



STATE-OWNED ENTERPRISES IN LITHUANIA

ANNUAL REPORT
2019/2020

Abbreviations and Definitions

Governance Coordination Centre (GCC)	Analytic and good governance principles implementing centre established by the State (VšĮ Stebėsenos ir prognozių agentūra), performing the functions of the coordinating institution for the implementation of state-and municipality-owned enterprise governance policy
SOE	State-owned enterprise (State-owned enterprise engaged in economic-commercial activities, public limited liability company and private limited liability company, in which the State owns shares granting more than 1/2 of all votes at the general meeting of the company)
VAI	The institution or shareholder exercising the rights and obligations of the owner of the company
SE	State enterprise
OECD	Organization for Economic Co-operation and Development
The Government	The Government of the Republic of Lithuania
Ownership Guidelines	Schedule of procedures for the implementation of state property and non-property rights in state-owned enterprises as approved by Resolution No 665 of the Government of the Republic of Lithuania of 6 June 2012
Nomination Guidelines	Schedule of procedures for the nomination of candidates to the board of directors of a state or municipal enterprise and candidates to the collegiate supervisory or governing body of a state or municipality-owned enterprise to be elected by the general meeting, as approved by Resolution No 631 of the Government of the Republic of Lithuania of 17 June 2015
Transparency Guidelines	Schedule of guidelines for ensuring transparency in the operations of state-owned enterprises as approved by Resolution No 1052 of the Government of the Republic of Lithuania of 14 July 2010
Letter of Expectation	A letter submitted by the institution representing the State to the company concerning the State's aims in the state-owned enterprise and its expectations
SO	Special obligations or non-commercial functions; the functions undertaken by a SOE, which would otherwise be omitted by the company from a commercial point of view or which the company would undertake for a higher price than the one set and which are vested with the company following the decisions of the shareholder/owner (the State)
Non-standard taxes to the State	Property tax and raw material tax
Property tax	Tax paid by state enterprises for the use of entrusted state property
Raw material tax	Compulsory deductions from sales revenue of raw wood and uncut forest paid by VĮ Valstybinių miškų urėdija
D/E	Debt-to-equity ratio
Net profit margin	Ratio calculated by dividing net profit by net turnover
EBITDA	Earnings before interest, taxes, depreciation and amortisation; the ratio is calculated by subtracting the result of financing activities from the profit before taxes and adding the depreciation and amortisation of non-current assets thereto
EBITDA margin	Operating profitability before interest, taxes, depreciation and amortisation; the ratio is calculated by dividing the EBITDA value by the sales revenue
Return on assets (ROA)	A financial ratio that shows the efficiency of the use of a company's assets. The ratio is calculated by dividing net profit (loss) for the last twelve months by the average book values of the assets at the beginning and at the end of the reference period
Return on Equity (ROE)	A financial ratio showing the efficiency of the use of equity invested by shareholders. The ratio is calculated by dividing net profit (loss) for the last twelve months by the average book values of equity at the beginning and at the end of the reference period
Operating profit margin	Ratio calculated by dividing operating profit by net turnover
LNG terminal	Liquefied Natural Gas Terminal
NERC	National Energy Regulatory Council

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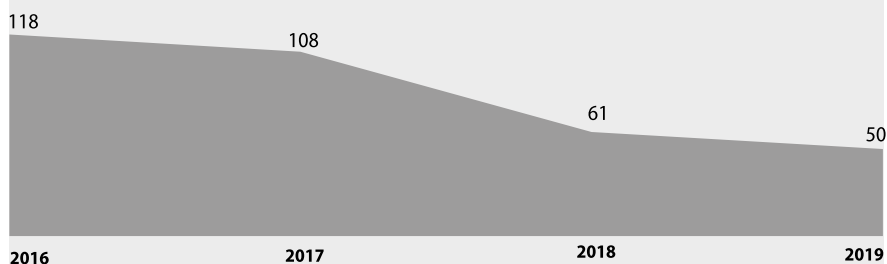
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SEO Portfolio: a Brief Overview

OVER 2019, THE NUMBER OF SOEs DECREASED BY MORE THAN 15.0%

50
ENTERPRISES

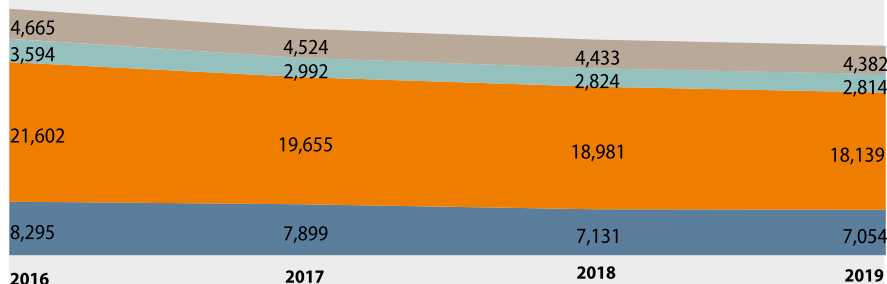
Enterprises



NUMBER OF EMPLOYEES DECREASED BY 2.9%

32,389
EMPLOYEES

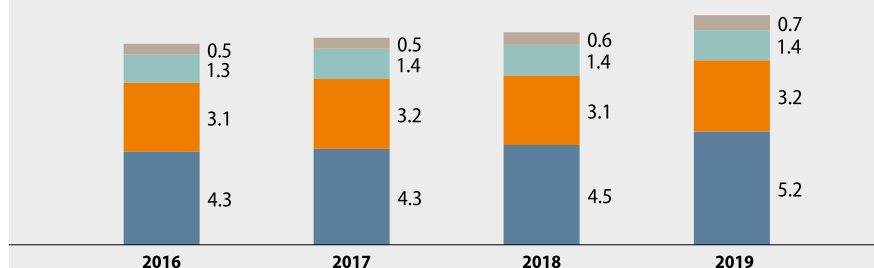
Number of employees



SEO PORTFOLIO BOOK ASSETS VALUE INCREASED BY 9.3%

10.5
BILLION EUR
ASSETS

EUR billion



SOE DEBT-TO-EQUITY RATIO INCREASED BY 2.0%

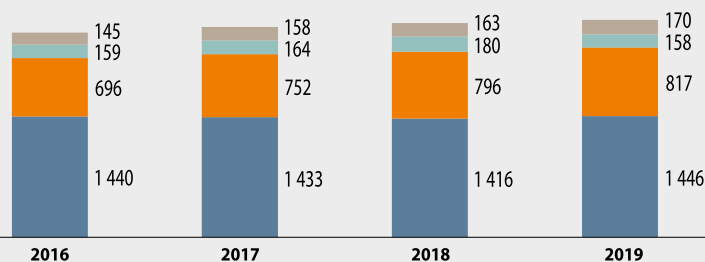
31.6%
D / E



2019

SOE PORTFOLIO SALES REVENUE INCREASED BY 1.4%

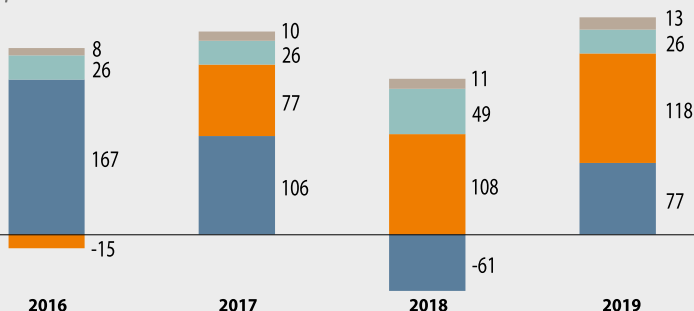
EUR million



2,591.6
MILLION EUR
REVENUE

NET PROFIT EARNED BY SOE DOUBLED

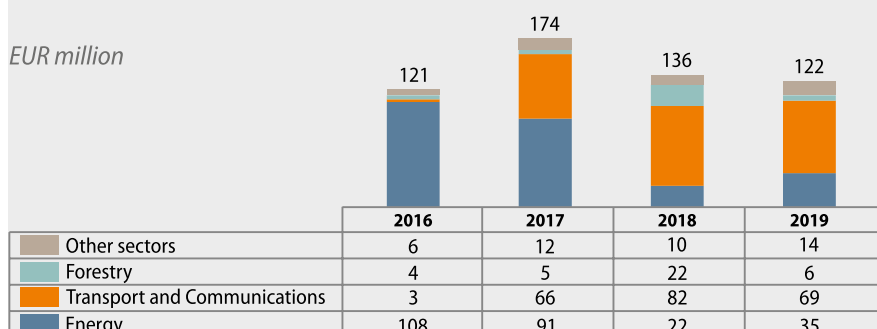
EUR million



234.7
MILLION EUR
NET PROFIT

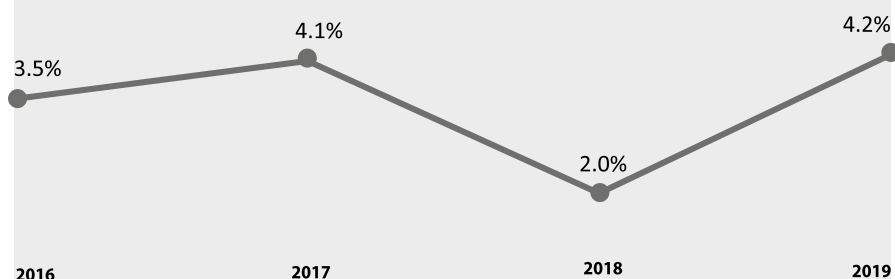
ASSIGNED 10.2% LESS DIVIDENDS AND PROFIT CONTRIBUTIONS

EUR million



122.4
MILLION EUR
DIVIDENDS AND PROFIT
CONTRIBUTIONS

SOE RETURN ON EQUITY INCREASED BY 2.2 P. P.



4.2%
ROE

Energy
Transport and Communications
Forestry
Other sectors



"I am delighted that the implementation of good governance practices of public sector is not only a formal obligation – responsible attitude of SOE policy-makers and implementing institutions as well as SOEs themselves allows to seek sustainable and effective activity. It is crucial that the Lithuanian population whose interest we represent would be assured of the transparency in governance and activity of SOEs, therefore, all current and future initiatives must be oriented to processes that increase confidence in the State as the responsible manager of its assets."

Today, more than ever before, we understand that the environment we live in can face drastic changes in a moment - the coronavirus pandemic has unexpectedly corrected the usual lifestyle of everyone on the global scale. I am proud to live in Lithuania, where unfavourable situations are managed in a professional manner thanks to our hard-working and devoted people, while the lessons learned help us to improve and to find the right solutions in the future. The events that took place over the past half-year demonstrated how fragile the limit between the comfort we have and the indefiniteness is, therefore, looking back to 2019, we can boldly speak about the stable ground created that helped Lithuania to stay strong in fighting the challenges posed by COVID-19.

Following the tendentious implementation of State ownership policy that is also in line with the highest standards, the works started in the process of conversion of State-owned enterprises (SOEs) are continuing. Over 2019, the number of SOEs in the portfolio was reduced down to 50 through mergers, liquidations or privatisations. Ineffective enterprises or those with overlapping functions have been eliminated. Furthermore, with improving governance of SOEs, the aim is to seek for wider application of good governance principles by involving subsidiaries of State-owned companies, the activity of which has a significant influence on the results of the entire SOE portfolio. Starting with 2019, all subsidiaries are obliged to prepare strategic operational plans and to submit them to the Governance Coordination Centre for assessment. Furthermore, from now on, their activity will be analysed according to the good governance index methodology as well.

The State is the owner of SOEs and seeks for the companies under its control to, first of all, create benefit and welfare to the Lithuanian population. For SOEs to act transparently and efficiently, it is necessary to strengthen the professionalism of governance. For more rapid implementation of changes in the area of formation of collegial supervisory or governing bodies of SOEs, the Nomination Guidelines were fundamentally updated in the first half-year of 2019, stipulating more purified and unified procedures for selection of independent members: the mandatory involvement of professional selection agencies, requirements for composition of nomination commissions were set and other provisions related to this process were supplemented. A particular focus on the formation of supreme supervisory or governing bodies of the enterprises was given not by chance as by gathering the professionals in their field in the boards and supervisory boards SOEs are better prepared for face the challenges and to make the best use of the opportunities offered.

I am delighted that the implementation of good governance practices of public sector is not only a formal obligation – responsible attitude of SOE policy-makers and implementing institutions as well as SOEs themselves allows to seek sustainable and effective activity. It is crucial that the Lithuanian population whose interest we represent would be assured of the transparency in governance and activity of SOEs, therefore, all current and future initiatives must be oriented to processes that increase confidence in the State as the responsible manager of its assets.

In 2020, two years after the accession to the Economic Co-operation and Development (OECD), its representatives carry out a re-assessment of the Lithuania's progress in the area of SOE governance. In this constant process of improvement of good governance principles, we are further interested in taking advantage of experiences, to listen to the recommendations of countries that are leaders in the governance enhancement. We all did a huge job already, and I encourage not to stop at the halfway and, even in the face of COVID-19, to use out best efforts to contribute to the economic growth of the country and together become an example to follow in creating a stable and guaranteed future of Lithuania.

Respectfully,

Rimantas Sinkevičius

Minister of the Economy and Innovation of the Republic of Lithuania

"I feel positive when introducing the performance achieved by SOEs in 2019 – the turnover, assets, profit and return to the State were all facing the growth. Despite the fact that the number of companies and State-representing institutions decreased in the SOEs portfolio in 2019 as compared with the previous period, it had no adverse effect on the performance. This tendency proves that centralisation is a right choice that we are gradually moving towards to."



Prosperity of a State is closely related to the progress of the companies it has the ownership of. State-owned enterprises (SOE) responsible for a proper use of infrastructure of national importance and developing massive projects have to demonstrate a high level of maturity in the areas of responsibility and governance. I would like to welcome the fact that, in this challenging process of introduction of good governance principles, the competencies possessed as well as the function performed by the Governance Coordination Centre contribute to a consistent improvement of the governance of SOEs.

Efforts of Lithuania in the area of enhancement of SOE policy and active involvement in the activities of the Organisation for Economic Co-operation and Development (OECD) have not been overlooked – in 2019, the representatives of the Governance Coordination Centre participated in the mission in Bulgaria and Latvia where they shared their experience and recommendations for the implementation of reforms in Bulgaria. Participation in target working groups of the OECD allow for a better exchange in experience, takeover of the good examples from foreign countries and contribution to the development and systematisation of global good practices.

In order to ensure effective and transparent activities of SOE sector, it is necessary to form conditions for a professional governance of these enterprises. One of the key components of such governance is the formation and selection of independent and competent collegial bodies. In view of the fact that the application of organisation of selections has been expanded since 2019 by the resolution of the Government, the Governance Coordination Centre took the initiative and prepared the Nomination Guidelines for the selection of the collegial bodies. They are intended to assist the entities in charge of selection of members to the boards and supervisory boards of SOEs to implement the selection procedures applied in the Government resolution and to ensure that the selections to the boards are performed in a more efficient and professional manner.

Regular cooperation with enterprises allows our institution to have a better understanding of which areas of organisation of activities are the most challenging to the SOEs. After noticing the repetition of certain problems and relevance to the majority of enterprises, we have initiated the cycle of events for exchange in good practices. This year, the representatives of SOEs shared their experiences on three topics already. Active participation in these events shows that cooperation not only contributes directly to the increase in the competency of companies, but also motivates to be in line with the best examples.

I feel positive when introducing the performance achieved by SOEs in 2019 – the turnover, assets, profit and return to the State were all facing the growth. Despite the fact that the number of companies and State-representing institutions decreased in the SOEs portfolio in 2019 as compared with the previous period, it had no adverse effect on the performance. This tendency proves that centralisation is a right choice that we are gradually moving towards to.

In 2019, revaluations of assets were not carried out in the companies from energy sector and this mostly conditioned the fact that the net profit earned by SOEs grew by more than twice – up to EUR 234.5 million. Same as during the previous year, the major turnover accounting for 42.1% of all revenue of the portfolio was recorded in one Group – UAB Ignitis grupė. The second largest sector – Transport and Communications – delights by a stable growth: the highest return on equity ratio was achieved in this sector, i.e. 5.7% exceeding the total ROE ratio of SOE portfolio by solid 1.5 percentage points.

The performance of forestry sector was greatly affected by a decline in the prices of the sale of wood – VĮ Valstybinių miškų urėdija received considerably less earnings both in revenue and net profit. Accordingly, this have affected the total contribution of SOE portfolio to the State budget. In view of COVID-19 situation, the latter was slightly lower, making use of the exceptions to the companies regarding the allocation of dividends and profit contributions for 2019 – the sum assigned amounted to EUR 122.4 million and was by 10.2% lower as compared with the previous year.

Despite good performance in 2019, we cannot sit back yet, because only a stable and solid ground makes us strong and united, as the spring of 2020 demonstrated. In order to mitigate the consequences of coronavirus pandemic, SOEs focused and worked sparing no resources for the Lithuanian population to be guaranteed with the usual basic services. I believe that this feeling of community will continue and together we will achieve the ambitious objectives set that will contribute to the prosperity of our country.

Respectfully,

Vidas Danielius

Director of Governance Coordination Centre

Major Events and News

After a break of nearly 10 years, a new wording of the Corporate Governance Code for the Companies Listed on NASDAQ Vilnius was approved on 15 January 2019. This Code provides recommendations to the companies on the basic principles to be used in order to make their governance and transparency of activities to be equally understandable to the local and foreign investors, as well as seeks to encourage companies to ensure the quality of governance as the instrument for improvement of company's performance.

The amendments made to the Transparency Guidelines entered into force on 30 March 2019. The amendment provides that State-owned enterprises shall ensure that their subsidiaries abide by the provisions on the disclosure of information referred to in the Transparency Guidelines as well as the deadlines therein. In addition, it outlines the requirements for the contents of the information to be disclosed in the summarised annual SOE activity report and requires that conclusions and proposals be submitted along with the report.

A new version of Ownership Guidelines entered into force on 31 August 2019, stipulating that **the rule “comply or explain” is applied to the provisions of the Ownership Guidelines that are used for guidance.** Furthermore, the updated resolution stipulates that in view of the general and sectorial situation of economy, the relevant institution representing the State shall **at least every 4 years review the suitability of the legal form of State-owned enterprise.** In addition to other provisions, the new wording **recommends the boards of state owned enterprise and subsidiary not to elect the company's manager as the chairman of the board** if he/she is elected as the member of the board, except for cases where the supervisory board is formed in the company.



A new wording of the Nomination Guidelines took effect on 6 September 2019 that stipulates **the binding nature of application of provisions of these Guidelines to the subsidiaries of State-owned enterprise.** Furthermore, from this date on, **selection agencies must be involved** in the process of organisation of selections to the members of collegial bodies of SOEs that would search for candidates by using their databases, assess their compliance with the requirements set and submit the lists of candidates to the Nomination Commission. In addition to any other provisions, the new wording of *Nomination Guidelines* provided enhanced criteria for autonomy stipulating that the members of collegial bodies should not be related by labour relations.

On 18 October 2019, the director of GCC was elected to the office of the working group of OECD. Vidas Danielius, the Director of Governance Coordination Centre, was elected as the member of State Ownership and Privatisation Practices Office of the Organisation for Economic Co-operation and Development (OECD).

Upon expiry of Order No 4-389 of the Minister of the Economy and Innovation “On the Amendment of Order No 4-425 of the Minister of the Economy and Innovation of 1 July 2015 “On the Approval of the List of Permanent Members of Nomination Commissions”, the Nomination Commission of Collegial Bodies of SOEs is composed pursuant to the provisions of the Nomination Guidelines: in performance of nominations of collegial bodies of the SOEs, the commission shall be composed of five members: a member proposed by the Prime Minister, a member proposed by the head of VAI, a member proposed by the Minister of the Economy of Innovation, a member proposed by the Minister of Finance and one representative of the GCC; **in case of nomination to the members of collegial body of the subsidiary, the commission is composed of three members** – one representative of the VAI, one representative of SOE and one representative of GCC.

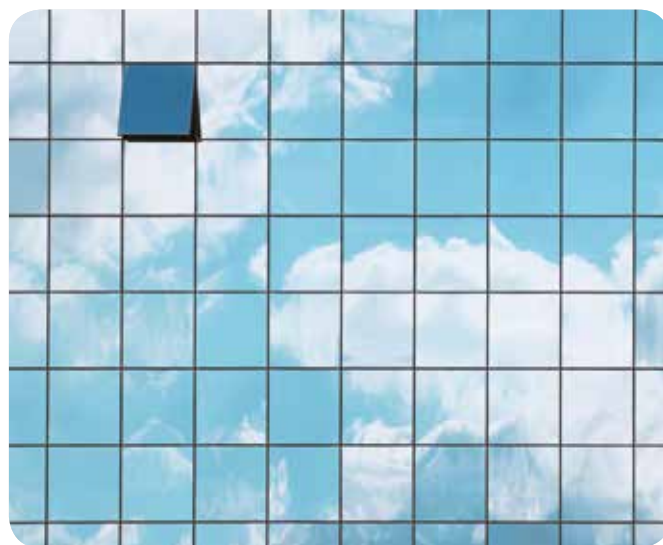


In December 2019, the Governance Coordination Centre prepared Guidelines for Assessment of Activities of Collegial Bodies of State-owned Enterprises. The recommendations provided in the Guidelines stipulate the methods and principles of cooperation between the Ministries and other state institutions with the boards of SOEs: ministries and other state institutions shall maintain a dialogues with the boards of SOEs not only by formally laying down the expectations (on the basis of Letter of Expectation), but also through periodical meetings. The assessment of activities of the Board shall be a continued process and performed throughout the entire term of office of the board of SOEs. The assessment measures shall meet the specifics of the board or the SOE itself.

10 State-owned enterprises that were ineffective, loss-making and excessive **were eliminated through mergers, liquidations or otherwise during 2019.** The major share of SOEs reorganised are comprised of entities of the legal form of State enterprise. This conversion is carried out in view of the OECD recommendations. In 2020, OECD is conducting a reassessment of the Lithuania's progress regarding the implementation of previous recommendations and good practices.

In April 2020, the Guidelines of Performance of Nominations of Collegial Bodies were published. These Guidelines prepared by the Governance Coordination Centre are intended to help the entities in charge of selection of members to the boards to understand the selection procedures applied in the *Nomination Guidelines* and to carry out selections to the boards in a more efficient and professional manner. The document prepared also included the main templates of documents used in the selection process that may be used by the entities in charge of selection throughout the entire process of selection. Sample templates have been prepared following the collection and systematisation of the good practices applied by the members of the boards by supplementing them with the insights provided by the Governance Coordination Centre.

Resolution No 444 of the Government of the Republic of Lithuania "On the Amendment of Resolution No 20 of the Government of the Republic of Lithuania of 14 January 1997 "On Dividends for State-owned Shares of Companies and Profit Contributions of State Enterprises"" was adopted on 29 April 2020 **whereby it is stipulated additionally that the Government may set a lower share of profit aimed at payment of dividends to the State owned companies than stipulated in the laws,** if after payment of dividends, there is an actual likelihood for the company to become insolvent due to restricted activities in case of war, state of emergency, mobilisation, quarantine, extreme situation or extreme event.



By Resolution of the Government of the Republic of Lithuania of 6 May 2020, it was decided to establish two State-owned enterprises: UAB Valstybės investicinis kapitalas and UAB Valstybės investicijų valdymo agentūra. These enterprises have been established in view of the Communication from the European Commission of 19 March 2020 Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak and will be the participants of the Business Support Fund (established as the limited partnership). On the basis of resolution, the Ministry of the Economy and Innovation is delegated to allocated EUR 100 million from its assignments approved as the contribution by the State to UAB Valstybės investicinis kapitalas, whereas the Ministry of Finance is delegated to assign EUR 1 million to UAB Valstybės investicijų valdymo agentūrai. The aforementioned Ministries are appointed to represent the State in implementing the property and non-property rights and obligations of the State as the shareholder of respective companies, to make the necessary decision and ensure that the activities of enterprises are in compliance with the provisions of the Support Framework.



Due to the quarantine that was declared as a result of COVID-19 pandemic, SOE's took the initiatives that contributed to the minimisation of the consequences of coronavirus crisis. The most prominent works and initiatives included not only the transportation of passengers that were stuck in foreign countries and distributions of medical reserves, but also the package of instruments for solution of liquidity and financial problems of companies, cost-free collection of medical waste, production of reusable masks, more flexible conditions for performance of obligations and other aids.

On 26 November 2019, The Results of SOE Good Corporate Governance Index for 2018-2019 Were Presented at the Martynas Mažvydas National Library of Lithuania.

The Governance Coordination Centre implementing the good governance practice in the sector of SOEs presented the annual SOE Good Corporate Governance Index on 26 November 2019 that allows assessing the quality of SOE governance. Having evaluated the performance of SOEs for 2018-2019, the best governance practices have been applied by UAB Ignitis grupė, AB Smiltynės perkėla and UAB Investicijų ir verslo garantijos.

The SOE Good Corporate Governance Index is composed on the annual basis and is one of the main tool for the assessment of SOE governance quality. It is composed in view of the Recommendations of the Organisation for Economic Co-operation and Development (OECD), provisions of the Governance Code of the Listed Companies of NASDAQ, *Ownership Guidelines*, *Transparency Guidelines* and *Nomination Guidelines* as well as other documents regulating the SOE activities and the best global corporate governance practices.

The major changes in the governance have been noticed in the area of collegial bodies for several recent years. It conditioned the determination of quotas for independent members and standardised procedures for selection of collegial bodies for all SOEs. Involvement of independent members in the collegial bodies helped to improve the assessment of governance criteria of other SOEs. The changes noticed in the accounting area are nonetheless significant as well. Significant improvement has been noticed in the quality of SOE annual reports and dissemination of information. A positive impact was made by the individual recommendations prepared by the GCC and additional communication regarding the changes in the accounting provisions.

Despite the foregoing, as much as 10 out of 17 groups of governance criteria have been evaluated positively, significant shortcomings are seen in the areas of corruption prevention, special obligations, selection of collegial bodies, practices of supervision of implementation of strategies, financial sustainability and other fields.

Sustainability (social responsibility) was identified as the weakest link in SOE Good Corporate Governance Index. Over 70% of all sustainability practises applied by SOEs were evaluated positively. SOEs are still far behind the best global practices. Frequent initiatives do not have a clear direction and do not reflect the specifics of company's activity as well as the purposes of sustainability are rarely determined.

In the Index of the previous year, a separate assessment of corruption prevention practices was performed for the first time revealing that the majority of companies take respective measures in at least one of



areas of corruption prevention, however, the gaps are seen in order to ensure systemic fight with possible expressions of corruption.

In the category of large companies, the leader of governance was **UAB Ignitis Group**, in the category of medium-sized enterprises – **AB Smiltynės perkėla**, in the category of small and micro companies – **UAB Investicijų ir verslo garantijos**.

Special nominations were also awarded during the presentation of the results of SOE Good Corporate Governance Index to assess the performance of companies in the specific fields of good governance. The title of the "Leader of Transparency" was dedicated to **UAB EPSO-G Group**; "Leader of Anti-corruption measures" – to **VĮ Oro navigacija**; "Professional governance" – to **AB Lietuvos geležinkeliai Group**; "Progress of Governance" – to **VĮ Registrų centras**; "Efficiency Breakthrough" – to **UAB Toksika**.

More detailed information about the results of SOE Good Corporate Governance Index for 2018-2019 is available on the website of the Governance Coordination Centre.





Lithuanian state ownership policy

SOE Governance Policy

Examples of many foreign countries show that SOEs can operate efficiently, provide benefits to consumers, and compete successfully on the market, and their performance can stand on a par with or even surpass the indicators of private enterprises. Modern and efficiently functioning SOEs can significantly contribute to state budgets, while additional funds can be redistributed to a wide range of areas, from pensions, teachers' and medical staff salaries to investment projects of national importance. In addition, these companies, having implemented advanced management models, become an example of transparent and responsible business, thereby promoting sustainable economic development. To turn SOEs into modern efficient companies, it is necessary to warrant the introduction of the good governance principles through ongoing and professional supervision of state-owned enterprises. It is important that the State has a clear ownership policy outlined and high transparency standards as well as ambitious expectations set for these companies.

The activities of Organisation for Economic Co-operation and Development (hereinafter – the OECD) had a significant effect on the improvement of governance of State sector companies. OECD is a multilateral forum for discussions, sharing of experience and development of new economic and social policy guidelines. The organisation offers its members and partner countries support in introducing the good global practices and standards in the public policy field. Lithuania became a full member of the OECD on 5 July 2018. Pending the accession to the OECD, Lithuania had undertaken intensive work relating to the specific recommendations presented, back in 2015, by the OECD for Lithuania in the area of good SOE governance. The merger of road maintenance and forestry enterprises, the reinforcement of the nomination procedures for members of collegial bodies and their mandate, and concrete plans for further work allowed Lithuania become a full member of the OECD. On 18 October 2019, Vidas Danielius, the Manager of Governance Coordination Centre (hereinafter – GCC) was elected as the member of the Working Group of State Ownership and Privatisation Practises of this organisation. OECD prepares and publishes the Guidelines on Corporate Governance of State-owned Enterprises (hereinafter – the *OECD Guidelines*) – a document outlining

the key SOE governance principles. These Guidelines mark an agreement among the most advanced and most economically developed countries and are recognised as an international benchmark. The periodical updates of these Guidelines take account of the developments and countries' experiences in order to identify new emerging issues at a national and an international level. The *OECD Guidelines* provide specific proposals for addressing the various issues arising from the governance of SOEs. For example, they recommend that the State outline its ownership policy and clearly distinguish between the ownership and regulatory functions. The *OECD Guidelines* also give an overview of the expected roles of members of collegial bodies (boards and supervisory boards) at SOEs and provide recommendations on their composition and nomination procedures. The document emphasizes the need to create equal competitive conditions for both SOEs and private sector companies, taking into account the interests of all shareholders and stakeholders of SOEs, and aims at maximising the transparency of SOEs. These and other recommended changes would help states ensure professional governance of their enterprises.

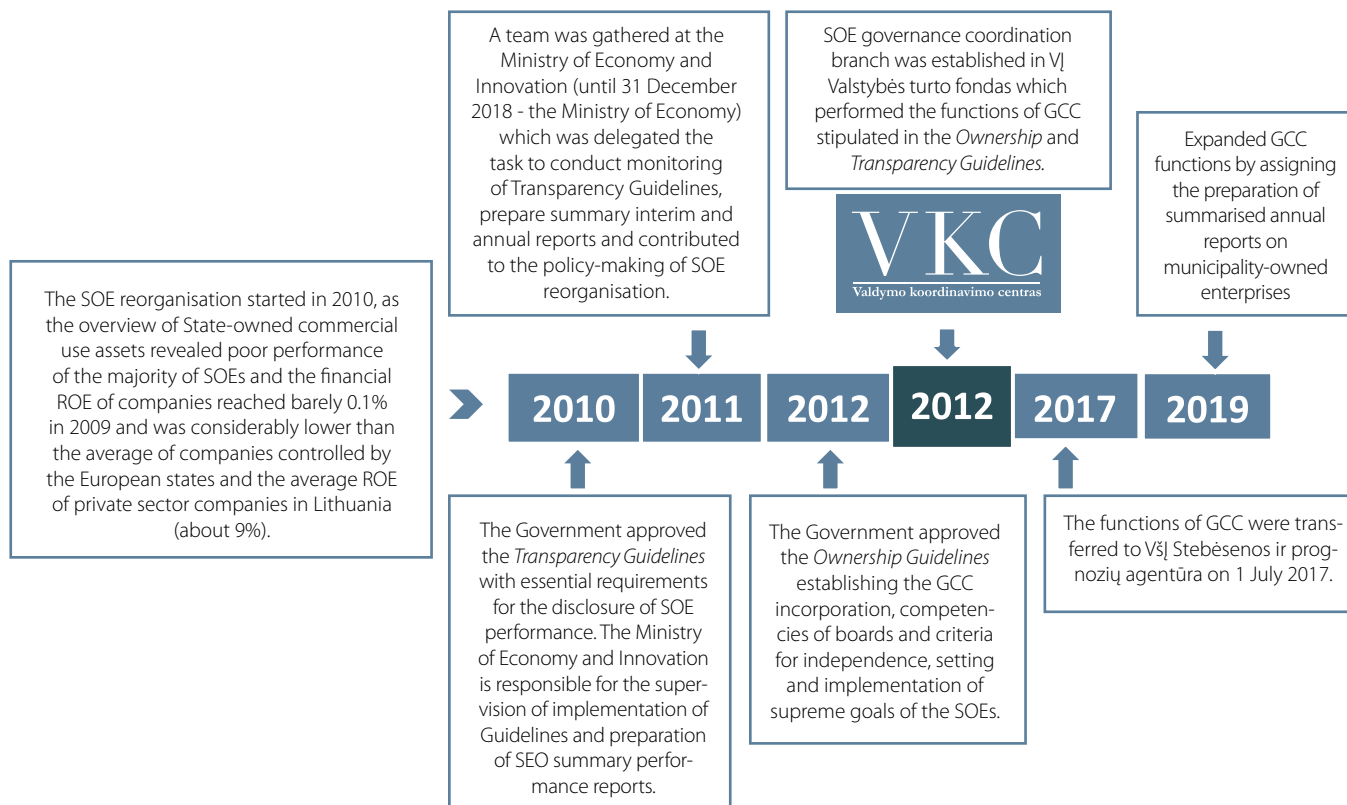
Despite the accession to the OECD, Lithuania continues to put significant efforts to increase the efficiency of state-owned enterprises. The latest OECD review of Corporate Governance in Lithuania, which assesses Lithuania's progress in introducing good governance principles and draws attention to the potential for further developments, notes that Lithuania has made significant advancement in implementing the principles of the OECD principles, but one of the recommendations is to prioritise the strengthening of the boards at the companies, which operate under the Law on Limited Liability Companies. As far as the SOEs are concerned, it has been advised to continue strengthening the state's ownership coordination function, improving the independence of the boards, and refining the nomination procedures for corporate collegial bodies, to continue the transformation of the companies with the legal form of state enterprises into limited liability companies, to pursue that the largest SOEs were subject to the disclosure requirements on a mandatory basis, and to abandon the provision of the Law on Limited Liability Companies concerning the terms of office of the heads at state-owned limited liability companies. This year, i.e. 2020, OECD conducts a re-assessment (2 years after the accession) of Lithuania's progress on the basis of which, the recommendations related to SOEs governance will be updated.

Governance Coordination Centre

In order to ensure consistent and professional governance of the SOEs, the Government has decided to establish the Governance Coordination Centre, an institution that monitors and analyses the implementation of the State's policies across state-owned enterprises. Since 1 July 2017, the functions of GCC have been undertaken by VšĮ Stebėsenos ir prognozių agentūra the rights and duties of which are implemented by the Ministry of Economy and Innovation. Successful implementation of good governance practices led to the result that since January 2019, upon entry into force of the new wording of the Law on the Management, Use and Disposal of State-owned and Municipal Property of the Republic of Lithuania, analogous good governance practices started to be

installed in municipality-owned companies as well. The functions undertaken by the Centre include an increasingly wider range of SOE coordination activities: nomination of independent board and supervisory board members, supervision of the implementation of strategic plans, preparing analytical reports and publishing information on the SOE and MOE activities, assistance in the policy-making in the SOE and MOE sector, and advice on the matters concerning the introduction of good governance principles and State- and municipality-owned enterprises – the GCC pursues the improvement of the following key areas:

- Improving SOE transparency and accountability;
- Improving the independence and powers of the collegial bodies at SOEs and MOEs;
- Promoting SOE and MOE centralisation and efficient governance.



Areas of activity and functions of the Governance Coordination Centre:

- Transparency (preparing summary reports, evaluation of the companies' financial performance and efficiency, analysis of executive remuneration at SOEs);
- Setting objectives (calculating target return on equity for SOEs, evaluating ambition behind corporate strategic objectives, and monitoring of their implementation);
- Work of collegial bodies (organising the nomination process for the board and supervisory board members, developing a database of potential members of collegial bodies, assessing the competences held by collegial bodies, advising corporate boards and supervisory boards, taking part in the nomination committee for SOE board and supervisory board members);
- Policy-making initiatives (drafting methodological guidelines, new legislative initiatives, advising the Government and the Ministry of the Economy and Innovation of the Republic of Lithuania (until 31 December 2018 – the Ministry of Economy);
- Advice (advising the Government and the institutions representing the State on SOE governance and the key shareholder decisions to be taken as well as on expectations and deliverables, advising SOEs on business matters and the implementation of the good governance practices, advising the Government and the Ministry of Finance on dividends and profit contributions to be paid out).

Regulatory Environment of SOEs

The shared experience of foreign countries shows that the implementation of the SOE good governance principles is an important, yet a complex initiative. The main challenge is to strike a balance between the State's commitment to actively pursue its ownership functions (such as setting financial and other objectives and their monitoring) and the unbiased regulation of the sector in which the company operates. For these reasons, different countries adopt legislation on ownership policy clearly outlining the rights and obligations of all stakeholders involved in SOE governance. The documents laying down the ownership policy also outline the procedure for determining the salaries of members of collegial governing or supervisory bodies, formalise their nomination principles, establish the principles for the composition and independence of such bodies, and detail the expected performance of the SOEs. The purpose of establishing clear ownership functions is to ensure that the State is an active owner of the property – that it sets objectives for enterprises, establishes expectations pertinent to ensuring efficient business and good performance, and lays down the inter-institutional communication standards and liabilities.

The Lithuanian State implements its functions of the SOE owner through the government ministries or their subordinate bodies. The role of the Government is to establish the strategy for the implementation

of the State ownership functions and basic guidelines. It is the main decision maker on key SOE governance issues. The general SOE governance policy is shaped by the Ministry of the Economy and Innovation of the Republic of Lithuania, which drafts relevant legislation and submits it to the Government.

Key Legislation Governing the Activities of State-Owned Enterprises in Lithuania

The activities of state-owned enterprises and their efficiency are strongly influenced by the national legislative framework. In their business, the enterprises, subject to their legal form, sectors and other aspects of their activities, must rely on existing legislation. The Law on Possession, Use and Disposal of State and Municipal Property of the Republic of Lithuania lays down the terms and conditions for the possession, use and disposal of state and municipal assets and the powers of state and municipal institutions in this area.

Based on the OECD guidelines and the global best practices, in 2010 the Government passed the Resolution Approving the Schedule of Guidelines for Ensuring Transparency in the Operations of State-Owned Enterprises and Appointing the Coordinating Body (known as the *Transparency Guidelines*), which set high transparency and reporting standards for all SOEs, and in 2012, the Resolution Approving the Schedule of Procedures for the Implementation of State Property and Non-Property Rights in State-Owned Enterprises (known as the *Ownership Guidelines*), which outlined the Government's ownership policy for the SOEs. The Ownership Guidelines provide solutions as to the principles to be followed when outlining strategic objectives and identifying financial indicators, separating the regulatory and ownership functions while forming boards and supervisory boards at SOEs, etc. The Ownership Guidelines contain three essential measures to reinforce the SOE governance: a strong shareholder, strong corporate executives and clear objectives. To reinforce the principles of independence and nomination of the boards and supervisory boards, the Resolution Approving the Schedule of Procedures for the

Ownership Guidelines	Transparency Guidelines	Nomination Guidelines
Outline the objective setting for SOEs: identification of target average cost of equity; oblige the VAI to prepare Letters of Expectation	Detail information to be disclosed by all state-owned enterprises about their business and deadlines for providing such information	Establish composition of collegial governing and supervisory bodies of SOEs and instruct them to have independent members
Oblige institutions representing the State to separate the ownership and regulatory functions of SOEs	Oblige SOEs to prepare interim financial statements	List the requirements for candidates to the collegial governing and supervisory bodies of SOEs and lay down the criteria for independence
Oblige SOEs to develop strategies and follow them	Oblige all SOEs to keep their financial records in accordance international accounting standards	Formalise nomination and appointment process for candidates to collegial governing and supervisory bodies
Oblige major SOEs to have collegial governing bodies and key committees	Oblige SOEs to provide information on special obligations undertaken	Outline the principles for the formation of nomination committee and its functions
Establish recommendations for the remuneration of executives and members of collegial governing and supervisory bodies	Oblige the coordinating authority (the GCC) to prepare summary reports on SOEs and their activities	

Nomination of Candidates to the Board of Directors of a State or Municipal Enterprise and Candidates to the Collegial Supervisory or Governing Body of a State- or Municipality- Owned Enterprise to be Elected by the General Meeting (the so-called *Nomination Guidelines*) was adopted. The *Nomination Guidelines* formalise the nomination process, determine the composition of the collegial bodies at SOEs, the requirements for the candidates, etc. The measure concerning clear objectives is implemented by setting the target average cost of equity as well as preparing and submitting letters to companies on the State's objectives and expectations for the SOEs (*the Letters of Expectation*).

Implementation of Lithuanian Ownership Policy

1. APPLICATION OF THE OWNERSHIP GUIDELINES

The provisions contained in the *Ownership Guidelines* are of mandatory nature and must be abided by the public authorities involved in the SOE governance. Some provisions of the *Ownership Guidelines* are subject to the "comply or explain" rule, which allows deviations from these provisions only when they are objectively necessary; in such cases, each deviation must be reasonably justified and explained.

2. CLEAR OBJECTIVES

In order to make SOEs perform as efficiently as possible and help them have clear information about what is expected from them by the State, the institution representing the State must clearly identify the financial and non-financial objectives set for the companies and its expectations in terms of their business. As set forth in the *Ownership Guidelines*, "the State, being involved in the SOE governance, pursues the growth of business value, yield from dividends or profit contributions, guarantees of national security interests, implementation of strategic projects or other objectives". Therefore, in the Letters of Expectation, the VAI presents customised expectations for an SOE concerning its commercial objectives, special obligations, etc. This goes to show that along with the generic public objectives for SOEs, such as the requirement of financial return, there is an emerging trend of setting custom objectives related to the specific business of a company.

The key guidelines applicable to the Letters of Expectation to be prepared by the VAI are provided in the Guidelines for Drafting a Letter of the Institution Representing the State on the State's Objectives in a State-Owned Enterprise and Expectations from a State-Owned Enterprise (hereinafter the *Expectations Guidelines*). These guidelines outline the principles for shaping the financial and non-financial expectations, establish the communication requirements in the process of getting the target deliverables approved and set along with their values, setting forth an obligation to identify the primary requirements for special obligations undertaken, and outline reporting requirements.

The *Letters of Expectation* must be an integral part of corporate strategies. The target financial and non-financial performance expectations should be ambitious, measurable, and quantifiable. For the purposes of monitoring the achievement of objectives, the enterprises should be assessed on a regular basis in terms of how they pursue their goals. All this information, as provided by the Ownership Guidelines, shall be available to the public; therefore, the above-mentioned letters shall be published on the SOE, VAI and GCC websites.

2.1. State Objectives for the SOEs

2.1.1. Average annual cost of equity (return on equity) requirements

The Resolution of the Government of the Republic of Lithuania of 9 January 2019 approved the average costs of equity for the state-owned

enterprises and of the target average annual consolidated net profit indicator for VĮ Valstybinių miškų urėdija for the period 2019-2021. After the entry into force of the new wording of the *Ownership Guidelines* on 30 August 2019, the application of provisions was expanded by including the subsidiaries of SOEs: the setting of the average annual target equity price for subsidiaries of SOEs was regulated which are approved for a period of 3 years by the Government according to the proposal of the Minister of Economy and Innovation. The Guidelines stipulate that the target average annual cost of equity (return on equity) requirements shall be established for a significant part of the commercial activities of all SOEs and subsidiaries.

2.1.2. Dividends for the shares in state-owned limited liability companies and profit contributions by state enterprises

SOEs, subject to their legal form, pay either dividends or profit contributions to the State budget with the dividends being paid by the limited liability companies, and profit contributions, by state enterprises. The arrangements for paying dividends and profit contributions by state-owned enterprises are governed by the Law on State and Municipal Enterprises of the Republic of Lithuania and the Resolution of the Government of the Republic of Lithuania On Dividends for the State-Owned Shares in Companies and Profit Contributions of State Enterprises (hereinafter – the Resolution on Dividends). Following the above legislation, SOE pays dividends or profit contributions on the distributable profit of the reporting year. SOE, following a separate decision of the Government, may pay lower dividends or profit contributions if:

- it is implementing or taking part in the implementation of an economic project of public importance as declared by a decision of the Government, or is implementing or taking part in the implementation of a project of extraordinary public importance as declared by a decision of the Seimas of the Republic of Lithuania;
- The value of dividends or profit contributions due to be paid by a state-owned enterprise under the legislation would threaten its financial sustainability (in view of quarantine declared in Lithuania on 16 March 2020, according to the updated *Resolution on Dividends*, the exceptions regarding non-payment of dividends may be discussed in individual cases and in view of extraordinary situations such as war, declaration of the state of emergency, mobilisation, quarantine or extreme situation).

2.2. SOE Strategies

SOEs must have clear strategic plans that would serve as communication tools among the Government, the shareholder or institution implementing the owner's functions, corporate boards and executives. The Government has placed all SOEs under the obligation to develop their strategic business plans. Since autumn of 2019, this obligation has been applied to subsidiaries of SOEs as well. The limited liability companies should develop their strategic business plans for at least a three-year period, state enterprises, for a four-year period and they should update them annually. These plans must include their strategic directions for the company's business to be developed, long-term and short-term objectives and targets with specific target indicator values to measure the achieved objectives and targets. The plans should also provide for comprehensive financial forecasts, investments and their funding sources along with the evaluation of return, the enterprise's environmental and risk analysis, available resources, etc.



The companies and their subsidiaries are obliged to submit their draft strategies to the Governance Coordination Centre, every year before 15th November, which provides recommendations and proposals for their improvement. The GCC also evaluates the target indicators outlined in these strategic plans and provides recommendations and proposals for their improvement. The approved strategic plans shall be submitted to the Governance Coordination Centre by the 15th January of the year of their approval.

3. COLLEGIAL GOVERNING BODIES

One of the key factors to achieve profitable and efficient business of the company is a competent, motivated and independent management or a supervisory board, where it is formed. The board is the main governing body that establishes the company's strategic priorities, assesses the activities of the company's executives and ensures their accountability.

Following the amendments to the *Ownership Guidelines*, SOEs are no longer divided into five categories, instead they have been subjected to the concepts of public-interest entities (i.e. SOEs which are considered to be large in accordance with the Law on Financial Reporting by Undertakings) and of enterprises that are considered of importance for ensuring national security. Such public-interest entities and the companies of importance for ensuring national security must have functioning collegial bodies. A decision on the management boards (or supervisory boards) to be formed in other SOEs is vested with the institution representing the State.

*On the basis of their legal form, all state-owned enterprises (SOEs) fall into the following categories: **state enterprises (SEs)** and **state-owned limited liability companies** (either public limited liability companies (AB) or private limited liability companies (UAB)).*

SEs are companies incorporated using public assets or enterprises transferred to the State according to the procedure established by the laws; they are owned by the State and they manage, use and dispose of the assets transferred to them or acquired by them under the right of trust. As at 31 December 2019, there were 18 SEs in Lithuania, including VĮ Valstybinių miškų urėdija, VĮ Lietuvos oro uostai, VĮ Klaipėdos valstybinio jūrų uosto direkcija and others.

State-owned public and private limited liability companies (AB and UAB) are private legal entities with limited civil liability with all or part of their shares owned by the State. At the end of 2019, there were 13 SOEs, which were public limited liability companies (AB) in terms of their legal form, in Lithuania (including AB Lietuvos paštas, AB Lietuvos geležinkeliai, AB Klaipėdos nafta), and 20 SOEs, which were private limited liability companies (UAB) in terms of their legal form (UAB Ignitis grupė, UAB EPSO-G, UAB Lietuvos parodų ir kongresų centras LITEXPO, etc.).

4. COMMITTEES

SOEs, which are considered to be public-interest entities under the Law on the Audit of Financial Statements of the Republic of Lithuania, are required to form audit committees which would reinforce the internal control of the companies – monitor the process of having the companies' financial statements prepared, the efficiency of various internal control systems, the auditing process, etc. An audit committee must consist of at least three members, of which more than half must be independent. An independent member shall be elected as the chair of the audit committee.

Every state-owned limited liability company, which is considered to be large under the Law on Financial Reporting by Undertakings of the Republic of Lithuania, must also have a remuneration committee formed to prepare proposals for the remuneration schemes of the company's executives.

5. REMUNERATION

In order to attract as many experienced independent professionals as possible to become members of collegial bodies, they may be remunerated for their work. The issue concerning the remuneration of members of collegial bodies must be discussed at the general meeting of each limited liability company, but it is recommended that the members of the boards of directors and supervisory boards of state-owned limited liability companies be paid fixed remuneration not exceeding 1/4 of the remuneration set for the company's

head, and the chairs of the boards and supervisory boards, the remuneration not exceeding 1/3 of the above amount. Members of collegial bodies who are civil servants or employees of institutions representing the State are not remunerated – the sum assigned for remuneration is transferred to the State budget. The payment arrangements for the members of the SE board of directors are governed by a separate resolution on the basis of the principle that the remuneration awarded to a board member may not exceed 1/5 of the average monthly salary of the company's head.

Nomination of Members of Collegial Bodies

2019 In the new wording of the Nomination Guidelines published on 6 September 2019, the Government harmonised the nomination procedures for collegial supervisory or governance bodies of SOEs, MOEs and their subsidiaries.

The *Nomination Guidelines* establish the principles for the formation of collegial governing and supervisory bodies, the general, special and independence criteria, the selection and nomination procedures, and the composition of the nomination committee. The *Nomination Guidelines* apply only to a collegial body directly elected by the nomination initiating subject (institution representing the State or State-owned company, to collegial body of the subsidiaries of which the nomination is organised - hereinafter referred to as the VAI), regardless of the legal form or size of the SOE (or its subsidiary).

1. COMPOSITION OF COLLEGIAL BODIES

In order to achieve improved independence of collegial bodies, at least 1/2 of the collegial body members of SOE must meet the independence criteria set out in the *Nomination Guidelines*, while, in case of subsidiary of SOE, independent members should account for 1/3 of the number of members of collegial body established in the Statutes. In addition, it has been established that persons who are civil servants of political confidence or persons that are responsible for the policy-making in the economic sector, which the company operates in, may not be elected as members of a collegial body. This principle separates the functions of policy-making for an economic sector and of ownership implementation.

2. REQUIREMENTS FOR THE CANDIDATES

Pursuant to the Nomination Guidelines, the candidates are subject to general and special requirements. Each candidate in order to become a member of an SOE collegial body must meet the general requirements. The general criteria require the candidate to be educated to degree level, be of impeccable reputation, and not be a shareholder of the SOE or of an associated company, which they stand for, or their representative. Special requirements for candidates are determined by the VAI given the needs of a particular company and the missing or desired competences of the collegial governing body.

The Nomination Guidelines also provide for the competences that a collegial body of the company must have. A collegial body elected by the VAI at every single SOE must have members with a variety of competences, including, but not limited to the competences in the areas of finance, strategic planning and management, and knowledge of the economic sector, which the company operates in.

3. KANDIDATŲ ATRANKA

In order to increase the value added created by the members of collegial bodies of SOE, they should be appointed or elected pursuant to the provisions of the Nomination Guidelines and other legislation to depoliticise management of companies, to attract necessary governance competencies by increasing the possibilities to ensure implementation of State and public interests in the companies. The provisions of the Nomination Guidelines stipulate that the initiating subject (IS), having made a decision to have an independent member nominated for the position of a member of the collegial body at a state-owned enterprise, must notify the company, GCC and the selection agency. The latter must provide the initiating subject with the proposals on the areas of competences that would be best suited to contribute to the company's

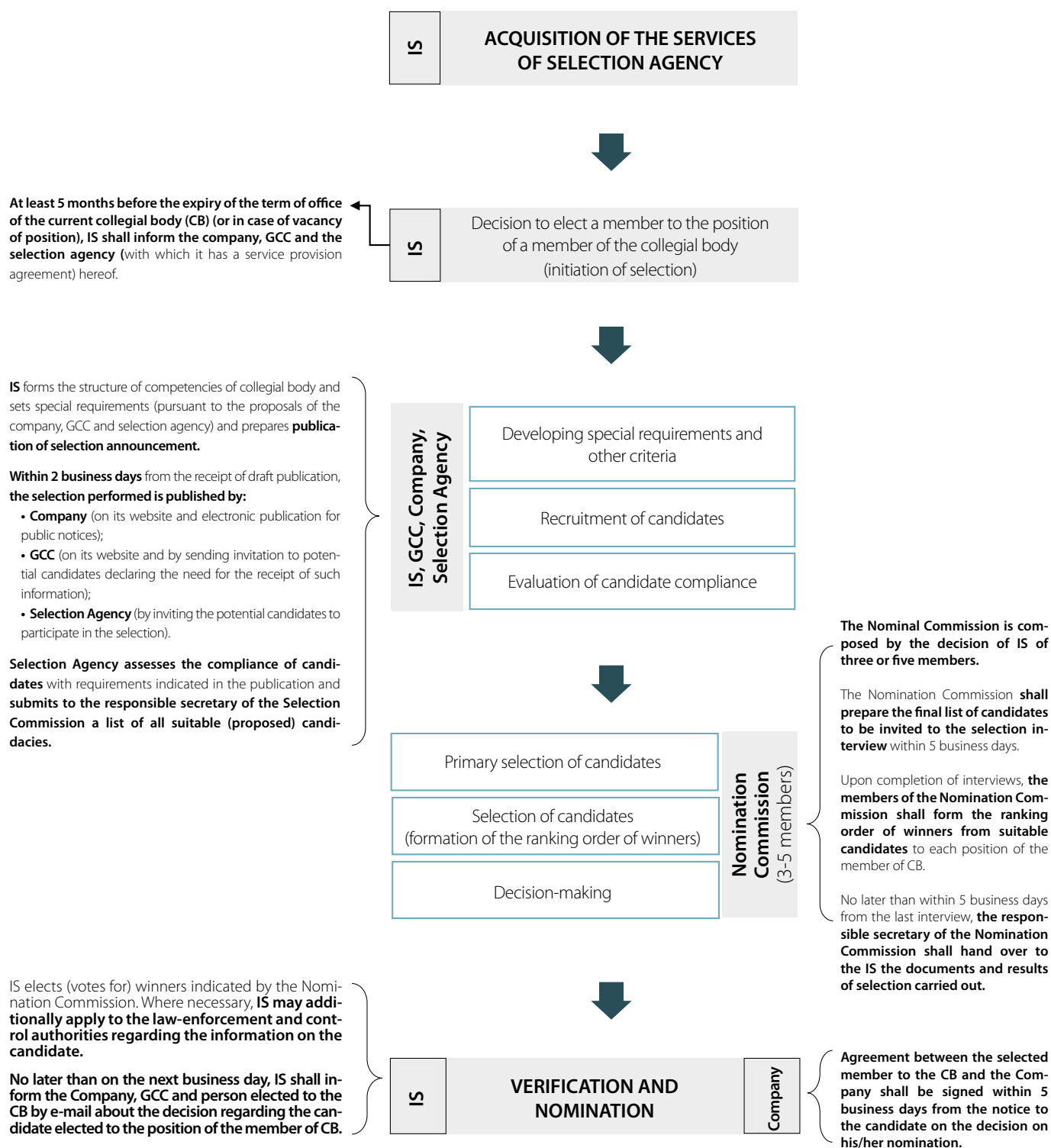
strategic objectives to be achieved and the special requirements to be set for the candidates within 10 business days. The nomination process for independent members starts with the identification of the requirements for the candidates and publishing of an advertisement about the nomination. Other members of the collegial body may be selected without following the procedures specified in the Nomination Guidelines, but in accordance with the requirements for the candidates.

The procedures for assessing compliance with the general and special requirements and independence criteria are followed by a transfer of the list of potential candidates by the nomination agency to the nomination committee. The nomination committee is authorised to elect independent members of collegial bodies by drawing up a final shortlist of candidates to be invited to an interview and conducting selection interviews with the selected candidates. The winner of the nomination procedure shall be determined in accordance with the voting and winner announcement arrangements laid down in the Nomination Guidelines. The nomination committee shall present the prepared ranking order of winners to the initiating subject that, in turn, shall take the decision either to appoint the candidate a member of the collegial body or propose a vote on them at the general meeting.

The nomination commission in charge of election of independent members to the collegial body of enterprise is composed by the decision of VAI from:

- five members – a member proposed by the Prime Minister, a member proposed by the head of VAI, a member proposed by the Minister of Economy of Innovation, a member proposed by the Minister of Finance and one representative of the GCC in case of nomination to the members of collegial body of the SOE;
- three members – one representative of the VAI, one representative of SOE and one representative of GCC in case of nomination to the members of collegial body of subsidiary of State-owned enterprise.

In addition, experts from different institutions, bodies or organisations may also be invited to the selection interviews following the decision of the VAI. When composing the nomination commission, the VAI must appoint the responsible secretary who is not the member of commission, but organises the work of the entire nomination commission. The chairman of the nomination commission, who is responsible for the due observance of the procedure stipulated in the Nomination Guidelines and communication with VAI, shall be elected during the first meeting of the nomination commission. All members of the Commission have one vote each. Recruitment (selection) agencies shall be engaged in the search of independent board members of SOE.



Transparency of the SOEs

The transparency of the activities of SOEs is crucial, because every Lithuanian citizen is a shareholder in the state-owned enterprises. For the purposes of good corporate governance, it is necessary not only to publish clear objectives for the SOEs and their executives, but also evaluate the achievement of these objectives by the SOEs on a periodic basis.

The *Transparency Guidelines* have been adopted based on best global practices and the *OECD Guidelines*. They stipulate that SOEs must comply with similar transparency requirements as the ones applicable to the companies listed on the stock exchange. In addition, it has been recommended that both the record-keeping of the SOEs and the audit of their annual financial statements be carried out in accordance with the international accounting standards. Moreover, the provisions of the *Transparency Guidelines* put SOEs under the obligation to provide information on their special obligations in conjunction with their annual financial statements.

1. APPLICATION OF THE TRANSPARENCY GUIDELINES

Based on the latest wording of the *Transparency Guidelines*, they must be followed by all Lithuanian SOEs. Additionally, it has been laid down for the state-owned limited liability companies that they must take steps to ensure compliance with these provisions by their subsidiary public and private limited liability companies. Furthermore, all SOEs, regardless of whether an SOE is listed or not on the stock exchange, are required to comply with the corporate governance code of the listed companies of NASDAQ OMX Vilnius as regards the disclosure of information. In order to assess the SOEs' compliance with the Transparency Guidelines and other good governance principles, the GCC prepares the Good Corporate Governance Index of the SOEs with its results being submitted to the Government and published on the GCC website.

2. SUBMISSION OF INFORMATION

State-owned limited liability companies must prepare the sets of annual and six-monthly interim financial statements, while state enterprises, the sets of annual and quarterly financial statements. All SOEs must additionally prepare annual reports (for public and private limited liability companies) or annual activity reports (for state enterprises), i.e. documents which must give a brief overview of the company's business model, major events and their performance in terms of achieving the objectives provided in the company's business strategy, profitability, liquidity, asset turnover and debt indicators, information about special obligations to be undertaken, the total annual payroll, the average monthly salary, ongoing or scheduled investment projects, and investments made over the reference year. They must also include the information about the implementation of the risk management, dividends, salary and investment policies applicable in the company, the information on the compliance with the Transparency Guidelines, etc. The largest Lithuanian SOEs must additionally prepare six-monthly interim reports or interim activity reports.

These documents must be submitted in accordance with the deadlines provided in the Transparency Guidelines and published online where they can easily be accessed by the public.

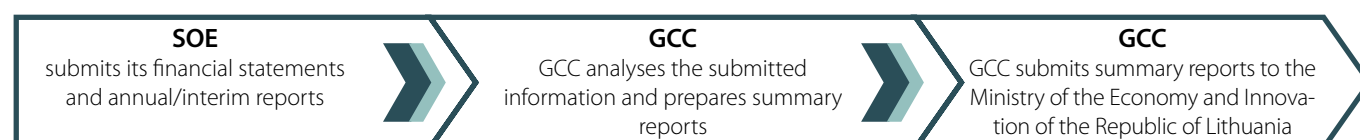
3. SUMMARY REPORTS

The documents referred to in the *Transparency Guidelines* shall be submitted to the GCC, which aggregates the data and prepares summary annual and six-monthly interim reports on the SOE activities.

The summary annual reports on the SOE activities provide generic information on SOEs (the changes in the number of enterprises, their legal form, the State's interest in the share capital of the SOE), an overview of the SOE governance policies, the total value of SOEs, an overview of financial and non-financial performance, information about the special obligations to be undertaken by the enterprises, sponsorship granted by the companies, a general overview of the implementation of SOE remuneration policies, and other SOE-related information. These summary reports and the mentioned findings and proposals are submitted to the Ministry of the Economy and Innovation and the institutions representing the State, and they are presented to the Government of the Republic of Lithuania in line with the deadlines provided for in the Transparency Guidelines. The reports are also published on the GCC website (<https://governance.lt/>), which additionally has the financial statements, annual and six-monthly interim reports or activity reports and other relevant information of all SOEs available to the public.

4. DISCLOSURE OF INFORMATION ON SPECIAL OBLIGATIONS

In line with the OECD Guidelines and in order to improve transparency and facilitate financial analysis, SOEs are under the obligation to provide information, along with annual financial statements, on their non-commercial functions (*special obligations*) undertaken. This implies that SOEs must also publish the costs of all social obligations undertaken or public services provided, various subsidies received, financial assistance, capital used, etc. The separation and disclosure of special obligations are particularly important for assessing the performance of commercial activities and for establishing clear and transparent financing mechanisms for non-commercial functions that would not distort the market as in the course of their commercial activities SOEs must operate under the conditions of fair competition.

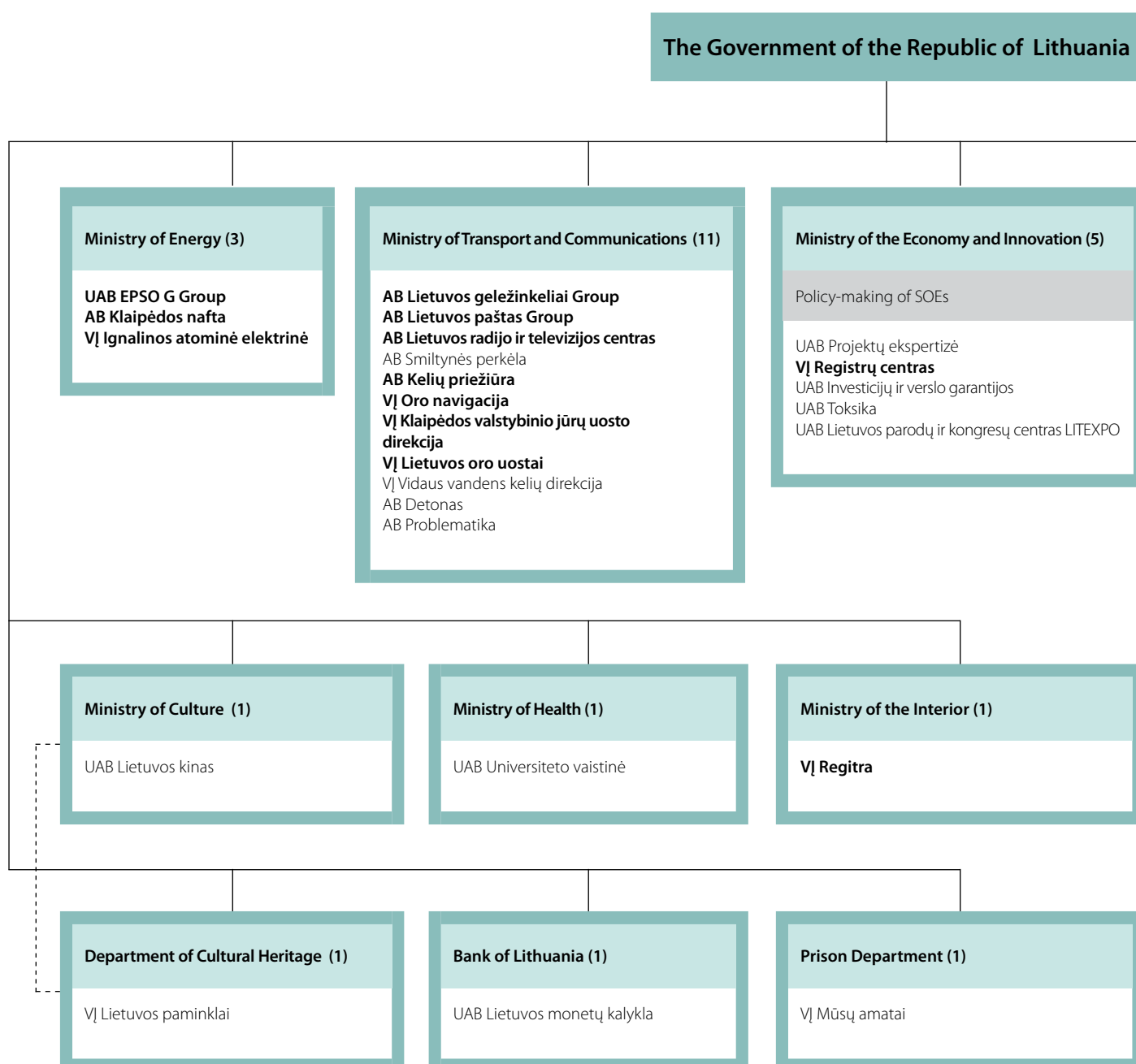


Role of Institutions Representing the State in the SOE Activities

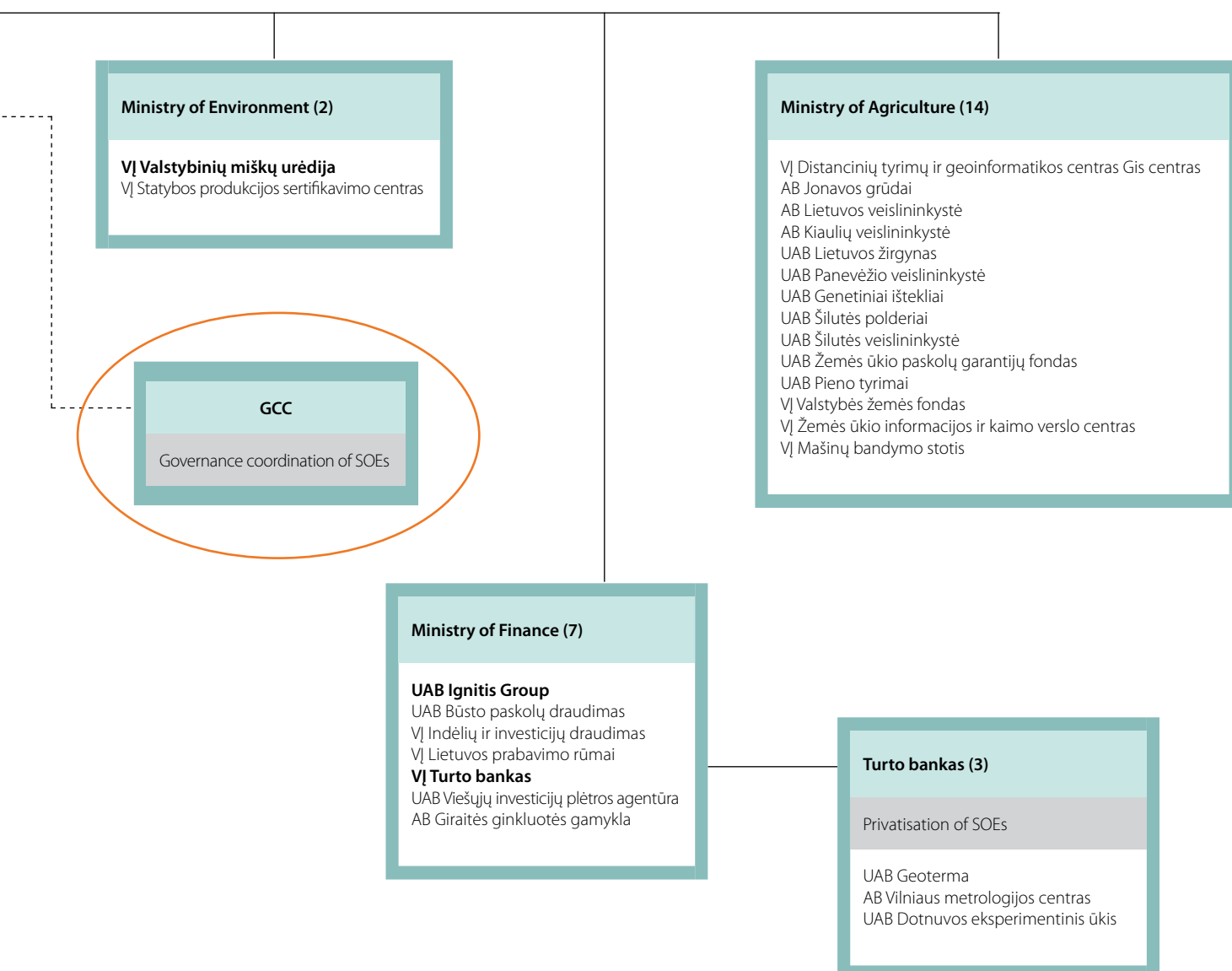
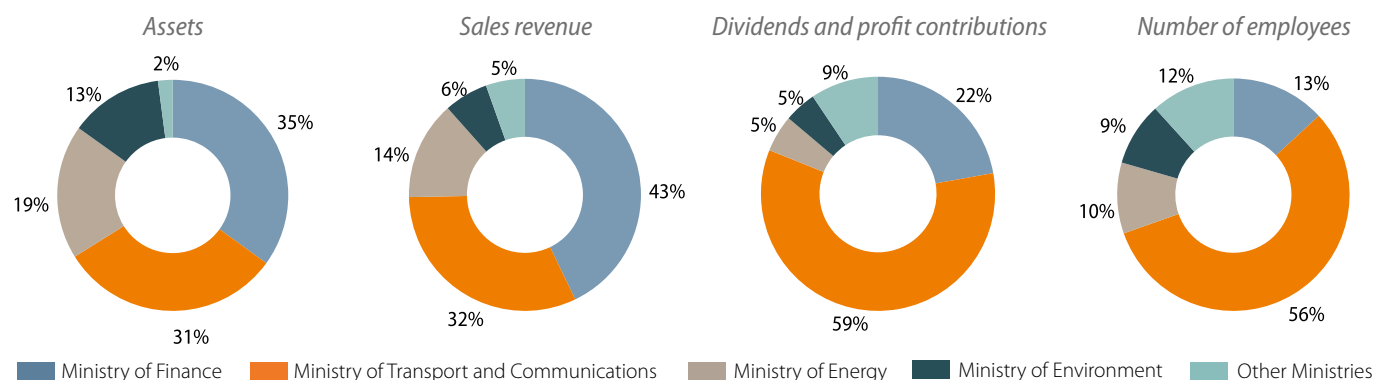
13 institutions represented the government in SOE activities

The Lithuanian State implements its functions of the SOE owner through the government ministries or their subordinate bodies. In terms of controlling the SOEs, the State quite often finds itself in an ambiguous situation when it comes to balancing different views – the roles of a shareholder in SOEs and of a policy maker in certain sectors of the market, which SOEs operate in. This is addressed by separating the corporate governance functions from policy-making in the institutions or by transferring the governance of the SOEs to institutions other than the policy-maker of the sector.

The institution representing the State (hereinafter – the VAI), which is the institution or shareholder exercising the rights and obligations of the owner of the company, shapes the expectations for the SOE business that include the expectations in terms of commercial objectives, special obligations, and other goals relating to the business of the companies. The VAI is also charged with ensuring the introduction of good governance practices, passing the decisions relating to the SOE business, and resolving other issues pertaining to the SOE business and governance. In turn, Lithuanian SOEs must act in compliance with the same principles of transparency as applicable to the companies listed on the stock exchange.



According to the data as at 31 December 2019, 51 SOEs operating in Lithuania had 13 institutions implement the owner's and shareholder's rights and obligations, six of which had one company to govern each. As compared with 2018, the total number of SOE's decreased from the previous 61. It should be noted that the Ministry of the Economy and Innovation of the Republic of Lithuania, which had five subordinate SOEs at the end of the 2019, also shapes the general SOE governance policies, drafts and submits the relevant legislation to the Government, presents the reports prepared by the Government Coordination Centre (GCC) to the Government of the Republic of Lithuania, manages companies, and implements the rights and obligations of the GCC owner, thereby making it involved in all SOE policy making and implementation stages.





Activities of SOEs

Overview of SOE Portfolio Results

The number of SOEs has decreased over the year – the State owned 50 enterprises at the end of 2019

As of 31 December 2019, the State owned 50 enterprises, while a year ago the number stood at 61. The events leading to the changes in the number of SOEs were as follows:

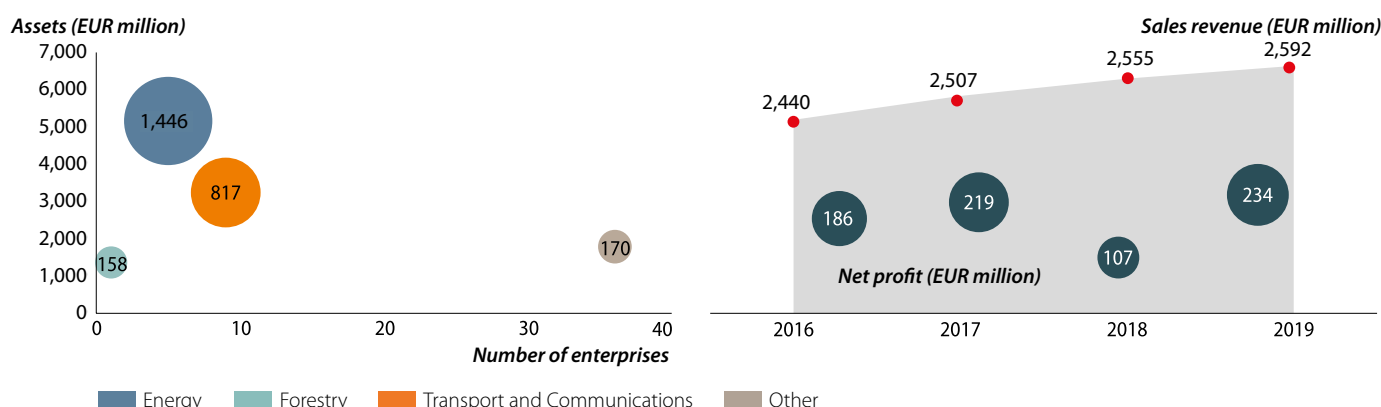
- Liquidation of **VĮ Lietuvos naftos produktų agentūra** in 2019;
- Bankruptcy proceeding were initiated against inactive **UAB Geoterma** on 15 March 2019;
- State-owned shareholdings of **UAB poilsio namai Baltija**, **UAB Klaipėdos žuvininkystės produktų aukcionas**, **AB Informacinio verslo paslaugų įmonė**, **UAB Kauno Petrašiūnų darbo rinkos mokymo centras** were sold in 2019;
- **UAB Gyvulių produktyvumo kontrolė** was merged to **UAB Pieno tyrimai** on 1 July 2019;
- **VĮ Energetikos agentūra** was reorganised into Public Institution (VŠĮ) on 26 September 2018;
- **VĮ Radioaktyviųjų atliekų tvarkymo agentūra** was reorganised and merged into **VĮ Ignalinos atominė elektrinė** on 28 March 2018;
- **VĮ Infostruktūra** was reorganised into **BĮ Kertinis valstybės telekomunikacijos centras** on 3 April 2019;
- **UAB Šeduvos avininkystė** and **UAB Upytės eksperimentinis ūkis** were reorganised and merged into a new enterprise **UAB Genetiniai ištekliai**, which was registered in the Register of Legal Entities on 2 January 2019.

Although still included in the composition of SOEs portfolio in 2019, another two companies were removed from the list of SOEs in the first half-year of 2020: State-owned shareholding of **UAB Dotnuvos eksperimentinis ūkis** was sold and the shares were transferred to a private buyer on 17 January 2020, whereas from 1 April 2020 **VĮ Lietuvos paminklai** was reorganised into a budgetary institution Kultūros infrastruktūros centras.

All SOEs fall into four sectors: Transport and Communications, Energy, Forestry, and Other Enterprises. The Other Enterprises sector includes the enterprises, which do not fall in any of the first three sectors. The Energy sector consists of four SOEs, which hold the largest share of the portfolio assets – 49.3% (EUR 5.2 billion). In 2019, the sales revenue from this sector accounted for 55.8% (EUR 1.5 billion) of the total revenue of the portfolio. The Transport and Communications sector includes nine enterprises, which hold 31.0% of the portfolio assets (EUR 3.2 billion) and earned 31.5% (EUR 817.3 million) of the portfolio revenue in 2019. The Forestry sector includes only one enterprise – **VĮ Valstybinė miškų urėdija** – surviving following the reorganisation. The assets of this company accounted for 13.1 (EUR 1.4 billion) of the analysed SOEs' assets, while the revenue generated by the company accounted for 6.1% (EUR 157.7 million) of total portfolio turnover. The Other Enterprises sector includes 36 enterprises with their aggregate sales revenue representing 6.6% (EUR 170.4 million) of the total portfolio revenue, and their disposable assets, 6.6% (EUR 685.9 million) of the total portfolio assets.

The chart below compares the numbers of enterprises comprising sectors and the volumes of disposable assets and revenue. The size of circles corresponds to the size of sales revenue (EUR million) inscribed in the circles.

Number of enterprises, assets and revenues by sectors



The effects of one-off events on SOE portfolio results

The performance of **UAB EPSO-G Group** for 2019 was influenced by a decision of the National Energy Regulatory Council regarding a 16.0% higher systemic services rate from 1 January 2019. As compared with 2018, the revenue from systemic electricity services grew by 19.8% and totalled EUR 70.8 million. Furthermore, the significant changes when comparing 2019 with the previous reporting period were largely influenced by the non-current asset revaluation results at its subsidiaries **AB Amber Grid** and **LITGRID AB Group**, which determined the increase of costs reaching EUR 88.7 million. If the effects of the reported asset value were ignored, the net profit of **UAB EPSO-G Group** would have reached EUR 14.4 million instead of EUR 47.7 million loss in 2018.

The net profit of **UAB Ignitis Group** was positive in 2019 and reached EUR 58.9 million, while in 2018 the net loss amounted to - EUR 22.0 million. This was conditioned by the decrease in the value of distribution network assets accounted for in profit (loss) statement for 2018. It was noticed that the net revaluation result was positive (i.e. conditioned the increase in the value of distribution network assets by EUR 76 million), however, the positive share was accounted in the revaluation reserve balance sheet. Furthermore, a better net profit performance in 2019 against the result of 2018 was conditioned by differences between the price of electricity forecasted by the regulator and included in the public supply rate and the actual market price that resulted in the growth in the cost price of the Group in 2018.

The financial ratios of **AB Klaipėdos nafta** and the company for 2019 were greatly influenced by the amendments made in the application of the 16th International Financial Reporting Standard and the related loss in the currency exchange. The risk of foreign currency exchange is faced due to the upcoming commercial transactions and recognised liabilities. The major share of lease contributions is denominated in the US dollars, therefore, the currency exchange rate changes occur in the total revenue report. The Group suffered currency losses resulting from the application of the aforementioned standard "Lease", which amounted to EUR 6.1 million in 2019. If the assets and liabilities recognised according to the amended IFRS 16 were ignored, the net profit earned by the Group for the reporting period would have amounted to EUR 12.7 million and would have been by 9.3% higher than in 2018.

Despite the scale of influence of the aforementioned one-off factors and the impact on the portfolio performance, below is the estimation of the net result in the overview of SOE portfolio results after elimination of influence of non-standard fees to the State and without deducting the losses of revaluation of assets of previous period of **UAB Ignitis Group** and **AB EPSO-G Group**, effect of currency exchange rate recorded in **AB Klaipėdos nafta** and effect of other one-off non-standard factors on the performance.

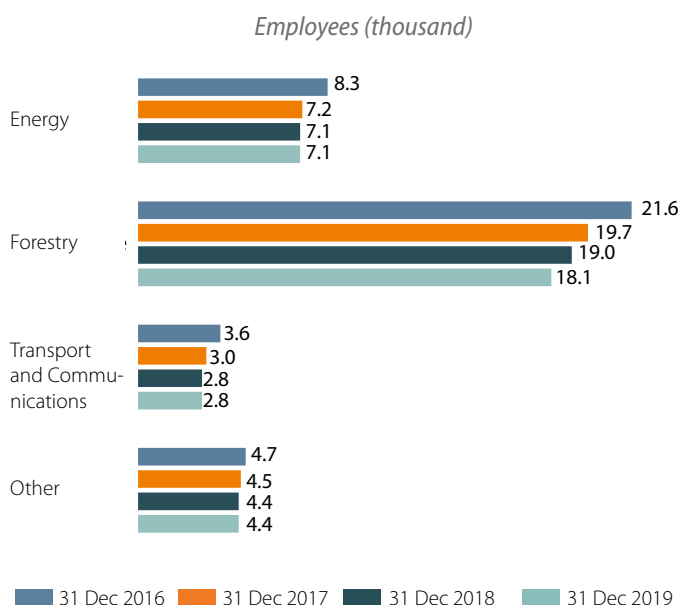
Numbers of SOE employees in decline for the fourth year in a row

At the end of 2019, SOEs had 32,389 employees or 980 employees less than a year ago. More than half (56.0%) of the employees were employed by the Transport and Communications sector with the top 3 largest employers being **AB Lietuvos geležinkeliai Group**, **AB Lietuvos paštas Group** and **UAB Ignitis Group** – all collectively employing 55.4% (17,952) of all SOEs' employees.

The Energy sector had 7,054 employees at the end of 2019 – a decline of 1.1% if compared with the number of employees of this sector in 2018.

At the end of 2019, the Transport and Communications sector employed (18,139) 4.4% employees less than a year ago. Mostly, the number of staff in this sector fell due to the change in the employee count at **AB Lietuvos paštas Group** – at the end of the reference period, the company had 5,250 employees, i.e. 497 employees less than a year ago.

The number of employees in the Forestry sector decreased by 0.4%. At the end of 2019, this sector employed 2,814 employees. The number of employees in the Other Enterprises sector shrank by 1.2% down to 4,382 employees.



Aggregated Financial Information of SOEs

The following table contains summarised financial information of all SOEs based on the financial statements for 2019.

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	2,555,353	2,591,646	+1.4%
Cost of goods sold	1,648,686	1,624,171	-1.5%
Gross profit (loss)	906,667	967,475	+6.7%
Cost of sales	424,871	407,304	-4.1%
General and administrative expenses	425,416	327,215	-23.1%
Results of other activities	30,002	35,540	+18.5%
Net financial items	-6,699	-30,258	-351.7%
Profit (loss) before taxes	79,682	238,238	+199.0%
Corporation tax	-202	26,135	-
Net profit (loss)	79,884	212,103	+165.5%
Minority share in profit (loss)	-1,195	2,761	-
Adjusted net profit (loss)	107,194	234,697	+118.9%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	7,864,590	8,760,217	+11.4%
Current assets	1,672,418	1,664,681	-0.5%
Cash and cash equivalents	654,773	556,212	-15.1%
Deferred charges and accrued income	24,528	29,350	+19.7%
Total assets	9,561,535	10,454,248	+9.3%
Equity	5,446,290	5,620,829	+3.2%
Grants and subsidies	1,429,345	1,474,697	+3.2%
Provisions	177,611	191,281	+7.7%
Amounts payable and other liabilities	2,339,371	2,976,389	+27.2%
Amounts payable after one year and other non-current liabilities	1,459,746	1,909,584	+30.8%
Financial liabilities	1,341,268	1,369,437	+2.1%
Amounts payable within one year and other current liabilities	879,625	1,066,805	+21.3%
Financial liabilities	270,674	408,957	+51.1%
Accrued expenses and deferred income	165,933	185,730	+11.9%
Total equity and liabilities	9,561,535	10,454,248	+9.3%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	1.1%	2.3%	+1.2 p. p.
ROE	2.0%	4.2%	+2.2 p. p.
D/E	29.6%	31.6%	+2.0 p. p.
EBITDA	414,761	655,537	+58.1%
EBITDA margin	16.2%	25.3%	+9.1 p. p.
Net profit margin	4.2%	9.1%	+4.9 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	71,010	77,132	+8.6%
Assigned profit contributions	65,216	45,242	-30.6%
Dividends and profit contributions to the State	136,226	122,374	-10.2%
Property and raw material tax	32,130	26,582	-17.3%
Total:	168,356	148,956	-11.5%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	33,369	32,389	-2.9%
Number of executives	248	243	-2.0%

SOEs' Market Value on NASDAQ OMX Vilnius Stock Exchange

The market value of listed SOEs increased

In 2019, five state-owned enterprises and their subsidiaries were listed on the NASDAQ OMX Vilnius Stock Exchange. At the end of 2019, the market value of all these state-owned enterprises amounted to EUR 1,618.0 million and was 9.1% higher than at the end of 2018.

