

**Integre Trans, UAB**

Independent auditor's report,  
Consolidated annual report and  
Consolidated financial statements for the year  
ended 31 December 2020

## INDEPENDENT AUDITOR'S REPORT

To the shareholder of Integre Trans, UAB Group:

### Opinion

We have audited the consolidated financial statements of Integre Trans, UAB and its subsidiaries (hereafter – „the Group”), which comprise the consolidated balance sheet as at 31 December 2020, and the consolidated income statement, consolidated statement of changes in equity and consolidated statements 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 2020 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Business Accounting 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 Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

The other information comprises the information included in the Group's annual report, but does not include 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, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the 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.

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

- The information given in the Group's annual management report for the financial year for which the consolidated financial statements are prepared is consistent with the consolidated financial statements; and
- The Group's annual management report has been prepared in accordance with the requirements of the Law on Consolidated Financial Reporting by Groups of 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 Business Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of the 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 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.

Auditor Romanas Skrebnevskis  
Auditor's Certificate No. 000471

ROSK Consulting UAB  
Company's audit certificate No. 001407

Vilnius, Lithuania  
21 July 2021

A handwritten signature in blue ink, likely belonging to Romanas Skrebnevskis, the auditor. The signature is stylized and written over the company's audit certificate number.



**Limited Liability company „Integre Trans“**

Company code 301888546, Sporto str. 18, Vilnius,

Data on a legal entity are collected and stored in the Register of Legal Entities of the Republic of Lithuania  
Consolidated annual report

The consolidated annual report of the Integre Trans UAB Group has been prepared in accordance with the Law on Companies of the Republic of Lithuania and the Law on Financial Reporting of the Republic of Lithuania. The annual report provides an overview of the company's activities during the financial year 2020, the company's business plans and forecasts, and other information required by applicable law.

**Objective condition of the company, overview of performance and development, description of the main types of risks and uncertainties faced by the company**

The parent company Integre Trans UAB (hereinafter - the Company) was registered on 29 September 2008 in Vilnius. Company code is 301888546. The Company's registered office is at Sporto str. 18, Vilnius. The authorized capital of the Company is 1 000 018 divided into 34 531 ordinary registered shares. The nominal value of one share is EUR 28.96. The Company's shares are intangible. As of 31 December 2020, one Lithuanian natural person was a shareholder.

The main activity of the Group is the provision of cargo transportation and forwarding services by road.

The financial year of the Group of companies starts on 1 January and ends on 31 December.

On 31 December 2020 The Group consisted of the Company and its subsidiaries (hereinafter - the "Group"):

- Integre Trans GmbH, company code 736721, address Einsteinstraße 59 89077 Ulm, Germany, 100% owned;
- Sarl Integre Trans France, company code 840379853, address 10 Boulevard Georges Marie Guynemer 78210 Saint-Cyr-L'Ecole, France, 100% owned;
- Integre Trans Polska Spółka z ograniczoną odpowiedzialnością, company code 0000777768, address ul. Stawki 2A/1 00-193 Warsaw, Poland, 100% owned;
- Integre Logistics Sarl, company code 881690275, address 10 boulevard Georges Marie Guynemer, 78210 Saint-Cyr-L'Ecole, France. 100% owned;

On 31 December 2019 The Group consisted of the Company and its subsidiaries (the "Group"):

- Integre Trans GmbH, company code 736721, address Einsteinstraße 59 89077 Ulm, Germany, 100% owned;
- Sarl Integre Trans France, company code 840379853, address 10 Boulevard Georges Marie Guynemer 78210 Saint-Cyr-L'Ecole, France, 100% owned;
- Integre Trans Polska Spółka z ograniczoną odpowiedzialnością, company code 0000777768, address ul. Stawki 2A/1 00-193 Warsaw, Poland, 100% owned;

The Group is consistently pursuing expansion plans in other markets. Much attention is paid to the development of transportation services in Europe.

During 2020 no subsidiaries were acquired (in 2019 - no subsidiaries were acquired).

The Group's management plans to continue to work profitably. Current expenses were reviewed, cash flows were strictly controlled, and incurred expenses were controlled.

**Analysis of financial and non-financial performance, information related to environmental and personnel matters**

In 2020 the Group received 75 170 thousand EUR operating income. Cost of sales in 2020 amounted to 66 452 thousand EUR. Gross profit in 2020 was equal to 8 719 thousand EUR.

In 2019 the Group received 60 678 thousand EUR operating income. Cost of sales in 2019 amounted to 54 212 thousand EUR. Gross profit in 2019 was equal to 6 466 thousand EUR.

In 2020 the average number of employees in the Group was 598, in 2018 - 324.

The amount of salary costs directly depends on the applicable laws and Government resolutions, but the main factor influencing the number of wages is sales results, quality of work, responsibility, complexity of work performed. At the initiative of the Board and the Administration, the remuneration criteria are regularly reviewed. In 2020 salaries increased.

**References and additional explanations on the data presented in the consolidated financial statements**

The information presented in the consolidated financial statements is explained in the notes to the consolidated financial statements.

**Limited Liability company „Integre Trans“**  
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Consolidated annual report

**The number of all treasury shares acquired and held by the Group and their nominal value and the share of the authorized capital that those shares comprise**

The group as at 31 December 2020 has not acquired and transferred its own shares.

**Information about the Group's branches and representative offices**

The Group had no branches.

**Significant events since the end of the previous financial year**

Until 31 May 2021 the Group has acquired 100 trucks with an acquisition value of EUR 7 149 450.

**Information on research and development activities of the group of companies**

In 2020 the Group did not carry out any research activities.

**When a group of companies uses financial instruments and this is relevant to the assessment of the group's assets, equity, liabilities, financial position and performance, financial risk management objectives, hedging instruments used for hedge accounting and group price risk, credit risk, the extent of liquidity risk and cash flow risk**

Most of 2021 purchases will be leased at a fixed interest rate, thus hedging against contingent interest rate risk.

**Information on other current management positions of the head of the public limited company and the private limited company, members of the board, members of the supervisory board (legal form, name, code, registered office (address)) of the management body or the supervisory body) and, in the main, information on their principal place of business, position, legal form, name, code, registered office (address).**

Žana Kel - Chairman of the Board and General Director of Integre Trans UAB, company code 301888546, registered office: Sporto str. 18, Vilnius.

\_\_\_\_\_  
Žana Kel  
Director

Vilnius, Lithuania  
31 May, 2021

UAB Integre Trans, company code 301888546

(the legal form, the name, the code of the parent entity)

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(address, register where data about the entity is collected and kept)

(legal status, if the parent entity is in liquidation, reorganization or is bankrupt)


 Approved )

## CONSOLIDATED BALANCE SHEET as at December 31, 2020

31/05/2021

No. \_\_\_\_\_

(reporting date)

2020

(reporting period)

EUR

(Reporting currency, specify degree of accuracy)


Article No.	Article	Notes No.	Reporting period	Previous reporting period
	<b>ASSETS</b>			
<b>A.</b>	<b>FIXED ASSETS</b>		<b>17 154 766</b>	<b>12 462 583</b>
1.	INTANGIBLE ASSETS	1	286 214	183 557
1.1.	Assets arising from development		-	-
1.2.	Goodwill		12 089	2 683
1.3.	Software		269 086	173 632
1.4.	Concessions, patents, licences, trade marks and similar rights		-	-
1.5.	Other intangible assets		5 039	7 242
1.6.	Advance payments		-	-
2.	TANGIBLE ASSETS	2	15 676 014	11 265 626
2.1.	Land		13 000	13 000
2.2.	Buildings and structures		-	-
2.3.	Machinery and plant		-	-
2.4.	Vehicles		15 509 329	11 098 155
2.5.	Other equipment, fittings and tools		153 685	154 471
2.6.	Investment property		-	-
2.6.1.	Land		-	-
2.6.2.	Buildings		-	-
2.7.	Advance payments and tangible assets under construction (production)		-	-
3.	FINANCIAL ASSETS		3 852	5 550
3.1.	Shares in entities of the entities group		-	-
3.2.	Loans to entities of the entities group		-	-
3.3.	Amounts receivable from entities of the entities group		-	-
3.4.	Shares in associated entities		-	-
3.5.	Loans to associated entities		-	-
3.6.	Amounts receivable from the associated entities		-	-
3.7.	Long-term investments		-	-
3.8.	Amounts receivable after one year		-	-
3.9.	Other financial assets		3 852	5 550
4.	OTHER FIXED ASSETS		1 188 686	1 007 850
4.1.	Assets of the deferred tax on profit	17	207 729	101 277
4.2.	Biological assets		-	-
4.3.	Other assets	3	980 957	906 573
<b>B.</b>	<b>CURRENT ASSETS</b>		<b>11 504 905</b>	<b>9 926 163</b>
1.	STOCKS	4	1 129 200	671 094
1.1.	Raw materials, materials or consumables		491 956	370 446
1.2.	Production and work in progress		-	-
1.3.	Finished goods		-	-
1.4.	Goods for resale		85 490	19 040
1.5.	Biological assets		-	-
1.6.	Fixed tangible assets held for sale		-	-
1.7.	Advance payments		551 754	281 608
2.	AMOUNTS RECEIVABLE WITHIN ONE YEAR	5	9 478 821	8 877 239
2.1.	Trade debtors		6 546 467	6 250 513
2.2.	Amounts owed by entities of the entities group		-	-



