant | - | - | - | - | - | - | - | - | - | - | - |
| Increase (decrease) in equity hedging | - | - | - | - | - | - | - | - | - | - | - |
| Disposal of equity | - | - | - | - | - | - | - | - | - | - | - |
| Income (loss) for the period | 1, 10 | - | - | - | - | - | - | 6 | - | - | - |
| Dividends paid | - | - | - | - | - | - | - | 143.450 | - | - | - |
| Share-based payments | - | - | - | - | - | 1.451 | - | (1.451) | - | - | - |
| Change in exchange rates | - | - | - | - | - | - | - | - | (919) | - | - |
| at the end of period | 93.556 | 681.238 | - | - | - | 1.451 | - | (358.253) | (1.095) | - | - |

Accompanying explanatory notes are an integral part of these consolidated financial statements

Consolidated financial statements were approved on 13 June 2023 and signed by:

 Edvardas Liachovičius
Director

 Milda Kazlauskienė
Chief accountant

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

| Notes | 2022 | 2021 |
|--|-----------------|-----------------|
| 1. Cash flow from (to) operating activities | | |
| 1.1. Net profit (loss) | 143.450 | 67.038 |
| 1.2. Minority interest | - | - |
| 1.3. Depreciation and amortization expenses | 168.806 | 143.861 |
| 1.4. Elimination of tangible and intangible non-current asset sales results | (126.682) | (52.528) |
| 1.5. Elimination of financial and investing activities | 14.851 | 6.053 |
| 1.6. Elimination of results of other non-cash activities | 18 | (9.257) |
| 1.7. Decrease (increase) in receivables from group companies and associated companies | - | - |
| 1.8. Decrease (increase) in other accounts receivable after one year | (4.215) | (1.126) |
| 1.9. Decrease (increase) in deferred income tax asset | (1.513) | (1.517) |
| 1.10. Decrease (increase) in inventories, except for prepayments made | (6.871) | (7.749) |
| 1.11. Decrease (increase) in prepayments made | (215) | - |
| 1.12. Decrease (increase) in trade receivables | (21.166) | (52.684) |
| 1.13. Decrease (increase) in receivables from group companies and associated companies | (65.284) | (3.440) |
| 1.14. Decrease (increase) in other accounts receivable | (7.613) | (17.065) |
| 1.15. Decrease (increase) in current investments | - | - |
| 1.16. Decrease (increase) in deferred expenses and accrued income | (3.714) | (4.196) |
| 1.17. Increase (decrease) in provisions | (2.746) | 11.479 |
| 1.18. Increase (decrease) in non-current trade payables and advances received | (4) | 9 |
| 1.19. Increase (decrease) in accounts payables after one year under bills of exchange and cheques | - | - |
| 1.20. Increase (decrease) in non-current payables to group companies and associated companies | (25.184) | 25.184 |
| 1.21. Increase (decrease) in current trade payables and advances received | 22.317 | 36.073 |
| 1.22. Increase (decrease) in accounts payables within one year under bills of exchange and cheques | - | - |
| 1.23. Increase (decrease) in current payables to group companies and associated companies | 33.915 | 18.415 |
| 1.24. Increase (decrease) in income tax payable | 12.977 | 3.165 |
| 1.25. Increase (decrease) in employment related liabilities | 18.909 | 9.696 |
| 1.26. Increase (decrease) in other accounts payable and current liabilities | (453) | (9.232) |
| 1.27. Increase (decrease) in accrued expenses and deferred income | (640) | 30.430 |
| Net cash flows from (to) operating activities | 148.943 | 187.145 |
| 2. Cash flows from (to) investing activities | | |
| 2.1. Acquisition of non-current assets (except investments) | 3 (267.796) | (87.165) |
| 2.2. Disposal of non-current assets (except investments) | 5 228.336 | 139.240 |
| 2.3. Acquisition of non-current investments (except investments in subsidiaries) | - | - |
| 2.4. Disposal of non-current investments (except investments in subsidiaries) | - | - |
| 2.5. Acquisition of investments in subsidiaries | - | - |
| 2.6. Disposal of investments in subsidiaries | - | - |
| 2.7. Loans granted | (39.904) | (46.494) |
| 2.8. Recovery of loans granted | 36.545 | - |
| 2.9. Dividends, interest received | 570 | 1.066 |
| 2.10. Other cash flow increase from investing activities | 6.368 | 17.717 |
| 2.11. Other cash flow decrease from investing activities | (14.147) | (51.635) |
| Net cash flows from (to) investing activities | (50.028) | (27.271) |

(Continued)

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

CONSOLIDATED CASH FLOWS STATEMENT FOR THE YEAR, ENDED 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

| | Notes | 2022 | 2021 |
|---|-------|-----------------|------------------|
| 3. Cash flows from (to) financing activities | | | |
| 3.1. Cash flows related to shareholders of the Company | | - | - |
| 3.1.1. Emission of shares | | - | - |
| 3.1.2. Shareholders' contribution to cover losses accrued | | - | - |
| 3.1.3. Acquisition of own shares | | - | - |
| 3.1.4. Dividend payments | | - | - |
| 3.2. Cash flows related to other financing sources | | (58.114) | (136.978) |
| 3.2.1. Increase in financial debts | | 211.886 | 9.697 |
| 3.2.1.1. Loans received | 12 | 211.886 | 9.697 |
| 3.2.1.2. Emission of bonds | | - | - |
| 3.2.2. Decrease in financial debt | | (235.736) | (227.165) |
| 3.2.2.1. Loans repaid | 12 | (28.635) | (1.716) |
| 3.2.2.2. Bonds repaid | | - | - |
| 3.2.2.3. Interest paid | | (9.727) | (8.444) |
| 3.2.2.4. Financial lease payments | 11 | (197.374) | (217.005) |
| 3.2.3. Increase in other liabilities of the Group | | 1.244 | - |
| 3.2.4. Decrease in other liabilities of the Group | | (35.508) | 80.490 |
| 3.2.5. Increase in cash flows from other financing activities | | - | - |
| 3.2.6. Decrease in cash flows from other financing activities | | - | - |
| Net cash flow from (to) financing activities | | (58.114) | (136.978) |
| 4. Impact of currency exchange on the balance of cash and cash equivalents | | (1.004) | 980 |
| 5. Net increase (decrease) in cash flows | | 39.797 | 23.876 |
| 6. Cash and cash equivalents at the beginning of the year | | 23.877 | 1 |
| 7. Cash and cash equivalents at the end of the year | | 63.674 | 23.877 |