31 DEC 2019 Market value on stock exchange	Share value 31 DEC 2019 (EUR thousand)	State-owned interest*		Value of the state-owned interest as of 31 DEC 2019		Annual change of the share value	Annual change of State-owned interest
		31 DEC 2018	31 DEC 2019	Nominal value (EUR thousand)	Percentage of the total value		
AB Energijos skirstymo operatorius	717,494	94.98%	94.98%	681,494	42.1%	23.8%	23.8%
LITGRID AB Group	292,512	97.50%	97.50%	285,207	17.6%	-7.9%	-7.9%
AB Ignitis gamyba	395,282	96.82%	96.82%	382,697	23.7%	22.0%	22.0%
AB Klaipėdos nafta	137,905	72.32%	72.34%	99,763	6.2%	-11.6%	-11.6%
AB Amber Grid	174,815	96.58%	96.58%	168,834	10.4%	-14.0%	-14.0%
SOE:	1,718,007	-	-	1,617,995	100%	8.7%	9.1%
OMXV index of all the shares:							15.4%

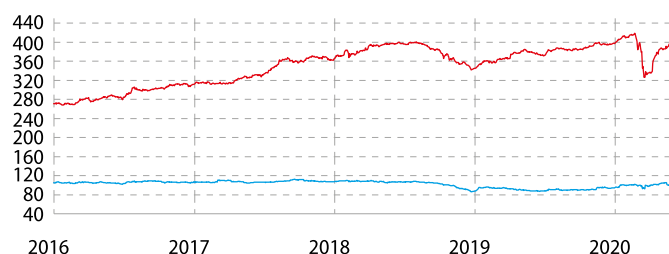
*The percentage points are rounded to .00

In 2019, the largest share (42.1%) of the market value of **State-owned shares of SOEs consisted of AB Energijos skirstymo operatorius** (EUR 681.5 million), while the lowest – **AB Klaipėdos nafta** (EUR 99.8 million). The share price has fallen for three analysed enterprises. The highest (14.0%) drop was seen by the share price of **AB Amber Grid**. The share price of **AB LITGRID** decreased by 7.9%, whereas the negative change in the share price of **AB Klaipėdos nafta** amounted to -11.6%. The share price of **AB Energijos skirstymo operatorius** increased the most in 2019 (23.8%), while the growth in the share price

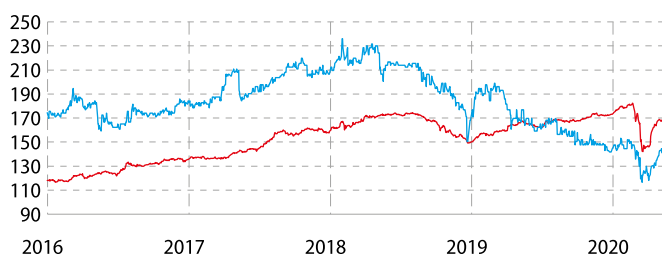
of **AB Ignitis gamyba** was almost the same (22.0%), however, the nominal value of the state-owned interest of this company was still nearly twice lower than that of **AB Energijos skirstymo operatorius** at the end of the year.

An index compiled of state-owned shares of SOEs shows the changes in the value of quoted state-owned assets starting as of the end of 2018. The index of SOEs increased by 9.1% from the end of 2018 to the end of 2019. During the same period, the stock index of NASDAQ OMX Vilnius increased by 15.4%.

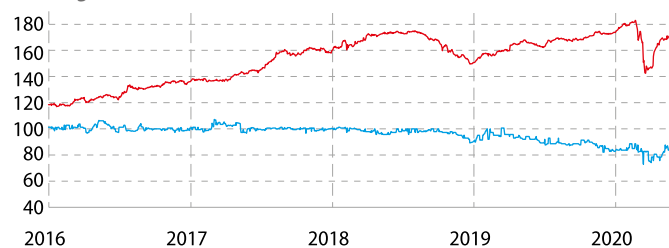
SEO index



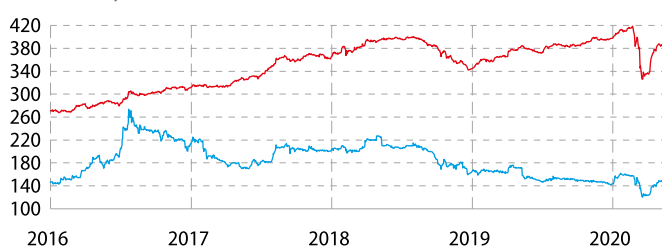
AB Amber Grid



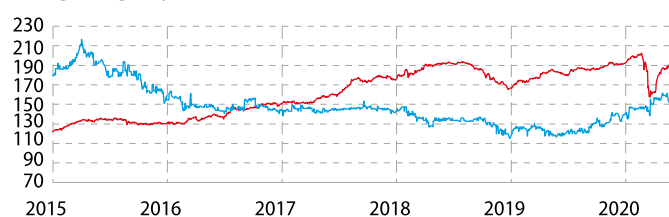
Litgrid AB



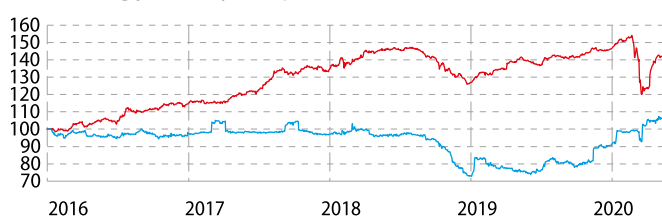
AB Klaipėdos nafta



Ignitis gamyba AB



AB Energijos skirstymo operatorius



— OMXV

— Company index

Remuneration of Members of the Collegial Supervisory and Management Bodies

SUMMARY

Remuneration of executives of SOEs

- State enterprises shall follow the policy of the remuneration of executives of SOEs established by the Government. State-owned limited liability companies usually also follow the policy established by the Government, though the provisions laid down in legal acts are recommendatory in character only.
- In 2019, the average remuneration of executives of SOEs increased by as much as 7.1% and amounted to EUR 5,472 (the average salary increased by 8.6% in the country). The lowest average monthly remuneration of executives of SOEs amounted to EUR 2,049, the highest one reached EUR 12,696.
- The remuneration of executives of SOEs is lower than that of the market players. The annual remuneration of executives of SOEs on average accounts for about 40-60% of the market average.
- A variable part of the remuneration of executives of SOEs constitutes a considerably larger share of the total remuneration as compared to that of the market players. On average, a variable part of the remuneration of executives of SOEs amounts to about 30-35% of the total remuneration, whereas in market companies this part accounts for about 15-20%.
- The remuneration policy established by the Government, which is at variance with the market conditions, establishes salaries of executives of SOEs that are lower than those of the market. The coefficients of the fixed component of the remuneration provided for in the remuneration policy are too low and prevent the executives of SOEs from establishing a competitive remuneration. The existing regulation either encourages to disregard the established policy (if the provisions are of recommendatory character only) or to maximise the variable part of the remuneration including bonuses.

Remuneration of members of the collegial supervisory and management bodies of SOEs

- The state-owned limited liability companies follow the policy on the remuneration of the board members established by the Government.

All SOEs apply hourly remuneration schemes and all SOEs follow the established remuneration restrictions.

- The applied payment systems differ considerably between the SOEs. Payment systems applied to the board members are based on the remuneration for the hours of work, meetings attended, payment of a fixed annual salary, or a mixed payment system is applied. As distinct from western European countries where a fixed annual salary is paid, most often practices of hourly rate or payment for meetings attended are applied.
- The remuneration of the board members increased insignificantly over a year. The remuneration of chairmen of collegial bodies increased by as much as 2.9%, whereas that of other members – by 0.3%. The average remuneration of the chairman amounted to EUR 1,209 per month, and that of a member of collegial bodies was EUR 662 per month. The lowest remuneration of members of collegial bodies was EUR 36 per month and the highest one amounted to EUR 1,898 per month.
- Chairmen of collegial bodies are paid lower salaries. On average the salary paid to a chairman of a collegial body is about 1.4 times higher than that paid to other members, whereas the chairman's salary in global practice is about twice or more times higher.

Remuneration of members of SOEs' committees

- The principles of the remuneration of the members of the SOEs' committees are not regulated by legal acts. Committees are usually created in SOEs attributed to the category of large enterprises.
- The same system of payment is usually applied to the committee members as to the members of the body that established the committee. Most often the hourly pay and fixed remuneration systems are used.
- In 2019, the average remuneration of a Committee member accounted for 50.3% of that of a board member (the median amounted to 27.1%), or EUR 347 per month. The salary of the Chairman of the Committee reached on average 73.7% of that of the board member (the median accounted for 53.0%), or EUR 561 per month.

Remuneration of Executives SOEs

The activities of executives of state-owned limited liability enterprises are often extremely complex, consisting of both commercial objectives (as in the case of private sector companies) and social objectives set by the State in the form of special obligations. For these reasons, running of a state-owned limited liability enterprise is no less a challenge than running a private business. Because of the highest standards of transparency applied to SOEs, the remuneration of executives of SOEs becomes one of the most important elements of governance and is therefore regulated by resolutions of the Government.

POLICY OF THE REMUNERATION OF EXECUTIVES OF SOES

The policy of the remuneration of executives of SOEs is regulated by Resolution No 1341 of the Government of the Republic of Lithuania of 23 August 2002 On the Remuneration for Work of Executives of State-owned Enterprises (hereinafter referred to as the Remuneration Resolution). This Remuneration Resolution regulates only the remuneration of executives of SE (except for VĮ Ignalinos atominė elektrinė) and their

deputies. The provisions of the Remuneration Resolution are recommendatory in character for the state-owned limited liability companies.

According to the provision of the Remuneration Resolution, the monthly salary of SOEs' executives consists of a fixed and variable part. The fixed part of a monthly salary is determined by the company's category and a respective coefficient assigned to the company. The company's category is determined by the sales figures of the previous year and the average number of employees or assets owned, and the coefficient is assigned according to the established category (the decision on the specific coefficient is taken by the body establishing the salary of the executive of the company). Coefficients are established on the basis of the basic official salary (remuneration) amounts set by the Seimas of the Republic of Lithuania to state politicians, judges, state officials and civil servants of the Republic of Lithuania. If the company has authorisation to be in charge of public administration, it shall be assigned to one category above that established by the indicators. If the company is put on the list of enterprises of strategic importance for national security, its coefficient of a fixed part of the monthly salary can be increased up to 75 % (on the decision of the body establishing the remuneration of the executive of the company).

Category	Sales revenue	Average number of employees and assets owned	Coefficients*
I	≥EUR 57,92 million	≥1 000 employees or ≥EUR 150 million	19,2 - 21,8 (38,2**)
II	Revenue ≥EUR 57,92 million, or ≥1 000 employees, or assets owned ≥EUR 150 million		16,2 - 19,2 (33,6**)
III	≥EUR 8,69 million	<1 000 employees and <EUR 150 million	12,7 - 16,2 (28,4**)
IV	<EUR 8,69 million	<1 000 employees and <EUR 150 million	9,3 - 12,7 (22,2**)

* On the basis of the basic official salary amounts set by the Seimas of the Republic of Lithuania to state politicians, judges, state officials and civil servants of the Republic of Lithuania.

** the maximum possible increase in the coefficient for enterprises of strategic importance for national security.

In 2019, the basic official salary (remuneration) amount set by the Seimas of the Republic of Lithuania to state politicians, judges, state officials and civil servants of the Republic of Lithuania amounted to EUR 173.

Based on the Remuneration Resolution, the variable part of a monthly salary of the executive of the enterprise cannot exceed 50% of the fixed part. The fixed part is related to and paid taking into consideration the results of the company achieved (the objectives set to the executive of the company). Furthermore, the executive of the enterprise can be awarded with a bonus from the profit of the enterprise whose amount cannot exceed the amount of four fixed parts of his/her monthly salary, or a bonus from the savings intended for salaries, which cannot exceed the amount of one fixed part of his/her monthly salary.

The data presented further in the report includes the data on the remuneration of the executives of all SOEs that functioned on the last day of the year 2019. The data presented in the report are based on the information collected by the Ministry of Security and Labour on the remuneration of the executives of SOEs in 2019. Seeking to ensure the comparison of the data, the data for the year 2018 are recalculated according to the provision of the Republic of Lithuania Law on State Social Insurance that came into force on 1 January 2019, thereby social insurance contributions paid by the employer are transferred to an employee working under the employment contract, that is, by indexing the remuneration prior to taxes by 1,289 times.

Although the remuneration of the executives of state-owned limited liability companies is not regulated by any legal acts, according to the provisions of the Remuneration Resolution and seeking to compare the data, a great number of companies are provided with information about the remuneration of the executives of state-owned limited liability companies following the same principle as in case of executives of state enterprises.

SIZE AND STRUCTURE OF THE REMUNERATION OF EXECUTIVES OF SOES

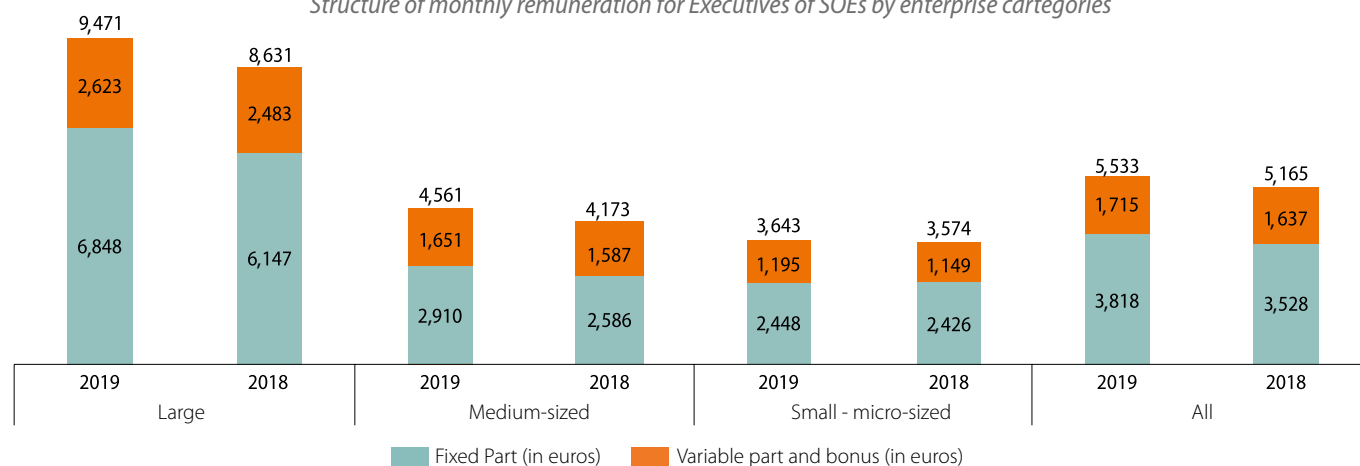
In 2019, the salary, including the variable part and the annual bonus paid, of the executives of SOEs ranged from EUR 2,049 to EUR 12,696 (the average amounted to EUR 5,472). The average fixed part of a salary reached EUR 3,786 (69.2% of the total salary), the median being

EUR 2,803. The average variable part (including the bonus) was equal to EUR 1,686 (30.8% of the total salary), the median being EUR 1,507. In individual cases structures of the remuneration of the executives of enterprises differed significantly: from EUR 45.5% (**UAB Toksika**) to 100.0% (**UAB Genetiniai išteklių** and **AB Kelių priežiūra**) of the fixed part constituting the total salary.

Attention should be paid to the fact that different levels of the remuneration of the executives of companies are determined by both business volumes of the companies that differ significantly (their turnover range from several tens of thousands of euros to more than EUR 1 billion) the specificity of the activities (for example, the company manages significant assets in funds, which are not reflected in the consolidated financial statements) and the actual results, which determine the amount of the variable part of the remuneration of the executives of the company.

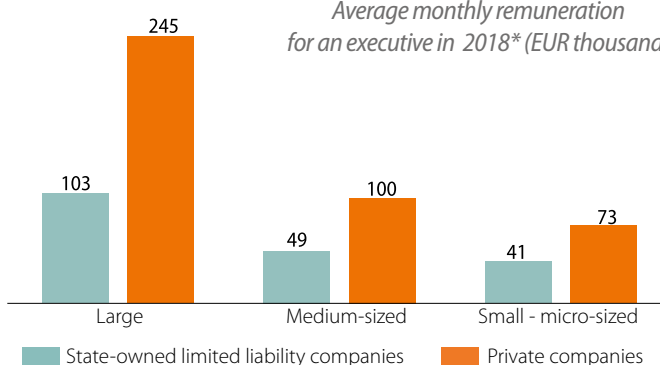
Over the past 2019 years, the average salary of the executives of SOEs increased by as much as 7.1%. Salaries increased much more significantly in SOEs attributed to the category of large and medium-sized companies, by 9.7% and 9.3%, respectively. Whereas salaries in SOEs assigned to the category of small and micro-sized companies increased by 1.9% only. With a part of SOEs changing the remuneration policy and moving to practices more often applied in the market where the fixed part constitutes a larger part of the total salary, the fixed part of the salary increased more rapidly in the remuneration system. Most often such enterprises increased the fixed part of the salary considerably (in some cases up to 60%), however, they reduced significantly the amount of the variable part of the remuneration. In 2019, the salary increased in thirty-one SOEs (on average by 14.5%), however, in eighteen SOEs it decreased (on average by 9%). A decrease in a salary most often was determined by a decreased fixed part unless the executive of the enterprise failed to implement the performance indicators set to him/her. Comparing an increase in the remuneration of the executives of SOEs with an average increase in the salary in the country over the year 2019, the average increase in the remuneration of the executives of SOEs was slightly smaller. On the basis of the data presented by the Lithuanian Department of Statistics (Statistics Lithuania), in 2019, the average salary in the country increased by as much as 8.6% (that of executives of SOEs – by 7.1%).

Structure of monthly remuneration for Executives of SOEs by enterprise categories



In 2018, seeking to systematically assess the remuneration of the executives of SOEs in the market context, in cooperation with external consultants, a comparative analysis of the Lithuanian market was carried out. The sampling included enterprises of both Lithuanian and foreign capital operating in the Lithuanian market. The analysis carried out showed that the annual salary of the executives of SOEs (including the fixed parts of the salary) was markedly lower than that of the executives of the market companies being compared. The average salary of the executives of the state-owned limited liability companies accounted for about 40 – 60% of the salaries paid in the market. Also, it was established that the difference between the salaries paid in the market and those paid to the executives of state-owned limited liability companies rises depending on the size of an enterprise – the larger the enterprise, the greater the difference.

Average monthly remuneration for an executive in 2018* (EUR thousand)



* Data are recalculated according to the provisions of the tax on remuneration that came into force on 1 January 2019, indexing a salary 1,289 times.

Taking into consideration the amount whereby the average salary increased in the country in 2019, the difference in the salaries paid to the executives of SOEs and the executives of the companies in the private sector, was very big in 2019 as well. The current differences in the remuneration show that at the present time the salaries of the executives of SOEs are often uncompetitive.

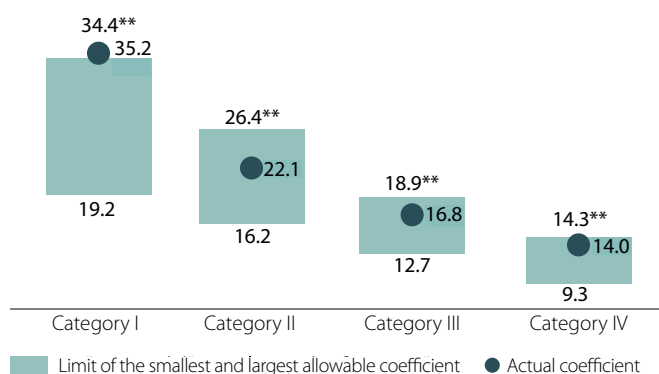
The comparative market analysis carried out in 2018 showed not only significant differences when comparing salaries but also differences in the remuneration structure. The variable part of the remuneration of the executives of SOEs (including also the annual income) on average accounts for about 30% of the total salary, whereas the variable part of the remuneration in the market amounted on average to about 15-20% only. Differences in the remuneration structure are determined by regulation of the remuneration regulation for the executives of SOEs, which sets low limits for the fixed part of the remuneration and the possibility for the variable part of the remuneration (including the bonus) to account for up to 45.5% of the total salary. Due to low limits of the fixed part of a salary, it is often sought to make the remuneration of the executives of SOEs more competitive through the set larger variable part of the remuneration. In 2019, the remuneration structure did not change significantly in essence, though a moderate decrease in the variable part of the remuneration (including also annual bonuses) was observed. Nonetheless, these changes were determined not only by the changed remuneration policy of some part of enterprises but also by actual performance results on the basis of which the variable part was paid.

IMPLEMENTING THE REMUNERATION POLICY OF SOES

The coefficients apply only to the fixed part of the remuneration of the executives of state enterprises; however, most state-owned limited liability companies also comply with the provisions of the Remuneration Resolution and establish their remuneration by applying these coefficients. The category and coefficients for the companies, which failed to comply with the provisions of the Remuneration Resolution, were calculated by the Governance Coordination Centre on the information available.

In 2019, the maximum coefficients or the coefficients close to the maximum limit were set for the executives of the majority of SOEs (except those that are put on the list of the enterprises of strategic importance for national security). The ratios for Category I companies slightly

Coefficients of the fixed part of salaries for executives of SOEs



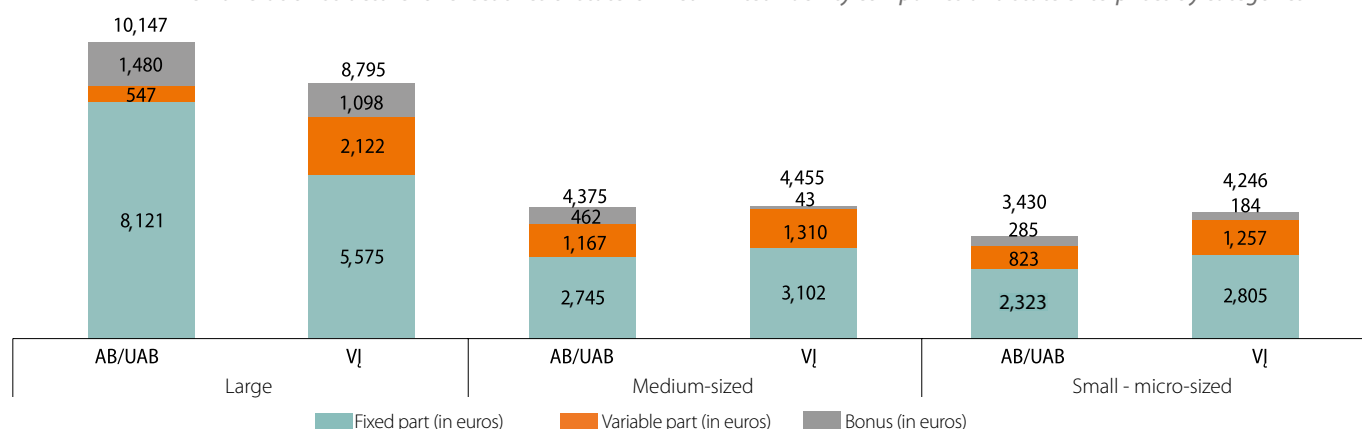
* The maximum coefficient (set by the Seimas of the Republic of Lithuania on the basis of the basic official salary to state politicians, judges, state officials and civil servants of the Republic of Lithuania).

** the maximum possible increase in the coefficient for enterprises of strategic importance for national security.

exceed the maximum limit because the majority of state-owned limited liability companies do not follow the provisions of the Remuneration Resolution and establish a larger fixed part of a salary than that allowed by the Remuneration Resolution. The coefficients of the fixed part of a salary that are close to the maximum coefficient limit indicate that often maximum possible salaries are sought to be established for the executives of SOEs. This situation is determined by the policy of remuneration for the executives of SOEs established by the Government, which is at variance with the conditions of the market.

The main cause of non-compliance with the market conditions is the fact that the range determined for the fixed part of a salary is too narrow and its threshold is too low. The target coefficients preclude the establishment of a competitive remuneration and are markedly lower than the salary paid in the market. Even after the maximum allowable size of the fixed part of a salary has been established, the remuneration of the executives of SOEs most often would be considerably lower than that in the private sector. Differences between the salary paid in the market and that paid to the executives of SOEs are somewhat reduced by the provisions specified in the Remuneration Resolutions allowing the remuneration for the executives of enterprises to be increased provided that these enterprises

Remuneration structure for executives of state-owned limited liability companies and state enterprises by categories



perform functions related to public administration or are assigned to the enterprises of strategic significance to national security. These provisions provide these enterprises with the possibility to bring the remuneration of the executives of SOEs closer to the market conditions, however, they do not solve the issue of salaries of the executives systematically and at the same time distort salaries of the executives between different SOEs which carry out activities of a similar volume, as well as make the policy of remuneration for the executives of SOEs too complicated and do not comply with the specificity of the activities of the executives of SOEs. The fact that in the Remuneration Resolution enterprises are divided according to the principles, which are not applied anywhere else in the SOE sector, raises additional uncertainties.

The impact of the provisions of the Remuneration Resolution is observed not only when comparing state-owned limited liability companies with the companies operating in the market but also when comparing state enterprises (VĮ) with state-owned limited liability companies (AB/UAB). Salaries of the executives of the companies attributed to the category of large companies are higher than those of large state enterprises. The fixed part of remuneration differs most markedly – the fixed part of companies was about 1.5 times larger than that of state enterprises. These differences are determined to a great extent by the fact that large companies follow practices developed in the market, whereas state enterprises must follow the provisions of the Remuneration Resolution. Large state enterprises try to compensate the low fixed

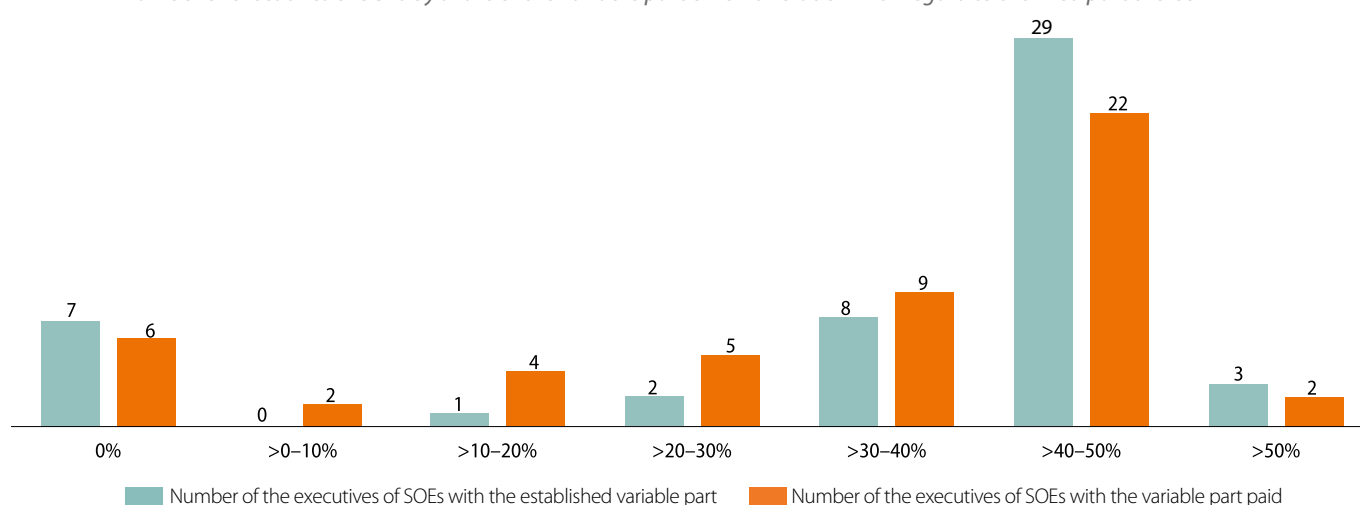
part of a salary by a higher variable part; however, this creates the possibility of setting easily attainable goals to make the salary paid to the executive competitive and that the variable part could at least in part compensate for the low fixed part. This practice is harmful because it distorts the purpose of the variable part of the remuneration. Differences in the remuneration structure are also determined by the fact that ever more enterprises reduce the monthly variable part and pay the variable remuneration as an annual bonus (relating the amount of the bonus to the annual objectives of the executive).

The situation is different in the enterprises assigned to the low category – higher salaries were paid to the executives of state enterprises. This was determined mainly by the provision laid down in the Remuneration Resolution allowing the category of a remuneration of an enterprise to be increased when the enterprise performs functions of public administration. The majority of state enterprises perform such functions, whereas companies do not fulfil these functions. Unlike state-owned limited liability companies assigned to the category of large enterprises, enterprises assigned to lower categories most often follow the provisions of the Remuneration Resolution, and due to the above-specified conditions, become

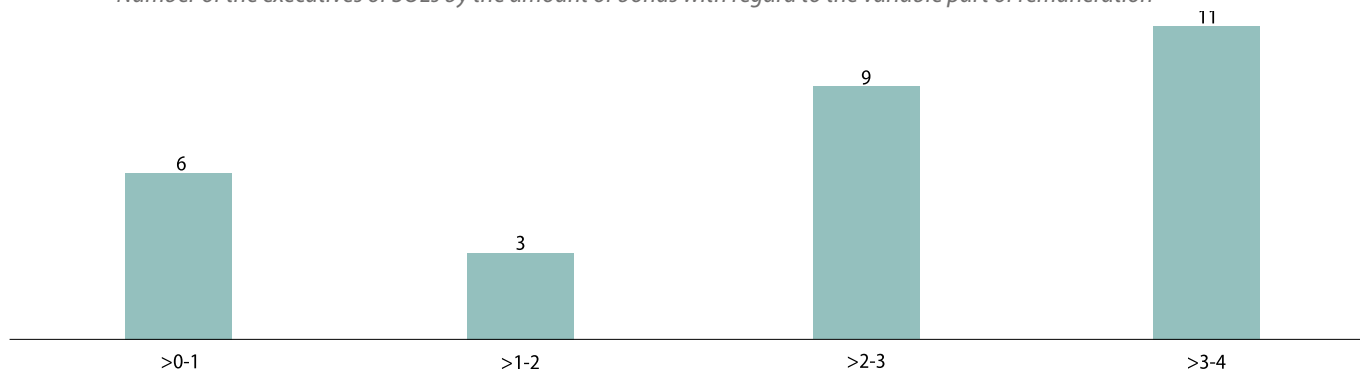
highly restricted in establishing a competitive salary for the executive of the enterprise. As in the case of large state enterprises, this encourages the low salary paid to the executives at least in part to be compensated by a larger variable part.

Pursuant to the Remuneration Resolution, the variable part of the remuneration (excluding bonuses) of up to 50.0% of the fixed part of the salary may be set for the executives of SOEs. In 2019, the target variable part of a larger part of salaries of the executives of SOEs amounted to 50.0% or was close to it. The average target variable part amounted to 45.8%, the median being 50.0%. The average variable part of the remuneration actually paid was smaller and accounted for 39.9%, the median being 45.0%. Variable parts exceeding 50.0% were set for three executives of the state-owned limited liability companies (**UAB Toksika** – 95.0%, **UAB Lietuvos parodų ir kongresų centras LITEXPO [Lithuanian Exhibition and Congress Centre]** – 75.0%, **VĮ Ignalinos atominė elektrinė [Ignalina Nuclear Power Plant]** – 55.0%). Five companies pay their executives the variable part of the remuneration, which is related to the indicators set to the executive, in annual bonuses, therefore they do not set the monthly variable part of the remuneration at all.

Number of executives of SOEs by share of the variable part of remuneration with regard to the fixed part thereof



Number of the executives of SOEs by the amount of bonus with regard to the variable part of remuneration



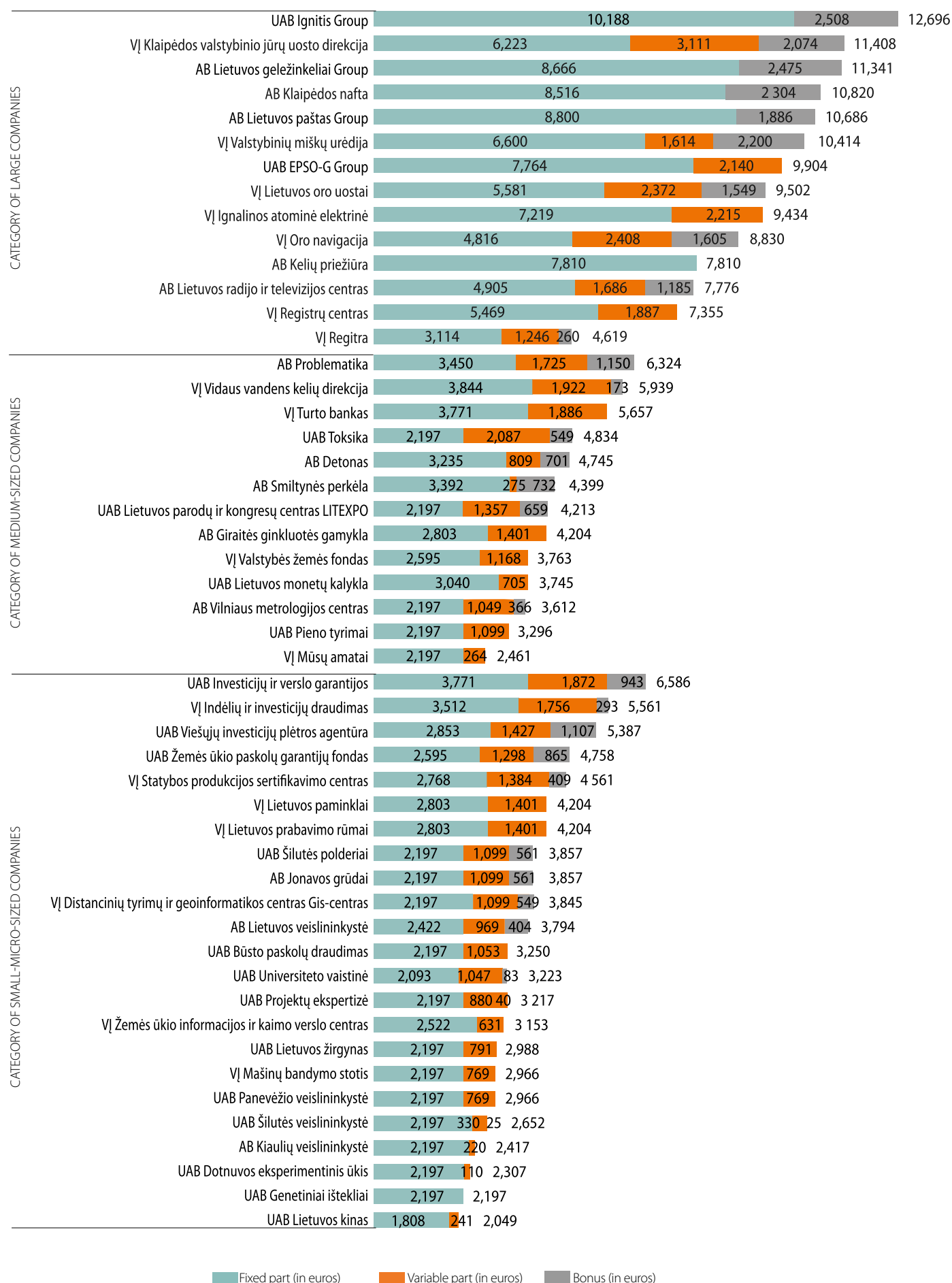
The maximum implementation of the set indicators and the variable parts of the remuneration paid out on the basis of these indicators in some cases are determined not only by good results of the company's performance but also by the current remuneration policy of SOE, which encourages more easily achievable goals and less ambitious indicators to be set for the executives of SOEs, thus compensating for a low fixed part of the remuneration as compared with the market.

Apart from the monthly variable part of the remuneration, the executives of SOEs can additionally be granted an annual bonus as well. In 2019, bonuses were granted to 29 out of 50 executives of SOEs. Most of the bonuses awarded ranged from 2 to 4 fixed parts of the remuneration (the Remuneration Resolution specifies that an annual bonus awarded for good performance results from the company's profit cannot exceed 4 fixed salary parts). The average annual bonus awarded amounted to EUR 11,719 (that of the state-owned limited liability companies assigned to the category of large enterprises amounted to EUR 21,655) and on

average accounted for 23.8% of the fixed part of the remuneration. In most cases bonuses were paid out for good performance results from the company's profit, in two cases – from the savings of the company intended for salaries. In 2019, the average share of net profit attributable to the bonus for the executive of SOE accounted for 2.6% (that of large state-owned limited liability companies accounted for 0.3%). It is noteworthy that the size of an annual bonus often is not directly related to the indicators of the company's performance or net profit margins, however, it is quite often that a bonus is paid if the company achieved positive profit indicators (however, the profit earned is shared with the executive of the company).

Having analysed practices of the remuneration of the executives of SOEs applied in 2019, no significant cases where state enterprises, on which the provisions of the Remuneration Resolution are binding, failed to follow, were established. Only one case was found where the variable part of the remuneration was not related to the goals set to the executive.

Structure of the remuneration of executives of SOEs in 2019



Fixed part (in euros)

Variable part (in euros)

Bonus (in euros)

Remuneration of Members of the Collegial Supervisory and Management Bodies

The issue of the remuneration of members of the collegial supervisory and management bodies (hereinafter referred to as boards) is one of the most important areas of governance of SOEs as boards play an essential role in the whole structure of governance of SOEs. Global practice requires that independent members of the boards of SOEs should be adequately remunerated for their work on the board. The issues of the remuneration of the board members who represent a shareholder (in Lithuania these are most often civil servants) is a little more complex, however, they also are often remunerated for their work on the board. Due to its importance, the remuneration of the members of the board is regulated accordingly by resolutions of the Government.

THE REMUNERATION POLICY OF MEMBERS OF THE COLLEGIAL SUPERVISORY AND MANAGEMENT BODIES

Depending on the legal form of the company, the remuneration policy of the board members is regulated by two resolutions of the Government: Resolution No. 665 of the Government of the Republic of Lithuania of 6 June 2012 On the Approval of the Description of the Procedure for the Implementation of Property and Non-property Rights of the State in State-Owned Enterprises regulates the remuneration policy of state-owned limited liability companies and the remuneration policy of state enterprises is regulated by Resolution No. 1092 of the Government of the Republic of Lithuania of 14 October 2015 On the Approval of the Description of the Procedure for the Remuneration of Members of the Boards of State Enterprises and Municipal Enterprises and Insurance of the Third-party Liability of the Members of the Boards.

The remuneration policy of the board members at state enterprises stipulates that the board members are subject to an hourly pay system, that is, the board members shall fill in activity reports and their working hours shall be remunerated at the hourly rate set by the bodies implementing the owner's rights and obligations. In addition, the remuneration of a member of the board cannot exceed 1/5 of the salary of the chief executive officer and shall be paid on a quarterly basis. The remuneration of the board members who are civil servants is transferred to the State budget, i.e., the company incurs costs but a named individual does not receive any remuneration for his/her work on the board. The board members may also receive travel expenses reimbursed.

The board members of state-owned limited liability companies are recommended that the remuneration of the chairman of the board should exceed 1/3 of the total remuneration fixed for the chief executive officer of the company, and that of other board members – 1/4 of that remuneration set for other board members. Also, there is a possibility to pay annual payments (bonus). The decision on the level of the remuneration is taken by the general meeting of shareholders.

State-owned enterprises followed the policy of remuneration for their board members established by the Government. All state enterprises applied hourly remuneration schemes and also followed the established remuneration margins.

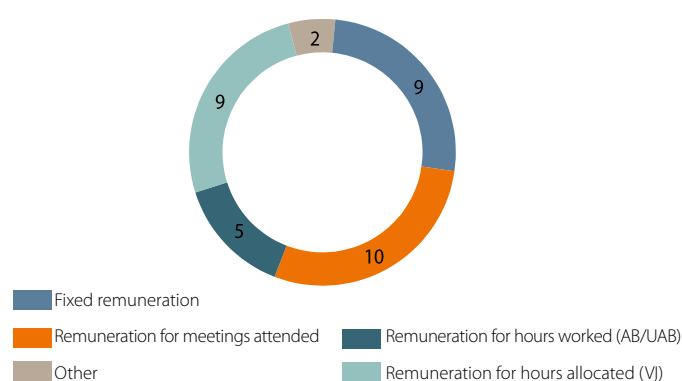
The data presented further in the report include information about the remuneration for independent members of the collegial bodies elected directly by an institution representing the State. The survey included thirty-five SOEs that had independent members on their boards in 2019. The data on the remuneration for other board members (civil servants or other natural persons) are not analysed in detail because civil servants do not receive any remuneration for their work on the boards or it is paid to the State budget. Only several enterprises had other natural persons (representatives of employees, employees of the enterprise, representatives of other shareholders) in the composition of their boards.

Due to different practices of the remuneration for the activities on the boards, salaries of all board members are recalculated and presented as an average monthly remuneration. The recalculation of the remuneration is based on the number of months that the board member worked in 2019, calculating it on a per day basis. The size of the remuneration includes all the amounts paid for the activities on the board in 2019, regardless of the date of their payment. The remuneration sizes are presented with all the taxes and contributions payable.

REMUNERATION SYSTEMS

Remuneration systems applied to independent board members differed significantly. Most often the remuneration was paid for the hours worked. As many as 14 SOEs applied this practice, including 9 state enterprises to which this payment method was obligatory. Ten SOEs applied the principle of the remuneration for the meetings attended, however, this practice was mainly applied in the companies (8 enterprises) within the jurisdiction of the Ministry of Agriculture. All the companies (7 enterprises) within the jurisdiction of the Ministry of Transport and Communications and all the companies (2 enterprises) subordinate to the Ministry of Energy applied the system of fixed remuneration. Also, in 2019, mixed systems of remuneration were started to be applied (**UAB Būsto paskolų draudimas** and **UAB Viešųjų investicijų plėtros agentūra**), when the fixed amount of the remuneration was established and the meetings attended were additionally paid for.

Number of SOEs by the remuneration systems



It is also to be noted that in setting the remuneration for the board members, additional restrictions related to the size of the remuneration paid are often introduced; for example, several companies, which pay a fixed remuneration, set the requirement for the minimum number of hours worked; having failed to work the number of hours set, the amount of remuneration is reduced. Also, several companies, which applied the scheme of paying remuneration for the meetings attended, introduced the limit allowing to pay for no more than five meetings attended per year. Apart from these restrictions, the remuneration actually paid to the board members of SOEs can be reduced on account of the requirements laid down in legal acts, which specify that the remuneration paid to a board member should not exceed 1/5 (in case of state enterprises) or 1/4 (in case of state-owned limited liability companies) of the salary of the chief executive officer of the company.

Civil servants on the boards of state enterprises follow the hourly remuneration system, however, their remuneration is paid to the State budget rather than to an employee. Civil servants who worked on the boards of state-owned limited liability companies were not paid at all. The remuneration for other members of the board (representatives of the employees, representatives of other shareholders) was paid following the same principles as applied to the remuneration for the independent members working on that board.

Attention should be paid to the fact that developed countries use the established practice to pay a fixed annual remuneration to the board members, supplementing it in some cases with the variable part depending on the number of meetings attended. The fixed remuneration system is recognised as the most convenient and suitable for remunerating the board members for their activities. The hourly pay practices that are applied in Lithuania also reveal the advantages of the fixed remuneration system. It has been noticed that when applying practices of hourly pay, the administrative burden increases, and when paying for the hours worked challenges related to trust and communication between the board members and the institution representing the State arise.

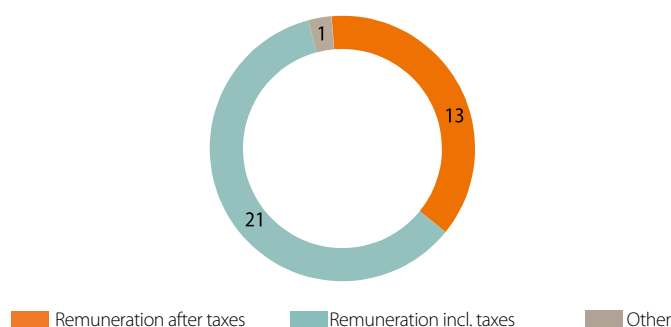
CONTRACTUAL REMUNERATION LEVELS

Remuneration for the board members of state-owned limited liability companies is determined in operational contracts not only including all taxes (gross), as is common practice, but also after their deduction (net). The practice, when the remuneration after deducting the taxes is specified in the contract, is applied in all the companies (eleven enterprises) under the Ministry of Transport and Communications and in three companies within the jurisdiction of the Ministry of Agriculture. The reasons for providing the remuneration for the board member after the deduction of taxes in operational contracts are most often related to foreign citizens working on the boards and legal acts of corresponding foreign countries applied to them and tax liabilities. Also, in one case, the remuneration in operational contracts of the board members is indicated only with a part of taxes to be paid (the deducted part of social insurance contributions). These different practices can be misleading in assessing and comparing sizes of the remuneration, therefore, cases where the remuneration established in the contract is indicated after the deduction of all taxes is signified in the present report accordingly.

In 2019, rates of the contractual remuneration for independent members differed significantly. The hourly rate ranged from EUR 50 to EUR 78 (that of the chairman ranged between EUR 55 and EUR 100). For attendance of meetings the contractual remuneration ranged between EUR 100 and EUR 311 per meeting (the remuneration for the chairman – between EUR 100 and EUR 280 per meeting). In the case of a fixed remuneration, the latter amounted to from EUR 13,064 per year to EUR 25,140 per year (that of the chairman ranged between EUR 19,596 and EUR 28,800 per year). In establishing the remuneration paid for the hours worked or meeting attended, the size of the company was not a significant factor; similar tariffs of the remuneration were applied even if the scopes of activities of the company differed considerably. Meanwhile, in determining the fixed remuneration the scope of the activity of the company was taken into consideration and a higher remuneration was paid to the board members of large companies.

The remuneration for the chairman of the board established in the contract was on average 1.4 times higher than that for other board members (excluding the companies, which applied an hourly remuneration). With the exception of several cases, the hourly rate of the

Number of SOEs by the Contractual Remuneration practices



remuneration for the chairman was the same as that for other members. In case of an hourly remuneration, the principle that the chairman receives a higher salary than other board members for his greater contribution – devoting more time to the activities of the board – was applied. Nevertheless, the policy of the Government provides for the equal remuneration „ceiling“ for the Chairmen and other members of the boards of state enterprises (the remuneration of the board members of state enterprises, including the chairman, cannot exceed 1/5 of the remuneration of the CEO of the enterprise), which limits the possibilities to adequately remunerate the activities of the Chairman of the board.

When comparing practices applied in Lithuania with those used in Western Europe, we see that chairmen of the boards of SOEs in Lithuania are paid lower remuneration. In the countries of Western Europe the chairman of the board is typically paid at least a twice higher salary than other board members. Similar practices are applied on the boards of SOEs of the neighbouring countries too (Sweden, Norway, Estonia) – the chairman is paid about twice as much. A proper formulation of the policy is important not only in seeking to compensate adequately for the contribution of the chairman of the board but also in bringing the role of the chairman up-to-date, which is of great importance to organising the activities of the board, as well as maintaining communication with the shareholders of the company.

	Contractual remuneration (Independent chairman of the board)	Contractual remuneration (Independent members of the board)
Remuneration system for the hours worked (EUR per hour)		
AB Giraitės ginkluotės gamykla	75.00	60.00
UAB Ignitis Group (Supervisory Board)	100.00	75.00
UAB Investicijų ir verslo garantijos	62.65	62.65
UAB Investicijų ir verslo garantijos (Supervisory Board)	62.65	62.65
UAB Lietuvos monetų kalykla	75.00	50.00
UAB Toksika	64.50	64.50
VĮ Ignalinos atominė elektrinė	55.00	55.00
VĮ Klaipėdos valstybinio jūrų uosto direkcija	50.00*	50.00*
VĮ Lietuvos oro uostai	50.00*	50.00*
VĮ Oro navigacija	50.00*	50.00*
VĮ Registrų centras	50.00*	50.00*
VĮ Regitra	-	58.00
VĮ Turto bankas	60.00	60.00
VĮ Valstybinių miškų urėdija	-	61.25
VĮ Vidaus vandens kelių direkcija	50.00*	50.00*

	Contractual remuneration (Independent chairman of the board)	Contractual remuneration (Independent members of the board)
Remuneration system for attending meetings (EUR per meeting)		
AB Jonavos grūdai	-	200.00*
AB Kiaulių veislininkystė	-	129.00
AB Lietuvos veislininkystė	-	200.00
AB Vilniaus metrologijos centras	232.02	155.00
UAB Genetiniai ištekčiai	-	200.00*
UAB Lietuvos parodų ir kongresų centras LITEXPO	280.00	180.00
UAB Lietuvos žirgynas	-	100.00
UAB Šilutės polderiai	-	213.96
UAB Šilutės veislininkystė	100.00	100.00
UAB Žemės ūkio paskolų garantijų fondas (Supervisory Board)	-	200.00*
Fixed remuneration system (EUR per year)		
AB Detonas	12,600.00*	8,400.00*
AB Kelių priežiūra	18,000.00*	12,000.00*
AB Klaipėdos nafta	28,800.00	25,140.00
AB Klaipėdos nafta (Supervisory Board)	13,687.08	10,283.04
AB Lietuvos geležinkeliai Group	18,000.00*	12,000.00*
AB Lietuvos paštas Group	18,000.00*	12,000.00*
AB Lietuvos radijo ir televizijos centras	16,200.00*	10,800.00*
AB Problematika	12,600.00*	8,400.00*
AB Smiltynės perkėla	12,600.00*	8,400.00*
UAB EPSO-G Group	21,600.00	16,800.00
Other		
UAB Būsto paskolų draudimas	156 Eur/per month + 315 Eur/per meeting	156 Eur/ per month + 235 Eur/per meeting
UAB Viešųjų investicijų plėtros agentūra (Supervisory Board)	156 Eur/ per month + 315 Eur/per meeting	156 Eur/ per month + 235 Eur/per meeting

* Remuneration indicated exclude payable taxes and contributions (net)

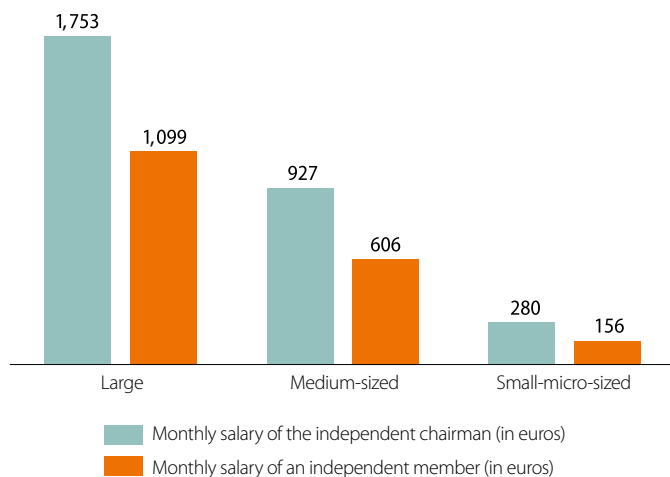
CALCULATED REMUNERATION

In 2019, the remuneration paid to independent members of the board varied by up to fifty times in different companies, from an average EUR 1,898 per month at **UAB Klaipėdos nafta** to EUR 36 per month at **AB Kiaulių veislininkystė**. Companies under the Ministry of Agriculture and other SOEs, which applied the policy of remuneration for attendance of meetings, clearly distinguished themselves from others with respect to a particularly low actual remuneration. For example, the average salary paid to the board members at the SOEs, which were assigned to the category of medium-sized enterprises and applied the system of the fixed salary, was eight times higher, whereas that at the SOEs, which applied the system of an hourly remuneration, it was 4.5 times higher than the remuneration at the companies that applied the policy of remuneration for attendance of meetings. It should be noted that an actual remuneration levels differed significantly between the companies of a similar size, for example, the remuneration for an independent board member at **VĮ Regitra** was seven times lower than that of an independent member at **AB Klaipėdos nafta**.

When assessing the actual remuneration of independent members by the size of a company, a clear trend revealing the dependence of a remuneration on the scope of activities of the company is observed. Although, as has been mentioned, there is hardly any link between the contractual remuneration (not the actual one) and the scope of activities of the company, except in the case of a fixed remuneration, the figures of the actual remuneration show that the

boards of larger companies are paid better than those of small or medium-sized ones (most often members of the large board devote more time to their activities and they are paid for a greater number of hours). The overall results are significantly influenced by decisions taken by several institutions representing the State and the companies within their jurisdiction, for example, there are nineteen out of thirty-five SOEs under the Ministry of Agriculture and the Ministry of Transport and Communications where boards are set up, therefore the remuneration policies applied by these two Ministries alone influence greatly the overall situation of SOEs.

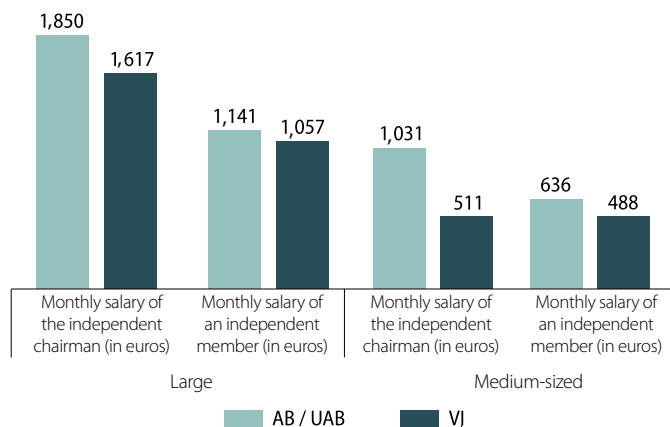
In 2019, the remuneration of the board members of SOEs increased very insignificantly: the remuneration of the chairman increased by 2.9% and that of the board members – by 0.3%. The most significant increase in the remuneration of the board members was observed in the category of small and micro-sized companies – by 24.8%; remuneration levels at the companies belonging to other categories decreased only slightly. One of the reasons why remuneration levels of the board members of SOEs decreased was the fact that after taxation of the activities of the board members had changed (in changing the procedure for taxing salaries and assigning taxes paid by the employer to an employee/board member), the remuneration of some part of the board members of SOEs were not indexed. In these cases, the actual remuneration of the board members could decrease by about 30%. Other reasons that decided a decrease in the remuneration, are related to a smaller number of the hours and meetings paid for.



A comparison of the actual remuneration of independent members by legal forms of the companies (depending on a legal form of the company a different remuneration policy is applied) shows that the remuneration paid to the board members of the limited liability companies in 2019 was higher than that paid to the members of the board of the state enterprises. The existing differences are justified, among other reasons, by the fact that the functions performed by the boards of state enterprises are narrower than those of the boards of limited liability companies and are more in line with the function performed by the supervisory collegial body alone. These differences usually require less involvement of the board members of state enterprises.

The Government regulates levels of the remuneration of all members of SOEs' boards through the remuneration of the chief executive officer of the company, therefore the ratio of the remuneration of a member of the board to that of the CEO of the company is one of the main indicators in assessing the compliance with the policy established by the Government. In 2019, the average remuneration of independent chairmen of SOEs accounted for 17.1% of the remuneration of the CEO of the company, whereas that of independent members amounted to about 9.5%. Having eliminated the companies under the Ministry of Agriculture, whose board members were paid the lowest salaries, and most of which fall into the category of small and micro-sized enterprises, the ratios increase accordingly up to 17.6% and 11.6%. In assessing changes that took place during 2019, it is seen that the remuneration of

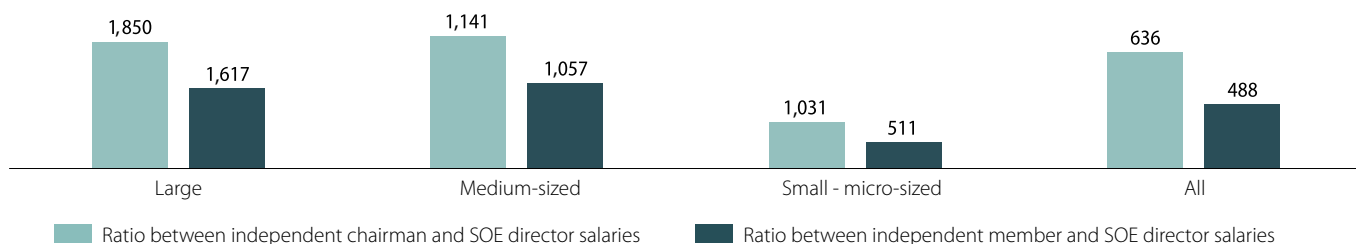
Monthly remuneration of members of collegial bodies of state enterprises and state-owned limited liability companies by categories



the board members amounted to a smaller part of the salary of the chief executive officer of the company than that in 2018, the remuneration ratio of the chairmen decreased by 1.4 percentage points, and that of other members – by 1.2 percentage points. The reasons that decided this change were as follows: the increase in the remuneration for the members of the board was smaller than that in the remuneration for CEOs of the company. Attention should be drawn to the fact that the information presented in the graph on the right includes a comparison with the contractual (non-paid) remuneration of the CEO of the company including also variable parts of the remuneration (the variable part of the remuneration and annual bonuses).

A comparison of the remuneration of independent members and the CEOs of the company with the practice of foreign countries shows that in case of Lithuania the share of the remuneration paid to members of the board with regard to the remuneration of the CEO is larger than that paid in foreign countries. For example, the average remuneration paid to the Chairman of the Board of a Norwegian SOE accounts for about 9-10% of the annual remuneration of the CEO's annual salary, whereas the remuneration of other members accounts for about 5-6% thereof. Nevertheless, the fact that the remuneration of members of the boards of Lithuania SOEs is relatively higher than the remuneration of the CEO of the company as compared with foreign countries does not necessarily mean that members of the boards are overcompensated but sooner reveals that CEOs are underpaid.

Share of independent members of SOEs with regard to the remuneration of the CEO



REMUNERATION OF COMMITTEE MEMBERS

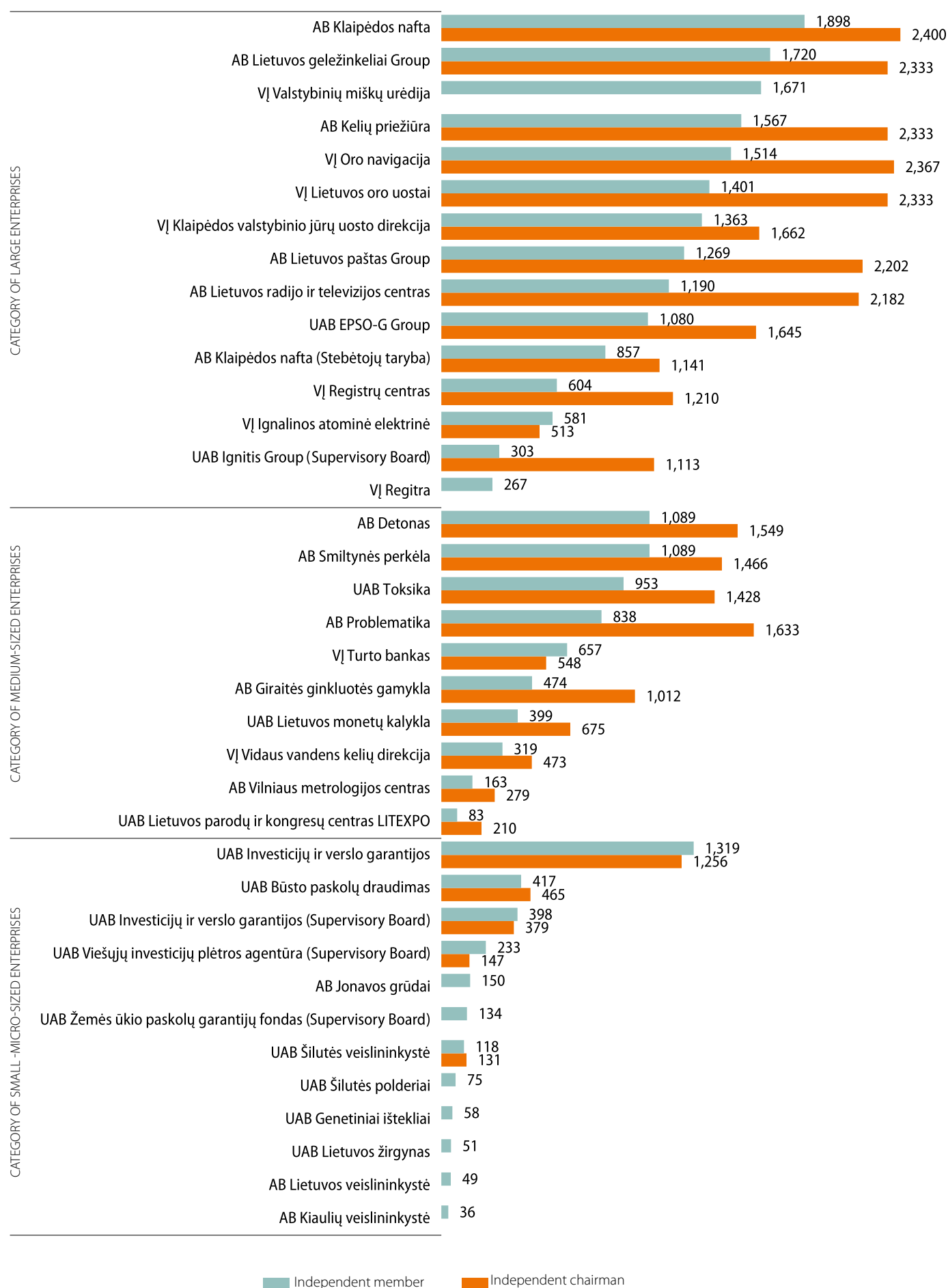
Committees are formed only in SOEs that are assigned to the category of public-interest or large enterprises. Usually only audit committees are set up, sometimes a remuneration (remuneration allocation) committee or other committees are formed too. All SOEs of public interest must form the audit committee. Those SOEs whose securities are traded in the market regulated by the Republic of Lithuania and (or) a Member State and which, on the basis of the Law of the Republic of Lithuania on Financial Reporting by Undertakings, are assigned to the category of large enterprises, meet the definition of a public interest enterprise. Only those state-owned limited liability companies, which are assigned to the category of large enterprises must set up the Committee of Remuneration (Remuneration Allocation). Companies have the right to form other committee at their discretion where appropriate.

The Government does not regulate principles of the remuneration for the activities in committees by legal acts. The institution representing the State can take decision on the remuneration for the activities in the committees on its own.

The data presented further in the report comprise the information about the remuneration of independent Committee members. The remuneration of other Committee members is not analysed due to the same reasons as when analysing the remuneration of the board members.

Due to different practices of a remuneration for activities in the Committees, the remuneration paid to all members is recalculated and presented as the average monthly salary. The remuneration is recalculated on the basis of the number of months a member worked in 2019, calculating the number of days exactly. The remuneration includes all the amounts

Remuneration paid to independent members of SOEs (EUR/month)



calculated for the activities in the Committee in 2019, irrespective of the date of their payment. If a Committee member is also a member of the collegial body, which set up the committee, the part of the remuneration that was paid for his/her activities in the Committee is deducted from the total remuneration he/she received. The levels of the remuneration are presented with all payable taxes and contributions.

In 2019, all SOEs, which were assigned to the category of large enterprises had audit committees set up, however, the Audit Committee at **VĮ Valstybinių miškų urėdija**, though formed, did not carry out its activities in 2019. This is the reason why that Committee is not included in the current report. Two companies had the Remuneration (Allocation) Committee formed: **UAB Ignitis Group** and **UAB EPSO-G Group**. These companies had one more additional committee formed: **UAB Ignitis Group** had the Committee for Risk Management and Business Ethics Supervision set up, **UAB EPSO-G Group** – the Innovations and Development Committee (this Committee is not included in the report because it was not engaged in any activities in 2019 yet).

Usually the Committee members were remunerated for their activities in the Committee following the same remuneration policy as when remunerating the activities of independent Board members, that is, if the Board of the company applied the practice of the fixed salary, the fixed salary was paid to the Committee members too. **VĮ Regitra** was the only enterprise, which remunerated its Committee members in the procedure different from that used when remunerating the Board members. At the end of 2019, six SOEs applied the fixed remuneration schemes, six SOEs paid for the hours spent carrying out the activities and one SOE paid for the participation in meetings. Similarly, to the remuneration for the activities of the Boards, in some cases, in establishing the fixed salary, a remuneration was reduced if a Committee member failed to work a minimum number of hours required. Also, additional provisions were provided for in some part of SOEs specifying that the remuneration for the Committee members who act as board members of the company should be reduced accordingly (most often reducing the remuneration two times).

System of fixed salary (EUR/year)	Share of contractual remuneration (Independent chairman)	Contractual remuneration (Independent members)
UAB EPSO-G Group	13,200.00**	10,200.00**
AB Kelių priežiūra***	4,800.00*	3,200.00*
AB Klaipėdos nafta	13,687.08	10,283.04
AB Lietuvos geležinkeliai Group***	4,800.00*	3,200.00*
AB Lietuvos paštas Group***	4,800.00*	3,200.00*
AB Lietuvos radijo ir televizijos centras***	4,320.00*	2,880.00*
Remuneration system for hours devoted to work (EUR/hour)		
VĮ Ignalinos atominė elektrinė	30.00	30.00
UAB Ignitis Group	75.00	75.00
VĮ Klaipėdos valstybinio jūrų uosto direkcija***	40.00	40.00
VĮ Lietuvos oro uostai***	40.00	40.00
VĮ Oro navigacija***	40.00	40.00
VĮ Registrų centras***	40.00	40.00
Remuneration system for meetings attended (EUR/meeting)		
VĮ Regitra	180.00	180.00

* If the Committee member is also the board member, the remuneration is reduced twice.

** If the Committee member is also the board member, an annual salary of EUR 4,200 is paid.

*** The remuneration indicated does not include taxes and contributions to be paid (net).

Most often a lower salary was set for the Committee members than for the Board members, however, practices between different SOEs differed considerably. The lowest salary of a Committee member accounted for up to 27% of the salary paid to the board member, however, in several companies the Committee members were paid the same or even higher salary than the board members.

In assessing the actually calculated levels of a remuneration in 2019, it was established that the average remuneration of an independent Chairman of the Committee amounted to EUR 561 per month, whereas the remuneration paid to a member of the Committee was EUR 347 per month. In analysing levels of the remuneration paid to the members of the Audit Committee only, it was found that the average salary of the Chairman of the Audit Committee amounted to EUR 605 per month and that of a Committee member was EUR 385 per month. In some cases, differences in the remuneration between SOEs sometimes were 30 times, however, they were determined by the specificity of the activities of the Committees or changes in the composition of the Committee rather than by different remuneration policy applied. Because of that some part of the members who worked in the Committee for some months only were not paid any remuneration. In 2019, remuneration

was not paid to five independent members who either failed to submit the activity reports or the Committees did not carry out any intense activities during the time of their appointment.

When analysing ratios of the remuneration of the Committee members and the board members, it was established that in 2019, the average salary of a Committee member accounted for 50.3% of the salary of a board member (the median amounting to 27.1%). The average salary of the Chairman of the Committee was equal to 73.7% of the salary of a board member (the median being 53.0%). When comparing the remuneration ratios with those in foreign countries, we see that the salary paid to the Committee members of Lithuanian SOEs most often constitute a relatively larger part of the remuneration paid to a board member. Typically, in foreign countries the remuneration paid to a Committee member accounts for only about 15-25% of the salary of a board member. Differences are in part due to the fact that unlike the practice applied in foreign countries, not only members of the board but also individuals who act exclusively in the composition of a Committee, are appointed members of a Committee in Lithuania. These members need additional time to become acquainted with the activities of the company and become engaged in the work of the Committee.

Information about Collegial Governing and Supervisory Bodies of SOEs

One of the key factors to achieve profitable and efficient business of the SOEs is a particular focus on the role of the supreme supervisory or governing bodies of the Company – the so-called collegial bodies. A professional, motivated and independent board or a supervisory board, where it is formed, has a considerable influence in setting the strategic priorities of companies, assessing the performance of company's managers and ensuring their accountability. According to the effective legislation, public-interest entities and the companies of importance for ensuring national security must have functioning collegial bodies. A decision on the management boards (or supervisory boards) to be formed in other SOEs is vested with the institution representing the State.

To ensure the transparency and effectiveness of the activity of SOEs and by introducing the principles of good governance, independent members have been elected to the collegial bodies of State-owned public and private limited liability companies and, from 1 March 2015, to the boards of State Enterprises (VJ). From 1 January 2018, autonomy of collegial bodies of SOEs was even more enhanced by legal acts with an obligation that before this date in composition of collegial bodies of all SOEs (irrespective of their size and other indices) at least 1/2 of all members of the board (if the supervisory board is not formed) would comply with the criteria for autonomy.

According to the effective legal acts, the supervisory boards may be formed in public and private limited liability companies only. Supervisory boards cannot be formed in VJ as well as at least 1/5 members of the board in VJ shall include the representatives of employees.

Over the last five years, significant changes have occurred in the processes of formation of collegial bodies in SOEs. Seeking for professional and depoliticised governance, at the end of 2018 already there were no members of political confidence left in the compositions of collegial bodies compared with a figure of almost 19% of all members three years ago. Previously formed compositions of collegial bodies (in 2015) were dominated by public servants (representatives of shareholder/owner), employees of the company and other persons delegated that accounted for nearly 70% of all members and only 13% of members complied with criteria for autonomy. Starting with 2018, we can already see significant changes in the situation, where the majority – as much as 56% – of members of collegial bodies elected by institutions directly representing the state consist of independent professionals, while persons of political confidence are no longer delegated at all. This tendency has been observed for the second consecutive year, whereas,

in Q4 2019, the number of independent members nominated by the selection commission increased up to 60%.

At the end of 2019, the majority of chairmen of collegial bodies also met the autonomy criteria set – there were as much as 22 of them. Out of 33 chairmen of collegial bodies elected directly by institutions representing the State, 8 persons delegated were public servants (representatives of the shareholder/owner) and the representative of employees was elected as the chairman in only one board.

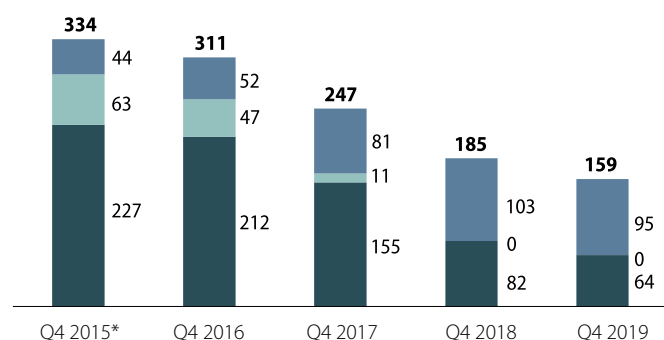
In terms of distribution of the members of boards and supervisory boards of Lithuania SOEs, it has been observed that, in general, men account for 2.5 times more members of collegial bodies than women. Accordingly, women account for less than 1/5 among the persons holding the chairperson's position of the collegial body. It is noteworthy that distribution between male and female in the positions of chairpersons of collegial bodies of State-owned enterprises in Sweden is rather balanced: in 2016, women accounted for 45% of all chairpersons of SOEs, in 2017 – 48%, in 2018 – more than a half, i.e. 54%.

At the end of 2019, six foreign experts in total shared their international experience and worked in the boards of one company under the Ministry of Energy and two companies under the Ministry of Transport and Communications (by 2 in each company). Furthermore, pursuant to the good governance practices and seeking for high-quality outcomes, it is recommended for one person to have positions in no more than three collegial bodies. The number of persons holding the maximum recommended number of positions totalled 3 in Q4 2019, another two persons were the members in 2 boards at the same time and the remaining (almost 86%) of all members of collegial bodies held one position only.

At the start of August 2020, the boards were formed in 34 enterprises (out of 48 SOEs), supervisory boards in 5 enterprises – two companies had both the board and supervisory board formed. There were 156 positions of the member of the board of SOE in Lithuania SOEs in total that were occupied by 136 members, of which 84 positions were dedicated to independent members and were held by 71 persons. Supervisory boards of SOEs had 21 positions of members taken by 19 persons. 12 positions were dedicated to the members of supervisory boards meeting the criteria for autonomy, 11 of which were taken.

The relevant lists of members of collegial supervisory and governing bodies that are updated on a monthly basis are available on GCC website: www.governance.lt

Members of collegial bodies***



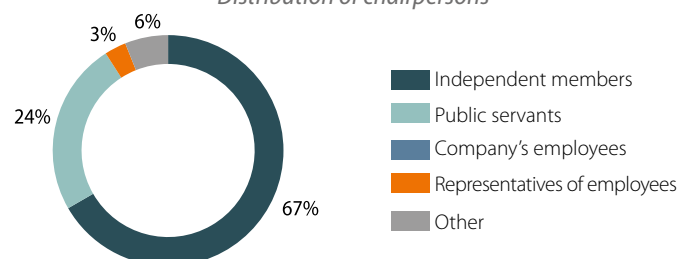
■ Independent
■ Political confidence
■ Other**

* Data for Q4 2015 adjusted by eliminating 42 Boards of Miškus urėdijos.

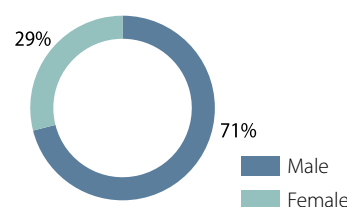
** Public servants (representatives of shareholder/owner), company's employees, etc.

*** Specified only the members of collegial bodies nominated directly by authorities representing.

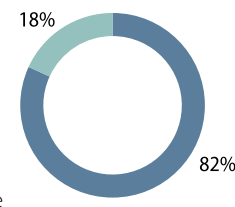
Distribution of chairpersons



Distribution of members of the CB by gender



Distribution of chairpersons of CB by gender



Special Obligations

SUMMARY

- 23 of 50 SOEs carried out special obligations in 2019.
- 2 of 23 SOEs that carried out special obligations in the accounting period have not submitted to the Governance Coordination Centre (GCC) the recommended separation of the financial statements by significant functions performed.
- Separation of financial statements of SOEs by function is superficial in majority of cases, some companies do not have a suitable methodology.
- A significant part of the expenses incurred in the performance of the special obligations and the assets assigned to the special obligations are not reflected in the financial statements of SOEs.
- Some SOEs generate greater returns than average SOE portfolio return while carrying out their special obligations.
- Some of the functions performed by SOEs could be classified as special obligations by nature of activity, although they do not satisfy the formal criteria of a special obligation on to the legal basis to be classified as special obligations.

Policy of special obligations of SOEs

According to the *Recommendations for Special Obligations*¹, the activities carried out by SOEs fall into three categories: a special obligation, a commercial function assigned by the State and a commercial activity.

Special obligations are the functions performed by SOEs that a company would not assume on a commercial basis (or would do so for a price higher than the set price) and that are assigned to these enterprises by decisions of the State. Therefore, the State does not require any financial return from these functions. A function performed by the SOE is considered as special obligation if the obligation to perform such function is established by laws or by resolutions of the Government of the Republic of Lithuania and at least one of the following criteria is met:

1. State budget allocations are granted for the performance of the function;
2. The performance of the function is sponsored by the European Union and (or) other funds;
3. The expenses of the performance of the function are covered by the revenue from other activities performed by the enterprise;
4. Pricing related to the performance of the function is regulated by the laws, the Government of the Republic of Lithuania or an institution authorised by it, and the profit margin of the price determined for a product or service is not included or limited in such a way that it does not allow the covering of alternative costs;
5. The activity is considered a public administration function.

It should be noted that the assignment of the function to the special obligations is possible only with the written approval from the Governance Coordination Centre. In 2019, the GCC, under coordination with institutions representing the State, compiled a list of special obligations, which includes a total of 72 special obligations carried out by 23 SOEs. Following the *Recommendations for Special Obligations* and the *Transparency Guidelines*, an SOE shall separate the accounting for special obligations from its commercial functions. The purpose of this separation is to increase the transparency of SOEs by disclosing the cost of special obligations incurred by companies and the State.

Commercial functions assigned by the State are functions to which an SOE is exclusively entitled under the laws or a resolutions of the Government of the Republic of Lithuania, which generate revenue directly from service users. Service fees are set by an independent regulator who includes a profit margin that allows the company to cover opportunity cost. These functions generate sufficient returns and are therefore considered commercially attractive. For this reason, the State requires a financial return on these functions, but the required return is limited by the established pricing regulation. In 2019, three SOEs – **UAB Ignitis Group**, **AB Smiltynės perkėla** and **VĮ Oro navigacija** performed State-assigned commercial functions.

Commercial functions include all other activities of an SOE that are not entrusted to the company by law or by a Governmental resolution. As these functions are not assigned to SOEs by the State, the State requires the same return from these activities² as would be required from similar private equity commercial ventures.

Financial results of special obligations performed by SOEs

In 2019, 23 out of 50 SOEs carried out special obligations. Eight of them fulfilled only special obligations, while the remainder of the SOEs had significant commercial activities. The expenses incurred by two³ companies resulting from the special obligations were not recognised in the profit (loss) statements in full, while the expenses incurred by seven⁴ were not recognised in greater part. The aforementioned expenses were directly reimbursed by the State budget or by other sources of funding, reducing the sales or operational expenses by the amount of compensation. It is also noteworthy that two⁵ SOEs did not distribute the managed assets included in the financial report according to the fact whether it is used for commercial activities or special obligations and recognised it as commercial activity in full.

The summarised financial information of the SOEs portfolio, split between the segments of special obligations, commercial functions assigned by the State, commercial activity and undistributed share, is provided below. It should be noted that not all SOEs (4 out of 23) have separated their financial results of special obligations to the extent recommended, i. e. both the company's revenues and expenses, and the assets.

1 Order No 4-1100 of the Minister of Economy of the Republic of Lithuania of 20 December 2013 'On Setting of Special Obligations of State-Owned Enterprises and Approval of Recommendations for Provision of Information'.

2 Set by Order No 12 of the Government of the Republic of Lithuania of 9 January 2019 'On Setting of Target Profitability Ratios to State-owned Enterprises for 2019-2021'.

3 UAB Žemės ūkio paskolų garantijų fondas, VĮ Distantinių tyrimų ir geoinformatikos centras GIS-Centras.

4 VĮ Ignalinos atominė elektrinė, UAB Investicijų ir verslo garantijos, VĮ Indėlių ir investicijų draudimas, UAB Viešųjų investicijų plėtros agentūra, VĮ Valstybės žemės fondas, VĮ Valstybinių miškų urėdija, VĮ Turto bankas.

5 UAB Žemės ūkio paskolų garantijų fondas, VĮ Distantinių tyrimų ir geoinformatikos centras GIS-Centras.

6 The assets do not include the value of commercial forests managed by VĮ Valstybinių miškų urėdija.

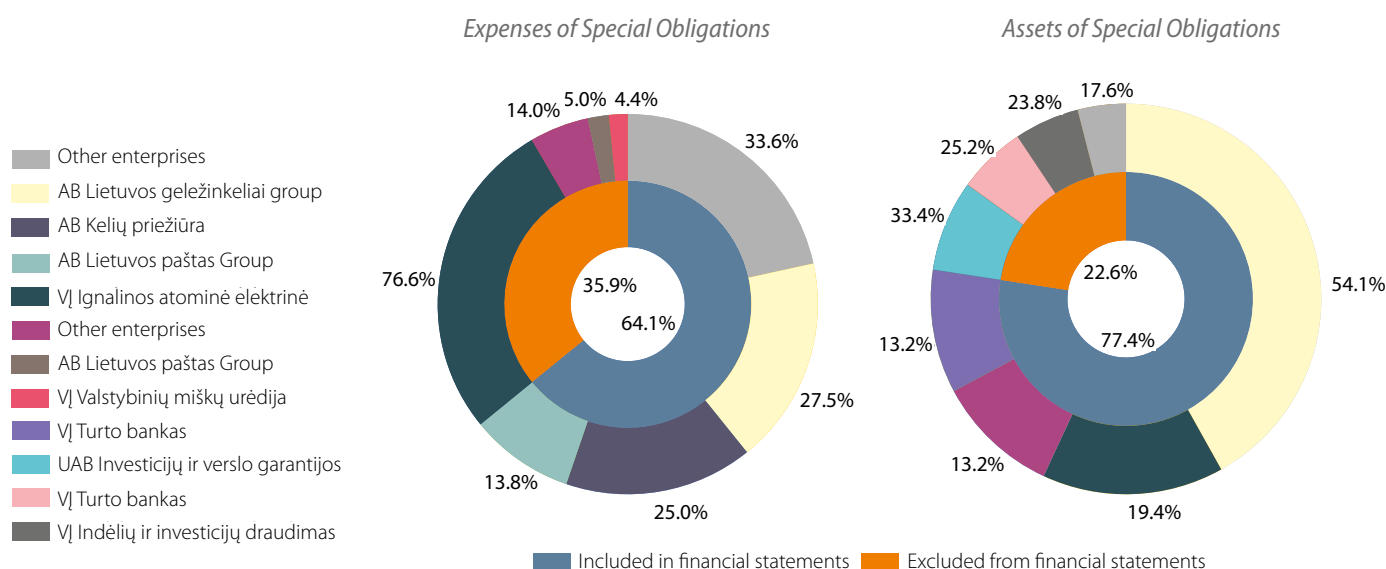
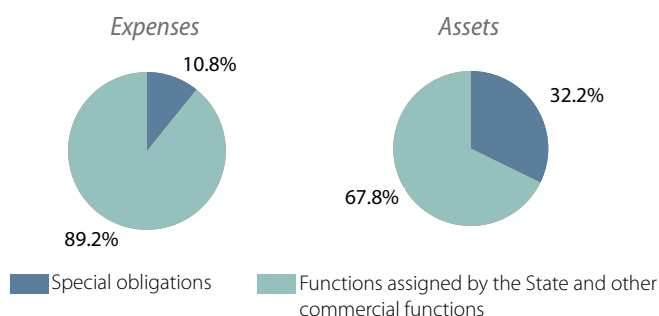
PROFIT (LOSS) STATEMENT (EUR thousand)	SPECIAL OBLIGATIONS	COMMERCIAL FUNCTIONS ASSIGNED BY THE STATE	COMMERCIAL FUNCTIONS	NON-DISTRIBUTED SHARE	TOTAL
Sales revenue	198,702.7	101,248.9	2,291,694.1	0.4	2,591,646.1
Cost of goods sold	150,198.3	44,818.0	1,428,858.5	296.5	1,624,171.3
Gross profit	118,170.6	56,430.9	816,134.7	-296.1	990,440.1
Cost of sales	35,468.8	13,048.8	358,786.2	0.0	407,303.8
General and administrative expenses	71,561.7	5,950.7	248,675.8	1,026.6	327,214.7
Operating profit	9,831.7	37,431.4	187,566.8	-1,322.7	233,507.2
Profit (loss) before taxes	39,777.7	23,724.6	175,841.3	-1,105.4	238,238.2
BALANCE SHEET (EUR thousand)					
Total assets	2,989,450.4	598,485.1	5,685,119.6	5,046.0	9,278,101.1 ⁶

In 2019, the revenue generated by special obligations that is included in the Profit (Loss) Statement of SOEs accounted for only 7.7% of the total operating revenue of the portfolio, and the expenses accounted for 8.7% of the total cost. Profit of special obligations before tax for the reporting period amounted to EUR 39.8 million. At the same time, the profit of commercial functions assigned by the State and other commercial functions before tax was EUR 199.6 million. Despite the relatively small impact on the revenue and expenses of the SOEs portfolio, the assets of special obligations accounted for a much larger share of the total value of the SOEs portfolio – as much as 32.2%. Most of the expenses attributable to special obligations that are included in the financial statements were generated by **AB Lietuvos geležinkeliai Group** (EUR 71 million or 27.6%), in addition, most of the assets were also managed by **AB Lietuvos geležinkeliai Group** (EUR 1.6 billion or 54.1%). It is noteworthy that

SOEs are much better at separating financial line items in the profit (loss) statement by their functions than the balance sheet items – some companies do not split assets by function at all and allocate them under the undistributed share. For this reason, it is not possible to accurately determine the assets that are attributed to special obligations.