2.3.	Amounts owed by associates entities		-	-
2.4.	Other debtors		2 932 354	2 626 726
3.	SHORT-TERM INVESTMENTS		-	-
3.1.	Shares in entities of the entities group		-	-
3.2.	Other investments		-	-
4.	CASH AND CASH EQUIVALENTS	6	896 884	377 830
C.	PREPAYMENTS AND ACCRUED INCOME	7	3 699 173	1 632 969
	<b>TOTAL ASSETS</b>		<b>32 358 844</b>	<b>24 021 715</b>
	<b>EQUITY AND LIABILITIES</b>			
D.	<b>EQUITY</b>		<b>5 800 922</b>	<b>4 112 496</b>
1.	<b>CAPITAL</b>		<b>1 000 018</b>	<b>1 000 018</b>
1.1.	Authorised (subscribed) or primary capital	8	1 000 018	1 000 018
1.2.	Subscribed capital unpaid (-)		-	-
1.3.	Own shares (-)		-	-
2.	<b>SHARE PREMIUM ACCOUNT</b>		-	-
3.	<b>REVALUATION RESERVE</b>		-	-
4.	<b>RESERVES</b>		<b>100 002</b>	<b>100 002</b>
4.1.	Compulsory reserve		100 002	100 002
4.2.	Reserve for acquiring own shares		-	-
4.3.	Other reserves		-	-
5.	<b>RETAINED PROFIT (LOSS)</b>		<b>4 699 931</b>	<b>3 012 289</b>
5.1.	Profit (loss) for the reporting year		1 687 642	1 367 934
5.2.	Profit (loss) brought forward		3 012 289	1 644 355
6.	<b>ADJUSTMENTS DUE TO EXCHANGE RATE CHANGE</b>		<b>971</b>	<b>187</b>
7.	<b>MINORITY INTEREST</b>		-	-
E.	<b>GRANTS, SUBSIDIES</b>		<b>26 245</b>	<b>26 245</b>
F.	<b>PROVISIONS</b>		<b>2 119</b>	<b>2 901</b>
1.	Provisions for pensions and similar obligations		-	-
2.	Provisions for taxation		2 119	2 901
3.	Other provisions		-	-
G.	<b>AMOUNTS PAYABLE AND OTHER LIABILITIES</b>		<b>25 889 751</b>	<b>19 081 515</b>
1.	<b>AMOUNTS PAYABLE AFTER ONE YEAR AND OTHER LONG-TERM LIABILITIES</b>	9	<b>12 144 753</b>	<b>7 092 597</b>
1.1.	Debenture loans		9 695 413	6 455 939
1.2.	Amounts owed to credit institutions		2 445 455	622 738
1.3.	Payments received on account		3 885	13 920
1.4.	Trade creditors		-	-
1.5.	Amounts payable under the bills and checks		-	-
1.6.	Amounts payable to the entities of the entities group		-	-
1.7.	Amounts payable to the associated entities		-	-
1.8.	Other amounts payable and long-term liabilities		-	-
2.	<b>AMOUNTS PAYABLE WITHIN ONE YEAR AND OTHER SHORT-TERM LIABILITIES</b>	10	<b>13 744 998</b>	<b>11 988 918</b>
2.1.	Debenture loans		3 841 519	1 694 345
2.2.	Amounts owed to credit institutions		1 585 239	1 815 721
2.3.	Payments received on account		77 069	55 213
2.4.	Trade creditors		6 499 467	7 350 326
2.5.	Amounts payable under the bills and checks		-	-
2.6.	Amounts payable to the entities of the entities group		-	-
2.7.	Amounts payable to the associated entities		-	-
2.8.	Liabilities of tax on profit		8 943	3 558
2.9.	Liabilities related to employment relations		1 282 152	703 707
2.10.	Other amounts payable and short-term liabilities		450 609	366 048
H.	<b>ACCRUALS AND DEFERRED INCOME</b>	11	<b>639 807</b>	<b>798 558</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>32 358 844</b>	<b>24 021 715</b>

\_\_\_\_\_  
Director  
(title of the head of entity administration)

\_\_\_\_\_  
Financial analyst  
(title of the chief accountant (accountant) or  
of other person responsible for accounting)

  
(signature)

\_\_\_\_\_  
Zana Kel  
(name, surname)

\_\_\_\_\_  
Gabriele Kubrakovaite  
(name, surname)



UAB Integre Trans, company code 301888546

(the legal form, the name, the code of the parent entity)

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(Approved )

## CONSOLIDATED PROFIT AND LOSS ACCOUNT as at December 31, 2020

31/05/2021

No. \_\_\_\_\_

(reporting date)

2020

(reporting period)

EUR

(Reporting currency, specify degree of accuracy)

Article No.	Article	Notes No.	Reporting period	Previous reporting period
1.	Net turnover	12	75 170 132	60 677 533
2.	Cost of sales	13	(66 451 627)	(54 212 006)
3.	Fair value adjustments of the biological assets		-	-
4.	GROSS PROFIT (LOSS)		8 718 505	6 465 527
5.	Selling expenses	14	(3 138 834)	(2 153 720)
6.	General and administrative expenses	14	(2 939 813)	(2 252 300)
7.	Other operating results	15	324 751	118 232
8.	Income from investments to the shares of parent, subsidiaries and associated entities		-	-
9.	Income from other long-term investments and loans		-	-
10.	Other interest and similar income	16	34 223	28 404
11.	The impairment of the financial assets and short-term investments		-	-
12.	Interest and other similar expenses	16	(1 202 328)	(738 554)
13.	PROFIT (LOSS) BEFORE TAXATION		1 796 504	1 467 589
14.	Tax on profit	17	(108 862)	(99 655)
15.	PROFIT (LOSS) BEFORE MINORITY INTEREST		1 687 642	1 367 934
16.	MINORITY INTEREST		-	-
17.	NET PROFIT (LOSS)		1 687 642	1 367 934

Director

(title of the head of entity administration)

Financial analyst

(title of the chief accountant (accountant) or of other person responsible for accounting)


  
(signature)

Zana Kel

(name, surname)

Gabriele Kubrakovaite

(name, surname)

[illegible]

[illegible]



	Paid up authorised capital	Share premium account	Own shares (-)	Revaluation reserve		Legal reserve		Other reserve	Retained profit (loss)	Adjustments due to exchange rate change	Minority interest	Total
				Fixed tangible assets	Financial assets	Compulsory reserve	Reserve for acquiring own shares					
25. Other payments	-	-	-	-	-	-	-	-	-	-	-	-
26. Formed reserves	-	-	-	-	-	-	-	-	-	-	-	-
27. Used reserves	-	-	-	-	-	-	-	-	-	-	-	-
28. Increase (decrease) of authorised capital	-	-	-	-	-	-	-	-	-	-	-	-
29. Contributions to cover losses	-	-	-	-	-	-	-	-	-	-	-	-
30. Exchange rate change on	-	-	-	-	-	-	-	-	-	784	-	784
31. Increase (decrease) of minority interest	-	-	-	-	-	-	-	-	-	-	-	-
<b>32. Balance at the end of the reporting period</b>	<b>1 000 018</b>	-	-	-	-	-	-	<b>100 002</b>	<b>4 699 931</b>	<b>971</b>	-	<b>5 800 922</b>

Director

(title of the head of entity administration)

Žana Kel

(name, surname)

Financial analyst

(title of the chief accountant (accountant) or of other person responsible for accounting)

Gabrielė Kubrakovaitė

(name, surname)

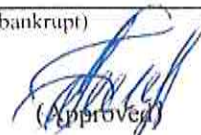
**UAB Integre Trans, company code 301888546**

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(Approved)
**CONSOLIDATED CASH FLOW STATEMENT as at December 31, 2020**

31/05/2021

No. \_\_\_\_\_

(reporting date)

2020

(reporting period)

EUR

(Reporting currency, specify degree of accuracy)