The accompanying explanatory notes are an integral part of these consolidated financial statements

These consolidated financial statements were approved on 13 June 2023 and signed by:

 Edvardas Liachovičius
 Director

 Milda Kazlauskienė
 Chief accountant

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

1. GENERAL INFORMATION

UAB Girteka Group (hereinafter - the Company) was established on 3 July 2018, Company's code 304869444 is in Republic of Lithuania registered private limited liability company. On 21 March 2023 the name of the Company was changed from UAB Girteka Holding to Girteka Group UAB. The address of the headquarters is Laisvės ave. 36, Vilnius, Lithuania.

The business profile of the Company – investment into subsidiaries and other companies. The Company's subsidiaries are engaged in the international transportation activity and provide other logistics, leasing of vehicles, repair and maintenance of vehicles services.

In 2021 UAB Girteka Group and its sole shareholder UAB Willgrow (former UAB „ME investicija“) carried out structural changes in the group by forming subholding companies and made acquisitions/ sales of companies. For this reason, the group of companies was formed and started its activity only in 2021. On 31 October 2022 the reorganization of the Company's subsidiary UAB "Everwest" (former - UAB "Girtekos logistika") was carried out by dividing it into four subsidiaries of the Company that continue to operate, i.e. UAB "Everwest" (company code: 300569015), UAB "Girteka Competence Center" (company code: 306167468), Girteka Nordic, UAB (company code: 306167443) and Girteka Europe West, UAB (company code: 306167436).

All the shares with a nominal value of 1 EUR each are ordinary. As of 31 of December 2022 and 2021 all the shares were fully paid. As of 31 of December 2022 and 2021 the legal reserve was not formed. Subsidiaries and associated companies as of 31 December 2022 and 2021 did not have the Company's shares and the Company did not have its own shares.

The Group consists of UAB Girteka Group, its subsidiary companies (hereinafter - the Group).

The Group does not have branches and representative offices.

As of 31 December 2022, there were 21.925 employees in the Group (2021: 19.335).

Information about the Company's directly and indirectly controlled subsidiaries as of 31 December 2022 and 2021:

| Company | Headquarter address | Investments | Owned shares (effective) 2022/12/31 | Equity (100 %) | Current period results (100 %) | Main activity |
|---|--|-------------|-------------------------------------|----------------|--------------------------------|-----------------------------|
| <i>Subsidiaries:</i> | | | | | | |
| UAB Everwest | Laisvės av. 36, Vilnius, Lithuania | 184.617 | 100% | 31.532 | 25.684 | Freight forwarding services |
| UAB Girteka Cargo | Laisvės av. 36, Vilnius, Lithuania | 2.141 | 100% | 1.943 | (218) | Freight forwarding services |
| AS Thermomax Trondheim | Heggstadmoen 18, 7080 Heimdal, 1601 Trondheim, Norvegija | 5.156 | 100% | 3.307 | 1.032 | Transportation services |
| UAB Girteka Fleet | Laisvės av. 36, Vilnius, Lithuania | 46.886 | 100% | 3.614 | 2.487 | Freight forwarding services |
| UAB LT Logic | Terminalo str. 8, Kuprioniškių vlg., Vilnius region, Lithuania | 506 | 100% | 479 | 365 | Logistics services |
| UAB ME Trailers | Laisvės av. 36, Vilnius, Lithuania | 70.840 | 100% | 198.405 | 82.657 | Rent of vehicles |
| SIA Girtekos logistika | Šarlotes, Grenes, Olaines pag., Rīgas reģions., Latvia | 2.667 | 100% | 1.613 | 109 | Logistics services |
| UAB Girteka Competence Center | Laisvės av. 36, Vilnius, Lietuva | 3.665 | 100% | 2.779 | (886) | Consulting services |
| UAB Girteka Europe West | Laisvės av. 36, Vilnius, Lietuva | 301.110 | 100% | 39.028 | 1.231 | Freight forwarding services |
| UAB Girteka Nordic | Laisvės av. 36, Vilnius, Lietuva | 95.610 | 100% | 11.992 | (10) | Freight forwarding services |
| AGORISA Holding Limited** | Michalakopoulou str. 12, Nikosija, Cyprus | 7.760 | 100% | (433) | (333) | Holding activities |
| UAB Girteka Transport | Metalo str. 12, Vilnius, Lithuania | 6.756 | 100% | 36.484 | 4.688 | Holding activities |
| <i>Subsidiaries under indirect control:</i> | | | | | | |
| UAB Girteka | Laisvės av. 36, Vilnius, Lithuania | 320 | 100% | 1.638 | 1.426 | Transportation services |
| UAB ME transportas | Metalo str. 12, Vilnius, Lithuania | 9.725 | 100% | 14.252 | 7.131 | Transportation services |
| UAB Trasis | Pročiūnų str. 18, Šiauliai, Lithuania | 6.591 | 100% | 6.781 | 1.743 | Transportation services |
| UAB KLP Transport | Pročiūnų str. 18, Šiauliai, Lithuania | 6.066 | 100% | 5.952 | 1.486 | Transportation services |