It should be noted that special obligations for the assets were almost double than accounted in 2018 and operating profit before tax increased by almost EUR 40 million during the reporting year. These changes were determined by **AB Lietuvos geležinkeliai Group** special obligations related to public infrastructure results, which, after separation of the entity's operations, have been classified and accounted for as special obligation amounting EUR 1.5 billion.

It should be emphasised that the expenses and assets not included in the company's financial statements should also be taken into account when assessing the extent and effect of the special obligations. Revenue from special obligations not included in the financial statements of SOEs during the reporting period amounted to EUR 17.6 million. Expenses accounted for about half of total cost of special obligations (EUR 144 million) and assets accounted for more than one third of total assets of special obligations (EUR 872.8 million). Most of the referred expenses were subsidised from the State budget, the European Union or other funds. **VĮ Ignalinos atominė elektrinė** incurred most of the expenses not included in the financial statements (EUR 110.2 million or 76.6%), while the major share of the assets not included in the financial statements were managed by **UAB Investicijų ir verslo garantijos** (EUR 291.3 million or 33.4%).



Company	Revenue of special obligations (EUR thousand)	Cost of special obligations (EUR thousand)	Profit before taxes of special obligations (EUR thousand)	Assets of special obligations (EUR thousand)	Key special obligations
VĮ Ignalinos atominė elektrinė	315.8	1,856.7	-1,041.6	580,820.9	• Safe decommissioning of Ignalina Nuclear Power Plant • Decommissioning of Maišiagala radioactive waste storage facility
		110,250.0			
UAB EPSO-G Group	195.0	180.4	5.6	61,213.4	• Administration of the PSO funds
AB Lietuvos geležinkeliai Group ⁷	216,773.7	204,290.3	40,361.2	1,617,960.1	• Public local passenger transport by rail • Minimum access package services
AB Lietuvos paštas Group	35,560.7	35,557.1	3.6	39,372.1	• Universal postal services
		7,163.7			• Delivery of periodicals to rural subscribers
VĮ Klaipėdos valstybinio jūrų uosto direkcija	0.0	253.4	-253.4	3,286.4	• Providing access to infrastructure for the Lithuanian Navy
VĮ Vidaus vandens kelių direkcija	0.0	650.1	-754.2	26,052.4	• Enabling transportation by waterways
		2,038.0			
VĮ Registrų centras	36,141.1	30,492.0	5,649.1	28,424.8	• Maintenance of State registers • Electronic health services and co-operation infrastructure Information system
		1,275.0			
AB Kelių priežiūra	64,279.2	64,324.3	-45.1	107,490.3	• Road maintenance services
UAB Investicijų ir verslo garantijos	3,657.8	2,349.4	1,335.7	20,870.1	• Provision of guarantees
	6,355.0	6,355.0	2,765.0	291,293.7	• Functions of the fund manager
VĮ Lietuvos prabavimo rūmai	709.7	676.2	35.9	2,019.7	• State supervision of precious metals and gems
		100.0			
VĮ Indėlių ir investicijų draudimas	737.0	737.0	55.0	16,045.5	• Administration of the funds
	11,283.1	1,156.3	0.0	207,928.6	
VĮ Turto bankas	8,061.6	8,135.5	49.9	394,765.6	• Administration of State-owned real estate • Privatisation of state- and municipality-owned shares transferred to the company by the right of trust
		1,503.9	0.0	219,627.9	
UAB Viešųjų investicijų plėtros agentūra	2,241.3	1,989.7	300.9	11,970.8	• Administration of the funds
		2,887.7	0.0	147,281.4	• Promoting energy efficiency
VĮ Regitra	27,493.2	22,317.3	5,270.2	28,581.1	• Administration of the register of road vehicles • Examination of drivers and issue of driving licenses
AB „Jonavos grūdai“	239.7	275.1	0.0	153.8	• Storage of the State reserves (wheat, rye)
UAB Žemės ūkio paskolų garantijų fondas	0.0	0.0	0.0	0.0	• Administration of financial measures
		56.4	0.0	6,685.6	
VĮ Valstybės žemės fondas	119.3	147.6	-28.3	109.4	• Sale of State-owned land and lease bids • Administration of measure under Lithuanian rural development programme and development and support of Land Information System
		2,312.4	0.0	0.0	
VĮ Distantinių tyrimų ir geoinformatikos centras „GIS-Centras“	0.0	0.0	0.0	0.0	• Functions of the manager of LEI portal • Functions of the manager of the Georeferenced Base Cadastre
		1,146.2			
VĮ Žemės ūkio informacijos ir kaimo verslo centras	560.0	529.0	31.0	1,087.1	• Administration of registers
		1,388.1			
VĮ Valstybinių miškų urėdija	284.5	11,029.7	-10,749.2	43,369.0	• Social and ecological activities
		6,382.7			
VĮ Statybos produkcijos sertifikavimo centras	526.8	398.7	128.1	139.1	• Functions of registrar • Certification
VĮ Mūsų amatai	3,683.3	4,214.9	-541.5	5,664.2	• Employment and education of convicted persons • Organization of implementation of heritage management programs
VĮ Lietuvos paminklai	274.6	309.9	-35.3	54.6	

* The data in the table presented in *italics* is not included in the financial statements of the SOEs.

VĮ Ignalinos atominė elektrinė

Special obligations:

- Preparation for the decommissioning of Ignalina Nuclear Power Plant and its safe decommissioning;
- Safe management of radioactive waste;
- Operation and decommissioning of Maišiagala radioactive waste storage facility.

Before 2019, **VĮ Ignalinos atominė elektrinė** carried out only one special obligation – decommissioning of Ignalina Nuclear Power Plant. On 31 December 2018, **VĮ Radioaktyviųjų atliekų tvarkymo agentūra** was merged to this company following company's reorganisation. Before merger, it performed the second and third special obligations assigned to **VĮ Ignalinos atominė elektrinė**. It should be noted that, prior to the reorganisation, these functions were not considered as special obligations.

Although three special obligations were assigned to **VĮ Ignalinos atominė elektrinė** in 2019, the enterprise incurred significant costs only in performance of the primary activity – decommissioning of the Ignalina Nuclear Power Plant, while the financing allocated to the remaining activities accounted for less than 1%. Performance of functions taken over from **VĮ Radioaktyviųjų atliekų tvarkymo agentūra** do not have significant influence on the currently performed company's activities or data of financial reports. Special obligations were the only activity carried out by the company and the company did not perform any significant commercial functions. All Company's activities are focused on meeting the public interest, i.e. the decommissioning of the Ignalina Nuclear Power Plant operations funded by the State and international donors, which is undertaken on the cost reimbursement basis. The decommissioning of the power plant is expected by 2038.

In 2019, the company incurred the highest expenses of special obligations among SOEs – EUR 112.1 million. The major part of expenses (EUR 110.3 million) was not included in the company's financial statements. The activities are financed out of the EU funds (81.9%) via Ignalina Programme and International Ignalina Decommissioning Support Fund as well as state funds (14.8%) via **VĮ Ignalinos atominė elektrinė** eksploatavimo nuotraukimo fondas and funds of Ignalina programme administration in Lithuania programme. The Company also receives funds from performance of investment, commercial and economic activities. To ensure the functions taken over from **VĮ Radioaktyviųjų atliekų tvarkymo agentūra**, the funds are also allocated from the State budget and EU structural funds. The European Union has already allocated EUR 1,558 million for the decommissioning of Ignalina nuclear power plant for the period from 2000 to 2019, while the Republic of Lithuania EUR 185.6 million. During the reporting period, the company also managed the second largest assets under special obligations, amounting to more than half a billion euros.

AB Kelių priežiūra

Special obligations:

- Road maintenance services (maintenance of roads of State significance and implementation of road safety measures on such roads).

Most of the activities carried out by **AB Kelių priežiūra** are considered to be a special obligation: in 2019, they accounted for 76.3% of the total revenue of the company. The Company supervises 21 thousand km of roads of national importance. Road maintenance works are classified into regular or having no influence on road characteristics and periodic works used to restore road characteristics. Regular maintenance refers to the works that have no or only insignificant influence on the operational characteristics of the object: monitoring, inspections, constant supervision during winter time, works of cleaning the areas covered with plantation and road areas as well as elimination of road disturbances. Periodic maintenance refers to the works improving the operational characteristics of road: planned elimination of road disturbances based on the need for improvement of road condition as well as organisation of current and capital repairs. The company's commercial activities include contracting, road design, leasing, machinery and equipment services, investment activities, etc.

Expenses of the special obligations amounted to EUR 64.3 million in the reporting year and were the second largest among all SOEs. Although this activity was loss-making for the company in 2019, the loss decreased by solid 95.7% as compared with 2018, i.e. changed from EUR 1,040.8 thousand to EUR 45.1 thousand. **AB Kelių priežiūra** performs a special obligation on the basis of agreement with the Lithuanian Road Administration under the Ministry of Transport and Communications and its revenue from these functions constitutes of grants from the State budget received from the Lithuanian Road Administration (the sum of grants amounted to EUR 64.3 million in 2019).

VĮ Indėlių ir investicijų draudimas

Special obligations:

- Administration of the Deposit Insurance Fund;
- Administration of the Fund of Liabilities to Investors;
- Administration of the Resolution Fund.

VĮ Indėlių ir investicijų draudimas carried out only special obligations in 2019. As the company manages funds, the accounting of these funds is separate from the accounting of the company itself and is not included in the financial statements of **VĮ Indėlių ir investicijų draudimas**. Expenses of special obligations of the company during the reporting period amounted to EUR 1.2 million (fund administration costs in the amount of EUR 737 thousand were included in the financial reports), whereas assets managed – EUR 208 million. These assets consisted and the costs were generated by three funds managed by the company:

- Deposit Insurance Fund. It is a cumulative fund that raises funds to pay out deposit insurance claims in accordance with the Law on Deposit and Liabilities to Investors Insurance and to finance resolution measures for financial sector entities. As at 31 December 2019, 8 banks and 65 credit establishments insured their deposits in this fund, while the fund's assets amounted to EUR 205.2 million.
- Fund of Liabilities to Investors. It is a cumulative fund that raises funds to pay out liabilities to investors insurance claims in accordance with the Law on Deposit and Liabilities to Investors Insurance. At the end of 2019, 23 participants insured their obligations to investors and the fund's assets amounted to EUR 2.8 million.
- Resolution Fund. It is a cumulative fund that raises funds to restructure problematic participants of the Resolution Fund according to the purposes specified in the Law on Financial Sustainability. During the reporting period, the participant of the fund was 1 financial brokerage company. The insurance premiums are set by the Bank of Lithuania. The assets of the fund amounted to EUR 5 thousand at the end of 2019.

The company's activities are regulated by the Law on Deposit and Liabilities to Investors Insurance and Law on Financial Sustainability and are mainly funded by management fees of fund participants and by the company's own investments in low-risk financial instruments. It should be noted that, when separating the financial data of special obligations, **VĮ Indėlių ir investicijų draudimas** has not disclosed the information on the share of the company's assets (included in the company's financial statements) of the value of EUR 16 million by each special obligation.

AB Lietuvos geležinkeliai Group

Special obligations:

- Public passenger transport by rail;
- Minimum access package services;
- Maintenance, modernisation and development of public railway infrastructure.

In 2019, **AB Lietuvos geležinkeliai Group** carried out three special obligations. By separating the performance of commercial activities from special obligations, the Group connected the services of minimum access package with public railway infrastructure due to the similarity of these services. It is worth noting that these obligations were also performed in the previous year, but financial information was separated only from 2019. The aim of these functions is to provide services to railway companies under equal conditions and maintain, modernise and develop public railway infrastructure. Another function - public passenger transport by rail. This function includes the carriage of passengers, eligible for discount, and the carriage of passengers on local routes, which are loss-making for the carriers but necessary for the public. This function is performed on the basis of agreement on the provision/use of public services that is renewed annually between the Ministry of Transport and Communications and **AB Lietuvos geležinkeliai Group**. State-budget assignments are allocated to the performance of special obligation. This function is performed by **UAB LG Keleiviams** – a subsidiary established after the company's reorganisation - which took over all activities related to transportation of passengers which were previously performed by Passenger Carriage Directorate of **AB Lietuvos geležinkeliai Group**.

Revenue received from performance of special obligations accounted for 24.6% of all Company's revenue, the costs – 25.0%. Costs of special obligations amounted to EUR 204.3 million during the reporting year, EUR 133.5 million of which constituted of internal transactions between Group's companies. It should be noted that part of the special obligation costs (65.2%) is internal (paid to the other subsidiary of **AB Lietuvos Geležinkeliai Group**) and has no impact on the consolidated financial results of the company; the cost of the **UAB LG Keleiviams** is revenue from freight, railway infrastructure and other departments. In this way the income of other directorates of the Company is indirectly subsidised. A significant part of costs of passenger transportation function was compensated in 2019 by allocating the grant of EUR 32.5 million to the Company from the State budget. Therefore, the function had a positive influence on the Company's performance – the net profit increased by EUR 2.3 million. The other two groups of special obligations covering the provision of services of railway companies and maintenance, modernisation and development of railway infrastructure, were not compensated and earned EUR 38.0 million in net profit.

The Group used 78.7 of assets disposed (of the value of EUR 1,618.0 million) in performance of special obligations by using which it earned EUR 40.4 million in net profit or 69.5% of all net profit earned. It should be noted that the special obligations of the company could not be properly and objectively assessed because of the reorganization of the company and the incomplete separation of the special obligations. For this reason, assets assigned for special obligations, income and expenses may not fully reflect the actual results of these functions.

VĮ Registrų centras

Special obligations:

- Management of real estate register;
- Management of legal entities register;
- Management of address register;
- Management of residents' register;
- Management of legal registers;
- Managing the information systems of e-Health (E. sveikata) services and collaboration infrastructure.

Most of the activity of **VĮ Registrų centras** (84.6%) was recognised as special obligations in the reporting period in terms of revenue generated. As a result of these special obligations, the revenue of EUR 36.1 million was earned and the expenses of EUR 30.5 million were incurred in 2019. The financial result for special obligations was positive at the end of the year. The net profit stood at EUR 4.9 million and grew by 3.5 times as compared with 2018. The major share (87.7%) of revenue from special obligations is earned directly from clients, the pricing is regulated by Government resolutions. A grant in the amount of EUR 4.6 million was received from State Budget in 2019 and accounted for 11.8% of all revenue. The only special obligation that does not generate revenue is the administration of information systems of e-Health (E. sveikata) services and collaboration infrastructure. Assignations in the amount of EUR 1.3 million were allocated to cover the costs and were not included in the financial reports. They amounted to 98.2% of the total costs of function.

The functions that are considered to be special obligations according to the Recommendations for *Special Obligations* consisted of the management of various State registers and are entrusted to the company by Laws or Governmental resolutions.

It should be noted that part of the functions performed by **VĮ Registrų centras**, namely management of various information systems, was attributed to commercial activities in 2019, which could have actually been considered as special obligations by the nature of activity. However, according to the Recommendations for *Special Obligations*, these functions do not meet the criteria of a special obligation – they are not entrusted to the company by Law or Governmental resolutions.

VĮ Regitra

Specialieji įpareigojimai:

- Registration of road vehicles transport vehicles;
- Issuance of driving licenses;
- Management of the Register on Road Transport Vehicles of the Republic of Lithuania;
- Examination of persons seeking to acquire a right to drive road vehicles;
- Management of the Driver Registry of Road Vehicles of the Republic of Lithuania.

During the reporting period, all activities carried out by **VĮ Regitra** were treated as special obligations. The Company is delegated the administration and management of Register on Road Transport Vehicles of the Republic of Lithuania and Driver Registry of Road Vehicles of the Republic of Lithuania and information systems used to ensure the functions assigned. The revenue from these special obligations amounted to EUR 27.5 million, while the expenses amounted to EUR 22.3 million in 2019. According to the revenue, the major share of Company's activities consisted of the management of the register on Road Transport Vehicles and registration of vehicles - 67.3%. In performance of special obligations, the Company

earned EUR 5.3 million in profit before taxes (14.3% more than in 2018), the adjusted ROE amounted to 22.0% (for comparison, the adjusted ROE of SOE portfolio - 4.2%). The income earned by the company consisted of fees from the clients of **VĮ Regitra** for the company's services. The pricing of services under three functions - registration of road vehicles transport vehicles, examination of persons seeking to acquire a right to drive road vehicles, and issuance of driving licenses is determined by Decrees of the Minister of the Interior. Pricing for the processing of register on Road Transport Vehicles and Driver Register of Road Vehicles is based on Governmental resolutions.

It should be noted that **VĮ Regitra** has not submitted to the GCC the balance sheet containing the separated financial information by the significant functions performed. For this reason, it is not clear what proportion of the assets is allocated to each of the special obligations of the company. The separation provided by the company in the profit (loss) statement was also incomplete – two out of five functions (management of two registers) were not assigned any revenue or expense. Financial share of revenue and expenses of the management of Register on Road Transport Vehicles of the Republic of Lithuania is submitted together with function of registration of Road Transport Vehicles, whereas the financial share of management of Drivers Register of Road Transport Vehicles is connected to the issue of driving licences. For this reason, it is not clear how much revenue or expenses were generated by these two functions during the reporting period.

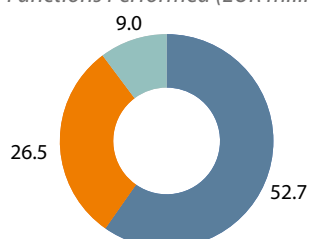
AB Lietuvos paštas Group

Special obligations:

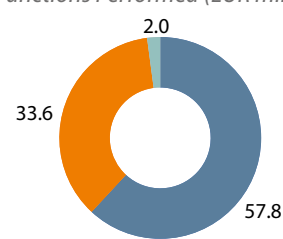
- Provision of universal postal services throughout the territory of the Republic of Lithuania;
- Delivery of periodicals for subscribers to rural residential areas.

In 2019, the **AB Lietuvos paštas Group** carried out two special obligations, which accounted for 38.1% of activities of **AB Lietuvos paštas Group** by revenues. The operation of the first special obligation, the universal postal services (UPS), is assigned to the company by the Governmental resolution. Pricing for this special obligation is regulated by the Communications Regulatory Authority (CRA); the loss incurred by performing the function, i. e. the difference between the rates set by and the costs of providing the UPS may be compensated by the State budget. In 2019, **AB Lietuvos paštas Group** earned EUR 6.8 million in net profit in performance of this function. The activities of the second special obligation – delivery of periodicals for subscribers to rural residential areas, are not attributable to the UPS operations; however, according to the Postal Law of the Republic of Lithuania, the UPS supplier is obliged by the Government to provide this service. The pricing of this special obligation is regulated by the Government, while the loss incurred in performance of this function is covered by the assignments from the State budget. Costs in the amount of EUR 9.0 million were accounted in performance of this activity. The function of delivery of periodicals for subscribers to rural residential areas was loss-making and the performance result amounted to EUR 7.1 million during the reporting year. The expenses of the aforementioned function are partially reimbursed from the State budget. During the reporting year, **AB Lietuvos paštas Group** received a compensation of EUR 3.6 million for the losses of obliged activity for the 1st half-year of 2019. EUR 3.6 million is planned to be allocated for compensation of losses of obliged activity from the State budget for the 2nd half-year of 2019.

Expenses of AB Lietuvos Paštas Group
by Functions Performed (EUR million)



Revenues of AB Lietuvos Paštas Group
by Functions Performed (EUR million)



Commercial activities Provision of universal postal service Delivery of periodicals to subscribers from rural areas*

* EUR 7.2 million of these costs are reduced due to compensation of losses of obliged activity.

VĮ Turto bankas

Special obligations:

- Recovery of debts to the State;
- Privatisation of the state-owned shares;
- Organisation and coordination of renovation of the state-owned real estate;
- Transfer of the state-owned assets by the right of trust to manage, use and dispose of it free of charge;
- Sale of real estate;
- Other special obligations (use of state-owned real estate for administrative purposes; lease of state-owned non-current tangible assets including administration of vacant space; performance of functions of manager of the state-owned property information search system; administration of ownerless property; liquidation of unlawfully incorporated legal entities; liquidation of assets; representation of the State in courts; other special obligations assigned by the laws).

In 2019, the special obligations of **VĮ Turto bankas** mainly included centralised management of the State-owned real estate, privatisation of the State-owned and municipal-owned shares, and recovery of debts to the State. During the reporting period, the company incurred the expenses of special obligations of EUR 8.1 million, EUR 1.5 million of which was not included in the company's financial statements (EUR 1.3 million of which was compensated from the State budget, while the remaining share - from the EU funds). All revenue generated during the reporting period and amounting to EUR 8.1 million was earned by the Company from the consumers. In 2019, **VĮ Turto bankas** managed the assets worth EUR 394.8 million, which were included in the financial statements of the company and the assets of EUR 219.6 million, which were excluded. Assets not included in the financial statements were attributed to the debt collection function consisting of loans administered by the company, State guarantees and other property liabilities.

It is worth noting that according to the list coordinated with the GCC, 13 special obligations were assigned to **VĮ Turto bankas**, however, the company itself did not observe the set list and separated by another principle only financial performance of 5 special obligations pursuant to the Law on Manager of Centrally Managed State Assets of the Republic of Lithuania.

UAB Investicijų ir verslo garantijos

Special obligations:

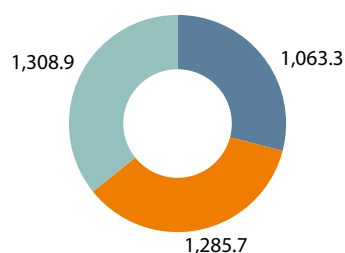
- Guarantee activities of a State-established guarantee institution;
- Functions of the implementing authority and (or) the global subsidies manager;
- Functions of the holding fund, the fund of funds and (or) the manager of segregated financial engineering and financial instruments.

In 2019, all activities carried out by **UAB Investicijų ir verslo garantijos** were considered special obligations. The company's mission is to promote the growth and competitiveness of Lithuanian businesses by being an active partner in business financing. During the reporting period, the company managed the largest amount of assets (EUR 291.3 million) of all SOEs, which was not included in the financial statements (the total assets of SOEs attributable to special obligations, which was not included in the financial statements for the year 2019 amounted to EUR 872.8 million). These assets consisted of funds managed by the company and other financial instruments. In 2019, **UAB Investicijų ir verslo garantijos** administered the controlling funds financed from the funds reaching the business entities that returned or will return to the controlling funds, as well as funds of the funds financed out of the EU structural funds. Funds managed by the company:

- Controlling INVEGA fund. The assets of the fund amounted to EUR 172.2 million during the accounting period;
- Controlling Entrepreneurship Promotion Fund. The fund's assets amounted to EUR 10.6 million at the end of 2019;
- Entrepreneurship Promotion Fund 2014-2020 funded by the European Social Fund (EU structural funds for 2014-2020). The assets of the fund amounted to EUR 17.4 million during the accounting period;
- Entrepreneurship Promotion Fund funded by the European Regional Development Fund (EU structural funds for 2014-2020). The fund's assets amounted to EUR 89.9 million at the end of 2019.

In 2019, the expenses of special obligations performed by **UAB Investicijų ir verslo garantijos** were mainly compensated by the budget (EUR 3 million) and EU funds (EUR 3.4 million). Company's net profit grew by nearly 3 times and amounted to EUR 1.1 million during the reporting period.

Origin of revenue of UAB Investicijų ir verslo garantijų (EUR thousand)



State budget

EU funds or funds of other foreign partners

Consumers

Origin of grants compensating the costs of UAB Investicijų ir verslo garantijų sąnaudas excluded from financial statement (EUR thousand)



UAB Viešųjų investicijų plėtros agentūra

Special obligations:

- Implementation of financial engineering instruments and (or) financial instruments, instruments funded by other financial sources, participation in the implementation thereof as a holding fund manager and (or) a manager of the fund of funds, a financial intermediary and (or) otherwise;

- Promoting energy efficiency and renewable energy production and use.

The special obligations undertaken by **UAB Viešųjų investicijų plėtros agentūra** are mainly related to the management of various funds and financial instruments. In 2019, the company managed five funds, the assets of which were not included in the company's financial statements:

Modernisation Fund for Apartment Buildings. At the end of 2019, the fund's assets totalled EUR 115.8 million. The fund is financed from the State budget, the EU, foreign countries and international organisations;

Energy Efficiency Fund. At the end of 2019, the fund's assets totalled EUR 18.6 million. The fund is financed by the EU, foreign countries and international organisations;

Cultural Heritage Fund. At the end of 2019, the fund's assets totalled EUR 1.3 million. The fund is financed by the EU, foreign countries and international organisations;

Municipal Buildings Fund. At the end of 2019, the fund's assets totalled EUR 4.1 million. The fund is financed by the EU, foreign countries and international organisations;

Water Management Fund established in February 2019. At the end of 2019, the fund's assets totalled EUR 7.5 million. The fund is financed by the EU, foreign countries and international organisations.

During the reporting period, the company's expenses included in the financial statements amounted to EUR 2.0 million. The excluded expenses (attributable to managed funds) amounted to EUR 2.9 million. Since 2013, the company also acts as a financial intermediary for the JESSICA holding fund managed by the European Investment Bank. The fund is not included in the financial statements of the company. The fund is also not reflected in the total assets of the SOEs portfolio, as **UAB Viešųjų investicijų plėtros agentūra** is not a manager of the fund.

VĮ Valstybinių miškų urėdija

Special obligations:

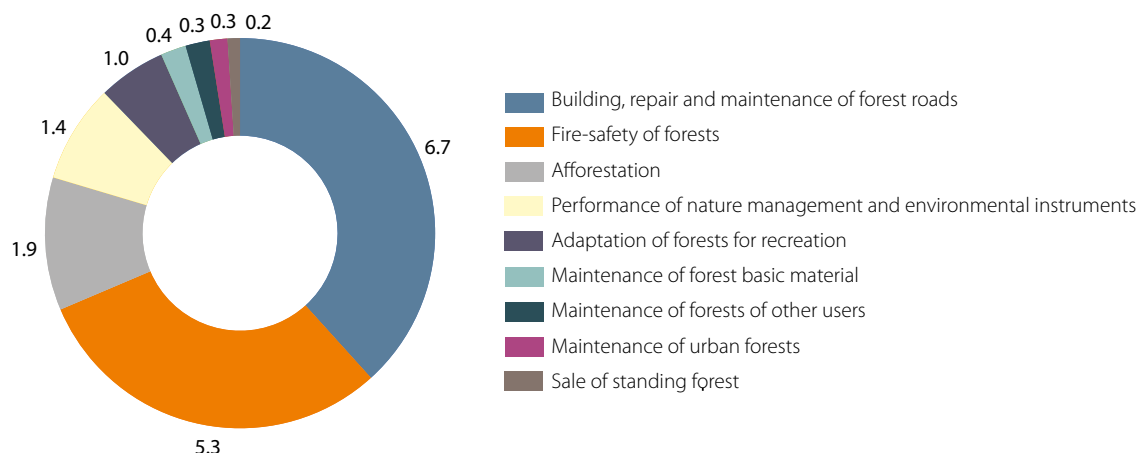
- Building, repair and maintenance of forest roads;
- Fire-safety of forests;
- Afforestation;
- Performance of nature management and environmental instruments;
- Other functions of oversight of forests (adaptation of forests for recreation; maintenance of forest basic material; maintenance of forests of other users; maintenance of urban forests);
- Sale of standing forest.

In 2019, **VĮ Valstybinių miškų urėdija** carried out 9 special obligations. According to the costs, the obligations performed by the company mostly included the building, reconstruction, repair and maintenance of forest roads (38.7%) and fire-safety in forests of all types of ownership (30.6%). In performance of special obligations, the company suffered costs in the amount of EUR 17.4 million, EUR 6.3 million of which are not included in the financial statement. According to the latter index, it is the third among all SOEs performing special obligations, although in the company itself according to the revenue, special obligations accounted for barely 0.2% of all activities.

Out of total special obligations assigned to **VĮ Valstybinių miškų urėdija**, the only one generating revenue is the sale of standing forest. The profit before taxes from this function was equal to EUR 106.4 thousand during the reporting period. Other functions generated the loss of 11 million and were financed from the grants and the funds of Company itself. In 2019, the Company received EUR 6.4 million in grants not included in financial statements: from State budget (90.8%) and EU structural funds (9.2%), whereas other costs were covered from commercial activities.

It shall be noted that from 2019 the company separated the balance share of commercial activity and special obligations and the costs of each special obligation. It provides more clarity in assessment of separate functions assigned to **VĮ Valstybinių miškų urėdija**.

Special obligations of VĮ Valstybinių miškų urėdija according to the expenses (EUR million)



Sponsorship Provided by SOEs

Until 6 March 2019, the sponsoring state-owned enterprises had to follow Resolution No 533 of the Government of the Republic of Lithuania approving the Description of the Procedure for Granting Sponsorship by State-owned Enterprises, which was in force at that time (hereinafter – *Description of the Procedure for Granting Sponsorship*). According to this Description, if the company provides sponsorship through sponsorship funds specially created for this purpose, the company may follow the rules provided in the *Law on Charity and Sponsorship* Funds of the Republic of Lithuania, which correspond to the management rules of the sponsorship funds established for that purpose by a certain company. Until 6 March 2019, the company could allocate no more than 3.0% of the reported financial year net profit for sponsorship, and the amount assigned to one recipient per year could not exceed EUR 300,000. Upon the expiry of the *Description of the Procedure for Granting Sponsorship*, in provision of sponsorship, State-owned enterprises shall observe the Law on Charity and Sponsorship of the Republic of Lithuania (hereinafter – the *Law on Charity and Sponsorship*). Both in the *Law on Charity and Sponsorship* and the *Description of the Procedure for Granting Sponsorship*, the provisions has remained the same: companies cannot provide sponsorship if they incur loss in the reporting financial year. Companies are obliged to publish information on the sponsorship granted on their website. This information must contain the rules for managing the company's sponsorship or the rules of sponsorship fund for sponsorship management, the information on the sponsorship granted during the last three financial years, and the reports on the sponsorship granted, by specifying the beneficiaries, purpose of the sponsorship, amounts of sponsorship and the period of granting sponsorship.

The amendments of the *Law on Charity and Sponsorship* entered into force on 1 May 2020 with more requirements set for publication of

sponsorship granted by State-owned enterprises. A new wording of the legal acts indicates that State-owned enterprises are obliged to publish information on their websites about the sponsorship granted by their parent companies and subsequent parent companies related via parent companies. Furthermore, from 1 May 2020, before granting sponsorship, State-owned enterprises shall assess if the sponsorship meets the criteria of State aid. In cases where this compliance is determined, the sponsorship may be granted only pursuant to the European Union state aid rules.

In provision of sponsorship, State-aid enterprises must observe the principles of public benefit, efficiency and rationality as well as limitations set in the *Law on Charity and Sponsorship*, one of the principal limitation of which claims that the share of net profit allocated by the State-owned enterprise for the reporting financial year cannot exceed:

- 10% of net profit of the reporting financial year of SOE, if it was up to EUR 500,000;
- 5% of net profit of the reporting financial year of SOE, if it was between EUR 500,001 and EUR 2 million inclusive;
- 3% of net profit of the reporting financial year of SOE, if it exceeded EUR 2 million (however, in such case, the sponsorship still cannot exceed the sum of EUR 500,000).

Compared with the Description of the Procedure for Granting Sponsorship, the annual sum for sponsorship per one beneficiary set in the Law on Charity and Sponsorship decreased by 1/3 and at the moment cannot exceed EUR 200 thousand. Same as in the previous year, the Law on Charity and Sponsorship stipulates that State-owned enterprises the owner (not the shareholder) of which is the State, cannot grant sponsorship at all.

Company name	Sponsorship granted (EUR thousand)	2019	
		Net profit of the Company for the previous period (EUR thousand)	Share of net profit for the previous period granted as sponsorship
AB Klaipėdos nafta	90.0	11,577.0	0.8%
AB Lietuvos radijo ir televizijos centras	6.0	932.6	0.6%
AB Smiltynės perkėla	15.8	527.3	3.0%
UAB Šilutės polderiai	0.8	52.1	1.5%

According to the data provided by State-owned enterprises, 4 out of 32 State-owned enterprises included in the portfolio provided sponsorship in 2019. In provision of sponsorship, all 4 State-owned enterprises observed the limitations set to the amount of sponsorship. Most of the sponsorship was provided by the **AB Klaipėdos nafta** granting EUR 90 thousand for sponsorship purposes in 2019 or 0.8% of the net profit for the previous reporting period. The major share (EUR 12.0 thousand) was allocated to project “Švarus namų oras” (Clean Air at the Home). The second largest company by the amount of sponsorship granted was **AB Smiltynės perkėla** that allocated 3.0% of its net profit for the previous reporting period, i.e.

EUR 15.8 thousand, of which all sponsorship was provided in the form of services (ferry services for passengers and vehicles) to all 55 beneficiaries. **AB Lietuvos radijo ir televizijos centras** allocated EUR 6.0 thousand or 0.6% of Company's net profit. **UAB Šilutės polderiai** granted the lowest sum for sponsorship (EUR 0.8 thousand), however, it comprised 1.5% of Company's net profit. During 2019, the sponsorship provided by State-owned companies totalled EUR 112.6 thousand and was granted to 81 beneficiaries. The average amount of sponsorship was EUR 1.4 thousand per recipient, while the average share of net profit for the previous reporting period allocated for sponsorship was 1.5% per company.



Company name	2017		2018		2019	
	Sponsorship granted (EUR thousand)	Number of recipients	Sponsorship granted (EUR thousand)	Number of recipients	Sponsorship granted (EUR thousand)	Number of recipients
UAB Ignitis Group	800.4	41	-	-	-	-
AB Klaipėdos nafta	134.9	21	137.3	21	90.0	21
AB Lietuvos paštas Group	8.7	3	-	-	-	-
AB Lietuvos radijo ir televizijos centras	2.4	13	-	-	6.0	2
AB Smiltynės perkėla	13.1	53	14.4	78	15.8	55
UAB Viešųjų investicijų plėtros agentūra	1.0	2	-	-	-	-
AB Jonavos grūdai	2.6	9	0.7	3	-	-
UAB Gyvulių produktyvumo kontrolė	0.3	1	-	-	-	-
UAB Šilutės polderiai	4.6	9	1.7	2	0.8	3
UAB Šilutės veislininkystė	0.3	2	-	-	-	-
Total:	968.4	154	154.1	104	112.6	81

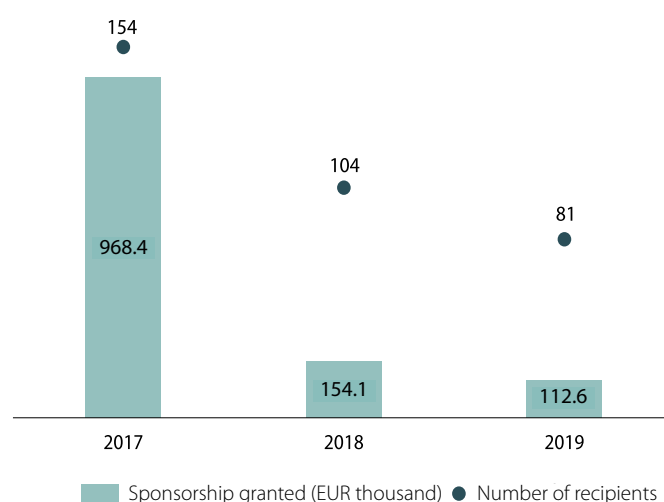
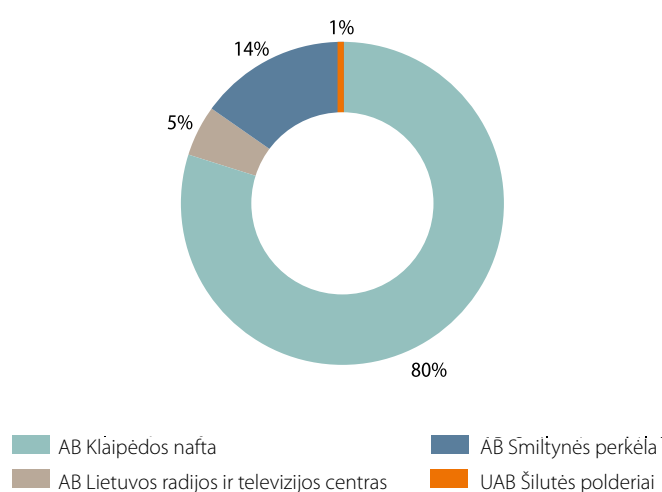
In 2017, 10 out of 38 State-owned enterprises included in the SOEs portfolio provided sponsorship, amounting to EUR 968.4 thousand to 154 recipients. The average amount of sponsorship was EUR 6.3 thousand per recipient, while the average share of net profit allocated for sponsorship was 1.88% per company. In 2017, most of the sponsorship was provided by the **UAB Ignitis Group** granting EUR 800.4 thousand for sponsorship purposes, or 0.86% of net profit, and **AB Klaipėdos nafta** granting 0.79% of its net profit, or EUR 134.9 thousand to support 21 projects.

Compared with the previous reporting period, the sponsorship provided by State-owned enterprises decreased by as much as 84.1% and amounted to EUR 154.1 thousand. It was largely influenced by the decision of the management board of **UAB Ignitis Group** not to allocate sponsorship and initiate the termination of the sponsorship fund from the year 2018, which was not objected either by the company's supervisory board or the shareholder, the Ministry of Finance. The companies' support was granted to improve sports, social care, culture and education. The information provided by the companies

reveals that, prior to the entry into force of the Description of the Procedure for Granting Sponsorship, the companies mainly sponsored and made the largest payments to sports-related institutions, celebrations or events. There were also significant pay-outs for social activities (e. g., in 2017, **UAB Ignitis Group** allocated EUR 119.1 thousand for the establishment of family houses and EUR 85.0 thousand to public organisation, children's charity fund "Gelbėkit vaikus"). Support for sports has declined since the resolution came into effect, but support for education and culture has increased.

In 2019, State-owned enterprises provided the least sponsorship in the last 3 years – EUR 112.6 thousand. Compared with 2018, the total number of beneficiaries supported decreased by more than 1/5 during the analysed reference period. A tendency of decrease has been noticed not only in the number of beneficiaries, but also in the sum allocated for sponsorship over the year and the number of companies granting sponsorship that have been decreasing for several consecutive years already (the latter decreased down to 4 in 2018 and remained stable for the second year in a row).

SOEs that provided sponsorship in 2019



Target Profitability Ratios

For the period of 2019-2021, the Government of the Republic of Lithuania has set a target return on equity for the SOEs engaging in commercial activities. During the same period, the target adjusted net profit ratio (EUR 40.5 million per year on the average) was set to **VĮ Valstybinių miškų urėdija**.

This section provides the following adjustments to the actual return on equity and net profit achieved by SOEs:

1. the amount of tax payable in the accounting year on the use of State assets in trust, less the share of corporation tax, is excluded from the operating expenses of state enterprises;

2. the amount of compulsory deductions to the State budget for general forestry purposes and general State budget needs, to be paid from the sales of raw wood and uncut timber, less the share of corporation tax, is excluded from the expenses of **VĮ Valstybinių miškų urėdija**;

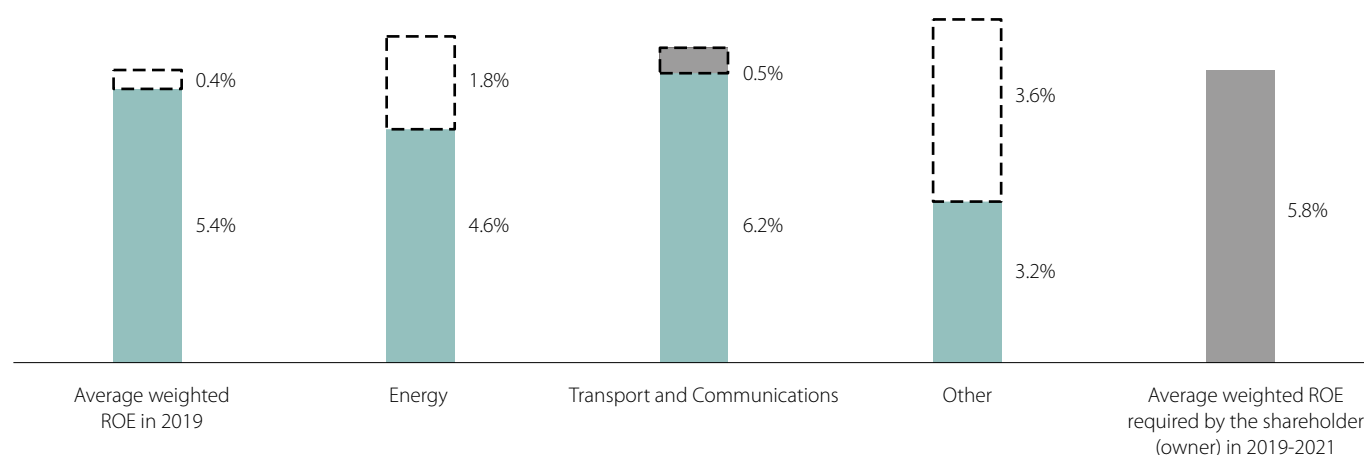
3. the impact of the special obligations carried out by the following SOEs is excluded:

- AB Kelių priežiūra;

- AB Lietuvos paštas Group;
- VĮ Klaipėdos valstybinio jūrų uosto direkcija;
- AB Jonavos grūdai;
- VĮ Lietuvos paminklai;
- VĮ Statybos produkcijos sertifikavimo centras;
- VĮ Valstybės žemės fondas;
- VĮ Valstybinių miškų urėdija.

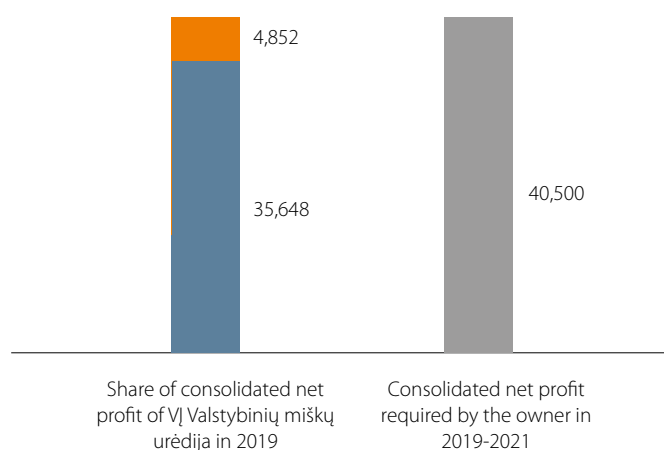
It should be noted that, under the existing legal framework for the attribution of special obligations that was valid from 9 May 2018, there are 12 SOEs with special obligations in total, however, at the time of preparation of this report, not all performance from special obligations was separated in full. For this reason, when calculating the ROE achieved, the influence of special obligations on the total performance of Company was eliminated not for all SOEs.

One-off events, such as the revaluation of assets, are not taken into account in the adjustment of the actual return on equity and net profit for SOEs, and their impact is not eliminated.



In 2019, the average weighted return on equity for companies with a target return on equity set by the Government was 5.4%, which is 0.4% less than required by the Government. It should be noted that a year ago, i.e. in 2018, pursuant to the aforementioned resolution of the Government, the averaged weighted return on equity was set by 0.3 percentage points higher and amounted to 6.1%, however, only 1.8% was actually reached in 2018. During the reporting period, the target ROE set by the Government was reached by 18 out of 36 SOEs. In 2019, the best ROE was achieved by companies in the Transport and Communications sector – their actual ROE exceeded the target set by the Government. The result of the sector of Other Enterprises was the lowest and amounted to 3.2%, although the target value set for this sector was the highest of all – as much as 6.7%. The major change was registered in the weighted ROE achieved by the Energy sector enterprises which was negative during the previous reporting period – mostly due to the influence of performance of **UAB Ignitis Group** and **UAB EPSO-G Group** in 2018. In 2019, the only company in the Forestry sector – **VĮ Valstybinių miškų urėdija** – failed to reach the target for average adjusted net profit ratio which, as compared with the previous period of 2016-2018, increased by EUR 0.5 million – by EUR 4.8 short of the target sum of EUR 40.5 million.

For the period of 2019-2021, the Government has set a target ROE for all significant commercial functions carried out by SOEs, currently amounting to 36 SOEs included in the SOE portfolio for 2019. The target of normalised net profit was set to **VĮ Valstybinių miškų urėdija** as well. Profitability ratios for 2019-2021 are not set only to the SOEs that were not engaged in significant commercial activities at the time of preparation of resolution (all their activities are treated as special obligations).



Company	Adjusted ROE, %		Target ROE set, %	
	Average for 2016-2018	2019	2016-2018	2019-2021
UAB Ignitis Group	5.1	4.4	5.7	6.6
UAB EPSO-G Group	-2.7	6.0	8.8	5.7
AB Klaipėdos nafta	7.2	4.1	5.9	5.8
AB Lietuvos geležinkeliai Group	3.9	5.0*	5.5	5.5
AB Lietuvos paštas Group	18.3	33.5	7.3	9.0
AB Smiltynės perkėla	8.0	9.1	6.0	6.2
VĮ Klaipėdos valstybinio jūrų uosto direkcija	7.1	6.9	7.5	6.0
VĮ Lietuvos oro uostai	4.3	10.7	5.7	6.7
AB Lietuvos radijo ir televizijos centras	1.4	2.0	5.9	4.5
AB Detonas	13.4	2.4	5.6	6.3
AB Problematika	13.7	19.1	5.6	8.7
UAB Toksika	1.1	4.5	6.3	3.2
UAB Lietuvos parodų ir kongresų centras LITEXPO	7.0	5.0	5.7	8.3
AB Vilniaus metrologijos centras	6.2	6.4	6.6	7.8
UAB Projektų ekspertizė	9.8	20.3	5.6	7.1
VĮ Statybos produkcijos sertifikavimo centras	15.7	13.5	6.6	5.0
AB Jonavos grūdai	10.2	2.0	7.0	11.3
UAB Panevėžio veislininkystė	-9.2	18.9	4.6	5.3
UAB Šilutės polderiai	5.6	9.5	5.9	6.7
UAB Dotnuvos eksperimentinis ūkis	-0.9	-25.7	5.1	5.4
UAB Lietuvos monetų kalykla	-0.7	-13.1	5.5	5.8
AB Giraitės ginkluotės gamykla	7.7	3.4	6.6	6.1
UAB Universiteto vaistinė	3.8	7.0	7.4	6.7
VĮ Mašinų bandymo stotis	-	3.3	-	13.3
AB Kelių priežiūra	-	2.4	-	7.6
UAB Žemės ūkio paskolų garantijų fondas	-	2.5	-	6.5
VĮ Distantinių tyrimų ir geoinformatikos centras GIS-centras	-	18.8	-	6.2
VĮ Lietuvos paminklai	-	28.5	-	5.8
AB Lietuvos veislininkystė	-	8.2	-	5.3
UAB Lietuvos žirgynas	-	0.5	-	5.2
UAB Genetiniai išteklių	-	0.1	-	5.2
AB Kiaulių veislininkystė	-	-3.0	-	5.0
UAB Šilutės veislininkystė	-	2.0	-	5.0
VĮ Valstybės žemės fondas	-	4.5	-	4.8
UAB Pieno tyrimai	-	5.5	-	4.7
VĮ Oro navigacija	-	6.9	-	3.7

*The ROE ratio indicated was not adjusted (influence of special obligations on the total performance of Company was not eliminated), because the performance of special obligations was not excluded in full and the share of special obligations was not audited at the time of preparation of this report.

Company name	Normalised average net profit in 2016-2018, EUR thousand	Normalised net profit in 2019, EUR thousand	Average net profit required by the shareholder (owner) in 2016-2018, EUR thousand	Average net profit required by the shareholder (owner) in 2019-2021, EUR thousand
VĮ Valstybinių miškų urėdija	40,876	35,648	40,000	40,500

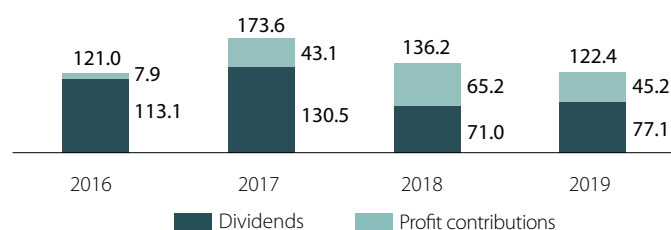
Contributions by SOEs to the State budget

The procedure for the payment of dividends by state-owned enterprises and profit contributions by state enterprises is governed by the Law on State and Municipal Enterprises of the Republic of Lithuania and Resolution of the Government Concerning Dividends for Shares of State-Owned Companies and Profit Contributions by State Enterprises (hereinafter referred to as the Governmental Resolution Concerning Dividends and Profit Contributions). SOEs pay dividends or profit contributions from the distributable profit for the accounting year. The amount of the dividends or profit contributions depends on the ROE of SOEs for the accounting year: the higher the ROE of the accounting year, the smaller the percentage of the distributable profit of the reporting year that SOEs must pay to the State budget. Dividends allocated by SOEs are calculated on the basis of the company's distributable profit rather than the group's distributable profit. It should be noted that, under current regulations, the amount of dividends or profit contributions allocated may be reduced only by a separate Governmental resolution.

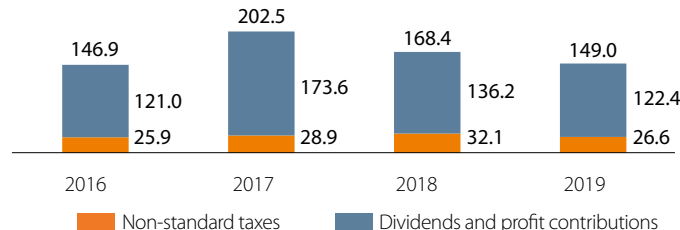
Amount of distributable profit for the accounting year to be allocated as dividends or profit contributions	ROE for the accounting year
85%	Not exceeding 1%
80%	Over 1% but not exceeding 3%
75%	Over 3% but not exceeding 5%
70%	Over 5% but not exceeding 10%
65%	Over 10% but not exceeding 15%
60%	Over 15%

In 2019, SOEs' dividends and profit contributions allocated to the State budget amounted to EUR 122.4 million, which was 10.2% less than last year when the amount of EUR 136.2 million was allocated. In 2019, 9 of the 32 state-owned limited liability companies allocated more dividends than in 2018, and 12 companies allocated less. Meanwhile, 5 of the 18 state enterprises allocated higher profit contributions during the reporting period than last year, and 7 companies allocated lower contributions. The number of dividends or profit contributions allocated by 11 state-owned limited liability companies and 6 state enterprises remained unchanged for the year. It is noteworthy that in 2019 the profit contributions paid by state-owned enterprises, which increased by 8.6% compared to the previous period, partially offset the decrease in dividends of state-owned limited liability companies, which decreased by 30.6%.

Dividends and profit contributions by SOEs (EUR thousand)



Contribution by SOEs to the State budget (EUR thousand)



AB Lietuvos geležinkeliai Group allocated the largest number of dividends to the State budget in 2019, which amounted to EUR 38 million. **UAB Ignitis Group** that allocated only EUR 13 million in dividends for 2018, managed to double the dividends allocated for 2019 – up to EUR 28 million. Millions in dividends for the period of 2019 were also allocated by **AB Klaipėdos nafta** and **AB Problematika**: their contributions in dividends to the State budget were EUR 5.7 million and EUR 1.1 million respectively. The sums of other 15 state-owned companies that allocated dividends varied significantly from EUR 6.6 thousand allocated by **UAB Lietuvos žirgynas** to EUR 874.0 thousand allocated by **AB Lietuvos radijo ir televizijos centras**. It is worth noting that 13 companies did not allocate dividends to the State budget for the results of 2019. Two companies of the above-mentioned were granted an exclusive right not to pay dividends according to the updated wording of the Governmental Resolution Concerning Dividends and Profit Contributions stipulating that 'after payment of dividends, there is an actual likelihood for the company to become insolvent due to restricted activities in case of war, state of emergency, mobilisation, quarantine, extreme situation or extreme event.' Upon entry into force of the aforementioned amendment of Resolution at the start of May 2020, the proposal to set the lower share of profit established for payment of dividends to **UAB Lietuvos parodų ir kongresų centras LITEXPO** and **AB Giraitės ginklų gamykla** was endorsed, therefore, these companies did not allocate dividends for performance in 2019, although, they allocated nearly a million euro a year ago – EUR 719.3 million and EUR 266.5 million respectively. The same exception was also set to **VĮ Lietuvos oro uostai** that allocated the sum of profit contributions in the amount of EUR 8.5 million to the State budget last year and was planning to allocate nearly EUR 10 million for the performance in 2019.

In 2019, **VĮ Klaipėdos valstybinio jūrų uosto direkcija** allocated the highest profit contributions to the State budget. The Company's profit contribution amounted to EUR 28.0 million. A significant profit contribution for the reporting period was also allocated by **VĮ Regitra**: its contribution amounted to EUR 7.2 million, which was 2.3 times higher than in 2018. The amount of profit contributions granted by **VĮ Valstybinių miškų urėdija** for the reporting year was 4 times lower as compared

with the previous period, however, it still remained one of the highest among the entities with a legal form of state enterprise and amounted to EUR 5.5 million for 2019. Compared with the period of 2018, the positive change of allocated profit contributions was also recorded in **VĮ Registrų centras** – the contribution of this company to the State budget for performance in 2019 nearly doubled and totalled EUR 2.7 million.

Non-standard taxes paid by the SOEs to the State budget in the year 2019 were 17.3% less than in 2018 and amounted to EUR 26.6 million. These taxes, which are payable only by state-owned enterprises, consisted of:

- tax paid for the use of entrusted state property (property tax);
- compulsory deductions paid to the State budget for general forestry purposes and general state budget needs from income from raw wood and non-cut wood sales (raw material tax).

In 2019, the largest part of non-standard taxes was paid to the State budget by **VĮ Valstybinių miškų urėdija**: EUR 2.6 million of property tax and EUR 22.2 million of raw material tax.

Taking into account both dividends and profit contributions as well as non-standard taxes, in 2019, the return from SOEs to the State amounted to EUR 149.0 million and was 11.5% lower than in 2018. The decrease was mainly influenced by the decrease in profit contributions from **VĮ Valstybinių miškų urėdija**, and endorsement of proposal not to allocate profit contribution from **VĮ Lietuvos oro uostai**.

The table below shows dividends or profit contribution allocated by individual SOEs to the State. It should be noted that in addition to the aforementioned three companies subject to exceptions regarding the effect of quarantine, some SOEs are subject to statutory reductions or exemptions from dividends or profit contributions. The following exceptions apply:

- **UAB EPSO-G**. Pursuant to the exception referred to in paragraph 4.3 of Resolution No 786 of the Government of the Republic of Lithuania 'On Dividends for State-Owned Shares and Profit Contributions of State-Owned Enterprises', the amount of the dividends shall be determined by Resolution No 1116 of the Government of the Republic of Lithuania 'On Dividends Paid by EPSO-G UAB for the State-Owned Shares'. According to this resolution, the dividends paid

by the Company for the years 2016 - 2021 shall be 0.5% of the Company's distributable profits.

- **VĮ Oro navigacija.** The Company is exempt from paying profit contributions according to Article 15(5), item 4 of the Law on State and Municipal Enterprises. However, the Company voluntarily allocates

profit contributions.

- **VĮ Indėlių ir investicijų draudimas.** Pursuant to Article 43(3) of the Law on Insurance of Deposits and Liabilities to Investors of the Republic of Lithuania, all profit of the Company is allocated to the legal reserve.

Company	Dividends and profit contributions allocated for the year (EUR thousand)		Dividends and profit contributions as a share of net profit	
	2018	2019	2018	2019
UAB Ignitis Group	13,000.0	28,000.0	29.1%	86.9%
UAB EPSO-G Group	750.1	773.0	5.2%	14.7%
AB Klaipėdos nafta	8,372.7	5,747.3	72.3%	72.3%
VĮ Ignalinos atominė elektrinė	0.0	0.0	0.0%	0.0%
AB Lietuvos geležinkeliai Group	43,000.0	38,000.0	96.1%	96.6%
AB Lietuvos paštas Group	0.0	0.0	0.0%	0.0%
AB Lietuvos radijo ir televizijos centras	955.2	874.0	82.8%	132.7%
AB Smiltynės perkėla	393.1	491.4	75.3%	75.0%
AB Kelių priežiūra	0.0	0.0	0.0%	0.0%
VĮ Oro navigacija	1,100.0	1,185.0	25.4%	38.3%
VĮ Klaipėdos valstybinio jūrų uosto direkcija	28,000.0	28,000.0	90.4%	77.2%
VĮ Lietuvos oro uostai	8,524.1	0.0	102.0%	0.0%
VĮ Vidaus vandens kelių direkcija	0.0	0.0	0.0%	0.0%
VĮ Valstybinių miškų urėdija	22,141.6	5,500.0	87.6%	101.9%
UAB Projektų ekspertizė	77.2	93.4	134.5%	82.3%
VĮ Statybos produkcijos sertifikavimo centras	210.3	193.8	74.7%	106.0%
UAB Būsto paskolų draudimas	0.0	0.0	0.0%	0.0%
VĮ Indėlių ir investicijų draudimas	0.0	0.0	0.0%	0.0%
VĮ Lietuvos prabavimo rūmai	203.7	94.8	1,034.0%	403.3%
VĮ Turto bankas	128.6	19.1	85.0%	79.9%
UAB Viešųjų investicijų plėtros agentūra	266.5	205.8	267.3%	79.8%
VĮ Mūsų amatai	0.0	0.0	0.0%	0.0%
UAB Lietuvos kinas	0.0	0.0	0.0%	0.0%
VĮ Lietuvos paminklai	131.8	50.9	583.2%	314.2%
UAB Lietuvos monetų kalykla	0.0	0.0	0.0%	0.0%
VĮ Distancinių tyrimų ir geoinformacijos centras	212.5	145.3	119.9%	144.7%
AB Detonas	550.4	140.1	88.2%	166.2%
AB Problematika	1,336.5	1,106.0	216.2%	93.7%
UAB Universiteto vaistinė	57.0	71.6	75.1%	87.7%
VĮ Registrų centras	1,461.7	2,807.0	76.0%	63.1%
AB Giraitės ginkluotės gamykla	266.5	0.0	22.3%	0.0%
UAB Investicijų ir verslo garantijos	204.4	799.5	68.5%	70.7%
UAB Toksika	0.0	0.0	0.0%	0.0%
UAB Lietuvos parodų ir kongresų centras LITEXPO	719.3	50.4	94.6%	8.4%
AB Vilniaus metrologijos centras	310.5	306.8	153.9%	75.0%
VĮ Regitra	3,071.4	7,200.0	78.5%	161.8%
AB Jonavos grūdai	296.0	152.0	92.1%	134.7%
AB Lietuvos veislininkystė	81.0	88.3	74.3%	70.4%
AB Kiaulių veislininkystė	0.0	0.0	0.0%	0.0%
UAB Lietuvos žirgynas	4.7	6.6	185.7%	83.5%
UAB Panevėžio veislininkystė	0.0	0.0	0.0%	0.0%
UAB Genetiniai ištekliai	0.0	0.0	0.0%	0.0%
UAB Šilutės polderiai	37.0	55.1	87.5%	68.7%
UAB Šilutės veislininkystė	0.0	0.0	0.0%	0.0%
UAB Dotnuvos eksperimentinis ūkis	0.0	0.0	0.0%	0.0%
UAB Žemės ūkio paskolų garantijų fondas	139.2	89.1	76.1%	124.3%
UAB Pieno tyrimai	192.7	131.6	80.0%	65.5%
VĮ Valstybės žemės fondas	29.4	33.6	74.8%	91.1%
VĮ Žemės ūkio informacijos ir kaimo verslo centras	0.0	0.0	0.0%	0.0%
VĮ Mašinų bandymo stotis	1.4	12.9	4.7%	74.6%

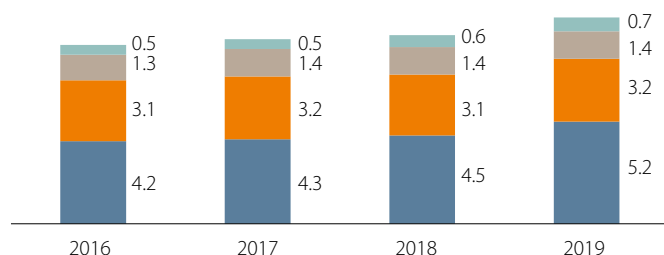
Asset Management

At the end of 2019, the value of assets of SOEs amounted to EUR 10.5 billion – 9.3% more than at the end of 2018. The assets of the Energy sector increased by 15.8% up to EUR 5.2 billion and comprised about a half (49.4%) of the entire SOEs asset value. The assets of the Transport and Communications sector enterprises also increased – by 3.0%; the assets of the Forestry sector remained almost unchanged and amounted to EUR 1.4 billion. The book value of assets of Other Enterprises sector increased by 20.9% and amounted to EUR 0.7 billion at the end of 2019.

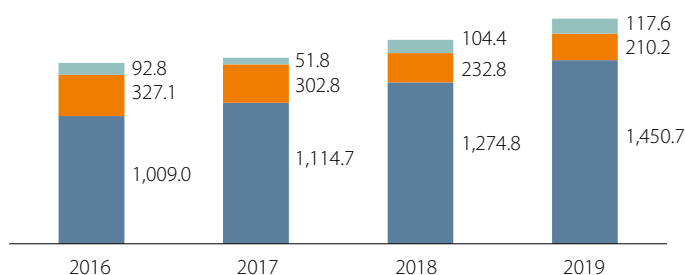
In 2019, the financial liabilities of the SOEs portfolio grew by 10.3% and reached EUR 1,778.4 million. The increase was mostly caused by the growth of the financial liabilities of the Energy sector's enterprises of 13.8%. At the end of the accounting period, they amounted to EUR 1,450.7 million and accounted for 81.6% of the value of financial liabilities of the entire portfolio. The biggest share of financial liabilities in the Energy sector was attributed to **UAB Ignitis Group**, whose financial liabilities increased by 25.0% or EUR 211.1 million in 2019 and amounted to EUR 1,056.1 million. During the reporting period, the financial liabilities of the Transport and Communications sector decreased by 9.7% mostly due to **AB Lietuvos geležinkeliai Group**, whose financial liabilities accounted for 87.1% of the value of liabilities of the entire sector, i.e. EUR 183.1 million. Financial liabilities of Other Enterprises sector increased by 12.5%.

The book value of equity of the SOEs' portfolio remained almost unchanged in 2019 and amounted to EUR 5.6 billion. During the accounting period, the value of equity of Other Enterprises sector and Energy sector increased the most, by nearly EUR 0.2 billion each – 31.9% and 3.0% respectively. The book value of equity of the Transport and Communications sector remained almost unchanged in 2019 and amounted to EUR 2.1 billion. The decline in the value of equity in the Forestry sector was also insignificant, amounting to 1.8%. The amount of grants and subsidies of the SOEs' portfolio increased

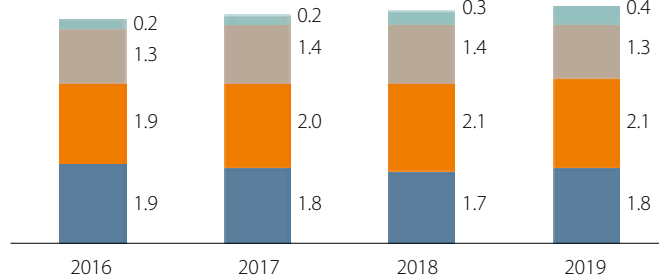
Assets (EUR billion)



Financial liabilities (EUR million)

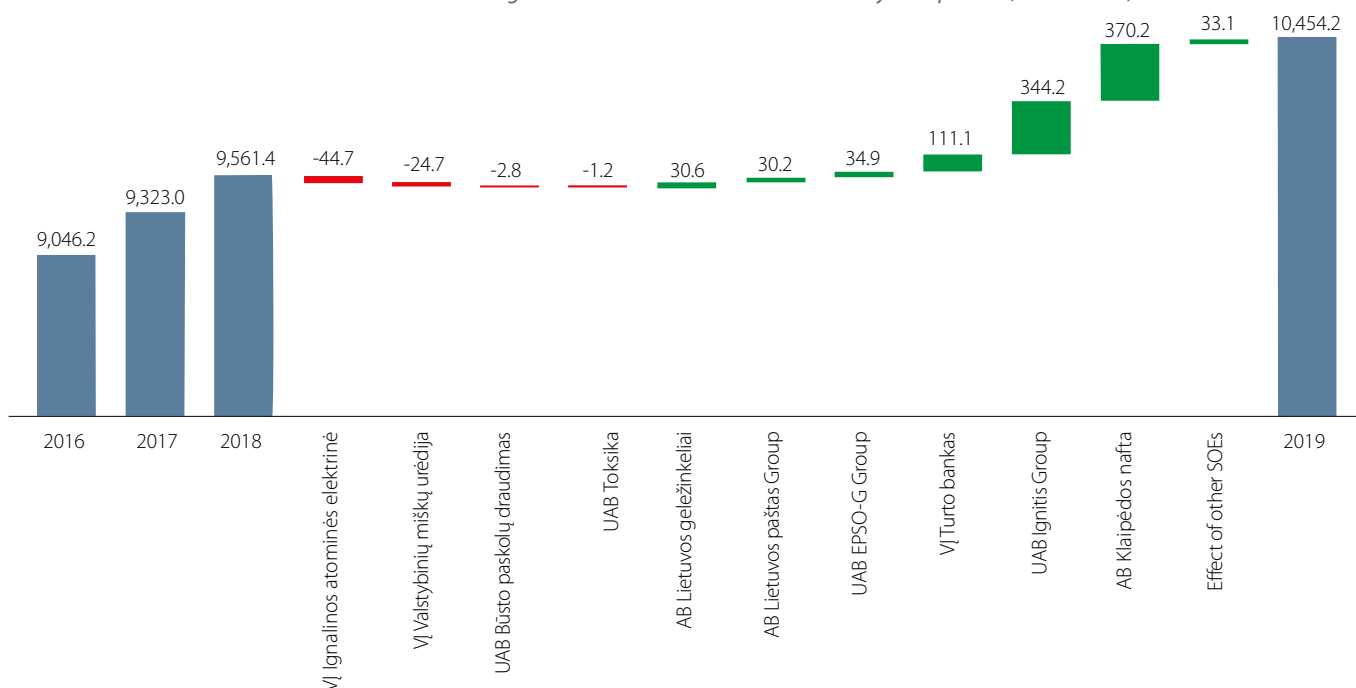


Equity (EUR billion)



Energy Transport and Communications Forestry Other

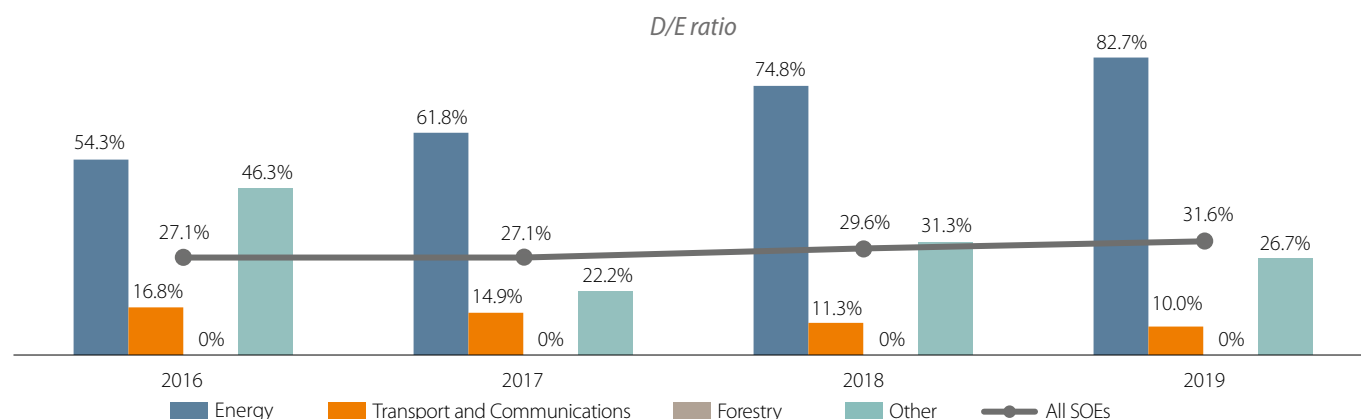
The Breakdown of Changes in the Assets of the SOE Portfolio by Companies (EUR million)



by 3.2% in 2019 to EUR 1.5 billion. More than half, i. e. 51.2% or EUR 0.8 billion of all grants and subsidies of the SOEs' portfolio was attributable to the Energy sector in the accounting period, whose grants increased by 2.7%. This increase was mostly due to the value of grants to **UAB Ignitis Group**, which increased by 28.3% up to EUR 268.0 million.

At the end of 2019, the debt to assets ratio of SOEs was 31.6% and increased by 2.0 p. p. compared with 2018. The D/E ratio has been

growing since 2016. At the end of 2019, the highest D/E ratio was recorded in the Energy and Other Enterprises sectors, reaching 82.7% and 26.7% respectively. The D/E ratio of the Forestry sector (including the estimated commercial value of the forest that increases the equity capital) was 0%, same as in the previous year. At the end of 2019, the D/E ratio of Transport and Communications sector was 10.0%, i. e. by 1.3 p. p. lower than in 2018.



The information on changes in the book value of the assets of SOE portfolio, broken down by companies that have had the greatest impact on the performance of the portfolio as a whole, is provided below.

↓ The value of **VĮ Ignalinos atominė elektrinė** assets amounted to EUR 580.8 million at the end of 2019, i.e. decreased by 7.1% or EUR 44.7 million as compared with 2018. The decrease of assets was mainly caused by the sale of assets that were no longer used.

↓ The book value of **VĮ Valstybinių miškų urėdijos** decreased by EUR 24.7 million during the reporting period and amounted to EUR 1,364.5 million at the end of 2019. The decrease in non-current assets by 1.0% (EUR 12.9 million) was mostly conditioned by the depreciation of assets that exceeded the amount of investment considerably. Furthermore, the financial assets comprised of State-owned securities decreased by EUR 1.7 million, because part of them were redeemed by the State on the maturity of emission. Current assets decreased by 10.7% (EUR 11.8 million) due to the decrease in the balance of cash in current bank accounts by EUR 11 million. The decrease in the balance of cash was influenced by the 7.8% drop in the price of raw timber.

↓ The assets of **UAB Būsto paskolų draudimas** amounted to EUR 13.3 million at the end of 2019, which was 17.6% or EUR 2.8 million less than in 2018. 88.1% or EUR 9.5 million of all Company's non-current assets constituted of financial assets, i.e. amounts receivable after one year related to the planned regress. Over 2019, the item of this non-current assets decreased by a sum of completed payout and that influenced the decrease in Company's assets the most.

↓ The assets of **UAB Toksika** amounted to EUR 26.5 million at the end of 2019, which was a decrease of 4.3% or EUR 1.2 million less during the reporting year. The major share of Company's assets constitutes of non-current assets - 93%. The main Company's assets include a hazardous waste facility of the value of EUR 19.1 million, the balance value of which decreases by approximately EUR 1 million each year, thus, leading to the decrease in the total value of non-current assets.

↑ Assets of **AB Lietuvos geležinkeliai Group** saw a growth of 1.5% during the reporting period and amounted to EUR 2,056.3 million at the end of the year. At the end of the reporting period, the increase in assets reached EUR 30.6 million. The increase was mostly influenced by the increase in the trade and other amounts receivable by nearly EUR 39.4 million due to VAT sum refunded to AB LG CARGO in the amount of EUR 26.4 million accounted by the Group, i.e. a difference between payable and receivable VAT, the largest share of which was refunded in April 2020.

↑ Assets of **AB Lietuvos paštas Group** increased by EUR 30.2 million during 2019 and amounted to EUR 99.2 million at the end of the reporting period. The growth in the value of assets was mostly influenced by 5-times higher investment to tangible and non-tangible assets than in 2018 (EUR 10.4 million in 2019). The majority of investment was allocated to the construction of Vilnius Logistics Centre as well as construction/purchase of consignment centres, new posts and self-service terminals.

↑ The book value of the assets of **UAB EPSO-G Group** increased by 5.1% or EUR 34.9 million during the accounting period and amounted to EUR 719.5 million at the end of 2019. The growth was driven by the increase in Groups' non-current assets (78.5% of total Group's assets) which grew by 4.5% up to EUR 565.1 million due to launched strategic projects and projects of national importance. The value of Group's current assets amounted to EUR 154.5 million at the end of 2019 and increased by 7.2% as compared with 2018. The growth was mostly influenced by the increase in the guarantees of funds deposited and positions of deposits. The increase in assets was also conditioned by 5.5% growth in Group's equity (accounting for 27.0% of all assets), which amounted to EUR 194.0 million at the end of the period.

↑ The assets of **VĮ Turto bankas** stood at EUR 394.8 million at the end of 2019 and increased by 39.2% or EUR 111.1 million as compared with 2018. While implementing the function of centralised management of the state-owned real estate, in the accounting period, the Company managed the property worth of EUR 336 million. The value of the managed property amounted to EUR 226.3 million last year.

↑ Assets of **UAB Ignitis Group** amounted to EUR 3,198.1 million at the end of 2019. The increase in 12.1% or EUR 344.2 million was conditioned by increase in non-current tangible assets due to investments made in 2019. The majority of investment was allocated to Vilnius and Kaunas CHP plants (45.1% of all investment), development of electricity distribution network (17.4%) and gas distribution network (9.8%).

↑ As at 31 December 2019, **AB Klaipėdos nafta** managed the assets worth of EUR 663.3 million, i.e. more than twice more compared with the previous year. The increase in the assets was 126.3% or EUR 370.2 million more than at the end of 2018. Significant increase in the value of assets was mostly conditioned by the recognition of assets controlled by the right of use of assets after first-time application of the 16th International Financial Reporting Standard as well as investment from the 2nd development stage of Klaipėda Oil Terminal LOP park (construction works of the total value of EUR 17.9 million were performed in 2019).

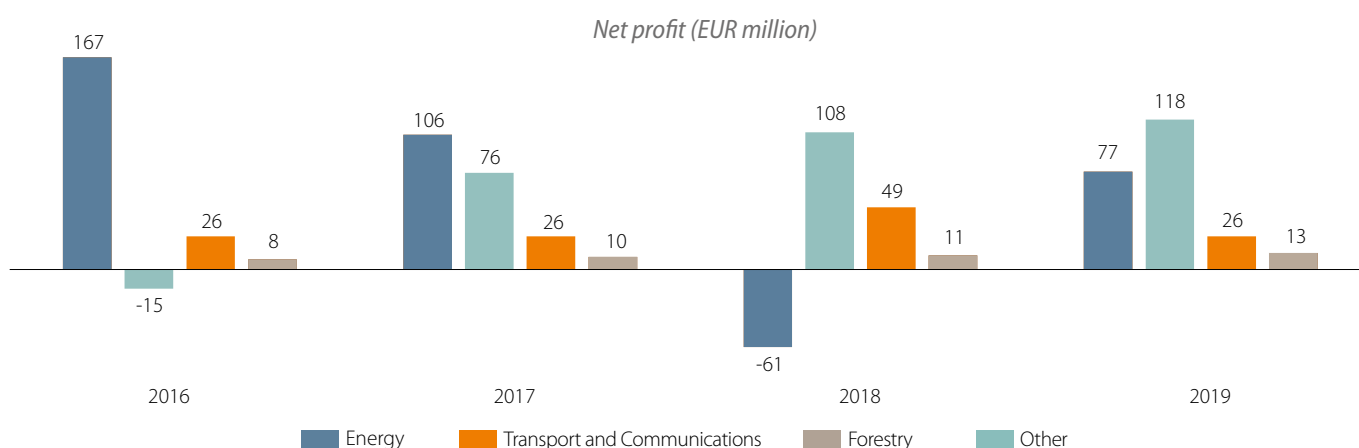
↑ The book value of assets of the remaining SOEs increased by EUR 33.1 million over the year, which contributed to the overall increase of the SOEs' portfolio assets. Out of 40 enterprises, the assets changes of which were not detailed, the assets of 18 enterprises decreased and that of 22 increased during the accounting period.

Net Profit

During 2019, net profit of SOEs increased more than twice.

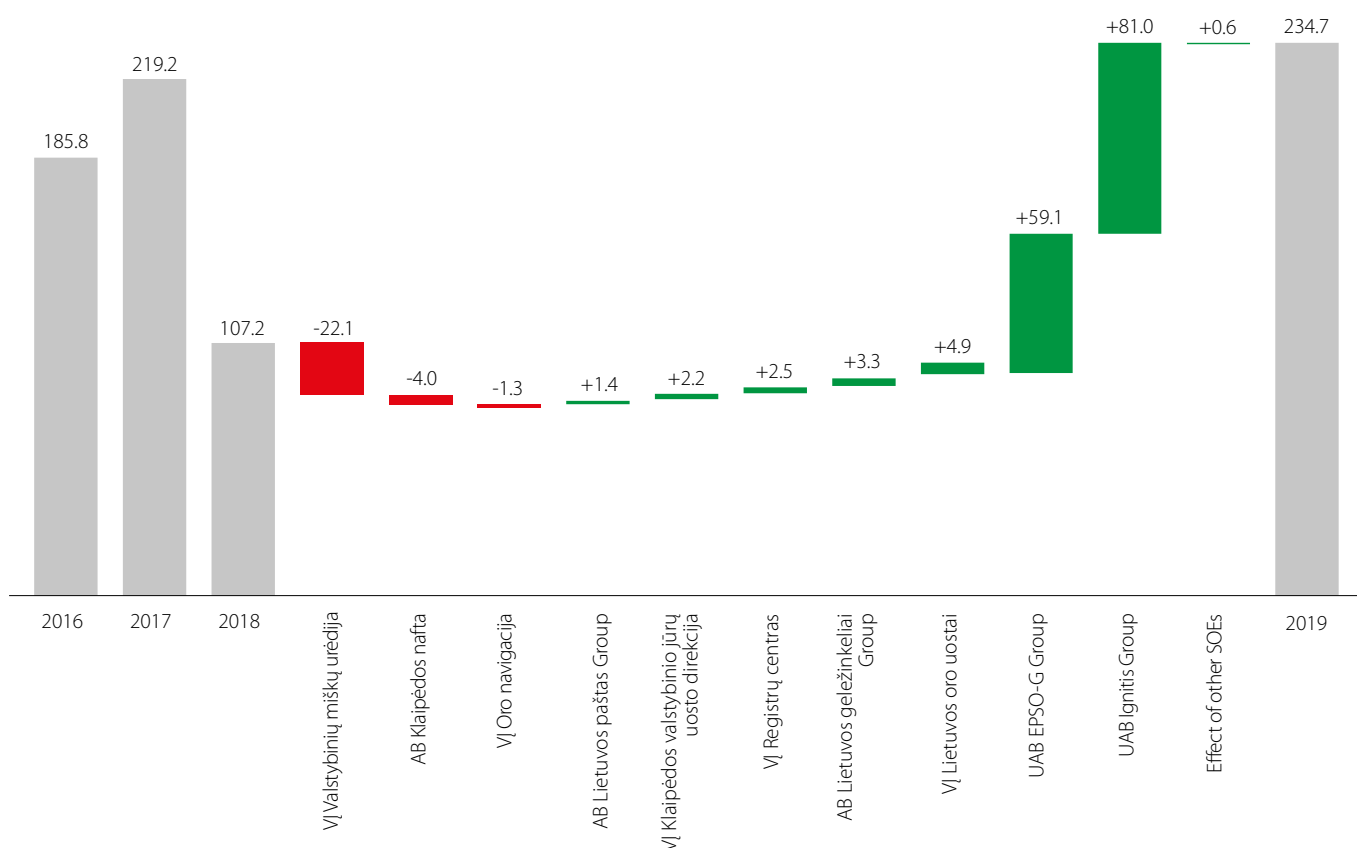
SOEs earned EUR 234.7 million in net profit in 2019, which was 118.9% or EUR 127.5 million more than in 2018. The increase in the portfolio's net profit was mainly influenced by the increase in net profit from loss in the amount of EUR 61.1 million to profit in the amount of EUR 76.9 million of the Energy sector companies, particularly **UAB Ignitis Group** and **UAB EPSO-G Group**. The net profit of the Transport and Communications sector companies increased by 8.9% and amounted

to EUR 118.0 million at the end of the year. The growth was mainly influenced by the increase in net profit of **AB Lietuvos geležinkeliai Group** amounting to 58.1% and constituting 49.1% of the entire profit earned in the Transport and Communications sector. The results of the Forestry sector decreased by 45.6% amounting to EUR 26.4 million at the end of the year. The net profit of the Other Enterprises sector increased by 16.3% up to EUR 13.2 million.



The information on changes in the net profit of the SOE portfolio, broken down by companies that have had the greatest impact on the performance of the portfolio as a whole, is provided below.

The Breakdown of Changes in the Net Profit of the SOE Portfolio by Companies (EUR million)



↓ **VĮ Valstybinių miškų urėdija** earned EUR 26.4 million in net profit in 2019, which was 45.6% less than in 2018 when the net profit was EUR 48.5 million. The substantial influence on this change was brought by decrease in the volumes of raw timber and 7.8% drop in the prices of wood. As a result of 5.2% lower sales volumes, the Company earned EUR 8.7 million less and due to the drop in prices – EUR 13.1 million less. Due to lower volumes in the sale of raw timber, the sales of side production accompanying the production of main wood were accordingly lower and the volumes of services of wood transportation rendered also decreased. Furthermore, the Company's performance was negatively influenced by the increase in payment fund by EUR 8.7 million or 18.6% following the wage system reform.

↓ **AB Klaipėdos nafta** earned EUR 7.6 million in net profit in 2019, which was 34.7% less than in 2018. The biggest gain, reaching EUR 9.5 million, was earned from Klaipėda oil terminal, while the LNG terminal generated a profit of EUR 1.0 million, which against the results of 2018, represented a significant drop of as much as 76.3%. The changes in Company's net profit were mostly conditioned by negative currency effect by EUR 6.1 million due to the amendments of the 16th International Financial Reporting Standard "Lease" from 1 January 2019. In 2018, the costs of lease were accounted in the total revenues report and had no influence on the statement of financial position. Upon entry into force of amendments of the Standard, lease was accounted for as assets and liabilities (right to the leased assets and financial lease liabilities) in the statement of financial position.