Article No.	Article	Notes No.	Reporting period	Previous reporting period
<b>1.</b>	<b>Cash flows from operating activities</b>			
1.1.	Net profit (loss)		1 687 642	1 367 934
1.2.	Minority interest		-	-
1.3.	Depreciation and amortisation expenses		3 147 053	1 857 059
1.4.	Elimination of results of disposals of fixed tangible and intangible assets		- 156 655	- 3 271
1.5.	Elimination of results of financing and investing activities		1 115 311	704 617
1.6.	Elimination of results of other non-cash transactions		-	26 244
1.7.	Decrease (increase) in amounts receivable from entities of the entities group and the associated entities		-	-
1.8.	Decrease (increase) in other amounts receivable after one year		1 698	- 572
1.9.	Decrease (increase) in assets of the deferred tax on profit		- 106 452	- 69 267
1.10.	Decrease (increase) in stocks, except advance payments		- 187 960	- 221 342
1.11.	Decrease (increase) in advance payments		- 270 146	373 572
1.12.	Decrease (increase) in trade debtors		- 295 954	- 676 282
1.13.	Decrease (increase) in amounts owed by entities of the entities group and associated entities		-	-
1.14.	Decrease (increase) in other debtors		- 305 628	-1 089 849
1.15.	Decrease (increase) in short-term investments		-	-
1.16.	Decrease (increase) in prepayments and accrued income		-2 066 204	450 276
1.17.	Increase (decrease) in provisions		-	-
1.18.	Increase (decrease) in trade of long-term creditors and prepayments received on account		-	-
1.19.	Increase (decrease) in amounts payable under the bills and checks after one year		-	-
1.20.	Increase (decrease) in long-term amounts payable for entities of the entities group and associated entities		-	-
1.21.	Increase (decrease) in trade with short-term creditors and prepayments received on account		- 829 003	843 801
1.22.	Increase (decrease) in amounts payable under the bills and		-	-
1.23.	Increase (decrease) in short-term amounts payable for entities of the entities group and associated entities		220	- 220
1.24.	Increase (decrease) in liabilities of tax on profit		5 385	3 558
1.25.	Increase (decrease) in liabilities related to employment relations		578 445	326 164
1.26.	Increase (decrease) in other amounts payable and liabilities		84 561	197 803

Article No.	Article	Notes No.	Reporting period	Previous reporting period
1.27.	Increase (decrease) in accruals and deferred income		- 158 751	184 820
	<b>Net cash flows from operating activities</b>		<b>2 243 562</b>	<b>-4 275 045</b>
<b>2.</b>	<b>Cash flows from investing activities</b>			
2.1.	Acquisition of fixed assets (excluding investments)		- 636 263	-1 209 562
2.2.	Disposal of fixed assets (excluding investments)		529 980	91 000
2.3.	Acquisition of long-term investments (excluding investments in subsidiaries)		-	-
2.4.	Disposal of long-term investments (excluding investments in subsidiaries)		-	-
2.5.	Acquisition of investments in subsidiaries		-	-
2.6.	Disposal of investments in subsidiaries		-	-
2.7.	Loans granted		-	-
2.8.	Loans recovered		-	-
2.9.	Dividends and interest received		35 879	31 690
2.10.	Other increases in cash flows from investing activities		-	-
2.11.	Other decreases in cash flows from investing activities		- 74 384	- 855 128
	<b>Net cash flows from investing activities</b>		<b>- 144 788</b>	<b>-1 942 000</b>
<b>3.</b>	<b>Cash flows from financing activities</b>			
3.1.	Cash flows related to entity's owners		-	-
3.1.1.	Issue of shares		-	-
3.1.2.	Owner's contributions to cover losses		-	-
3.1.3.	Purchase of own shares		-	-
3.1.4.	Dividends paid		-	-
3.2.	Cash flows related to other financing sources		-1 581 374	-2 083 919
3.2.1.	Increase in financial debts		3 615 031	2 072 495
3.2.1.1.	Loans received		3 615 031	2 072 495
3.2.1.2.	Issue of bonds		-	-
3.2.2.	Decrease in financial debts		-5 491 944	-3 972 620
3.2.2.1.	Loans returned		-1 394 271	- 698 371
3.2.2.2.	Redemption of bonds		-	-
3.2.2.3.	Interest paid		-1 196 195	- 654 907
3.2.2.4.	Finance leases payments		-2 901 478	-2 619 342
3.2.3.	Increase in other liabilities of the entity		-	-
3.2.4.	Decrease in other liabilities of the entity		-	-
3.2.5.	Other increases in cash flows from financing activities		-	-
3.2.6.	Other decreases in cash flows from financing activities		295 539	- 183 794
	<b>Net cash flows from financing activities</b>		<b>-1 581 374</b>	<b>-2 083 919</b>
<b>4.</b>	<b>Adjustments due to exchange rates on the balance of cash and cash equivalents</b>		<b>1 654</b>	<b>- 850</b>
<b>5.</b>	<b>Increase (decrease) of net's cash flows</b>		<b>519 054</b>	<b>248 276</b>
<b>6.</b>	<b>Cash and cash equivalents at the beginning of the period</b>		<b>377 830</b>	<b>129 554</b>
<b>7.</b>	<b>Cash and cash equivalents at the end of the period</b>		<b>896 884</b>	<b>377 830</b>

\_\_\_\_\_  
Director  
(title of the head of entity administration)

\_\_\_\_\_  
Financial analyst  
(title of the chief accountant (accountant)  
or of other person responsible for accounting)

  
\_\_\_\_\_  
(signature)

  
\_\_\_\_\_  
(signature)

\_\_\_\_\_  
Zana Kel  
(name, surname)

\_\_\_\_\_  
Gabrielė Kubrakovaitė  
(name, surname)



## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### GENERAL INFORMATION

#### Registration date

The parent of the group Integre Trans UAB (hereinafter - the Group) has been registered on 29 September 2008.

#### Financial year

The Group's financial year starts on 01 January and ends on 31 December.

#### Group activities

The main activity of the Group is the provision of forwarding and transport services.

#### Currency

The consolidated financial statements are presented in euros.

#### Shareholders

On 31 December 2020 the main parent of the Group is Integre Trans UAB. The main and only person controlling the group is a natural person

#### Subsidiaries

On 31 December 2020 the Group consisted of the 100% owned subsidiaries listed below:

Title	Registration date	Registered office address	Main activity	Authorized capital	Integre Trans ownership
Integre Trans GmbH	28/04/2017	Einsteinstraße 59 89077 Ulm, Germany	Forwarding and transport services	25 000	100%
Sarl Integre Trans France	01/06/2018	10 Boulevard Georges Marie Guynemer 78210 Saint-Cyr-L'ecole, France	Forwarding and transport services	25 000	100%
Integre Trans Polska Spółka z ograniczoną odpowiedzialnością	13/06/2019	ul. Stawki 2A/1 00-193 Warsaw, Poland	Forwarding and transport services	1 200	100%
Integre Logistics Sarl	17/02/2020	10 boulevard Georges Marie Guynemer, 78210 Saint-Cyr-l'Ecole, Prancūzija	Forwarding and transport services	25 000	100%

The company has no associates or divisions on 31 December 2020.

#### Number of employees

Employees group	Average list number of employees	
	2020	2019
Key management personnel	17	13
Specialists	72	43
Employees	509	268
<b>Total</b>	<b>598</b>	<b>324</b>

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**ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**

**Normative acts in accordance with which the financial statements have been prepared**

The Group maintains accounting and prepares the consolidated financial statements in accordance with these legal acts regulating financial statements:

- Business Accounting Standards;
- Law on Consolidated Financial Reporting of Lithuanian Companies;
- Law on Accounting of the Republic of Lithuania;
- Law on Financial Reporting of Lithuanian Companies;
- Law on Money of the Republic of Lithuania;
- The Law on Foreign Currency of the Republic of Lithuania in the Republic of Lithuania;
- The Law on Companies of the Republic of Lithuania;
- Labor Code of the Republic of Lithuania;
- Civil Code of the Republic of Lithuania;
- Resolution of the Standards Council of the Accounting Institute of the Republic of Lithuania "On Approval of the Sample Chart of Accounts";
- Resolution No. 179 of the Government of the Republic of Lithuania "On the Approval of the Rules for the Organization of the Cashier's Work and the Performance of Cashier's Operations";
- Resolution No. 1283 of the Government of the Republic of Lithuania "On Approval of the Procedure for Installation and Use of Cash Registers";
- Resolution No. 370 of the Government of the Republic of Lithuania "On Approval of Inventory Rules";
- Order No. V-87 of the Lithuanian Archives Department under the Government of the Republic of Lithuania "On Approval of Rules for Preparation, Management and Accounting of Documents of Non-Governmental Organizations and Private Legal Entities".

The Group's uses a double entry in its accounting.