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

| Company | Headquarter address | Investments | Owned shares (effective) 2022/12/31 | Equity (100 %) | Current period results (100 %) | Main activity |
|--|--|-------------|-------------------------------------|----------------|--------------------------------|---|
| UAB Termolita | Pročiūnų str. 18, Šiauliai, Lithuania | 6.965 | 100% | 4.820 | 722 | Transportation services |
| UAB Termo trans | Metalo str. 12, Vilnius, Lithuania | 3.619 | 100% | 4.096 | 702 | Transportation services |
| UAB Girmeta | Metalo str. 12, Vilnius, Lithuania | 8.985 | 100% | 7.180 | 1.233 | Transportation services |
| UAB Girtrans | Pročiūnų str. 18, Šiauliai, Lithuania | 4.650 | 100% | 4.893 | 1.088 | Transportation services |
| UAB Autoimpulsas | Metalo str. 12, Vilnius, Lithuania | 424 | 100% | 1.218 | 1.145 | Repair and maintenance of vehicle |
| UAB Mireli | Pročiūnų str. 18, Šiauliai, Lithuania | 306 | 100% | 520 | 502 | Repair and maintenance of vehicle |
| BV Narvest | Hazeldonk 6258 4836 LG Breda, The Kingdom of the Netherlands | 204 | 100% | 115 | -341 | Transportation and maintenance services |
| Polservice Sp.z.o.o | Sw. Rocha str. 3, Komorniki, Poland | 1 | 100% | 193 | 413 | Repair and maintenance of vehicle |
| UAB Autotechnika | Laisse's av. 36, Vilnius, Lithuania | 7.775 | 100% | 713 | 672 | Trade activity of vehicles |
| GirPolTrans Sp.z.o.o | Sw. Rocha str. 3, Komorniki, Poland | 2.726 | 100% | 5.081 | 1.765 | Transportation services |
| ME Trailers Poland Sp.z.o.o | Mszczonowska str. 35, Rawa Mazowiecka, Poland | 13.075 | 100% | 21.021 | 5.466 | Rent of vehicles |
| Eupoltrans Sp. z.o.o. | Sw. Rocha str. 3, Komorniki, Poland | 3.442 | 100% | 4.182 | 806 | Transportation services |
| Scanpotrans Sp.z.o.o. | Sw. Rocha str. 3, Komorniki, Poland | 587 | 100% | 1.040 | 403 | Transportation services |
| Gotrans Poland Sp.z.o.o | Sw. Rocha str. 3, Komorniki, Poland | - | 100% | -162 | -163 | Transportation services |
| TransEU Poland Sp.z.o.o. | Sw. Rocha str. 3, Komorniki, Poland | - | 100% | 1.692 | 799 | Transportation services |
| UAB Premium servisas | Metalo str. 12, Vilnius, Lithuania | 80 | 100% | -120 | -31 | Repair and maintenance of vehicle |
| UAB Nord Trans | Metalo str. 12, Vilnius, Lithuania | 1.521 | 100% | 1.191 | 89 | Transportation services |
| Class Trucks Spain | Av. Puerto, 9, 46520 Port de Sagunt, Valencia, Ispania | 3 | 100% | 6 | 3 | Trade activity of vehicles |
| Girteka Global Business Services Georgia | Chavchavadze ave. 37m, Tbilisi 0179, Georgia | - | 100% | 28 | 10 | Freight forwarding services |
| Trepoltrans Sp.z.o.o. | Ul. Poznanska 4 Sady; Wielkopolskie; 62-080 Poznan | 1 | 100% | 2 | -2 | Freight forwarding services |
| Truck Center Poland SP.Z.O.O | Szkolna str. 60, Gądk, Poland | 6.449 | 100% | 2.197 | 872 | Trade activity of vehicles |
| Truck & Trailer Center BV | Weerbroek 46, 6666 MN Heteren, Netherlands | 7.187 | 100% | 4.707 | 3.668 | Trade activity of vehicles |
| ClassTrucks Autohaus GmbH | Ludwig-Erhard-Str. 102, Crailsheim, Germany | - | 100% | 11 | -5 | Trade activity of vehicles |
| GirDeTrans GmbH | Ludwig-Erhard-Str. 102, Crailsheim, Germany | 1.080 | 100% | 968 | 564 | Transportation services |
| Class Trucks Iberia | El Oliveral, Ribarroja de Turia, Ispanija | - | 100% | -183 | 51 | Trade activity of vehicles |
| Transheim GmbH | Werkstrase 10A, Handewitt, Germany | 25 | 100% | 22 | -2 | Transportation services |
| A/S af 18. februar 1993, Middelfart** | Omfartsvejen str. 1, Padborg, Denmark | 25.087 | 100% | 16.384 | - | Holding activities |
| Thermo-Transit Danmark A/S** | Omfartsvejen str. 1, Padborg, Denmark | 22.407 | 100% | 24.135 | 1.077 | Freight forwarding services |
| TTDK-Ejendomme ApS** | Omfartsvejen str. 1, Padborg, Denmark | 7 | 100% | 406 | 18 | Development of real estate/rent |
| TTDK-Ejendomme2 ApS** | Omfartsvejen str. 1, Padborg, Denmark | 7 | 100% | 312 | 203 | Development of real estate/rent |
| TTN Trucking AS** | Humleveien 9, Alta, Norvegija | 15 | 100% | 393 | 19 | Transportation services |
| TT Trucking GmbH** | Werkstrase 10A, Handewitt, Germany | 155 | 100% | 298 | -367 | Transportation services |
| Barsoe GmbH** | Werkstrase 10A, Handewitt, Germany | 106 | 100% | 378 | 90 | Transportation services |
| Thermo-Transit Norge AS** | Flatholmen 2, Alesund, Norway | 69 | 100% | 9.141 | 1.885 | Freight forwarding services |

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022
 (all amounts are in thousand euros, unless otherwise stated)

| Company | Headquarter address | Investments | Owned shares (effective) 2022/12/31 | Equity (100 %) | Current period results (100 %) | Main activity |
|------------------------------------|---|-------------|-------------------------------------|----------------|--------------------------------|-------------------------|
| Thermo-Transit Finland OY** | Keskusväylä 10, Rovaniemi, Finland | 493 | 100% | -1.108 | 240 | Transportation services |
| Thermo-Transit Sverige AB** | Flintvägen 1, Östra Karup, Sweden | 11 | 100% | 50 | -2 | Transportation services |
| Thermo-Transit Holland B.V.** | Transportweg 15, Waddinxveen, Netherlands | 10 | 100% | 98 | 76 | Transportation services |
| Thermo-Transit Poland Sp. z o.o.** | Szosa do Lipian str. 24, Barlinek, Poland | 1 | 100% | 1.166 | 298 | Transportation services |
| TTDK Hermesvej 6 ApS** | Omfartsvejen str. 1, Padborg, Denmark | 7 | 100% | 45 | 39 | Transportation services |
| TTDK Thorsvej 10 ApS** | Omfartsvejen str. 1, Padborg, Denmark | 7 | 100% | 2 | -4 | Transportation services |

** - On 28 September 2021, the acquisition of group of companies under common control, which comprise of Agorisa Holding Limited and its Danish Thermo Transit group companies, was completed. The transaction amounted to a total of 7.76 million EUR, whose value has been determined by independent valuers. 40% of the shares of Agorisa Holding Limited were directly acquired for EUR 3.1 million, and the remaining 60% of the shares were contributed in kind by the parent company UAB Willgrow increasing authorized capital of UAB Girteka Group. Later, by the decision of the shareholders, the share capital of UAB Girteka Group was increased, which was later paid in the form of contribution in kind (with shares of Agorisa Holding Limited). Both transactions and acquisitions of other subsidiaries listed in the table above are considered as a single transaction related to an acquisition of subsidiary from the entities under common control.