↓ The net profit of **VĮ Oro navigacija** decreased by 26.9% and amounted to EUR 3.3 million, while in 2018, it stood at EUR 4.6 million. This result was due to the 6.2% decrease in sales revenue from air navigation services amounting to 95% of total sum of revenue received by the Company. Furthermore, the net profit of the Company was negatively influenced by the increase in the costs by 0.4%, 64% of which constituted of the costs of wages, social insurance and other pay-outs to employees (increase by 4.6%) due to changes in the Company's organisational structure implemented in 2019 and increase in the number of employees.

↑ Net profit of **AB Lietuvos paštas Group** increased by 38.1% in 2019 and amounted to EUR 5.1 million compared with EUR 3.7 million at the end of 2018. It was driven by the increase in revenue from postal services, consisting of information dispatch and delivery and receipt of merchandise. In 2019, this segment earned EUR 69.3 million in revenue, accounting for 74.2% of the sales revenue. The main reason for the growth was increased revenue from delivery of merchandise by EUR 7.9 million or 17.9% due to increase in the amount of delivery of merchandise by 26.7%. Revenue from information sending services increased by 1.9% despite the decrease in the volume of services sold by 19.3% which was compensated by the increase in rates - by decision of the Communications Regulatory Authority of 1 August 2018, the prices were changed in 16 positions of main small-sized and large-sized correspondence parcels in Lithuania. The price increased by approximately EUR 0.10 on the average.

↑ **VĮ Klaipėdos valstybinio jūrų uosto direkcija** earned EUR 36.7 million in net profit in 2019, i.e. EUR 2.2 million or 6.2% more than in 2018. The revenue from main activities of the Company (port charges, lease of port land, other services) amounted to EUR 63.9 million in 2019, i.e. 0.3% or EUR 0.2 million more than in 2018, revenue from other operating and investment activities amounted to EUR 0.2 million in 2019. The major influence on the positive performance resulted not only from changes in revenue and costs, but also changes in the tax environment. The amendments of the Law on Corporate Income Tax adopted since 2017 conditioned that the Company's corporation tax was negative in 2017, i.e. the net profit of that year was increased by EUR 6.6 million, whereas in 2018 it totalled EUR 3.7 million and conditioned a significant decrease in net profit when compared with 2017. Thus, estimating the corporation tax for 2019, all accrued loss in corporation tax was used, and the corporation tax assets decreased down to 0 due to accrued tax assets. The remaining profit before taxes was reduced by 100% according to the tax exempt stipulated in Article 46-1 of the Law on Corporate Income Tax regarding the performance of investment projects into port infrastructure and software, the purpose of purchase whereof – increase in Company's revenue.

↑ Net profit of **VĮ Registrų centras** increased by 116.7% in 2019 and amounted to EUR 4.7 million compared with EUR 2.2 million at the end of 2018. The increasing performance results of Company were conditioned by slight changes in the costs and stable increase in operative revenue as well as positive financial performance. In 2019, sales revenue of the Company increased by 9.3% and amounted to EUR 42.8 million. The major increase was seen in public services - main operating revenue – accounting for approximately 86-90% of all revenue. The growth in the revenue was conditioned by more active real-estate market – record numbers in the apartment and land plot transfer transactions were observed in the summer of 2019. Furthermore, the Company's revenue increased due to legislative amendments – an obligation was set to entities to apply to relevant registers and information systems and to obtain data from them (verify the relevance of data) for conclusion of transactions or performance of other legal activities. A considerable contribution in the scope of revenue was made by the revenue received and accounted for unpaid delivery of data (partial financing of cost-free services).

↑ Net profit of **AB Lietuvos geležinkeliai Group** increased by 6.0% and stood at EUR 58.1 million at the end of 2019. The growth was mostly influenced by a 4.3% increase in the revenue from passenger transportation totalling EUR 28.4 million. Positive developments were caused by increased passenger transport volumes in local and international transport. A better performance of the Group was also conditioned by the growth in revenue from additional services (23.8% or EUR 5.4 million). The increase in this revenue was conditioned by the increasing share of services provided to external customers of UAB Vilniaus lokomotyvų remonto depas and earned revenue, increase in the sales of scrap metal in performance of investment railway repair works and replacing road constructions. Other operating revenue that had effect on the growth of Group's net profit, increased from EUR 27.9 million to EUR 31.9 million, of which the grant for compensation of losses incurred in transportation of passengers by local routes accounted for 94.2% or EUR 30.1 million.

↑ **VĮ Lietuvos oro uostai** earned EUR 14 million in net profit in 2019, which was 54.5% more than in 2018 when the net profit was EUR 9.1 million. The increase was mainly driven by the growth in aviation and non-aviation revenue and the costs that remained at the similar level as in 2018. The largest share (90.9%) of aviation revenue constituted of charges: departing passenger charge (55% of aviation revenue) and aircraft landing charge (31% of aviation revenue). Compared with 2018, the aircraft parking charge collected increased by 35% due to increase in the need for such services and increasing amounts of aviation charges. The growth of revenue from non-aviation services mainly involved the improved rent collection that has been increasing for several years in a row, which represented 81.4% in the non-aviation revenue in 2019. 2019 saw 45% more earnings collected from the rental of buildings and premises than in 2018 due to a rise in the car park rental revenue and the new rental contracts signed, which led to the rise of the revenue from both fixed and variable components of the rent.

↑ During the reporting period, **UAB EPSO-G Group** earned EUR 11.4 million in net profit compared with a loss of EUR 47.7 million in 2018. During the accounting period, the Group's revenue increased by 2.1% compared with 2018, reaching EUR 251.0 million. Revenue from electricity transmission accounted for 27.6% of the total revenue of the Group of 2019 and increased by 4.2%, amounting to EUR 69.3 million. This growth was driven by the increase of 6.0% in the actual price of electricity transmission. The growth of revenue from natural gas transmission, which totalled EUR 45.5 million in 2019 and accounted for 18.1% of all Group's revenue, was conditioned by a 5.4% increase in the volumes of gas transmitted in Lithuania and more than doubled volumes of transmission to Latvia. As a result of 16.0% higher rate of systemic services set by NERC on 1 January 2019, the revenue from systemic electricity services grew by 19.8% and reached EUR 70.8 million.















↑ **UAB Ignitis Group** earned EUR 58.9 million in net profit in 2019, which was EUR 80.9 million more than in 2018 when the Company suffered net loss amounting to EUR 22 million. The loss recorded during the previous reporting period was mostly influenced by the decrease in the value of distribution network assets accounted for in the profit (loss) statement for 2018. It shall be noticed that the net revaluation result was positive (i.e. conditioned the increase in the value of distribution network assets by EUR 76 million), however, the positive share was accounted in the revaluation reserve balance sheet. In 2019, the growth in net profit was also conditioned by the growth of revenue from network by EUR 11.6 million (due to larger connections of new consumers of distribution network and numbers of increase in capacity and continued investments of modernisation of distribution networks), growth in revenue from flexible production by EUR 8.7 million, better performance of other activities by EUR 8.6 million (mostly due to less negative results of EnePRO activity, which is terminated (+EUR 8.2 million)), etc.

↑ The net profit earned by **other SOEs** in 2019 was EUR 0.6 million less more than in 2018 and this amount increased the overall net profit of the SOE portfolio by EUR 8.5 million. Out of 40 enterprises, the changes of which were not detailed, the net profit increased in 32 cases and decreased in the rest 8 cases.

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Company		Sales revenue		Adjusted net profit		Dividends/Profit contributions		Assets		Equity	
		(EUR thousand)	Share in portfolio, %	(EUR thousand)	Share in portfolio, %	(EUR thousand)	Share in portfolio, %	(EUR thousand)	Share in portfolio, %	(EUR thousand)	Share in portfolio, %
 ignitis grupė	UAB Ignitis Group	↑ 1,090,627	42.1%	↓ 58,976	25.2%	↑ 28,000	22.9%	↑ 3,198,086	30.6%	↑ 1,348,620	23.9%
 ignitis gamyba	UAB Ignitis gamyba	↑ 145,504	-	↑ 42,792	-	↑ 25,272*	-	↑ 678,112	-	↑ 410,053	-
 eso	AB Energijos skirstymo operatorius	↓ 413,144	-	↑ 34,313	-	↑ 67,992*	-	↑ 1,706,606	-	↑ 663,917	-
 EPSOG	UAB EPSO-G Group	↑ 250,985	9.7%	↓ 11,403	4.9%	↑ 773	0.6%	↑ 719,546	6.7%	↑ 193,961	3.5%
 Litgrid	LITGRID AB Group	↑ 194,274	-	↑ 4,610	-	↑ 4,085*	-	↑ 377,369	-	↑ 196,742	-
 Amber Grid	AB Amber-grid	↑ 54,756	-	↑ 11,847	-	↓ 0*	-	↑ 254,861	-	↑ 137,863	-
 KL	AB Klaipėdos nafta	↑ 104,363	4.0%	↓ 7,561	3.2%	↓ 5,747	4.7%	↑ 663,297	6.3%	↓ 190,649	3.4%
 AE	VĮ Ignalinos atominė elektrinė	↑ 316	0.0%	↑ -1,042	-0.4%	0	0.0%	↓ 580,821	5.6%	↓ 20,380	0.4%
 LIETUVOS GELEŽINKELIAI	AB Lietuvos geležinkeliai Group	↑ 473,541	18.3%	↑ 58,095	24.7%	↓ 38,000	31.1%	↑ 2,056,514	19.7%	↑ 1,167,131	20.8%
 LIETUVOS PAŠTAS	AB Lietuvos paštas Group	↑ 93,357	3.6%	↑ 5,082	2.2%	0	0.0%	↑ 99,160	0.9%	↑ 32,112	0.6%
 TELECENTRAS	AB Lietuvos radijo ir televizijos centras	↑ 20,719	0.8%	↓ 659	0.3%	↓ 874	0.7%	↑ 40,784	0.4%	↓ 32,117	0.6%
 KELIŲ PRIEŽIŪRA	AB Kelių priežiūra	↑ 84,293	3.3%	↓ 353	0.2%	0	0.0%	↑ 129,016	1.2%	↑ 111,299	2.0%
 ORO NAVEIGACIJA	VĮ Oro navigacija	↓ 27,697	1.1%	↓ 3,349	1.4%	↑ 1,185	2.0%	↑ 69,488	0.7%	↓ 48,098	0.9%
 VIKLAIPĖDOS VALSTYBINIO JŪRŲ UOSTO DIREKCIJA	VĮ Klaipėdos valstybinio jūrų uosto direkcija	↑ 63,944	2.5%	↑ 36,691	15.6%	28,000	22.9%	↑ 614,022	5.9%	↑ 539,748	9.6%
 LIETUVOS ORO UOSTAI	VĮ Lietuvos oro uostai	↑ 48,486	1.9%	↑ 13,988	6.0%	↓ 0	0.0%	↑ 197,297	1.9%	↑ 135,576	2.4%
 Valstybinių miškų urėdija	VĮ Valstybinių miškų urėdija	↓ 157,726	6.1%	↓ 26,424	11.3%	↓ 5,500	4.5%	↓ 1,364,549	13.1%	↓ 1 334,340	23.7%
 REGISTRU CENTRAS	VĮ Registru centras	↑ 42,723	1.6%	↑ 4,696	2.0%	↑ 2,807	2.3%	↑ 36,577	0.3%	↑ 22,270	0.4%
 REGITRA	VĮ Regitra	↑ 27,493	1.1%	↑ 4,585	2.0%	↑ 7,200	0.1%	↑ 28,581	0.3%	↑ 21,559	0.4%

*Total amount of dividends assigned

↑ Represents a positive change;

↓ Represents a negative change;

The changes in the data presented in the table are measured by reference to the results fixed at the end of the previous reporting period, i.e. the data for 31 December 2019 are compared to the data on 31 December 2018.

Company	Employees		Collegial supervisory and management bodies structure						ROE, %
	Units	Share in portfolio, %	Management Board		Share in the Company, %	Supervisory Board		Share in the Company, %	
			Independent members	In total		Independent members	In total		
 UAB Ignitis Group	↑ 3,859	11.9%	0	5	0.0%	3	5	60.0%	↑ 4.4%
 UAB Ignitis gamyba	↓ 356	-	0	3	0.0%	1	3	33.3%	↑ 10.7%
 AB Energijos skirstymo operatorius	↓ 2,374	-	0	5	0.0%	2	5	40.0%	↑ 5.3%
 UAB EPSO-G Group	↓ 993	3.1%	3	5	60.0%	-	-	-	↑ 6.0%
 LITGRID AB Group	↓ 290	-	2	5	40.0%	-	-	-	↑ 2.4%
 AB Amber-grid	↓ 329	-	2	4	50.0%	-	-	-	↑ 8.8%
 AB Klaipėdos nafta	↓ 365	1.1%	3	5	60.0%	2	3	66.7%	↓ 3.9%
 VĮ Ignalinos atominė elektrinė	↓ 1,837	5.7%	2	4	50.0%	-	-	-	↑ -5.0%
 AB Lietuvos geležinkeliai Group	↓ 9,340	28.8%	4	6	66.7%	-	-	-	↑ 5.0%
 AB Lietuvos paštas Group	↓ 4,753	14.7%	3	5	60.0%	-	-	-	↑ 17.2%
 AB Lietuvos radijo ir televizijos centras	↓ 303	0.9%	1	3	33.3%	-	-	-	↓ 2.0%
 AB Kelių priežiūra	↓ 2,380	7.3%	4	4	100.0%	-	-	-	↓ 0.3%
 VĮ Oro navigacija	↑ 291	0.9%	3	5	60.0%	-	-	-	↓ 6.9%
 VĮ Klaipėdos valstybinio jūrų uosto direkcija	241	0.7%	3	5	60.0%	-	-	-	↑ 6.9%
 VĮ Lietuvos oro uostai	↑ 662	2.0%	3	4	75.0%	-	-	-	↑ 10.7%
 VĮ Valstybinių miškų urėdija	↓ 2,814	8.7%	4	7	57.1%	-	-	-	↓ 2.0%
 VĮ Registru centras	↓ 1,480	4.6%	3	5	60.0%	-	-	-	↑ 22.3%
 VĮ Regitra	↓ 535	1.7%	3	8	42.9%	-	-	-	↑ 22.0%

UAB Ignitis Group

www.ignitisgrupe.lt

Electricity and thermal energy production, supply, import and export of electricity, trade and distribution and supply of natural gas, as well as maintenance and development of power economy

The Group consists of the following companies: Ignitis gamyba, AB (share of interest - 96.82%), AB Energijos skirstymo operatorius (94.98%), NT Valdos, UAB (100%), UAB Energetikos paslaugų ir rangos organizacija (100%), Tuule-energia OU (100%), UAB Ignitis (100%), UAB Elektroninių mokėjimų agentūra (100%), UAB Verslo aptarnavimo centras (98.4%), UAB Vilniaus kogeneracinė jėgainė (100%), UAB Duomenų logistikos centras (79.64%), Ignitis paramos fondas (100%), UAB Kauno kogeneracinė jėgainė (51%), via UAB Ignitis – Ignitis Eesti OU (100%), Ignitis Latvija SIA (100%), Ignitis Polska S.p. z o.o (100%), UAB Ignitis grupės paslaugų centras (100%), UAB Transporto valdymas (100%), UAB Gamybos optimizavimas (100%), UAB Ignitis renewables (100%), via UAB Ignitis renewables - Pomerania Inval Sp. z o. o. (100%), UAB EURAKRAS (100%), UAB Vėjo vatas (100%), UAB Vėjo gūsis (100%), UAB VVP Investment (100%).

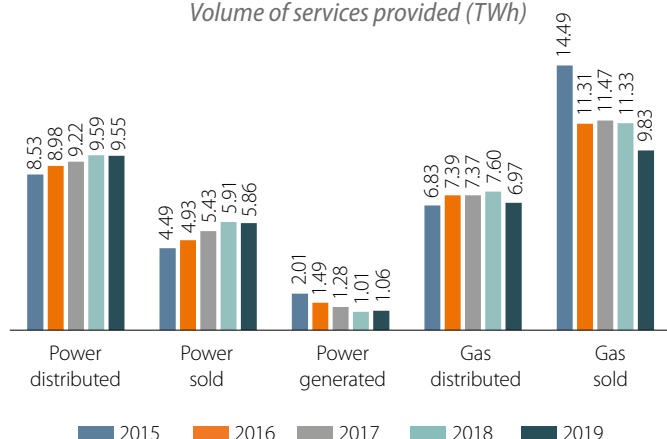
MAJOR EVENTS:

- On 28 March 2019, Ignitis renewables company of the Group acquired 100% shares of Pomerania.
- On 5 August 2019, the Group and other companies of the Group changed names and trademarks. Lietuvos energija was changed into Ignitis grupė, Lietuvos energijos tiekimas - into Ignitis, Lietuvos energijos gamyba became Ignitis gamyba, whereas Lietuvos energija renewables – Ignitis renewables.
- On 11 November 2019, the approval of the Ministry of Finance of the Republic of Lithuania was received to initiate the process of removal of shares of subsidiaries AB Ignitis gamyba and AB Energijos skirstymo operatorius from the trade in unregulated market.
- In December 2019, the Group joined the initiative of the United Nations and other intentional organisations "Business Ambition for 1.5°C", whereby it undertook to reduce the net carbon dioxide (CO₂) emissions down to zero.

In line with the expectations set forth in the Letter of Expectation to achieve the consistent improvement of network reliability indicators – the System Average Interruption Duration Index (SAIDI) and the System Average Interruption Frequency Index (SAIFI) of gas and electricity, the Group's SAIDI index increased from 81.37 min. in 2018 to 91.79 min. in 2019. SAIFI index increased from 1.14 times to 1.31 times. Gas distribution SAIDI index increased significantly and amounted to 1.25 min. (in 2018 – 0.61 min.), SAIFI index constituted approximately 0.008 units, whereas in 2018 – 0.006 units. The main causes conditioning the impairment of electricity and gas supply quality indices resulted from violations of third parties in the network and unfavourable weather conditions; these violations conditioned failures of average voltage overhead lines and gas pipelines.

The amount of power distributed decreased by 0.4% and amounted to 9.55 TWh in 2019. Distribution of electricity to customers of independent suppliers increased by 0.9% to 6.22 TWh, public and guaranteed supply decreased by 2.8% and reached 3.33 TWh. The share of energy produced from renewable sources accounted for 97.7% of the entire Group's electricity production in 2019. The wind farms operating in Estonia and Lithuania generated 0.23 TWh of electricity, which was 81.4% more than in 2018. In 2019, the distributed amount of natural gas decreased by 8.4% and amounted to 6.97 TWh, the volume of gas sold in the retail market also decreased by 13.2% and 9.83 TWh was sold during the reporting period. This change was mostly influenced by changes made in the legislative framework.

Volume of services provided (TWh)



General Director
Darius Maikštėnas

Chairman of the Supervisory Board
Darius Daubaras

- In 2019, sales revenue increased by 1.9%
- Gross profit grew by 29.4%
- Dividends assigned increased by 115.4% and amounted to EUR 28.0 million

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	1,070,060	1,090,627	+1.9%
Cost of goods sold	795,007	734,656	-7.6%
Gross profit (loss)	275,053	355,971	+29.4%
Cost of sales	295,446	273,178	-7.5%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	-13,851	-16,640	-20.1%
Profit (loss) before taxes	-34,244	66,153	-
Corporation tax	-12,273	7,177	-
Net profit (loss)	-21,971	58,976	-
Minority share in profit (loss)	469	2,311	+392.8%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	2,411,007	2,770,560	+14.9%
Current assets¹	442,884	427,526	-3.5%
Cash and cash equivalents	127,835	131,837	+3.1%
Deferred charges and accrued income	0	0	-
Total assets	2,853,891	3,198,086	+12.1%
Equity	1,302,522	1,348,620	+3.5%
Grants and subsidies	208,874	267,949	+28.3%
Provisions	40,913	55,382	+35.4%
Amounts payable and other liabilities	1,156,022	1,364,476	+18.0%
Amounts payable after one year and other non-current liabilities	788,040	895,038	+13.6%
<i>Financial liabilities</i>	735,410	821,929	+11.8%
Amounts payable within one year and other current liabilities ²	367,982	469,438	+27.6%
<i>Financial liabilities</i>	109,546	234,191	+113.8%
Accrued expenses and deferred income	145,560	161,659	+11.1%
TOTAL equity and liabilities	2,853,891	3,198,086	+12.1%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-0.3%	1.9%	+2.8 p. p.
ROE	-1.7%	4.4%	+6.1 p. p.
D/E	64.9%	78.3%	+13.4 p. p.
EBITDA	67,270	192,682	+186.4%
EBITDA margin	6.3%	17.7%	+11.4 p. p.
Net profit margin	-2.1%	5.4%	+7.5 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends	13,000	28,000	+115.4%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	3,836	3,859	+0.6%
Number of executives	54	54	0.0%
Average monthly salary of executives (gross, EUR)	6,179	6,871	+11.2%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Finance of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Darius Maikštėnas
Chairman of the Board			Darius Maikštėnas
Members of the Board			Živilė Skibarkienė Darius Kašauskas Vidmantas Šalietis Dominykas Tuckas
Chairman of the Supervisory Board			Darius Daubaras*
Supervisory Board			Aušra Vičkauskienė Andrius Pranckevičius* Daiva Kamarauskienė Daiva Lubinskaite-Trainauskienė*

* Independent member

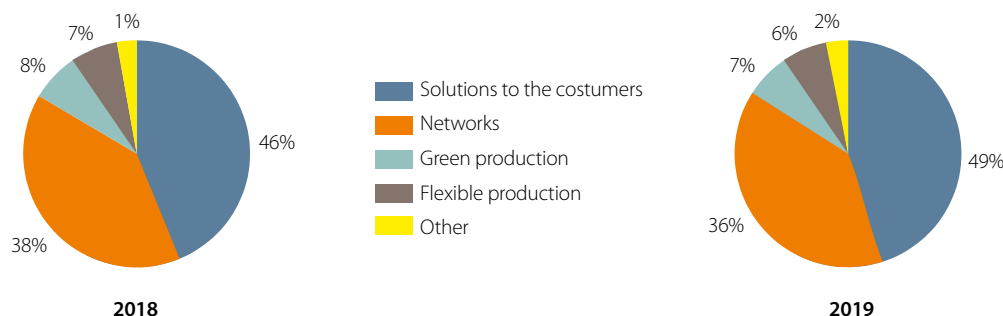
1- Current assets include the value of non-current assets held for sale: in 2018 - EUR 65,706 thousand, in 2019 - EUR 40,643 thousand.

2- Amounts payable within one year and current liabilities include liabilities related to non-current assets held for sale: in 2018 - EUR 2,986 thousand, in 2019 - EUR 5,322 thousand.

The Group's main sources of revenue include solutions to the clients in the revenue segment that include trade in gas and electricity segments, totalling EUR 502.9 million in earnings in 2019, and accounting for 46.1% of the total revenue of the Group in the revenue structure. Revenue from network segment accounted for 37.9% and amounted to EUR 413.8 million, whereas revenue from raw production segment accounted for 7.6%. **Group's revenue abroad showed a considerable increase by more than 25.0%.** In comparison with the results of 2018, **the Company's sales revenue increased by 1.9% and amounted to EUR 1,090.6 million.** The growth was mainly driven by the following reasons:

- EUR 21.1 million higher distribution and EUR 13.4 million higher transfer revenue due to increased rates;
- higher revenue of flexible production segment increasing by EUR 11.7 million. This revenue mainly increased due to compensation in the amount of EUR 9.3 million received from the Ministry of Finance of the Republic of Lithuania regarding the potential damage caused by Alstom Power Ltd. in performance of Lithuanian Power Plant Project for 2005-2009;
- EUR 4.9 million higher revenue of green production segment due to increased wind farms portfolio and favourable weather conditions.

UAB Ignitis grupė, Group Revenue Structure



Source: Annual Report of UAB Ignitis grupė for 2019

The Group's investments in 2019 increased by 6.1% and amounted to EUR 455.7 million (EUR 429.3 million in 2018). During the reporting period, the major investment amounting to EUR 256.5 million or 56.3% of all investments, were intended to the green production segment. The growth in investment allocated to the lateral was conditioned by investment into Vilnius and Kaunas Combined Heat Power Plants from EUR 113.4 million in 2018 to EUR 205.6 million in 2019. Furthermore, in 2019, the Group acquired 100% of the shareholding of company Pomerania which develops 94MW wind farm project in Poland. The sum allocated to the investments into networks segment amounted to EUR 181.4 or 38.8 % of all investment and during the reporting period it was mostly conditioned by lower investment into upgrade of electricity distribution network.

Despite the decreased sales revenue of the Group, the EBITDA increased by 186.4% up to EUR 192.7 million. It was mostly due to:

- Greater connection of new consumers to the distribution network, number of power increases and continued investments into upgrade of distribution networks;
- Better performance of Green Production that was conditioned by the effect of increased wind power plant portfolio at the end of 2018 and better performance of Kruonis PSHP mostly due to the effective use of variations in the electricity prices;
- Increase in the growth of flexible production conditioned by better performance of Unit 7 of Elektrėnai Complex and profit from processing of fuel oil reserves.

The net profit of the Group was positive in 2019 and reached EUR 59.0 million, while in 2018 the net loss amounted to EUR -22 million. This was conditioned by the decrease in the value of distribution network assets accounted for in profit (loss) statement for 2018. It was noticed that

the net revaluation result was positive (i.e. conditioned the increase in the value of distribution network assets by EUR 76 million), however, the positive share was accounted in the revaluation reserve balance sheet. Furthermore a better net profit performance in 2019 against the result of 2018 was conditioned by differences between the price of electricity forecasted by the regulator and included in the public supply rate and the actual market price that resulted in the growth in the cost price of the Group in 2018.

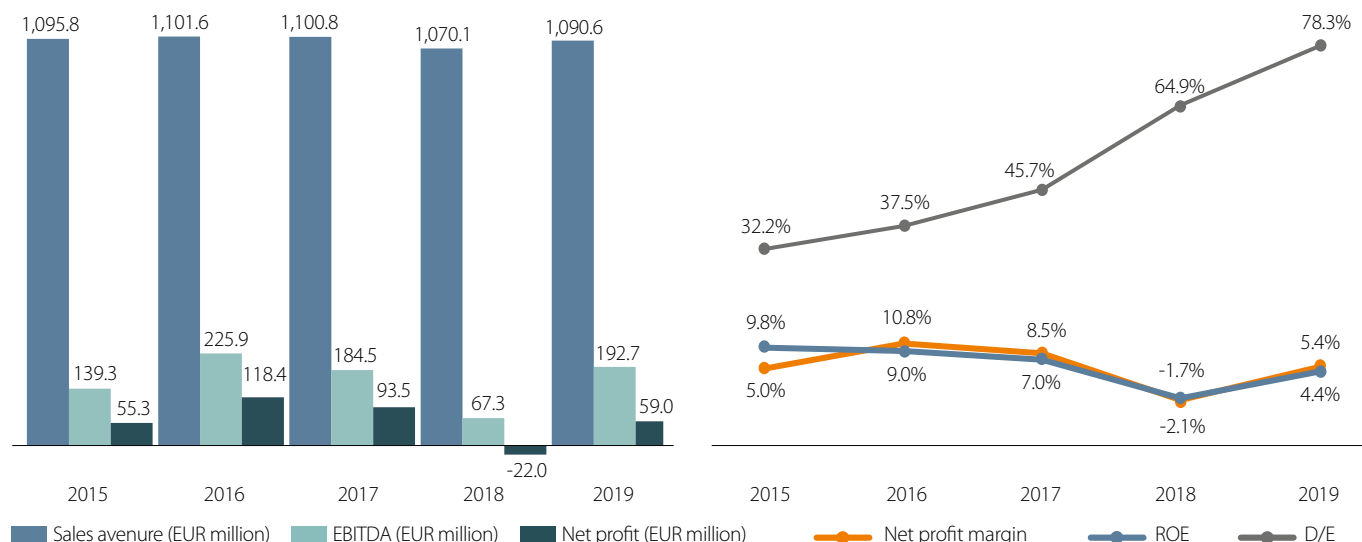
The increase in the net result of the Group conditioned the increase in net profit margin and return on equity. **Net profit margin increased from -2.1% up to 5.4%, return on equity also showed a considerable growth – by 6.1 percentage points.**

During 2019, the Group's debt to equity (D/E) ratio increased significantly, reaching 81.4%. Since 2015, this ratio has been steadily increasing. This increase was mainly driven by ongoing investments.

In May 2019, the international credit ratings agency Standard & Poor's left BBB+ credit rating for UAB Ignitis grupė despite the fact that the credit rating perspective was adjusted from stable to negative.

Grants received in 2019 grew by 28.3% and amounted to EUR 267.9 million, 49.6% of which was contributed to upgrading, conservation and safety improvement projects. Grants related to assets and other projects of the Group grew by 97.0% and reached EUR 127.5 million. The aforementioned changes were highly influenced by the Vilnius CHP Plant project where EUR 59.1 million was used. Grants for environmental allowances increased more than twice, totalling to EUR 7.6 million.

During the reporting period, the return of the Group to the State significantly increased: for the results achieved in 2019, the dividends allocated by the decision of the shareholder reached EUR 28.0 million (EUR 13.0 million in 2018).



AB Ignitis gamyba

www.ignitisgamyba.lt



Production of electric and heat energy, and trade in electricity

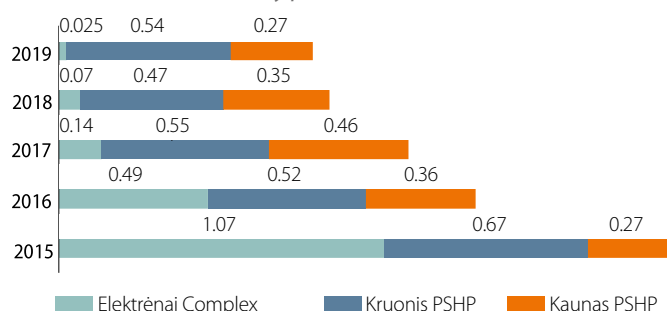
The Company operates the reserve power plant and a combined cycle unit at the Elektrėnai Complex, the Kaunas Algirdas Brazauskas' Hydroelectric Power Plant, the Kruonis Pump Storage Hydroelectric Plant and the Vilnius Combined Heat and Power Plant 3

MAJOR EVENTS:

- On **24 April 2019**, UAB Ignitis grupė announced the changes to be made in Group's trademark and name: the name of Company changed from AB Lietuvos energijos gamyba to AB Ignitis gamyba.
- In **December 2019**, the Company and AB Litgrid signed agreements whereby they undertook to provide services from Secondary and Tertiary Reserve and isolated electricity system.
- The Company launched the services of installation of solar plants and implementation of large solar park projects to remote end users.

The Company has unlimited permits for electricity production. From 2015 to 2019, a tendency of decrease in electricity production volumes was observed – the production decrease by more than a half since 2015, i.e. 58.5%. In 2019, the production volumes of power plants controlled by the Company decreased in Kaunas A. Brazauskas Hydroelectric Plant and Elektrėnai Complex – the total volume of electricity produced and sold in these plants controlled by the Company amounted to 0.832 TWh during the reporting period, i.e. 5.8% less than in 2018 when this figure amounted to 0.883 TWh.

Electricity produced and sold, TWh



In 2019, the sales volume of electricity produced and sold at **Kaunas Hydroelectric Plant** was by 23.0% less than in 2018 (0.27 TWh and 0.35 TWh respectively). Same as during the previous period, the causes for decrease in electricity were associated with unfavourable weather conditions. Production at **Kruonis PSHP** grew by approximately 14.0% and amounted to 0.54 TWh during the reporting period. This growth was conditioned by effectively used differences of day and night price rates of electricity formed on the market. The production growth also resulted from decrease in the local production in Estonia. Slightly less was produced and sold from secondary power reserve, i.e. 0.014 TWh electricity, compared with 0.015 TWh in 2018. The most effective facility of the **Elektrėnai Complex** – the combined cycle unit - provided a tertiary active power reserve service of 260 MW in 2019, same as during the previous period. During 2019, the Company sold approximately 2.29 TWh of tertiary active power reserve, i.e. slightly more than in 2018 (2.28 TWh), while in 2017 this figure amounted to 4.24 TWh.

The increase in production volumes was also reflected in sales revenue, which amounted to EUR 145.5 million. Compared with the results of 2018, the increase was 5.6%. The major part of the revenue during the reporting period consisted of revenue from electricity trading and reserve power services, balancing and regulating electricity, as well as revenue from heat sales. The growth of revenue according to the agreements with clients mainly resulted from significant increase in the sales of fuel oil and metal scrap that were by nearly 89.0% higher and amounted to EUR 6.2 million compared with 2018. Other revenue increased from EUR 1.3 million to EUR 10.5 million upon receipt of compensation of EUR 9.3 million due to likely damage that caused by Alstom Power Ltd during the period of 2005-2009. The Company's regulated activities for 2019, including electricity and heat generation in the Elektrėnai Complex and the reserve power services provided by the Elektrėnai Complex and the Kruonis PSHP, accounted for 49.4% of the total revenue of the Company (52.9% in 2018; 65.0% in 2017).



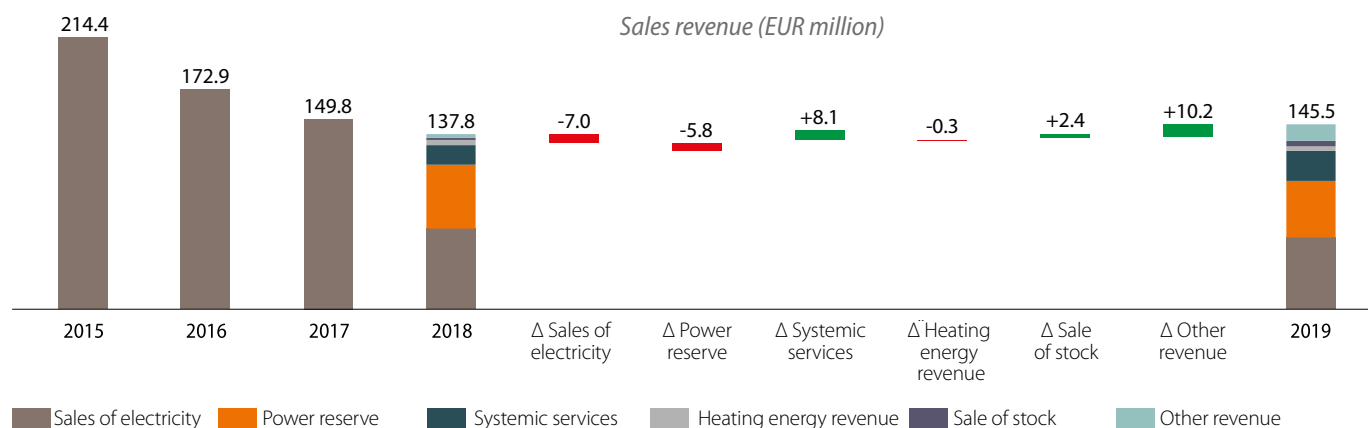
General Director
Rimgaudas Kalvaitis

Chairman of the
Supervisory Board
Dominykas Tučkus

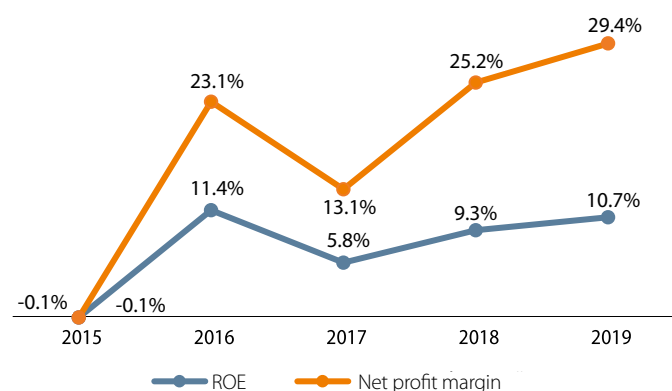
- ↑ Sales revenue grew by 5.6% and stood at EUR 145.5 million
- ↑ Net profit increased up to EUR 42.8 million
- ↑ Assigned dividends increased by 6.2% and reached EUR 25.3 million

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	137,821	145,504	+5.6%
Cost of goods sold	61,894	53,511	-13.5%
Gross profit (loss)	75,927	91,993	+21.2%
Cost of sales	32,273	41,283	+27.9%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	-1,277	-60	+95.3%
Profit (loss) before taxes	42,377	50,650	+19.5%
Corporation tax	7,713	7,858	+1.9%
Net profit (loss)	34,664	42,792	+23.4%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	535,987	519,691	-3.0%
Current assets	120,727	158,421	+31.2%
Cash and cash equivalents	47,885	58,501	+22.2%
Deferred charges and accrued income	0	0	-
Total assets	656,714	678,112	+3.3%
Equity	391,812	410,053	+4.7%
Grants and subsidies	171,039	166,722	-2.5%
Provisions	10,620	16,890	+59.0%
Amounts payable and other liabilities	83,243	84,447	+1.4%
Amounts payable after one year and other non-current liabilities	58,860	52,250	-11.2%
<i>Financial liabilities</i>	33,619	21,317	-36.6%
Amounts payable within one year and other current liabilities	24,383	32,195	+32.0%
<i>Financial liabilities</i>	4,417	4,417	0.0%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	656,714	678,112	+3.3%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	5.4%	6.4%	+1.0 p.p.
ROE	9.3%	10.7%	+1.4 p.p.
D/E	9.7%	6.3%	-3.4 p.p.
EBITDA	62,688	68,945	+10.0%
EBITDA margin	45.5%	47.4%	+1.9 p.p.
Net profit margin	25.2%	29.4%	+4.3 p.p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	23,795	25,272	+6.2%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	372	356	-4.3%
Number of executives	4	4	0.0%
Average monthly salary of executives (gross, EUR)	4,977	6,711	+34.8%
SHAREHOLDERS			
UAB Ignitis grupė (indirectly State-owned share)			96.8%
Other shareholders			3.2%
MANAGEMENT (1 JUL 2020)			
General Director			Rimgaudas Kalvaitis
Chairman of the Board			Rimgaudas Kalvaitis
Members of the Board			Darius Kucinas Mindaugas Kveščas
Chairman of the Supervisory Board			Dominykas Tučkus
Members of the Supervisory Board			Živilė Skibarkienė Edvardas Jatautas*

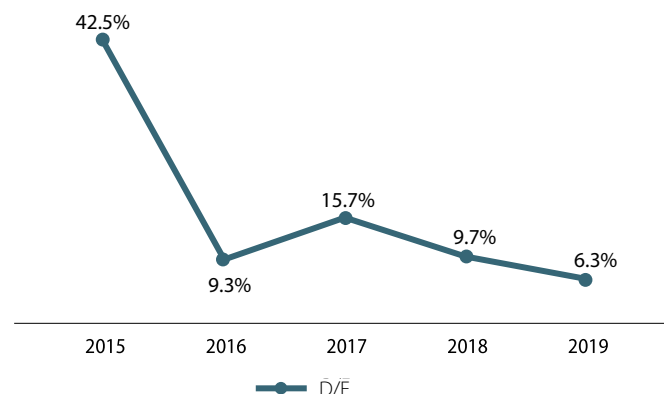
*Independent member



In 2019, the Company's structure of costs remained almost the same, the Company incurred EUR 94.8 million expenses, which is only 0.7% more compared with 2018. The major part, 56.7%, comprised the cost of acquisition of electricity and related services, as well as fuel for electricity generation. In 2018, this cost amounted to 59.0% of all costs or EUR 61.9 million. Depreciation and amortisation expenses decreased from EUR 19.0 million down to EUR 18.2 million during the reporting period. Operational costs saw a slight decrease and amounted to EUR 21.0 million.

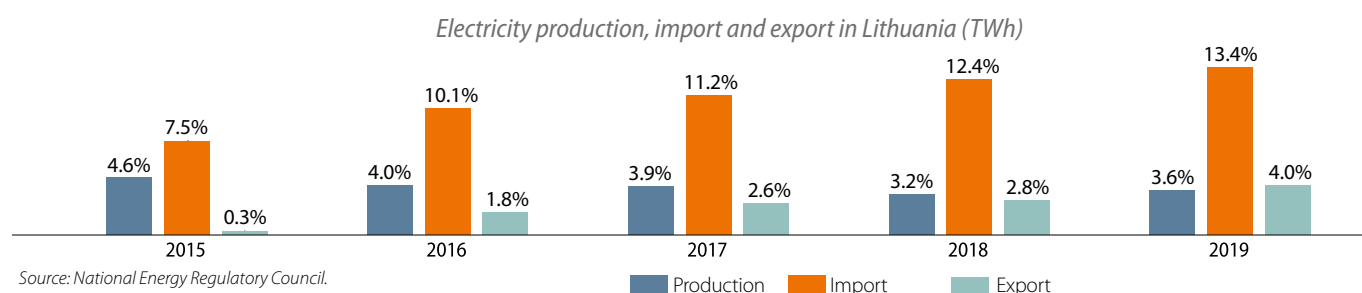


The increase in sales revenue exceeding the increase in costs conditioned the growth of EBITDA by 10.0% in 2019. Furthermore, compared with the previous reporting period, earnings in net profit were by 23.4% higher and totalled EUR 42.8 million. The aforementioned causes had impact on the growth of other profitability ratios as well: net profit margin increased by 4.3 percentage points and amounted to 29.4%, the growth of EBITDA profitability ratio reached 1.9 p.p. The return ratios also increased accordingly: ROE increased by 1.4 p. p. and reached 10.7%.



Company's equity increased by 4.7% during the period of 2019. Due to the decrease in Company's non-current financial liabilities by more than a third during the same period, financial dependency ratio decreased by 3.4 percentage points from 9.7% to 6.3%. A significant variation of this ratio has been noticed since 2015 that reduces the Company's

dependence on the funds borrowed due to covered crediting agreements. The Company's investments in non-current tangible and intangible assets saw a significant decrease and amounted to EUR 0.8 million in 2019. Six times more was invested a year ago. Most of the investment in 2018 was allocated for the overhaul of Unit 2 at Kruonis PSHP.



Contribution of Company to the total amount of electricity produced in Lithuania was 23.1% in 2019. Compared to 2018, the contribution to the total production structure decreased by 4.2 p. p. The total electricity generation in Lithuania in 2019 amounted to 3.6 TWh, which is 21.5% less than in 2018. According to the State Energy Regulatory Board, the majority (64.7%) of electricity in Lithuania was produced from renewable energy sources. Compared to 2018, the amount of electricity produced from renewable energy sources increased by 11.4%. As compared with the previous period, the growth of 12.5% in the electricity production was recorded in 2019, while from 2015 to 2018, there has been a noticeable downward trend in production: from 2015, production has fallen by 30.4%. Despite the increase in local production volumes in 2019, electricity import continued to grow –

from 7.5 TWh in 2015 to 13.4 TWh in 2019. Same as in previous year, most of electricity import came to Lithuania from Russia (in 2019 – 6.4 TWh, in 2018 – 4.6 TWh). 2019 also saw a considerable growth in electricity import from Poland from 0.8 TWh in 2018 to 2.3 TWh in 2019 and from Estonia from 0.2 TWh in 2018 to 0.7 TWh in 2019. With the opening of new interconnections with Sweden and Poland in 2016, exports of electricity continued to grow as in previous years, amounting to 44.2% in 2019. Same as during the previous period, most of electricity import went to Poland, i.e. 2.3 TWh, however, in 2019, the most considerable growth in electricity import that increased by nearly 3 times up to 1.0 TWh was recorded in the volumes of exports to Latvia. Unlike in case of Lithuania, the electricity export to Estonia decreased by almost a half and totalled barely 0.2 TWh in 2019.



AB Energijos skirstymo operatorius

www.eso.lt

Supply and distribution of electric energy and natural gas, guaranteed supply of electricity and gas, introduction of electricity and natural gas infrastructure, operation of electricity and gas distribution networks, maintenance, operation and development of such networks and ensuring their security and reliability.

MAJOR EVENTS:

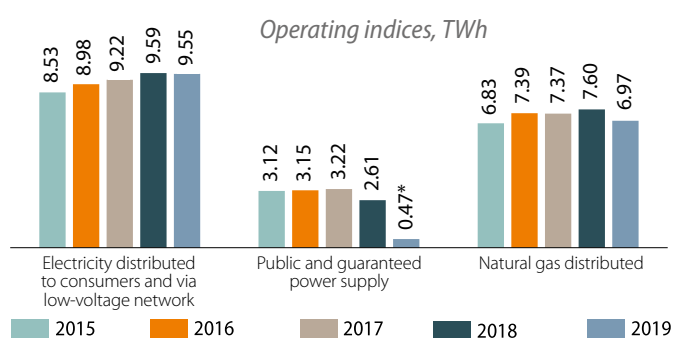
• On **19 September 2019**, the National Energy Regulatory Council (NERC) approved the ESO investment project 'Smart Electricity Metering Deployment in Lithuania'. According to the report of Council, the project cost-benefit analysis conducted by ESO is positive and serves as a basis for coordination of investment in the amount of EUR 147 million planned by ESO. Smart electricity metering deployment project covers the period from 2020 to 2023. Furthermore, NERC obliged the Company to develop benefit-monitoring system to ensure the supervision of effectiveness of smart metering project implementation.

• On **4 December 2019**, the extraordinary meeting of shareholders passed the decision to delist the Company's shares from AB Nasdaq Vilnius securities market.

The Company owns more than 125.5 thousand km of power lines: 68.7% of which are overhead power lines and the rest 31.3% are electric cables. The Company also operates 9.48 thousand km of gas distribution pipelines the length of which increased by almost 518 km in 2019 compared with 653 km in 2018.

Over the twelve months of 2019, the Company connected 40,151 new customers to the electricity distribution network (18.0% more than in 2018). The Company connected 11,793 new customers to the gas pipelines (20.0% less than in 2018).

Over 2019, the Company transmitted 9.55 billion kWh of electric power to its customers (9.59 billion kWh transmitted in 2018): guaranteed supply services accounted for 5.0%, the rest being only the transfer services. Due to terminated operations of the public electricity supplier as of 1 October 2018, the volume of supplied electricity decreased by 82.0%, while the volume of transmitted electricity decreased by 0.4%. The cost of distribution in technological facilities amounted to 641.4 million kWh or 6.29% of the amount of electricity received over 2019. In 2019, compared to 2018, the structure of electricity transmission volumes to objects did not change significantly: about 30.3% of the transmitted electric power was consumed by residents during the reporting period, while the consumption by industry entities and service companies accounted for 29.2% and 11.6% respectively.



*From 1 October 2018, AB Energijos skirstymo operatorius terminated the public supply activities.

From January to December of 2019, the Company transported 7 billion kWh of natural gas via distribution pipelines, which is 8.3% less than in 2018. The decrease was mainly influenced by the decreased demand for gas in February, March and December due to higher average temperature.

In 2019, the average price of electricity on the Nord Pool Exchange in Lithuanian bidding area decreased by 7.76% compared to 2018: the average price in 2019 was EUR 46.12/MWh, compared to EUR 50.00/MWh in 2018. Higher electricity prices on the stock exchange had a negative impact on the Company's results for 2018. However, after unbundling of public supply activity in 2019, the changes in the price of purchase of electricity have a lower effect on the Company's performance and condition the amount of technological losses and result of guarantee supply.



General Director
Mindaugas Keizeris

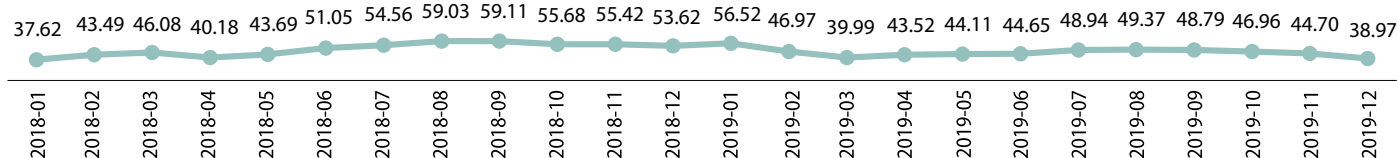
Chairman of the Supervisory Board
Darius Maikštėnas

- ↓ Sales revenue dropped by 10.8% and stood at EUR 413.1 million
- ↑ Net profit grew by nearly 7 times and amounted to EUR 34.3 million
- ↑ Return on equity grew up to 5.3%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	463,048	413,144	-10.8%
Cost of goods sold	282,498	186,098	-34.1%
Gross profit (loss)	180,550	227,046	+25.8%
Cost of sales	0	0	0%
General and administrative expenses	201,452	188,515	-6.4%
Results of other activities	20,367	5,706	-72.0%
Net financial items	-6,359	-9,946	-56.4%
Profit (loss) before taxes	-6,894	34,291	-
Corporation tax	-12,159	-22	-99.8%
NET PROFIT (LOSS)	5,265	34,313	+551.7%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	1 509 521	1 631 814	+8.1%
Current assets	124,690	74,789	-40.0%
Cash and cash equivalents	2,266	4,775	+110.7%
Deferred charges and accrued income	3	3	0.0%
Total assets	1,634,214	1,706,606	+4.4%
Equity	629,634	663,917	+5.4%
Grants and subsidies	13,052	15,156	+16.1%
Provisions	27,982	35,239	+25.9%
Amounts payable and other liabilities	912,399	946,163	+3.7%
Amounts payable after one year and other non-current liabilities	652,424	697,515	+6.9%
<i>Financial liabilities</i>	448,534	465,633	+3.8%
Amounts payable within one year and other current liabilities	259,975	248,648	-4.4%
<i>Financial liabilities</i>	182,930	176,268	-3.6%
Accrued expenses and deferred income	51,147	46,131	-9.8%
Total equity and liabilities	1,634,214	1,706,606	+4.4%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	0.4%	2.1%	+1.7 p.p.
ROE	0.9%	5.3%	+4.4 p.p.
D/E	100.3%	96.7%	-3.6 p.p.
EBITDA	55,878	125,858	+125.2%
EBITDA margin	12.1%	30.5%	+18.4 p.p.
Net profit margin	1.1%	8.3%	+7.2 p.p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	12,525	67,992	+442.9
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	2,387	2,374	-0.5%
Number of executives	5	6	+50.0%
Average monthly salary of executives (gross, EUR)	5,142	6,947	+35.1%
SHAREHOLDERS			
UAB Ignitis grupė (indirectly State-owned share)			94.98%
Other shareholders			5.02%
MANAGEMENT (1 JUL 2020)			
General Director		Mindaugas Keizeris	
Chairman of the Board		Mindaugas Keizeris	
Members of the Board		Augustas Dragūnas Ovidijus Martinonis Renaldas Radvila Virgilijus Žukauskas	
Chairman of the Supervisory Board		Darius Maikštėnas	
Supervisory Board		Darius Kašauskas Kęstutis Betingis* Žaneta Kovaliova* Dalia Jakutavičė	

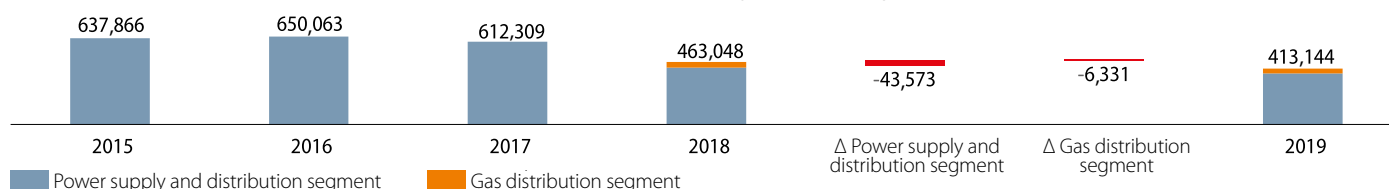
*Independent member

The Average Price of Electricity on the Nord Pool Exchange in Lithuanian Bidding Area (EUR/MWh)



* Source: Nord Pool.

Sales revenue (EUR thousand)



In 2019, the Company's revenue amounted to EUR 418.9 million, which decreased by 13.4% compared to 2018. The main reason of decrease in revenue - terminated activity of public electricity supplier from 1 October 2018. However, after eliminating the effect of no longer performed activity on the revenue, they remained stable with a 2.3% increase in 2019. During the reporting period, the sources of growing revenue of Company included the electricity transmission and connection of new clients. **The main source of the revenue of the Company was electricity transmission services, which amounted to 78.0% of the revenue, while revenue from gas distribution segment amounted to 8.3% of total revenue.** In view of the fact that the price cap of revenue from natural gas distribution set by the National Energy Council decreased by 3.6% in 2019, revenue from gas distribution segment decreased by 15% and amounted to EUR 36.0 million in 2019.

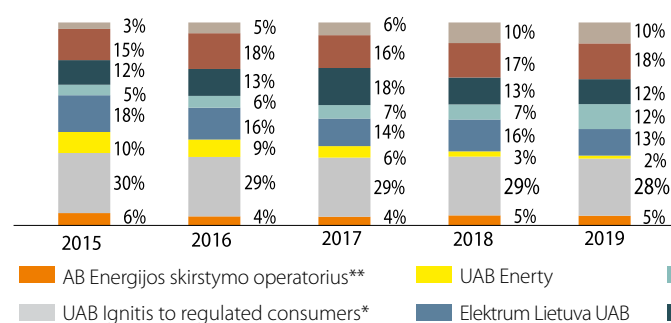
The cost of purchasing electricity, natural gas and related services was EUR 186.1 million, and decreased by 34.1% compared with 2018. This was mostly influenced by the public supply of electricity activity transferred since 1 October 2018. These costs and depreciation and amortisation expenses amounted to EUR 267.7 million or 71.5% of the total costs. During the reporting period, all operating costs increased by 9.4% and stood at EUR 98.2 million. Repair and technical maintenance costs grew by as much as 57.5% up to EUR 21.7 million. Transport and utilities as well as lease costs decreased by 33.5% mainly due to changes in the application of 16 International Financial Reporting Standard where long-term lease is accounted as operating costs

rather than Company's assets. The aforementioned changes and the one-time revaluation result of Company's non-current assets conducted in 2018 conditioned the growth in EBITDA up to EUR 125.9 million as well as significant improvement in other profitability ratios. **Net profit saw a significant increase and amounted to EUR 34.3 million, while in 2018 it was by six times lower.**

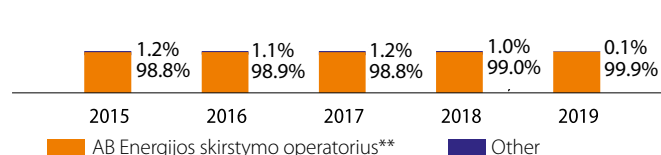
The Company's financial liabilities at the end of the reporting period amounted to EUR 641.9 million, of which 72.5% or EUR 465.6 million were attributable to long-term financial liabilities. Over the year, the financial debt reduced by the amount of short-term investments and cash and cash equivalents amounted to EUR 637.1 million. As a result of financial obligations assumed during the previous periods, D/E ratio has barely changed - decreased from 100.3% to 96.7%.

The Company invested EUR 44.4 million in upgrading the electricity distribution network, which is 63.5% less than in 2018. EUR 79.1 million was invested in the development of the electricity distribution network, which is 5.5% less than in 2018. The Company allocated less funds to the network upgrade projects in order to avoid reducing the level of debt by maintaining a high need for connection of new consumers. **Investment in the construction of gas systems amounted to EUR 45.0 million and was by 5.7% less than in 2018. Furthermore, the investment in the reconstruction of gas systems decreased by 17.7% and stood at EUR 7.0 million.** In 2019, other investments were mainly oriented to IT systems and amounted to EUR 5.7 million, i.e. were about a half lower than in 2018.

Sales Structure of the Retail Power Supply Market by Suppliers



Market share of natural gas distribution companies



Source: National Energy Regulatory Council.

* Public electricity supply. Until 1 October 2018, AB Energijos skirstymo operatorius was engaged in public supply activities. Until 6 September 2019, the company was named UAB Lietuvos energijos tiekimas.

** Guaranteed electricity supply.

*** Independent electricity supply activity which was previously performed by UAB Lietuvos energijos tiekimas that was merged to UAB Lietuvos energijos tiekimas in June 2019.

The market share of AB Energijos skirstymo operatorius has not changed significantly since 2015 and varied from 4.0% to 6.0%. During the reporting period, the market share of AB Energijos skirstymo operatorius remained at the same level (compared to the previous year) and amounted to 5.0%. Among independent energy suppliers, the market share of UAB Ignitis accounted for the significant share of 28.0%, which was entrusted with the mandate of public electricity supplier (until 1 October 2018, this activity was carried out by AB Energijos skirstymo operatorius). In 2019, the market share of UAB Enerfit grew from 7.0% to 12.0% as well as the growth was seen in the market share of UAB Ignitis for unregulated consumers and the market

share held by other suppliers. The market share of AB INTER RAO Lietuva decreased from 13.0% in 2018 down to 12.0% in 2019, while the share of UAB Elektrum Lietuva decreased from 16.0% in 2018 down to 13.0% in 2019. A weaker position of UAB Energy continue to be noticed in the market, dropping down from 10.0% in 2015 down to 2.0% in 2019.

With the number of natural gas distribution system operators decreasing in the market of natural gas distribution (6 operators were active until 2017, the number decreased to 4 from the second half-year of 2019), AB Energijos skirstymo operatorius has maintained the leader's position according to the volume of distributed natural gas and held 99.1% of the market on the average.

UAB EPSO-G Group

www.epsog.lt

The main activities of the Group are to ensure uninterrupted and stable transmission of electricity on high voltage networks, transportation of natural gas through high pressure pipelines, and to ensure the operation, maintenance and development of these transmission systems; trade organisation on exchanges of natural gas and biofuel

The Group consists of holding company EPSO-G UAB (State-owned share interest - 100%) and its direct subsidiaries LITGRID AB (97.5% of owned shares), AB Amber Grid (96.6%), and its subsidiaries UAB GET Baltic (100%), BALTPOL UAB (67%) and UAB TETAS (100%).

Special obligations performed: administration of the PSO funds (carried out by UAB BALTPOL, a subsidiary of UAB EPSO-G).

MAJOR EVENTS:

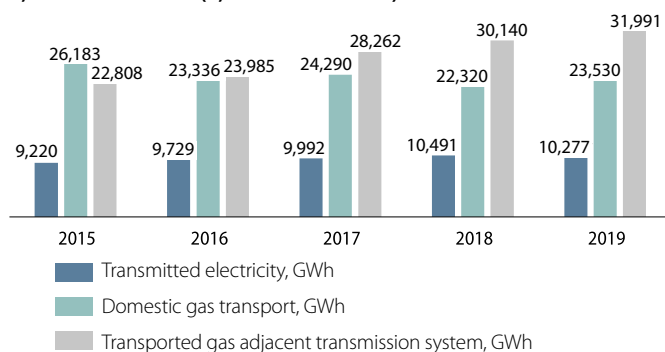
• On **23 January 2019**, the European Commission allocated 75.0% funding to the first stage of synchronisation of the Baltic State power system to the continental Europe power grid.

• On **29 May 2019**, the agreement on the connection to the European power grid entered into force, whereby ENTSO-E transmission operators of Lithuania, Latvia, Estonia, Poland and supporting member states signed a connection agreement and received the technical conditions for connection upon implementation of which three Baltic States will become a part of the European power grid until 2025.

• On **20 June 2019**, a political agreement regarding implementation of synchronisation of the electricity system of Lithuania, Latvia, Estonia and Poland with European power grid was signed. A continued political obligation for the Strategic Baltic States Energy Security Project was approved on the basis of agreement.

• On **23 December 2019**, Amber grid signed an agreement with UAB Alvara and Šiauliai dujotiekio statyba Consortium that submitted the most economically advantageous tender in the public tendering procedure regarding the construction works of connection between Poland and Lithuania GIPL. A transaction of the value of EUR 79.9 million (excl. VAT) signed will allow to start the works of this project of regional importance.

In 2019, 10.3 billion kWh of electricity, or 2.0% less compared with 2018, was transferred through high-voltage transmission networks for the needs of the country's population and business. During the accounting period, 23,530 GWh of natural gas were transported for Lithuanian consumers to gas distribution or directly connected user systems; compared to the same period last year, the volume of transported gas increased by 5.4%. It was mostly due to the stable demand for and consumptions in the fertilizer production sector. Gas transportation to adjacent transmission systems grew by 6.1% and amounted to 31,991 GWh, 81.3% or 26,002 GWh of which were transported to the Kaliningrad region of the Russian Federation (27,832 GWh in 2018). The volume of natural gas transferred to the Republic of Latvia through Kiemėnai DAS system increased by solid 160.0% and amounted to 5,990 GWh in 2019 (2,308 GWh in 2018).



Upon entry into force of amendments made in the Lithuanian legislation on 1 January 2019, the regulated energy producers in Lithuania became free participants on the natural gas market and active participants of natural gas exchange market. As a result of these amendments, the volume of trade on GET Baltic natural gas exchange market doubled and amounted to 2,585 GWh. In 2019, district heating companies, independent heat producers and industrial companies acquired 432.0 thousand tonnes of biofuel in the Baltpool Energy Resources Exchange, which is 0.4% more than in 2018.



General Director
Rolandas Zukas

Chairman of the Board
Gediminas Almantas

- ↑ Sales revenue increased by 2.1%
- ↑ Net result increased up to EUR 11.4 million
- ↑ Return on equity grew and reached 6.0%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	245,833	250,985	+2.1%
Cost of goods sold	129,411	146,282	+13.0%
Gross profit (loss)	116,422	104,703	-10.1%
Cost of sales	0	0	-
General and administrative expenses	188,760	88,928	-52.9%
Results of other activities	0	0	-
Net financial items	10,658	-2,263	-
Profit (loss) before taxes	-61,680	13,512	-
Corporation tax	-13,960	2,109	-
Net profit (loss)	-47,720	11,403	-
Minority share in profit (loss)	-1,664	450	-
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	540,535	565,052	+4.5%
Current assets	144,128	154,494	+7.2%
Cash and cash equivalents	9,913	13,470	+35.9%
Deferred charges and accrued income	0	0	-
Total assets	684,663	719,546	+5.1%
Equity	183,873	193,961	+5.5%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	500,790	525,585	+5.0%
Amounts payable after one year and other non-current liabilities	325,001	332,097	+2.2%
<i>Financial liabilities</i>	311,778	282,811	-9.3%
Amounts payable within one year and other current liabilities	175,789	193,488	+10.1%
<i>Financial liabilities</i>	41,871	38,368	-8.4%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	684,663	719,546	+5.1%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-6.6%	1.6%	+8.2 p.p.
ROE	-22.7%	6.0%	+28.7 p.p.
D/E1	192.3%	165.6%	-26.7 p.p.
EBITDA	-33,788	47,442	-
EBITDA margin	-13.7%	18.9%	+32.6 p.p.
Net profit margin	-19.4%	4.5%	+23.9 p.p.

RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends	750	773	+3.1%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	1,005	993	-1.2%
Number of executives	29	22	-24.1%
Average monthly salary of executives (gross, EUR)	7,410	7,812	+5.4%

SHAREHOLDERS	State-owned interest	100%
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INSTITUTION REPRESENTING THE STATE	The Ministry of Energy of the Republic of Lithuania
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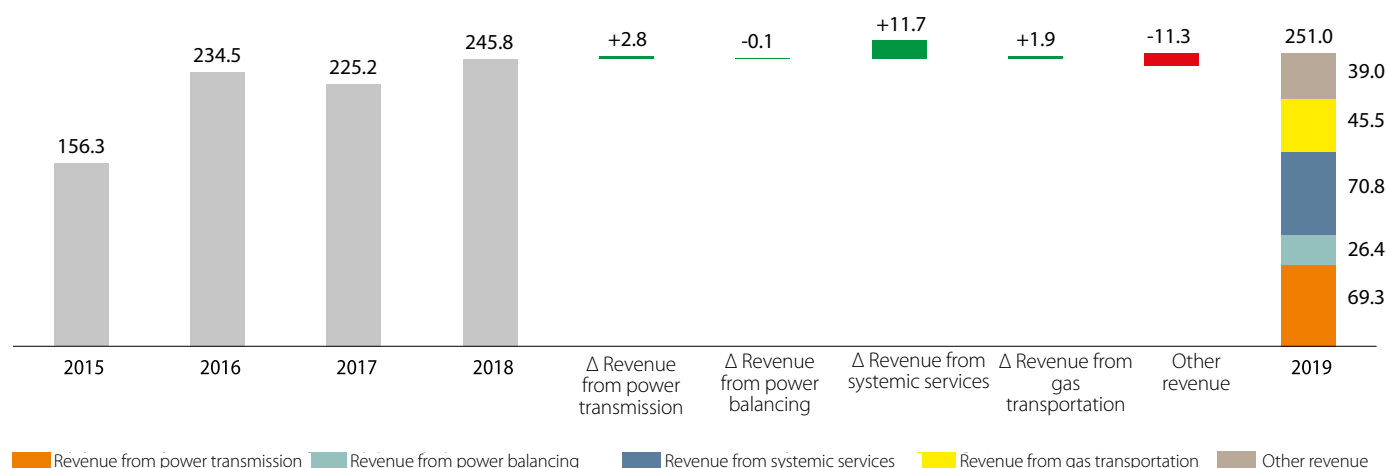
MANAGEMENT (1 JUL 2020)	
General Director	Rolandas Zukas
Chairman of the Board	Gediminas Almantas*
	Dainius Bražionas
	Gediminas Karalius
Members of the Board	Robertas Vyšniauskas*
	Tomas Tumėnas*

*Independent member

Group's revenue for 2019 increased by 2.1% compared to 2018, amounting to EUR 251.0 million. Revenue from electricity transmission accounted for 27.6% of the total revenue of the Group of 2019 and increased by 4.2 %, amounting EUR 69.3 million. This growth was driven by the increase of 6.0% in the actual price of electricity transmission. The growth of revenue from natural gas transmission, which totalled EUR 45.5 million in 2019 and accounted for 18.1% of all Group's revenue, was conditioned by a 5.4% increase in the volumes of gas transmitted in Lithuania and more than doubled volumes of transmission to Latvia.

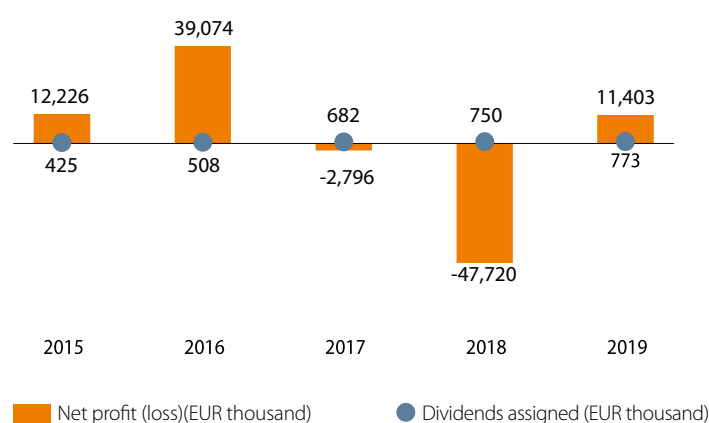
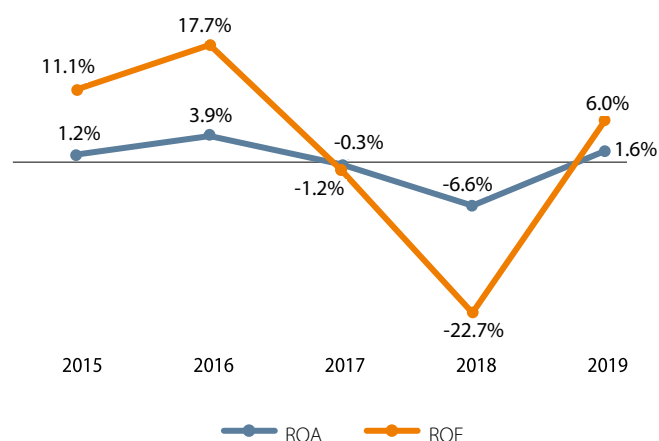
Due to higher system service rate (+16%), set by the National Commission for Energy Control and Prices from 1 January 2019, the revenue from systematic electricity services increased by 19.8% up to EUR 70.8 million, however, the balancing (adjustment) electricity sales revenue decreased by 0.2% and amounted to EUR 26.4 million. Other Company's revenue decreased by EUR 11.2 million and amounted to EUR 39.0 million due to the drop in the number of orders from AB Energijos skirstymo operatorius and decrease in the revenue of subsidiary UAB Tetras.

Sales revenue (EUR million)



In 2019, the Group's net profit was positive and totalled EUR 11.4 million. In 2019, the Group's profit before taxes, interest, depreciation and amortisation (EBITDA) reached EUR 47.4 million. The improving

performance of Company also led to the increase in other profitability ratios: net profit margin reached 4.5%. ROE grew up to 6.0% and exceeded the target 5.7% set by the Government in 2019.



At the end of 2019, the Group's financial liabilities, including the liabilities of EUR 156.6 million to UAB Ignitis grupė for acquisition of the shares of LITGRID (in 2019, these liabilities remained the same as in 2018 and amounted to EUR 156.6 million, in 2017 – EUR 169.9 million, in 2016 - EUR 205.8 million, in 2015 – EUR 210.0 million), amounted to EUR 321.2 million, and the D/E ratio amounted to 165.6%. Considering the need to provide sufficient funds to meet the financial liability

of EUR 210.0 million to state-owned enterprise UAB Ignitis grupė for acquisition of the shares of the subsidiary LITGRID, the Government of the Republic of Lithuania has decided that EPSO-G shall pay the dividends from distributable profit of 0.5% directly to the State budget until 2022. **For the results of 2019, the Group assigned EUR 773.0 thousand in dividends, i. e. 3.1% more than for the results of 2018, when EUR 750.0 thousand was assigned.**

Litgrid AB Group

www.litgrid.eu

Lithuanian electricity transmission system operator. It maintains stable operation of the electricity system of the country, control the energy flows and provides the conditions for competition in the open electricity market. The Company is responsible for the integration of the Lithuanian electricity system into the European electricity infrastructure and the common electricity market.

Litgrid manages the shares and their votes of UAB Duomenų logistikos centras (20.36%) and Nord Pool Holding AS (2.0%).

MAJOR EVENTS:

- On **27 May 2019**, the agreement on the terms and conditions of future synchronous connection of the Baltic States and the continental European energy system entered into force. The transmission operators of Baltic States and supporting states signed a connection agreement and technical connection conditions the implementation of which will allow Lithuania, Latvia and Estonia to become the part of European electricity network.

- On **13 June 2019**, the Seimas of the Republic of Lithuania passed the Law on Connection of Lithuanian Power System to the Synchronous Grid of Continental Europe prepared by the Ministry of Energy including the related legal acts whereby the synchronisation project and related infrastructure projects were provided the status of project of extraordinary public importance.

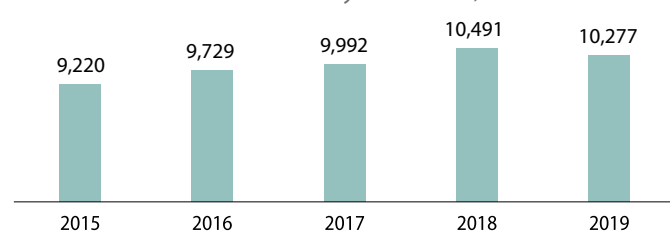
- On **30 August 2019**, the first new power transformer of the capacity of 300 MWH was connected and started to be operated in Vilnius Transformer Substation. It is used to ensure a reliable transmission of the necessary capacity to the residents of Vilnius Region.

- On **11 November 2019**, the second transformer of the capacity of 300 MWH was connected and launched for operation in Vilnius Transformer Substation. These are the most powerful transformers operating in Lithuanian transmission network stations.

- On **29 November 2019**, the Group completed the first project of synchronisation with European power networks – expansion of Bitėnai Transformer Substation to switchgear.

In Lithuania, the Group maintains 7,190.1 km of high-voltage lines and 237 transformer substations and switchgears. In 2019, the Group transferred 10,277 million kWh of electricity on high-voltage transmission networks for the country's needs – 2.0% less than in 2018. The decrease in the power transmitted was decreased by less electricity consumed by households and service suppliers. In 2019, due to disconnections of network equipment, 32.3 MWh electricity was not transmitted, compared with 0.95 MWh in 2018, whereas the average duration of disruption of transmission was 1.3 min., compared with 0.04 min. in 2018.

Volume of electricity transmitted, kWh



During the accounting period, the sales revenue of the Group increased by 1.9% up to EUR 194.3 million, compared to 2018. Electricity transmission revenues, which accounted for 36.0% of the total revenue structure, increased by 4.0% up to EUR 69.3 million compared to 2018. The revenue grew due to 6.0% higher actual average price of electricity transmission compared with the previous year. The revenue from balancing energy remained at the similar level and amounted to EUR 26.4 million. Revenue from systemic services grew by 20.0% (up to EUR 70.7 million). The main reason of this was the system service price set by the National Commission of Energy Control and Prices as of 1 January 2019, which was 16.0% higher. Other revenue related to the transmission activity consisting of the fee for electricity, import or export to/from non-EU countries and transit compensation revenues from ITC fund amounted to EUR 5.7 million; PSO (public service obligations) revenue – EUR 9.3 million; reactive energy – EUR 1.5 million; connection of new producers and consumers and replacement of equipment – EUR 1.5 million; overload control revenue – EUR 0.2 million.



General Director
Daivis Virbickas



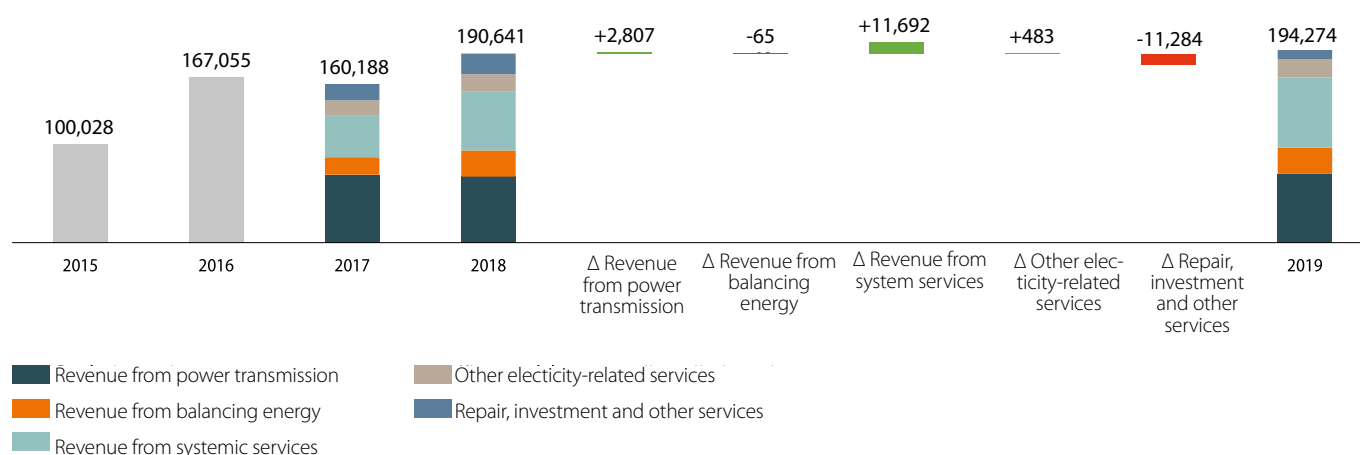
Chairman of the Board
Rimvydas Štilinis

- ↓ The amount of electricity transferred decreased by 2.0%
- ↑ Net profit grew and reached EUR 4.6 million
- ↑ Return on equity grew up to 2.4%

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	190,641	194,274	+1.9%
Cost of goods sold	118,993	134,948	+13.4%
Gross profit (loss)	71,648	59,326	-17.2%
Cost of sales	0	0	-
General and administrative expenses	116,685	56,124	-51.9%
Results of other activities	0	0	-
Net financial items	-1,163	1,792	-
Profit (loss) before taxes	-46,200	4,994	-
Corporation tax	-6,839	384	-
Net profit (loss)	-39,361	4,610	-
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	333,971	351,864	+5.4%
Current assets	32,286	25,505	-21.0%
Cash and cash equivalents	627	30	-95.2%
Deferred charges and accrued income	0	0	-
Total assets	366,257	377,369	+3.0%
Equity	195,025	196,742	+0.9%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	171,232	180,627	+5.5%
Amounts payable after one year and other non-current liabilities	107,490	125,656	+16.9%
<i>Financial liabilities</i>	94,128	79,903	-15.1%
Amounts payable within one year and other current liabilities	63,742	54,971	-13.8%
<i>Financial liabilities</i>	26,840	14,225	-47.0%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	366,257	377,369	+3.0%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-9.8%	1.2%	+11.0 p. p.
ROE	-17.8%	2.4%	+20.2 p. p.
D/E	62.0%	47.8%	-14.2 p. p.
EBITDA	-19,139	24,426	-
EBITDA margin	-10.0%	12.6%	+22.6 p. p.
Net profit margin	-20.7%	2.4%	+23.0 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	2,623	4,085	+55.7
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	638	290	-54.5%
Number of executives	12	10	-16.7%
Average monthly salary of executives (gross, EUR)	6,910	7,727	+11.8%
SHAREHOLDERS			
UAB EPSO-G (indirectly State-owned share)			97.5%
Other shareholders			2.5%
MANAGEMENT (1 JUL 2020)			
General Director	Daivis Virbickas		
Chairman of the Board	Rimvydas Štilinis		
Members of the Board	Algirdas Juozaponis Jūratė Marcinkonienė Domas Sidaravičius* Artūras Vilimas*		

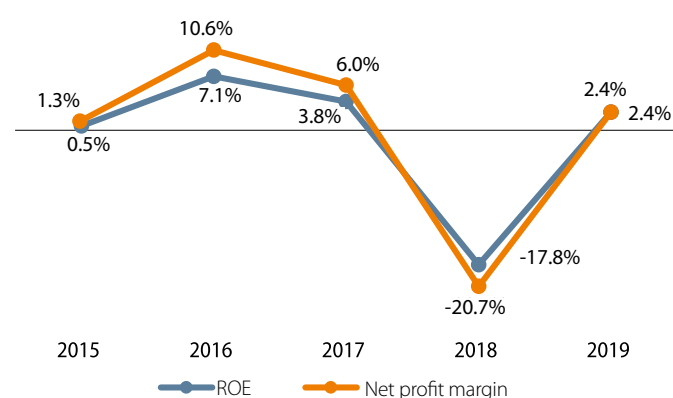
*Independent member

Sales revenue (EUR million)



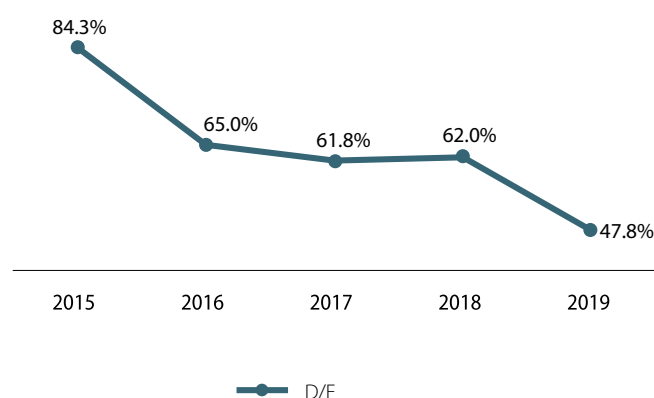
During the accounting period, the Group's cost of goods sold increased by 13.4% compared to 2018, reaching EUR 134.9 million.

The cost of purchasing electricity and related services constituted the major share, i.e. 71.0%, of all Groups costs. The cost of balancing electricity (regulation) remained at a similar level as during the previous reporting period and amounted to EUR 25.9 million. The cost of system services increased by 24.0% up to EUR 74.4 million. The cost of purchasing electricity to compensate for technological losses in the transmission network decreased by 2.0% and reached EUR 22.2 million. Transit (ITC) cost for the reporting period amounted to EUR 3 million. The cost of implementing the public service obligations (PSO) amounted to EUR 9.2 million. The cost of securing the distributed interconnections with Sweden and Poland amounted EUR 0.2 million. **As a result of revaluation of Group's non-current tangible assets carried out at the end of 2018, the depreciation and amortisation costs decreased by 18.0% down to EUR 21.2 million compared with the previous reporting period.** Other costs decreased by 12.0% down to EUR 34.9 million. Growth of wage and related costs amounted to 3.5% and amounted to EUR 15.6 million.



Financial liabilities to credit institutions amounted to EUR 94.1 million at the end of 2019, i.e. decreased by EUR 27.7 million or 22.7% over a year, and the ratio to equity accounted for 47.8% (D/E ratio), thus, decreased by 14.2 p. p.

Net profit of the reporting period was positive and amounted to EUR 4.6 million while, in 2018, a loss in the amount of EUR 39.4 million was suffered due to revaluation of Group's non-current tangible assets in 2018. After elimination of influence of assets revaluation factor, the net profit change was significantly lower as compared with 2018 and amounted to 15.0% of profit gain. Furthermore, despite the aforementioned loss generated due to one-time revaluation of non-current tangible assets, **according to the data provided by the Group, EBITDA ratio decreased from EUR 32.3 million down to EUR 24.5 million.** The main reasons for the decline in EBITDA included the return of the profit of previous year exceeding the amount set by the Council by EUR 3.9 million more to consumers as compared with 2018; EUR 2.9 million less of revenue from system services and result of cost balance; by EUR 2.8 million less revenue from connection of new producers and change of equipment. At the end of reporting period, the return on equity and net profit margin became negative and increased accordingly from -17.8% to 2.4% and from -20.7% to 2.4% compared with 2018.



In 2019, Group's investments (work performed and assets acquired irrespective of payment terms) amounted to EUR 45.9 million, 66.0% of which was for the implementation of strategic electricity projects and electricity projects of national importance, while 34.0% - for the reconstruction and development of the transmission network.

AB Amber Grid

www.ambergrid.lt

AB Amber Grid is the Lithuanian natural gas transmission system operator responsible for natural gas transmission (transportation via high-pressure pipelines) to users of the system, operation, maintenance and development of natural gas infrastructure.

Amber Grid holds 100% shares of UAB GET Baltic.

MAJOR EVENTS:

• On **1 June 2019**, in order to promote the production of raw gas in Lithuania, the Group started providing the business with guarantees of origin of gas produced from renewable energy resources.

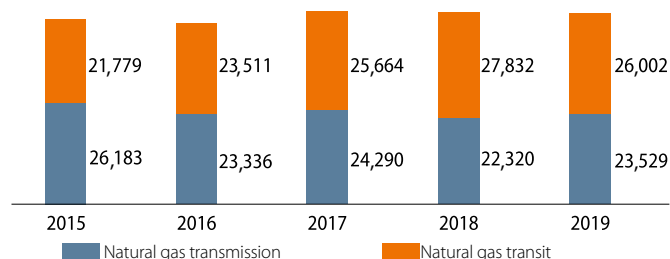
• On **23 December 2019**, after entry into force of agreement on contract works for pipeline interconnection between Lithuania and Poland project (GIPL), the construction works of interconnection were launched.

• On **27 December 2019**, Innovation and Networks Executive Agency (INEA) under the European Commission and Lithuanian and Latvian gas transmission system operators signed the agreement on the financing of construction works of Lithuanian-Latvian gas pipeline capacity building project according to the EU Connecting Europe Facility (CEF).

The Company operates 65 gas distribution stations (GDS), 3 gas metering stations (GMS) and 2 gas compressor stations (GCS). The operated gas transmission pipelines are 2,114 km long, the diameter ranging from 100 to 1,220 mm.