The Group maintains its accounting records and records using the currency of the Republic of Lithuania, the euro, and, if necessary, the euro and foreign currency.

Economic events and transactions, the existence and performance of which or the formalization of results are related to foreign currency in accordance with the procedure established by the legal acts of the Republic of Lithuania, are translated into EUR according to the foreign exchange rate set by the Bank of Lithuania valid on the day of the event.

The Group follows the following accounting principles in maintaining its accounting and compiling the set of the financial statements: entity, going concern, periodicity, consistency, monetary measure, accumulation, comparison, prudence, neutrality and substance over form.

The Group's accounting is managed using the computer accounting program "RIVILÉ-GAMA".

Within the Group, the information is material if its omission or misstatement could influence the decisions of users of the consolidated financial statements. An item in the consolidated financial statements of the Group is considered significant when its amount is more than 0.5% sales revenue reported in the consolidated financial statements.

**Intangible fixed assets**

Intangible assets are non-monetary assets at the disposal of the Group, the use of which it expects to receive direct and / or indirect economic benefits from, and the value of which is not less than the minimum value of intangible assets set by the Group.

An intangible asset is recognized if the costs incurred meet the definition of an intangible asset and the following recognition criteria: it is reasonably probable that the future economic benefits associated with the asset will flow to the Group; the prime cost of acquisition (production) of an asset can be measured reliably and separated from the value of other assets; the group may dispose of the property, control it or restrict the right of others to use it.

One of the most important criteria for recognizing an intangible asset is its control. The Group controls an asset if it has the right to obtain future economic benefits from it and to prohibit others from using it. The right of the Group to control an intangible asset and its economic benefits may be established by law.

Examples of intangible assets include: trademarks; patents and licenses; copyright and related rights; development works; computer programs; prestige; permits for integrated pollution prevention and control.

Acquired intangible assets are initially recognized at acquisition cost. If an intangible asset is acquired from an external source, its acquisition cost can be measured reliably when settled in cash or another asset.

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Intangible assets produced (created) are initially recognized at production cost.

Operating costs of intangible assets are expensed in the period in which they are incurred.

In the balance sheet, intangible assets are stated at residual value.

Amortization of intangible assets is calculated based on the annual amortization rate determined by the Group, taking into account: the expected useful life of the asset; the ability to use these assets effectively if the Group is managed by another management team; information about the useful life of similar and similarly used assets; technical, technological and other aging; the stability of the business in which the assets are used, changes in the market demand for the products and services derived from the assets; likely or potential actions of competitors; the period of control of the property, legal and other factors that shorten the useful life; the dependence of the useful life of the asset on the useful life of other assets of the enterprise.

Intangible assets are amortized using the straight-line method.

The amortization period shall be reviewed at the end of each financial year. If the expected useful life of an asset differs materially from previous estimates, the amortization period shall be adjusted.

Intangible asset group	Minimum acquisition (production) cost, from which the acquired intangible assets are classified as non-current assets, EUR	Depreciation calculation method	Normative (in years)
Development works	600	<i>Straight-line</i>	3
Prestige	600	<i>Straight-line</i>	5
Patents, licenses	600	<i>Straight-line</i>	3
Software	600	<i>Straight-line</i>	3
Other intangible assets	600	<i>Straight-line</i>	4

**Tangible fixed assets**

Tangible fixed assets are tangible assets that:

- ✓ intended for the production of goods, the provision of services, rental or administrative purposes;
- ✓ intended to be used for more than one year;
- ✓ the acquisition (production) cost is not less than the minimum unit value set by the Group.

Tangible fixed assets are recognized and accounted for if they meet all of the following criteria:

- ✓ The Group intends to use it for more than one year;
- ✓ The Group has a reasonable expectation that the asset will generate economic benefits in future periods;
- ✓ The cost of an asset can be measured reliably;
- ✓ The acquisition cost of an asset is not less than the set minimum acquisition cost of a specific group of tangible fixed assets;
- ✓ All risks associated with tangible assets are transferred to the Group.

The following assets are considered to be property, plant and equipment in the Group: land, buildings and structures, vehicles, other equipment, devices, tools and installations, machinery and equipment, construction in progress, other tangible assets, investment assets (assets are used only to earn rental income).

The Group applies the acquisition cost method to all classes of tangible fixed assets.

Under the cost method, acquired or produced assets are recorded at acquisition cost and in the consolidated financial statements are carried at balance sheet value, which is calculated by deducting from the acquisition cost (including repair costs) any accumulated depreciation and impairment losses, if any.

The acquisition cost of a foreign currency asset is measured in the balance sheet at the exchange rate ruling at the date of the transaction.

Tangible asset group	Minimum acquisition (production) cost from which the acquired tangible assets are classified as non-current assets, EUR	Depreciation calculation method	Normative (in years)
Buildings and structures	600	<i>Straight-line</i>	8-15
Vehicles	600	<i>Straight-line</i>	4-10
Other equipment, tools and devices	600	<i>Straight-line</i>	3-8
Machinery and equipment	600	<i>Straight-line</i>	5
Other tangible assets	600	<i>Straight-line</i>	4



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Depreciation of assets used under a lease agreement is calculated in the same way as for own assets.

When an item of property, plant and equipment is revalued or its value is adjusted due to repairs or renovations, depreciation is calculated from the newly determined value.

Depreciation of tangible fixed assets starts on the 1st of the next month after the assets are used in the Group's operations and is no longer calculated on the 1st of the following month asset write-off or transfer, or otherwise transfer all or some of the value assigned to the cost.

The estimated depreciation costs of tangible fixed assets are recorded in an accounting certificate.

#### Financial assets

In the Group financial asset comprise asset that consists of cash, cash equivalents, a contractual right to receive cash or another financial asset, or securities issued by another Group. Receivables include financial assets that arise from the sale of goods or other assets or the provision of services.

In the Group, financial assets are divided into non-current and current financial assets.

Non-current financial assets include financial assets that the Group plans to hold for more than one year:

- Long-term investments in associates and subsidiaries;
- Long-term loans to associates and subsidiaries;
- Receivables after one year;
- Other financial assets (other investments, financial bills received, long-term deposits, etc.)

Financial assets are recorded only when the Group receives or acquires the right to receive cash or another financial asset under an existing contract.

When recognizing a financial asset for the first time, the Group measures it at acquisition cost, i.e. the value of the consideration paid for it. The acquisition cost of financial assets includes direct transaction costs. The acquisition cost of a financial asset is determined by reference to the amount of cash paid or payable for the financial asset or the value of the other asset transferred.

If a financial asset is acquired in installments over a period of more than 12 months and the interest rate is not specified in the contract or differs significantly from the market interest rate, the acquisition cost is calculated by discounting the total amount payable to the present value using the market interest rate. The difference is recognized as interest expense over the reporting period.

The acquisition cost of a financial asset received in an exchange is determined by adding to the value of the exchange contract all the costs associated with the exchange of that asset. If the value of the asset is not specified in the exchange agreement, the acquired financial asset is measured and recorded at fair value.

The valuation of financial assets depends on the purpose for which the assets were acquired. For valuation purposes, financial assets in an enterprise are divided into three groups:

- Held for sale;
- Held to maturity;
- Loans and receivables.

In preparing the consolidated financial statements, held for sale financial assets are remeasured at fair value. Fair value measurement is used when the fair value of a financial asset can be measured reliably. Gains and losses arising from changes in the fair value of the financial assets are included in the consolidated income statement for the period.

Financial assets that are not measured at fair value and have a fixed maturity are measured at amortized prime cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or, until the next revaluation date. The amortization of financial assets measured at amortized cost over the reporting period is recognized in the income statement as income from financing activities.

If the carrying amount of a non-current financial asset is greater than its recoverable amount (economic benefit), the financial asset shall be decreased. After the reduction of the carrying amount of financial assets, the recognized impairment loss is recorded in the account "Investment impairment expenses".

Investments in securities that are not quoted in an active market and whose fair value cannot be determined are measured in the consolidated financial statements at acquisition cost less impairment.

Shares acquired for the purpose of long-term investment and the Group has the right to exercise significant influence over the Group that issued the shares are recorded at acquisition cost and presented in the separate consolidated financial statements using the cost method. Under the acquisition cost method, the value of an investment is adjusted if there is evidence that the initial value of the investment is steadily declining. In this case, an impairment loss is recognized for the investment and recognized in the investment impairment account.

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Dividends or other direct payments received under the cost method are recognized as income from financial and investing activities and recorded in the Dividend income account.

The Group writes off a financial asset when it loses the contractual right to control the financial asset.

#### **Other fixed assets**

Other non-current assets of the Group include deferred tax assets, amounts of prepayments under lease insurance or similar long-term contracts that will be recognized as an expense later than 12 months from the balance sheet date, and other non-current assets not shown under other non-current assets.