The acquired group provides forwarding, transportation, vehicle and real estate rental services.

The "pooling-of-interest" method has been used to account this acquisition of group under common control in the consolidated financial statements.

2. ACCOUNTING PRINCIPLES
Basis of financial statements

The consolidated financial statements have been prepared in accordance with the Republic of Lithuania Law on Accounting, Law of consolidated financial statements and Lithuanian Financial Reporting Standards (LFRS).

These consolidated financial statements have been prepared on the historical cost basis, except for the investment property, investments held for sale and derivatives, which are evaluated at fair value.

Amounts shown in these financial statements are presented in the local currency, Euro (EUR). Due to rounding of individual amounts to whole euro the numbers in the tables might not coincide, such errors of rounding in these financial statements are insignificant.

Below there are presented main accounting principles.

The principles of consolidation

The consolidated financial statements include UAB Girteka Group, the companies that it controls and companies that are controlled jointly. The control is normally evidenced when the Group owns, either directly or indirectly, more than 50% of the voting rights of a company's share capital and/or is able to govern the financial and operating policies of an enterprise so as to benefit from its activities. The equity and net income attributable to non-controlling interest shareholders' interests are shown separately in the consolidated balance sheet and consolidated income statement respectively.

For entities acquired from companies under common control (companies under common control – companies ultimately controlled by the same party or parties both before and after the acquisition) the "pooling-of interest" method is applied while preparing consolidated financial statements. The entities balance sheets are combined at the carrying value, i.e. no fair value valuation is performed – the acquired entities assets and liabilities carrying amounts are added to the acquiree entities assets and liabilities carrying amounts. The results, assets and liabilities of the subsidiary are included in the consolidated financial statements from the date that the parent has a control, therefore comparative information until acquisition is not adjusted. In preparing the consolidated financial statements, the Group's share of the equity of subsidiaries at the acquisition date and the carrying amount of the investment in those subsidiaries are eliminated, with the difference being recognized in retained earnings.

Subsidiaries are consolidated from the date from which effective control is transferred to the Company and cease to be consolidated from the date on which control is transferred out of the Group.

Financial statements of subsidiaries are adjusted in accordance with to the Group accounting policies, if they were different.

All material intercompany transactions, balances and unrealized profits and losses are eliminated on consolidation.

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

Foreign Group companies

Income statements and cash flow statements of the foreign companies are translated into EUR using the average annual exchange rate, and their balance sheets are translated at the balance sheet date exchange rate. Exchange differences arising on translation of the net investment in foreign entities are taken to equity. Such exchange differences are recognized in the income statement when the investments are sold.

Offsetting and comparative figures

In the preparation of financial statements, assets and liabilities, income and expenses are not set-off, except cases, when separate Lithuanian financial reporting standard requires such set-off.

Non-current intangible assets (except for goodwill)

Intangible assets acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

The groups of intangible assets and their useful lives are:

| Group of intangible fixed asset | Useful lives |
|---------------------------------|--------------|
| Patent and licenses | 3 years |
| Software | 3 years |
| Other intangible assets | 3 years |

Internally generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognized, development expenditure is recognized in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Non-current tangible assets (except investment property)

Non-current tangible assets are such assets, which are under the Group's ownership and control, which are reasonably expected to generate economic benefits in future periods, which are going to be used longer than one year, which acquisition cost can be reliably measured, and which acquisition value is exceeding the minimum requirements for the assets group.

Non-current tangible assets, except land, are stated at historical cost, less accumulated depreciation and impairment losses, if any.

Land is stated at historical cost, less impairment losses.

Depreciation is computed using the straight-line method over the estimated useful lives of the related asset.

Non-current tangible assets used for longer than one year, with an acquisition value of over 500 EUR are capitalized.

Property, plant and equipment depreciation periods:

| Group of tangible fixed asset | Useful lives |
|-------------------------------|--------------|
| Buildings and construction | 20 years |
| Equipment and machinery | 3-8 years |
| Vehicles | 5-6 years |

At the end of every year the Group reviews the estimated useful life, carrying amount and depreciation method of the tangible assets and the changes in accounting estimates and judgments, if any, is recognized on a prospective basis.

Subsequent repair costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognized in profit or loss in the period in which they are incurred.

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

The costs of repairs of assets that are leased and/or used under loan-for-use agreements are distributed over the rest lease period and are recognized as expenses on a monthly basis, provide that the repairs extend the useful life of the asset.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets.

Gains and losses on disposal of property, plant and equipment are recognized in the income statement during the year of disposal.

Non-current assets held for sale

Non-current assets held for sale that are used in the Company's activity and which the Company intends to sell are accounted under current assets. When the Group makes a decision to sell a non-current asset, depreciation is not calculated and continues to be measured at the lower of carrying value or net realizable value.

Impairment of assets

At each balance sheet date, the Group reviews the carrying amounts of its property, plant and equipment, intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Net realizable value is the estimated selling price, less the estimated costs of completion and selling expenses.

The cost of inventories is based on FIFO principle and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. The cost of inventories is net of volume discounts and rebates received from suppliers during the reporting period but applicable to the inventories still held in stock.

Financial assets

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned.

Loans granted and accounts receivables

Trade accounts receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as "loans and accounts receivables".