In 2019, 9,728 GWh of natural gas was imported for customers of Lithuania and other Baltic States from Belarus into the transmission system operated by the Group, 19,595 GWh from Klaipėda LNG terminal, and 682 GWh from Latvia to Lithuania. **Lithuanian consumers were provided with 23,529 GWh of natural gas to the internal exit point. Compared to 2018, when 22,320 GWh of natural gas were transferred, the transmission volume increased by 5.4%.** From Lithuania to Latvia, 5,990 GWh of natural gas were transferred to consumers, or 2.5 times more than in 2018 (2,308 GWh). During the reporting period, 26,002 GWh natural gas were transported to the Kaliningrad Region of the Russian Federation, which decreased by 6.6%. It has been noticed that in 2016-2019, the total volume of natural gas transmission grew by 10.6%. The natural gas transit volume that has shown a stable growth since 2015 accounted for 55.5% in the total gas transport structure in 2018. Unlike during previous reference periods, in 2019, the natural gas transit decreased by 6.6%, whereas the gas transmission volumes increased, thus, the distribution in the total gas transport structure changed accordingly.

Volume of natural gas transported by natural gas transmission system, GWh



Source: National Energy Regulatory Council

The major share – 59.3% – of the natural gas supplied to Lithuanian consumers in 2019 went to fertilizer companies and amounted to 13,957 GWh, which is the increase by 13.2% over the year. 2019 continued to see the drop in the volume of natural gas transmitted to energy companies, in general, **since 2015, there has been a marked downward trend in the volume of natural gas transmitted to energy companies, the decrease being 86.9%.** The Group's customers are large Lithuanian electricity producers, district heating companies, as well as industrial companies and medium-sized Lithuanian companies, natural gas suppliers receiving natural gas transmission services.



General Director
Nemunas Biknius

Chairman of the Board
Algirdas Juozaponis

↑ The transmission volume of natural gas to Lithuanian consumers increased by 5.4%

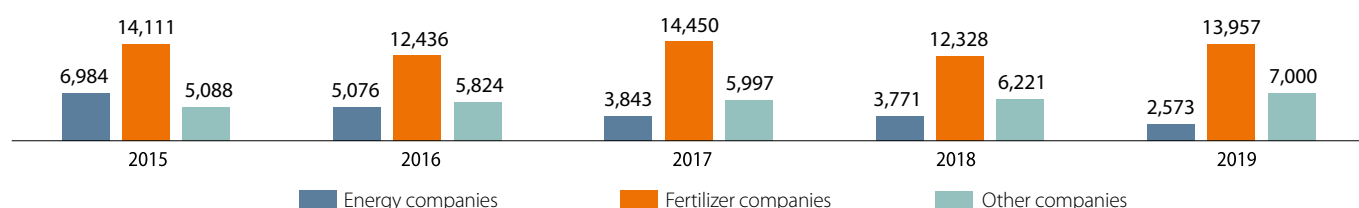
↑ Net profit saw growth and amounted to EUR 11.8 million

↑ Return on equity grew up to 8.8%

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	54,563	54,756	+0.4%
Cost of goods sold	10,417	11,336	+8.8%
Gross profit (loss)	44,146	43,420	-1.6%
Cost of sales	0	0	-
General and administrative expenses	69,849	29,208	-58.2%
Results of other activities	0	0	-
Net financial items	-324	-341	-5.2%
Profit (loss) before taxes	-26,027	13,871	-
Corporation tax	-4,419	2,033	-
Net profit (loss)	-21,608	11,838	-
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	206,885	209,346	+1.2%
Current assets	38,820	46,783	+20.5%
Cash and cash equivalents	42	233	+454.8%
Deferred charges and accrued income	0	0	-
Total assets	245,705	256,129	+4.2%
Equity	131,242	137,854	+5.0%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	114,463	118,275	+3.3%
Amounts payable after one year and other non-current liabilities	55,805	54,075	-3.1%
<i>Financial liabilities</i>	55,357	51,739	-6.5%
Amounts payable within one year and other current liabilities	58,658	64,200	+9.4%
<i>Financial liabilities</i>	24,767	20,070	-19.0%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	245,705	256,129	+4.2%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-8.2%	4.7%	+12.9 p.p.
ROE	-14.3%	8.8%	+23.1 p.p.
D/E	61.1%	52.1%	-9.0 p.p.
EBITDA	-12,984	24,371	-
EBITDA margin	-23.8%	44.5%	+68.3 p.p.
Net profit margin	-39.6%	21.6%	+61.2 p.p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends	5,227	-	-100.0%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	334	323	-11.0%
Number of executives	7	6	-14.3%
Average monthly salary of executives (gross, EUR)	7,057	7,782	+10.3%
SHAREHOLDERS			
UAB EPSO-G (indirectly State-owned share)			96.58%
Other shareholders			3.42%
MANAGEMENT (1 JUL 2020)			
General Director	Nemunas Biknius		
Chairman of the Board	Algirdas Juozaponis		
Members of the Board	Sigita Žutautas* Rimvydas Štilinis Renata Damanskytė-Rekašienė Ignas Degutis*		

*Independent member

Natural gas transmission, GWh

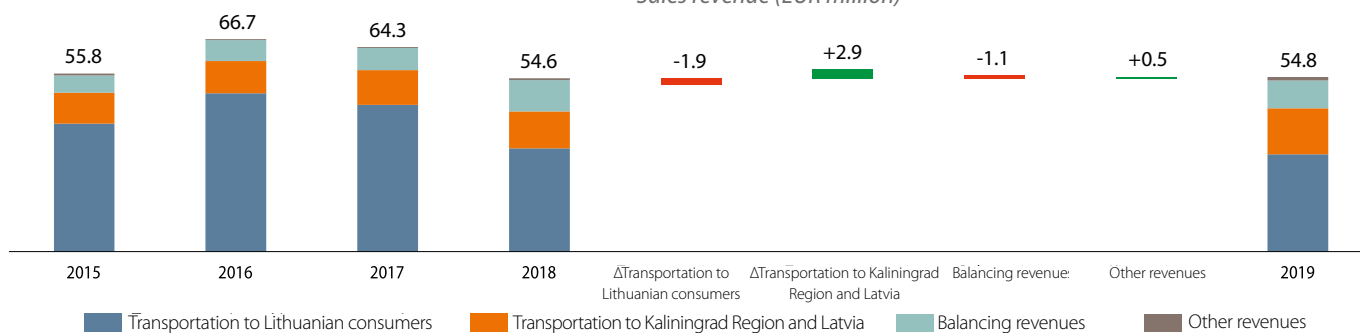


At the end of 2019, the Group had 105 natural gas transmission service contracts with users of the natural gas transmission system, 66 of which used transmission capacity during the reporting period. The Group has concluded 2 natural gas balancing agreements with market participants trading in natural gas at the virtual point of sale but not transporting it through the transmission system.

In 2019, the Company's sales revenue remained at the same level as in previous reporting period with an increase of barely 0.4% up to EUR 54.756 thousand. Revenue from natural gas transmission services

amounted to about 83.0% of the total revenue (81.0% in 2018). Revenue from natural gas transportation services to Lithuanian consumers decreased by 5.9% due to reduction in the prices of natural gas transmission applied in 2019. Revenue from transportation to adjacent transmission systems, however, increased by 25.0% due to higher transportation volumes to Latvia. Balancing revenue dropped by 11.2% or EUR 1.1 million due to decreasing prices of balancing gas. Other revenue, the major part of which was revenue from the administration of liquefied natural gas (LNG) terminal funds almost doubled and amounted to EUR 1.1 million.

Sales revenue (EUR million)



During the reporting period, most of the Group's costs, i. e. EUR 10.2 million, consisted of the cost of value impairment of non-current assets and depreciation costs accounting for 25.0% of all costs. **The Group's cost of goods sold, i. e. natural gas costs, amounted to EUR 11.3 million in 2019, and increased by 8.8% compared with the previous reporting period.** This was largely influenced by the increase in the need for balancing gas leading to the increased in the share of costs of natural gas in the entire structure of costs up to 28.0%. The Group purchased natural gas for technological purposes, the balancing and technical balancing of gas flows of system users and other gas market participants involved in the balancing of the transmission system. Salaries and social security costs amounted to EUR 9.8 million or 24.0% of all costs and increased by 8.0%, compared with 2018. Repair and maintenance expenses amounted to EUR 3.6 million and decreased by 32.0% since 2017.

The net result of the Group was negative and amounted to EUR 11.8 million. Accordingly, the profitability indicators also varied due to good performance of the Group: EBITDA amounted to EUR 24.2 million, return on equity was 8.8% and increased by 23.1 percentage point, and the net profit margin increased up to 21.6%.

The Group's equity increased by 5.0% and amounted to EUR 137.9 million at the end of the reporting period, which represented 53.8% of the total assets of the Group. Due to investment exceeding the

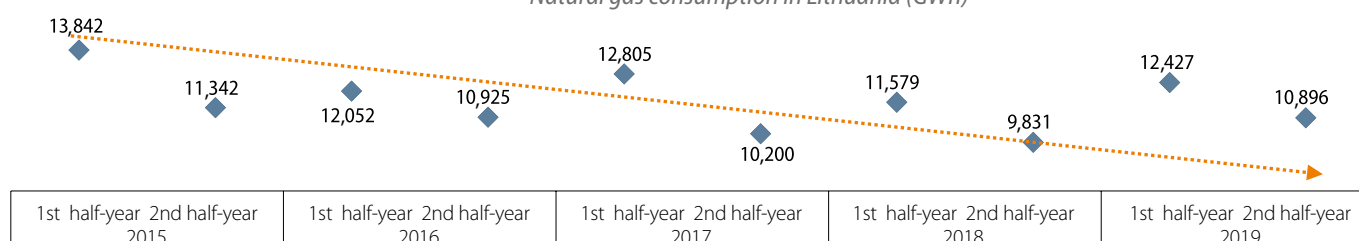
depreciation, the value of non-current assets increased by 1.2% amounting to EUR 209.3 million.

Under the maintenance of the managed natural gas transmission network, the Group is investing into the managed infrastructure, which amounted to EUR 18.3 million in 2019, i. e. 14.0% more than in 2018. As in the previous years, the major part of these investments consisted of investment in reconstruction and modernisation, amounting to almost EUR 18.0 million. The share of investment to new construction was insignificant and stood at barely EUR 0.3 million.

The Group has not assigned dividends for performance of 2019 due to increasing investments and intensively implemented project of gas pipeline interconnection between Poland and Lithuania (GIPL) the total value of investment whereof amounted to EUR 136.0 million.

Based on the data of the National Energy Regulatory Council, 23.5 TWh of natural gas were consumed in Lithuanian in 2019. This means that the consumption of natural gas increased by 8.9% in the country, compared with 2018. Trends in natural gas sales in other EU countries are characterised by evident growth: from 2015 to 2019, a growth ranging from 976,185 GWh to 5,984,404 GWh has been captured. As compared with 2018, in 2019, the gas sales in other EU countries grew more than twice.

Natural gas consumption in Lithuania (GWh)



Source: National Energy Regulatory Council.

AB Klaipėdos nafta

www.kn.lt

AB Klaipėdos nafta is a listed company in the Lithuanian energy sector that manages oil and LNG cargo handling terminals in Klaipėda, develops small-scale LNG activities and provides long-term storage of oil products in the oil terminal located in Subačius (Kupiškis District).

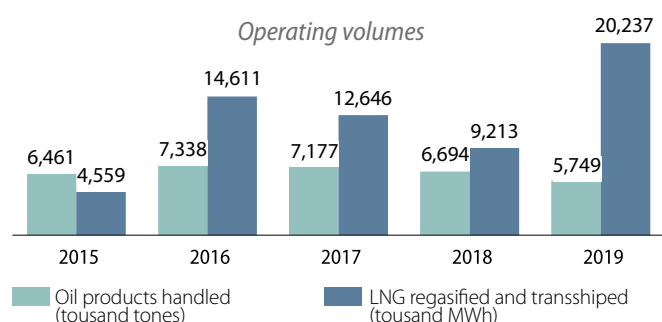
AB Klaipėdos nafta holds 100% shares of UAB SGD logistika shares and 100% shares of UAB SGD terminalas.

MAJOR EVENTS:

- On **22 March 2019**, the authorised capital of subsidiary SDG logistika was increased by a sum of 800 thousand euros.
- On **29 March 2019**, a new wording of Company's Articles of Association was registered with increased authorised capital amounting to EUR 110.5 thousand and divided into 380,952,393 shares of a nominal value of EUR 0.29 per share.
- On **1 October 2019**, the Company signed an agreement regarding long-term extension of oil products handling with BNK (UK) Limited that belongs to the largest exporters of Belarusian oil products – ZAT Belaruskaja neftenaja kompanija.
- On **31 October 2019**, the Group's Management Board took a decision to acquire the liquefied natural gas vessel-terminal 'Independence' leased by the Group or another floating liquefied natural gas vessel-terminal no later than by 31 December 2024.
- On **27 November 2019**, the Group concluded an agreement with the Polish national oil and gas company Polskie Górnictwo Naftowe i Gazownictwo S.A. regarding the reservation of LNG distribution station for a period of 5 years.
- On **20 December 2019**, the Group concluded a loan agreement with Nordic Investment Bank for the loan in the amount of EUR 134 million. The aim of loan – financing of additional constituent of the safety of LNG terminal to the national gas transmission price balancing.

In 2019, the oil product handling volume decreased by 14.1% and amounted to 5,749 thousand tonnes, 5,688 tonnes of which were transshipped via the Klaipėda oil terminal, while the number at Subačius oil terminal stood at 61 thousand tonnes. The decline was due to the smaller transit flows of cargoes. As compared with 2018, the main transit cargo customer BNK (UK) Limited, owned by the largest exporters of Belarusian oil products – ZAT Belaruskaja neftenaja kompanija (Belarusian oil company – BNK) – delivered 6.6% less cargoes for refilling. Another important client AB ORLEN Lietuva also delivered 15.2% less oil products as compared with 2018. These losses in the flows were partly compensated by additionally attracted flow of BNK petroleum handled through the light oil products tank in 2019. As compared with volumes of activities of 2018, the import of light oil products to the tanks designated to motor-transport site increased by approximately 10.0% in 2019.

The LNG terminal, which had launched its regasification activities on 27 November 2014, regasified and handled 119.7% more liquefied gas and the number stood at 20,237 thousand MWh in 2019. During 2019, the LNG terminal was used by five users – the designated and commercial natural gas supplier UAB Ignitis, UAB Imilitex, UAB Achema, Eesti Energia AS and Eesti Gaas AS.



General Director
Darius Šilenskis

Chairman of the Supervisory Board
Eimantas Kiudulas

- ↑ Regasification and transshipment in LNG terminal increased by 120.0%
- ↓ Net profit decreased by 34.7% and amounted to EUR 7.6 million
- ↑ Sales revenue increased by 4.4%

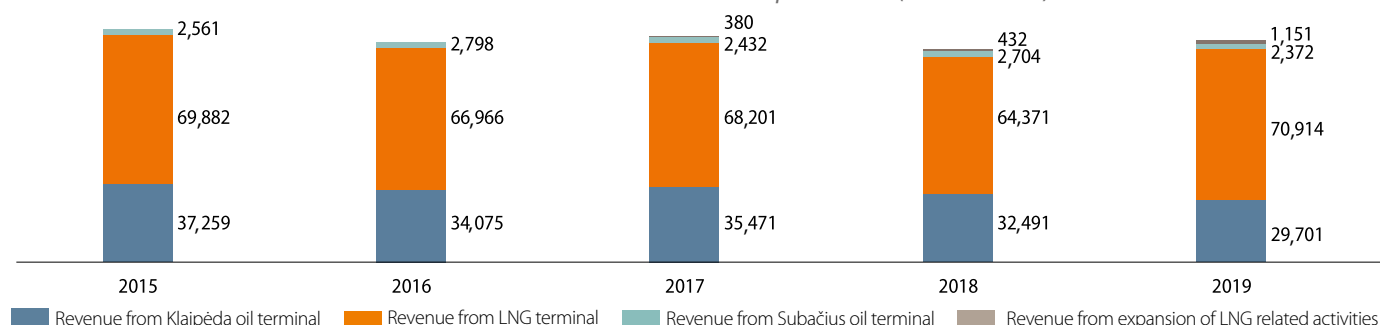
PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	99,998	104,363	+4.4%
Cost of goods sold	82,629	83,529	+1.1%
Gross profit (loss)	17,369	20,834	+19.9%
Cost of sales	5,780	7,064	+22.2%
General and administrative expenses	0	0	-
Results of other activities	276	546	+97.8%
Net financial items	-8	-8,314	-103,825.0%
Profit (loss) before taxes	11,857	6,002	-49.4%
Corporation tax	280	-1,559	-
NET PROFIT (LOSS)	11,577	7,561	-34.7%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	202,473	581,351	+187.1%
Current assets	90,654	81,946	-9.6%
Cash and cash equivalents	73,238	41,865	-42.8%
Deferred charges and accrued income	0	0	-
Total assets	293,127	663,297	+126.3%
Equity	195,490	190,649	-2.5%
Grants and subsidies	4,642	5,988	+29.0%
Provisions	0	0	-
Amounts payable and other liabilities	92,995	466,660	+401.8%
Amounts payable after one year and other non-current liabilities	74,368	402,366	+441%
<i>Financial liabilities</i>	73,474	69,537	-5.4%
Amounts payable within one year and other current liabilities	18,627	64,294	+245.2%
<i>Financial liabilities</i>	2,678	3,836	+43.2%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	293,127	663,297	+126.3%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	3.9%	1.6%	-2.3 p.p.
ROE	5.8%	3.9%	-1.9 p.p.
D/E	39.0%	38.5%	-0.5 p.p.
EBITDA	26,781	71,818	+168.2%
EBITDA margin	26.8%	68.8%	+42.0 p.p.
Net profit margin	11.6%	7.2%	-4.3 p.p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State) ¹	8,375	5,749	-31.4%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	389	365	-6.2%
Number of executives	40	41	+2.5%
Average monthly salary of executives (gross, EUR)	5,054	4,744	-6.1%
SHAREHOLDERS			
State-owned interest			72.34%
UAB koncernas Achemos grupė			10.41%
Other shareholders			17.25%
INSTITUTION REPRESENTING THE STATE			
The Ministry of Energy of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director	Darius Šilenskis		
Chairman of the Board	Giedrius Dusevičius*		
Members of the Board	Bjarke Pålsson* Mantas Bartuška Dainius Bražiūnas Ian Bradshaw*		
Chairman of the Supervisory Board	Eimantas Kiudulas*		
Supervisory Board	Andrius Varanavičius* Karolis Švaikauskas		

* Independent member

¹ Since 29 March 2019, the State, represented by the Ministry of Energy, owns 72.34% of the shares, UAB koncernas Achemos grupė, 10.41%, and other shareholders - 17.25%.

The dividends awarded to the State for 2018 are shown on the basis of the amended shareholding.

Sales revenue structure of AB Klaipėdos nafta (EUR thousand)

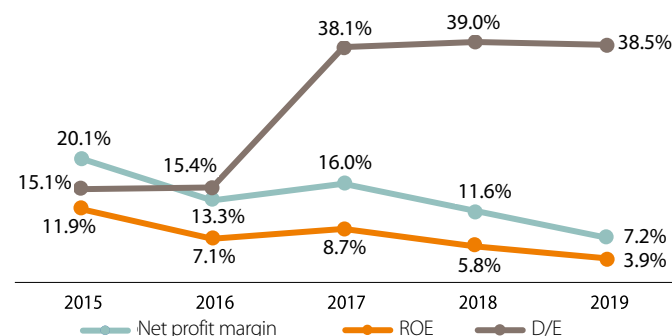


In 2019, the Group's sales revenue comprised EUR 104.4 million and, compared with the results of 2018, grew by 4.4%. The increase in sales revenue is associated with a 10.2% increase in LNG terminal revenues that totalled EUR 70.9 million. The revenues of this type accounted for as much as 67.9% in the total revenue structure. The revenue from Klaipėda oil terminal, which represented 28.5% of the total revenue and reached EUR 29.7 million saw an 8.6% drop due to declining volumes of oil products handled as compared with 2018. The sales revenue from Subačius oil terminal decreased by 12.3% because of the decreased volumes of commercial long-term storage.

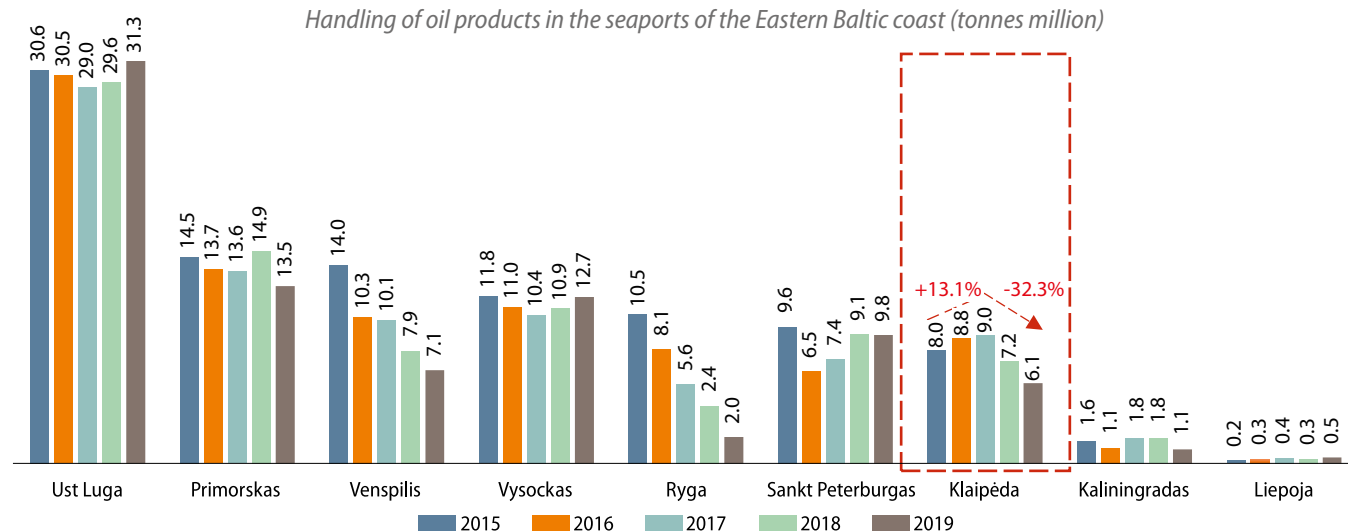
The analysis of the five last years shows that the revenue from Klaipėda oil terminal constitute an increasingly lower share in the Company's revenue structure - as the revenue has declined by 20.3% since 2015. The falling oil handling volumes also had a noticeable effect on the customer structure as the total revenue structure recorded a drop in the sales revenue from foreign customers. Between 2015 and 2019, the revenue generated from the customers registered outside of Lithuania declined from 18.1% to 13.0% in the total revenue structure.

In 2019, the Group earned EUR 7.6 million in net profit, i.e. 34.7% less than in 2018. The biggest gain, reaching EUR 9.5 million, was earned from Klaipėda oil terminal, while the LNG terminal generated a profit of EUR 1.0 million, which against the results of 2018, represented a

significant drop of as much as 75.3%. However, the financial ratios, statement of financial position and total revenue were highly influenced by the amendments made in the 16th International Financial Reporting Standard on 1 January 2019 after the entry into force of which the lease costs are accounted for as assets and liabilities in the statement of financial position. Considering the fact that the majority of lease payments are represented in US dollars, the negative effect in exchange rates that appeared in 2019 is reflected in the total revenues statement although it has no influence on the Company.



Handling of oil products in the seaports of the Eastern Baltic coast (tonnes million)



At the end of 2019, the Group's EBITDA amounted to EUR 71.8 million, i.e. 168.2% more than in 2018. However, the changes in the IFRS 16 calculation methodology led to the decrease in Company's net profit and profitability ratios: the net profit margin decreased by 4.3 percentage points and stood at 7.2%. The return on equity fell from 5.8% in 2018 to 3.9% in 2019.

For 2019, the Company's shareholders assigned EUR 5.7 million in dividends to the State, i.e. 31.4% less than it was assigned for the results of 2018.

The seaports of the Eastern Baltic coast (excluding the Estonian ports), which are regarded the main competitors of the Company, transshipped, based on the available statistical data, around 90.5 million tonnes of oil products in 2019. If comparing with the handling volumes in 2018, when the volumes reached EUR 91.2 million tonnes, the handling volumes saw a 0.7% drop during the reporting period. The handling volumes in the Port of Klaipėda experienced a decrease for two consecutive years from

7.2 million tonnes in 2018 down to 6.1 million tonnes in 2019. In 2017, the decrease in handling volumes reached 5.2% drop across the region, but a rise of 2.8% in the Port of Klaipėda. In 2016, when the handling volumes of most ports had been in decline, and the total handling volumes in the seaports of the Baltic coast had shrunk by 12.2%, the oil product handling volumes in the Port of Klaipėda grew by 10.1%. The neighbouring Port of Riga in Latvia, which is losing its key Russian flows, is experiencing falling handling volumes by 32.8% on average year on year, suggesting that it is losing its position in the market. Since the main export flows of oil products produced by the Russian oil refinery are directed via the Russian ports in the Gulf of Finland, there has been a noticeable growth in the loading volumes at Saint Petersburg port for the last three consecutive years, whereas at Ust Luga port the growth in the loading volumes has been recorded for two consecutive years. On the other hand, the loading volumes at one of ports in this Gulf of Finland – Primorsk port – decreased by 9.6% as compared with the previous year.



VĮ Ignalinos atominė elektrinė

www.iae.lt

The Company carries out the decommissioning of the Ignalina NPP, covering the operations of the systems ensuring nuclear, radiation, fire and physical safety and necessary for the INPP, the unloading of spent nuclear fuel from energy blocks and the transportation of spent nuclear fuel for temporary storage, decontamination and dismantling of equipment and buildings, and treatment and storage of radioactive waste

Special obligations: preparations for the decommissioning of Ignalina Nuclear Power Plant operations and safe decommissioning of this power plant; safemanagement of radioactive waste; Maišiagala radioactive waste storage facility operations and decommissioning.

MAJOR EVENTS:

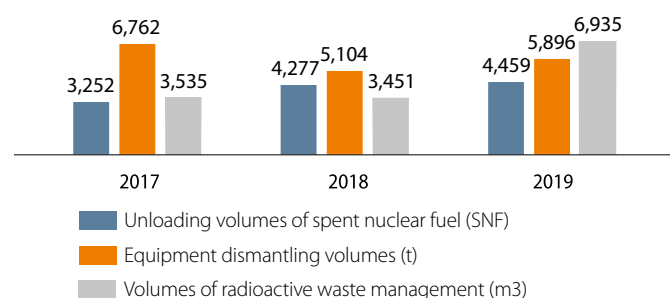
• On **30 January 2019**, the largest electronic real-time auction took place during which 3 diesel generators with equipment were sold for EUR 395 thousand.

• On **28 February 2019**, the compliance certificate was issued to confirm that the Management System of VĮ Ignalinos atominė elektrinė is in compliance with the requirements of LST EN ISO 9001 standard for decommissioning of nuclear energy object, management of radioactive waste, provision of expert services in the nuclear energy sector and project management fields.

• On **12 December 2019**, the Government of the Republic of Lithuania approved the updated Inter-institutional Action Plan for Decommissioning of Ignalina NP for 2020-2021 stipulating the energy efficiency increase instruments for mitigation of social and economic consequences in the Ignalina NP region resulting from the closure of the nuclear plant.

The Company's activities are focused on meeting the public interest, i.e. the decommissioning of the Company's operations funded by the State and international donors, which is undertaken on the cost reimbursement basis. For the period between 2000 and 2020, the European Union has awarded EUR 1,558.0 million, while the Republic of Lithuania gave EUR 185.6 million as at the end of 2019.

The volumes of equipment dismantling works increased by 15.5% over the reporting period compared with the results for 2018. 2019 saw 5,896 tonnes of the Company's equipment dismantled, including 1,440.1 tonnes of dismantled metal constructions and reinforced concrete structures. Out of total fuel used in 2019, 4.3% more was unloaded than in 2018. The solid and liquid radioactive waste processing indices set were not achieved in 2019 as a result of the delayed installation of additional security measures that conditioned a later start of operation of solid radioactive waste processing complex B2/3/4. Furthermore, the drop in the radioactive waste management indices was conditioned by the delayed coordination of nuclide vector determination of A1 unit with State Nuclear Power Safety Inspectorate (VATESI). In addition, the final processing of liquid radioactive waste was not performed due to the fact and buildings for storage of waste were not purchased.



Under to the decommissioning plan for the Ignalina Nuclear Power Plant approved in 2014, the plant's decommissioning works, valued at EUR 2.6 billion are scheduled to be completed by 2038.

The plan provides for the design, development and operations of new infrastructure for storing radioactive waste generated during the INPP dismantling process and for storing the spent nuclear fuel unloaded from the units. Since 2014, the Temporary Spent Nuclear Fuel Storage Facility (TSNFSF, project B1) and the Solid Radioactive Waste Retrieval, Processing and Storage Complex (projects B2/3/4) have been built, the Short-Lived Very Low-Active Waste Disposal Facility (project B19) designed with its building works underway, and the services for the construction of Short-Lived Low-Active and Medium-Active Radioactive Waste Land-Based Disposal Site (project B25) have been procured.



General Director
Audrius Kamienas



Chairman of the Board
Rimvydas Štilinis

- ↑ Volumes of equipment dismantling works grew by 15.5%
- ↑ Company's revenue grew by 23.2%
- ↑ Net profit increased by 64.6%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	256	316	+23.2%
Cost of goods sold	0	0	-
Gross profit (loss)	256	316	+23.2%
Cost of sales	0	0	-
General and administrative expenses	3,049	1,857	-39.1%
Results of other activities	138	817	+492.5%
Net financial items	-286	-318	+11.2%
Profit (loss) before taxes	-2,940	-1,042	+64.6%
Corporation tax	0	0	-
Net profit (loss)	-2,940	-1,042	-64.6%
Adjusted net profit (loss)	-2,940	-1,042	-64.6%

BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	303,382	291,898	-3.8%
Current assets	322,025	288,810	-10.3%
Cash and cash equivalents	52,822	16,613	-68.5%
Deferred charges and accrued income	77	113	+46.7%
Total assets	625,484	580,821	-7.1%
Equity	21,421	20,380	-4.9%
Grants and subsidies	521,374	480,972	-7.7%
Provisions	72,322	71,449	-1.2%
Amounts payable and other liabilities	10,353	7,994	-22.8%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	10,353	7,994	-22.8%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	14	27	+92.2%
Total equity and liabilities	625,484	580,821	-7.1%

RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
Adjusted ROA	-0.4%	-0.2%	+0.3 p. p.
Adjusted ROE	-12.9%	-5.0%	+7.9 p. p.
D/E	0.0%	0.0%	0.0 p. p.
EBITDA	-1,626	-210	+87.1%
EBITDA margin	-634.5%	-66.3%	+568.2 p. p.
Adjusted net profit margin	-1,147.2%	-329.8%	+817.3 p. p.

RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	0	0	-
Property tax	0	0	-
Total contributions and non-standard taxes to the State	0	0	-

INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	1,901	1,837	-3.4%
Number of executives	4	4	0.0%
Average monthly salary of executives (gross, EUR)	6,467	6,502	+0.5%

INSTITUTION REPRESENTING THE STATE
The Ministry of Energy of the Republic of Lithuania

MANAGEMENT (1 JUL 2020)

General Director Audrius Kamienas
Chairman of the Board Rimvydas Štilinis

Members of the Board
Patricija Ceiko
Laimonas Belickas*
Darius Jasinskis*

*Independent member

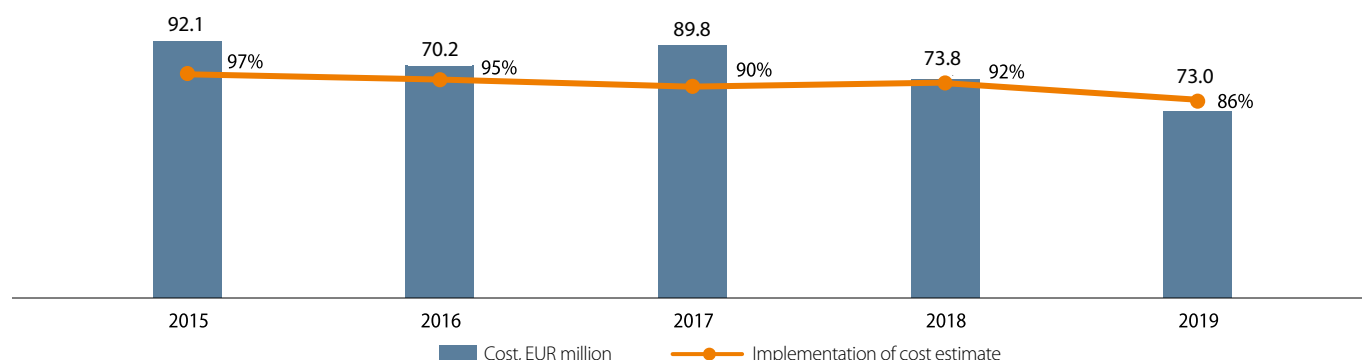
In performance of the main activities, safe and effective decommissioning of Ignalina Nuclear Plant - more than one third of equipment was dismantled until 2019 (over 50 thousand tonnes out of 160 thousand). One of the major works: completion of dismantlement of turbine hall of 1st unit and dismantlement of turbine hall equipment of 2nd unit completed by 92.0% Construction completion procedures and operation of disposal facility are scheduled to start in 2020.

At the end of 2019, the Company controlled the assets of over EUR 581 million, ranking the Company as the fourth among all SOEs after UAB Ignitis Grupė, AB Lietuvos geležinkeliai and UAB EPSO-G Group. Compared with 2018, the book value of assets of the Company decreased by 7.1% due to sale of no longer necessary assets.

In the course of decommissioning works, the Company had spent EUR 73.0 million, i.e. 1.0% less than in 2018. A major part of these funds – 63.5% (EUR 46.1 million) was made up of the funds

from the Ignalina Programme. The TIENRF funds accounted for EUR 13.3 million and decreased by 31.0% against 2018 when EUR 19.2 million had been used representing 26.1% of the total funding for 2018. In 2019, the State funds, used via the Fund for the Decommissioning of State Enterprise Ignalinos atominė elektrinė, made up EUR 3.1 million, while EUR 7.6 million (10.5%) was used from the budget of the Republic of Lithuania. The sum funded using the Company's own funds reached EUR 2.4 million (3.3%).

In 2015-2019, the Company incurred EUR 79.8 million annual costs on average. Since the power plant decommissioning costs are subsidised, the Company's general and administrative expenses reflect the non-subsidised values of incurred costs. Compared with 2018, during the reference period, the Company spent more funds to the services of contractors due to increase in prices of works, services and goods. During a five-year period, the Company's estimate of operating costs was implemented by 92.0% according to the plan.



Funding Structure



Compared to the performance in 2018, the Company's sales revenue improved by 27.3% and reached EUR 315.8 thousand in 2019. The Company's total revenue structure is dominated by the proceeds from the sale of assets. When unnecessary uncontaminated or decontaminated equipment is dismantled, the Company sells it in public auctions. In 2019, the Company auctioned 2,243.2 tonnes of scrap metal worth EUR 589.8 thousand. In total, the Company sold assets worth EUR 1.9 million, which represented 68.0% in the total revenue structure.

The Company's net result for 2019 was negative as the Company suffered a EUR 1.0 million net loss. Compared with the performance in 2018, however, the loss saw a EUR 1.9 million decrease. This was affected by a significant decrease in the general and administrative (operational) costs, which amounted to EUR 1.9 million, while in 2018 these costs had been estimated at EUR 3.0 million. This considerable decrease in costs was determined by the fact that the

discounted provision for the decommissioning using own funds was estimated, less electricity and heating costs were incurred.

The Company's EBITDA at the end of 2019 equalled EUR -210 thousand. The return on equity was also fixed and negative to -5.0%, i.e. 7.9 p. p. lower than in 2018. These results have been determined by the specific nature of the Company's activities:

- Its main activity does not generate positive cash flows because it is focused on the activities that meet the public interest – the decommissioning of Ignalina Nuclear Power Plant – and is subsidised by the State and through international assistance funds.
- Its commercial activities make up an insignificant part of the business.
- During the decommissioning phase, there will be a major part of the Company's assets liquidated with most of them unfit for reuse or other disposals.

AB Lietuvos geležinkeliai Group*

www.litrail.lt



Freight and passenger transportation by railways, rail network administration, public railway infrastructure management, maintenance and development, repair and manufacture of rolling stock, and security services.

AB Lietuvos geležinkeliai owns 100% shares of UAB Geležinkelio tiesimo centras, UAB Vilniaus lokomotyvų remonto depas, UAB Gelsauga, UAB Rail Baltica statyba, AB LG CARGO, UAB LG Keleiviams, AB Lietuvos geležinkelių infrastruktūra, UAB Saugos paslaugos, as well as 80% shares of VšĮ Geležinkelių logistikos parkas, 34% shares of Lithuanian and Austrian company UAB voestalpine VAE Legetecha and 33% shares of VšĮ Transporto inovacijų centras.

Special obligations performed: public passenger transport services; minimum access package services; maintenance, modernisation and development of public railway infrastructure.



General Director
Mantas Bartuška

Chairman of the Board
Romas Švedas

MAJOR EVENTS:

• In 2019, restructuring of activities and management of AB Lietuvos geležinkeliai Group was carried out. The Company refined the freight, passenger transport and infrastructure activities by transferring them to newly established companies. AB LG CARGO received freight carriage licence, UAB LG Keleiviams received passenger transportation licence, and, at the end of the year, the infrastructure directorate activities of LG Geležinkelių infrastruktūra were transferred to a company established on 1 July 2019 – AB Lietuvos geležinkelių infrastruktūra. Furthermore, part of activities were transferred from UAB Gelsauga to a newly established UAB Saugos paslaugos.

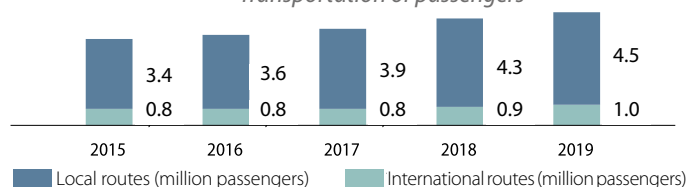
• On 9 January 2019, the Group signed a cooperation agreement with a long-term partner – the largest freight transportation by rail company PKP Cargo – regarding the transportation of freights in foreign markets (territory of Lithuania and Poland). It is the first agreement of such type in the Group's history.

In 2019, the number of passengers transported reached 5.5 million – by 6.7% more than in 2018:

• 6.2% more passengers were transported via local routes – up to 4.5 million passengers and accounted for 81.8% of all passengers transported. The growth of the number of passengers was influenced by the tools taken to attract the passenger flows: adaptation of timetables to the needs of customers travelling to/from the work, increase of frequency of popular routes, improving customer service culture, positive image of travelling with train, development of services attractive to the business segment, accessibility of services to the disabled and people with reduced mobility.

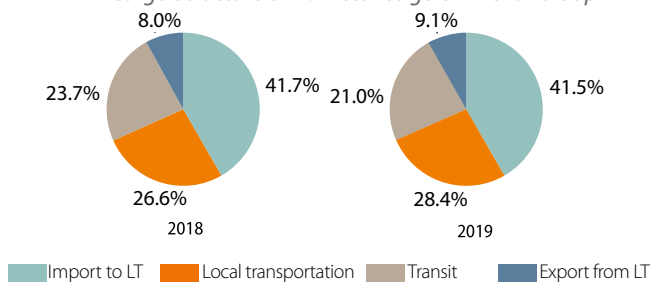
• Transportation via international routes in 2019 increased by 9.5% and amounted to 1.0 million passengers; 0.5 million passengers or half of all international transportations were transported through the territory of the Republic of Lithuania by transit trains.

Transportation of passengers



The Group must ensure the provision of carriage of passengers via local routes, which is necessary but commercially disadvantageous. The State allocates grants to compensate for losses incurred in the carriage of passengers via local routes. In 2019, those amounted to EUR 30.1 million as compared with EUR 27.0 million in 2018.

Cargo Structure of AB Lietuvos geležinkeliai Group



Freight transport accounts for most of the revenue generated by the Group. In 2019, the Group transported 55.2 million tonnes of cargo, i.e. 2.8% more than in 2018:

• Chemical and mineral fertilizers, as well as oil and its products dominated railway transportation in 2019 and made up 52.9% of all shipments.

• International freight, which amounted to 39.5 million tonnes and made up 71.6% of all shipments in the cargo structure, decreased by 5.1%. The decrease was mostly influenced by 13.9% decrease in shipment of coal, oil and food products to the Region of Kaliningrad and lower volumes of import of oil, fertilisers and ferrous metals through Klaipėda Seaport.

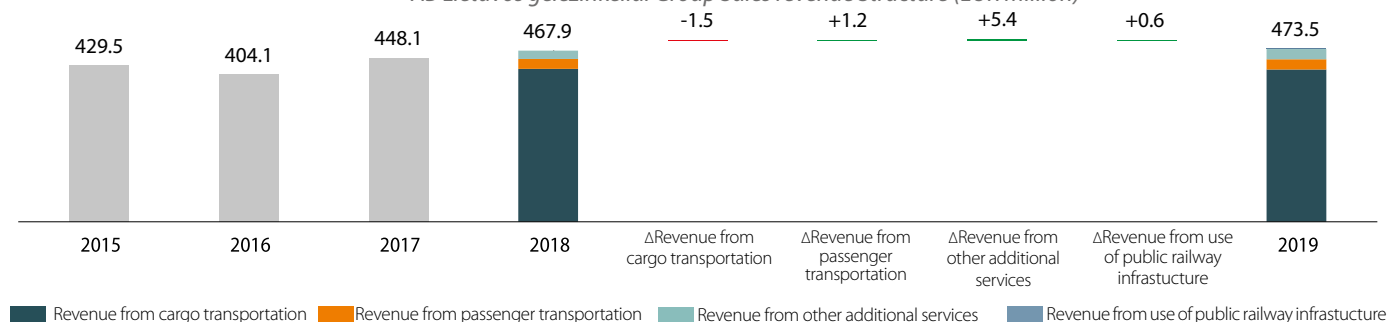
- ↑ Sales revenue grew by 1.2%
- ↑ Net profit earned by the Group increased by 6.0% up to EUR 58.1 million
- ↓ Assigned dividends decreased by 11.6% down to EUR 38 million

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	467,952	473,541	+1.2%
Cost of goods sold	361,184	370,201	+2.5%
Gross profit (loss)	106,768	103,340	-3.2%
Cost of sales	712	813	+14.2%
General and administrative expenses	58,897	59,381	+0.8%
Results of other activities	26,944	31,560	+17.1%
Net financial items	-3,521	-3,014	+14.4%
Profit (loss) before taxes	70,582	71,692	+1.6%
Corporation tax	15,776	13,597	-13.8%
Net profits (loss)	54,806	58,095	+6.0%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	1,846,870	1,825,445	-1.2%
Current assets	177,198	227,138	+28.2%
Cash and cash equivalents	92,832	105,153	+13.3%
Deferred charges and accrued income	1,589	3,932	+147.5%
Total assets	2,025,657	2,056,515	+1.5%
Equity	1,151,386	1,167,131	+1.4%
Grants and subsidies	538,882	556,015	+3.2%
Provisions	26,766	28,130	+5.1%
Amounts payable and other liabilities	305,760	301,735	-1.3%
Amounts payable after one year and other non-current liabilities	188,992	175,935	-6.9%
<i>Financial liabilities</i>	181,220	155,484	-14.2%
Amounts payable within one year and other current liabilities	116,768	125,800	+7.7%
<i>Financial liabilities</i>	29,706	27,574	-7.2%
Accrued expenses and deferred income	2,863	3,504	+22.4%
Total equity and liabilities	2,025,657	2,056,515	+1.5%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	2.7%	2.8%	+0.1 p. p.
ROE	4.8%	5.0%	+0.2 p. p.
D/E	18.3%	15.8%	-2.5 p. p.
EBITDA	196,011	193,079	-1.5%
EBITDA margin	41.9%	40.8%	-1.1 p. p.
Net profit margin	11.7%	12.3%	+0.6 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends	43,000	38,000	-11.6%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	9,624	9,340	-3.0%
Number of executives	9	12	+33.3%
Average monthly salary of executives (gross, EUR)	6,914	7,063	+2.2%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Mantas Bartuška
Chairman of the Board			Romas Švedas**
Members of the Board			Mats Bo Knut Hanson** Rolandas Zukas** Monika Rimkūnaitė-Bložė** Alditas Saulius** Povilas Drizas

* Information has been prepared according to unaudited financial statements

** Independent member

AB Lietuvos geležinkeliai Group Sales revenue Structure (EUR million)

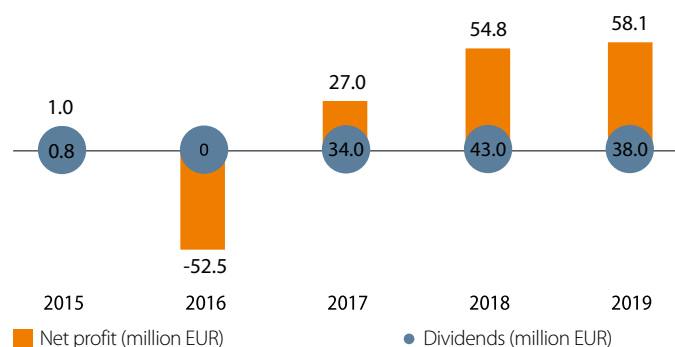


• The volume of cargo transported by local routes amounted to 28.4% of all cargoes transported and increased by 3.8% in 2019, totalling to 15.7 million tonnes. More construction-related cargoes, food and vegetal origin products were transported by local routes.

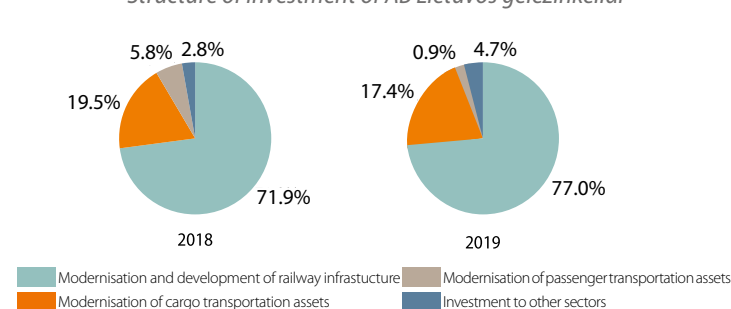
The Group's sales revenue grew by EUR 5.6 million or 1.2% and reached EUR 473.5 million. Revenue from cargo transportation accounting for 88.0% of all sales revenue decreased by 0.4% or 1.5 million due to the decrease in the transportation of cargoes by international routes and volumes of related services. Revenue from passenger transport increased by 4.3% and accounted for 6.0% in the sales revenue structure of 2019, amounting to EUR 28.4 million. Positive developments were caused by increased passenger transport volumes in local and international transport. Revenue from other additional services increased the most, i.e. by 23.8% or EUR 5.4 million. The increase in this revenue was conditioned by the increasing share of services provided to external customers of UAB Vilniaus lokomotyvų remonto depas and

earned revenue; active participation of the enterprise engaged in railway machinery repair services in tendering procedures in Europe and performed repairs to various foreign companies; increase in the sales of scrap metal in performance of investment railway repair works and replacing road constructions.

In 2019, the Group's net profit increased by 6.0% and totalled EUR 58.1 million. In 2019, other operating revenue constituting EUR 31.9 million, of which the grant for compensation of losses incurred in transportation of passengers by local routes accounted for 94.2% or EUR 30.1 million, had a considerable influence on the positive result. However, despite the positive result, in 2019, the Group's EBITDA slightly decreased by 1.5% down to EUR 193.1 million mostly due to the increase in the prices of energy resources and growth of wage costs. A consistent net profit growth has been recorded since 2015, except for the results of 2016, when the fine of EUR 27.9 thousand was imposed regarding the railway track separation in Mažeikiai-Rengė railway line. The ROE also saw a reasonable growth from 4.8% to 5.0%.



Structure of investment of AB Lietuvos geležinkeliai



In 2019, the Group's investments amounted to EUR 112.6 million, 70.3% of which were made using the Group's funds. During the reporting period, EUR 33.4 million in EU support and state budget funds were utilised. The major share of investment, i.e. 77.0% in the total structure or EUR 86.7 million, were allocated for renewal and development of the railway infrastructure. The value of investment to other sectors in the overall structure increased from 2.8% in 2018 up to 4.7% in 2019 and amounted to EUR 5.3 million.

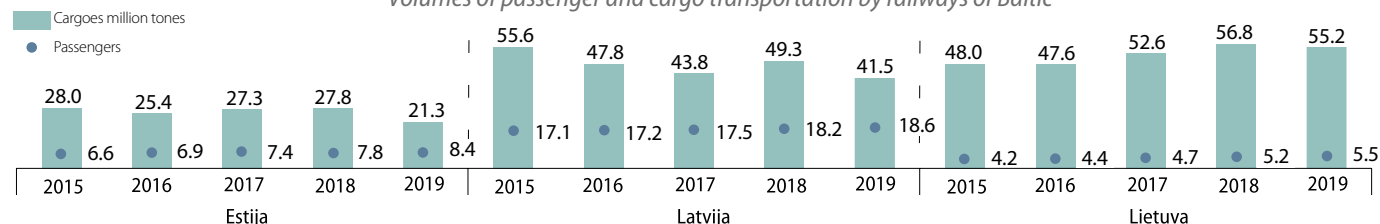
The major part of the Lithuanian railway network consists of the 1,520 mm-wide gauge used in the CIS and the Baltic States, while the standard gauge used in almost all European Union countries is 1,435 mm wide. This is one of the major obstacles of direct rail links with Europe. At the end of 2019, the extended length of the railway reached 3,459.9 km, and the length of electrified gauge reached to 317.5 km during 2019. Since 2019, the network infrastructure of Lithuanian Railways has been controlled by the parent company AB Lietuvos geležinkeliai infrastruktūra, while previously it was controlled by the right of trust and the services were provided by State-controlled company – AB Lietuvos geležinkeliai.

Comparing the volumes of Lithuanian rail passengers and cargoes with other Baltic States, it is noticeable that Latvian railways are continuing to lead the way in the transportation of passengers: in 2019 they carried 18.6 million passengers,

which is nearly 3.5 times more than Lithuanian railways. The volume of passenger transport by Estonian railways reached EUR 8.4 million in 2019, which is 1.5 bigger than that of Lithuania. Among the European countries, the indices of the Baltic States are relatively low. According to Eurostat data, in 2019, the average number of passengers transported reached approximately 380.0 million. Germany stood out most significantly with 2.9 billion passengers transported, United Kingdom - 1.8 billion passengers and France - 1.3 billion passengers.

Lithuania was a leader of the Baltic States by the volumes of cargo transported in 2019: 55.2 million tonnes, while the lowest number of cargoes was transported in Estonia - 21.3 million tonnes. The drop in the volumes of cargoes transported in the Baltic States was observed in 2019. The major decrease in cargo transportation volumes amounting to 23.4% was recorded in Estonia. Furthermore, a considerable decrease was observed in Latvia - 15.8%. As compared with 2018, when growth was observed, volumes of cargoes transported by Latvian railways grew by 12.5% from 2017; Lithuanian railways - 7.9%. According to Eurostat data, volumes of cargoes transported by Lithuanian railways are close to the European average, which stood at 57.0 million tonnes in 2019. The neighbouring state Poland was among the leaders according to the tonnes of transported cargoes - in 2019, 233.7 million tonnes of cargoes were transported by railways of Poland.

Volumes of passenger and cargo transportation by railways of Baltic



Source: AB Lietuvos geležinkeliai Group, Statistics Estonia, Central Statistical Bureau of Latvia



AB Lietuvos paštas Group

www.post.lt

Provision of universal and other postage, courier, financial and other services.

Lietuvos paštas Group consists of AB Lietuvos paštas and the following subsidiaries: UAB Lietuvos pašto finansinės paslaugos, UAB LP mokėjimų sprendimai, under 100% ownership of the shares.

Special obligations: provision of universal postal services throughout the territory of the Republic of Lithuania; delivery of periodicals for subscribers to rural residential areas.

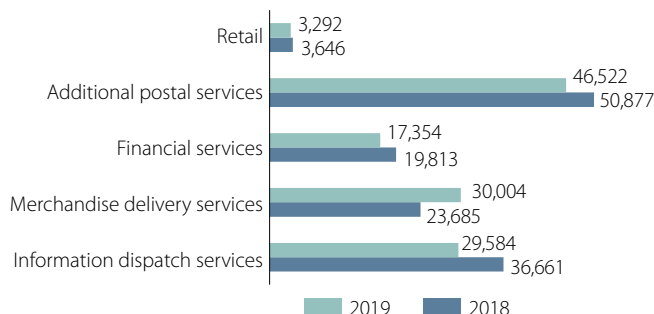
MAJOR EVENTS:

- On **1 July 2019**, following the reorganisation, the subsidiary AB Baltic Post was merged to AB Lietuvos paštas.
- On **15 September 2019**, the first stage of Mobile Mailer Information System project was completed.
- On **24 September 2019**, the construction works of Vilnius Logistics Centre of Lietuvos paštas started with investment of EUR 4.8 million for 2019. The total planned sum of investment for construction and installation of building amounts to EUR 24.0 million.
- On **27 September 2019**, the implementation of Bicycle Project was completed with 210 electric bicycles given to the city postmen and their daily work needs.
- On **2 December 2019**, the postmen started to be provided with service vehicles for the first time in Company's history of activity and 103 mobile mailers went to the streets in December.

At the end of 2019, Lietuvos paštas had a network of 1,981 universal postal services (UPS), consisting of: 338 stationary post offices, i.e. customer service units (175 in cities, 163 in villages), 11 post offices (11 in cities), 46 places for the provision of mobile mail services, 246 places for the provision of Mobile Mailer (MM) universal services, 31 places of other UPS provision and 1,309 mail boxes. PayPost – the Group's financial services network providing standard financial services – consisted of 106 branches. At the end of 2019, the parent company AB Baltic Post operated the network of 163 LP EXPRESS self-service terminals in 48 cities of the country.

In 2019, Lietuvos paštas Group (hereinafter – the Group) rendered 126.8 million units of main services. This number is 5.9% less than in 2018 when 134.7 million units of services were provided. The volume of services declined in almost all groups of services, except for merchandise delivery services, the volumes of which reached 30 million units in 2019 and increased by 26.8% as compared with the result of 2018. This growth was conditioned by more intensive flow of parcels from China. In the group of all services, volume of information dispatch services decreased the most, i.e. by 19.3% due to the lower need for such services on the market.

Volumes of services provided (thousand units)



During the reporting period, the revenue from postal services consisting of information dispatch and delivery and receipt of merchandise increased by EUR 8.2 million or 13.5%. The main reason for the increase in the delivery of merchandise services was the growth in revenue from the delivery of merchandise services of EUR 7.9 million (17.9%), the largest share of which came from incoming international services. The increase was caused by an increase in revenue from small e-commerce shipments, the largest share of which was from China. The revenue from information dispatch services has been shrinking and grew by barely 1.9%, the loss in the revenue of this group was compensated by the increase of rates.



General Director
Asta Sungailienė

Chairman of the Board
Mindaugas Kyguolis

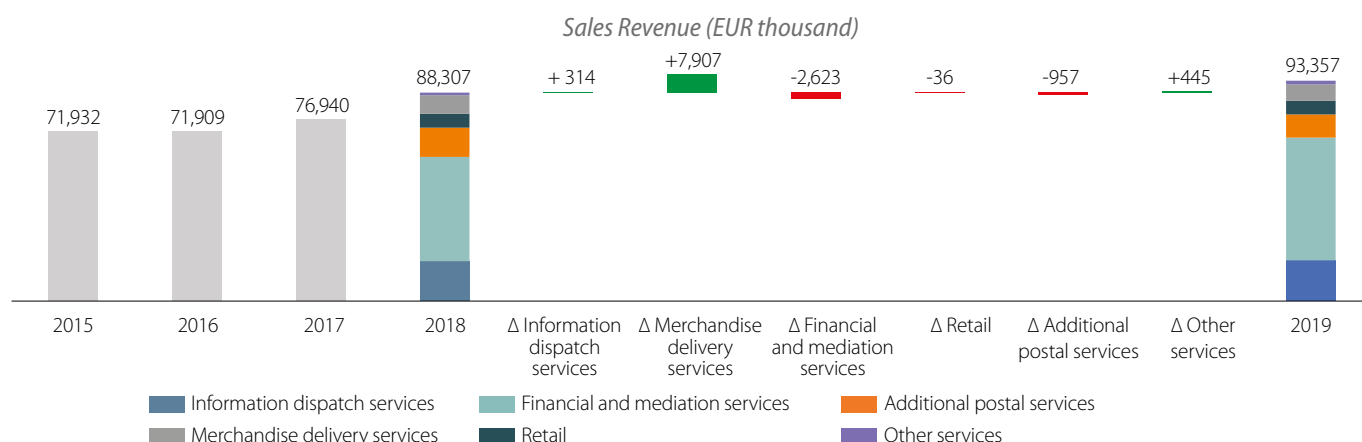
- ↑ EBITDA grew by 46.8% and reached EUR 11.3 million
- ↑ Net profit grew by 38.1% and reached EUR 5.1 million
- ↑ EUR 10.4 million allocated to investment, i.e. nearly 5 times more than a year ago

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	88,307	93,357	+5.7%
Cost of goods sold	0	0	-
Gross profit (loss)	88,307	93,357	+5.7%
Cost of sales	84,132	88,278	+4.9%
General and administrative expenses	0	0	-
Results of other activities	663	826	+24.6%
Net financial items	-117	-303	-159.3%
Profit (loss) before taxes	4,721	5,601	+18.6%
Corporation tax	1,041	519	-50.2%
Net profit (loss)	3,680	5,082	+38.1%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	34,428	58,291	+69.3%
Current assets	20,232	22,796	+12.7%
Cash and cash equivalents	5,602	6,205	+10.8%
Deferred charges and accrued income	14,334	18,073	+26.1%
Total assets	68,994	99,160	+43.7%
Equity	27,030	32,112	+18.8%
Grants and subsidies	43	67	+55.0%
Provisions	0	0	-
Amounts payable and other liabilities	28,411	49,702	+74.9%
Amounts payable after one year and other non-current liabilities	9,586	18,512	+93.1%
<i>Financial liabilities</i>	8,563	5,000	-41.6%
Amounts payable within one year and other current liabilities	18,825	31,190	+65.7%
<i>Financial liabilities</i>	0	7,426	-
Accrued expenses and deferred income	13,510	17,279	+27.9%
Total equity and liabilities	68,994	99,160	+43.7%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	5.2%	6.0%	+0.8 p. p.
ROE	14.6%	17.2%	+2.6 p. p.
D/E	31.7%	38.7%	+7.0 p. p.
EBITDA	7,712	11,337	+46.8%
EBITDA margin	8.8%	12.1%	+3.4 p. p.
Net profit margin	4.2%	5.4%	+1.3 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	0.0%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	5,250	4,753	-9.5%
Number of executives	6	6	0.0%
Average monthly salary of executives (gross, EUR)	7,050	8,833	+25.3%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Asta Sungailienė
Chairman of the Board			Mindaugas Kyguolis*
			Tomas Jackevičius*
			Saulė Balčiūnienė*
			Saulius Kerza
			Povilas Drižas
MEMBERS OF THE BOARD			

*Independent member

The UPS revenue increased by 14.3% over the year, i.e. from EUR 30.7 million in 2018 to EUR 35.1 million in 2019. Revenue from financial services saw a drop of 21.1% as compared with 2018 due to decreased revenue from various payouts and contributions, the volumes of services of which decreased both in case of failure to win the public tendering procedure for provision of such services and growth in the use of e-banking

services. Revenue from other services constituting of revenue from the lease of premises, sale of long-term assets and other non-standard activities increased by 24.6% due to increasing revenues from retail marketing services. **Sales revenue has increased from 2015 to 2019, showing a general positive trend.** During this period, revenue from financial services increased from EUR 71.9 million in 2015 to EUR 93.4 million in 2019.



During the reporting period, the Group's expenses increased by 4.9%. In 2019, the most significant growth in costs (24.1%) was seen in the costs of international postage and settlement with foreign posts accounting for 18.4% of all operating costs and totalling EUR 16.2 million. The growth in these costs was conditioned by the increase in the flow of international parcels sent. Costs of materials and raw-materials increased by 22.7% and stood at EUR 1.9 million. Costs of depreciation of non-current assets increased by 88.2% due to amendments made in IFRS 16 that entered into force on 1 January 2019 and which, on the other hand, conditioned the decrease in other costs that include the rent of premises by 44.3%.

Due to revenue and costs growth ratio, the net profit of Group grew from EUR 3.7 million in 2018 to EUR 5.1 million in 2019. The improving results are also reflected by EBITDA ratio that increased by 46.8% totalling EUR 11.4 million. During the reporting period, the return on equity reached 17.2% and was by 2.6 percentage points higher as compared with ROE in 2018. In 2019, the Group's investment amounted to EUR 10.4 million and, compared with the results of 2018, increased by more than five times. The major share of the investment, i. e. EUR 4.8 million, was assigned to the construction of Vilnius Logistics Centre. The share allocated to self-service terminals and part thereof amounted to EUR 2.6 million. Furthermore, EUR 1.3 million was made for the renewal of the buildings: 2 new shipment centres and 7 post-offices were installed according to a new concept.

During the reporting period, the Group's financial liabilities to credit institutions grew and amounted to EUR 12.4 million (EUR 8.6 million in 2018). Part of financial liabilities, i.e. EUR 7.4 million were dedicated to financing of working capital, EUR 5.0 million - construction of new automated logistics centre in Vilnius. **These changes resulted in increase of the D/E (debt-to-equity) ratio by 7.0 p. p., amounting to 38.7% in 2019.**

To further increase operational efficiency and meet the expectations set

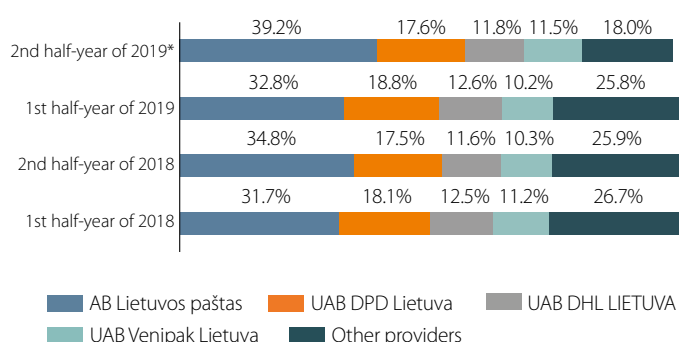
forth in the Letter of Expectation of the institution representing the State, **the Group implemented the following strategic projects in 2019:**

- achieved the planned number of mailers working with tablets in the city (1,100 mailers);
- purchased and provided to employees 210 electric bicycles for their daily activities;
- started the construction of automated Vilnius Logistics Centre;
- implemented the development of Mobile Mailer project.

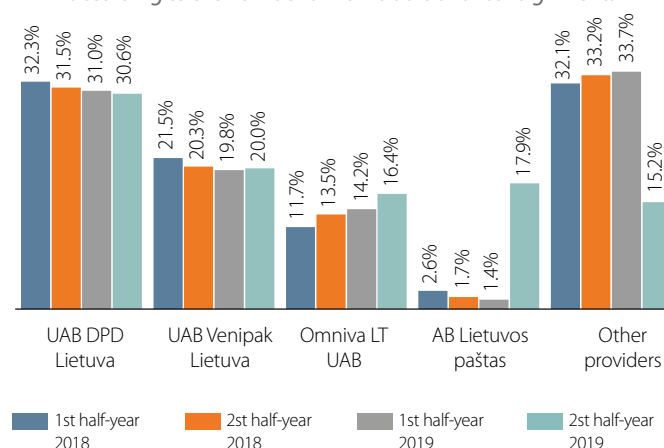
According to the report published by the Communications Regulatory Authority on the Postal Service Provision Performance of Q4 2019, as of 31 December 2019, there were 48 undertakings operating in the postal services market and the total postal services market increased by 7.6% in Q4 2019, compared with the same period in 2018: from EUR 51.2 million up to EUR 55.0 million. **Comparing the revenue of the 2nd half-year of 2019 from consignments sent, the major share of market, i.e. 39.2% was held by Lietuvos paštas Group, while UAB DPD Lietuva held 17.6% of the market.** The market share held by other suppliers of postal services for revenues from consignments sent accounted for 2.5% on the average.

According to the number of non-traditional consignments, i.e. express mail services, the delivery of consignments to self-service terminals, delivery of consignments in case of agreement on the time and place of delivery, etc., the market share held by Lietuvos paštas saw and considerable increase - from 1.4% in the first half-year of 2019 to 17.9% in the 2nd half-year of 2019. Such considerable growth was conditioned by the merge of UAB Baltic Post to Lietuvos paštas. UAB DPD Lietuva held the leading position of this market in the 2nd half-year of 2019 with 30.6%, followed by UAB Venipak Lietuva with 20.0% and UAB Omniva LT with 16.4% of the market. The market share held by other suppliers of postal services according to the number of non-traditional consignments sent accounted for 3.0% on the average.

Market share held by providers of postal services according to the revenue from delivery of consignments



Market share held by providers of non-traditional postal services according to the number of non-traditional consignments



Source: Communications Regulatory Authority of the Republic of Lithuania

* UAB Baltic Post was merged to AB Lietuvos paštas from the 2nd half-year of 2019.

AB Lietuvos radijo ir televizijos centras

www.telecentras.lt

Transmission of radio and television programs, hosting of broadcasters' and telecommunications operators' equipment on Company's sites, provision of telephony, mobile internet, data transmission and smart TV services

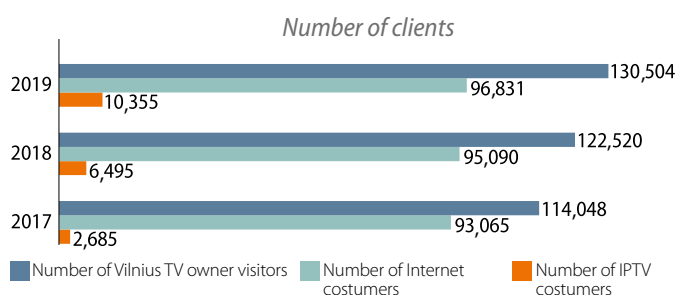
MAJOR EVENTS:

- On **15 February 2019**, the audit committee was established in the Company.
- On **5 June 2019**, the start of new service – hybrid television (HiTV) – was announced. HiTV connects broadcasted TV programmes with on-line platform enabling the viewers to reach TV multimedia libraries, archives and other content distributed through the Internet.
- On **17 September 2019**, a new channel in Polish TVP Wilno started to be broadcasted via Company's TV network in southeast Lithuania.
- On **5 December 2019**, high definition (HD) smart TV (IPTV) programmes started to be broadcasted via wireless Internet LTE network to household TV's.
- On **31 December 2019**, a new lighting of Vilnius TV Tower was installed – the project was implemented together with M-1 radio station.

The infrastructure of Company's towers and masts (over 100 metres tall) allows the coverage of nearly 100% of the territory of Lithuania with TV signal and is the most suitable for provision of TV and radio programme transmission and wireless telecommunication services. **As the Company is the entity of strategic importance for the national security**, certain decisions related to the Company's property management, transactions, reorganization or restructuring take effect only with the approval of the Commission for Coordination of Protection of Objects of Importance to Ensuring National Security.

At the end of 2019, the Company was broadcasting 21 Lithuanian television programs free of charge via digital terrestrial television networks; 19 programs were broadcasted in standard definition (SD) and two – in high definition (HD). Services are provided to 5 Lithuanian TV program developers. Radio transmission services were used by 10 clients in total – 4 national broadcasters, 2 regional broadcasters and 4 local radio stations. During 2019, the Company performed 190 live broadcasts with a total duration of more than 470 hours.

The volume of the Company's data services is revealed by the dynamics of the number of internet customers. **At the end of 2019, the steadily growing number of MEZON customers reached 96.8 thousand customers.** The number of the Company's IPTV service users increased 1.6 times. At the end of 2019, this service was provided to 10.4 thousand customers via wireless networks. The number of visitors from Lithuania and abroad in Vilnius TV Tower increased by 6.5%, compared to the results of 2018, and reached 131 thousand.



During the reporting period of 2019, the Company's core operation revenue amounted to EUR 20.7 million and was 3.2% higher than in 2018. The growth in the Company's revenue was considerably influenced by the growth of television and radio services and TV Tower services. The growth in revenue from television and radio services reached 7.9% due to projects successfully implemented in 2018 and newly launched to the market in the second half of 2019. Non-telecommunication services unit – Vilnius TV Tower increased the number of customers by 8.0 thousand and launched the tours from June 2018, thus, reaching the growth in sales revenue of 21.9%. The revenue from MEZON internet services grew by 0.7% and accounted for EUR 11.4 million. This change was conditioned by increased volumes of Internet sales and the total number of clients. Furthermore, the decrease in the volume of services purchased by business clients, the revenue from rent services of access provided to infrastructure provided by the Company decreased by 6.8% and amounted to EUR 2.3 million.



General Director
Remigijus Šeris

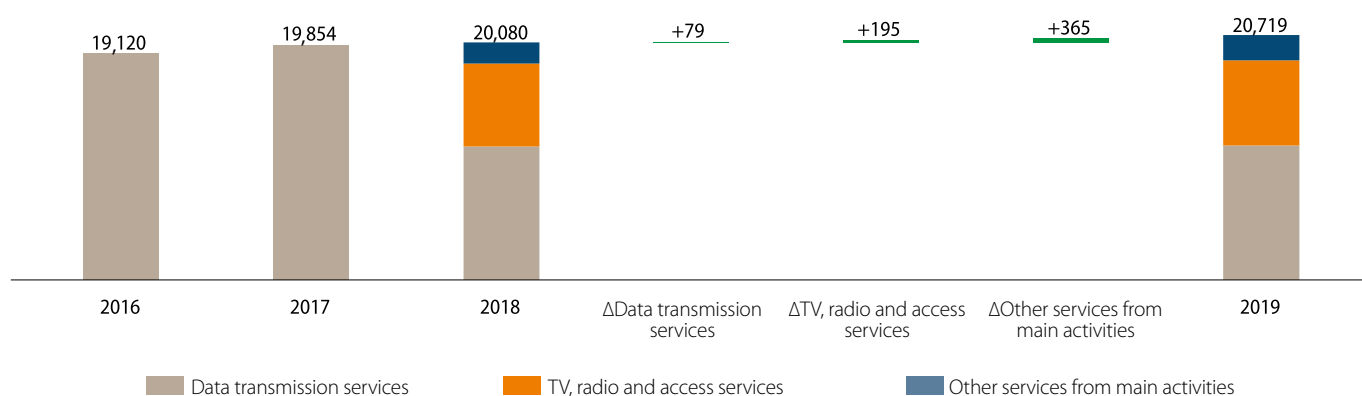
Chairman of the Board
Vidas Danielius

- ↑ The number of online clients grew by 1.8%, whereas of IPTV – by 59.4%
- ↑ Company's sales revenue grew by 3.2%
- ↓ Company's net profit decreased by 29.4% and amounted to EUR 659 thousand.

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	20,080	20,719	+3.2%
Cost of goods sold	13,057	14,113	+8.1%
Gross profit (loss)	7,023	6,606	-5.9%
Cost of sales	894	855	-4.3%
General and administrative expenses	5,649	5,335	-5.6%
Results of other activities	405	231	-42.9%
Net financial items	27	-15	-
Profit (loss) before taxes	912	632	-30.7%
Corporation tax	-21	-26	+28.2%
Net profit (loss)	933	659	-29.4%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	30,424	28,917	-5.0%
Current assets	10,031	11,868	+18.3%
Cash and cash equivalents	6,267	7,777	+24.1%
Deferred charges and accrued income	0	0	-
Total assets	40,455	40,784	+0.8%
Equity	32,413	32,117	-0.9%
Grants and subsidies	0	0	-
Provisions	179	181	+0.7%
Amounts payable and other liabilities	7,863	8,487	+7.9%
Amounts payable after one year and other non-current liabilities	4,613	6,149	+33.3%
<i>Financial liabilities</i>	15	0	-100.0%
Amounts payable within one year and other short-term liabilities	3,250	2,338	-28.1%
<i>Financial liabilities</i>	44	11	-76.1%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	40,455	40,784	+0.8%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	2.4%	1.6%	-0.7 p. p.
ROE	2.9%	2.0%	-0.9 p. p.
D/E	0.2%	0.0%	-0.1 p. p.
EBITDA	6,016	5,785	-3.8%
EBITDA margin	30.0%	28.0%	-2.0 p. p.
Net profit margin	4.6%	3.2%	-1.5 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	955	874	-8.5%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	314	303	-3.5%
Number of executives	6	6	0.0%
Average monthly salary of executives (gross, EUR)	4,572	4,823	5.5%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Remigijus Šeris
Chairman of the Board			Vidas Danielius
Members of the Board			Janina Laskauskienė Raimondas Geleževičius*

*Independent member

Sales Revenue (EUR thousand)



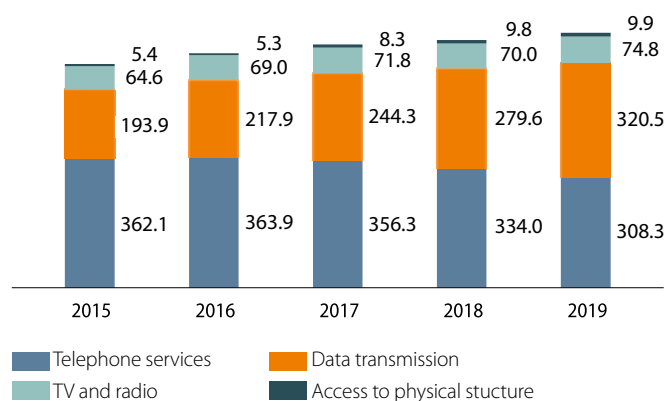
In 2019, Company's net profit decreased from EUR 933.0 thousand down to EUR 659.0 thousand. This was influenced by the increased costs and lower sales of assets. The revenue from the sale of non-current assets in auctions decreased from EUR 267.0 thousand in 2018 down to EUR 171.0 thousand in 2019. In 2019, operating expenses increased by 6.5% the growth of which was conditioned by 14.1% higher costs of goods and services sold and 4.6% increase in personnel costs. Thus, the decreased net profit also conditioned the drop in return ratios: return on equity decreased by 0.9 percentage points and amounted to 2.0%, EBITDA margin dropped from 30.0% in 2018 to 28.0% in 2019, whereas net profit margin decreased from 4.6% to 3.2%. Accordingly, **the sum of dividends assigned for performance of 2019 amounted to EUR 874.0 thousand, which, compared with the dividends assigned for performance of 2018, decreased by 8.5%.**

During the reporting period, the value of assets under disposition increased by 0.8%. In 2019, non-current liabilities to suppliers

decreased by EUR 0.9 million as the invoices for network equipment purchased at the end of 2018 were covered by the Company. Company's current assets increased due to increase in cash balance and amounts receivable, however, taking into account the needs for new terminal equipment for the customers, the Company reduced the balance of reserves. Meanwhile, the Company's non-current assets decreased by EUR 1.5 million or 5.0% due to depreciation and lower investment over 2019. Furthermore, the share of unused real estate was sold.

The Company's investments are aimed at upgrading and developing the telecommunications network. **In 2019, investments totalled EUR 2.7 million, which was 45.0% less compared to funds invested in 2018 amounting to EUR 4.9 million** due to the slowdown in the rates of increase in data network load. A considerable share of investment was aimed at modernisation of WiFi network, development of LTE network as well as infrastructure of masts and towers.

Revenue structure of electronic communications market according to the groups of services (EUR million)

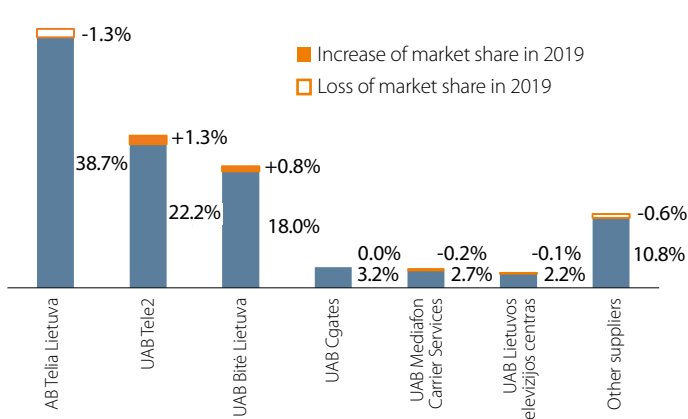


Source: Communications Regulatory Authority of the Republic of Lithuania

The Company is active in the e-communications market. According to the data of the Communications Regulatory Authority of the Republic of Lithuania, in 2019, 121 service providers were active in the e-communications market, more than 42.1% of which engaged in several e-communications activities. In 2018, 116 service providers were active in the e-communications market. **Over a year, the revenue of the analysed market increased by 2.9% or by EUR 20.1 million, amounting to EUR 713.5 million. Data transfer (44.9%) and telephone (43.2%) services were the largest sources of revenue for service providers in 2019.** Data providers earned EUR 40.9 million in 2019, or 14.6% more revenue than in 2018. The least profitable were services of access to physical infrastructure.

According to the report of the Communications Regulatory Authority of the Republic of Lithuania for 2019, the market share of AB Lietuvas

Electronic communications market share by revenue, 2019



Source: Communications Regulatory Authority of the Republic of Lithuania

radio ir televizijos centras in 2019 was 2.2% and ranked sixth among market leaders. In 2019, Telia Lietuva, AB remained **the market leader in communications, whose market share in terms of revenue decreased by 1.3 p. p. to 38.7% over the year.** UAB Tele2 increased its market share the most, by 1.3 p. p. to 23.5%, and UAB Bitė Lietuva increased its market share by 0.8 p. p. to 18.8% in 2019.

Upon approval of the Council of Competition, RRT and Commission for Coordination of Protection of Objects of Importance to Ensuring National Security, the sales agreement of services provided under trademark Mezon signed in retail market in May 2020 should enter into force. The Company argues the reasons of this important step by an aim to change the strategic direction – to concentrate on the effective use of infrastructure developed by the Company, provision of wholesale ICT service and development of infrastructural projects of national importance.

AB Kelių priežiūra

www.keliuprieziura.lt



Ongoing and periodic maintenance of public roads, infrastructure and transport and communication object construction, building and repair works for municipalities and other legal and natural persons, extraction of materials and equipment hire.

Special obligations: road maintenance services.

MAJOR EVENTS:

- At the start of 2019, on the initiative of the Ministry of Transport and Communications, the Company became one of the incorporators of the Centre for Transport Investments along with Lietuvos geležinkeliai and Lietuvos paštas Group. This Centre is aimed at promotion of innovations in the field of transport and attraction of investments of modern foreign capital companies to Lithuania.

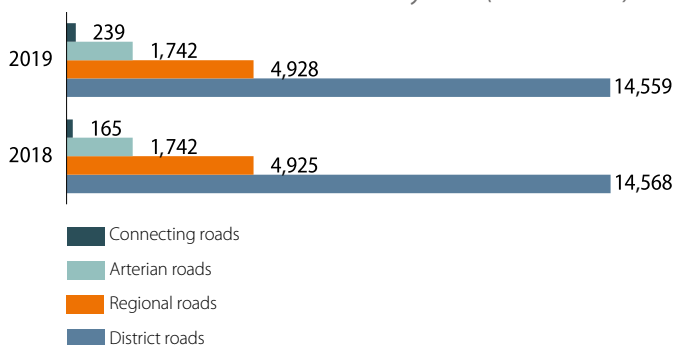
- In 2019, the Company improved the software adapted for the conditions in Lithuania and dedicated for weather forecasts. The software allows faster reactions to the varying situation on the roads and more effective control of Company's resources.

- The Activity Based Costing (ABC) Model was introduced in 2019. The Model used allows to distribute the costs between different projects of the Company in a due manner.

- Following the reform of the Lithuanian road maintenance enterprises completed on 31 October 2017, 11 regional road maintenance enterprises had been merged into a single State Enterprise Kelių priežiūra, which was converted to a public limited liability company on 31 December 2018.

During the reporting period, the total length of the maintained roads of national importance amounted to 21.4 thousand kilometres. In 2019, the highest increase (by solid 44.3%) was in the length of maintained connecting roads due to a 39.6% growth in the number of elderships maintained for the purposes of road maintenance (i.e. up to 268 elderships). In the total structure of roads maintained, the share of district roads was the largest in 2019, same as in the previous year (67.8%), regional roads accounted for 23.0%, arterial roads - 8.0%, whereas connecting roads - 1.1% of all maintained roads of national importance.

Kilometers of roads maintained by levels (thousand km)



In 2019, the Company's sales revenue increased by 7.9%, if compared with the results for 2018, and stood at EUR 84.0 million.

The main Company's client is the Lithuanian Road Administration the revenues from which for road maintenance and contract works grew by 4.1% from EUR 65.3 million in 2018 to EUR 68.0 million in 2019. During the reporting period, the revenue from road maintenance works grew by 6.6% and amounted to EUR 68.8 million constituting 81.7% in the total revenue structure. This growth was mostly conditioned by the increase in volumes of road maintenance services rendered to the municipalities. Revenue from contract works accounting for 17.1% of all revenue showed the major increase in 2019 - 28.6% due to 110.6% increase in the need for contract services from the Lithuanian Road Administration and municipalities. The decline in production revenue by EUR 0.46 million was mostly conditioned by 39.9% decrease in the volumes of gravel sales. Decline in the revenue from other services by 67.7% or EUR 0.89 million was affected by a 93.9% decrease in the volumes of the transfer of vehicles in flooded section Šilutė-Rusnė, as well as 87.8% decrease in revenue from inventory of roads, road buildings and land occupied by them and 22.8% decrease in the revenue from the lease of mechanisms.