#### **Inventories**

Inventories are current assets of the Group that are used to earn income within one year or during one business cycle of the Group.

The Group distinguishes the following groups of current assets: raw materials and consumables, purchased goods for resale, tangible and intangible assets are not used in operations.

When inventories are recorded, they are valued in the accounts at acquisition (production) cost. The acquisition cost of inventories comprises:

- Purchase price, after deduction of discounts received during purchase;
- Purchase-related taxes and fees (excluding those that will be recovered later);
- Significant delivery costs;
- Costs of preparing inventories for use;
- Significant other costs directly attributable to the acquisition of the inventories.

Insignificant costs of transporting, storing and other costs directly attributable to the acquisition of inventories are recognized as an expense in the period in which they are incurred.

The acquisition cost of inventories acquired in foreign currency is calculated according to the official exchange rate of the national currency of the Republic of Lithuania valid on the day of purchase, regardless of the settlement date. The date of purchase is determined by the terms of the contract.

Inventory consumption accounting methods:

- The inventory method is applied in accounting for all groups of the Group's inventories.
- The method of periodically accounted for inventories is not applied in the Group.

The Group uses the FIFO method to calculate the cost of inventories sold.

Inventories are written down to net realizable value for each item of inventory. If the amount of the write-down of inventories to net realizable value is significant, the difference between the net realizable value and the cost of inventories is recognized as operating expenses in the period in which the write-down is made.

The Group's inventories received from third parties are recorded in the off-balance sheet accounts.

Fuel consumption and reimbursement rates for vehicles operated by the Group are determined on the basis of a certificate from the Group that sold them or on the basis of actual consumption. Different fuel consumption rates for vehicles are set during the winter season and the summer season, in the urban cycle and on the highway.

Actual fuel consumption is accounted for according to set rates and actual distance traveled, which is determined based on completed fuel consumption reports.

#### **Receivables**

Receivables include the right to receive cash or another financial asset from another entity. These are receivables from products sold to third parties, services or loans provided, prepayments for financial assets receivable and other debts to the Group recorded under the contract.

Receivables do not include prepayments for non-financial assets.

Foreign currency receivables are initially recognized in euros at the exchange rate applicable at the date of the transaction. Differences arising on the settlement of amounts recognized in foreign currency at the exchange rate other than the date of initial recognition or the last reporting date are recognized in profit or loss.

Receivables are revalued at least once every 12 months and always at the end of the financial year.

Receivables are written off only when the right to control the asset is lost. The right to control the asset is lost when all the benefits provided for in the contract are received, the rights expire or these rights are transferred to other companies.

#### **Monetary assets**

Cash and cash equivalents include all cash and cash equivalents held by the Group at the cash desk and at the bank. The latter include short-term liquid investments.

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Foreign currency transactions are initially measured in euros at the exchange rate ruling at the date of the transaction.

In the Group's accounting, monetary assets are registered in the national currency - euros.

Monetary items in foreign currency in the balance sheet are translated into euros using the exchange rates prevailing at the balance sheet date.

#### **Equity**

The Group's equity includes:

- Paid-in share of the authorized capital;
- Revaluation reserves;
- Compulsory reserve;
- Other reserves;
- Retained earnings.

The amount of the authorized capital is equal to the sum of the nominal values of all shares subscribed in the Articles of Association of the parent company. If the shareholders make a decision to increase (decrease) the authorized capital, its increase (decrease) must be registered in the accounting when the amended articles of association are registered in accordance with the procedure established by law.

In accordance with the general Group's accounting policy, non-current assets are recorded in the accounting and accounted for in the consolidated financial statements at the acquisition value, therefore the revaluation reserve account is not used.

The compulsory reserve is made up of a distributable profit and is used only to cover the Group's losses. If the compulsory reserve is less than 1/10 of the authorized capital, deductions to this reserve are mandatory and may not be less than 1/20 of the net profit, until 1/10 of the Group's authorized capital is reached.

Other reserves are formed in accordance with the procedure established by the law and upon the decision of the shareholders. Reserves are increased and decreased in accordance with the Group's Articles of Association. When the shareholders decide to create or cancel reserves, an increase in the reserve is recorded in the accounts, reducing retained earnings by the same amount.

Consolidated retained earnings:

- Increased by recording the net profit for the reporting period;
- Increases (decreases) by recording the results of correction of material errors and changes in accounting policies;
- Increased when revalued assets are written off, transferred or transferred free of charge;
- The amount of the revaluation reserve, which is included in the depreciated part of the revalued assets, is increased;
- Increased following a decision to reduce or cancel previously established reserves;
- Reduced when owners decide to distribute profits.
- Reduced by recording losses for the reporting period.

Consolidated undistributed losses:

- Increased by recording losses for the reporting period;
- Increased (decreased) by recording the results of correction of material errors and changes in accounting policies;
- Increased by registering the part of the amount of expenses directly attributable to the issue of shares that exceeds the amount of the share premium item;
- Reduced by recording net profit for the reporting period;
- Reduced upon receipt of owners' contributions to cover losses;
- Reduced by the decision to cover losses in the number of reserves;
- The amount of the revaluation reserve, which is included in the depreciated part of the revalued assets, is reduced;
- Reduced when revalued assets are written off, transferred or transferred free of charge;
- Reduced by reducing the authorized capital.

#### **Grants and subsidies**

Two types of grants are recognized in the accounts:

- Grants (subsidies) related to assets include grants (subsidies) received in the form of fixed assets or for the acquisition of fixed assets, as well as grants (subsidies) for the purchase of current assets or short-term assets, if significant unused balance of grants (subsidies) remain at the end of the reporting period;



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- Grants (subsidies) related to income, including grants (grants) intended to compensate for expenses of the current or previous period and income foregone, as well as all other grants (subsidies) not classified as grants related to assets (subsidies).

Grants are accounted for when they meet two recognition criteria:

- The Group complies with the conditions for granting a grant (subsidy);
- There is documented evidence that the grant (subsidy) will be received.

A grant that meets the recognition criteria is accounted for as a grant receivable. A grant (subsidy) or part of a grant that does not meet the recognition criteria is recorded only when it is actually received as a grant (subsidy).

Non-repayable loans are recognized as grants when the Group has reasonable assurance that all the terms of the loan will be met and will not be repaid.

The grant (subsidy) received or part of it is recognized as used in the periods in which the costs related to the grant (subsidy) are incurred.

A grant related to an asset is recognized as used to the extent that it is probable that an asset will be depreciated over the reporting period. Depreciation expense item in the income statement and balance sheet item "Grants, subsidies" are reduced.

The grant to compensate for the loss of income is recognized as used to the extent that the loss of income is accrued during the reporting period. The compensatory income in the income statement is increased and the balance sheet item "Grants, subsidies" is reduced.

A grant to offset costs incurred is recognized as used to the extent that costs are incurred during the reporting period. The item of compensable expenses in the income statement and the item "Grants, subsidies" in the balance sheet are reduced.

A grant that cannot be related to incurred or future expenses or income foregone is recognized as used in the period for which it was granted or received.

A grant received as an unconditional financial contribution or as compensation for expenses incurred or income foregone in prior periods is recognized as used immediately.

The balance sheet shows the unused part of the grant (subsidy).

#### **Provisions**

Some liabilities may be determined by calculation using certain estimates. Such liabilities are called provisions, liabilities for which the final amount or timing of settlement cannot be determined precisely, but can be measured reliably.

Provisions are recognized if they are the result of past events and they exist at the consolidated balance sheet date, i.e. if all three general recognition criteria are met.

- The Group has a legal obligation or an irrevocable promise resulting from past actions: contracts entered into, court decisions made, laws issued, publicly announced obligations of the Group;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the legal obligation or irrevocable commitment;
- The amount of the liability can be measured reliably - there is sufficient evidence to estimate the amount of the provision. The amount of the provision is determined on the basis of experience from similar activities, expert opinions, post-balance sheet events, etc.

Liabilities that do not qualify for recognition as liabilities or provisions are classified as contingent liabilities.

Liabilities are grouped according to their obligation to meet:

- Long-term liabilities - those liabilities that the Group will have to meet later than one year;
- Current liabilities are those liabilities that are expected to be settled within one business cycle or within twelve months.

Provisions are recognized if they are the result of past events and they exist at the balance sheet date.

Provisions may be made in the Group:

- To pay probable fines;
- To fulfill warranty obligations;
- To compensate for nature damage;
- Remedy the environment after production has stopped;
- To reimburse the costs of performing existing loss-making contracts;

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- Restructuring activities if there is sufficient evidence that they will be carried out.

The amount of the provision indicates the amount of the reliably estimated expense at the balance sheet date that would cover the legal obligation or irrevocable commitment. In the Group, the number of provisions is determined based on post-balance sheet events and expert opinions.