Loans and receivables are measured at initial recognition at cost, and subsequently measured at amortized cost using the effective interest rate method less any impairment. Interest income is recognized by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in transit and cash in banks and other short-term with a maturity less than three months (from the inception of agreement) highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For financial assets carried at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPALANTORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an impairment account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Accrual and deferred amounts

Deferred expenses/income – paid/received amounts during the reporting and prior reporting periods, which are going to be equally recognized as expenses/income in the future accounting periods, when they are incurred/earned.

Accrued income/expenses – it is earned income/incurred expenses amounts during reporting and prior reporting periods, which will be received/paid in the future reporting periods.

The Group accounts for accrued income by estimating the extent to which the transportation services have been provided to customers by the end of the reporting period and for which invoices have not been issued yet. The amount of accrued income is calculated on the basis of contractual obligations for the provision of services. Accordingly, the same principle is applied to assess the accrued expenses.

Financial liabilities

Contractual obligations to pay cash or deliver other financial assets are classified as financial liabilities.

When valuing financial liabilities, the Group classifies them into the following specified categories: Financial liabilities linked to market prices and Financial liabilities not linked to market prices.

Financial liabilities linked to market prices

Financial liabilities are classified as linked to market prices if a change in their value is linked to fluctuations in the fair value of certain securities or in a market quoted rate that determines the fair value of these securities.

Financial liabilities linked to market prices are initially measured at acquisition cost, net of transaction costs and subsequently measured at fair value.

Financial liabilities not linked to market price

Financial liabilities not linked to market prices usually comprise loans and trade payables.

Financial liabilities not linked to market prices are initially measured at cost with transactions expenses recognized as expenses in the income statement. Subsequently these liabilities are measured at amortised cost using the effective interest rate method. Short term liabilities not linked to market prices are subsequently measured at cost as the recognition of interest using the effective interest rate method would be immaterial.

Borrowings

Borrowings are accounted at cost using the effective interest rate method. Borrowing costs are recognized as expenses when incurred. Loans are classified as non-current, if the financing agreement concluded prior to the approval of the financial statements proves that the liability at the balance sheet date was, by nature, non-current.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPALANTORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

The Group as lessor

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

The Group as lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation. Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

Revenue recognition

Revenue is recognized on the basis of the accrual principle of accounting, i.e. it is registered when it is earned, irrespective of when the cash is received. Revenue is measured at the fair value of the consideration received or receivable.

Cargo transportation, logistics income and other services are recognized after the services have been provided.

Revenue from the sale of vehicles is recognized when the vehicles are sold.

Rental income of commercial real estate (logistics warehouses), calculated according to the lease agreement, is recognized in the period when it is earned.

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable. Interest income is included in the result of financial and investing activities in the income statement.

Expenses recognition

Expenses are recognized on an accrual basis and revenue and expense matching principles in the reporting period when the income related to these expenses was earned, irrespective of the time the money was paid.

Foreign currencies

Transactions denominated in foreign currency other than Euro (EUR) are translated into EUR at the official Bank of Lithuania exchange rate on the date of the transaction, which approximates the prevailing market rates. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Foreign exchange gains and losses resulting from translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the income statement. Gains and losses arising on exchange are included in net profit or loss for the period.

As of 31 December applicable rates used for principal currencies were as follows:

| | 2022 | | 2021 |
|-------|--------------|-------|--------------|
| 1 USD | = 0,9376 EUR | 1 USD | = 0,8823 EUR |
| 1 RUB | = 0,0118 EUR | 1 RUB | = 0,0118 EUR |
| 1 NOK | = 0,0951 EUR | 1 NOK | = 0,1003 EUR |
| 1 PLN | = 0,2136 EUR | 1 PLN | = 0,2176 EUR |

Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from the profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. Income tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

In 2022 and 2021 the income tax rate applied to the companies in the Republic of Lithuania was 15 %. The income tax rate in 2022 and 2021 was 22 % in Denmark and Norway, in Germany - 15%, the Netherlands and Poland was 25 % and 19 % respectively.

Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences and deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPALANTORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

In Lithuania tax losses can be carried forward for an unlimited period except for the losses incurred from transfer of securities. The carrying of tax losses is terminated if the company discontinues its operations that caused these losses, except for cases where the company ceases to operate due to reasons beyond its control. The losses from disposal of securities and/or derivative financial instruments can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. Starting from 1 January 2014 tax losses carried forward can be used to reduce the taxable income earned during the reporting year by maximum 70%, calculated on the basis of income less tax-free income, allowed deductions and allowed deductions of limited amounts.

As the object of taxation in Latvia (starting from 1 January 2019) is dividends, not profit, there are no differences between the carrying amounts and tax bases of assets and liabilities which could give rise to deferred tax assets or liabilities. In the consolidated financial statements, the Group makes provision for the taxes payable on the estimated dividend to be distributed in the foreseeable future from the retained earnings of Latvian subsidiaries.

Current and deferred tax for the period

Current and deferred tax are recognized as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognized directly in equity or if they arose during the initial recognition of the business combination.

Subsequent events

Subsequent events that provide additional information about the Group's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post balance sheet events that are not adjusting events are disclosed in the notes when material.

Related parties

Related parties are defined as shareholders, employees, members of the management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Group, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

Contingencies

Contingent liabilities are not recognised in the financial statements, except for contingent liabilities associated with acquisitions. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow or economic benefits is probable.

Estimates

Lithuanian financial reporting standards require management to make certain estimates and assumptions, while preparing financial statements, that have an effect of disclosed assets, liabilities, income and expenses amounts and disclosure of contingencies. Significant areas of estimation used in these financial statements include depreciation, recoverability and classification of loans granted, estimates of accrued income, accrued expenses and impairment. Future events may change the assumptions used in the estimates. Such changes will be recorded in the financial statements when they appear.

The EU and other countries and institutions of the world are taking measures to respond to the military aggression of the Russian Federation against the Republic of Ukraine. The Group's management has assessed that these restrictive measures will not have a significant impact on the Group's ability to continue its activities, as the introduced restrictive measures do not currently have a direct negative impact on the Group.