General Director
Rolandas Rutėnas

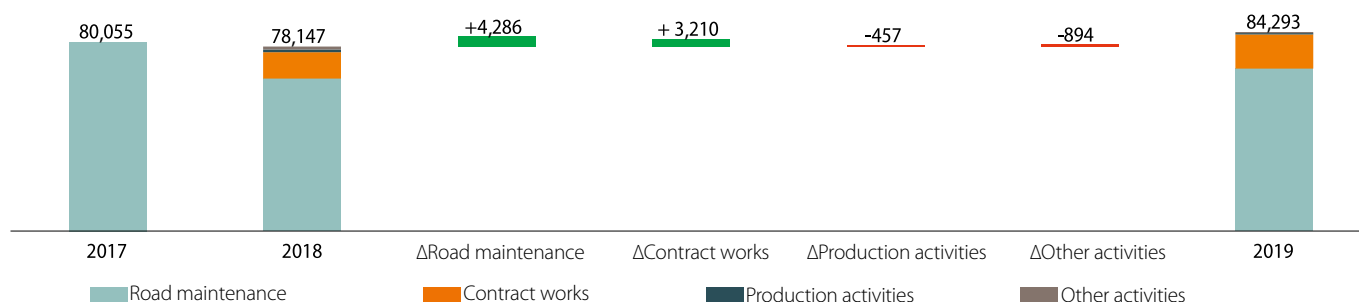
Chairman of the Board
Vygantas Sliesoraitis

- Revenue grew by 7.9% and reached EUR 84.3 million during the reporting period
- Decrease in adjusted net profit amounted to 55.9%
- Liabilities increased by 50.2%

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	78,147	84,293	+7.9%
Cost of goods sold	69,758	77,263	+10.8%
Gross profit (loss)	8,389	7,030	-16.2%
Cost of sales	0	0	-
General and administrative expenses	9,456	6,886	-27.2%
Results of other activities	274	273	-0.4%
Net financial items	-23	-69	-200.0%
Profit (loss) before taxes	-816	348	-
Corporation tax	348	-5	-
Net profit (loss)	-1,164	353	-
Adjusted net profit (loss)	801	353	-55.9%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	85,813	85,990	+0.2%
Current assets	37,626	43,027	+14.4%
Cash and cash equivalents	28,511	31,231	+9.5%
Deferred charges and accrued income	0	0	-
Total assets	123,439	129,017	+4.5%
Equity	110,948	111,299	+0.3%
Grants and subsidies	0	0	-
Provisions	2,128	2,151	+1.1%
Amounts payable and other liabilities	10,363	15,567	+50.2%
Amounts payable after one year and other non-current liabilities	769	2,177	+183.1%
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	9,594	13,390	+39.6%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	123,439	129,017	+4.5%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
Adjusted ROA	0.6%	0.3%	-0.3 p.p.
Adjusted ROE	0.7%	0.3%	-0.4 p.p.
D/E	0.0%	1.5%	+1.5 p.p.
EBITDA	7,889	10,325	+30.9%
EBITDA margin	10.1%	12.3%	+2.2 p.p.
Adjusted net profit margin	1.0%	0.4%	-0.6 p.p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
Property tax	2,311	0	-100.0%
Total contributions and non-standard taxes to the State	2,311	0	-100.0%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	2,452	2,380	-2.9%
Number of executives	1	1	0
Average monthly salary of executives (gross, EUR)	10,241	11,275	+10.1%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Rolandas Rutėnas
Chairman of the Board			Vygantas Sliesoraitis*
Members of the Board			Egidijus Vaišvilas* Audrius Vaitkus* Lijana Geštautaitė*

*Independent member

Sales Revenue (EUR thousand)

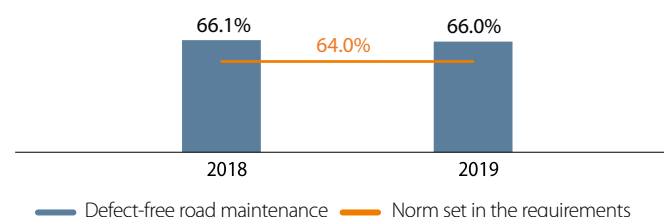
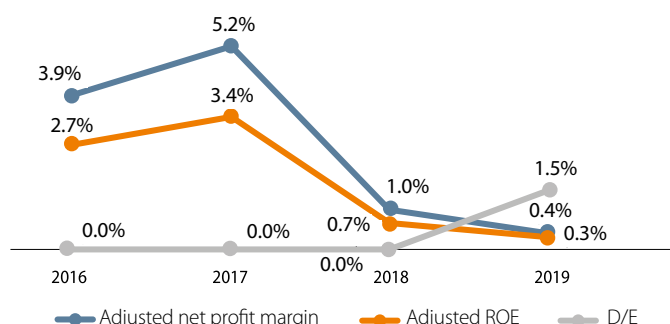


The total costs of the Company, which amounted to EUR 84.1 million, grew by 6.2% compared with the results for 2018. The major share (48.1%) in the costs structure - wage costs that grew by 24.6% and amounted to EUR 37.2 million. The increase in these costs was conditioned by the unification of wage system for all employees that was applied in 2019. Material costs accounted for 16.4% in the structure of all costs and grew by 18.9% amounting to EUR 13.8 million due to increase in the volumes of works. A 8.0% rise in the transport operating costs accounting for a similar share (15.5%) of the total costs was conditioned by an increase in repair costs and costs of spare and operational parts as well as 3.5% increase in fuel costs.

Despite the poor performance of Company at the end of the reporting period, **Company's EBITDA ratio amounting to EUR 10.3 million increased by 30.9% compared with the result of 2018.** However, the

ratios of return continued to remain low: adjusted return on equity decreased from 0.7% to 0.3%, i.e. declined by 0.4 p. p. as compared with 2.7 p. p. decline in 2018. Adjusted net profit margin decreased from 5.2% in 2017 to 1.9% in 2018 and continued to decline down to 0.4% in 2019. From 2016 to 2018, D/E ratio equalled 0.0%, however, over 2019, Company's debt-to-equity ratio increased up to 1.5%.

Return to the shareholder remained rather stable during the reference period compared with 2018. Since the distributable result was equal to EUR 0 at the end of 2019, the profit contributions were not assigned. This led to a significant decrease in the return to the State, as the sum of profit contributions assigned for the performance of 2017 (Company's legal status was State Enterprise) amounted to EUR 4,543.8 thousand. Property tax which decreased by 0.2% or EUR 4.0 thousand in 2017, remained rather stable in 2018, and no property tax remained in 2019.

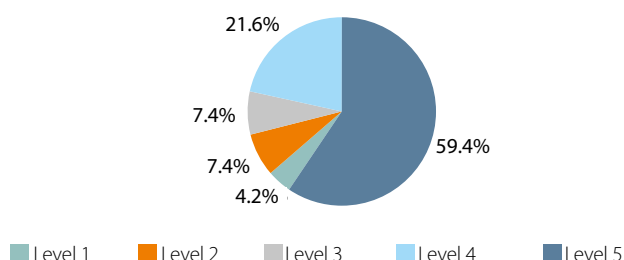


Upon implementation of structural changes and combining of administrative functions, **the number of employees decreased by 2.9% and amounted to 2,380 during the reference period.** Wage and motivational system were updated in 2019 allowing to offer a unified wage meeting the labour market conditions as well as oriented to the internal fairness inside the company and dignified conditions to the employees.

The value of investment amounted to EUR 8.5 million in 2019 and grew by more than twice compared with 2018. In 2018, the investment amounted to EUR 4.6 million, approximately half of which (EUR 2.0 million) was used for the purchase of new equipment. The other half (EUR 2.0 million) was used for the construction of road maintenance base in Kaunas Region. In order to update the current fleet of machinery, the investments were mostly used for machines and equipment as well as vehicles - EUR 6.5 million. Furthermore, the construction and installation of the new base of the Company in Pagiriai was completed.

According to the data of the Lithuanian Road Administration under the Ministry of Transport and Communications, the major share of funds allocated for the maintenance of roads of national importance (50.0%) in 2019 was used for the maintenance of road of national importance

Length of sections of roads maintained by levels of maintenance



during the winter time and 26.0% - constant maintenance during the summer. 15.0% of funds were used for periodic maintenance of roads. In 2018, most of funds were also used for road maintenance during the winter (57.0%), constant maintenance during the summer (25.0%) and periodic road maintenance (18.0%). According to the criterion of assessment of defect-free road maintenance that shows how many kilometres of roads of national importance (%) contain no defects, in view of the requirements set for road maintenance levels, defect-free roads accounted for 66.0% in 2019 compared with 66.1% in 2018. The percentage of defect-free roads according to the norms of requirement set shall be at least 64.0%. Thus, the communication by maintaining a suitable condition of the network of roads of national importance and without impairing the operational characteristics is ensured.

A shift to 5 road maintenance levels was made on 1 January 2020, which are no longer related with the road designation (arterial, regional, district) as previously, but rather with levels of maintenance. Since the start of 2020, the roads are differentiated according to the average annual intensity of daily traffic, maximum permissible driving speed, functional purpose of the road and the type of coat that allows better response to the needs of drivers. The section of roads of the first, the most important and the highest maintenance level, reached 696 km, accounting for 4.2% of all sections of roads maintained by the Company the traffic level of which, good technical and aesthetic condition must be ensured 24 hours a day. Roads of the fifth level account for the most of road sections (9,825 km or 59.4%). These are the lowest level maintenance-free roads which, under extreme conditions, must be ordered within 24 hours, while the roads of the second level must be ordered within 4 hours, third level - 8 hours, fourth level - 10 hour. Roads of second and third level - by 1,222 km each, fourth level, also one of the longest sections (3,567 km) accounting for 21.6% in the total structure.

VĮ Oro navigacija

www.ans.lt



Air navigation services for aircrafts flying in the airspace of the Republic of Lithuania

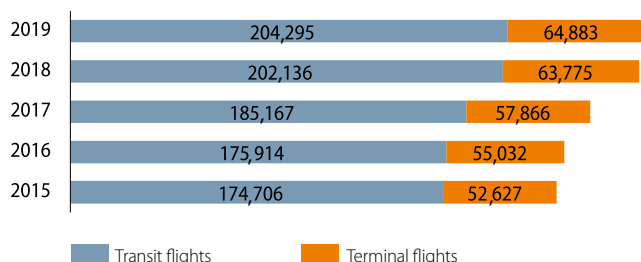
MAJOR EVENTS:

• In **February 2019**, the Company and Latvian air navigation service provider LGS as well as companies providing air navigation services of these countries signed agreements whereby they shared responsibilities in the provision of air navigation services in air route section over the neutral waters of the Baltic Sea.

• On **13 March 2019**, in the World Congress that took place in Madrid, the European Organisation for Safety of Air Navigation (Eurocontrol) and members of the iTEC Alliance (providers of air navigation services) signed a Cooperation Agreement whereby they undertook to enhance common flight systems interaction and smooth data transmission.

• In **March 2019**, the Company became the first state enterprise whose implemented anti-bribery management system according to ISO 37001 standard was officially certified by a certification body.

In 2019, the number of flights in the Single European Sky area increased by 0.8% against 2018 and was smaller than forecasted (1.2% growth) and amounted to 11.1 million flights. The main factor conditioning the total growth in the number of flights in 2019 was the regular flows of flights to and from Europe. The growth of domestic traffic in Europe, on the other hand, saw a slowdown. However, according to the Eurocontrol data, the greatest contribution to the growth of the total number of flights in 2019 was attributable to the rapid rise in the number of flights in Italian, Croatian, Spanish, Greek, Austrian and Serbian as well as Montenegro airspaces, not to mention the new airport in Turkey. In the Scandinavian countries, a decrease in the number of flights was recorded due to the decreasing local and tourist travels in the context of the economic slowdown.



The number of flights in the airspace of the Republic of Lithuania has been increasing annually in 2015-2019. Overflights accounted for 75.9%, while terminal flights - 24.1% of the total number of flights during the reporting period. In 2019, the total number of flights saw a moderate growth and reached 269,178, i.e. 1.2% more than during the same period in 2018. The number of terminal flights was estimated at 64,883 during the reporting period, which was 1,108 flights or 1.7% more than in 2018. 204,295 aircrafts made transit flights, i.e. 1.1% more than a year ago. Such results were affected by the growth in the number of Getjet Airlines up to 2,664 flights in order to compensate the number of flights lost after the bankruptcy of Small Planet Airlines. Also, the increase in the number of Air Baltic flights due to expansion of activities abroad and in Lithuania contributed to better performance.

The share of transit flights operated by the Top10 airlines in the airspace of the Republic of Lithuania represented 56.2% of the total number of overflights, while the number of terminal flights operated by the Top10 major airlines accounted for as much as 69.3% of the total number of domestic flights. This shows that the overflights segment is more diversified than the domestic one.

The unit rates of en route and terminal services provided by the Company have been decreasing tendentiously and decreased accordingly by 1.9% and 5.7% during the reporting period as against 2018. The rates are coordinated with and approved by the representatives of airspace users on the annual basis. Following the provisions of Articles 25-28 of the Commission Implementing Regulation (EU) 2019/317 of 11 February 2019, any operating revenue exceeding the costs shall be returned to the service users over the next two years. The Company's



General Director
L. e. p. Marius Beliusas

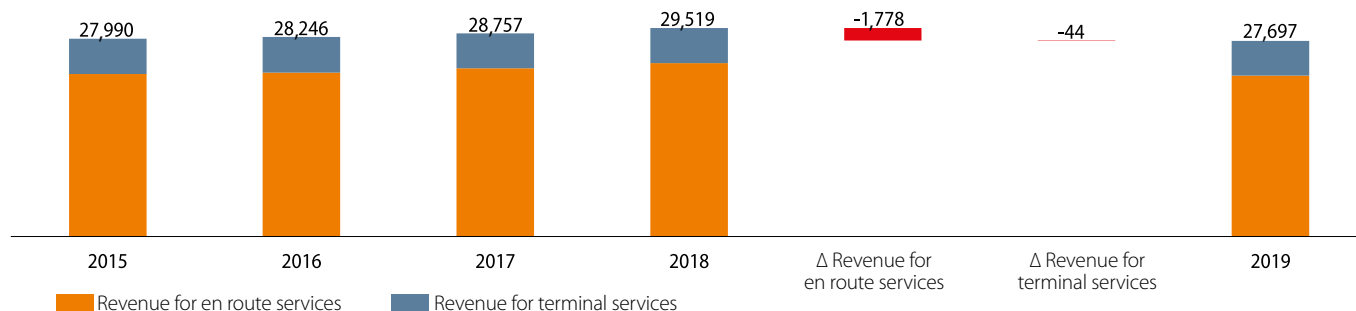
Chairman of the Board
Dangirutis Janušas

- ↑ In 2019, the number of flights grew by 1.2% and totalled 269.2 thousand
- ↓ During the reporting period, sales revenue declined by 6.2%
- ↓ Company's adjusted net profit decreased down to EUR 3.3 million

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	29,519	27,697	-6.2%
Cost of goods sold	18,613	18,252	-1.9%
Gross profit (loss)	10,906	9,445	-13.4%
Cost of sales	0	0	-
General and administrative expenses	6,233	5,565	-10.7%
Results of other activities	-551	-8	+98.5%
Net financial items	16	194	+1,136.3%
Profit (loss) before taxes	4,138	4,066	-1.7%
Corporation tax	-191	971	-
Net profit (loss)	4,329	3,095	-28.5%
Adjusted net profit (loss)	4,583	3,349	-26.9%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets¹	47,146	43,084	-8.6%
Current assets	19,363	23,861	+23.2%
Cash and cash equivalents	14,582	19,102	+31.0%
Deferred charges and accrued income	2,867	2,543	-11.3%
Total assets	69,376	69,488	+0.2%
Equity	49,595	48,098	-3.0%
Grants and subsidies	5,911	8,278	+40.0%
Provisions	224	163	-27.4%
Amounts payable and other liabilities	11,014	11,171	+1.4
Amounts payable after one year and other non-current liabilities	3,915	3,442	-12.1%
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	7,099	7,729	+8.9%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	2,631	1,778	-32.4%
Total equity and liabilities	69,376	69,488	+0.2%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	7.4%	4.8%	-2.5 p.p.
ROE	9.6%	6.9%	-2.7 p.p.
D/E	0.0%	0.0%	0.0 p.p.
EBITDA	7,338	7,349	+0.1%
EBITDA margin	24.9%	26.5%	+1.6 p.p.
Net profit margin	15.5%	12.1%	-3.4 p.p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	1,100	1,185	+7.7%
Property and raw material tax	299	298	-0.1%
Total contributions and non-standard taxes to the State	1,399	1,483	+6.1%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	285	291	+2.1%
Number of executives	2	1	-50.0%
Average monthly salary of executives (gross, EUR)	7,390	8,114	+9.8%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director	L. e. p. Marius Beliusas		
Chairman of the Board	Dangirutis Janušas*		
Members of the Board	Gediminas Almantas*		
	Miklas Jovaišas*		
	Vytautas Vaižmužis		
	Sergejus Volkovas		

*Independent member

Sales Revenue (EUR thousand)



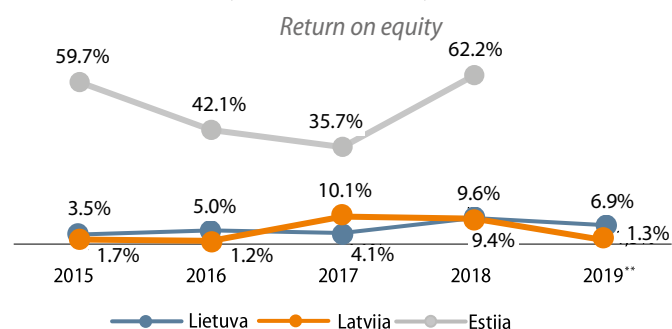
operating revenue consists of the revenue from en route and terminal air navigation services, i.e. en route and terminal charges. The revenue from the en route air navigation services, which represented 82.2% of the Company's revenue, decreased by 7.2% over the reference period, while the growth of the terminal air navigation services saw a slight decrease by 0.9%.

The Company's primary objective is other than making profit, but rather meeting public interest and implementing the commercial functions delegated by the State, with the primary focus going to achieving social and political objectives. Profitable business takes a secondary role. **During this reference period, the sales revenue from air navigation services decreased by 6.2%, the cost of goods sold also decreased by 1.9%, while the costs increased by 0.4%. Thus, the Company's net profit also decreased accordingly by 13.4% and 28.5%. Company's adjusted net profit decreased from EUR 4.6 million in 2018 down to EUR 3.3 million in 2019.** Costs associated with labour relations accounted for 64.0% of all costs and, compared with the reporting period of 2018, grew by 4.6% due to structural changes and increase in the number of employees. Depreciation (amortisation) costs accounting for 13.3% in the total structure, grew by 8.1% as well as other costs including the equipment maintenance and service, utility services, office maintenance, insurance and personnel operating costs accounting for 15.3% increased by 18.3%.

Pursuant to paragraph 5 of Article 15 of the Law on State and Municipal Enterprises of the Republic of Lithuania, the Company is exempted from making profit contributions to the State budget because the Company's revenue and cost structure is governed by the European Union legislation. However, **for the performance in 2019 the Company assigned EUR 1,185 thousand in profit contribution**, which was 7.7% more than the profit contribution paid for the performance achieved in 2018.

2019 saw a decrease in the sum allocated to the Company's investments from EUR 11.4 million in 2018 to EUR 4.4 million, of which all costs were financed using own funds. The major projects that are currently implemented include: for the period 2018-2024 - single centralised aerodrome flights management system; for the period 2015-2024 - the new administrative and Regional Air Traffic Control Centre building construction and installation of the air traffic control system.

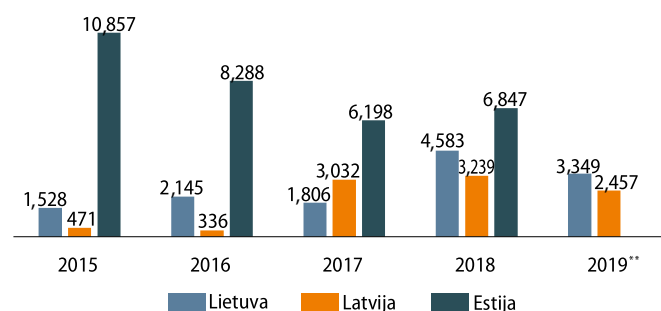
Based on the data provided by Eurocontrol on the companies providing air navigation services, in 2019, the coverage of airspace controlled by the Company increased by 1.9% from 74,700 square km to 76,126 square km and was the smallest among the Baltic States. Lennuliiklusteeninduse AS, which operates in Estonia, controlled 77,400 square km, and the airspace controlled by the Latvian company totalled 95,900 square km.



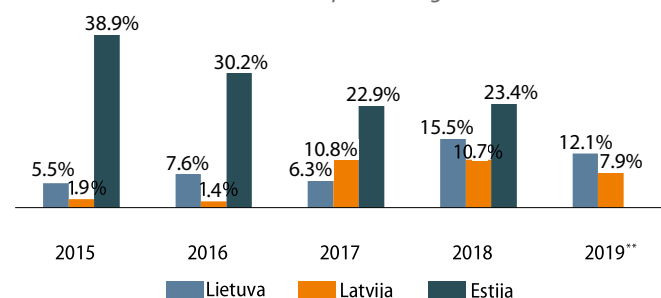
Comparing the performance of the companies offering air navigation services across the Baltic states, it is evident that the company, which provides air navigation services in Estonia, is taking the lead despite the annual decrease in net profit from 2015 to 2017, which, however, saw a slight increase in 2018. This company's profit for 2018 was more than double that of the Latvian company, however, barely more than 1.5 times higher than the adjusted net profit of VJ Oro navigacija. The adjusted net profit of VJ Oro navigacija that saw a significant growth in 2018, decreased from EUR 4.6 million down to EUR 3.3 million during the reporting period. Furthermore, the net profit margin was also characterised by a decline in 2019 and yet still remained higher than the net profit margin of VAS Latvijas gaisa satiksme by 4.2 percentage points. In 2018, the net profit of Lithuanian and Estonian air navigation service providers grew accordingly by 153.8% and 10.5% as against the results of 2017. It was mostly associated with a moderate increase in sales and growth in the number of flights operated in the airspace of the Republic of Lithuania amounting to 9.4%. However, the net profit of VAS Latvijas gaisa satiksme remained at the same level in 2018 and grew by 6.8%, i.e. from EUR 3.0 million up to EUR 3.2 million in 2018.

The relative indicator trends are somewhat similar – the net profit margin of Lennuliiklusteeninduse AS, which had been 23.4% in 2017, was considerably higher than the net profit margin of VAS Latvijas gaisa satiksme, which equalled 10.7%, and of VJ Oro navigacija, whose net profit margin for 2018 had been the increasing the most among the Baltic states and stood at 15.5%. This goes to show that the business of the Estonian air navigation service provider is more profitable. The return on equity reveals similar trends. During the period between 2015 and 2018, the profitability of Lennuliiklusteeninduse AS's equity was significantly higher than the respective indicators of the compared companies across the remaining Baltic States.

Net profit (EUR thousand)



Net profit margin



Source: Data from the financial statements of VAS Latvijas gaisa satiksme, Lennuliiklusteeninduse AS, and VJ Oro navigacija

**Due to the lack of data, the results of Lennuliiklusteeninduse AS for 2019 are not provided.

VĮ Klaipėdos valstybinio jūrų uosto direkcija

www.portofklaipeda.lt

The main Company's functions include the ensuring of safe navigation at the Klaipėda State Seaport - port captain function, maintenance and development of port infrastructure.

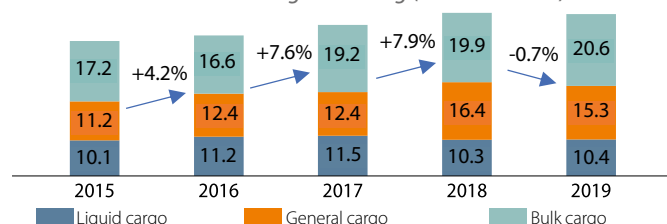
Special obligations carried out: providing access to infrastructure for the Lithuanian Navy.

MAJOR EVENTS:

- On **25 April 2019**, the Port Authority received the award "Lithuanian Exporter of the Year" from the Lithuanian Confederation of Industrialists.
- On **12 July 2019**, in the annual international conference organised by "Esri", the leader on geo-information systems market, in San Diego (USA), the Port Authority was awarded for the achievements made in introduction of GIS methods in the digital port systems.
- On **11 December 2019**, the general plan of the Klaipėda State Seaport (land, internal water area, external harbourage and related infrastructure) was approved by Resolution No 1278 of the Government of the Republic of Lithuania.
- On **16 December 2019**, by the order of the Minister of Transport and Communications of the Republic of Lithuania, investment projects "Deepening of the navigation channel of Klaipėda State Seaport from PK21 to PK85 (to the depth of up to 15 m)" and "Reconstruction of breakwaters (piers) and implementation of environmental measures" were included in the list of national projects offered to be co-financed out of the EU structural funds.

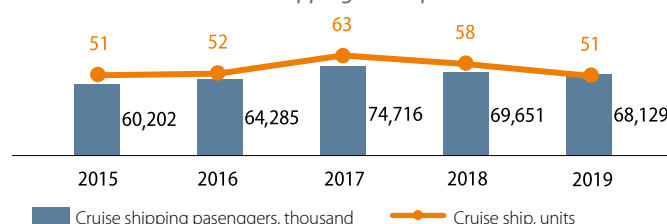
The result of the port achieved through the implementation of both public (Port Authority) and private (port users) investments is indicated by the volume of cargo handling, which remained at the similar level as in 2018 (decreased by barely 0.7%). In total, 46.3 million tonnes were handled during the reporting period, which is 0.3 million tonnes more than a year ago.

Volume of cargo handling (million tonnes)



From 2015 to 2018, there has been a steady growth in cargo handling volumes, which averaged to 6.6%. In 2019, Cargo volume dropped slightly due to 6.6% decline in handling operations of general cargo, which accounted for 33.1% of the total cargo structure. The decline in the volumes of handling operations of general cargo was affected by a considerable decrease in handling of iron and steel products as well as metal constructions amounting to solid 57.8%. The volume of handling of bulk cargoes showed the most significant increase during the reporting period (3.5%), while the volume of liquid cargoes handled in 2019 amounted to barely 0.5% more. The growth in bulk cargoes was conditioned by the gain in agricultural products 78.0% of which consisted of grain. A slight increase in liquid cargo handling volumes was determined by a solid 120.5% increase in the volume of liquefied natural gas (LNG) handling works.

Cruise shipping at Klaipėda Port



In 2019, the number of vessels entering Klaipėda port decreased by 4.3% amounting to 6,776, 4,840 of which were engaged in stevedoring. Compared to the results of 2018, the number of vessels with stevedoring operations increased by 2.6%. The number of visitors amounted to 392.3 thousand and that is 4.2% more than a year ago. Cruise shipping accounted for a relatively small share in the total structure of ships entering and passengers arriving: in 2019, 68.1 thousand passengers were carried by 51 cruise ships. The volume of this segment has been shrinking since 2017: 19.0% fewer cruise ships and 8.8% fewer passengers entered the port.



General Director
Algis Latakas

Chairman of the Board
Nerijus Udrėnas

- Adjusted net profit increased by 6.2%
- Net profit margin grew by 3.2 percentage points and amounted to 57.4%
- Growth in liabilities reached 42.4%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	63,736	63,944	+0.3%
Cost of goods sold	0	0	-
Gross profit (loss)	63,736	63,944	+0.3%
Cost of sales	0	0	-
General and administrative expenses	29,173	30,290	+3.8%
Results of other activities	74	84	+13.5%
Net financial items	0	74	-
Profit (loss) before taxes	34,637	33,812	-2.4%
Corporation tax	509	-2,478	-
Net profit (loss)	34,128	36,290	+6.3%
Adjusted net profit (loss)	34,533	36,691	+6.2%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	532,206	594,169	+11.6%
Current assets	59,711	19,853	-66.8%
Cash and cash equivalents	54,405	15,493	-71.5%
Deferred charges and accrued income	0	0	-
Total assets	591,917	614,022	+3.7%
Equity	530,604	539,748	+1.7%
Grants and subsidies	56,423	67,312	+19.3%
Provisions	0	0	-
Amounts payable and other liabilities	4,890	6,962	+42.4%
Amounts payable after one year and other non-current liabilities	206	410	+99.0%
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	4,684	6,552	+39.9%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	591,917	614,022	+3.7%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	5.9%	6.1%	+0.2 p.p.
ROE	6.6%	6.9%	+0.3 p.p.
D/E	0.0%	0.0%	0.0 p.p.
EBITDA	48,477	47,763	-1.5%
EBITDA margin	76.1%	74.7%	-1.4 p.p.
Net profit margin	54.2%	57.4%	+3.2 p.p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	28,000	28,000	0.0%
Property tax	476	472	-1.0%
Total contributions and non-standard taxes to the State	28,476	28,472	0.0%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	241	241	0.0%
Number of executives	5	4	-20.0%
Average monthly salary of executives (gross, EUR)	9,545	10,742	+12.5%

INSTITUTION REPRESENTING THE STATE

Ministry of Transport and Communications of the Republic of Lithuania

MANAGEMENT (1 JUL 2020)

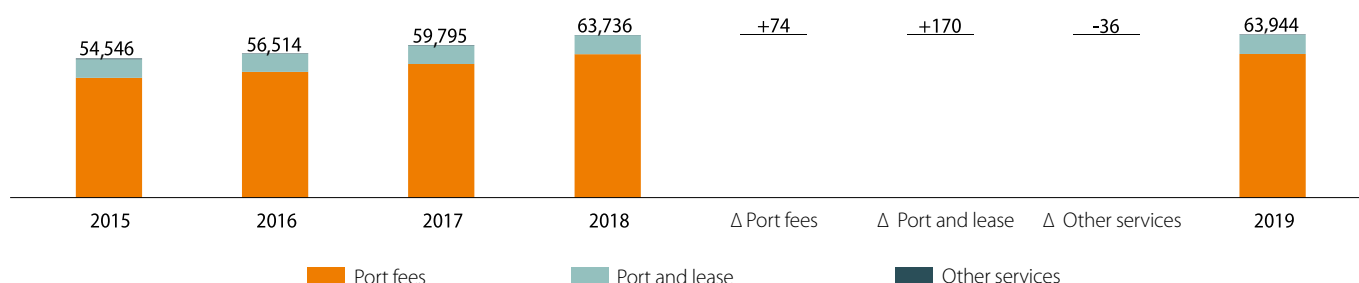
General Director	Algis Latakas
Chairman of the Board	Nerijus Udrėnas*
Members of the Board	Saulius Kerza Vaidotas Rūkas* Eligijus Kajietis* Edvardas Simokaitis

*Independent member

Insignificant decrease in activity volumes had no influence on the operating revenue of the Company that remained at the same level as in 2018, i.e. amounted to EUR 63.9 million and exceeded the level of 2018 by 0.3% or EUR 0.21 million. Changes in the operating revenue are mainly driven by port fees (accounting for 88.0% of total operating revenue in 2019), that increased by 0.1% and amounted to EUR 56.3 million during the reporting period. The amount of port fee revenue depends on the volume of cargo stevedoring in the port, i.e. on changes in the market, geopolitics and other areas that affect freight flows. The Port Authority can influence this type of revenue by increasing port throughput and

competitiveness, i.e. developing the port infrastructure, which, together with private investment in supra-infrastructure, helps maintain existing and attract new cargo flows. The revenue from land lease, which accounted for about 12.0% of operating revenue in 2019, also showed a slight growth compared with 2018 - 2.3% and amounted to EUR 7.5 million. This revenue is collected from port users under long-term land lease agreements. From 2015 to 2018, the overall positive trend has been observed, with an increasing annual revenue growth of 3.6% in 2016, 5.8% in 2017 and 6.6% in 2018 recorded, however, in 2019, the rate of growth has slightly decreased and amounted to 0.3%.

Sales Revenue (EUR thousand)



The operating costs increased by 3.8% and amounted to EUR 30.3 million compared with 2018, however, the economy of costs of 8.0% was achieved compared with the target size for 2019. The increase in costs was mostly conditioned by the costs of cleaning works at port water area amounting to EUR 2.9 million in 2019 and increasing by EUR 1.5 million compared with the previous period. These works are performed each year according to the need, which depends on the natural and meteorological conditions. One of the largest groups of costs accounting for approximately 26.6% of the main operating costs includes the costs related to personnel maintenance that saw a 2.7% increase and amounted to EUR 8.1 million due to increased wage budget having evaluated the level of wages of Company's employees on the market. The largest share – 46.3% of overall operating costs consisted of depreciation and amortisation of non-current assets amounting to EUR 14.0 million; compared to 2018, they increased by 1.4%. This increase resulted from the start of operation of new objects of infrastructure in 2019 and, in view of the requirements of international accounting standard, more intensive depreciation of the handling embankment down to zero liquidation value.

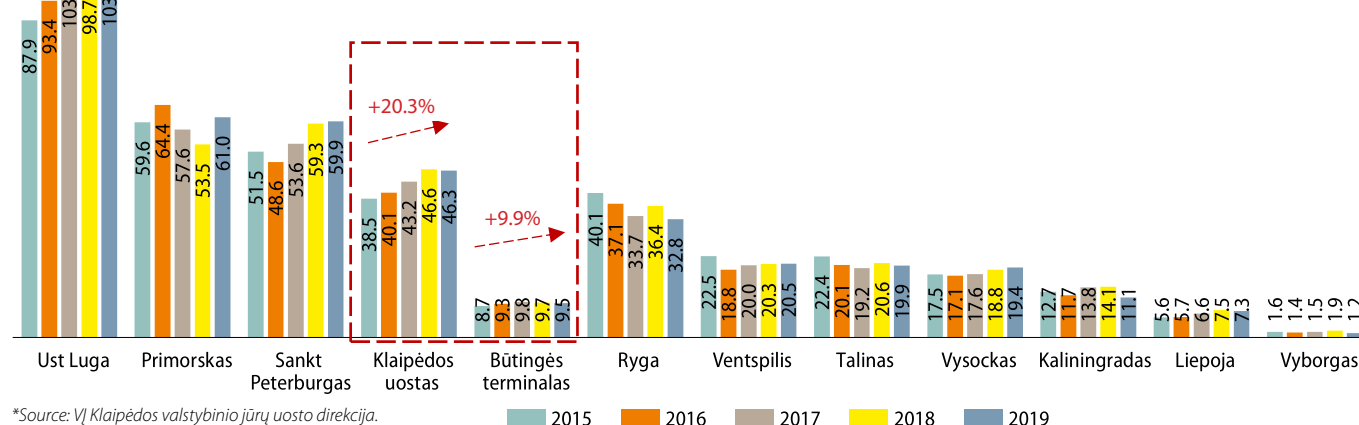
Company's net profit amounted to EUR 36.3 million, i.e. EUR 2.2 million or 6.3% more than in 2018. The influence on the positive financial performance resulted not only from changes in revenue and costs, but also changes in the tax environment. The amendments of the Law on Corporate Income Tax of the Republic of Lithuania adopted since 2017 conditioned that the corporation tax was negative in 2017, i.e. the net profit of that year

was increased by EUR 6.6 million, whereas in 2018 it totalled EUR 0.5 million and conditioned a significant decrease in net profit when compared with 2017. Estimating the corporation tax for 2019, all accrued loss in corporation tax was used, and the corporation tax assets decreased down to 0 due to accrued tax assets. The remaining profit before taxes was reduced by 100% according to the tax exempt stipulated in Article 46-1 of the Law on Corporate Income Tax regarding the performance of investment projects into port infrastructure and software, the purpose of purchase whereof - increase in Company's revenue. Adjusted net profit margin grew by 3.2 percentage points and equalled 57.4% at the end of the reporting period.

The previously discussed changes in revenue and expenses also affected financial ratios: the Company's EBITDA increased slightly by 1.5% and reached EUR 47.8 million due to increased costs by EUR 0.9 million or 6.0% (excluding the costs of depreciation and amortisation of non-current assets). Accordingly, the EBITDA margin dropped by 1.4 p. p. down to 74.7%. ROE was equal to 6.9% and increased by 0.3 p. p. compared with 2018.

In 2019, the value of investments made by the Company doubled and amounted to EUR 80.8 million (compared with EUR 38.8 million in 2018). Most of the investment, i.e. 71.9% of total investment, amounting to EUR 58.1 million, was allocated for the construction and reconstruction of quays (EUR 32.0 million in 2018). 23.6% of all investments, i.e. EUR 19.1 million was allocated for deepening of port water area and dredging the quays areas, compared with EUR 3.5 million allocated for these investments in 2018.

Volume of Cargo Handling in Baltic Sea (million tonnes)



*Source: VĮ Klaipėdos valstybinio jūrų uosto direkcija.

According to the assessment of VĮ Klaipėdos valstybinio jūrų uosto direkcija, the main competitors of Klaipėda port are the ports of the Eastern coast of the Baltic Sea, which have the opportunity to compete with Klaipėda port regarding the cargo flows along the East-West transport corridor. In 2019, there has been a considerable increase in cargo handling at Russian ports: Primorsk and Ust Luga. Other ports were characterised by a slight growth or decrease. The amount of cargo carried by Klaipėda port in 2019 accounted for 11.8% of the market, while, in 2018, Klaipėda port handled 12.0% of the freight flow through the ports of the Eastern

coast of the Baltic Sea. During the period of 2015-2019, cargo handling at Klaipėda port increased from 38.5 to 46.3 million tonnes, i.e. by 20.3%. Cargo handling at the ports of Eastern coast of the Baltic Sea during the same period increased by 6.6% or 24.2 million tonnes. **As seen from the data, the turnover at Klaipėda port increased more rapidly than the average growth on the market. The market share held by Klaipėda port showed a stable increase from 10.4% in 2015 up to 12.0% in 2018, whereas during the reporting period it saw a slight decline down to 11.8%.**

VĮ Lietuvos oro uostai

www.ltou.lt

Operation of Vilnius, Kaunas and Palanga airports, rental of premises and car parks, and advertising

MAJOR EVENTS:

• In 2019, the Company completed the construction of 4-storey modern multifunctional parking lot of the area of 32 thousand sq. m. that allowed to improve the quality of services and increase the number of passenger vehicle parking places up to 999 places.

• In the 3rd quarter of 2019, the Company started the construction of modern VIP terminal building with a conference centre.

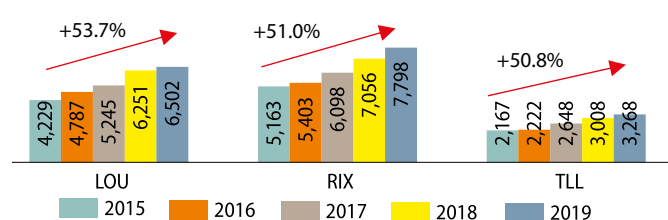
• In 2019, the Company started the introduction of Lean methods (tools) as well as involvement of employees in the application of methods in order to improve the effectiveness of operations, increase the efficiency of goals, enhance the satisfaction of external and internal customers, promote cooperation between branches, etc.

• In 2019, aircraft monitoring site was opened at the Vilnius Airport that has no analogues nationwide and where everyone can safely monitor aircrafts.

To improve business efficiency and taking account of the OECD guidelines for having state enterprises, which undertake economic activities, converted into companies, in 2017, the Company, together with the Ministry of Transport and Communications, launched the project for the Company to be converted into a public limited liability company. This reorganisation process took place in 2019 as well, because, in order to reorganise the Company into AB in an effective manner, certain amendments to the laws had to be made that regulate the changes in the airport reorganisation and after which the Company's reorganisation process would be continued.

In 2019, the number of passengers handled by Lithuanian Airports reaching 6.5 million was considered the record breaking. During the reporting period, 4.0% more passengers were serviced than in 2018 when 6.2 million passengers were handled. Vilnius Airport handled 76.9% of all of the Company's passengers, i.e. 5 million. Compared with 2018, the number of passengers at Vilnius Airport increased by 2.0%, while at Kaunas Airport - by 15.0% up to 1.2 million passengers. Although the decrease by 200 thousand passengers during the reference period was conditioned by cancellation of 6 destinations by Wizz Air, however, the passenger flows increased due to new destinations offered. In 2019, the number of passengers at Riga Airport grew the most among the Baltic States, i.e. 11.0% due to the increased flow of passengers on the connecting flights. In 2018, Vilnius Airport had flights carried out to 65 destinations, whereas in 2019 the number increased up to 74 destinations. During the same period, 1.5 times more destinations were offered at Riga Airport in 2018 - 91 destinations, whereas in 2019 - 117 destinations. Two new directions were offered at Tallinn Airport, thus, 43 destinations were offered in total in 2019.

Number of passengers in the Baltic States (thousand)



*Source: VĮ Lietuvos oro uostai (The number of passengers at Vilnius Airport in 2017 includes the flow of Vilnius Airport passengers redirected through Kaunas Airport during to the take-off runway reconstruction)

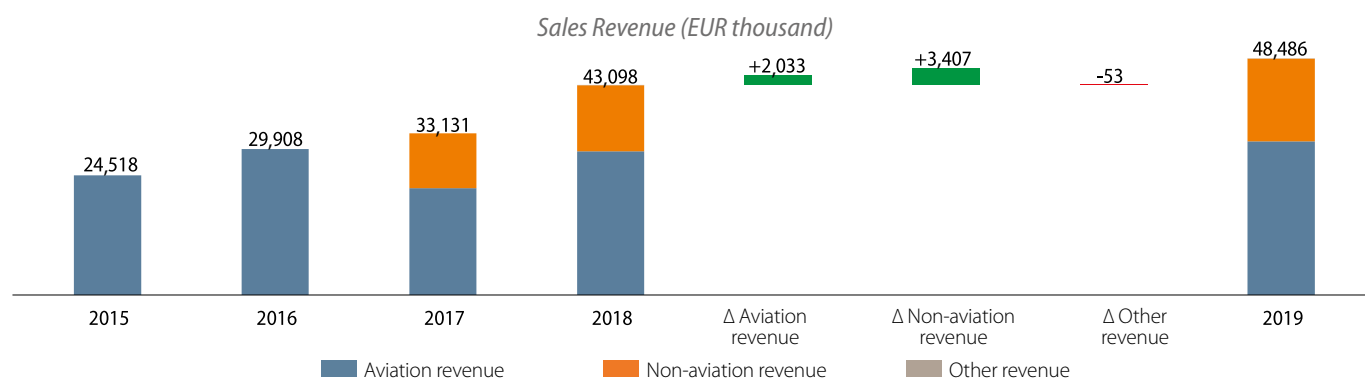
The number of seats offered by traditional airlines in 2019 increased by 9.0% (with the average aircraft seat occupancy reaching 69.0%, which was a decline by 7.2 percentage points over the year), by low-cost airlines - dropped by 2.0% (with the average aircraft seat occupancy increasing by 1.9 percentage points and equalling 90.0%). Thus, with the targeted increase in destinations and the number of seats offered, Lithuanian Airports are approaching the leader's

General Director
Marius GelžinisChairman of the Board
Arijandas Šliupas

- ↑ Sales revenue grew by 12.5%
- ↑ Adjusted net profit grew by 54.5% and reached almost EUR 14 million
- ↑ Return on equity grew up to 10.7%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	43,098	48,486	+12.5%
Cost of goods sold	0	0	-
Gross profit (loss)	43,098	48,486	+12.5%
Cost of sales	32,231	32,511	+0.9%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	-59	-60	-0.8%
Profit (loss) before taxes	10,808	15,916	+47.3%
Corporation tax	2,115	2,289	+8.2%
Net profit (loss)	8,693	13,627	+56.8%
Adjusted net profit (loss)	9,054	13,988	+54.5%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	158,091	172,004	+8.8%
Current assets	32,938	25,293	-23.2%
Cash and cash equivalents	25,964	18,050	-30.5%
Deferred charges and accrued income	0	0	-
Total assets	191,030	197,297	+3.3%
Equity	125,152	135,576	+8.3%
Grants and subsidies	39,318	36,241	-7.8%
Amounts payable and other liabilities	26,560	25,480	-4.1%
Amounts payable after one year and other non-current liabilities	13,078	12,710	-2.8%
Financial liabilities	13,000	12,591	-3.1%
Amounts payable within one year and other current liabilities	13,482	12,769	-5.3%
Financial liabilities	0	409	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	191,030	197,297	+3.3%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	4.6%	7.0%	+2.4 p.p.
ROE	7.1%	10.5%	+3.3 p.p.
D/E	10.4%	9.6%	-0.8 p.p.
EBITDA	17,525	22,707	+29.6%
EBITDA margin	40.7%	46.8%	+6.2 p.p.
Net profit margin	21.0%	28.9%	+7.8 p.p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	8,524	0	-100%
Property tax	425	425	0.0%
Total contributions and non-standard taxes to the State	8,949	425	-95.3%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	660	662	+0.3%
Number of executives	1	1	0.0%
Average monthly salary of executives (gross, EUR)	11,222	9,769	-12.9%
INSTITUTION REPRESENTING THE STATE	Ministry of Transport and Communications of the Republic of Lithuania		
MANAGEMENT (1 JUL 2020)			
General Director	Marius Gelžinis		
Chairman of the Board	Arijandas Šliupas*		
Members of the Board	Eglė Čiužaitė* Tadas Arvydas Vizgirda* Saulius Kerza		

*Independent member

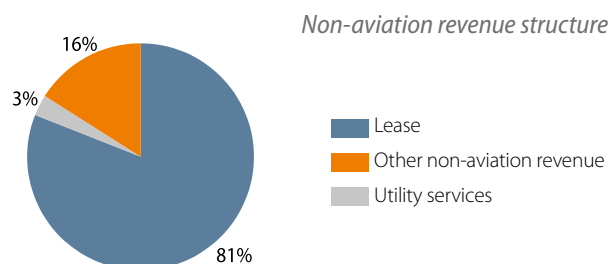
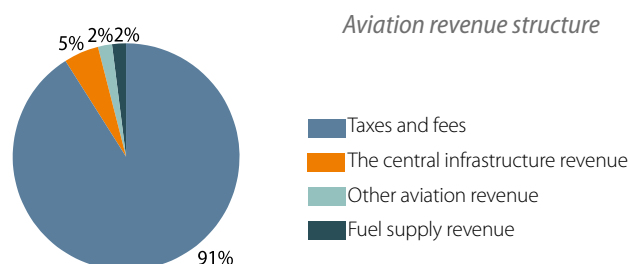


position in the region. In 2019, Vilnius Airport had 15 airlines operating scheduled flights. The largest carriers stayed the same with Ryanair representing 33.0% of the total flow and Wizz Air taking a 22.0% share of all passengers.

Better performance of the Company was also reflected in the sales revenue growth, which was estimated at 12.5%. **In 2019, the Company earned EUR 48.5 million in sales revenue.** Aviation revenue that accounted for 64.9% in the total revenue structure, grew by 6.9% or EUR 2 million. Although the share of non-aviation services continued to increase in the total revenue structure, however, it remained almost at a half of aviation revenue - increased by 25.1% or EUR 3.4 million.

The structure of the aviation revenue of VĮ Lietuvos oro uostai experienced a minor change during the reference period. **In 2019, the largest share (90.9%) of aviation revenue constituted of taxes and**

fees: the departure tax represented 55.0% in the aviation revenue structure in 2019, while the landing fee accounted for 31.0% of the total aviation earnings. Compared with the results for 2018, the collected aircraft parking charge increase by 35.0% because of the increased demand for the services and the rising aviation charges. The central infrastructure revenue, which showed a gradual increase for several years until 2018, decreased by 9.4% during this reporting period due to reviewed amounts of taxes. **Same as in 2018, during the reference period, the growth of non-aviation services mainly involved the improved rent collections for several years, which represented 81.4% in the non-aviation revenue in 2019.** 2019 saw 45.0% more earnings collected from the rental of buildings and premises than in 2018 due to a rise in the car park rental revenue and the new rental contracts signed, which led to the rise of the revenue from both fixed and variable components of the rent.

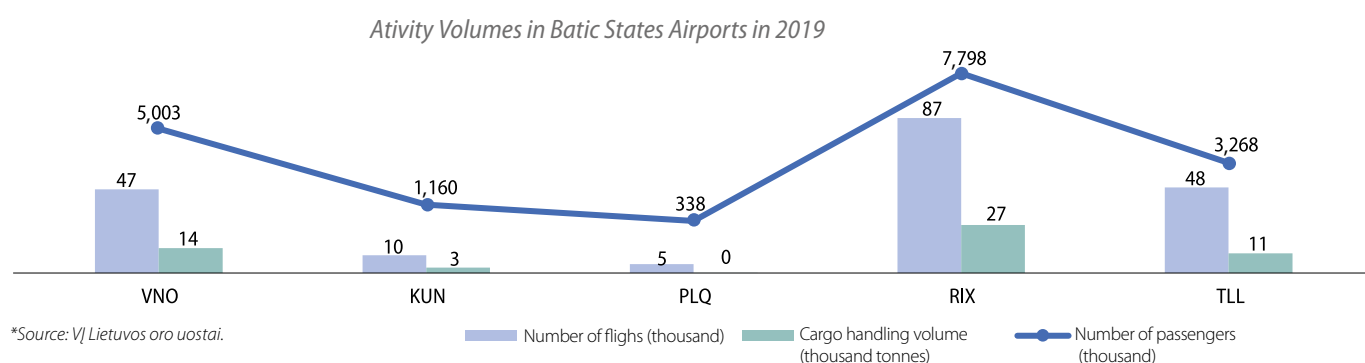


The increasing revenue and the costs remaining at the similar level as in 2018 determined the growth of the **Company's adjusted net profit with the profit reaching almost EUR 14 million during the reference period as against EUR 9.1 million at the end of 2018.** EBITDA reached EUR 22.7 million and, compared with 2018, rocketed by 29.6%. The EBITDA margin growth accounted for 6.2 p. p. with the margin standing at 46.8%. The adjusted net profit margin accounted for 28.9% in the reference period.

To improve the services offered by the airports, broaden the service range, modernise the infrastructure, ensure aviation safety and optimise business processes, the Company has been undertaking investment projects. The value of investments made in 2019 reached EUR 20.6 million, when 2018 had a significantly lower amount of EUR 5.7 million invested. The analysis of the last three reporting years shows that the highest sum - EUR 28.4 million - was allocated for investment in 2017. In 2017, the Company was carrying out the project: 'Reconstruction of aircraft take-off and landing runway and the airfield lighting system at Vilnius Airport to improve aviation conditions' with its total costs reaching EUR 20.2 million.

2018 saw the growth of only the investment value dedicated to Palanga Airport with the investment representing 17.8% in the total investment structure and reaching EUR 1,018 thousand. In 2019, investments increased at all Lithuanian Airports and especially at Vilnius Airport - from EUR 3.5 million to EUR 16.5 million. Main investments were dedicated to the buildings and constructions category. The major share of investments was dedicated to implementation of Vilnius programme measures the most important of which were construction and installation of multi-storey parking lot and construction of VIP terminal.

Comparative data for 2019 of competing airports show that Vilnius Airport is behind the Baltic airports in the region in terms of the number of flights. But looking at the volumes of cargoes and passengers transported, Lithuanian Airports are only second to Riga Airport. The total volume of cargo handled by all three airports grew by 7.0% up to about 17 thousand tonnes. Vilnius Airport handled 14 thousand tonnes of cargo, Kaunas - 3 thousand tonnes, and Palanga - 0.06 thousand tonnes of cargo, while Riga Airport handled 27 thousand tonnes, and Tallinn Airport - 11 thousand tonnes of cargo.



*Source: VĮ Lietuvos oro uostai.

VĮ Valstybinių miškų urėdija

www.vivmu.lt

Maintains 1 million ha of forest by the right of confidence; return to the State each year - approximately EUR 40 million; plants approximately 30 million units of trees; restores 8,500 ha of forests; plants approximately 500 ha of new forests; maintains 34,500 km of the network of forest paths and 1,740 recreational objects; prepares 3.6 million stere of timber; provides the biofuel market with raw material for biofuel production; extinguishes fires in the forest, upgrades approximately 13,000 km of fire straps. Main activities: afforestation, reforestation and maintenance, forest planting cultivation, logging and timber trade, forest management, sanitary forest protection and fire protection, forest road building, repair, maintenance, recreational site installation and maintenance, professional hunting area management and organisation of hunting, implementation of environmental instruments in forests, protection of species and habitats.

Special obligations performed: planting, maintenance and protection of seed forest plantations and trial plantations; creation, transfer of cadastral files, registration, afforestation, maintenance and handling, management of activities related to land plots taken over from the Free State Land Fund for afforestation, as well as the forest land transferred for use, until the stand reaches the age of 20 years; sanitary and fire protection in forests of all forms of ownership; construction, reconstruction, repair and maintenance of forest roads in line with management of activities; implementation of nature management measures in forests, in line with management of activities; maintenance, protection and management of other users' forests (including those reserved for restitution); installation, maintenance and management of recreational facilities in forests, in line with management of activities; maintenance, protection and management work of urban forest; sale of uncut state-owned forest fuel-wood to residents, discounted sale of uncut state-owned forest to individuals affected by natural disasters; installation and maintenance of research and training objects including museums, information centres, arboreta, infrastructure for training needs in forests; administration of works of special obligations.

MAJOR EVENTS:

- As of 1 January 2019, former 42 branches of the Company were combined into 26 regional branches. The formation of the team of managers of regional branches was completed and the specialists of nature management started their activities.
- A particular focus was on various equipment and work tools: 8 wood carriers and 7 wood cutting machines were purchased to replace the worn equipment; 247 new vehicles were purchased for Company's specialists working in the forests; 23 cross-country vehicles with water modules were purchased to fire safety unit for primary fire extinguishing.
- The logging and trade activities are centralised in all regional units: A unified system for determination and estimation of prices for logging and trade was developed.
- A unified wood logging process for all regional units was developed to further centralise the management and transfer the good practices.
- New wage payment system was developed, approved and launched that defines the unified wage regulation and ensures the fairness of payment for work to the employees holding the same positions to receive an equal basic wage.
- The Company shifted to the unified programme for collection of accounting data. The collection of data in a single database allows a continued centralisation of accounting functions, thus, resulting in automated generation of data and performance of control of data entered.

REFORESTATION, AFFORESTATION AND MAINTENANCE

Forestry. The Company applies principles of sustainable farming in the forests, restores all deforested areas (9,069 ha was restored in 2019) and plants new ones (583 ha of new forests were planted in 2019). Since 1934, the area of forests has more than doubled in Lithuania – up to 33.5%. The planting stocks necessary for restoration and planting of forests are grown in the tree nurseries managed by VĮ VMU.

Forest seeds and planting stock. 33 tree nurseries of VĮ VMU and Raudondvaris decorative planting stock nursery of VĮ VMU were operating in Lithuania in 2019. When implementing the aims and objectives of the National Forestry Sector Development Programme for 2012-2020, to develop the reforestation with selectively valuable and high-quality forest multiplication material, providing the national market with high quality forest planting stocks, the plan for modernisation of tree nurseries was approved. In 2019, 46 million planting stock was cultivated in the tree nurseries of VĮ VMU, 29.5 million of which were used for own needs.

Forest protection. Pursuant to the Law on Forests of the Republic of Lithuania, the Company organises implementation and support of the single national system of fire-fighting measures in all national forests irrespective of the form of their ownership. Fire-safety and sanitary costs amounted to EUR 3.6 million in 2019, the grants allocated to this activity amounted to EUR 0.9 million.

Installation and maintenance of recreational objects. The Company organises construction, installation, reconstruction, supervision, upgrade and liquidation of recreational objects for public needs in the forests controlled. Currently, the Company supervises 1,740 recreational objects.

Implementation of nature management instruments in forests, protection of species and habitats. Nature management means are aimed at maintaining or restoring the habitats of protected organisms or other protected natural habitats. In 2019, nature management works were performed in 2,057 ha.



General Director
Valdas Kaubė



Chairman of the Board
Ina Bikuviene

- Volume of round timber sold decreased by 5.2%
- Adjusted net profit decreased by 35.3% and amounted to EUR 35.8 million*
- Dividends, round timber and state property taxes as well as corporation tax amounted to EUR 30.2 million

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	180,353	157,726	-12.5%
Cost of goods sold	60,793	56,787	-6.6%
Gross profit (loss)	119,560	100,939	-15.6%
Cost of sales	3,894	2,914	-25.2%
General and administrative expenses	87,130	92,522	+6.2%
Results of other activities	230	336	+46.0%
Net financial items	87	519	+494.1%
Profit (loss) before taxes	28,854	6,359	-78.0%
Corporation tax	4,030	961	-76.2%
Net profit (loss)	24,823	5,399	-78.3%
Adjusted net profit (loss)¹	48,534	26,424	-45.6%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets^{**}	1,276,677	1,263,754	-1.0%
Current assets	109,704	97,951	-10.7%
Cash and cash equivalents	73,263	62,278	-15.0%
Deferred charges and accrued income	2,897	2,844	-1.8%
Total assets	1,389,278	1,364,549	-1.8%
Equity	1,355,150	1,334,340	-1.5%
Grants and subsidies	15,559	16,288	+4.7%
Provisions	2,442	2,658	+8.9%
Amounts payable and other liabilities	16,121	11,262	-30.1%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	16,121	11,262	-30.1%
Financial liabilities	0	0	-
Accrued expenses and deferred income	7	0	-100.0%
Total equity and liabilities	1,389,278	1,364,549	-1.8%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	3.5%	1.9%	-1.6 p.p.
ROE	3.6%	2.0%	-1.6 p.p.
D/E	0.0%	0.0%	0.0 p.p.
EBITDA	39,448	15,477	-60.8%
EBITDA margin	21.9%	9.8%	-12.1 p.p.
Net profit margin	26.9%	16.8%	-10.1 p.p.
RETURN TO THE OWNER (EUR thousand)			
	2018	2019	CHANGE
Assigned profit contributions	22,142	5,500	-75.2%
Property and raw material tax	27,895	24,736	-11.3%
Total contributions and non-standard taxes to the State	50,036	30,236	-39.6%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	2,824	2,814	-0.4%
Number of executives	5	6	+20.0%
Average monthly salary of executives (gross, EUR)	7,565	8,163	+7.9%
INSTITUTION REPRESENTING THE STATE			
Ministry of Environment of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
Director	Valdas Kaubė		
Chairman of the Board	Ina Bikuviene		
	Gediminas Jasinevičius*		
	Mantas Sukevičius*		
	Normantas Marius Dvareckas*		
	Alditas Saulius*		
	Asta Čepienė		
	Vilma Slavinskienė		
Members of the Board			

* Independent member

** The book values of non-current assets and equity of VĮ Valstybinių miškų urėdija were increased by forest value calculated using the discounted cash flow method, which, based on the assessment, was EUR 1,178.4 million in 2018 and EUR 1,176.2 million in 2019. The ratios were calculated on the basis of the increased values of non-current assets and equity.

¹ Adjusted net profit (loss) is estimated according to the following formula: Net profit + Mandatory deductions from raw timber and income from the sale of uncut forest (raw material tax) * 0.85 + Property tax * 0.85. Excluding special obligations from adjusted net profit, the net result of the company's commercial activities in 2019 would be EUR 35,648 thousand (EUR 54.9 million in 2018)

LOGGING AND TRADE IN TIMBER

In 2019, the Company produced 3.5 million cubic metres of round wood - 3% more than in 2018. **In 2019, the Company sold 3.2 million cubic metres of round timber, i.e. 5.2% less than in 2018.** Sales revenue from round timber dropped by 12.5% and stood at EUR 147.4 million. The decrease in the revenue of this group was mostly affected by the decrease in the price of average cubic metre by 7.8% and a 5.2% decline in the sales of round timber. **The decrease in the volume of main production sold and prices led to the decrease in the revenue by 12.5% totalling EUR 157.7 million.** This change was conditioned by the drop in the sales volumes and prices of round timber accounting for 93.5% in the total revenue structure. Decrease in the sales volume of round timber also resulted in the decrease in the amounts of by-products accompanying the main production and the share of transportation costs.

In 2019, the Company **supplied its production to 260 buyers**, the largest of them being: UAB Juodeliai, purchasing 364.1 thousand cubic metres or 11.4% of the total volume sold, UAB Targirė - 258.3 thousand cubic metres (8.1% of the total volume sold), UAB IKEA Industry Lietuva - 246.3 thousand cubic metres (7.7% of the total volume sold), UAB Šilalės mediena, UAB Litforina, UAB Vakarų medienos grupė and UAB Stora Enso Lietuva. Wholesale trade in round timber and deforestation waste produced in the national forests is carried out by organising the bids for conclusion of contracts via electronic wood sale system administered by UAB Baltpool. The standing forest and round timber are sold on the retail market by giving the priority to the sale of fuel wood to the residents. On UAB Baltpool biofuel exchange market, VĮ Valstybinių miškų urėdija concluded transactions for 8.5 thousand tonnes of biofuel for EUR 1.2 million. In 2018 - 10.3 thousand tonnes for nearly 1.6 million euro.

For performance of 2019 the Company paid dividends, corporation tax, round timber and state property taxes in the amount of EUR 31.2 million to the State budget, i.e. 42.3% less than a year ago: the sum of dividends amounted to EUR 5.5 million whereas in 2018 - EUR 22.1 million due to the increase in net profit. The sum of corporation tax paid amounted to EUR 0.96 million in 2019 compared with EUR 4.03 million in 2018. Compared with performance for 2018, non-standard taxes were lower or remained at the same level: the Company paid EUR 2.6 million for the use of State assets by the right of confidence and the sum has not changed compared with the previous period. The mandatory deductions (15.0%) from the revenue from sales of round timber and standing forest (round timber tax) amounted to EUR 22.2 million and decreased by 12.5% compared with 2018 due to the decrease in revenue from sales of round timber. Non-standard taxes are included in the calculation of the Company's contributions to the State budget, as they are not levied on private forest managers.

Investment and building of forest roads

INVESTMENTS MADE IN 2019 (In total - 4,063 EUR thousand)	
Item of investments	Sum (EUR thousand)
Building and construction	2,315
Other devices, appliances and tools	638
Machinery and equipment	599
Vehicles	414
Purchase of tangible assets	3,966
Industrial equipment;	37
Concession patents, licences, trademarks and similar goods	59
Other intangible assets	
Purchase of intangible assets	96

REFORESTATION AND MAINTENANCE, LOGGING AND TRADE

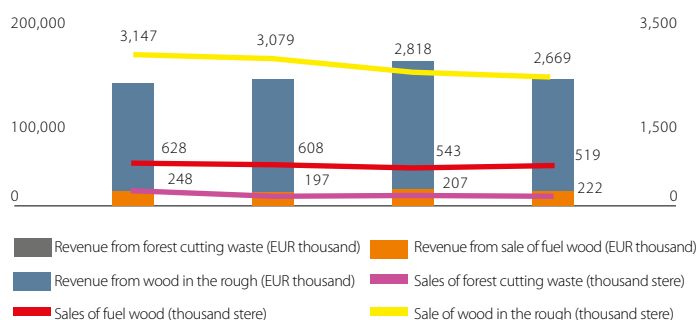
Investments of VĮ Valstybinių miškų urėdija from own funds amounted to EUR 4.1 million in 2019, EUR 2.3 million of which was invested into buildings and construction, EUR 0.6 million - to machinery and equipment, EUR 0.4 million - to vehicles, EUR 0.8 million - to other assets. During the period of 2008-2017, the forestry enterprises allocated EUR 12.2 million per year for investment in forestry activities (construction, reconstruction, repair and maintenance of inland forests of local importance). During the period 2011-2016, the forestry enterprises allocated the largest amount of investments, which amounted to exceeded EUR 14 million, up to almost EUR 16 million of own funds. A significant decrease in investments has been recorded since 2017, when the reorganisation procedures of 42 forestry enterprises and VĮ Valstybinių miškų urėdijos institutas were initiated.

CONSTRUCTION OF FOREST ROADS

VĮ Valstybinių miškų urėdija maintains a network of approximately 36.6 thousand km. The total cost of road construction (reconstruction), repair (overhaul and current) and maintenance in state-owned forests in 2019 amounted to EUR 6.5 million, which decreased by 57.4% compared with 2018. With the help of the funding from the Road Maintenance and Development Programme in 2019, the Company constructed and reconstructed 5.3 km of roads using EUR 409 thousand of the programme funds. In 2018, the Company constructed and reconstructed 36.4 km of roads and used EUR 1.6 million of the programme funds. During the reporting period, the Company repaired (overhaul) 5.15 km of roads and used EUR 450 thousand as compared with 2.8 km of roads repaired in 2018, by allocating EUR 19.6 thousand of the funds from Road Maintenance and Development Programme.

OWN FUNDS ALLOCATIONS:	2018	2019	CHANGE
Construction and reconstruction of forest roads (EUR thousand)	1,790.3	1,110.8	-38.0%
Constructed and reconstructed roads, km	21.1	7.5	-64.5%
Amount per kilometre, EUR thousand/km	84.8	148.1	+74.6%
Repair (current repair) of forest roads (EUR thousand)	2,648.7	1,610.2	-39.2%
Repaired roads (current repair), km	677.9	733.9	+8.3%
Amount per kilometre, EUR thousand/km	3.9	2.2	-43.8%
Maintenance of forest roads (grader, snow removal, etc.), EUR thousand	6,176.0	2,970.5	-51.9%
Maintained (graded, cleaned of snow, etc.) roads, km	12,194.0	12,619.0	+3.5%
Amount per kilometre, EUR thousand/km	0.51	0.24	-53.5%

During the analysed reporting period, the costs remained at the similar level as in 2018 (increased insignificantly by 0.3%). In 2019, the growth in the costs was mostly influenced by the increase in payment fund by EUR 8.7 million or 18.6% following the wage system reform. Costs incurred due to the contractor works increased by 10.8% up to EUR 45.3 million due to increase in the prices for work in newly established agreements. Other costs showed a decrease: due to decline in the volumes of production and the sale of wood, less operating costs were incurred, as well as 11.0% lower depreciation costs were conditioned by decreased investments. The influence on the negative change of revenue during the reporting period was also recorded in the profitability ratios - net profit margin decreased by over 10 percentage points and amounted to 16.8% at the end of 2019. **The adjusted commercial net profit stood at EUR 35.8 million as compared with 2018 and decreased by 35.3%.**



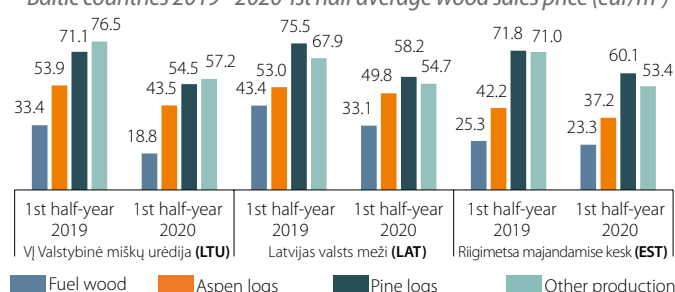
In 2019, VĮ Valstybinių miškų urėdija, using its own funds, constructed and reconstructed 8.7 km, repaired (overhaul) 2.87 km and repaired and maintained 12.6 thousand km of forest roads, corresponding to EUR 1.2 million, EUR 1.6 million and EUR 2.9 million accordingly. Compared to 2018, the amount allocated for construction and reconstruction per kilometre increased by 74.6% in 2019, although the volumes of works decreased by 38.0%. A similar increase in the price of these road works was also recorded in 2018 (from EUR 47.7 thousand per kilometre in 2017 up to EUR 84.8 thousand per one kilometre in 2018).

In 2019, 14 km of forest roads were constructed (reconstructed) and 1,118 km of forest roads were repaired in state-owned forests. In 2019, the Company repaired 824.8 km of forest roads in private and state-owned forests under the General Forestry Financing Programme. A total of EUR 3.8 million of the General Forestry Financing Programme funds was spent.

Comparing with the prices of sale of national forest management companies of the Baltic States, it has been noticed that the prices of sale of wood for the 1st half-year of 2019 were considerably higher than during the 1st half-year of 2020 in companies of all Baltic States (the types of wood with comparable data were selected in the diagram). In Lithuania, other wood production sold for the highest price in the 1st half-year of 2019 decreased by 25.2% over the year or 19.3 EUR/m³, as compared with the drop in the price of 24.8% or 17.6 EUR/m³ in Estonia, and 19.4% (13.2 eur/m³) in Latvia. In Latvia and Estonia, the pine logs were sold for the highest price in the 1st half-year of 2019 the price of which dropped accordingly by 22.9% and 16.3% during the 1st half-year of 2020 while the drop in Lithuania amounted to 23.3%. The price of sale of aspen logs remained the most stable among the companies of all Baltic States. In Latvia - decreased by 6.0%, in Estonia - by 11.8%, in Lithuania - by 19.3%. The price of fuel wood showed the major decrease - by 43.7%, while the decrease in Latvia amounted to 23.7%, in Estonia - only 7.9%. The cause for the decline in the prices of wood - *lps acuminatus Eich* in the European forests and windfalls that damaged large areas in the forests of Germany, Austria, Czech Republic, Poland and Belarus leading to the sanitary cuttings that resulted in the excess of wood on the market.

VĮ Valstybinių miškų urėdija applies the highest price to the sales of oak wood, 1 m³ of which costed EUR 253.0 during the 1st half-year of 2019 and by 10.8% less a year ago. The second most expensive was ash wood with the price of 156.8 EUR/m³ during the 1st half-year of 2019 and 6.1% cheaper during the 1st half-year of 2020.

Baltic countries 2019 - 2020 1st half average wood sales price (eur/m³)



VĮ Registrų centras

www.registrucentras.lt

**Maintenance of the Real Estate Cadastre, the Real Estate and other registers, development and maintenance of related information systems, property valuation, and issue of certificates**

Special obligations: the Real Estate Register; the Register of Legal Entities; the Address Register; the Population Register; the Registers of Rights (the Mortgage Register of the Republic of Lithuania, the Register of Property Seizure Acts, the Register of Wills, the Register of Powers of Attorney, the Register of Contracts, the Register of Marriage Settlements, the Register of Legally Incapable Persons and Persons with Limited Legal Capacity); eHealth Services and Co-operation Infrastructure information system.



General Director
Saulius Urbanavičius



Chairman of the Board
Egidijus Vaišvilas

MAJOR EVENTS:

• In **January 2019**, the amendments to the Law on Management of State Information Sources of the Republic of Lithuania entered into force stipulating a wider list of recipients of gratuitous services that included local self-governance and state authorities. Pursuant to these amendments, the Company must provide cost-free data to a wider list of recipients.

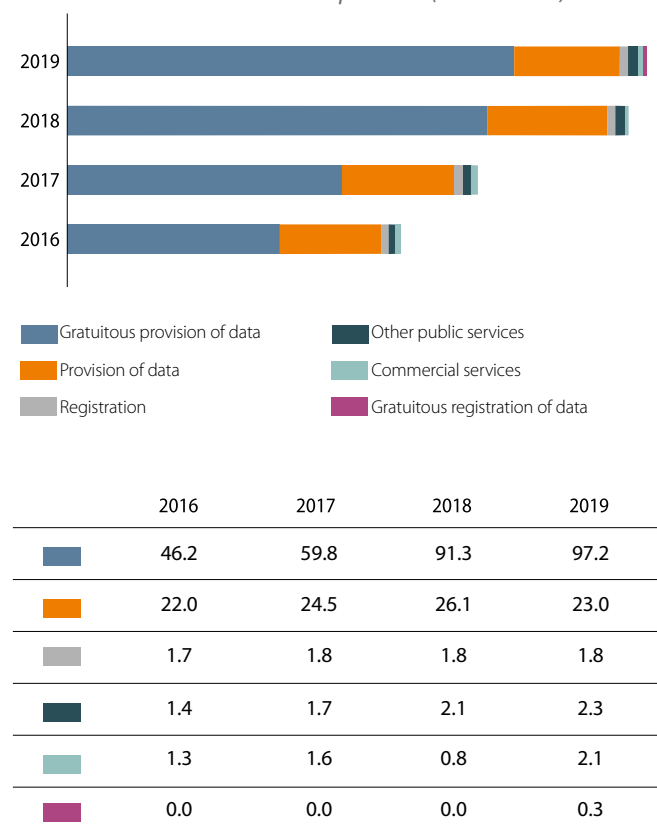
• In **January 2019**, the Company implemented the principles of the Law on Reporting Persons - internal reporting channels were created, the compliance with the requirements of the new Law on Reporting Persons was fully ensured by legal regulation and technical measures.

• In **March 2019**, a new organisational system entered into force in the Company which is oriented to procedural governance.

• In **July 2019**, the first real estate data were opened to the public including 250 data sets from the Register of Real Property and almost 5.0 million national real estate objects.

During the reference period, the Company provided 125.8 million service units more to residents, businesses and the public sector and compared with 2018 the growth was moderate and amounted to 3.1%. The highest growth was recorded in the free data provision services with their volumes growing by almost 6.0 million units and equalling 97.0 million units because of the gratuitous data provision to public bodies. The share of these services also increased to 77.3% in the total structure. Data provision service shrank by 12.1% in the total structure and stood at 18.2% with 22.9 million units of services provided.

Volume of services provided (million units)



- ↑ Adjusted net profit grew by 116.7% and amounted to EUR 4.7 million
- ↑ Adjusted return on equity grew up to 22.3%
- ↑ 92.0% higher profit contribution amounting to EUR 2.8 million was assigned

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	39,079	42,723	+9.3%
Cost of goods sold	26,533	28,625	+7.9%
Gross profit (loss)	12,547	14,098	+12.4%
Cost of sales	0	0	-
General and administrative expenses	10,579	8,763	-17.2%
Results of other activities	342	30	-91.3%
Net financial items	23	-27	-
Profit (loss) before taxes	2,333	5,338	+128.8%
Corporation tax	411	890	+116.7%
Net profit (loss)	1,922	4,448	+131.4%
Adjusted net profit (loss)	2,167	4,696	+116.7%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	21,561	19,963	-7.4%
Current assets	8,723	16,222	+86.0%
Cash and cash equivalents	5,759	12,876	+123.6%
Deferred charges and accrued income	368	391	+6.5%
Total assets	30,652	36,577	+19.3%
Equity	19,892	22,270	+12.0%
Grants and subsidies	1,442	2,682	+86.1%
Provisions	3,363	3,989	+18.6%
Amounts payable and other liabilities	5,921	7,591	+28.2%
Amounts payable after one year and other non-current liabilities	367	454	+23.6%
Financial liabilities	319	0	-100.0%
Amounts payable within one year and other current liabilities	5,554	7,137	+28.5%
Financial liabilities	570	363	-36.3%
Accrued expenses and deferred income	34	45	+33.2%
Total equity and liabilities	30,652	36,577	+19.3%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	7.1%	14.0%	+6.9 p.p.
ROE	11.1%	22.3%	+11.2 p.p.
D/E	4.5%	1.6%	-2.9 p.p.
EBITDA	5,430	8,173	+50.5%
EBITDA margin	13.9%	19.1%	+5.2 p.p.
Adjusted net profit margin	5.5%	11.0%	+5.5 p.p.
RETURN TO THE OWNER (EUR thousand)			
	2018	2019	CHANGE
Assigned profit contributions	1,462	2,807	+92.0%
Property tax	288	291	+0.9%
Total contributions and non-standard taxes to the State	1,750	3,098	+77.0%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	1,645	1,480	-10.0%
Number of executives	4	7	+75.0%
Average monthly salary of executives (gross, EUR)	5,471	6,614	+20.9%
INSTITUTION REPRESENTING THE STATE			
Ministry of the Economy and Innovation of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director	Saulius Urbanavičius		
Chairman of the Board	Egidijus Vaišvilas*		
Members of the Board	Ingrida Miknevičienė		
	Ina Bielskė*		
	Andrius Byčkovas*		
	Arūnas Stašionis		

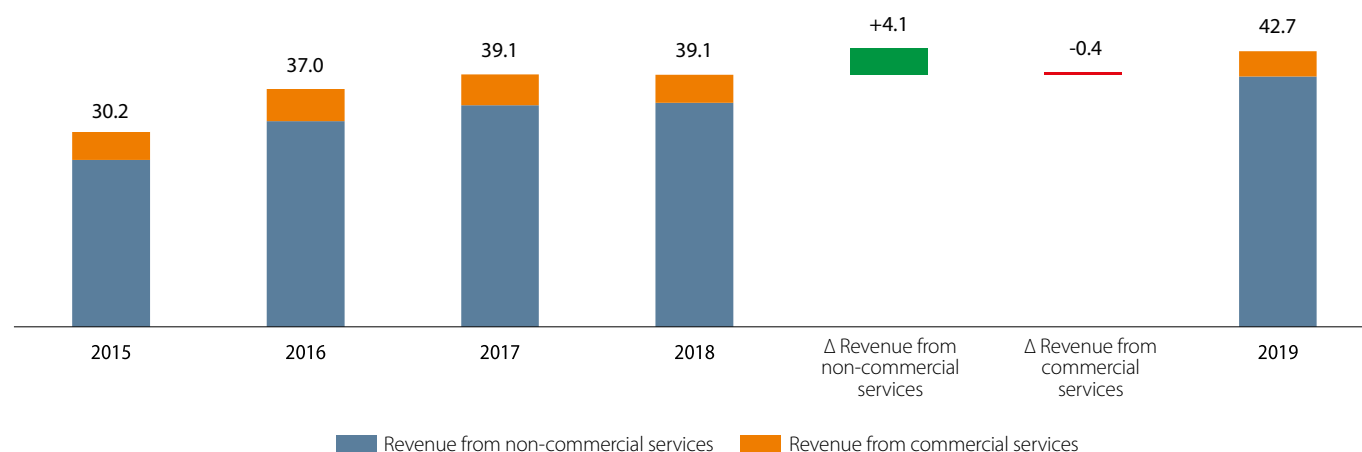
*Independent member

Moderate increase in Company's operating volumes also conditioned the growth of sales revenue by 9.3% totalling EUR 42.7 million. Since the primary objective of the Company is carrying out special obligations – rendering public services, the latter account for around 86.0-90.0% of the revenue, while the commercial services take around 10.0-14.0% share respectively. **During the reference period, the revenue from commercial activities were down by EUR 400.0 thousand or 10.0% and totalled EUR 3.9 million.** According to the Company, this decrease was mostly conditioned by the cases of employee abuse and conflicts of private interests in performance of analogous activities in other enterprises.

The revenue from the Real Estate Cadastre and Register, which represented 60.0% in the structure of the revenue from

public services, decreased by 2.4% and amounted to EUR 23.1 million. The decrease in this revenue was conditioned by legal regulation changes from 2019 due to provision of cost-free services to state institutions and municipalities and insufficient financing for the performance of new functions. Despite the foregoing, the growth in the revenue from non-commercial services amounted to 11.8% or EUR 4.1 million and totalled EUR 38.8 million. Revenue from other registers managed by the Company and information system services grew by 18.0-50.0%, of which the highest increase was in the Register of Legal Persons, the Population Register, the Register of Legally Incapable Persons and Persons with Limited Legal Capacity, Information System of Legal Person Participants, Information System of Bailiffs.

Sales Revenue (EUR thousand)



The costs suffered by the Company remained at the similar level in 2019 as in the previous reporting period and amounted to EUR 37.14 million increasing by EUR 286.0 thousand. The cost of goods sold accounted for EUR 28.6 million in the cost structure with the former taking a 7.9% hit; whereas the general and administrative expenses, which fell by 17.2%, equalled EUR 8.8 million. **The largest share (about 73.0%) of costs incurred by the Company included payroll and social insurance costs that grew by 11.2% as a result of the new wage policy.** The costs incurred in relation to the gratuitous data provision amounted to EUR 9.8 million, while the amount reimbursed from the State budget amounted to less than a half - EUR 4.7 million.

Due to slight changes in costs and the stable rise in the revenue from other activities as well as the positive result of the financing activities, the Company's net result was up by EUR 2.5 million with the adjusted net profit equalling EUR 4.7 million at the end of the reference period. The EBITDA growth reached 50.5% accordingly with the ratio equalling EUR 8.2 million. The adjusted return on equity rose from 11.1% in 2018 to 22.3% in 2019, whereas the growth of the adjusted net profit margin was 5.5 percentage points with the ratio standing at 11.0%. **The remaining good performance resulted in 77.0% growth of the return to the State, which is associated with a 92.0% rise in the assigned profit contribution for the performance achieved in 2019.** The property tax has changed insignificantly in 2019 up to EUR 290.9 thousand.

The Company allocated EUR 1.4 million for its investments during the reference period, while the investments totalled EUR 2.5 million in 2018. Investments from own funds represented 47.0% of the total amount invested in 2019 and totalled EUR 672.0 thousand. The Company acquired approximately EUR 52.0 thousand worth of assets using the European Union funds - the concept for spatial three-dimensional (3D) data management and storage was developed. The assets were acquired from the State budget for the development of "eSveikata" system for EUR 694.0 thousand, of which EUR 512.0 thousand was dedicated to the purchase of system data, EUR 151.0 - for service stations and EUR 31.0 thousand - for "Backup&Recovery" licences. The Company also used its own funds for acquisition of "ArcGisPJ" licences of the value of EUR 217.0 thousand, other software for EUR 296.0 thousand, servers and hardware for EUR 146.0 thousand.

The tendency of decrease in non-current assets and increase in current assets has been observed on both the previous and analysed reference period. Company's non-current assets decreased by 7.4% down to EUR 19.9 million at the end of the reporting period. In 2019, growth of current assets amounted to 86.0%, while in 2018 - 57.8% due to increase in cash and cash equivalents. **During the reference period, the return on assets amounted to 14.0%, whereas the debt-to-equity ratio dropped from 4.5% to 2.6% due to a repaid financial debt.**

Title	2018 (units thousand)	2019 (units thousand)
Legal entities	112,760	114,173
Natural persons	3,276	3,401
Notaries and their assistants	5,596	5,924
Lawyers and their assistants	299	289
Bailiffs and their assistants	212	1,985
Total:	122,143	125,772

During the course of its business, the Company renders services to natural persons and legal entities. **In 2018, the most prominent growth was observed in the volumes of services rendered to legal entities as the growth rate was measured at 1.3% and amounted to 114.0 million units.** Growth was recorded in all segments of service recipients with the exception of advocates and their assistants, who had the number of services drop by 3.3% with the services amounting to 289.0 thousand units, as against 299.0 thousand units a year ago. A considerable growth was recorded in the segment of bailiffs and their assistants with the number of services rendered increasing by more than 800.0% and totalling almost 2.0 million units.

At the end of the reference period, the total number of employees decreased by 10.0%, while the number of executives increased from 4 to 7 persons. **The average salary of executives increased by 20.9% and amounted to EUR 6.6 thousand.** The average monthly wage grew by 17.1%, while the total wage pot increased from EUR 25.6 million to EUR 27.0 million.

Processing of the register data on road transport vehicles of the Republic of Lithuania and driver registry of road vehicles of the Republic of Lithuania, registration of motor vehicles and their trailers, examination of drivers, issuance of driving licenses

Special obligations:

- registration of road transport vehicles (RTV);
- issuance of driving licenses;
- processing of the register on road transport vehicles of the Republic of Lithuania;
- examination of persons seeking to acquire a right to drive road vehicles;
- processing of the driver registry of road vehicles of the Republic of Lithuania.

MAJOR EVENTS:

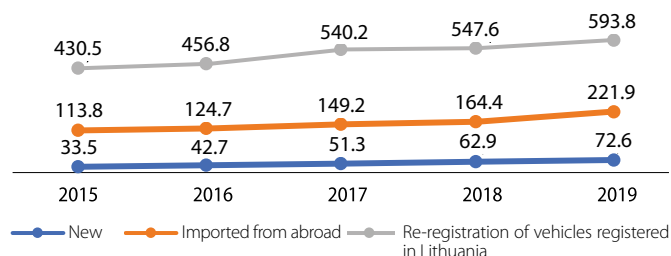
• The Company has been implementing the project with an aim to start issuing international driving licences of two types valid in the countries that are the members of Vienna and Geneva Conventions.

• The Company signed a new collective agreement with a trade union of VĮ Regitra employees.

• Customer service and working conditions have been improved. Customer service procedure has been changed and improved in Dainava and Central units of Kaunas Branch where the employee servicing the customer perform all actions related to the vehicle registration. Two units of Kaunas Branch moved to new premises and customer service area was expanded in Alytus Branch.

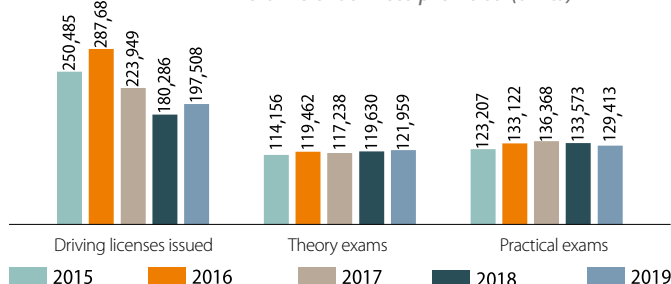
As part of its activities in 2019, the Company carried out over 1.0 million transactions of customer vehicle registration, the volume of which increased by 14.5%, in comparison with 2018. Same as during the previous period, the growth in transactions of registration of vehicles imported from abroad continued to grow noticeably. 35.0% more of such vehicles were registered in 2019, i.e. 221.9 thousand units.

Vehicle registration transactions (units thousand)



The volume of new vehicle registration services continued to increase compared with 2018, and 15.4% more vehicles were registered in 2019 amounting to 72.6 thousand units, which was mainly caused by changes in the international market and an increase in vehicle re-exports amounting to about 30.0% of all re-registered new vehicles, based on the Company's data. The re-registration transactions of vehicles registered in Lithuania grew by 8.4% and amounted to 593.8 thousand. A coherent annual growth of the number of vehicle registration and re-registration transactions was positively influenced by Lithuanian legal and tax base favourable to foreign citizens and businesses established by foreign nationals in Lithuania. The growth in registration operations in 2019 was also conditioned by more convenient and faster vehicle registration through digital channels services offered by the Company.