Provisions are reviewed and adjusted for new events and circumstances each time the consolidated financial statements are prepared. When it becomes apparent that the liabilities will not be required to be covered by assets, the provision is reversed by reducing the balance sheet item "Provisions" and the cost of provisions in the income statement.

In the Group, each provision is used only for the purposes for which it was made.

**Liabilities**

Obligations arising from past events that are expected to be settled and the amount of which can be objectively determined are considered to be liabilities of the Group.

Financial liabilities include contractual obligations to pay cash or settle other financial assets. Financial liabilities are recognized only when the Group commits to pay cash or another financial asset.

When a financial liability is recognized for the first time, it is measured at cost, i.e. the value of the assets or services received. Transaction costs are recognized as an expense in the income statement in the period in which they are incurred.

If the Group commits to pay cash or another financial asset over a period of more than twelve months, unless interest is specified in the contract or the interest rate differs materially from the market rate, the cost of the liability is calculated by discounting the full amount payable using the market rate. The undiscounted difference is recognized as interest expense or income over the period of the liability.

Financial liabilities denominated in foreign currencies are initially recognized in euros at the exchange rate ruling at the date of the transaction.

The value of financial liabilities in the accounting and the consolidated financial statements depends on their nature and the valuation method chosen.

The Group's financial liabilities (other than current ones that are not related to market price) are reassessed each time when the consolidated financial statements are prepared.

Liabilities payable in foreign currencies are translated into EUR in the consolidated financial statements.

The Group writes off a financial liability (or part of the liability) only when the liability is settled or expires.

The Group has a temporary remuneration system.

The content of the work performed by the employees of the Group, its characteristics, mandatory qualification requirements for the employees are established in the job descriptions of the employees.

Specific hourly rates, monthly salaries, various bonuses and allowances, other forms and conditions of remuneration, employment rates are set out in employment contracts.

An entity shall recognize the cost and liability of bonuses or other bonuses and premiums if it has a legal obligation or an irrevocable commitment to provide such remuneration to the employee and can measure the liability reliably.

Insurance premiums paid by the Group per employee under life, health or accident insurance contracts are recognized as an expense in the period in which they are incurred.

**Revenue**

The Group recognizes revenue on an accrual basis, i.e. in the accounting they are recorded when earned, regardless of the receipt of cash.

Only an increase in the Group's economic benefits is considered revenue. Amounts collected on behalf of third parties, as well as value added tax, are not recognized as revenue because they are not economic benefits to the enterprise and do not increase equity.

Revenue is measured at fair value.

The consolidated financial statements include net sales revenue.

The Group's typical operating income is the sale of goods and the provision of services.

The goods are considered sold when all these conditions are met:

- The seller Group has transferred the risks and rewards of ownership of the goods sold;
- The seller no longer owns or controls the goods sold;
- It is probable that the economic benefits associated with the sale of goods will flow to the Group and the amount can be measured reliably;

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- The costs associated with a sale of goods can be measured reliably.

Revenue from the rendering of services is recognized in different ways depending on whether or not the outcome of the service can be measured reliably. The result can be accurately estimated when all these conditions are met:

- The amount of revenue can be measured reliably;
- The transaction is complete or its stage of completion can be measured reliably at the balance sheet date;
- The economic benefits associated with the service transaction are likely to be obtained;
- The costs associated with the service transaction and its termination can be measured reliably.

When services are provided for more than one reporting period, the degree of service provision at the end of the reporting period is determined in accordance with the provisions of IAS 25 in order to distribute the revenue in proportion to the service periods.

Other operating income of the Group is:

- Gains on disposal and liquidation of non-current assets;
- Other operating income.

The Group's financial and investment income includes:

- Penalties and default interest for missed customer arrears;
- Interest income;
- The positive effect of exchange rate differences on change;
- Other financial - investment income.

When selling goods, providing services to companies, institutions and organizations, the sale is formalized by an invoice / VAT invoice.

Revenue from fines and periodic penalty payments, if no other accounting document is drawn up, shall be formalized by drawing up an accounting certificate.

Revaluation income on receivables and payables denominated in foreign currencies is recognized by drawing up an accounting certificate.

**Expenses**

Expenses are recognized only to the extent of expenses incurred in prior and current periods that relate to revenue earned during the current period. Expenses that are not related to the earning of income in the current period, but are intended to earn income in future periods, are accounted for as assets.

Where expenses incurred during the reporting period cannot be directly related to the earning of specific income and those expenses will not generate income in future reporting periods, they are recognized as an expense in the Group for the same period as incurred.

When expenses are recognized in the accounts, they are recognized on an accrual and comparative basis in the reporting period in which the related revenue is earned, regardless of the time of disbursement.

Costs are measured reliably at fair value.

Expenses in the Group are divided into the following groups:

- Cost of goods sold;
- Service costs;
- Operating costs;
- Selling expenses;
- General and administrative expenses;
- Other operating expenses;
- Financial and investment expenses.

The cost of goods sold / services rendered includes all costs associated with the sale of goods and the rendering of services that are directly or indirectly attributable to the sale of specific goods or the rendering of services.

Operating expenses include expenses related to all typical activities of the Group during the reporting period, regardless of sales volume.

Other operating expenses include losses due to disposal, liquidation, write-off of assets and accounting for other atypical and ordinary operating expenses, debt-related expenses.

Financial and investing expenses include: exchange losses; interest paid and payable on the acquisition of property by means of leasing (financial lease); interest expense on loans; penalties and interest for late payments.



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**Financial risk management policy**

The following key financial risk management procedures apply to the Group's operations:

*Credit risk*

The Group's credit risk is mainly related to trade receivables. Receivables are presented in the balance sheet less impairment of doubtful receivables, which is assessed by the Group's management based on past experience and the current economic environment. The Group has procedures in place to ensure that goods are sold to trusted customers and that sales do not exceed the approved credit limit.

Credit risk related to bank balances is limited as the Group conducts transactions with banks with sufficiently high credit ratings issued by foreign rating agencies.

*Interest rate risk*

The Group's loans consist of loans with fixed and variable interest rates that are linked to EURIBOR. During the reporting period, the Group did not have any derivative financial instruments intended to manage interest rate risk.

*Foreign currency exchange risk*

The main currency risk faced by the Group arises from the fact that the Company has subsidiaries in Poland whose currency is different from the Group's functional currency. The Group's policy is to match cash flows from highly probable future sales with purchases in each foreign currency. The Group does not currently use any derivative financial instruments to manage foreign exchange risk.

*Liquidity risk*

The Group's policy is to maintain sufficient liquid assets or secure loan financing to meet the obligations set out in its strategic plans.

**Use of estimates in preparing financial statements**

In preparing financial statements in accordance with Lithuanian Business Accounting Standards, management is required to make certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties. Significant areas of these financial statements in which estimates are used include depreciation and impairment estimates. Future events may change the assumptions used in making the estimates. The effect of changes in such estimates will be recognized in the financial statements when determined.

**Contingencies**

Contingent liabilities are not recognized in the financial statements. They are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

Contingent assets are not recognized in the financial statements but are disclosed when it is probable that future economic benefits or service potential will flow to the entity.

**Post-balance sheet events**

All significant adjusting events that have occurred between the date of the financial statements and the date of its publication are reflected as the adjustments to the financial statements. Significant non-adjusting events are disclosed in the notes.

**Related parties**

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and other decisions. Shareholders, employees, members of the supervisory board or board of directors, their close relatives and companies that directly or indirectly control the Group through an intermediary or are controlled individually or jointly with another party that is also recognized as a related party are recognized as related parties.

## EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Intangible assets

Changes in the Group's non-current intangible assets during 2020

<b>Intangible assets group</b>	<b>Software</b>	<b>Other intangible assets</b>	<b>Advance payments</b>	<b>Prestige</b>	<b>Total</b>
<b>Residual value as of 1 January, 2019</b>	111 135	583	-	1 262	112 980
<b>Residual value as of 31 December, 2019</b>	173 632	116	7 126	2 683	183 557
Acquisition (production) cost at the beginning of the period	202 469	7 894	7 126	3 894	221 383
Accumulated amortization at the beginning of the reporting period	28 837	7 778	-	1 211	37 826
<b>Residual value at the beginning of the reporting period</b>	173 632	116	7 126	2 683	183 557
<i>Value of assets sold during the reporting period</i>	-	-	-	-	-
<i>Accumulated depreciation of assets sold</i>	-	-	-	-	-
<i>Value of assets acquired during the reporting period</i>	130 314	5 500		12 220	148 034
<i>Acquisition cost of written - off assets</i>	-	-	-	-	-
<i>Accumulated depreciation of written - off assets</i>	-	-	-	-	-
<i>Reclassification</i>	-	-	(7 126)	-	(7 126)
<i>Depreciation calculated during the reporting period</i>	34 860	577	-	2 815	38 252
Acquisition (production) cost at the end of the period	332 783	13 394	-	16 115	362 292
Accumulated amortization at the end of the reporting period	63 697	8 355	-	4 026	76 078
<b>Residual value at the end of the reporting period</b>	269 086	5 039	-	12 089	286 214

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Changes in the Group's non-current intangible assets during 2019

<b>Intangible assets group</b>	<b>Software</b>	<b>Other intangible assets</b>	<b>Advance payments</b>	<b>Prestige</b>	<b>Total</b>
<b>Residual value as of 1 January, 2018</b>	66 020	3 075	-	1 641	70 736
<b>Residual value as of 31 December, 2018</b>	111 135	583	-	1 262	112 980
Acquisition (production) cost at the beginning of the period	121 675	7 894	-	1 894	131 463
Accumulated amortization at the beginning of the reporting period	10 540	7 311	-	632	18 483
<b>Residual value at the beginning of the reporting period</b>	111 135	583	-	1 262	112 980
<i>Value of assets sold during the reporting period</i>	-	-	-	-	-
<i>Depreciation calculated during the reporting period of sold assets</i>	-	-	-	-	-
<i>Value of assets acquired during the reporting period</i>	80 794	-	7 126	2 000	89 920
<i>Acquisition cost of written-off assets</i>	-	-	-	-	-
<i>Depreciation calculated during the reporting period of written-off assets</i>	-	-	-	-	-
<i>Reclassification</i>	-	-	-	-	-
<i>Impairment loss</i>	-	-	-	-	-
<i>Depreciation calculated during the reporting period</i>	18 297	467	-	579	19 343
Acquisition (production) cost at the end of the period	202 469	7 894	7 126	3 894	221 383
Accumulated amortization at the end of the reporting period	28 837	7 778	-	1 211	37 826
<b>Residual value at the end of the reporting period</b>	173 632	116	7 126	2 683	183 557

As of 31 December 2019, software acquisition cost is assigned to Integretrans.com system, TEXUS program, stolen vehicle search system. Depreciation costs are included in the operating expenses.



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**2. Non-current tangible assets**

Changes in the Group's non-current tangible assets during 2020

<b>Tangible assets group</b>	<b>Vehicles</b>	<b>Other equipment, fittings and tools</b>	<b>Other tangible assets</b>	<b>Total</b>
<b>Residual value as of 1 January, 2019</b>	<b>4 906 985</b>	<b>42 639</b>	<b>108 407</b>	<b>5 089 031</b>
<b>Residual value as of 31 December, 2019</b>	<b>11 098 155</b>	<b>62 125</b>	<b>92 346</b>	<b>11 252 626</b>
Acquisition (production) cost at the beginning of the period	13 615 566	170 797	149 636	13 935 999
Accumulated depreciation at the beginning of the reporting period	2 517 411	108 672	57 290	2 683 373
<b>Residual value at the beginning of the reporting period</b>	<b>11 098 155</b>	<b>62 125</b>	<b>92 346</b>	<b>11 252 626</b>
<i>Value of assets sold during the reporting period</i>	772 750	-	-	772 750
<i>Accumulated depreciation of assets sold</i>	399 425	-	-	399 425
<i>Value of assets acquired during the reporting period</i>	7 829 420	33 677	28 127	7 891 224
<i>Acquisition cost of written - off assets</i>	-	-	-	-
<i>Accumulated depreciation of written - off assets</i>	-	-	-	-
<i>Reclassifications</i>	-	-	-	(31 000)
<i>Impairment</i>	-	-	-	-
<i>Depreciation calculated during the reporting period</i>	3 046 211	36 072	26 518	3 108 801
Acquisition (production) cost at the end of the period	21 071 661	204 474	177 763	21 453 897
Accumulated depreciation at the end of the reporting period	5 563 622	144 744	83 808	5 792 174
<b>Residual value at the end of the reporting period</b>	<b>15 508 039</b>	<b>59 730</b>	<b>93 955</b>	<b>15 661 724</b>

During 2019 company acquired land with acquisition cost of 13 000 Eur.  
As of 31 December 2020 the balance of vehicles being prepared to use is 1290 Eur.

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Changes in the Group's non-current tangible assets during 2019

<b>Tangible assets group</b>	<b>Vehicles</b>	<b>Other equipment, fittings and tools</b>	<b>Other tangible assets</b>	<b>Advance payments</b>	<b>Total</b>
<b>Residual value as of 1 January, 2018</b>	<b>891 423</b>	<b>41 178</b>	<b>49 445</b>	<b>-</b>	<b>982 046</b>
<b>Residual value as of 31 December, 2018</b>	<b>4 906 985</b>	<b>42 639</b>	<b>108 407</b>	<b>31 000</b>	<b>5 089 031</b>
Acquisition (production) cost at the beginning of the period	5 652 499	123 722	142 621	31 000	5 949 842
Accumulated depreciation at the beginning of the reporting period	745 514	81 083	34 214	-	860 811
<b>Residual value at the beginning of the reporting period</b>	<b>4 906 985</b>	<b>42 639</b>	<b>108 407</b>	<b>31 000</b>	<b>5 089 031</b>
<i>Value of assets sold during the reporting period</i>	102 883	-	-	-	102 883
<i>Accumulated depreciation of assets sold</i>	15 154	-	-	-	15 154
<i>Value of assets acquired during the reporting period</i>	8 065 950	47 075	7 015	-	8 120 040
<i>Acquisition cost of written - off assets</i>	-	-	-	-	-
<i>Accumulated depreciation of written - off assets</i>	-	-	-	-	-
<i>Reclassifications</i>	-	-	-	(31 000)	(31 000)
<i>Impairment</i>	-	-	-	-	-
<i>Accumulated depreciation during reporting period</i>	1 787 051	27 589	23 076	-	1 837 716
Acquisition (production) cost at the end of the period	13 615 566	170 797	149 636	-	13 935 999
Accumulated depreciation at the end of the reporting period	2 517 411	108 672	57 290	-	2 683 373
<b>Residual value at the end of the reporting period</b>	<b>11 098 155</b>	<b>62 125</b>	<b>92 346</b>	<b>-</b>	<b>11 252 626</b>

Tangible assets received free of charge that are used in the Group's activities - none. In 2019 and 2020 fully depreciated tangible assets comprise computer equipment and means of communication.

In 2020 the Group purchased 105 new trucks and 1 truck for learning purposes with an acquisition value of EUR 7 313 170 and 25 new semi-trailers with an acquisition value of EUR 516 250. The property is leased for 4 years. Depreciation expense is included in operating expenses.

In 2019 the Group acquired 72 new trucks with a purchase value of EUR 5 556 537 and 103 new semi-trailers with a purchase value of EUR 2 262 820, the remaining amount accounts for EUR 246 593 the purchase of passenger cars. The property is leased for 3-4 years. Depreciation expense is included in operating expenses.

Residual value of leased vehicles as of 31 December 2020 and 2019 amounted to EUR 15 001 045 and EUR 10 178 859, respectively.

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**3. Other assets**

As at 31<sup>st</sup> of December, 2020 the Group's other non-current assets consist of prepayments under lease agreements and AS24 Lietuva, UAB - EUR 56 957. As at 31<sup>st</sup> of December, 2019 amounted to - EUR 60 756.

As at 31<sup>st</sup> of December, 2020 the Group's other non-current assets consist of deposits for trucks Domus financing, UAB - EUR 924,000. As at 31<sup>st</sup> of December, 2019 amounted to - 844 303 Eur.

**4. Stocks and advance payments**

Indicators	Financial year	Previous financial year
<b>Stocks:</b>	<b>577 446</b>	<b>389 486</b>
Fuel in trucks and car tanks	302 445	254 010
Drivers' work equipment	189 511	116 436
Goods for resale	85 490	19 040
<b>Advance payments:</b>	<b>551 754</b>	<b>281 608</b>
Advance payments to suppliers	437 405	239 867
Deposits under the lease agreement	114 349	41 741
<b>Total:</b>	<b>1 129 200</b>	<b>671 094</b>

In 2020 advance payments compared to 2019 increased. Fuel increased in 2020 comparing with 2019 as the number of trucks increased.