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPALANTORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

3. TANGIBLE ASSETS

As of 31 December tangible assets consisted of the following:

| | Buildings and structures | Machinery and equipment | Vehicles | Other equipment and tools | Prepayments made and construction (production) of tangible assets in progress | Investment property | Total |
|--|--------------------------|-------------------------|----------------|---------------------------|---|---------------------|----------------|
| Acquisition cost | | | | | | | |
| As of 31 December 2021 | 13.268 | 2.972 | 863.446 | 5.034 | 364 | 15 | 885.099 |
| - acquisition cost of tangible assets from acquired entities | - | - | - | - | - | - | - |
| - additions | 2.422 | 165 | 273.502 | 4.653 | 6.634 | - | 287.376 |
| - disposals / retirements | - | (111) | (240.274) | (215) | (364) | - | (240.964) |
| - reclassifications +/- | - | - | - | - | - | - | - |
| - reclassification to other balance sheet accounts | - | - | (20.822) | - | - | - | (20.822) |
| As of 31 December 2022 | 15.690 | 3.026 | 875.852 | 9.472 | 6.634 | 15 | 910.689 |
| Revaluation | | | | | | | |
| As of 31 December 2021 | - | - | - | - | - | (1) | (1) |
| - separation, restoration of revaluated part | - | - | - | - | - | - | - |
| - net gain due to revaluation of assets | - | - | - | - | - | - | - |
| - Loss due to foreign exchange | - | - | (8.269) | - | - | - | (8.269) |
| As of 31 December 2022 | - | - | (8.269) | - | - | (1) | (8.270) |
| Depreciation | | | | | | | |
| As of 31 December 2021 | 438 | 1.702 | 294.459 | 3.245 | - | - | 299.844 |
| - Accumulated depreciation of tangible assets from acquired entities | - | - | - | - | - | - | - |
| - depreciation | 344 | 480 | 165.335 | 1.144 | - | - | 167.303 |
| - disposals / retirements | - | (2) | (161.502) | (213) | - | - | (161.717) |
| - reclassifications +/- | - | - | - | - | - | - | - |
| - reclassification to other balance sheet accounts | - | - | (18.186) | - | - | - | (18.186) |
| As of 31 December 2022 | 782 | 2.180 | 280.106 | 4.176 | - | - | 287.244 |
| Carrying amount | | | | | | | |
| As of 31 December 2021 | 12.830 | 1.270 | 568.987 | 1.789 | 364 | 14 | 585.254 |
| As of 31 December 2022 | 14.908 | 846 | 587.477 | 5.296 | 6.634 | 14 | 615.175 |

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPALANTORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

As of 31 December the carrying amount of tangible assets purchased under finance lease was as follows (Note 11):

| | 2022 | 2021 |
|---------------------------|----------------|----------------|
| Vehicles and equipment | 310.923 | 463.152 |
| Other equipment and tools | - | 37 |
| Total | 310.923 | 463.188 |

As of 31 December the acquisition cost of fully depreciated tangible assets that are still in use consisted of the following:

| | 2022 | 2021 |
|---|---------------|--------------|
| Vehicles – trucks and semi-trailers | 15.166 | 6.999 |
| Other equipment and tools | 771 | 1.145 |
| Machinery and Equipment, other equipment and other assets | 1.100 | 419 |
| Total | 17.037 | 8.563 |

The depreciation expenses of tangible assets for the year ended 31 December 2022 were 167.303 thousand EUR (31 December 2021 were 143.754 thousand EUR). In 2022 in the income statement of the Group, the depreciation of 166.069 thousand EUR was included in the costs of sale statement (2021: 142.785 thousand EUR). The amount of 1.234 thousand EUR was included in the Group's general and administrative expenses of the income statement (2021: 969 thousand EUR).

4. OTHER ASSETS

As of 31 December other assets consisted of the following:

| | 2022 | 2021 |
|---|-------------|--------------|
| Advances paid for long term tangible assets | - | 1.338 |
| Total | - | 1.338 |

5. NON-CURRENT ASSETS HELD FOR SALE

As of 31 December non-current assets held for sale consisted of the following:

| | 2022 | 2021 |
|--------------|---------------|---------------|
| Vehicles | 23.326 | 10.555 |
| Total | 23.326 | 10.555 |

6. TRADE RECEIVABLES

As of 31 December trade receivables consisted of the following:

| | 2022 | 2021 |
|---------------------------------------|----------------|----------------|
| Trade receivables | 241.386 | 226.444 |
| Less: impairment of trade receivables | (1.660) | (1.649) |
| Total | 239.726 | 224.795 |

The movement of allowances of doubtful trade receivables were as follows:

| | 2022 | 2021 |
|--|----------------|----------------|
| 1 January | (1.649) | - |
| Doubtful debts taken over | - | (1.933) |
| Impairment | (241) | 282 |
| Paid or written-off doubtful trade receivables | 230 | 2 |
| 31 December | (1.660) | (1.649) |

The change of impairment allowance for doubtful trade receivable was accounted for as operating expenses (Note 17).

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPALANTORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

7. OTHER AMOUNTS RECEIVABLE

As of 31 December other receivables consisted of the following:

| | 2022 | 2021 |
|---------------------------------------|---------------|---------------|
| VAT receivable | 37.548 | 34.402 |
| VAT receivable from foreign countries | 24.513 | 27.313 |
| Short term loans | 100 | 100 |
| Advance income tax paid | 1.502 | 4.280 |
| Other amounts receivables | 8.356 | 1.250 |
| Total | 72.019 | 67.345 |

8. CASH AND CASH EQUIVALENTS

As of 31 December 2022 and 2021 the Group's cash and cash equivalents consisted of cash at bank and cash on hand.

As of 31 December 2022 the cash and cash equivalents in the current accounts of the Group's companies were used as a collateral to the banks for the long and short term (Note 12) loans granted to the Group, however there were no restrictions of the usage of the money.

9. DEFERRED EXPENSES AND ACCRUED INCOME

For the year ended 31 December 2022 and 2021 deferred expenses and accrued income consisted of the following:

| | 2022 | 2021 |
|-----------------------------|---------------|---------------|
| Accrued income | 24.990 | 18.882 |
| Deferred insurance expenses | 7.720 | 6.394 |
| Other deferred expenses | 2.581 | 6.301 |
| Total | 35.291 | 31.577 |

10. AUTHORIZED (SUBSCRIBED) CAPITAL AND LEGAL RESERVES
Authorized (subscribed) capital and share premium accounts

As at 31 December 2022 the authorized capital of the Company consisted of 93.556.000 EUR (as of 31 December 2021: 93.556.000 EUR) ordinary registered shares with a par value of EUR 1 each.