Volume of services provided (units)



General Director
Dalius Prevelis

Chairman of the Board
Ilona Smailienė

- ↑ Vehicle registration volumes increased by 14.5%
- ↑ Adjusted net profit increased by 13.4% up to EUR 4.6 million
- ↑ 134.4% higher profit contribution amounting to EUR 7.2million was assigned

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	26,326	27,493	+4.4%
Cost of goods sold	17,989	18,084	+0.5%
Gross profit (loss)	8,338	9,409	+12.9%
Cost of sales	0	0	-
General and administrative expenses	3,893	4,233	+8.7%
Results of other activities	101	153	+51.4%
Net financial items	66	-59	-
Profit (loss) before taxes	4,612	5,270	+14.3%
Corporation tax	700	819	+17.0%
Net profit (loss)	3,912	4,451	+13.8%
Adjusted net profit (loss)	4,045	4,585	+13.4%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	6,934	10,954	+58.0%
Current assets	15,541	17,507	+12.6%
Cash and cash equivalents	7,302	6,396	-12.4%
Deferred charges and accrued income	139	120	-13.7%
Total assets	22,614	28,581	+26.4%
Equity	20,180	21,559	+6.8%
Grants and subsidies	0	0	-
Provisions	104	228	+118.7%
Amounts payable and other liabilities	1,155	3,423	+196.3%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	1,152	3,362	+191.8%
Financial liabilities	0	0	-
Accrued expenses and deferred income	23	9	-60.4%
Total equity and liabilities	22,614	28,581	+26.4%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	17.8%	17.9%	+0.1 p.p.
ROE	19.1%	22.0%	+2.9 p.p.
D/E	0.0%	0.0%	-
EBITDA	5,967	7,586	+27.1%
EBITDA margin	22.7%	27.6%	+4.9 p.p.
Adjusted net profit margin	15.4%	16.7%	+1.3 p.p.
RETURN TO THE OWNER (EUR thousand)			
	2018	2019	CHANGE
Assigned profit contributions	3,071	7,200	+134.4%
Property tax	156	158	+1.1%
Total contributions and non-standard taxes to the State	3,227	7,358	+128.0%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	555	535	-3.6%
Number of executives	2	2	0.0%
Average monthly salary of executives (gross, EUR)	4,020	4,141	+3.0%
INSTITUTION REPRESENTING THE STATE			
Ministry of the Interior of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director		Dalius Prevelis	
Chairman of the Board		Ilona Smailienė	
Members of the Board		Vainius Butinas, Laimis Jančiūnas*	
		Gintaras Nakutis*, Povilas Ruškus	
		Aurimas Tomas Staškevičius*	
		Paulius Skardžius, Augustė Jucienė	

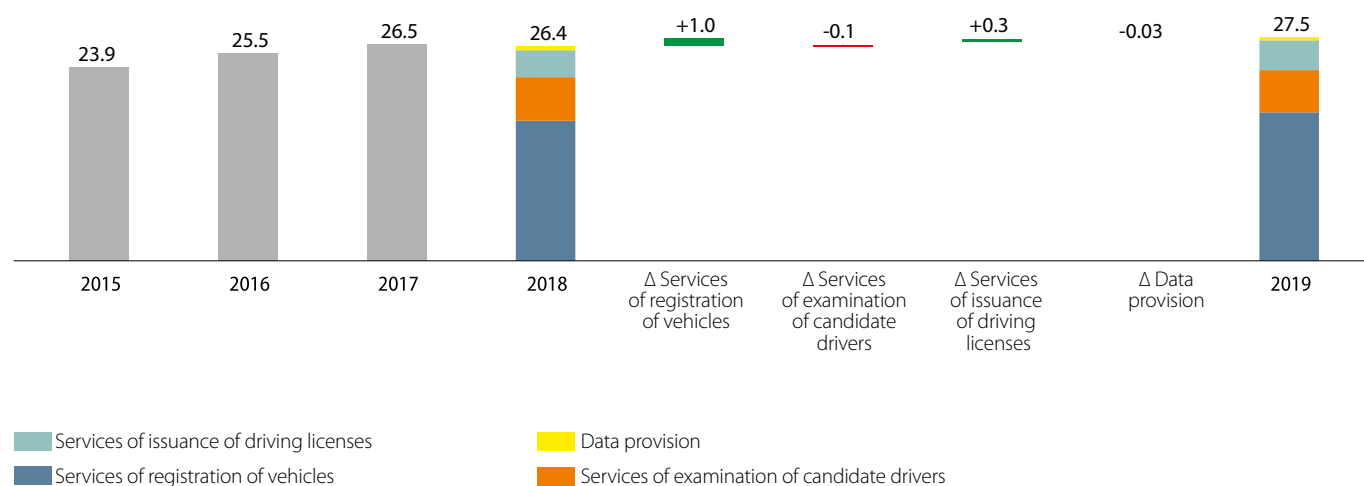
*Independent member

During the reporting period, the volume of accepted theory exams continued to increase consistently, which amounted to nearly 122 thousand (1.9% more than in 2018), while the volume of practical exams on the operation skills of motor vehicles decreased by 3.1% and amounted to 129.4 thousand exams. The number of driving licences issued that has been decreasing by approximately 20.0% for two years since 2017, grew by 9.6% up to 197.5 thousand during the reporting period. A solid growth amounting to 14.9% in 2016 was associated with a requirement to replace driving licences of old version, whereas the growth in 2019 was conditioned by demographic tendencies - increase in the number of population

of the age of up to 18 years old.

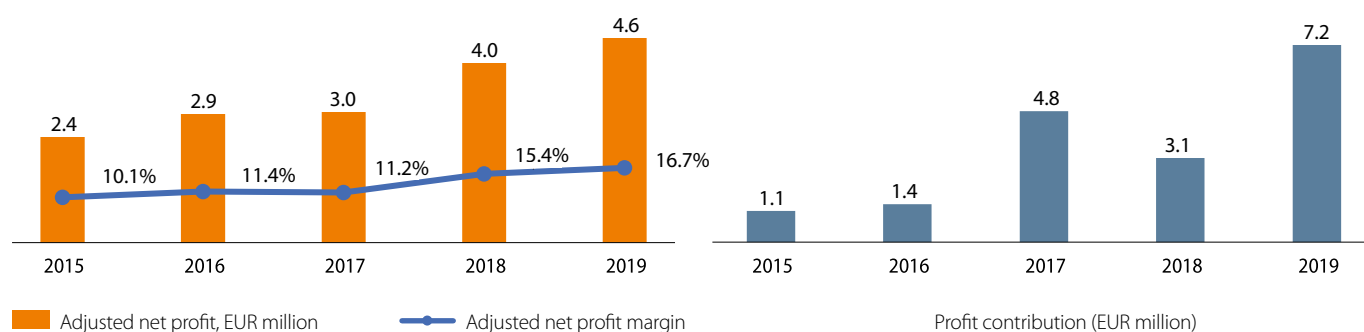
A positive trend has been observed in the provision of services, with an increasing volume of e-services rendered. Compared with 2018, the number of users of eKTRIS portal grew by 31.4% during the reporting period, i.e. up to more than 350.0 thousand users. In 2019, the number of vehicles registered online increased by 67.2% and amounted to 15.3% of the total volume of services that could be provided online. The number of persons applying online for registration of vehicles purchased and already operated in Lithuania in their own name increased more than twice up to nearly 23 thousand.

Sales Revenue (EUR thousand)



During the reporting period, the Company's sales revenue grew by 4.4% from EUR 26.3 million to EUR 27.5 million. The main cause for increase in the revenue was the growth in the number of registration services by 14.5%. Revenue from vehicle registration services amounted to EUR 18.0 million, i. e. 5.8% or nearly EUR 1.0 million more

compared with 2018. Growth of revenue from issuance of driving licenses amounted to 9.8% and totalled EUR 0.3 million. Revenue from data provision services showed the major decrease in 2019 (4.4% or EUR 0.03 million), whereas revenue from candidates to driver examination dropped by 2.4% down to EUR 5.2 million.



The volumes of services that showed increase in 2019 had almost no effect on the cost of goods sold of the Company - conditioning the growth in the adjusted net profit by 13.4%, which totalled EUR 4.6 million at the end of the reporting year. As a result of amendments made in the 16th International Financial Reporting Standard (IFRS) that led to the transfer of costs of lease to depreciation and interest costs, Company's EBITDA grew by 27.1% amounting to EUR 7.6 million. Other ratios of financial return also showed a stable growth:

increase in the adjusted return on equity totalling 22.0% amounted to 2.9 p.p., whereas the normalised net profit margin increasing by 1.3 p.p. reached 16.7% at the end of the reporting period. A better performance was also reflected by the return to the State: a profit contribution in the amount of EUR 7.2 million was allocated for 2019, i.e. almost 2.5 times more than in 2018. Furthermore, 1.1 % more in property tax was paid, therefore, the total sum of contributions and non-standard taxes to the State reached EUR 7.4 million for the reporting period of 2019.

AB Smiltynės perkėla

www.keltas.lt



Passenger and vehicle transportation by ferries across the Curonian Lagoon to/from the Curonian Spit

MAJOR EVENTS:

• On 27 September 2019, the Management Board appointed the General Director of AB Smiltynės perkėla whose duties were taken by Mindaugas Čiakas for the term of 5 (five) years from 1 October 2019.

By virtue of the law, the Company has been vested with carrying out free passenger and vehicle transfer by ferries via Klaipėda State Seaport funded by the Lithuanian Road Administration under the Ministry of Transport and Communications.

According to the data for 2019, the free transfer concession was offered to 260.3 thousand vehicles, i.e. 3.8% or 10.4 thousand vehicles less than in 2018.

During the reference period, the number of passengers and cyclists ferried also decreased by 8.2% down to 2.4 million (in 2018 – 2.6 million passengers and cyclists). However, the number of vehicles ferried increased by 3.7% or 27.1 thousand and reached 750.3 thousand at the end of the year. The growth in the number of vehicles ferried was conditioned by increase in light-weight vehicle flows due to hot summer and increased priority of the resident to choose local Lithuanian resorts.

In 2019, the Company's sales revenue saw slight growth, i.e. 0.7% or EUR 32.2 thousand and stood at nearly EUR 5.0 million at the end of the period. As a result of decreasing number of passengers ferried and increasing number of vehicles ferried, the operating revenue varied accordingly: revenue from passengers ferried decreased by 2.8% down to EUR 0.7 million, whereas the revenue from vehicles ferried grew by 1.3% up to EUR 4.3 million. Company's other operating revenue increased by as much as 48.9% up to EUR 353 thousand, mostly due to almost twice increasing revenue from rent of ship Smiltynė (in 2019 – EUR 309 thousand, in 2018 – EUR 167 thousand).

During the reference period, Company's costs amounted to EUR 4.6 million, i.e. remained at the same level as in 2018. The cost of goods sold constituting the major share in the structure of costs (56.1%) decreased by 11.7%, mostly due to the decrease in the costs of spare parts, ferry repairs and wearing and depreciation costs and stood at EUR 2.6 million at the end of the period. The cost of sale constituting a slightly smaller share of all costs (EUR 668.2 thousand or 14.6%) and general and administrative costs (EUR 1,210.9 thousand or 26.5%) grew by 44.8% and 14.6% respectively. The main reason of the aforementioned change – significant increase in wage costs and almost 20 times (up to EUR 164 thousand) increased costs in territory management due to reconstruction of territory started and not finished by the contractor.

Although both operating revenue and costs remained at the same level at the end of the period, however, other operating revenues that doubled due to increase in the revenue from rent of ship Smiltynė conditioned the increase in net profit by 24.3% or EUR 128.0 thousand up to EUR 655.2 thousand. Company's EBITDA almost unchanged, i.e. decreased by barely 0.4%, and stood at EUR 1.8 million at the end of the period.

Over 2019, the Company invested own funds in the amount of EUR 206 thousand to non-current assets. The major share of investment was to purchase passing gates (EUR 89 thousand), infrastructure management works (EUR 55 thousand) and installation of on-line ticket sale system (EUR 25 thousand). The remaining share was used for purchase of other various small non-current material assets. For comparison, in 2018, the Company allocated EUR 382 thousand to non-current investment.

At the end of reference period, the Company had no financial liabilities, because in September 2019, the self-propelled ferry Baltija was finally redeemed according to the leasing agreement. As a result, financial liabilities-to-equity ratio was equal to 0.0%, while at the end of the previous period it stood at 3.5%.

The improving Company's performance is also reflected in the financial ratio. Return on equity (ROE) reached 9.1%, i.e. increased by 1.6 percentage points at the end of 2019. Return on assets (ROA) grew by 1.1 percentage points up to 6.8%, whereas the net profitability of Company increased by 2.5 percentage points and accounted for 13.1%.

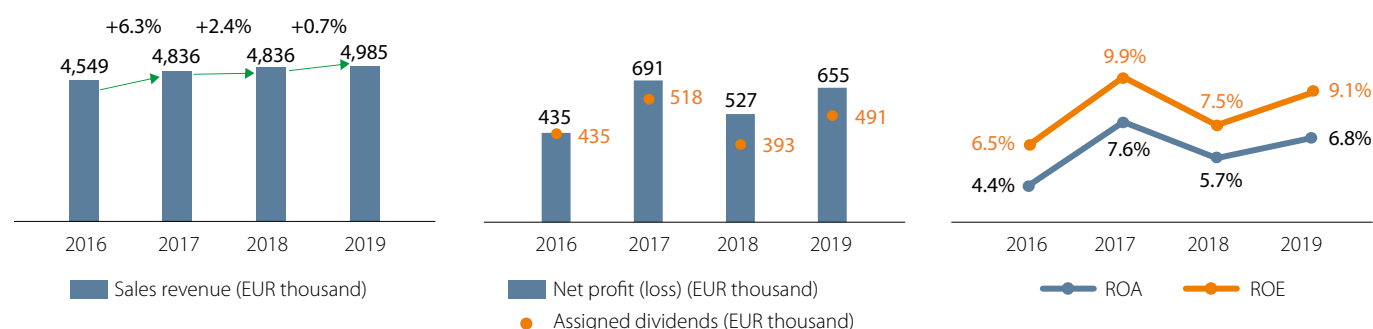
↓ Cost of goods sold decreased by 11.7% down to EUR 2.6 million

↑ Net profit grew by 24.3% and stood at EUR 655.2 thousand at the end of the reference period

↓ 46.1% less funds were allocated to investment than the year before

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	4,953	4,985	+0.7%
Cost of goods sold	2,900	2,562	-11.7%
Gross profit (loss)	2,053	2,424	+18.1%
Cost of sales	462	668	+44.8%
General and administrative expenses	1,057	1,211	+14.6%
Results of other activities	101	230	+127.9%
Net financial items	-9	-1	+94.0%
Profit (loss) before taxes	627	774	+23.5%
Corporation tax	99	119	+19.5%
Net profits (loss)	527	655	+24.3%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	5,924	4,440	-25.1%
Current assets	3,705	5,203	+40.4%
Cash and cash equivalents	2,436	2,657	+9.1%
Deferred charges and accrued income	48	41	-13.0%
Total assets	9,677	9,685	+0.1%
Equity	7,077	7,335	+3.6%
Grants and subsidies	0	0	-
Provisions	578	475	-17.8%
Amounts payable and other liabilities	873	537	-38.5%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	873	537	-38.5%
Financial liabilities	248	0	-
Accrued expenses and deferred income	1,150	1,339	+16.4%
Total equity and liabilities	9,677	9,684	+0.1%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	5.7%	6.8%	+1.1 p. p.
ROE	7.5%	9.1%	+1.6 p. p.
D/E	3.5%	0.0%	-3.5 p. p.
EBITDA	1,820	1,813	-0.4%
EBITDA margin	36.8%	36.4%	-0.4 p. p.
Net profit margin	10.6%	13.1%	+2.5 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	393	491	+25.0%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	84	89	+6.0%
Number of executives	7	5	-28.6%
Average monthly salary of executives (gross, EUR)	3,899	4,706	+20.7%
SHAREHOLDERS			
State-owned interest			98.99%
Other shareholders			1.01%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director	Mindaugas Čiakas		
Chairman of the Board	Valdemaras Vaičekas*		
Members of the Board	Jovita Razgutė		
	Kęstutis Motiejūnas*		

*Independent member



VĮ Vidaus vandens kelių direkcija

www.vvkd.lt



Marking and cleaning of inland waterway of state importance; regulation of the riverbed with hydrotechnical structures (embankments) to form a defined parameters waterway; execution of hydrographic works, mapping of the hydrographic network of the Republic of Lithuania; servicing and maintenance of inland waterway infrastructure; shipbuilding and repair

MAJOR EVENTS:

- In **April 2019**, after a long period of time, a first commercial cargo was shipped to Marvelė quay from Klaipėda Seaport.
- The Company initiated embankment construction project "TEN-T network road E41 modernisation" the main purpose of which is to revive the freight and passenger navigation in Nemunas.
- In 2019, the Company installed centralised electronic document management system allowing more effective management of documents, performance of tasks and control of performance.
- 2,000 passengers were transported on route Kaunas – Kačerginė – Zapyškis – Vilkija – Zapyškis – Kačerginė – Kaunas.

The functions of the Company require the infrastructure (ports, marinas) operated by the Company, which is used for servicing and repairing technical vessels that maintain inland waterways. **The Company currently manages 2 ports and 5 marinas on a trust basis.** Also, the Company has the only technical maintenance base for inland waterway vessels in Lithuania for repair and maintenance purposes, as well as a ship hoist (slip), which can be used to bring ships onshore.

In 2019, the length of waterways operated by the Company increased by 1.2% and reached 435 km. The maximum navigation duration increased from 199 days in 2018 to 206 days in the reporting year. Due to extremely low water level and complicated access to embankments by repair technique, 44.0% less embankments were repaired than a year ago. However, shallow removal rates increased significantly – from 285 thousand m3 in 2018 up to 721 thousand m3 in 2019.

In 2019, 3 cargo shipments were conducted with containers on route Klaipėda – Kaunas in total. 91 containers were shipped in total. The total weight of containers transported - 1,097 tonnes. Total number of kilometres travelled – 1,400 km.

Grants in the amount of EUR 2.1 million received to cover the costs were fully used in 2019.

Non-current assets decreased by the sum of depreciation estimated over the year, i.e. 4.3%. The total balance of grants related to assets amounted to EUR 7.1 million and were assigned to the project of embankment reconstruction in the waterway (EUR 2.6 million, including EU funds in the amount of EUR 2.2 million). **Commercial revenue from sales during 2019 grew by 7.3% and amounted to EUR 248.2 thousand.** The revenue for vessel parking services, transportation of passengers and cargoes increased the most.

Company's cost of goods sold amounted to EUR 650.1 thousand and was by 14.1% lower than in 2018. The largest share of these costs constituted of the depreciation costs of non-current assets used in the Programme (98.0% of the cost of goods sold). **These costs had a significant effect on the final performance - a loss suffered in the amount of EUR 666.3 thousand.**

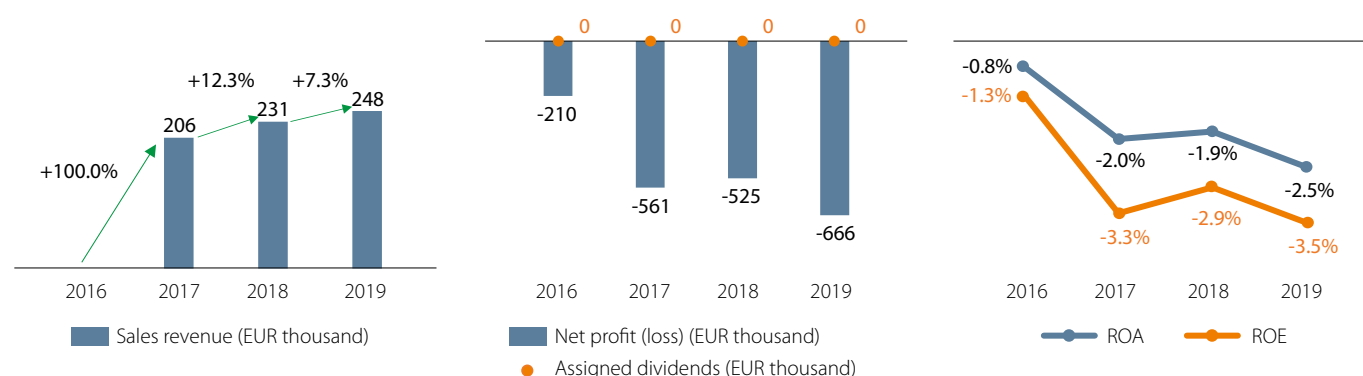
Company's equity decreased by the sum of loss suffered as well as the sum of assets that can be only State-ownership according to the laws, corresponding to the equity – 3.8% in total and amounted to EUR 18.9 million at the end of 2019.

The growth in the loss, slightly changed sums of equity and non-current assets led to **significant impairments in the ratios of return on assets and return on equity:** both ROA and ROE indices shrank by 0.6 percentage points.

- ↑ In 2019, sales revenue increased by 7.3%
- ↓ The Company suffered a loss of EUR 666.3 thousand
- ↓ Return on equity decreased and stood at -3.6%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	231	248	+7.3%
Cost of goods sold	757	650	-14.1%
Gross profit (loss)	-526	-402	+23.5%
Cost of sales	8	171	+2,147.4%
General and administrative expenses	21	13	-38.3%
Results of other activities	18	-104	-
Net financial items	-1	3	-
Profit (loss) before taxes	-537	-686	-27.9%
Corporation tax	0	0	-
Net profit (loss)	-537	-686	-27.9%
Adjusted net profit (loss)	-525	-666	-27.0%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	26,937	25,775	-4.3%
Current assets	188	272	+44.5%
Cash and cash equivalents	92	23	-74.5%
Deferred charges and accrued income	4	6	+47.5%
Total assets	27,129	26,052	-4.0%
Equity	19,610	18,866	-3.8%
Grants and subsidies	7,427	7,072	-4.8%
Provisions	0	0	-
Amounts payable and other liabilities	92	115	+25.5%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	92	115	+25.5%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	27,129	26,052	-4.0%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-1.9%	-2.5%	-0.6 p. p.
ROE	-2.9%	-3.5%	-0.6 p. p.
D/E	0.0%	0.0%	-
EBITDA	89	-50	-
EBITDA margin	38.7%	-20.1%	-58.7 p. p.
Net profit margin	-232.1%	-276.6%	-44.5 p. p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	0	0	-
Property tax	14	24	+65.7%
Total contributions and non-standard taxes to the State	14	24	+65.7%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	71	80	+12.7%
Number of administration employees	1	2	+100.0%
Average monthly salary of executives (gross, EUR)	4,053	5,221	+28.8%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			100%
MANAGEMENT (1 JUL 2020)			
General Director		Vladimiras Vinokurovas	
Chairman of the Board		Evaldas Tamelis*	
		Indrė Bernotaitė	
		Reinhard Vorderwinkler*	
		Manfred Seitz*	
		Justinas Jarusevičius*	

*Independent member



UAB Projektų ekspertizė

www.proex.lt



Engineering and related technical consultancy, full and partial design review for new buildings to be built and for buildings to be repaired, and building examination

During the course of its business in 2019, the Company performed 505 building design reviews, which was 23.0% more than in 2018. 58.0% of all reviews included full simplified design and full technical working design reviews with the count of 160 and 133 reviews accordingly. A considerable proportion of the Company's activities consisted of full technical design reviews, with their number decreasing down to 144 units (in 2018 - 194 units).

During the reference period, the Company's sales revenue amounted to EUR 7,965.5 thousand, which was 10.3% more than a year ago. Share of revenue for 2018 was added to the revenue of UAB Valstybinė projektų ir sąmatų ekspertizė and if such factor were ignored, the Company's revenue would have grown not by 10.3%, but by 30% in 2019.

General and administrative expenses decreased by 42.3%, however, it shall also be noted that just like in case of sales revenue, share of costs for 2019 consisted of the costs of merged UAB Valstybinė projektų ir sąmatų ekspertizė, and, if such costs were ignored, the Company's costs would have grown by 18% in 2019 (due to health insurance for Company's employees for 2019).

Net profit increased twice and amounted to EUR 113.5 thousand – such change was also mostly influenced by the revenue and costs of UAB Valstybinė projektų ir sąmatų ekspertizė merged in 2018 and without such revenue and costs Company's net profit would have increased by approximately 24.0% as compared with 2018. The aforementioned causes also conditioned the growth in EBITDA from EUR 79.2 thousand to EUR 137.8 thousand and increase in the net profit margin by 6.4 percentage points.

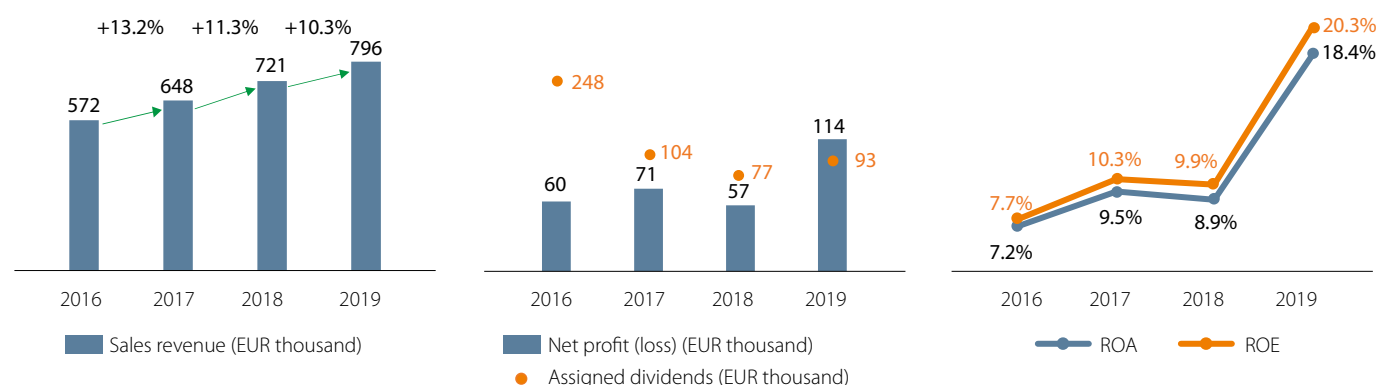
The increase in Company's profit had a positive effect in the return to the State. Dividends in the amount of EUR 93.4 thousand were allocated for performance of 2019 as compared with 21.0% lower dividends allocated in 2018 (EUR 77.2 thousand).

A growth of almost 14.0% in Company's current assets was observed in 2019 and which was conditioned by the increase in the balance of trade debtors (compared with 2018, it increased from EUR 47.7 thousand to EUR 97.8 thousand).

During the reporting period, Company's equity increased by 6.7% and stood at EUR 578.4 thousand at the end of the year. It was mostly influenced by the profit earned and not yet distributed by the Company for 2019. The Company had no non-current liabilities, whereas current liabilities, compared with 2018, increased by barely 2.7% and had no significant influence on the Company's financial results.

- ↑ Cost of sales increased by 36.1% and amounted to EUR 505.1 thousand
- ↑ Net profit grew by 99.8% and amounted to EUR 113.5 thousand
- ↓ General and administrative expenses decreased by 42.3%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	721	796	+10.3%
Cost of goods sold	371	505	+36.1%
Gross profit (loss)	350	290	-17.1%
Cost of sales	0	0	-
General and administrative expenses	285	164	-42.3%
Results of other activities	4	4	+5.6%
Net financial items	1	1	0.0%
Profit (loss) before taxes	70	131	+87.7%
Corporation tax	13	17	+34.1%
Net profit (loss)	57	114	+99.8%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	311	308	-0.8%
Current assets	284	324	+13.8%
Cash and cash equivalents	220	213	-3.6%
Deferred charges and accrued income	2	3	+45.0%
Total assets	597	635	+6.3%
Equity	542	578	+6.7%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	55	56	+2.7%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	55	56	+2.7%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	597	635	+6.3%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	8.9%	18.4%	+9.5 p. p.
ROE	9.9%	20.3%	+10.3 p. p.
D/E	0.0	0.0	-
EBITDA	79	138	+74.0%
EBITDA margin	11.0%	17.3%	+6.3 p. p.
Net profit margin	7.9%	14.3%	+6.4 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	77	93	+21.0%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	22	22	0.0%
Number of administration employees	3	2	-33.3%
Average monthly salary of executives (gross, EUR)	3,136	3,125	-0.4%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of the Economy and Innovation			
MANAGEMENT (1 JUL 2020)			
General Director			Arvydas Kuralavičius



VĮ Statybos produkcijos sertifikavimo centras

www.spssc.lt



Certification and technical assessment of construction products, certification of a sound class in buildings, small wastewater treatment plant testing, construction engineering and legal training, and development of building energy performance programmes

Special obligations: certification of managers in main areas of technical construction activities, legal recognition and maintenance of the register; certification of territorial planning managers and maintenance of the register; certification of construction contractors and contractors of building and design expert examination; legal recognition and maintenance of the register; certification of energy certification experts and maintenance of the register.

During the course of its business in the reference period, the Company issued 207 certificates of conformity for the internal production control of construction products, of which 82 were issued in accordance with the harmonised European technical specifications. 73% of the certificates were issued to Lithuanian customers. Comparing with 2018, there were 3.0% less certificates issued. The year saw 122 applications recorded for the certification of stability of building products performance characteristics or production control, 6 applications for the National technical assessments to be prepared.

3 wastewater treatment plant capacity tests, 2 water permeability and 2 constructional behaviour tests were carried out in the Treatment Facilities Testing Laboratory. Another 6 wastewater treatment capacity tests were initiated and will be continued in 2020.

17,141 building and energy performance and 15,929 standard apartment energy performance certificates were registered. Furthermore, 404 qualification certificates of building construction, construction and survey contractors were issued.

2,233 qualification certificates of the Managers in the Main Areas of Technical Construction Activities were issued to applicants (30.0% less than in 2018). The majority, i.e. 78.0%, of the Company's services were rendered to Lithuanian customers, 7.0% - to Belarusian, by 4.5% - to Russian and Ukrainian, 2.4% - to Polish customers.

Company's earnings decreased by 5.1% or EUR 63.9 thousand in 2019. It was mostly conditioned by the cyclical variation of the certification of construction engineers that led to a 31.2% decrease in the revenue from this activity and accounted for 19.0% in the total revenue structure. The revenue earned from product certification and identification of building sound class remained at the similar level (EUR 492.6 thousand) and accounted for 41.2% in the revenue structure. Other revenue remained almost unchanged in the total revenue structure.

In 2019, the total costs incurred by the Company amounted to EUR 977.2 thousand and increased by 6.6% compared to 2018. It was mostly conditioned by the increase in the wage fund by 7.5%.

Company's non-current assets decreased by 7.3% in 2019 as a result of estimated depreciation and amounted to 225.4 thousand euro. Current assets grew by 6.4% and totalled EUR 1,262 thousand at the end of year due to the sum of EUR 112.0 thousand received from the Ministry of the Environment for the implementation of project undertaken.

A 2.4% decrease in Company's equity was mainly conditioned by the profit contribution of EUR 210.3 thousand paid to the state budget.

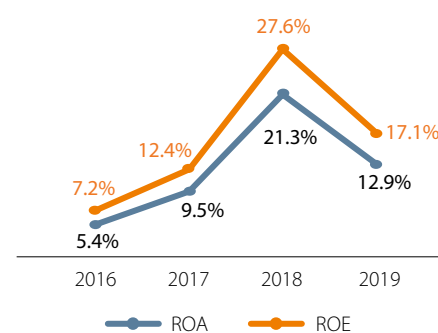
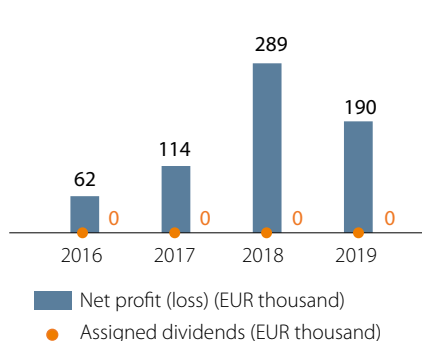
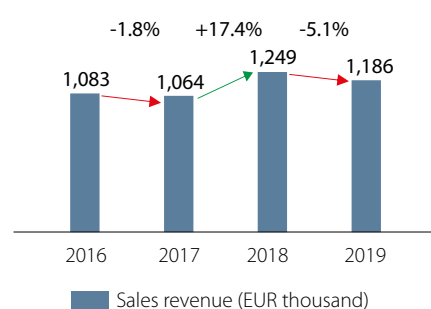
In 2019, the company received additional financing of EUR 44 thousand for the BIM-LT project undertaken resulting in the increase of the sum of grants and subsidies by 63.7% accordingly.

During the reporting period, 34.2% decrease in the adjusted net profit led to the decrease in the ratios of return: ROA ratio decreased by 8.5 percentage points and amounted to 12.9%, ROE ratio decreased by 10.6 percentage points and amounted to 17.1%. EBITDA reached EUR 247.3 thousand and was by 30.6% lower than a year ago.

During the reference year, the (gross) average monthly salary of executives saw a 9.2% rise and amounted to EUR 4,561 as compared with EUR 4,178 in 2018 (recalculation according to the provisions of wage taxing that entered into force on 1 January 2019 by indexing the wage by 1,289 times).

- ↓ In 2019, sales revenue decreased by 5.1% down to EUR 1,185.5 thousand
- ↓ Adjusted net profit decreased by 34.2% and amounted to EUR 190.1 thousand
- ↓ 7.8% lower profit contribution was assigned

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	1,249	1,186	-5.1%
Cost of goods sold	645	685	+6.2%
Gross profit (loss)	605	501	-17.2%
Cost of sales	0	0	-
General and administrative expenses	272	292	+7.6%
Results of other activities	2	11	+399.6%
Net financial items	1	0	-100.0%
Profit (loss) before taxes	336	220	-34.4%
Corporation tax	54	37	-30.9%
Net profit (loss)	282	183	-35.1%
Adjusted net profit (loss)	289	190	-34.2%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	243	225	-7.3%
Current assets	1,186	1,262	+6.4%
Cash and cash equivalents	870	820	-5.7%
Deferred charges and accrued income	16	21	+32.2%
Total assets	1,446	1,509	+4.4%
Equity	1,128	1,101	-2.4%
Grants and subsidies	70	114	+63.7%
Provisions	0	0	-
Amounts payable and other liabilities	246	293	+19.0%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	246	293	+19.0%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	1	1	-25.4%
Total equity and liabilities	1,446	1,509	+4.4%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	21.3%	12.9%	-8.5 p. p.
ROE	27.6%	17.1%	-10.6 p. p.
D/E	0.0	0.0	-
EBITDA	357	247	-30.6%
EBITDA margin	28.5%	20.9%	-7.7 p. p.
Net profit margin	23.1%	16%	-7.1 p. p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	210	194	-7.8%
Property tax	9	9	0.0%
Total contributions and non-standard taxes to the State	219	202	-7.5%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	29	40	+37.9%
Number of administration employees	1	1	0
Average monthly salary of executives (gross, EUR)	4,178	4,561	+9.2%
INSTITUTION REPRESENTING THE STATE	Ministry of Environment of the Republic of Lithuania		
MANAGEMENT (1 JUL 2020)	General Director		
	Valdemaras Gauronskis		



UAB Būsto paskolų draudimas

www.bpd.lt



Mortgage insurance of apartment blocks and residential houses, and management of insured mortgages for the modernisation of apartment blocks

MAJOR EVENTS:

• During the reporting period, the Company returned the financial loan in the amount of EUR 2 million to the shareholder by significantly reducing the amount of its liabilities.

• A transaction of the transfer of the rights of claim in the amount of EUR 119 thousand was concluded.

In times of difficulty, the Company offered assistance to individuals, who had their mortgage insured with the Company, and helped them comply with their mortgage commitments to the banks. Since 2016, the Company's licence for its main insurance business has been revoked and the Company is no longer entitled to enter into new insurance contracts; however, it continues to fulfil its obligations under the previously concluded contracts.

During the reporting year, Company's revenue shrank by 15.0%, i.e. from EUR 0.62 million in 2018 to EUR 0.53 million in 2019. When analysing the structure of revenue, it has been noticed that this negative change resulted from decrease in the item of subscribed premiums (from EUR 0.54 million in 2018 to EUR 0.45 million in 2019). Decrease in the signed premiums was conditioned by the decreasing remaining insurance portfolio - increasingly lower share of insurance premium is assigned to revenue. In the cost of goods sold, the Company accounted insurance benefits paid in 2019, claims adjustment costs and change of technical provision of planned pay-outs. 34.9% less costs were incurred by the Company during the reporting year. Operating costs consisted of suffered recovery costs, wage costs, prices of services of payment of benefits. These fixed costs could not be reduced during 2019, thus, they remained at the same level and amounted to EUR 0.77 million.

Although the Company earned a record high 69.0% gross profit margin in 2019, high operating costs exceeding the revenue generated prevented from earning neither operating profit nor EBITDA (in 2019, these sums were negative: -EUR 0.4 million and -EUR 0.27 million respectively).

In the course of the reporting year, the Company made a profitable transfer of the part of its rights of claim (liabilities of insured after payment of insurance benefits, where the recovery would have been expensive according to the Company's evaluation), and this led to the final positive result - net profit in the amount of EUR 0.07 million.

88.1% or EUR 9.5 million of all non-current assets constituted of financial assets, i.e. amounts receivable after one year related to the planned recourse. The amounts receivable according to the benefits paid are planned to be recovered during a period of 5 years, whereas the amounts receivable according to payment insurance agreements are planned to be recovered within 9 years. The Company discounts the amounts receivable by using the annual interest rate of 2.271%. During 2019, the item of these non-current assets decreased by the amount of benefit that was already executed.

The main share of current assets or EUR 2.4 million constituted of Company's funds held in bank accounts.

In the provisions, the Company accounted technical provisions of premiums brought forward, planned benefits, unexpired risk. Since the sum of claims reported decreased in 2019, the provisions formed decreased by 14.4% accordingly.

The sum of loan decreased by 1/4 down to EUR 7.1 million during 2019, after return of EUR 2.0 million to the Ministry of Finance of the Republic of Lithuania. The return of the loan to the shareholder remains the main obligation payable (the balance of this loan amounted to EUR 4.4 million on 31 December 2019).

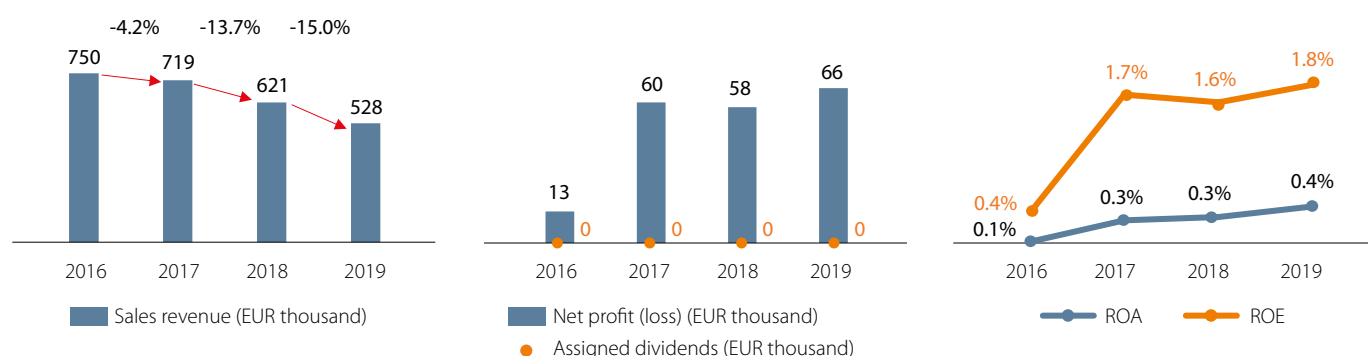
Company's revenue decreased by 15.0% and amounted to EUR 0.53 million.

The sum of liabilities was decreased by 25.9%, after return of the share of financial debt

Net profit grew by 14.0%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	621	528	-15.0%
Cost of goods sold	249	162	-34.9%
Gross profit (loss)	372	366	-1.7%
Cost of sales	0	0	-
General and administrative expenses	771	771	-
Results of other activities	9	119	+1,302.4%
Net financial items	451	359	-20.4%
Profit (loss) before taxes	61	73	+20.5%
Corporation tax	3	7	+153.6%
Net profit (loss)	58	66	+14.0%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	14,337	10,789	-24.7%
Current assets	1,800	2,507	+39.3%
Cash and cash equivalents	1,709	2,439	+42.7%
Deferred charges and accrued income	5	3	-26.7%
Total assets	16,141	13,299	-17.6%
Equity	3,654	3,720	+1.8%
Grants and subsidies	0	0	-
Provisions	2,835	2,429	-14.4%
Amounts payable and other liabilities	9,638	7,138	-25.9%
Amounts payable after one year and other non-current liabilities	2,666	6,912	+159.3%
Financial liabilities	0	4,372	+100.0%
Amounts payable within one year and other current liabilities	6,973	226	-96.8%
Financial liabilities	6,372	0	-100.0%
Accrued expenses and deferred income	12	11	-4.2%
Total equity and liabilities	16,141	13,299	-17.6%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	0.3%	0.4%	+0.1 p. p.
ROE	1.6%	1.8%	+0.2 p. p.
D/E	174.4%	117.5%	-56.8%
EBITDA	-377	-273	+27.6%
EBITDA margin	-60.8%	-51.7%	+9.1 p. p.
Net profit margin	9.3%	12.5%	+3.2 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	25	22	-12.0%
Number of administration employees	2	2	-
Average monthly salary of executives (gross, EUR)	2,319	2,298	+0.9%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Finance of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Sigitas Žutautas
Chairman of the Board			Žaneta Kovaliova*
			Lolita Šumskaitė
			Darius Indriūnas*
			Aušra Vičkačkienė
Members of the Board			

*Independent member



VĮ Indėlių ir investicijų draudimas

www.iidraudimas.lt



Insures deposits of depositors and liabilities towards investors in accordance with the procedure established by the laws and other legislation, manages the Deposit Insurance Fund, the Liabilities to Investors Insurance Fund and the Resolution Fund, as well as carries out other duties established by the laws

MAJOR EVENTS:

- AB Citadele Bankas became the Lithuanian Branch of Latvian AS Citadele banka, Luminor Bank AB became the Lithuanian Branch of Estonian Luminor Bank AS, as a result, both financial institutions withdrew from the Lithuanian deposit insurance system.

- Specialised banks UAB Revolut Bank, UAB European Merchant and AB Fjord bank became the stakeholders of deposit insurance system.

- Management company UAB Žabolis ir partneriai kapitalo valdymas and financial brokerage company UAB DeRISK Business Solutions became the stakeholders of liabilities to investors insurance system.

- The annual periodic deposit insurance contribution sum in the amount of EUR 11.93 million was approved on 20 May 2019 by Order No 154 of the Minister of Finance until 30 July 2020 constituting 0.1% of the sum of main insured deposits in credit establishments.

- In addition to other eight state institutions, the Company signed a memorandum on cooperation and exchange in information in control of risks in the area of financial innovations and financial technologies.

In 2019, the revenue of Company grew by 9.1%. All revenue accounted in the Company is used to cover the costs, therefore, all revenue for administration of funds are equal to the administrative costs of funds. Successful earnings from investment in equity allowed the Company to earn **EUR 55.0 thousand in net profit**.

Pursuant to the Description approved by Order No 1K-437 of the Minister of Finance of the Republic of Lithuania of 14 December 2018, Company's equity funds are invested in low-risk capital, i.e. securities of the Government of the Republic of Lithuania and are kept in accounts of banks with high rating (at least Baa1/BBB+).

Company's assets amounting to EUR 16.0 million was mostly comprised of financial assets (EUR 12.2 million or 76.3%). This investment portfolio consisted of securities of the Republic of Lithuania denominated in euro.

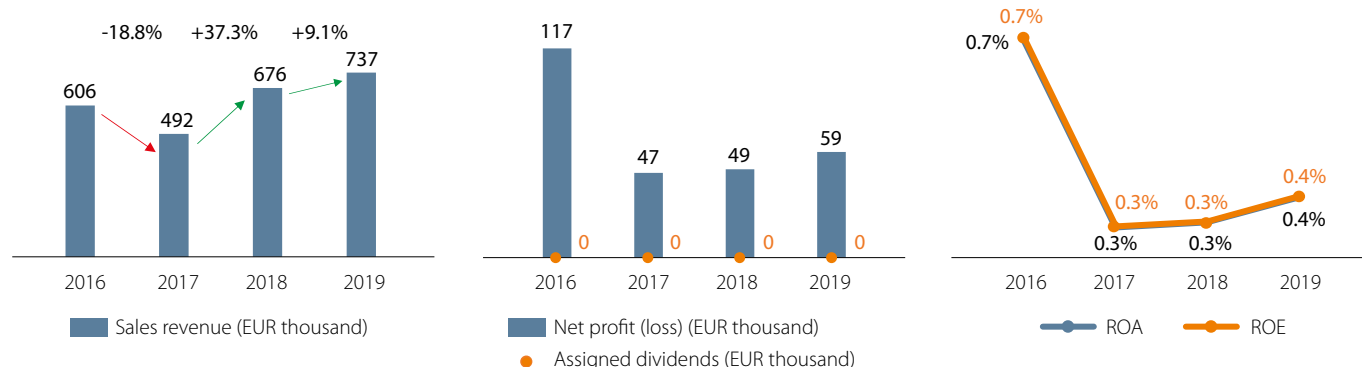
Company's ROE and ROA remained stable – 0.4%, as there were no significant changes neither in Company's assets nor in the equity structure.

The Company administers three funds: Deposit Insurance Fund, Fund of Liabilities to Investors and Resolution Fund. Financial accounting of Company and its administered funds is managed separately.

In 2019, the assets of funds administered by the Company amounted to EUR 207.9 million, i.e. 3.0% more than in 2018. Insurance Deposit Fund accounted for 98.5%. This fund collects funds for deposit insurance benefits. In 2019, the main revenue consisted of contributions received from insurance stakeholders, from credit establishments in bankruptcy – EUR 49.0 million. The main costs comprised the costs of deposit insurance benefits and administration costs as well as contributions returned from withdrawing insurance stakeholders - EUR 3.5 million in total.

- ↑ Sales revenue grew by 9.1% up to EUR 737.0 thousand
- ↑ Company's adjusted net profit grew by 19.5% and amounted to EUR 58.8 thousand
- ↓ EBITDA decreased by 28.8% and amounted to EUR 23.2 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	676	737	+9.1%
Cost of goods sold	0	0	-
Gross profit (loss)	676	737	+9.1%
Cost of sales	0	0	-
General and administrative expenses	676	737	+9.1%
Results of other activities	7	0	-100.0%
Net financial items	39	55	+41.4%
Profit (loss) before taxes	45	55	+21.1%
Corporation tax	0	0	-
Net profit (loss)	45	55	+21.1%
Adjusted net profit (loss)	49	59	+19.5%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	7,227	11,060	+53.0%
Current assets	8,758	4,984	-43.1%
Cash and cash equivalents	8,139	623	-92.4%
Deferred charges and accrued income	3	2	-45.2%
Total assets	15,987	16,046	+0.4%
Equity	15,924	15,979	+0.3%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	63	66	+4.9%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	63	66	+4.8%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	15,987	16,046	+0.4%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	0.3%	0.3%	0.1 p. p.
ROE	0.3%	0.4%	0.1 p. p.
D/E	0.0%	0.0%	0.0 p. p.
EBITDA	33	23	-28.8%
EBITDA margin	4.8%	3.2%	-1.7 p. p.
Net profit margin	6.7%	7.5%	+0.7 p. p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Property tax	5	5	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	22	16	-27.3%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	5,037	5,267	+4.7%
INSTITUTION REPRESENTING THE STATE	Ministry of Finance of the Republic of Lithuania		
MANAGEMENT (1 JUL 2020)			
General Director	Aurelija Mažintienė		



VĮ Lietuvos prabavimo rūmai

www.lpr.lrv.lt



Precious metal assaying, control analysis, hallmarking, striking marks, expert examination, identification of characteristics, issuing quality certificates, and other activities

Special obligations: public supervision of precious metals and gems, including: (1) hall-marking of precious metals, gems, their products and semi-finished products, waste and scrap; (2) supervision of compliance of economic operators' activities related to precious metals and gems with the requirements set forth by the Law on State Supervision of Precious Metals and Gemstones of the Republic of Lithuania.

MAJOR EVENTS:

- The assessment of compliance of economic entities for activities related to precious metals and gems is one of the main functions of the Supervisory Authority. Therefore, the budget funds in the amount of EUR 100 thousand were allocated for implementation of this function in 2019.

- In 2019, the Company together with other institutions responsible for prevention of money laundering and terrorist financing actively participated in expert evaluation as well as defending of the favourable assessment report of Lithuania in the plenary session of the Council of Europe Committee of Experts on the Evaluation of the Anti-Money Laundering Measures and the Financing of Terrorism (MONEYVAL) in Strasbourg.

During the course of its business in the reference period, the Company struck 0.88 million marks on precious metal products. **2019 saw 884.4 thousand gold, silver, platinum and palladium products verified (assayed)** comparing with 769.8 thousand verified in 2018. The Gem Testing Laboratory carried out 49.0 thousand expert examinations on products with gemstones during the reporting year, i.e. 13.0 thousand sessions more than last year.

In 2019, the revenue from Company's operating activities reached **EUR 709.7 thousand and was EUR 116.2 thousand or 19.6% higher than during the last reporting year**. Same as last year, this was mainly down to the increased volume of jobs. However, during the analysed period, revenue was received from one segment only, i.e. precious metals and gems, hallmarking of their products and striking marks.

The rising volumes of jobs increased the Company's costs accordingly with the latter rising by 18.2% over the year and reaching EUR 776.2 thousand, while they amounted to EUR 656.8 thousand in 2018. The costs of goods sold increased by 17.3% and amounted to EUR 352.7 thousand, whereas general and administrative expenses increased by 18.7% up to EUR 323.5 thousand. During the reporting period, the increase in costs was mainly due to 12.9% increase in wage and other costs related to payment for personnel work that amounted to EUR 502.2 thousand. This group of costs increased due to increased wages for individual categories of employees. However, **the financing out of the State budget in the amount of EUR 100.0 thousand was allocated in 2019 for compensation of part of the costs of Company's market surveillance.**

Although the costs of Company increased, the growing revenue and compensation of costs in the amount of EUR 100.0 thousand conditioned positive performance. **At the end of the year, the adjusted net profit that grew by 6.8% amounted to EUR 59.5 thousand.** Company's EBITDA ratio increased accordingly totalling EUR 89.2 thousand and increasing by 5.7%.

The Company's equity totalled EUR 2,580.7 thousand at the beginning of the year and EUR 1,959.9 thousand at the end of the year (i.e. the equity decreased by 24.1%). A EUR 620.8 thousand decline was mostly affected by the profit contributions paid by the Company. In addition, it is worth noting that the Company's cash and cash equivalents for 2019 exceeded the turnover for the past two years with the value of the former amounting to EUR 1,184.8 thousand, despite the fact that it represents a 12.5% drop over the year.

Over 2019, the Company invested EUR 93.9 thousand to non-current assets. These funds were used to acquire premises for Company's Kaunas Branch, information system for order acceptance and handling control, computers and other technical devices.

The better adjusted profit result had a positive effect on the Company's ratios of return on equity and on assets, which increased by 0.8 percentage points with each of them equalling 2.6%.

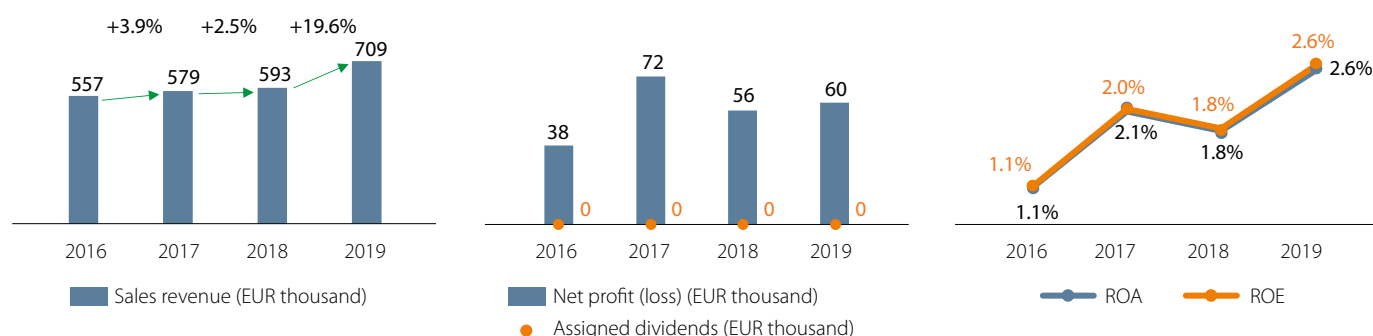
The return to the State decreased by 44.3% over the year due to annually decreasing accumulated reserve. A profit contribution of EUR 137.1 thousand was assigned for performance of 2019 as against EUR 246.0 thousand assigned a year ago. Property tax remained the same as compared with 2018 and amounted to EUR 42.3 thousand.

↑ Sales revenue grew by 19.6% and amounted to EUR 709.7 thousand

↑ Adjusted profit increased by 6.8%

↓ Return to the State decreased by 44.3% and amounted to EUR 137.1 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	594	710	+19.6%
Cost of goods sold	301	353	+17.3%
Gross profit (loss)	293	357	+21.8%
Cost of sales	0	0	-
General and administrative expenses	273	324	+18.7%
Results of other activities	3	2	-27.3%
Net financial items	4	0	-100.0%
Profit (loss) before taxes	27	36	+31.5%
Corporation tax	8	12	+63.2%
Net profit (loss)	20	24	+19.3%
Adjusted net profit (loss)	56	59	+6.8%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	783	785	+0.3%
Current assets	1,846	1,232	-33.3%
Cash and cash equivalents	1,354	1,185	-12.5%
Deferred charges and accrued income	1	3	+210.0%
Total assets	2,629	2,020	-23.2%
Equity	2,581	1,960	-24.1%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	49	60	+22.8%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	49	60	+22.8%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	2,629	2,020	-23.2%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	1.8%	2.6%	+0.8 p. p.
ROE	1.8%	2.6%	+0.8 p. p.
D/E	0.0%	0.0%	-
EBITDA	84	89	+5.7%
EBITDA margin	14.2%	12.6%	-1.6 p. p.
Net profit margin	9.4%	8.4%	-1.0 p. p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	204	95	-53.5%
Property tax	42	42	0.0%
Total contributions and non-standard taxes to the State	246	137	-44.3%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	25	25	0.0%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	3,873	3,932	+1.5%
INSTITUTION REPRESENTING THE STATE	Ministry of Finance of the Republic of Lithuania		
MANAGEMENT (1 JUL 2020)	Gintautas Bagotyrus		
General Director			



VĮ Turto bankas

www.turtas.lt



Centralised management of the state-owned real estate, privatisation of shares owned by the State and municipalities, recovery of debts to the State and loans conveyed under a contract of agency, state guarantees and other proprietary liabilities settlement

Special obligations performed: recovery of debts to the State; privatisation of shares owned by the State; lending of state-owned administrative real estate; sale of real estate; liquidation of assets; other special obligations assigned by the laws.

MAJOR EVENTS:

• In 2019, the Company underwent the organisation restructuring to ensure effective performance of centralised management of assets and other functions assigned by the State.

• A record number of sales bids was organised (1,504).

• A new wording of the Law on the Management, Use and Disposal of State-owned and Municipal Property of the Republic of Lithuania entered into force enabling VĮ Turto bankas, as the centralised manager of State-owned assets, to acquire more rights and obligations: change the agreements on the use into agreements on the lease, set a more clear pricing that meets the conditions of the market.

At the end of 2019, VĮ Turto bankas managed the State-owned shares of 74 companies (58 in 2018). 11 companies were included in the privatisation list, 7 companies were under liquidation or bankruptcy proceedings or these were State-owned enterprises not included in the privatisation list, and 56 companies whose shares were transferred as ownerless assets. **While implementing the function of centralised management of the state-owned real estate, in the accounting period, the Company managed the property worth of EUR 336 million. The value of the managed property amounted to EUR 226.3 million last year.** Also, the record number of auctions was announced over the year (1,504, i.e. more than twice the number in 2018), where 465 objects of real estate were sold for EUR 31.5 million (in 2018, EUR 8.2 million), debts in the amount of EUR 5.2 million were recovered (in 2018, EUR 7.1 million). VĮ Turto bankas successfully implemented the privatisations of two State-owned companies: sold 100% shareholdings of UAB Baltijos poilsio namai and UAB Dotnuvos eksperimentinis ūkis for EUR 5.8 million.

During the accounting period, the Company's sales revenue grew by 47.9% and amounted to EUR 8.1 million at the end of 2019. The growth in sales revenue was significantly influenced by the revenue from management and maintenance of the administrative State-owned real estate increasing up to EUR 3.2 million, which accounted for 39.0% in the common revenue structure, as well as growth in the revenue from sale of real assets and State land plots assigned to them up to EUR 3.3 million constituting a significant 40.0% share.

Total level of costs amounted to 101.1% in 2019 (in 2018 – 98.0%). In the course of the year the organisational changes that took place in the Company (more employees were recruited) conditioned the rise in wage costs by 40.0% or up to EUR 4.7 million. Significant increase in the volume of assets managed naturally led to the increase in wearing costs accounting for 20.0%.

Company's EBITDA that amounted to EUR 1.5 million in 2018 increased by 43.1% during the reporting year and reached EUR 2.1 million. Significant increase in Company's costs had a considerable effect on the decrease in adjusted net profit that reached EUR 91.6 thousand, i.e. 57.8% less than in 2018.

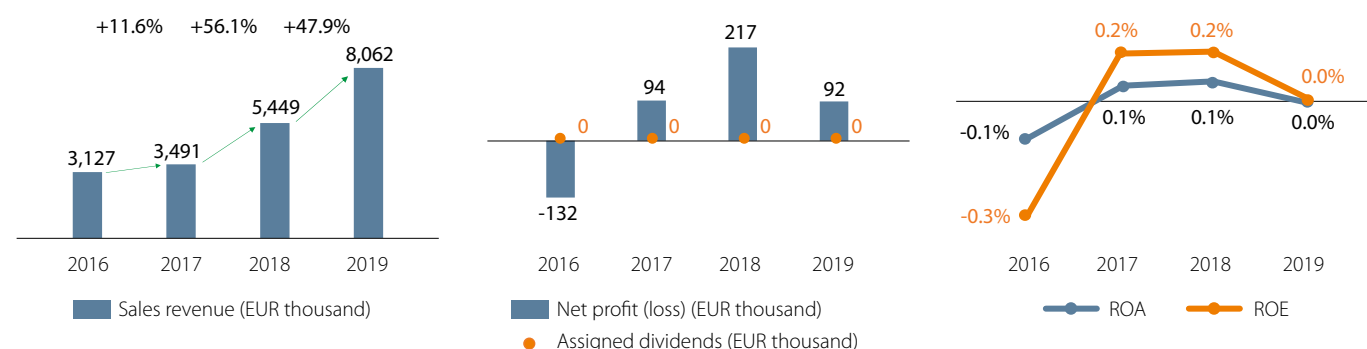
Almost twice increased value of investment assets controlled by the Company conditioned the value of assets to reach EUR 394.8 million in 2019 (EUR 283.7 million in 2018). Increase in capital the corresponds to the centrally managed State assets by 54.3% conditioned that neither return on assets nor return on equity were earned.

In 2019, Company's investments in non-current assets amounted to EUR 430.2 thousand. 64.5% of all investments were dedicated to the acquisition of business management system, operational real estate management information system and IT system licences.

- ↑ Company's revenue increased by 47.9% and stood at EUR 8.1 million at the end of the year
- ↑ Value of assets managed grew by 48.0%
- ↓ Adjusted net profit decreased by 57.8% and stood at EUR 91.6 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	5,449	8,062	+47.9%
Cost of goods sold	4,443	6,594	+48.4%
Gross profit (loss)	1,007	1,468	+45.8%
Cost of sales	0	0	-
General and administrative expenses	899	1,542	+71.6%
Results of other activities	0	5	+100.0%
Net financial items	60	118	+97.3%
Profit (loss) before taxes	168	50	-70.3%
Corporation tax	17	26	+54.8%
Net profit (loss)	151	24	-84.2%
Adjusted net profit (loss)	217	92	-57.8%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	174,445	265,594	+52.3%
Current assets	107,954	128,602	+19.1%
Cash and cash equivalents	35,662	43,249	+21.3%
Deferred charges and accrued income	1,276	569	-55.4%
Total assets	283,675	394,766	+39.2%
Equity	173,769	268,127	+54.3%
Grants and subsidies	193	518	+168.0%
Provisions	22	32	+45.2%
Amounts payable and other liabilities	109,679	126,073	+14.9%
Amounts payable after one year and other non-current liabilities	28,646	32,846	+14.7%
<i>Financial liabilities</i>	151	643	+325.0%
Amounts payable within one year and other current liabilities	81,033	93,227	+15.0%
<i>Financial liabilities</i>	76,497	89,615	+17.1%
Accrued expenses and deferred income	12	16	+30.6%
Total equity and liabilities	283,675	394,766	+39.2%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	0.1%	0.0%	-0.1 p. p.
ROE	0.2%	0.0%	-0.2 p. p.
D/E	44.1%	33.7%	-10.4 p. p.
EBITDA	1,489	2,132	+43.1%
EBITDA margin	27.3%	26.4%	-0.9 p. p.
Net profit margin	4.0%	1.1%	-2.8 p. p.
RETURN TO THE OWNER (EUR thousand)			
	2018	2019	CHANGE
Assigned profit contributions	129	19	-85.1%
Property tax	77	80	+3.2%
Total contributions and non-standard taxes to the State	206	99	-52.0%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	169	201	+18.9%
Number of administration employees	2	2	-
Average monthly salary of executives (gross, EUR)	5,001	5,404	+8.1%
INSTITUTION REPRESENTING THE STATE			
Ministry of Finance of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director	Mindaugas Sinkevičius		
Chairman of the Board	Darius Indriūnas*		
Members of the Board	Vidmantas Šiugždinis*		
	Viktorija Trimbel*		
	Lina Frejūtė		
	Algirdas Stumbrys		

*Independent member



UAB Viešųjų investicijų plėtros agentūra

www.vipa.lt

VIPA
NACIONALINĖ
PLĖTROS
JŲSTAIGA

Viešųjų investicijų plėtros agentūra (VIPA) implements and manages financial instruments designed for financing of sustainable development in the areas of public infrastructure and public interest of State- and public-importance.

Special obligations: implements financial incentives (loans, financial suretyship services, financial leasing services and/or financial guarantees, investment in capital and other) funded through a variety of funding sources (EU investment funds, the Company's equity, investments of international financial institutions and private sector investment and/or funds attracted otherwise) directly, through financial intermediaries, investment platforms and/or otherwise; acts as a National Development Body in the field of promoting the development of urban or urbanised areas, renovation and development of housing, public infrastructure and the infrastructure of public interest, and energy efficiency.

MAJOR EVENTS:

- In 2019, as the national development authority, VIPA prepared to finance projects out of its equity funds and created an online platform for provision of project ideas.

- Sharing its expert experience, VIPA joined 3 international projects: Interreg Europe project "POWERTY" (Renewable Energies for Vulnerable Groups), European Union research and innovations financing programme "Horizon 2020" project Triple-A (Enhancing at an Early Stage the Investment Value Chain of Energy Efficiency Projects) and European Union research and innovations financing programme "Horizon 2020" project "CitizEE" (Scaling up Public Energy Efficiency Investments via Standardising Citizen Financing Schemes).

At the end of 2019, the Company successfully managed 5 funds according to fund management agreement, 1 investment platform acting as a limited partner, implemented 3 refundable subsidy and 1 grant instrument as well as implemented 2 instruments acting as a financial mediator. The total sum of funds mobilised under these instruments amounted to EUR 592 million at the end of 2019 - 2.5 times more as compared with the sum of funds mobilised at the end of 2018.

Furthermore, the Water Management Fund (WMF) was established in the Company for successful coordination of the total financing of loans and refundable subsidy instruments in Energy Efficiency Fund (ENEF) and Water Management Fund. At the end of 2019, applications for EUR 14.4 million were received.

The sum of private funds attracted also showed a considerable growth totalling EUR 274 million at the end of 2019, i.e. EUR 126 million more than in 2018.

The investments in the financial reporting for 2019 are reflected in as much as it conditioned the Company's non-current assets (rights to the lease of non-current assets, purchases of software, etc.). Such change amounted to 70.2% over 2019 (provisions of the 16th IFRS "Lease" on the property lease agreements entered into force on 1 January 2019).

2019 saw a significant increase in equity - as far back as in 2018, the Ministry of Finance transferred EUR 9.2 million and that was temporarily accounted in non-current assets. The authorised capital was increased accordingly in 2019 the growth of which amounted to 349.7%.

The growth in net profit margin by 7.2 percentage points has been explained by the Company by a slowdown in activity and that resulted in the increase in revenues accordingly. A positive tendency has been observed in the ratios of return as well: ROA grew by 1.3 percentage points and reached 2.2%, ROE increased by 1.2 percentage points and reached 3.7%.

Upon increase in the return on equity, the share of distributable profit allocated to dividends was reduced down to 75.0%. Therefore, compared with 2018, the return to the State decreased by 22.8% and amounted to EUR 205.8 thousand.

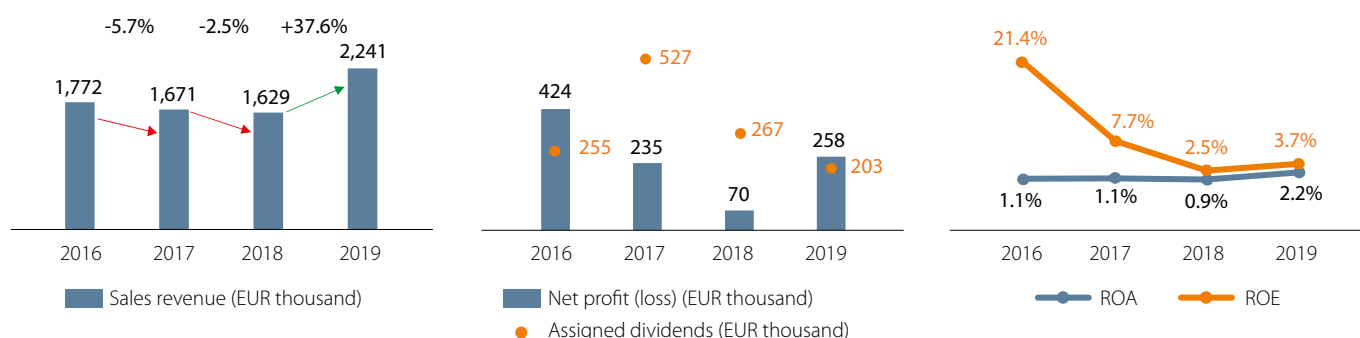
↑ Revenue increased by 37.6% up to EUR 2,241.3 thousand

↑ Net profit grew by 270.6%

↓ Company's return to the State decreased by 22.8% over the year

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	1,629	2,241	+37.6%
Cost of goods sold	717	769	+7.3%
Gross profit (loss)	912	1,472	+61.4%
Cost of sales	0	0	-
General and administrative expenses	902	1,220	+35.3%
Results of other activities	70	36	-48.8%
Net financial items	5	14	+173.6%
Profit (loss) before taxes	85	301	+255.0%
Corporation tax	15	43	+183.6%
Net profit (loss)	70	258	+270.6%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	321	547	+70.2%
Current assets	11,523	11,409	-1.0%
Cash and cash equivalents	9,945	523	-94.7%
Deferred charges and accrued income	10	15	+54.0%
Total assets	11,854	11,971	+1.0%
Equity	2,567	11,545	+349.7%
Grants and subsidies	0	0	-
Provisions	4	4	-
Amounts payable and other liabilities	9,259	418	-95.5%
Amounts payable after one year and other non-current liabilities	0	97	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	9,259	321	-96.5%
Financial liabilities	0	0	-
Accrued expenses and deferred income	23	4	-84.7%
Total equity and liabilities	11,854	11,971	+1.0%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	0.9%	2.2%	+1.3 p. p.
ROE	2.5%	3.7%	+1.2 p. p.
D/E	0.0%	0.0%	-
EBITDA	150	449	+199.6%
EBITDA margin	9.2%	20.0%	+10.8 p. p.
Net profit margin	4.3%	11.5%	+7.2 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	267	206	-22.8%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	51	55	+7.8%
Number of administration employees	4	3	-25.0%
Average monthly salary of executives (gross, EUR)	3,556	4,301	+21.0%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry Of Finance of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Gvidas Dargužas
Chairman of the Board			Gvidas Dargužas
Members of the Board			Raimonda Lauraitytė Kristina Vaskelienė Dalia Dubovskė
Chairman of the Supervisory Board			Arūnas Čiulada*
			Lina Liubauskaitė
Supervisory Board			Raimonda Eidžiūnė Raimondas Rapkevičius* Vaidotas Dirmeikis*

*Independent member



VĮ Mūsų amatai

www.musuumatai.com



Employment of convicts to preserve and develop their employment skills and prepare them for employment after their release

Special obligations: to improve employment rates of inmates; to maintain and develop (improve) employment (professional) skills of convicts and prepare them for employment after their release.

MAJOR EVENTS:

• On 18 October 2019, the restructuring proceedings against State Enterprise Mūsų amatai (hereinafter – the Company) were initiated in the Vilnius Regional Court according to Civil Case No eB2-4085-933/2019. From the entry into force of ruling (28 October 2019), realisation and/or recovery of Company's assets is not possible. The Company was set a 5-month period for preparation and approval of the restructuring plan.

• On 8 June 2019, the Vilnius Regional Court approved the restructuring plan and set the duration of restructuring process for 4 years. As a result, the Company has continued its activities. All transactions concluded after the entry into force of the ruling will be handled as usual according to the terms and conditions agreed. During the restructuring period, the Company's fields of activity remained the same, however, their volumes increased. The Company will continue optimisation of its activities by saving funds, enhancing centralised control and reviewing the necessity of posts in structural units.

The Company operates in three branches: Pravieniškės, Marijampolė, and Alytus. Each of them has different products manufactured or services rendered. The average number of employed convicts decreased by 26.1% in 2019 and totalled 992, compared with 1,343 convicts employed in 2018.

In 2019, the Company's sales revenue stood at EUR 3,683.3 thousand, which was 39.4% or EUR 2,392.9 thousand less than during the previous reference period. The revenue from the Company's operating activities (i.e. sales of furniture, metal products and sewn items) accounted for 49.7% of the total revenue earned and reached EUR 1,829.1 thousand, while the services rendered (i.e. laundry, transportation and fitting services) generated 50.3% of the Company's revenue.

The reference period saw a drop in the Company's cost of goods sold by 34.9% with the cost equalling EUR 3,590.1 thousand. The decline was determined by a 65.1% or EUR 1,210.6 thousand decrease in the costs of materials and raw materials, which amounted to EUR 647.9 thousand. Furthermore, the Company's operating costs decreased by EUR 430.5 thousand and amounted to EUR 624.8 thousand, of which 77.1% represented the general and administrative expenses. The decrease was significantly influenced by a 29.5% (EUR 199.2 thousand) increase of wage costs along with social insurance contributions, which amounted to EUR 477.1 thousand at the end of the year.

The slower cost downtrend had an adverse impact on the Company's net result. During the year, the Company suffered a loss of EUR 541.5 thousand; same as in 2018, when the Company's operating loss amounted to EUR 503.0 thousand.

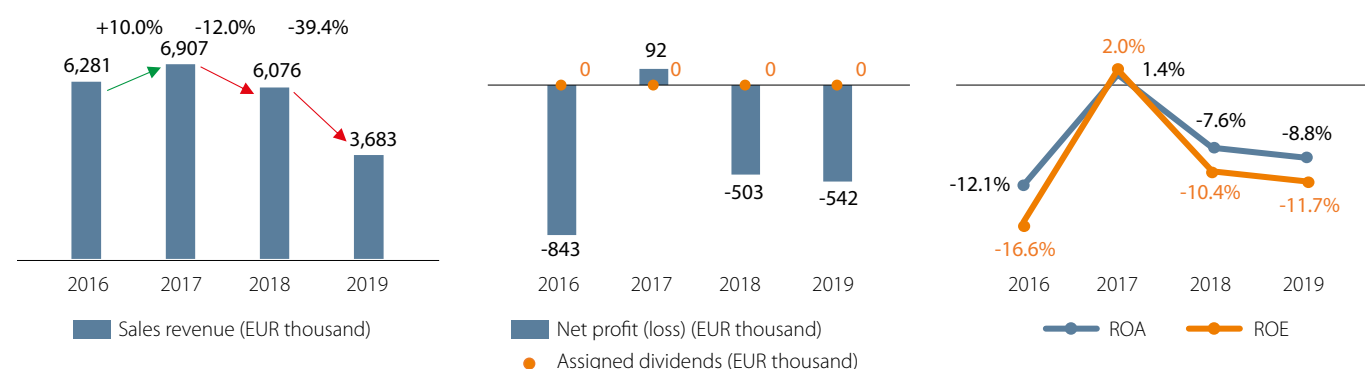
In 2019, the Company allocated EUR 16.1 thousand for the acquisition of fixed assets, the majority of which, 61.9% or EUR 9.9 thousand, was intended for the buildings and structures.

The Company's worse performance also had an impact on its financial ratios: the return on equity and on assets decreased by 1.2 percentage points each. Both ratios continued to remain negative during the reference year with the return on equity equalling -11.7%, while the return on assets, -8.8%.

The debt-to-equity ratio also decreased by 5.8 percentage points and amounted to 0.3%. The Company's EBITDA decreased by 17.5% and dropped down to EUR -286.1 thousand at the end of the reference period. The downtrend of the results is also reflected by the net profitability ratio, which equalled -14.7%.

- ↓ Sales revenue decreased by 39.4% and amounted to EUR 3.7 million
- ↓ The Company suffered a loss of EUR 541.5 thousand
- ↓ Return on equity stood at -11.7%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	6,076	3,683	-39.4%
Cost of goods sold	5,518	3,590	-34.9%
Gross profit (loss)	558	93	-83.3%
Cost of sales	263	143	-45.5%
General and administrative expenses	792	482	-39.2%
Results of other activities	-1	-2	-45.5%
Net financial items	-11	-8	+22.1%
Profit (loss) before taxes	-509	-542	+6.4%
Corporation tax	0	0	-
Net profit (loss)	-509	-542	-6.4%
Adjusted net profit (loss)	-503	-542	-7.7%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	3,634	3,404	-6.3%
Current assets	3,032	2,260	-25.5%
Cash and cash equivalents	447	193	-56.9%
Deferred charges and accrued income	1	1	-28.6%
Total assets	6,666	5,664	-15.0%
Equity	4,911	4,369	-11.0%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	1,756	1,295	-26.2%
Amounts payable after one year and other non-current liabilities	12	0	-100.0%
<i>Financial liabilities</i>	12	0	-100.0%
Amounts payable within one year and other current liabilities	1,743	1,295	-25.7%
<i>Financial liabilities</i>	284	12	-95.6%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	6,666	5,664	-15.0%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-7.6%	-8.8%	-1.2 p. p.
ROE	-10.4%	-11.7%	-1.2 p. p.
D/E	6.0%	0.3%	-5.8 p. p.
EBITDA	-243	-286	-17.5%
EBITDA margin	-4.0%	-7.8%	-3.8 p. p.
Net profit margin	-8.3%	-14.7%	-6.4 p. p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	0	0	-
Property tax	7	0	-100.0%
Total contributions and non-standard taxes to the State	7	0	-100.0%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	120	93	-22.5%
Number of administration employees	4	4	0.0%
Average monthly salary of executives (gross, EUR)	1,631	1,316	-19.4%
INSTITUTION REPRESENTING THE STATE	Prison Department under the Ministry of Justice of the Republic of Lithuania		
MANAGEMENT (1 JUL 2020)	General Director		
	Vytautas Grinius		



UAB Lietuvos kinas

www.lietuvoskinas.lt



Film production, distribution, rental, public screening, cinema advertising and educational film activities, and lease and operations of own real estate

The Company's major source of revenue was the rental of space, which earned EUR 288.9 thousand or 98.7% of the total revenue of the Company. Despite the fact that the space rental services allow earning additional income, at the same time, such services are distancing the Company away from its key film business. There is a trend emerging that the Company's revenue from film rental and screening and other film-related services constitute a decreasing part in the total revenue structure. Furthermore, the revenue from screening of Lithuanian or foreign movies are not stable, therefore, without having additional project funds, the cinema screenings are not financially profitable. In view of the foregoing, on 5 December 2018, the Government of the Republic of Lithuania passed Resolution No 1212 to wind up Private Limited Liability Company Lietuvos kinas.

Total Company's sales revenue decreased by 4.2% during the reporting period and stood at EUR 292.8 thousand at the end of the year. In 2019, the Company's main activities – film rentals and screening – generated 70.2%, i.e. EUR 1.7 thousand, less revenue than in 2018. EUR 3.9 thousand was earned from film business in 2019, i.e. barely 1.2% of Company's revenues.

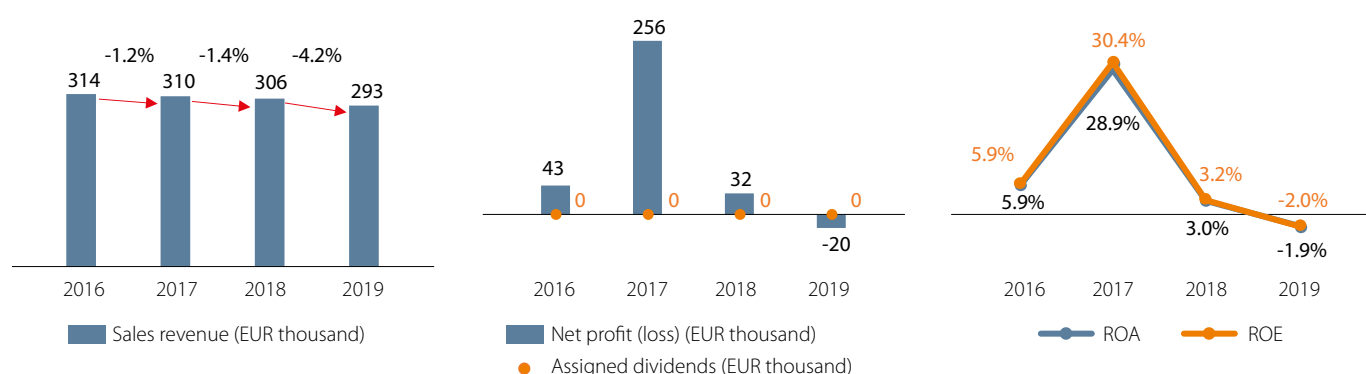
The cost of goods sold increased by 33.7% over the year and amounted to EUR 246.6 thousand at the end of the period. The growth in the cost of goods sold was mainly conditioned by the purchase of film business expert and archiving services in 2019.

During the reporting period, the Company suffered a loss of EUR 19.5 thousand, while the year 2018 was completed with a profit totalling EUR 31.5 thousand.

The Company's underperformance had a negative influence on the ratios of return: ROE decreased by 5.2 percentage points over the year and became negative (-2%), ROA decreased by 4.9 percentage points and also reached a negative value (-1.9%). The lower revenue and net profit of the Company led to the fact that EBITDA for 2019 equalled -EUR 4.3 thousand, i.e. decreased by as much as 107.9%.

- ↓ Company's revenue decreased by 4.2% and amounted to EUR 292,8 thousand
- ↓ The Company suffered a loss of EUR 19,5 thousand
- ↓ Return of equity fell down to -2.0%.

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	306	293	-4.2%
Cost of goods sold	185	247	+33.7%
Gross profit (loss)	121	46	-61.8%
Cost of sales	0	0	-
General and administrative expenses	83	66	-21.1%
Results of other activities	1	0	-100.0%
Net financial items	0	0	-50.0%
Profit (loss) before taxes	39	-20	-150.4%
Corporation tax	7	0	-100.0%
Net profit (loss)	32	-20	-161.9%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	295	285	-3.7%
Current assets	752	742	-1.3%
Cash and cash equivalents	717	693	-3.3%
Deferred charges and accrued income	1	1	0.0%
Total assets	1,048	1,027	-2.0%
Equity	1,001	981	-2.0%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	47	46	-1.7%
Amounts payable after one year and other non-current liabilities	15	12	-15.9%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	32	34	+4.6%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,048	1,027	-2.0%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	3.0%	-1.9%	-4.9 p. p.
ROE	3.2%	-2.0%	-5.2 p. p.
D/E	0	0	-
EBITDA	54	-4	-107.9%
EBITDA margin	17.7%	-1.5%	-19.2 p. p.
Net profit margin	10.3%	-6.7%	-17.0 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	6	7	+16.7%
Number of administration employees	1	1	0.0%
Average monthly salary of executives (gross, EUR)	1,963	1,818	-7.4%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
The Ministry of Culture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Arūnas Stoškus



VĮ Lietuvos paminklai

www.lpaminklai.lt



Implements the programmes assigned by the Department of Cultural Heritage, i.e. management and maintenance of cultural heritage objects, implementing and overseeing project solutions, and drafting special territorial planning documents

Special obligations: preparing special territorial planning documents; making arrangements for the implementation of Heritage Management programmes assigned by the Department of Cultural Heritage under the Ministry of Culture.

MAJOR EVENTS:

- On **20 November 2019**, the Government of the Republic of Lithuania took a decision regarding reorganisation of State Enterprise Lietuvos Paminklai into budgetary institution.
- On **1 April 2020**, the Company became Budgetary Institution Kultūros infrastruktūros centras.

During the reference period, the Company, following the instruction of the Department of Cultural Heritage under the Ministry of Culture, undertook management works on 57 cultural heritage objects, prepared 20 special territorial planning documents for the protection of immovable cultural heritage, marked 75 cultural heritage objects protected by the State and continued the projects financed using the funds from the State budget and from the EU structural funds.

Over 2019, the Company's sales revenue decreased by 7.9% or EUR 563.9 thousand and reached EUR 6,610 thousand at the end of the year. Revenue from construction, installation, emergency and other works accounted for 86.0% of all sales revenue that showed a significant decrease down to EUR 5,619.7 thousand as compared with EUR 6,208.7 thousand in 2018. Revenue from design activities and drafting of special plans also decreased accordingly from EUR 385.4 thousand in 2018 to EUR 311.6 thousand in 2019. The revenue did not include the earnings, totalling EUR 3,313.3 thousand, from the reconstruction works on 2 objects as the works were financed from the EU structural funds.

Cost of goods sold increased by 7.6% and amounted to EUR 6,138.7 thousand during the reporting period. The major part (about 92.0% of the total cost of goods sold) comprised the costs of management, reconstruction, emergency and other works, which saw an about 10.0% or EUR 589.1 thousand decrease, while the wage costs increased from EUR 271.7 thousand up to EUR 325.4 thousand in the costs of goods sold due to wage indexing applied in 2019.