**5. Amounts receivable within one year**

Indicators	Financial year	Previous financial year (adjusted)	Changes comparing 2020 with 2019
Trade debtors	6 546 469	6 240 763	305 705
Amounts owed by entities of the entities group			
VAT overpayment, advance income tax	643 422	760 382	(116 960)
VAT from EU countries, excise duty	1 497 264	955 731	541 533
Deposits	8 474	12 499	(4 025)
Exhibition financing	26 245	26 245	0
Compensation of repair costs	20 922	919	20 003
Other receivables (loans)	736 025	880 700	(144 675)
<b>Total:</b>	<b>9 478 821</b>	<b>8 877 239</b>	<b>601 581</b>

**6. Cash and cash equivalents**

Indicators	Financial year	Previous financial year
Bank accounts	895 214	327 523
Cash register	1 670	307
Restricted deposits	-	50 000
<b>Total:</b>	<b>896 884</b>	<b>377 830</b>



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**7. Prepayments and accrued income**

Indicators	Financial year	Previous financial year
Property, vehicle insurance costs	1 178 280	438 747
Loaded cargo for which sales invoices will be issued next year	2 499 650	1 189 618
Other accrued income (car rental, loan interest)	21 243	4 604
<b>Total:</b>	<b>3 699 173</b>	<b>1 632 969</b>

**8. Authorized capital**

Composition of the Group's authorized capital:

Number of shares, pcs.	Nominal value of shares, Eur	Number of issued and paid shares, pcs.	Number of shares issued and outstanding	Rights and restrictions attached to the shares
34 531	28,96	34 531	-	Ordinary intangibles

As of 31 December 2020, the authorized capital is EUR 1 000 018.

**9. Amounts payable after one year and other long-term liabilities**

Indicators	Financial year	Previous financial year
<b>Amounts payable after one year and other long-term liabilities:</b>		
- Financial debts	80 00	80 000
- amounts owed to credit institutions	2 365 455	33 333
- lease liabilities	9 695 413	6 965 344
Prepayments received	3 885	13 920
<b>Total:</b>	<b>12 144 753</b>	<b>7 092 597</b>

Financial liabilities increased due to the new lease agreements for the purchase of trucks. Debt obligations will be met during 2021-2024.

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**10. Amounts payable within one year and other short-term liabilities**

Indicators	Financial year	Previous financial year
<b>Amounts payable within one year and other short-term liabilities:</b>		
1. Financial debts:		
- amounts owed to credit institutions	1 100 097	1 315 119
- lease liabilities	3 841 519	1 694 345
- loans received	2	2
- factoring liabilities	485 140	500 600
2. Payments received on account	77 069	55 213
3. Trade creditors	6 499 467	7 350 326
4. Amounts payable to group companies	-	-
5. Liabilities of tax on profit	8 943	3 558
6. Liabilities related to employment relations	1 282 152	703 707
7. Other amounts payable and short-term liabilities	450 608	366 052
<b>Total:</b>	<b>13 744 998</b>	<b>11 988 922</b>

Indicators	Financial year	Previous financial year
Salaries payable	477 914	256 045
Personal income tax payable	292 464	146 284
Social insurance payable	203 405	79 730
Provisions for holiday savings	308 369	221 648
<b>Total:</b>	<b>1 282 152</b>	<b>703 707</b>

**11. Accruals and differed income**

Indicators	Financial year	Previous financial year
Orders for carriers invoiced next year	468 821	602 790
Accrued road tax expense	130 026	89 803
Other accrued expenses	40 960	105 965
<b>Total:</b>	<b>639 807</b>	<b>798 558</b>

**12. Sales revenue**

Indicators	Financial year	Previous financial year
Income from sold goods (for pallets, tools)	6 977 426	1 024 197
Revenue from transport services provided	33 528 191	16 075 968
Revenue from forwarding services provided	32 989 302	43 193 660
Revenue from warehouse rent	32 802	-
Revenue from other sales	664 644	399 286
Discounts, refunds	(22 233)	(15 578)
<b>Total:</b>	<b>75 170 132</b>	<b>60 677 533</b>

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**13. Cost of sales**

Indicators	Financial year	Previous financial year
Cost of goods sold (for pallets, tools)	7 041 142	1 053 633
Cost of transport services (fuel, road taxes, drivers' salaries, daily allowances, communication costs)	6 272 634	11 412 002
Other costs (parking, driver's equipment, vehicle insurance, repair, rental costs)	7 406 195	3 036 357
Cost of forwarding services	45 606 499	38 718 534
Cost of warehouse rent	134 246	-
Discounts, refunds	(9 089)	(8 520)
<b>Total:</b>	<b>66 451 627</b>	<b>54 212 006</b>

**14. Operating costs**

Indicators	Financial year	Previous financial year
<b>Selling expenses:</b>	<b>3 138 834</b>	<b>2 153 720</b>
Advertising and marketing costs	34 866	27 727
Employee wages and other related costs	2 681 526	1 843 269
Other selling expenses	422 442	282 724
<b>General and administrative expenses:</b>	<b>2 939 813</b>	<b>2 252 300</b>
Rental costs (premises, utilities, cars, furniture)	411 476	240 754
Repair and maintenance costs	45 121	31 417
Charity	8 075	7 400
Membership fees	10 694	6 816
Insurance costs	119 891	133 505
Employee wages and related costs	1 519 970	750 656
Depreciation of fixed assets	154 131	110 400
Bad debts	9 540	7 693
Representation expenses	47 771	163 081
IT maintenance costs	2 900	19 457
Other activity taxes	97 861	13 127
Fines and periodic penalty payments	50 257	19 732
Other costs (courses, training, translation, occupational safety, staff selection, bank charges, stationery and household goods costs, communication costs, current assets costs)	462 126	748 262
<b>Total:</b>	<b>6 078 647</b>	<b>4 406 020</b>

**15. Other operating results**

Indicators	Financial year	Previous financial year
<b>Other operating income:</b>	<b>455 716</b>	<b>173 642</b>
Sale of fixed assets	83 005	-
Other non - typical operating income	372 711	173 642
<b>Other operating expenses:</b>	<b>(130 965)</b>	<b>(55 410)</b>
Loss on disposal of fixed assets	(11 655)	(377)
Other non-typical operating expenses (rent of premises)	(119 310)	(55 033)
<b>Other operating results:</b>	<b>324 751</b>	<b>118 232</b>



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**16. Results of other interest and other financial activity**

Indicators	Financial year	Previous financial year
<b>Other interest and similar income:</b>	<b>34 223</b>	<b>28 976</b>
Interest income	34 223	28 404
<b>Interest and other similar expenses:</b>	<b>(1 202 328)</b>	<b>(739 126)</b>
Negative impact of exchange rate changes	(10 703)	(1 422)
Interest expense	(1 191 541)	(737 698)
Fines and periodic penalty payments	(84)	(6)
<b>Results of other interest and other financial activity:</b>	<b>(1 168 105)</b>	<b>(710 150)</b>

**17. Income tax**

Deferred income tax result

Indicators	Financial year	Tariff, %	Deferred income tax result	Previous financial year	Tariff, %	Deferred income tax result
Accumulated losses	380 186	28%	106 452	229 539	28%	64 271
Doubtful debt reserve	-	15%	-	33 306	15%	4 996
<b>Total</b>	<b>380 186</b>		<b>106 452</b>	<b>262 845</b>		<b>69 267</b>

As of 31 December 2020, deferred income tax assets amounted to EUR 201 737 and as of 31 December 2019 - EUR 101 277.

**Income tax expenses**

	Financial year	%	Previous financial year	%
Profit before tax	1 796 504		1 467 589	
Income tax calculated according to the statutory income tax rate of 15%. (2018 - 15%)	269 476	15	220 138	15
Investment project	(45 000)	(3)	(45 000)	(3)
Tax effect of costs / income that do not reduce / increase taxable profit	(74 941)	(4)	(42 278)	(3)
Deferred income tax expense (income)	(106 452)	(6)	(69 267)	(4)
Tax effect and income tax effect of expenses / income that do not reduce / increase taxable profit (foreign companies)	65 779	4	36 062	2
<b>Income tax expense</b>	<b>108 862</b>	<b>6</b>	<b>99 655</b>	<b>7</b>

**18. The Group's management**

As of 31 December 2020, the Group had 1 manager.

Indicators	Financial year	Previous financial year
Expenses related to managers payroll and other taxes	89 282	91 000
Average annual number of managers	1	1

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**19. Management estimates**

In preparing the financial statements, management makes assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties. Significant management estimates were made by determining the depreciation, amortization rates and impairment of receivables.

**20. Possible upcoming liabilities**

As of 2020 and 2019 31 December Group has not participated in any legal proceedings, which in the opinion of the management, would have significant impact to financial statements.

**21. Post-balance events**

Up until 31 May 2021 Company has acquired 100 trucks. Cost of acquisition of trucks is 7 149 450 Eur.

Date: 2021 05 31

Director

  
(signature)

Zana Kel

Financial analyst

  
(signature)

Gabrielė Kubrakovaite