During 2021 UAB Girteka Group and its sole shareholder UAB Willgrow made structural changes in the Group by forming subholding companies and made acquisitions / sales of companies.

On 18 February 2021 by the decision of the shareholder, it was decided to increase the share capital of the Company by issuing 13.204.436 ordinary shares, each with a nominal value and issue price of EUR 1, by paying for this issue contribution in kind. A share agreement was concluded with this resolution adopted by the shareholders and the price of the shares amounted to 13.204.436 EUR. In this amount, the value of the Company's shares amounted to EUR 13.204.436.

On 23 June 2021 by the decision of the shareholder, it was decided to increase the share capital of the Company by issuing 75.693.064 ordinary shares with a nominal value of EUR 1 each and an issue price of EUR 10 per share, by paying for this issue netting-off with payable amounts. A share agreement was concluded with this resolution adopted by the shareholders and the price of the shares amounted to 756.930.640 EUR. In this amount, the value of the Company's shares amounted to 75.693.064 EUR and the share premium amounted to 681.237.576 EUR.

On 23 September 2021 by the decision of the shareholder, it was decided to increase the share capital of the Company by issuing 4.656.000 ordinary shares, each with a nominal value and issue price of EUR 1, by paying for this issue contribution in kind. A share agreement was concluded with this resolution passed by the shareholders and the price of the shares amounted to 4.656.000 EUR. In this amount, the value of the Company's shares amounted to 4.656.000 EUR.

During the year of 2022, there were no acquisitions made or subsidiaries acquired in the form of contributions in kind (In 2021 - 727,7 million EUR). Subsidiaries and their information are disclosed in Note 1 to these financial statements.

The authorized (subscribed) capital and share premium were paid by asset contribution in kind to the acquired subsidiaries or netted-off with payable amounts for acquired subsidiaries, the value of which was determined by independent valuers.

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

Legal reserve

The legal reserve is a obligatory reserve under Lithuanian legislation. Annual contributions of 5% of the net profit are required until the legal reserve reaches 10% of the statutory capital. The appropriation is restricted to the reduction of the accumulated deficit.

As of 31 December 2022 the legal reserve of 1.451.128 EUR was formed. As of 31 December 2021 it has not been formed.

Other reserve

Other reserves are formed based on decision from annual shareholders decision regarding profit distribution and reserves are provided in the articles of the Company. These reserves might only be used for the objectives set by shareholders meeting. Other reserves are not formed.

11. DEBT OBLIGATIONS

As of 31 December debt obligations consisted of the following:

| | 2022 | | 2021 | |
|---|------------------------|---|------------------------|---|
| | Minimum lease payments | Present value of minimum lease payments | Minimum lease payments | Present value of minimum lease payments |
| Within one year | 108.336 | 100.376 | 171.668 | 166.073 |
| In the second to fifth years inclusive | 173.469 | 166.012 | 258.242 | 251.506 |
| Minimum lease payments | 281.805 | 266.388 | 429.910 | 417.579 |
| Less: interest | (15.412) | - | (12.331) | - |
| Present value of obligations under finance lease | 266.393 | 266.388 | 417.579 | 417.579 |

The currency of lease agreements is euro.

Tangible assets acquired under financial lease consisted of vehicles and equipment (Note 3).

As of 31 December 2022, the Group signed lease contracts, which were subject to variable interest rates, that ranged from 1,04% to 2,25% (2021: 1,18% to 2,25%).

12. BORROWINGS FROM CREDIT INSTITUTIONS

As of 31 December loans consisted of the following:

| | 2022 | 2021 |
|--|----------------|---------------|
| Within one year | 2.362 | 678 |
| In the second to fifth years inclusive | 178.601 | 6.969 |
| After five years and more | - | - |
| Total | 180.963 | 7.647 |
| Short term borrowings from credit institutions | 54.885 | 80.458 |
| Total borrowings from credit institutions | 235.848 | 88.105 |

The interest rate for the financial liabilities fluctuated from 0,4% to 1,65% during 2022 (2021: 0,4% to 3,5%). Loans were received in euro, Danish and Norwegians Kronas.

Cash and cash equivalents (Note 8) were used as a collateral to ensure repayment of the loans.

There are set certain covenants for the Group loans, which have been complied with as of 31 December of 2022 and 2021.

As of 31 December 2022 short-term loans consisted of credit lines, overdrafts and short-term credits granted by commercial banks or other third parties, with a maturity of no longer than one year. Credit lines and overdrafts currency – euro, Danish and Norwegians Kronas. Interest rates - variable and ranged from 1,2% to 1,55% (2021 - 0,4% to 1,7%). Short-term loans were secured by tangible assets (Note 3) and bank accounts (Note 8).

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

13. OTHER AMOUNTS PAYABLE, CURRENT AND NON-CURRENT OTHER LIABILITIES

As of 31 December other current liabilities consisted of the following:

| | 2022 | 2021 |
|---|---------------|---------------|
| Liabilities related to employment relations | 6.836 | 9.664 |
| VAT payable | 11.156 | 8.804 |
| Other amounts payable | 479 | 456 |
| Total | 18.471 | 18.924 |

14. ACCRUED EXPENSES AND DEFERRED INCOME

As of 31 December accrued expenses and deferred income consisted of the following:

| | 2022 | 2021 |
|------------------|---------------|---------------|
| Deferred income | 7.733 | 7.802 |
| Accrued expenses | 17.092 | 17.663 |
| Total | 24.825 | 25.465 |

15. SALES

The annual revenue comprised from the following:

| | 2022 | 2021 |
|---|------------------|-----------|
| Transportation services | 1.682.998 | 1.267.577 |
| Revenue from sales of trucks and trailers | 203.980 | 139.171 |
| Revenues from warehousing | 35.870 | 24.073 |
| Other revenues | 8.690 | 6.609 |
| 1.931.538 | 1.437.430 | |

16. COST OF SALES

The Group's annual cost of sales comprise from:

| | 2022 | 2021 |
|-------------------------|------------------|---------|
| Fuel | 388.737 | 253.879 |
| Expedition services | 281.126 | 223.609 |
| Payroll costs | 252.440 | 151.158 |
| Road and tunnel charges | 148.429 | 150.193 |
| Other cost of sales | 521.207 | 494.700 |
| 1.591.939 | 1.273.539 | |

Depreciation expenses of tangible assets in the amount of 166.069 thousand EUR were included in the costs of sales in the income statement (2021 - 142.785 thousand EUR).

17. GENERAL AND ADMINISTRATIVE EXPENSES

For the year ended 31 December operating expenses consisted of the following:

| | 2022 | 2021 |
|---|----------------|----------------|
| Depreciation and amortization expenses | 1.234 | 865 |
| Salaries and social security taxes | 114.823 | 76.820 |
| Rent of assets and maintenance expenses | 11.426 | 5.900 |
| Allowance of trade receivables | 448 | 141 |
| Audit expenses of financial statements | 245 | 111 |
| Other | 27.117 | 16.450 |
| Total | 155.293 | 100.287 |

The Group's salary and related tax expenses amounted to 367.048 thousand EUR in 2022 (2021: 227.978 thousand EUR).

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

18. RESULTS FROM OTHER ACTIVITY

For the year ended 31 December other net income (expenses) consisted of the following:

| | 2022 | 2021 |
|--|----------------|---------------|
| Net claims income | (2.704) | 5.416 |
| Net proceeds from sale of non-current assets | 47 | 44 |
| Net income of fines | 2.173 | 3.218 |
| Other net losses* | (928) | 12.671 |
| Total | (1.412) | 21.349 |

* - Other net losses comprise from real estate costs, losses from sale of secondary materials on other activity expenses.

19. INTEREST AND OTHER SIMILAR ACTIVITY NET INCOME (EXPENSES)

For the year ended 31 December financial and investing activity net income (expenses) consisted of the following:

| | 2022 | 2021 |
|--|-----------------|-----------------|
| <i>Net interest and other similar activity income</i> | | |
| Interest income | 1.244 | 1.066 |
| Income from currency exchange | - | 3.938 |
| Total | 1.244 | 5.004 |
| <i>Net interest and other similar activity (expenses)</i> | | |
| Interest expenses | (9.727) | (8.416) |
| (Losses) from currency exchange | (6.277) | (2.631) |
| Loss from the change in the fair value of investments | (86) | (10) |
| Total | (16.090) | (11.057) |
| Net income (expenses) from financing and investing activity | (14.846) | (6.053) |

20. INCOME TAX

| | 2022 | 2021 |
|---|----------------|---------------|
| Profit before tax | 166.503 | 77.900 |
| Current income tax calculated according to the current tax rate | 24.975 | 11.685 |
| Tax effect of non-taxable income and non-deductible expense | (1.922) | (823) |
| Income tax (income) expenses | 23 053 | 10.862 |
| Income tax for current year | 28 194 | - |
| Adjustments to income tax related to previous years | (942) | - |
| Deferred tax expenses, related with sold entities | - | 8.726 |
| Deferred tax expenses (income) | (4 199) | 2.136 |
| Income tax expenses | 23 053 | 10.862 |

For the year ended 31 December deferred tax asset (liability) consisted of the following:

| | 2022 | 2021 |
|---|--------------|--------------|
| Deferred tax asset | | |
| Deferred income | 9 | 9 |
| Impairment of trade receivables | 214 | 219 |
| Tax losses carried forward | 21 | 53 |
| Differences of tangible assets depreciation | 3.305 | 1.616 |
| Social security tax from vacation reserve | - | 24 |
| Other | 1.372 | 1.487 |
| Total | 4.921 | 3.408 |
| Less: valuation allowance | - | - |
| Total deferred tax asset | 4.921 | 3.408 |

UAB Girteka Group

Company's code 304869444, Laisvės ave. 36, Vilnius, Lithuania

EXPLANATORY NOTES FOR THE YEAR, ENDED 31 DECEMBER 2022

(all amounts are in thousand euros, unless otherwise stated)

Deferred tax liability

| | | |
|---|----------------|-----------------|
| Differences of tangible assets depreciation | (8.548) | (11.285) |
| Other | (185) | (194) |
| Total | (8.733) | (11.479) |

21. RELATED PARTY TRANSACTIONS

The table below reflects transactions with related parties during the year ended 31 December:

| | 2022 | 2021 | Prepayments/Trade receivables/Loans granted | Trade payables/Loans |
|---------------------------|----------------|---------------|---|----------------------|
| Shareholders of the Group | - | - | - | - |
| Other related parties | 2.651 | 728 | 121.940 | 40.729 |
| | 2.651 | 728 | 121.940 | 40.729 |
| Shareholders of the Group | - | - | - | - |
| Other related parties | 106.741 | 49.335 | 45.935 | 26.803 |
| | 106.741 | 49.335 | 45.935 | 26.803 |

As of 31 December 2022 and 2021 the amounts receivable from related parties were not impaired. The information in this note does not include the results of acquisitions disclosed in Note 10.

22. CONTINGENCIES AND COMMITMENTS

As of 31 December 2022 irrevocable future obligations under the rental agreements were 1.276 thousand EUR (31 December 2021: 1.641 thousand EUR).

As of 31 December 2022, there were granted guarantees for the related parties by the Group in the amount of 54.260 thousand EUR (31 December 2021: 119.034 thousand EUR).

As of 31 December 2022 Group companies did not participate in any legal proceedings, which in the management opinion, may have a material impact on the consolidated financial statements.

23. SUBSEQUENT EVENTS

On 15 November 2022 UAB Girteka Group started merger procedures with Agorisa Limited (Cyprus) (hereinafter – "Agorisa"). After this merger, starting 13 March 2023, Agorisa merged to Girteka Group UAB. Agorisa after the merger ceased its activities and to end to exist. UAB Girteka Group took over all assets, rights and obligations of Agorisa.

No other significant subsequent events have been identified.

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Girteka