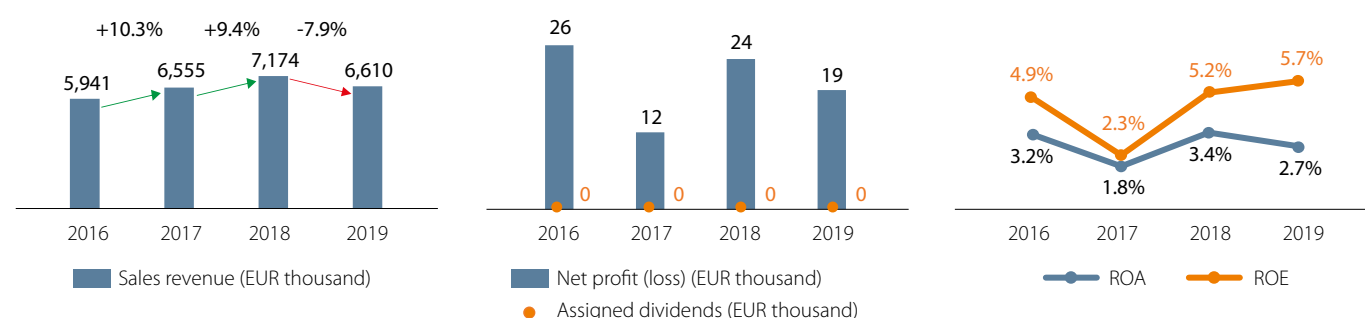
The decreasing volumes of jobs and lower earnings generated had a negative impact on the Company's adjusted net result, which decreased by 20.6% over the year and amounted to EUR 19.1 thousand as against EUR 24.0 thousand a year ago.

Company's non-current assets increased by 165.1% over the year and amounted to EUR 24.3 thousand due to purchase of vehicles and other non-current assets for EUR 21.6 thousand. Increase in grants by 100% or EUR 31.0 thousand resulted from the balance of grants in implementation of project financed under programme "Kultūra".

Decrease in Company's profit had a negative effect on its ratios of return: the return on equity decreased by 0.6 percentage points equalling 2.7%, while EBITDA decreased by 58.8% and stood at EUR 16.0 thousand. Return to the State amounted to EUR 54.3 thousand for 2019, whereas the assigned profit contribution totalled EUR 50.9 thousand as compared with EUR 131.8 thousand for the performance of 2018.

- ↓ Sales revenue decreased by 7.9%
- ↓ Net profit decreased by 28.7% down to EUR 16.2 thousand
- ↓ Return to the State decreased 59.3% and reached EUR 54,3 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	7,174	6,610	-7.9%
Cost of goods sold	6,646	6,139	-7.6%
Gross profit (loss)	528	471	-10.7%
Cost of sales	0	0	-
General and administrative expenses	502	460	-8.5%
Results of other activities	0	0	+55.8%
Net financial items	1	5	+365.1%
Profit (loss) before taxes	26	16	+38.2%
Corporation tax	4	0	-98.1%
Net profit (loss)	23	16	-28.7%
Adjusted net profit (loss)	24	19	-20.6%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	9	24	+165.1%
Current assets	742	609	-17.8%
Cash and cash equivalents	626	513	-18%
Deferred charges and accrued income	4	4	-7.8%
Total assets	755	638	-15.5%
Equity	391	275	-29.6%
Grants and subsidies	0	31	+100.0%
Provisions	0	0	-
Amounts payable and other liabilities	364	332	-9.0%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	364	332	-9.0%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	755	638	-15.5%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	3.4%	2.7%	-0.6 p. p.
ROE	5.2%	5.7%	0.5 p. p.
D/E	0	0	-
EBITDA	39	16	-58.8%
EBITDA margin	0.5%	0.2%	-0.3 p. p.
Net profit margin	0.3%	0.3%	0.0 p. p.
RETURN TO THE OWNER (EUR thousand)			
	2018	2019	CHANGE
Assigned profit contributions	132	51	-61.4%
Property tax	2	3	+117.9%
Total contributions and non-standard taxes to the State	133	54	-59.3%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	40	41	2.5%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	2,420	3,561	47.1%
INSTITUTION REPRESENTING THE STATE			
Department of Cultural Heritage under the Ministry of Culture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director		Vydmantas Drumsta	



UAB Lietuvos monetų kalykla

www.kalykla.lt



Production of circulation and collector coins of the Republic of Lithuania and foreign countries, State decorations, orders and medals, etc.

During the reporting period, the Company minted 73 collector and commemorative coins with different titles (in 2018 - 65), minted 308 thousand units of collector and commemorative 2-euro coins as compared with 227 thousand units minted a year ago.

In 2019, the Company's revenue amounted to EUR 4.4 million, 25.5% less compared with 2018. The decrease in sales revenue was conditioned by decrease in sales revenue from collector (commemorative) coins, constituting 78.2% of all Company's sales revenue, by 28.8% down to EUR 3.2 million. It was also conditioned by the decrease in the sale of medals by 38.9% down to EUR 0.3 million. In the Company's sales revenue structure, the most considerable growth (EUR 0.1 million) was seen in the revenue from circulation and collector coins amounting to only 9.7% of all sales revenue.

During the reference period, Company's costs decreased slower than revenue, i.e. were by 12.4% lower than in 2018. The costs of essential materials and products constituting the major share of costs decreased by 17.4% down to EUR 3.5 million. The changes in other costs were insignificant.

The Company completed 2019 with a loss of EUR 0.7 million, compared with a loss of only EUR 44.7 thousand in 2018. EBITDA changed accordingly totalling EUR -0.5 million compared with EUR 0.2 million a year ago. Decrease in Company's net profitability was also significant - 14.1 percentage points down to -14.9%.

No significant changes have been observed in Company's balance sheet structure. The decrease in current assets by 17.3% was mostly influenced by decrease in cash and cash equivalents by 91.6% to EUR 0.1 million. This also made a considerable impact on the decrease in Company's total assets by 9.3% down to EUR 5.4 million.

Decrease in Company's financial liabilities by 3.6% down to EUR 0.3 million and decrease in equity by 9.3% due to increase in loss brought forward more than 12 times up to EUR 0.7 million conditioned the decrease in Company's D/E rating by 0.4 percentage points to 6.7%.

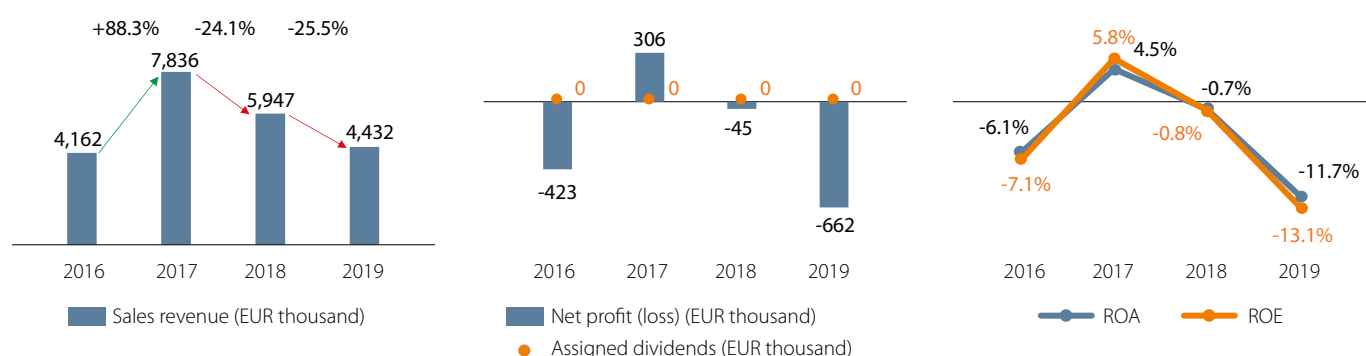
The underperformance is reflected in the financial return ratios: **Decrease of return on assets reached 11.0 percentage points and amounted to -11.7%, whereas return on equity decreased by 12.3% amounting to -13.1%.**

During the reporting period, the Company invested EUR 10.1 thousand to non-current assets, which was mainly dedicated to the upgrade of equipment, communications and personal computer systems. In 2018, the Company allocated EUR 24.6 thousand to investment.

- ↓ Sales revenue decreased by 25.5% down to EUR 4.4 million
- ↓ Net loss fell by almost 15 times
- ↓ EBITDA was by EUR 0.8 million lower

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	5,947	4,432	-25.5%
Cost of goods sold	5,305	4,587	-13.5%
Gross profit (loss)	642	-156	-124.2%
Cost of sales	0	0	-
General and administrative expenses	676	652	-3.5%
Results of other activities	3	3	+16.0%
Net financial items	-11	-13	-19.3%
Profit (loss) before taxes	-45	-662	-1,381.0%
Corporation tax	0	0	-
Net profit (loss)	-45	-662	-1,381.0%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	3,353	3,257	-2.8%
Current assets	2,527	2,089	-17.3%
Cash and cash equivalents	760	64	-91.6%
Deferred charges and accrued income	49	33	-33.4%
Total assets	5,929	5,379	-9.3%
Equity	5,377	4,715	-12.3%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	552	663	+20.2%
Amounts payable after one year and other non-current liabilities	300	223	-25.7%
Financial liabilities	300	223	-25.7%
Amounts payable within one year and other current liabilities	252	441	+74.8%
Financial liabilities	77	94	+22.1%
Accrued expenses and deferred income	0	1	-
Total equity and liabilities	5,929	5,379	-9.3%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-0.7%	-11.7%	-11.0 p. p.
ROE	-0.8%	-13.1%	-12.3 p. p.
D/E	7.1%	6.7%	-0.4 p. p.
EBITDA	245	-544	-
EBITDA margin	4.1%	-12.3%	-16.4 p. p.
Net profit margin	-0.8%	-14.9%	-14.2 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	56	52	-5.5%
Number of executives	1	1	0.0%
Average monthly salary of executives (gross, EUR)	2,920	3,569	+22.2%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Bank of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Evaldas Stralkus
Chairman of the Board			Linus Čereška*
Members of the Board			Eimundas Mačiulis* Kristina Mažeikytė* Vaidas Cibas Algirdas Neciunskas

*Independent member



VĮ Distancinių tyrimų ir geoinformatikos centras GIS-Centras

www.gis-centras.lt



Maintenance and development of the Lithuanian spatial information infrastructure and management of georeferencing cadastral spatial data

Special obligations: management and development of the Lithuanian Spatial Information Infrastructure portal (LEI portal); management and development of the Georeferencing Cadastre (GRPK), administration of the network of remote stations of the Lithuanian Positioning System (LitPOS) and development of services.

During the course of its business in 2019, the Company earned EUR 810.3 thousand in revenue from commercial activities, which was 19.6% less than in 2018. The major part of the revenue (95.0%) included the income from the GIS services (state border mapping, services to the National Land Service, the National Payment Agency, European Environment Agency, etc.), with the remaining part of the revenue earned from selling cartographical products in a map store. The Company's main business was focused on the state-delegated functions, which cannot bring profits to the Company and which have their costs reimbursed from the State budget (such costs amounted to EUR 1 million during the reference period and were not included in the financial statement).

During the reference period, the costs of commercial activities amounted to EUR 691 thousand: the main share of such costs (89.0%) constituted of operating costs (general and administrative) that decreased by 6.0% during 2019. The decrease in costs was mostly conditioned by a 17.5% wage costs economy. Furthermore, the average wages of executives were reviewed and decreased by 54.3% in 2019.

Significantly shrinking revenue from commercial activity led to the decrease in adjusted net profit by 43.1% down to EUR 101.6 thousand. Accordingly, the underperformance conditioned the drop in ratios of return: ROA decreased by 2.0 percentage points and equalled 4.3%, ROE decreased by as much as 9.1 percentage points and stood at 18.8%. The decreased EBITDA amounted to EUR 178.6 thousand.

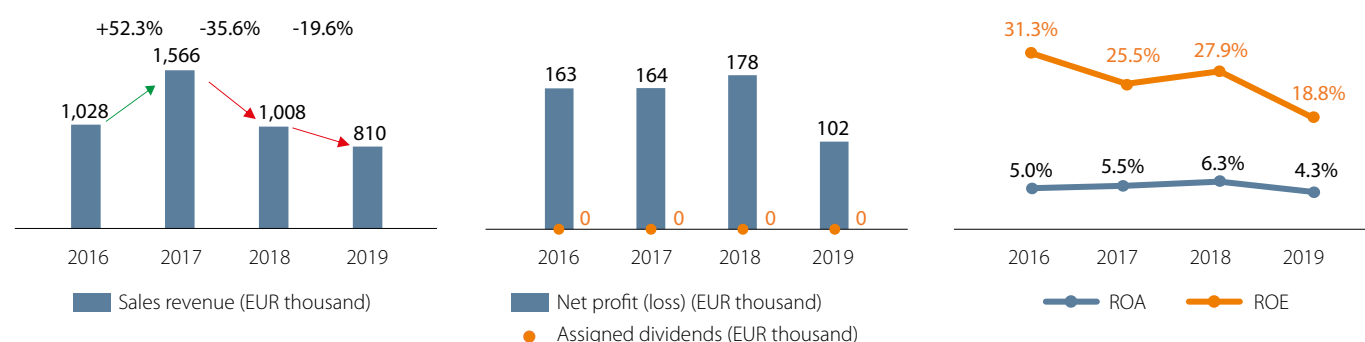
During the reporting period, non-current assets managed by the Company decreased by 21.5% or EUR 372.0 thousand and amounted to EUR 1,359.6 thousand at the end of the reporting period. This was mostly conditioned by non-current assets depreciation costs. The negative effect on equity (decrease in 18.8%) was influenced by the decrease in the sum of retained earnings.

During 2019, the sum of grants and subsidies decreased by 19.5% and amounted to EUR 1.3 million. The decrease resulted from the volume of acquisition of assets, amortisation from EU projects being implemented, as well as from state grants (EUR 313 thousand, in total).

The return to the State reached EUR 145.3 thousand at the end of 2019 - i.e. 1/3 less than in 2018.

- ↓ Sales revenue decreased by 19.6% and amounted to EUR 810.3 thousand
- ↓ Adjusted net profit decreased by 43.1% and amounted to EUR 101.6 thousand
- ↓ Average monthly salary of executive was decreased by 54.3% and stood at EUR 2,300 at the end of the year

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	1,008	810	-19.6%
Cost of goods sold	119	63	-46.9%
Gross profit (loss)	889	747	-16%
Cost of sales	26	14	-46.3%
General and administrative expenses	654	614	-6.0%
Results of other activities	0	0	-
Net financial items	0	0	-
Profit (loss) before taxes	210	119	-43.4%
Corporation tax	33	19	-43.3%
Net profit (loss)	177	100	-43.4%
Adjusted net profit (loss)	178	102	-43.1%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	1,732	1,360	-21.5%
Current assets	1,017	600	-41.0%
Cash and cash equivalents	651	522	-19.8%
Deferred charges and accrued income	23	7	-70.3%
Total assets	2,772	1,966	-29.1%
Equity	596	484	-18.8%
Grants and subsidies	1,606	1,293	-19.5%
Provisions	0	0	-
Amounts payable and other liabilities	570	190	-66.8%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	570	190	-66.8%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	2,772	1,966	-29.1%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	6.3%	4.3%	-2.0 p. p.
ROE	27.9%	18.8%	-9.1 p. p.
D/E	0.0	0.0	-
EBITDA	237	179	-24.7%
EBITDA margin	23.5%	22.0%	-1.5 p. p.
Net profit margin	17.7%	12.5%	-5.2 p. p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	213	145	-31.6%
Property tax	1	1	0.0%
Total contributions and non-standard taxes to the State	214	147	-31.4%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	77	76	-1.3%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	5,033	2,300	-54.3%
INSTITUTION REPRESENTING THE STATE	Ministry of Agriculture of the Republic of Lithuania		
MANAGEMENT (1 JUL 2020)	Director Žilvinas Stankevičius		



AB Detonas

www.detonas.eu



Blasting and drilling works across Lithuania

During the reporting period, the Company carried out its principal activities in 4 quarries where drilling and blasting works were performed (in 2018, the activities were carried out in 6 quarries). The entry and establishment of a strong competitor UAB Eksposita led to the end of Company's monopoly – in 2019, the market share held shrank by as much as 25.0%.

In 2019, the volumes of dolomite rock blasting decreased by as much as 49.6% and reached 894 thousand m³, although the volumes of limestone rock blasting grew by 13.8% and reached 752 thousand m³. The result of the above-mentioned factors – total decrease in the sales revenue by 37.1%.

During the reporting period, the price of materials used for blasting increased, while the share of fixed costs remained unchanged. This led to the decrease in the overall profitability from 39.6% in 2018 down to 28.1% in 2019, as a result, the Company tried to save by the help of operating costs, by optimising the number of employees and without paying the variable part of remuneration to the administration employees for the achieved performance results. **Although the overall decrease in the operating costs reached 19.4%, the Company earned barely 3.9% of net profit margin** (in 2018, the net profit margin totalled 18.3%).

Over 2019, the Company's assets decreased by 2.9% and stood at EUR 3,898.1 thousand. The decrease in current assets by 37.8% down to EUR 675.9 thousand was conditioned by the decrease in the stock, trade debtors and amount of cash. **Company's non-current assets increased by 10.1% up to EUR 3,210.9 thousand due to the installation of new emulsified explosive production technology.** This new technology will allow the Company to expand its activities in foreign markets.

During the reporting period, the Company signed a crediting agreement with AB SEB Bankas for financing of investment project of the value of EUR 300.0 thousand for a period of five years. **This led to the increase in Company's obligations more than twice up to EUR 617.5 thousand. The balance of financial liabilities of Company stood at EUR 245.0 thousand at the end of the year,** of which non-current financial liabilities accounted for EUR 185.0 thousand and current financial liabilities – EUR 60.0 thousand. Company's total financial liabilities-to-equity ratio accounted for 7.5%.

In view of declined profit margins, Company's financial return ratios also decreased accordingly: **return on equity decreased by 13.6 percentage points and reached 2.4%, whereas the return on assets that stood at 2.1% at the end of the period decreased by 12.8 percentage points.**

Over 2019, the Company's allocated EUR 515.3 thousand to investment into non-current assets, i.e. 24.1% or EUR 90.7 thousand more than a year ago. Own and borrowed investment funds accounted for 42.0% and 58.0% respectively. The major share of investment (98.0% or 504.8 thousand euro) was allocated to the installation of emulsified explosive production technology that is planned to be completed in 2020.

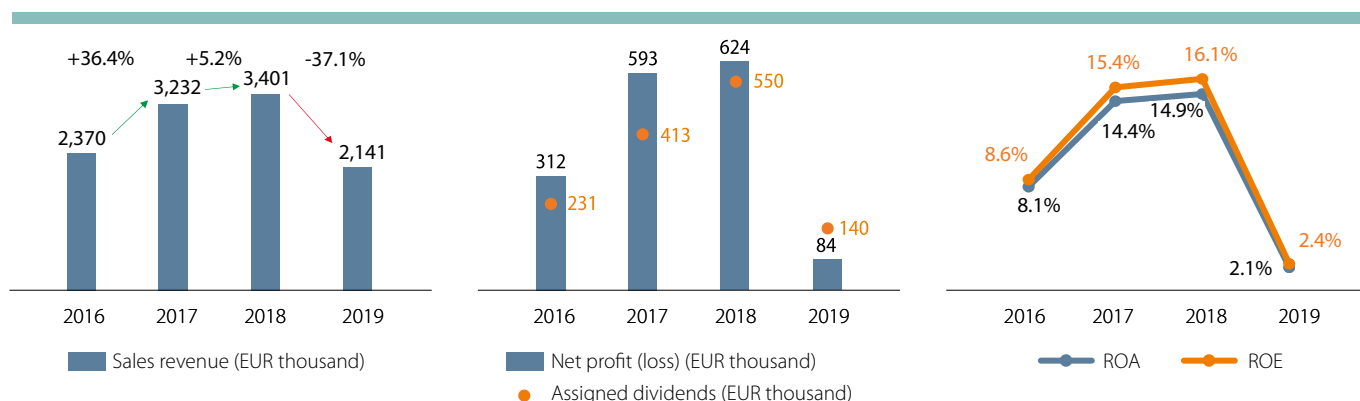
Current solvency ratio stood at 1.6 and this demonstrates the Company's ability to perform its current liabilities in a due and timely manner.

Over the year, the number of Company's employees decreased by 14.9% and totalled 57. The negative change is related to decreasing scope of works and generated revenue flows.

- ↓ Sales revenue decreased by 37.1% or EUR 1.3 million
- ↓ Net profitability decreased by 14.4 percentage points
- ↑ 21.4% or EUR 91 thousand more was allocated to investment

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	3,401	2,141	-37.1%
Cost of goods sold	2,056	1,539	-25.1%
Gross profit (loss)	1,345	602	-55.3%
Cost of sales	1	1	+37.5%
General and administrative expenses	704	567	-19.4%
Results of other activities	28	67	+139.6%
Net financial items	1	-7	-
Profit (loss) before taxes	668	93	-86.1%
Corporation tax	44	8	-81.3%
Net profits (loss)	624	84	-86.5%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	2,917	3,211	+10.1%
Current assets	1,087	676	-37.8%
Cash and cash equivalents	487	205	-58.0%
Deferred charges and accrued income	10	11	+11.9%
Total assets	4,015	3,898	-2.9%
Equity	3,742	3,276	-12.5%
Grants and subsidies	0	0	-
Provisions	14	4	-68.1%
Amounts payable and other liabilities	259	618	+138.9%
Amounts payable after one year and other non-current liabilities	8	197	+2,360.0%
<i>Financial liabilities</i>	0	185	-
Amounts payable within one year and other current liabilities	251	421	+67.9%
<i>Financial liabilities</i>	0	60	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	4,015	3,898	-2.9%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	14.9%	2.1%	-12.8 p. p.
ROE	16.1%	2.4%	-13.6 p. p.
D/E	0.0%	7.5%	+7.5 p. p.
EBITDA	865	297	-65.6%
EBITDA margin	25.4%	13.9%	-11.5 p. p.
Net profit margin	18.3%	3.9%	-14.4 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	550	140	-74.5%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	67	57	-14.9%
Number of executives	2	2	0.0%
Average monthly salary of executives (gross, EUR)	4,286	4,361	+1.7%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Vaidas Zubavičius
Chairman of the Board			Mantas Šukevičius*
Members of the Board			Liutautas Šlajus Arvydas Darulis*

*Independent member



AB Problematika

www.problematika.lt

Laboratory testing and analysis of road-building materials, products and articles, technical quality control and maintenance of roads and their structures, airports, railways and other objects attributed to transport and communications group, certification of road-building materials, cadastral measurements and other engineering-technological activities.

MAJOR EVENTS:

• In 2019, the organisational structure of Company was renewed and a team of strong managers was formed.

In 2019, Company's commercial activities were affected by seasonality. The Lithuanian Road Administration declared a technological break from 15.12.2018 to 15.03.2019.

Due to active road repair works in 2019, the Company's revenue grew by 6.5%. The major growth, i.e. 57.4%, was seen in the revenue from laboratory research works constituting a significant share of 75.0% in the total revenue structure. Unfortunately, due to active competition in the field of technical quality control and maintenance of roads, the proceeds earned from this activity decreased by a third, thus, preventing the Company from reaching higher growth in sales revenue.

The evaluation of the cost of goods sold and cost of sales was changed in 2019. In view of the foregoing, a significant change in these items was noticed in the financial statements for 2019 as compared with the previous year. The total amount of all costs incurred by the Company reached EUR 4.1 million, i.e. 8.0% less than in 2018. Optimised Company's organisational structure and improved processes allowed the control of the growth of costs.

In 2019, the Company earned as much as 90.8% greater net profit (EUR 1.2 million) than during the previous period.

The major share of Company's assets constituted of non-current assets of the value of EUR 6.1 million at the end of 2019. Building and structures accounted for 81.0% of these non-current assets.

In 2019, Company's liabilities grew by 58.0% and totalled EUR 1.8 million at the end of the year. This was mostly influenced by short-term credit line granted by AB SEB and its balance stood at EUR 1.1 million at the end of the year. New financial obligation has a significant effect on the growth of debt-to-equity ratio - during the reporting period, D/E ratio grew by 14.8 percentage points and amounted to 19.7% at the end of the year.

During 2019, EBITDA increased by 81.7% and reached EUR 1.9 million. Significantly increased net profit allowed the Company to improve the return ratios: ROA grew by 8.1 percentage points and reached 15.4%, ROA growth reached 10.6 percentage points - up to 19.1%.

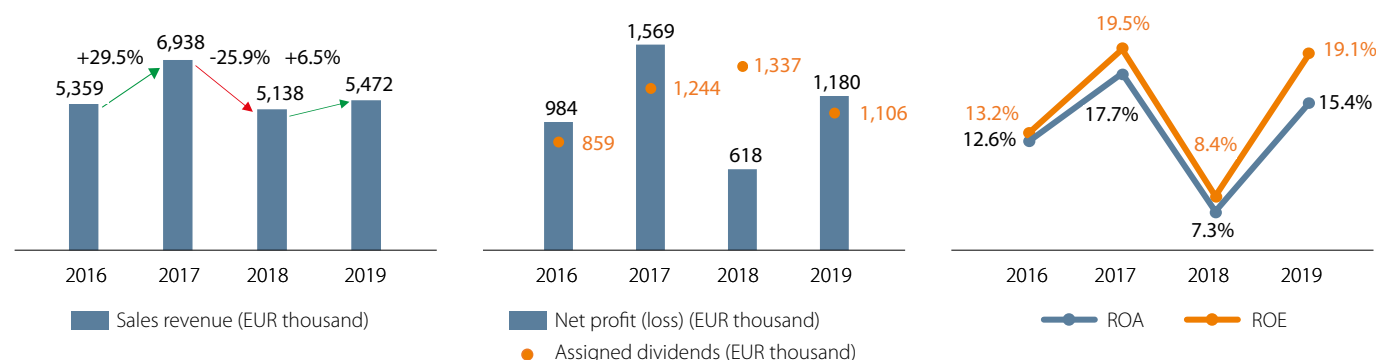
During the reporting period, the Company made investments for EUR 67.0 thousand to upgrade facilities and install new premises for rent.



- ↑ Company's revenue increased by 6.5% and stood at EUR 5.5 million at the end of the year
- ↑ Net profit increased by 9.5 percentage points up to 21.6%
- ↑ Rate on equity grew by 10.6 percentage points and reached 19.1%

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	5,138	5,472	+6.5%
Cost of goods sold	3,394	2,495	-26.5%
Gross profit (loss)	1,744	2,977	+70.7%
Cost of sales	4	665	+16 943.6%
General and administrative expenses	1,035	902	-12.9%
Results of other activities	3	9	+196.8%
Net financial items	21	-21	-
Profit (loss) before taxes	729	1,399	+92.1%
Corporation tax	110	219	+98.9%
Net profit (loss)	618	1,180	+90.8%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	6,583	6,061	-7.9%
Current assets	799	1,823	+128.2%
Cash and cash equivalents	1	1,393	-
Deferred charges and accrued income	30	35	+14.2%
Total assets	7,413	7,919	+6.8%
Equity	6,269	6,112	-2.5%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	1,144	1,807	+58.0%
Amounts payable after one year and other non-current liabilities	78	42	-46.4%
<i>Financial liabilities</i>	78	42	-46.4%
Amounts payable within one year and other current liabilities	1,065	1,765	+65.7%
<i>Financial liabilities</i>	228	1,163	+409.9%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	7,413	7,919	+6.8%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	7.3%	15.4%	+8.1 p. p.
ROE	8.4%	19.1%	+10.6 p. p.
D/E	4.9%	19.7%	+14.8 p. p.
EBITDA	1,071	1,945	+81.7%
EBITDA margin	20.8%	35.5%	+14.7 p. p.
Net profit margin	12.0%	21.6%	+9.5 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	1,336	1,105	-17.2%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	99	92	-7.1%
Number of administration employees	4	4	0.0%
Average monthly salary of executives (gross, EUR)	3,300	3,759	+13.9%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
Director	Artūras Palekas		
Chairman of the Board	Arvydas Darulis*		
Members of the Board	Rolandas Oginskas* Janina Laskauskienė		

*Independent member



UAB Universiteto vaistinė

www.universitetoivaistine.eu



Retail trade in medicines, medicinal substances and narcotic and psychotropic medications, production of extemporaneous and dermatological medicines, production of eye drops, etc.

The rising scope of services in 2019 pushed the Company's sales revenue up by 7.7% or EUR 186 thousand. Over the reference year, the Company generated its revenue from medicines, medical aids and cosmetics, all sold across its five outlets, as well as medicines produced, and narcotic medicines sold in three of its outlets.

Increasing sales revenues led to the increase in costs as well. Compared with 2018, the costs of sales increased by 7.9% and reached EUR 1,843.5 thousand at the end of 2019. The general and administrative expenses increased by 7% against the previous reference period and reached EUR 647.6 thousand mostly due to indexing of wages from 01.01.2019.

Total Company's assets increased by 10.5% over 2019.

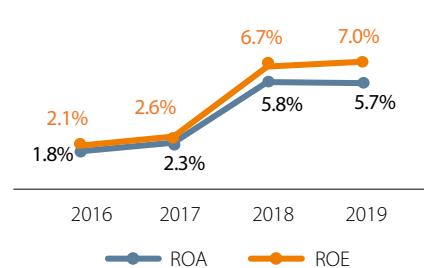
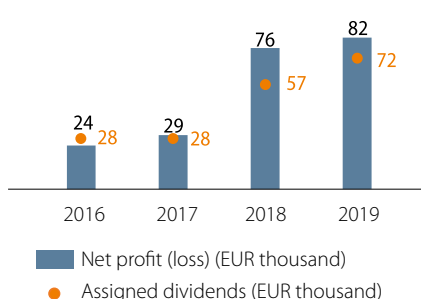
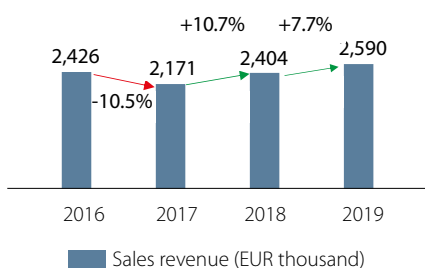
At the end of 2019, a 60% increase was observed in the sums payable within one year and sum of other current liabilities amounting to EUR 312.6 thousand.

Net profit of the Company grew by 7.5% and stood at EUR 81.6 thousand at the end of the reference period. Accordingly, this led to the increase in EBITDA, which amounted to EUR 105 thousand at the end of 2019 – 9.4% more than during the previous period.

Company's return to the State grew by 25.6% as compared with 2018 and stood at EUR 71.6 thousand at the end of the reference period.

- ↑ Sales revenue increased by 7.7% and stood at EUR 2,589.8 thousand.
- ↑ Net profit grew by 7.5% and stood at EUR 81.6 thousand.
- ↑ Return to the State increased by 25.6% and reached EUR 71.6 thousand.

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	2,404	2,590	+7.7%
Cost of goods sold	1,709	1,844	+7.9%
Gross profit (loss)	695	746	+7.3%
Cost of sales	0	0	-
General and administrative expenses	605	648	+7%
Results of other activities	0	0	-
Net financial items	0	0	-
Profit (loss) before taxes	90	99	+9.3%
Corporation tax	14	17	+18.8%
Net profit (loss)	76	82	+7.5%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	716	718	+0.3%
Current assets	628	773	+23.1%
Cash and cash equivalents	262	362	+38.2%
Deferred charges and accrued income	5	0	-100%
Total assets	1,349	1,491	+10.5%
Equity	1,154	1,178	+2.1%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	195	313	+60%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	195	313	+60%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,349	1,491	+10.5%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	5.8%	5.7%	-0.1 p. p.
ROE	6.7%	7%	+0.3 p. p.
D/E	0	0	-
EBITDA	96	105	+9.4%
EBITDA margin	4%	4.1%	0.1 p. p.
Net profit margin	3.2%	3.2%	0 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	57	72	25.6%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	30	29	-3.3%
Number of administration employees	4	4	0%
Average monthly salary of executives (gross, EUR)	1,767	2,502	+41.6%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Health			
MANAGEMENT (1 JUL 2020)			
General Director			Rima Losinskaja



AB Giraitės ginkluotės gamykla

www.ggg-ammo.lt



Production and sale of new and modern different-calibre ammunition.

MAJOR EVENTS:

• On **18 February 2019**, the Company's Management Board was elected.

• On **10-13 September 2019**, the Company introduced its products at the largest exhibition in defence sector – DSEI (Defence Security and Equipment International) - in London.

Over the reference period, the volume of products sold by the Company decreased by 12.0%, however, the end production volume decreased by nearly 29.0% and the component sales dropped 4 times. In 2019, military output represented 34.0%, while civil production – 61.0% of the total output sold.

In 2019, the Company earned EUR 7,912.0 thousand in sales revenue from operating activities, i.e. 15.9% less than a year ago. This was mainly due to insufficient production capacities of Company and decrease in the number of orders for military production from NATO Support and Procurement Organisation (NSPO). Accordingly, with the decreasing sales of goods, cost of sales decreased by 11.1% and stood at EUR 6,120.5 thousand at the end of the year. Cost of goods sold increased by 62.4% and reached EUR 100.2 thousand.

Decrease in the output sales and growth of the cost of goods sold had a negative impact on the Company's net profit that decreased by 75.2%, therefore, at the end of 2019, the profit stood at 291.9 thousand euro as compared with 1,175.3 thousand euro in 2018.

Over 2019, the Company's non-current liabilities (financial debt to the Ministry of Finance of the Republic of Lithuania) decreased by 7.4% or EUR 790.0 thousand and equalled EUR 9,936.0 thousand at the end of the year.

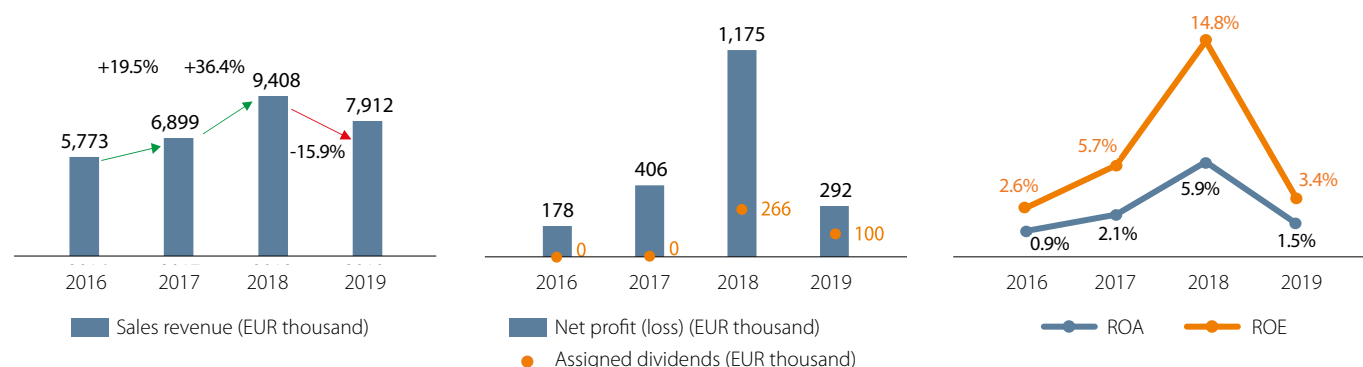
The EBITDA ratio saw a sharp decrease and reached EUR 1,227.5 thousand at the end of 2019, which was a decrease of 47.9% if compared with 2018. The underperformance is also reflected in the rate on equity, which decreased by 10.6 percentage points in 2019 and amounted to barely 3.4%, accordingly, the expectation of shareholder regarding the amount of return on equity (ROE) for 2019 was not realised.

The decreasing return on equity ratio also had influence on the sum of return to the State which decreased by 62.5%. The dividends not assigned to the State in 2019 as compared with EUR 266.5 thousand in 2018.

- ↓ Net profit decreased by 75.2% and stood at EUR 291.9 thousand
- ↓ Sales revenue decreased by 15.9%
- ↓ Dividends assigned to the State decreased by 62.5% over the year

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	9,408	7,912	-15.9%
Cost of goods sold	6,888	6,121	-11.1%
Gross profit (loss)	2,520	1,792	-28.9%
Cost of sales	62	100	+62.4%
General and administrative expenses	747	803	+7.4%
Results of other activities	229	3	-98.9%
Net financial items	-575	-542	+5.7%
Profit (loss) before taxes	1,365	349	-74.4%
Corporation tax	189	57	-69.9%
Net profits (loss)	1,175	292	-75.2%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	13,075	12,800	-2.1%
Current assets	6,824	7,189	+5.3%
Cash and cash equivalents	2,272	2,426	+6.8%
Deferred charges and accrued income	25	16	-36.9%
Total assets	19,925	20,004	+0.4%
Equity	8,530	8,555	+0.3%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	11,394	11,449	+0.5%
Amounts payable after one year and other non-current liabilities	10,726	9,936	-7.4%
<i>Financial liabilities</i>	10,636	9,936	-6.6%
Amounts payable within one year and other current liabilities	668	1,513	+126.4%
<i>Financial liabilities</i>	139	837	+501.9%
Accrued expenses and deferred income	1	0	-80.0%
Total equity and liabilities	19,925	20,004	+0.4%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	5.9%	1.5%	8.1 p. p.
ROE	14.8%	3.4%	-10.6 p. p.
D/E	126.3%	125.9%	14.8 p. p.
EBITDA	2,356	1,228	-47.9%
EBITDA margin	25.1%	15.5%	14.7 p. p.
Net profit margin	12.5%	3.7%	9.5 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	266	0	-100.0%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	71	77	+8.5%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	2,544	4,362	+71.5%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Finance of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director		Aleksandras Nikonovas	
Chairman of the Board		Vygantas Sliesoraitis *	
		Laima Kalinauskienė	
		Remigijus Štaras *	
		Eimundas Mačiulis *	
		Asta Sinkevičienė	

*Independent member



UAB Investicijų ir verslo garantijos

www.invega.lt



Providing guarantees and soft loans, implementing venture capital investment facilities, partial reimbursement of interest, etc.

The Company owns 100% shares in its subsidiary UAB Kofinansavimas.

Special obligations: offering guarantees in the capacity of the guarantee body established by the State; functions of the implementing body and/or of the global grant manager; functions of the holding fund, the fund of funds and/or manager of individual financial engineering and financial instrument.

MAJOR EVENTS:

- The Corporate Governance Policy was prepared and approved.
- Financial instruments for business, especially for development of ecosystem favourable to start-ups were created and implemented. Acceleration funds financed through INVEGA, funds investing together with business angels and two development funds started active operations.

- Baltic Innovation Fund II (BIF II) was established receiving investments from European Investment Fund (EIF) and business promotion financing agencies of the three Baltic States (Lithuania, Latvia and Estonia).

As at the end of the reference period, the Company had EUR 434.3 million of private funds attracted in the course of its business, i.e. the value of the attracted investment was by EUR 135.0 million more than a year ago. The largest chunk of the sum (81.5% or EUR 354 million) was attracted as guarantee facilities with the remaining funds attracted through venture capital and loan instruments, which represented 8.7% and 9.8% accordingly of the total private funds attracted.

In 2019, the Company granted 756 individual, portfolio and export credit guarantees for the total sum of EUR 87.6 million, however, by 12.0% less than in 2018. Portfolio guarantees showed the greatest decrease: from EUR 61.8 million in 2018 down to EUR 50.4 million in 2019 (-18%).

Under multilateral agreements, the Company was charged with managing holding funds and the funds of funds, which managed assets valued at EUR 291.3 million. The greatest proportion (59.0% or EUR 172.2 million) comprised the assets owned by INVEGOS fondas.

In 2019, the Group's sales revenue totalled EUR 3.6 million, which was by 5.7% more than last year. The revenue from guarantees provided stood at EUR 1.31 million and represented 35.0% in the total revenue structure. The remaining part included the reimbursement of costs for the management of holding funds and funds along with the management of global grant facilities. Investing its temporarily available funds into Government securities, the Company earned EUR 26.0 thousand in revenue.

The Company falls under the category of non-commercial companies, which implement the State's social and political objectives undertaking activities of non-commercial nature. Hence, the objective of the Company's activities is not the pursuit of profit but rather a proper implementation of the delegated functions.

As a result of positive changes in the provisions (EUR 232.0 thousand), the Company earned EUR 1.1 million in net profit during the reporting year. This had a significant effect on both return on assets and return on equity ratios that increased by 4.0 and 6.8 percentage points respectively.

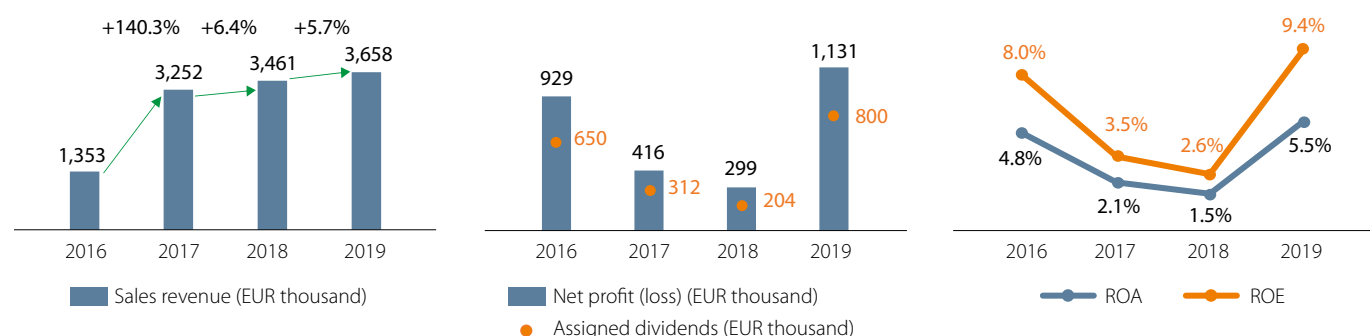
In 2019, the assets of Company grew by 1.9%. The major share – 69.0% – constituted of investment of temporarily available funds in long-term and short-term securities of the Government of the Republic of Lithuania and term deposits with the banks.

In 2019, the provisions decreased from EUR 6.3 million down to EUR 5.1 million (or by 19.0%). This was mostly influenced by the decision of the Government to take into account the requirements of IFRS 9 and to apply expected credit losses of only 12 months rather than of the entire period in formation of provisions for positions attributed to the standard credit risk group. Furthermore, the dynamics of provisions was conditioned by the decrease in the guarantee portfolio.

- ↑ Company's sales revenue grew by 5.7%
- ↑ Net profit grew by 278.8% up to EUR 1.1 million
- ↑ Assigned dividends increased up to EUR 799.5 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	3,461	3,658	+5.7%
Cost of goods sold	0	0	-
Gross profit (loss)	3,461	3,658	+5.7%
Cost of sales	826	-232	-
General and administrative expenses	2,342	2,581	+10.2%
Results of other activities	0	1	-
Net financial items	58	26	-55.6%
Profit (loss) before taxes	351	1,335	+280.4%
Corporation tax	53	205	+289.9%
Net profit (loss)	299	1,131	+278.8%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	13,213	13,158	-0.4%
Current assets	7,259	7,713	+6.2%
Cash and cash equivalents	1,745	1,733	-0.7%
Deferred charges and accrued income	0	0	-
Total assets	20,472	20,870	+1.9%
Equity	11,576	12,502	+8.0%
Grants and subsidies	75	29	-62.0%
Provisions	6,351	5,149	-18.9%
Amounts payable and other liabilities	2,470	3,190	+29.2%
Amounts payable after one year and other non-current liabilities	804	1,399	+74.0%
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	1,666	1,791	+7.5%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	20,472	20,870	+1.9%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	1.5%	5.5%	+4.0 p. p.
ROE	2.6%	9.4%	+6.8 p. p.
D/E	0.0%	0.0%	-
EBITDA	339	1,334	+298.1%
EBITDA margin	9.8%	36.5%	+26.7 p. p.
Net profit margin	8.6%	30.9%	+22.3 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	204	800	+291.1%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	52	53	+1.9%
Number of administration employees	3	3	-
Average monthly salary of executives (gross, EUR)	4,606	5,590	+21.3%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Economy and Innovation of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Kęstutis Motiejūnas
Chairman of the Board			Alditas Saulius*
Members of the Board			Vytenis Labanauskas* Viktorija Trimbel* Raimonda Eidžiūnė Tomas Urban
Chairman of the Supervisory Board			Arūnas Čiulada*
Members of the Supervisory Board			Mantas Šukevičius* Laura Garbenčiūtė Bakienė* Laura Baškytė Osvaldas Šmitas

*Independent member



UAB Toksika

www.toksika.lt



Collection and management of hazardous waste

MAJOR EVENTS:

• On **10 December 2019**, the Environmental Protection Agency took a decision to allow the Company to increase the capacity of hazardous waste combustion facility from 8,000 tonnes to 10,000 tonnes of waste per year and to supplement the list of waste incinerated without increasing the permissible environmental pollution standards.

• On **8 November 2019**, in performance of decisions taken during the meeting of the Government of the Republic of Lithuania on 6 November 2019 and meeting of the Extreme Situations Commission of Alytus City on 8 November 2019, the Company started the management of hazardous waste generated in the site after a fire that took place in UAB Ekologistika (the management of the site after the fire was completed in March 2020).

• In 2019, the Company deregistered Alytus, Klaipėda and Šiauliai Branches from the register of Legal Entities and continues the activity on behalf of one legal person – UAB Toksika.

• In 2019, the Company received the award "Efficiency Breakthrough" from the Governance Coordination Centre for many years of work performance and a prize of daily Verslo žinios "Gazetė" for fast growth in financial performance.

• In 2019, the Company implemented anti-corruption, social responsibility and risk management policies.

In 2019, the Company genuinely followed all environmental standards – emissions of hazardous waste incineration equipment not only did not exceed, but were also considerably lower than the permissible limit values.

Company's revenue increased by 41.1% and reached EUR 4,894.2 thousand. The main source of company's revenue – reception of hazardous waste. Revenue from reception of waste accounted for 96.9% of all sales revenue in 2019, the remaining 3.1% consisted of transportation of hazardous waste by special transport, sale of waste with positive value and sale of electricity produced from incineration of hazardous waste. Revenue increased due to 48.6% increase in the volumes of reception of waste and their growth was mostly influenced by active cooperation with agents (waste collectors) that has been lasting for several years, successful participation in tendering procedures published by the companies, acquired reputation of a reliable waste manager.

Higher volumes of waste management conditioned the increase in costs. The growth in the cost of goods sold was mostly conditioned by 236.1% increase in the costs of transfer of waste management to other processors and 21.6% increase in the wage costs. Operating costs increased by 19.8% in total. The increase in the costs reflects the significant growth in the operating volumes: 1) costs of the transfer of waste to other processors are directly related to the volume of waste transferred to other processors (it increased by 202.2% in 2019), 2) share of wage consists of the variable part of wage related to the work efficiency and operating results (the increasing performance led to the increase in this share of wage as well).

Company's net profit reached EUR 280.7 thousand at the end of 2019 as compared with 37.1% lower net profit in 2018. However, it is necessary to consider that, in 2018, about half of net profit earned consisted of one-off non-typical financial activity revenue (sum of compensation of losses adjudged by the court to the benefit of the Company), whereas the net profit earned in 2019 was conditioned by profit earned from the ordinary activities.

Increase in the revenue and costs led to **insignificant increase in EBITDA** that amounted to EUR 801.6 thousand and was by 1.0% higher than in 2018.

Company's non-current assets amounted to EUR 24,648.7 thousand and accounted for 93.0% of all assets. Over the year, the Company's investments to non-current assets totalled EUR 511.0 thousand, however, the costs of depreciation of tangible assets conditioned the overall decrease in 5.8% of balance value of non-current assets.

Equity stood at EUR 6,406.2 thousand (24.2% of all assets), grants and subsidies – EUR 17,405 thousand (65.7%), amounts payable and liabilities – EUR 1,673.5 thousand (6.3% of all assets). Grants and subsidies constituted of unamortised grant for construction of hazardous waste incineration equipment received in performance of project "Management of Hazardous Waste in Lithuania" (EUR 16 million), which was financed out of the European Union Cohesion Fund, state budget and company's funds, and unamortised grant for acquisition of non-current assets received in performance of project "Installation of Hazardous Waste Landfill Site" (EUR 1.4 million), which was financed out of EU structural funds and Company's own funds.

Financial liabilities to credit establishments decreased by 18.6% and stood at EUR 864.7 thousand at the end of 2019. This had a positive effect on the D/E ratio that decreased by 3.5 percentage points and stood at 13.5% at the end of the year.

4.5% ROE earned exceeded the 3.2% return of equity ratio set by the shareholder.

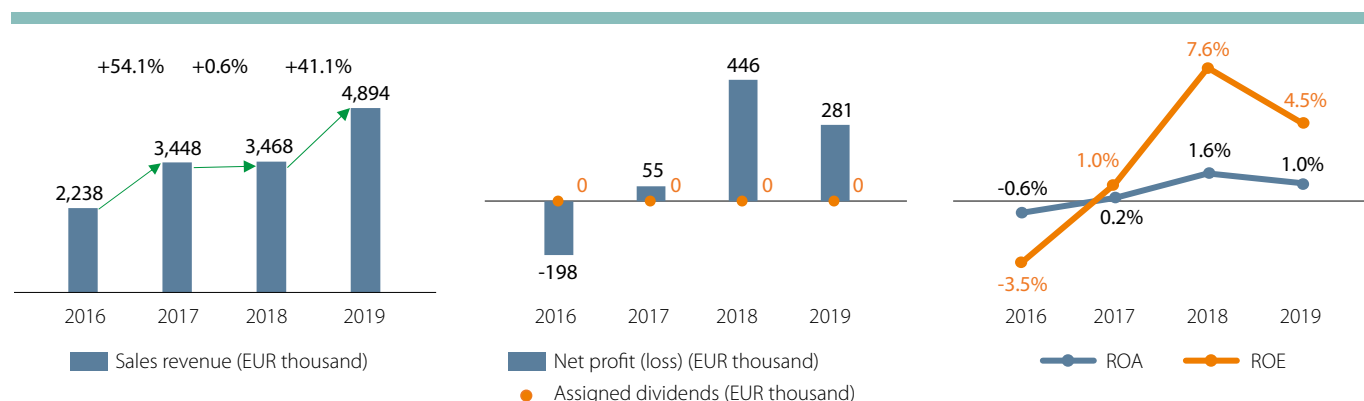
↑ Revenue increased by 41.4% and reached EUR 4,894.2 thousand

↓ Net profit decreased by 37.1% down to EUR 280.7 thousand

↑ Liabilities decreased by 10.1% and amounted to EUR 1,673.5 thousand at the end of the year

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	3,468	4,894	+41.1%
Cost of goods sold	1,704	2,853	+67.4%
Gross profit (loss)	1,765	2,042	+15.7%
Cost of sales	0	0	-
General and administrative expenses	1,519	1,820	+19.8%
Results of other activities	5	15	+183.3%
Net financial items	212	38	-82.1%
Profit (loss) before taxes	464	275	-40.6%
Corporation tax	17	-5	-131.2%
Net profit (loss)	446	281	-37.1%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	26,153	24,649	-5.8%
Current assets	1,422	1,724	+21.2%
Cash and cash equivalents	358	172	-52.0%
Deferred charges and accrued income	107	131	+22.1%
Total assets	27,683	26,504	-4.3%
Equity	6,126	6,406	+4.6%
Grants and subsidies	18,674	17,405	-6.8%
Provisions	1,018	1,016	-0.2%
Amounts payable and other liabilities	1,862	1,674	-10.1%
Amounts payable after one year and other non-current liabilities	471	237	-49.6%
<i>Financial liabilities</i>	471	237	-49.6%
Amounts payable within one year and other current liabilities	1,391	1,436	+3.3%
<i>Financial liabilities</i>	573	627	+9.5%
Accrued expenses and deferred income	4	3	-13.5%
Total equity and liabilities	27,683	26,504	-4.3%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	1.6%	1.1%	-0.5 p. p.
ROE	7.6%	4.5%	-3.1 p. p.
D/E	17.0%	13.5%	-3.5 p. p.
EBITDA	794	802	+1.0%
EBITDA margin	22.9%	16.4%	-6.5 p. p.
Net profit margin	12.9%	5.7%	-7.1 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	64	64	0.0%
Number of executives	4	4	0.0%
Average monthly salary of executives (gross, EUR)	3,998	4,662	+16.6%
SHAREHOLDERS			
State-owned interest			92.51%
Other shareholders			7.49%
INSTITUTION REPRESENTING THE STATE			
Ministry of Economy and Innovation			
MANAGEMENT (1 JUL 2020)			
General Director	Arūnas Dirvinskas		
Chairman of the Board	Dangirutis Janušas *		
Members of the Board	Valdemar Kačanovskij* Gerda Krukonienė		

*Independent member



UAB Lietuvos parodų ir kongresų centras LITEXPO

www.litexpo.lt



Major and the largest centre for exhibitions, congresses and other events in the Baltic States

The Company owns 100% shares in UAB OVANTIS, UAB Litexpo infrastruktūra and UAB Litexpo events.

MAJOR EVENTS:

- Project management standard was implemented that allows all exhibition organisation groups to work more efficiently.
- The tool for registration of participants of exhibitions was upgraded by installing new "Expodoc" system.
- Four exhibitions of new thematic were introduced: "Motivated at Work", "Auto Bazar", "Žirgai" and "Baltic Days of Dentistry".
- The General Meeting of Shareholders of the Company approved the reorganisation of UAB OVANTIS.
- The trademark of LITEXPO was updated.

The Group owns 5 exhibition pavilions and 15 conference halls – 18,500 sq. m. in total of the internal territory and 15,100 sq. m. of outdoor exhibition area. In the reporting period, the Company held 6.1% or 88 more exhibitions than a year ago. Out of 1,540 exhibitions held in 2019, 18 were international exhibitions.

The number of participants of exhibitions organised decreased by 8.4% down to 3,024 companies over the year, 503 participants of which were from foreign countries (in 2018 – 536 foreign participants). Also, the Group organised 207 events and conferences. Exhibitions and conferences were attended by over 276 thousand visitors.

Several exhibitions that are usually organised every second year were not held during the reporting year leading to the decrease in the number of visitors by 9.4%. Furthermore, the Group refused activities of placement and installation of stands. This led to 17.6% less revenue earned in 2019. The major share in revenue structure (50.4%) constituted of revenue from exhibitions that decreased by 8.4% and amounted to EUR 3.1 million. Revenue from organisation of conferences and events accounted for 29.8% in the revenue structure and decreased by 14.6% down to EUR 1.8 million.

Decreasing volumes of Group's activities had a direct effect on the costs that decreased by 14.9% and accounted for EUR 5,322 thousand during the reporting period. The major share of costs (30.8% or EUR 1,640 thousand) constituted of wages and related costs that grew by 0.9%, although the number of employees decreased by 11.9% or 10 employees. This was conditioned by the increase in rate of wages by 1.289 times in 2019. Other costs of the Group showed insignificant growth. However, advertising costs due to introduction of new products, increase in the prices of services, integration of trademark increased by 17.9% or EUR 80 thousand and amounted to EUR 527 thousand. The general decrease in costs was mostly conditioned by decreasing costs of catering and conference organisation activities that decreased by 36.2% and 91.8% accordingly. All this resulted in the decrease of respective profit margins: total profitability shrank by 1.0 percentage points (down to 30.8%), operating profit – by 2.5 percentage points (down to 12.1%). EBITDA margin remained at the same level – 26.8%.

Group's net profit amounted to EUR 599.2 thousand at the end of the period, i.e. 35.9% less than a year ago, when the profit stood at EUR 934.4 thousand.

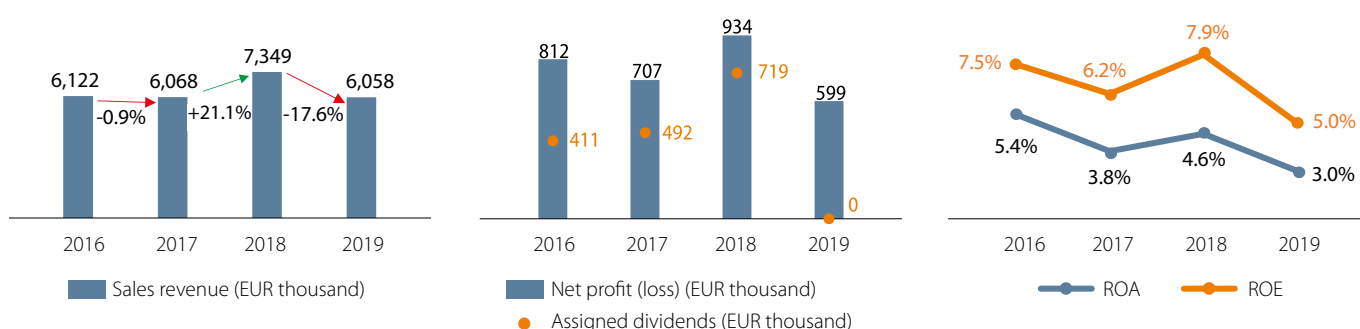
Changes in Group's financial ratios were negative. Ratios of return on assets and equity decreased accordingly by 1.6 percentage points down to 3.0% and 2.9 percentage points down to 5.0%. During the reporting period, Group's debt-to-equity ratio decreased by 7.5 percentage points and stood at 40.0% due to the return of long-term credit contributions to AB SEB bankas.

During the reporting period, the Group allocated EUR 383 thousand to investment into non-current assets compared with EUR 1,074 thousand in the previous year. EUR 137 thousand or 35.7% of all investment in 2019 was allocated to the taxation system of vehicle parking lot, EUR 119 thousand was allocated to the purchase of modular exhibition constructions and the remaining funds were used to update the catering equipment, modernise the outdoor lighting and purchase computers and conference equipment.

- ↓ Sales revenue decreased by 17.6% and stood at EUR 6.1 million
- ↓ Net profit decreased more than 1/3 down to EUR 599.2 thousand
- ↓ The sum allocated for investment decreased by nearly 3 times

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	7,349	6,058	-17.6%
Cost of goods sold	5,007	4,191	-16.3%
Gross profit (loss)	2,341	1,867	-20.2%
Cost of sales	45	46	+2.0%
General and administrative expenses	1,223	1,088	-11.0%
Results of other activities	17	6	-64.6%
Net financial items	-53	-52	+1.9%
Profit (loss) before taxes	1,037	687	-33.7%
Corporation tax	102	88	-14.3%
Net profit (loss)	934	599	-35.9%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	19,486	18,867	-3.2%
Current assets	1,059	740	-30.1%
Cash and cash equivalents	567	497	-12.4%
Deferred charges and accrued income	58	62	+6.1%
Total assets	20,603	19,668	-4.5%
Equity	12,066	11,937	-1.1%
Grants and subsidies	1,874	1,775	-5.3%
Provisions	0	0	-
Amounts payable and other liabilities	6,584	5,915	-10.2%
Amounts payable after one year and other non-current liabilities	4,771	4,169	-12.6%
<i>Financial liabilities</i>	4,771	4,169	-12.6%
Amounts payable within one year and other current liabilities	1,812	1,746	-3.7%
<i>Financial liabilities</i>	954	603	-36.8%
Accrued expenses and deferred income	79	42	-47.0%
Total equity and liabilities	20,603	19,668	-4.5%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	4.6%	3.0%	-1.6 p. p.
ROE	7.9%	5.0%	-2.9 p. p.
D/E	47.5%	40.0%	-7.5 p. p.
EBITDA	1,952	1,625	-16.8%
EBITDA margin	26.6%	26.8%	+0.2 p. p.
Net profit margin	12.7%	9.9%	-2.8 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	719	50	-
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	84	74	-11.9%
Number of executives	5	4	-20.0%
Average monthly salary of executives (gross, EUR)	2,929	2,751	-6.1%
SHAREHOLDERS			
State-owned interest			98.76%
Natural persons			1.24%
INSTITUTION REPRESENTING THE STATE			
Ministry of the Economy and Innovation			
MANAGEMENT (1 JUL 2020)			
General Director			Justinas Bortkevičius
Chairman of the Board			Giedrė Kaminskaitė-Salters
			Juras Vėželis*
			Vytautas Dobilas*
			Lidija Bajarūnienė
			Rūta Jovaišienė
Members of the Board			

*Independent member



AB Vilniaus metrologijos centras

www.vmc.lt



Initial and periodic testing of measuring instruments falling under the category of legal, scientific and industrial metrology, and calibration of measuring instruments

MAJOR EVENTS:

• From 2019, the Company no longer receives any budget appropriations as previously granted by the Ministry of the Economy and Innovation of the Republic of Lithuania for the following instrument: "To create and maintain state standards and state laboratories" under the programme for economic development and improvement of competitiveness 2019-2021.

• On **19 February 2019**, the Company was deregistered from the CPP IS as not complying with the status of contracting authority.

• On **21 June 2019**, the Company was included in the list of objects under privatisation and on 22 July 2019 the 100% shareholding was transferred to state-owned company Turto bankas.

During the course of its business in the reference period, the Company undertook 404 thousand metrological verifications, which was 4.6% more than a year ago. The number of calibration services also grew and reached 20.6 thousand – 0.6% more than in 2018. The rising quantity of metrological verifications of measuring instruments and measuring instrument calibrations was affected by the growing number of the Company's customers.

In 2019, the Company earned EUR 3,486.2 thousand in revenue, i.e. 3.4% more than in 2018. The major share of revenue was received from metrological testing of measuring instruments – 72.0%, while 23.0% of revenues from calibration of measuring instruments.

During the reporting period, Company's total costs decreased by 1.9% and amounted to EUR 3,137 thousand, 66 thousand euro of which were costs of sale of non-current tangible assets. The major share of all costs constituted of personnel wages and social insurance contribution – about 61.0% of all costs.

Over 2019, Company's liabilities increased by 85.6% and totalled EUR 296.4 thousand. It was mostly conditioned by increase in advance payments received from buyers by EUR 69 thousand and debts to suppliers by EUR 68 thousand. Due to the increase in trade debtors by EUR 87 thousand and increase in working capital by EUR 143 thousand, the Company's current assets increased by 7.6% and stood at EUR 2,948.5 thousand at the end of the period. The increase in trade debtors was conditioned by the number of public tendering procedures won (these clients are characterised by the longest payment deferral period).

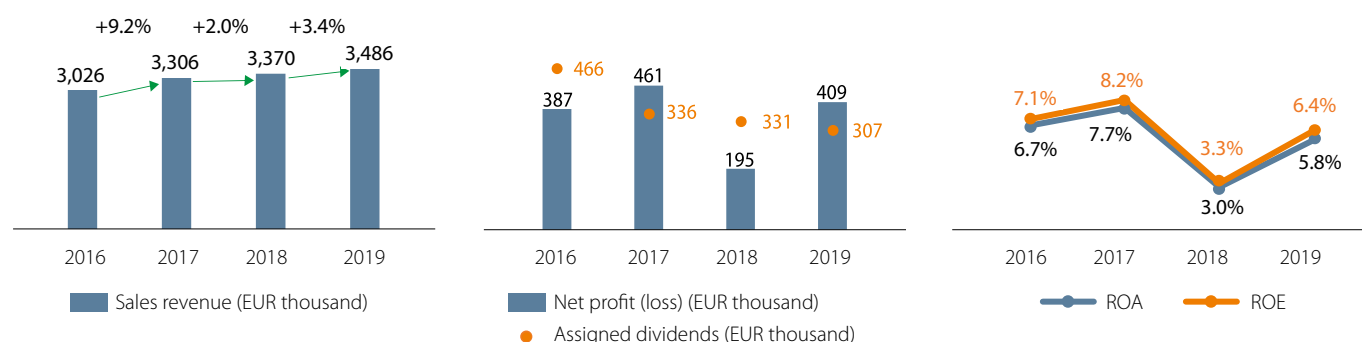
Better performance is also reflected in the Company's financial ratios of return: the return on equity increased by 3.1% and amounted to 6.4%, return on assets increased by 2.8 percentage points and amounted to 5.8%. It resulted mostly from the increase in Company's net profit from 109.4% and totalling EUR 409.0 thousand during the reporting year.

The EBITDA ratio was 36.7% on the last day of 2019 and amounted to EUR 762.1 thousand as compared with EUR 557.4 thousand in 2018.

In 2019, the Company made EUR 334 thousand worth of investments using own funds (in 2018 – EUR 91 thousand) in its non-current tangible assets (EUR 284 thousand) and intangible assets (EUR 50 thousand).

- ↑ Sales revenue increased by 3.4% and reached EUR 3,486.2 thousand
- ↑ Net profit increased by 109.4% and reached EUR 409.0 thousand
- ↑ EBITDA increased by 36.7% and stood at EUR 762.1 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	3,370	3,486	+3.4%
Cost of goods sold	2,013	2,206	+9.6%
Gross profit (loss)	1,357	1,280	-5.7%
Cost of sales	0	0	-
General and administrative expenses	1,183	864	-26.9%
Results of other activities	104	64	-38.5%
Net financial items	0	0	-
Profit (loss) before taxes	279	480	+72.3%
Corporation tax	83	71	-14.7%
Net profit (loss)	195	409	+109.4%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	4,153	4,109	-1.0%
Current assets	2,739	2,948	+7.6%
Cash and cash equivalents	2,446	2,588	+5.8%
Deferred charges and accrued income	37	45	+21.2%
Total assets	6,929	7,102	+2.5%
Equity	6,346	6,445	+1.6%
Grants and subsidies	0	0	-
Provisions	423	359	-15.2%
Amounts payable and other liabilities	160	296	+85.6%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	160	296	+85.6%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	2	+100.0%
Total equity and liabilities	6,929	7,102	+2.5%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	3.0%	5.8%	+2.8 p. p.
ROE	3.3%	6.4%	+3.1 p. p.
D/E	0.0	0.0	-
EBITDA	557	762	+36.7%
EBITDA margin	16.5%	21.9%	+5.3 p. p.
Net profit margin	5.8%	11.7%	+5.9 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	311	307	-1.2%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	123	123	0.0%
Number of administration employees	2	1	-50.0%
Average monthly salary of executives (gross, EUR)	2,863	3,161	+10.4%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
VĮ Turto bankas			
MANAGEMENT (1 JUL 2020)			
General Director			Rūta Klevėnė
Chairman of the Board			Kęstutis Motiejūnas
Members of the Board			Laimis Jančiūnas Girda Valiulytė



AB Jonavos grūdai

www.jonavosgrudai.lt



Storage and trade in grain and oilseed rape

Special obligations: Storage of the State stockpile (wheat and rye) reserve; storage of the State stockpile (sugar) reserve.

In performance of activities in 2019, the Company's intake of grain and rapeseed amounted to 105 thousand tonnes, i.e. 30.7% or 25 thousand tonnes more than during the previous year. The volume of grain purchased over 2019 amounted to 40 thousand tonnes, as compared with 25 thousand tonnes in 2018. During the reporting period, the volume of grain sold increased by 25.4% up to 37 thousand tonnes. It is worth noting that due to critically low precipitation and drought, the harvests of farmers were by 15.0%-25.0% lower than in 2018.

The Company's sales revenue increased by 23.6% mostly due to increase in activity volumes and stood at EUR 9.1 million at the end of the reporting year. As much as 86.1% of all sales revenue constituted of revenue from the sale of grain, which saw a growth of 36.7% over the year. Grain drying – cleaning, reception, unloading – and document management revenue constituting a lower share of revenue increased by 2.1% and 1.0% respectively. Over 2019, as a result of decrease in special obligations by 2/3, only revenue from grain storage decreased by 45.3%, whereas activity related to fertilisers was refused.

Company's total costs amounted to EUR 8,956.3 thousand in 2019, i.e. 32.0% more than in 2018. The major share of all costs (79.2%) constituted of the cost of grains sold which, as compared with the previous year, increased by 46.9% due to doubled rapeseed sales the cost price of which is one of largest as compared with other types of grain.

Due to especially dry crop season repeating for two consecutive years, the Company's revenue from grain drying accounted for 42.0% of revenue received from grain drying during the regular season. Furthermore, planned revenue from performed special obligations saw a decrease by two thirds. The revenue planned but not received had a negative effect on the total profitability - the margin saw a double decrease, i.e. down to 7.7%, while the operating costs increased by 13.0% and EBITDA margin shrunk down to 5.9% (in 2018 - 13.2%). Accordingly, the net profit margin was 1.3% (in 2018 - 6.3%). The decrease was also influenced by the real property assessment conducted in 2019 that showed that the decrease in the value of Kybartai Mill amounted to EUR 111.9 thousand. Furthermore, the revenue from special obligations decreasing by EUR 283.8 thousand and amounting to EUR 239.7 thousand led to the decrease in the Company's earnings in 2019.

In Company's balance sheet structure, current assets and liabilities saw a considerable change. During the reporting period, the Company's amounts receivable within one year increased more than four times due to increased trade debtors for grain and amounted to EUR 5,038.6 thousand as compared with EUR 1,206.5 thousand a year ago. Due to the increase in accounting deficit, the Company took a short-term credit from AB SEB bank which stood at EUR 2,799.1 at the end of the year, thus, increasing the Company's liabilities almost 19 times. Accordingly, this conditioned the increase in the equity-to-financial liabilities ratio up to 48.2%, while a year ago the Company had no financial debts.

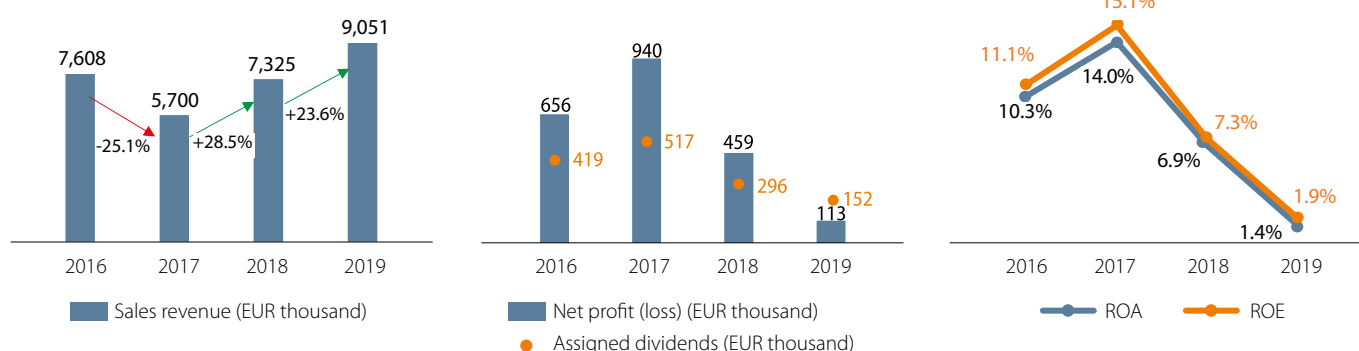
The underperformance is reflected in the Company's financial return ratios: return on equity constituting 1.9% decreased by 5.4 percentage points, while return on assets decreased by 5.5 percentage points down to 1.4%.

During the reporting period, the Company invested 61.3% less to non-current assets as compared with 2018 or EUR 191.7 thousand in total. These funds were used for repair of the roof of grain warehouse, other repairs and installation of condensate removal fans.

- ↑ Volume of grain sold increased by 25.4% up to 37 thousand tonnes
- ↓ Net profit decreased by 75.4% and totalled EUR 112.8 thousand
- ↑ Companies liabilities increased nearly 19 times and amounted to EUR 3,812.4 thousand.

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	7,325	9,051	+23.6%
Cost of goods sold	6,234	8,350	+33.9%
Gross profit (loss)	1,091	701	-35.8%
Cost of sales	14	2	-89.2%
General and administrative expenses	535	605	+13.1%
Results of other activities	61	64	+4.9%
Net financial items	-52	-8	+85.2%
Profit (loss) before taxes	551	151	-72.7%
Corporation tax	93	38	-59.0%
Net profit (loss)	459	113	-75.4%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	3,512	3,213	-8.5%
Current assets	2,947	6,528	+121.5%
Cash and cash equivalents	352	49	-86.2%
Deferred charges and accrued income	9	10	+7.7%
Total assets	6,468	9,750	+50.7%
Equity	6,116	5,807	-5.1%
Grants and subsidies	48	40	-18.4%
Provisions	101	92	-9.0%
Amounts payable and other liabilities	203	3,812	+1,777.1%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	203	3,812	+1,777.1%
<i>Financial liabilities</i>	0	2,799	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	6,468	9,750	+50.7%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	6.9%	1.4%	-5.5 p. p.
ROE	7.3%	1.9%	-5.4 p. p.
D/E	0.0%	48.2%	+48.2 p. p.
EBITDA	970	537	-44.6%
EBITDA margin	13.2%	5.9%	-7.3 p. p.
Net profit margin	6.3%	1.3%	-5.0 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	296	152	-48.7%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	44	38	-13.6%
Number of executives	1	1	0.0%
Average monthly salary of executives (gross, EUR)	3,317	4,152	+25.2%
SHAREHOLDERS			
Ministry of Agriculture of the Republic of Lithuania			70.1%
UAB Agrokoncerno grūdai			25.1%
Other shareholders			4.8%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Paulius Kaselis
Chairman of the Board			Jurij Kornijenko
			Jonas Lisauskas
			Tomas Urbonas
			Arnoldas Saldys*
			Gedvidas Belickas*
Members of the Board			

*Independent member



AB Lietuvos veislininkystė

www.veislita.lt



Selection of breeding bulls, rearing, and sperm bank

In the course of its business over 2019, the Company sold 218.4 thousand doses of bull semen (in 2018 - 237.5 thousand doses). In 2019, the average selling price for 1 dose increased the same as in 2018 and was EUR 6.57 and, as compared with 2018, and increased by EUR 0.88 or 15.5%. During the reference year, there were 175,207 doses of breeding bull semen accumulated; the number, which according to the Company's production capacities and financial resources could be significantly greater. However, it is uneconomical for the Company because of the poor situation on the market. In addition, 54 breeding bulls were acquired in 2019 and the number stood at 92 at the end of the year.

In 2019, the Company earned EUR 1,628.4 thousand revenue (of which 75.0% or EUR 1,215.3 thousand was received in Šiauliai Unit), **i.e. 9.3% or EUR 139.1 thousand more than during the previous period.** The largest influence and weighting in its sales revenue structure (83.0%) were attributable to the revenue from the bull semen sold, which was an increase, if compared with 2018, by EUR 84.0 thousand.

Furthermore, 1.5% of all revenue was made of support received by the Company from breeding programme for the assessment of young bulls kept in Lithuania.

Over 2018, the Company's costs rose by 9.4% or EUR 135.2 thousand and reached EUR 1,580.3 thousand at the end of the year. The increasing costs were caused by the growth of cost of goods sold by EUR 64.6 thousand or 9.1% and an increase in the general and administrative expenses by 9.1% or EUR 67.2 thousand, which included the installation of domestic premises in the auxiliary farm as well as increase in wage costs due to changes in the procedure for the payment for work.

The rising sales revenue had a positive impact on the Company's net profit, which saw a 13.7% or EUR 15.1 thousand improvement and reached EUR 125.4 thousand at the end of the reporting year. The EBITDA growth was 5.9% and totalled EUR 175.4 thousand as compared with EUR 165.5 thousand at the end of 2018.

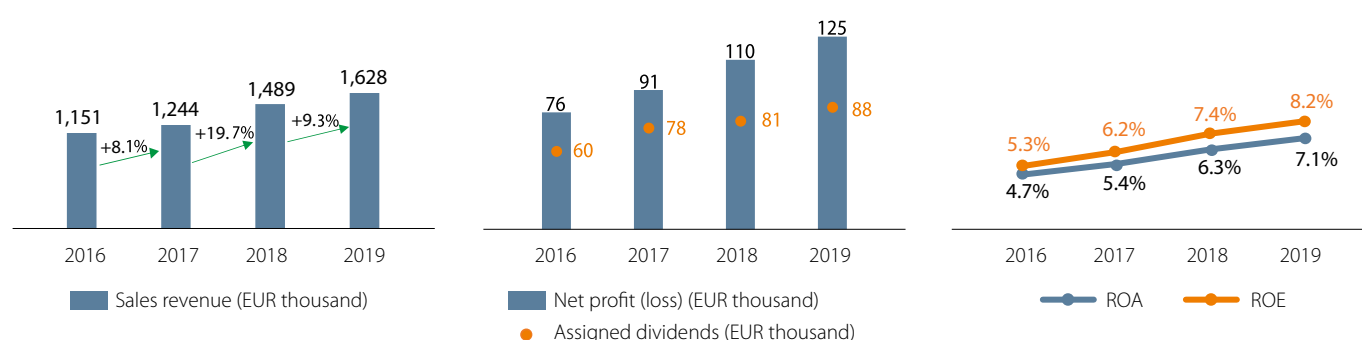
The positive performance of the Company is also reflected in the financial ratios of return. The return on equity increased by 0.8 percentage points and equalled 8.2% at the end of 2019. The return on equity also grew accordingly by 0.7 percentage points and reached to 7.1% at the end of the year. **The return to the State increased by 8.9% over the year and reached EUR 88.3 thousand as compared with EUR 81.0 thousand in 2018.**

In 2018, the investment totalled EUR 15.9 thousand, which was used to purchase two second-hand cars (EUR 7.3 thousand) and the equipment to facilitate the works (plough, seed treatment machine, etc.). This led to the increase in Company assets by 4.5% totalling EUR 1,816.8 thousand at the end of the reference period.

- ↑ Company's sales revenue grew by 9.3%
- ↑ Net profit increased by 13.7% and stood at EUR 125.4 thousand
- ↑ Assigned dividends increased by 8.9% up to EUR 88.3 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	1,489	1,628	+9.3%
Cost of goods sold	706	771	+9.1%
Gross profit (loss)	783	858	+9.5%
Cost of sales	0	1	+25.0%
General and administrative expenses	737	805	+9.1%
Results of other activities	81	90	+10.9%
Net financial items	-1	-4	-500.0%
Profit (loss) before taxes	126	139	+10.3%
Corporation tax	16	14	-13.5%
Net profits (loss)	110	125	+13.7%
BALANCE SHEET (EUR thousand)			
	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	225	225	-0.3%
Current assets	1,508	1,587	+5.2%
Cash and cash equivalents	362	371	+2.5%
Deferred charges and accrued income	5	5	0.0%
Total assets	1,738	1,817	+4.5%
Equity	1,516	1,560	+2.9%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	222	257	+15.7%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	222	257	+15.7%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,738	1,817	+4.5%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	6.3%	7.1%	+0.7 p. p.
ROE	7.4%	8.2%	+0.8 p. p.
D/E	0.0%	0.0%	-
EBITDA	166	175	+5.9%
EBITDA margin	11.1%	10.8%	-0.3 p. p.
Net profit margin	7.4%	7.7%	+0.3 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	81	88	+8.9%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	37	37	0.0%
Number of administration employees	1	1	0.0%
Average monthly salary of executives (gross, EUR)	3,044	3,971	+30.5%
SHAREHOLDERS			
State-owned interest			98.95%
Other shareholders			1.05%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director	Gediminas Valiulis		
Chairman of the Board	Evaldas Prancėvičius		
	Vita Jurgilienė		
	Modestas Vainėvičius		
	Romanas Kančauskas*		
	Vladislavas Vaišvila*		
Members of the Board			

*Independent member



AB Kiaulių veislininkystė

www.kiauliuveislininkyste.lt

Kiaulių veislininkystė

Akcinė bendrovė

Controls the productivity of breeding pigs, their control fattening and slaughter, and carcass evaluation

During the reporting period, the Company had by as much as 45.1% or 1,283 pigs less as compared with the previous year and had 1,563 pigs in total. To implement one of the main goals (to correct and control the selection process in pig breeding), the company reared 265 pigs through control fattening as compared with 238 pigs a year ago. The number of breeding boars increased by 50% up to 9 units, whereas the number of pigs being fattened decreased by 39.0% down to 966 units.

Furthermore, to implement the strategic aims, the Company controlled 41,9 thousand breeding pigs, determined the lean-meat content of 2.2 thousand pigs by ultrasound, assessed 61 breeding pigs, realised 305 tonnes of carcass meat or its production and 67 tonnes of offal, carried out the assessment of 19 boars and 217 sows according to offspring fattening and meat characteristics and realised the sperm of 2,097 boars.

During 2019, the Company's revenue increased by 11.4% and stood at EUR 945.2 thousand at the end of the period. The sales revenues of carcass production constituting the largest share of all sales revenue (68.3% or EUR 645.0 thousand) grew by 12.1% or EUR 70.0 thousand as a result of increase in the volume of carcass sales by 16.4% or 43 t. A major share of Company's revenue (19.1% or EUR 181 thousand) consists of grants received for pig productivity control that increased by 4.5% over the year as compared with the previous year.

During 2019, the Company's costs constituted EUR 985 thousand as compared with EUR 1,005 thousand a year ago. The decrease in the costs by 2.0% was mostly influenced by the decrease in general and administrative expenses by 13.2% due to the reduction of the number of employees that reached EUR 177 thousand at the end of the period.

The improving performance of Company is reflected in the net loss and profitability ratio changes. Over the year, the net result of Company grew by 78.1% or EUR 120 thousand and reached the loss of EUR 34 thousand. The net profit margin also remained negative -3.6%, however, increased by as much as 14.5 percentage points over the year. At the end of the period, Company's EBITDA constituted EUR 16 thousand as compared with -101 thousand euro a year ago.

Changes in Company's financial indices were also positive, however, their value remained negative. Return on equity grew by 9.6 percentage points and accounted for -3.0%. The growth of return on assets reached 7.4 percentage points up to 2.2%.

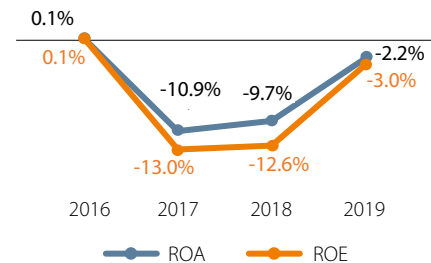
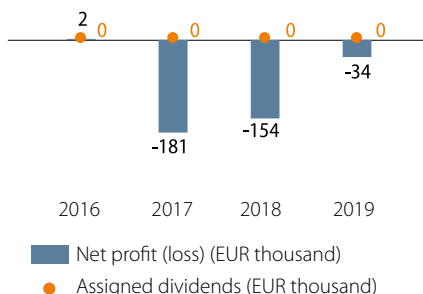
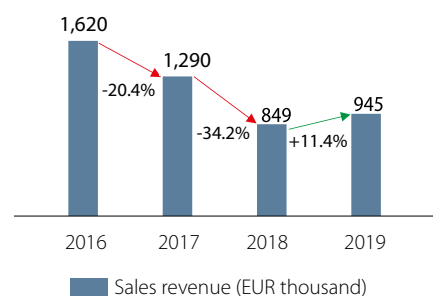
The average monthly salary of executive increased more than 3 times over the year and stood at EUR 2,361, as compared with EUR 725 a year ago. Such changes were conditioned by the fact that the director worked for 0.25 full-time equivalent in 2018.

In 2019, the investment to non-current assets constituted EUR 4.8 thousand that were used for purchase of electronic scales for pigs.

- ↓ Number of pigs reared decreased by 45.1% and reached 1,563 pigs
- ↑ Sales revenue grew by 11.4% or EUR 96 thousand
- ↑ Net loss decreased by 78.1% and totalled EUR 34 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	849	945	+11.4%
Cost of goods sold	756	755	-0.2%
Gross profit (loss)	92	190	+106.6%
Cost of sales	44	45	+2.5%
General and administrative expenses	204	177	-13.2%
Results of other activities	3	-2	-
Net financial items	-1	0	-
Profit (loss) before taxes	-154	-34	+78.1%
Corporation tax	0	0	-
Net profit (loss)	-154	-34	+78.1%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	1,276	1,232	-3.4%
Current assets	272	242	-11.0%
Cash and cash equivalents	2	3	+66.7%
Deferred charges and accrued income	1	1	-16.7%
Total assets	1,548	1,474	-4.8%
Equity	1,144	1,111	-2.9%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	404	364	-9.9%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	404	364	-9.9%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,548	1,474	-4.8%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-9.7%	-2.2%	+7.4 p. p.
ROE	-12.6%	-3.0%	+9.6 p. p.
D/E	0.0%	0.0%	-
EBITDA	-101	16	-
EBITDA margin	-11.9%	1.6%	+13.5 p. p.
Net profit margin	-18.1%	-3.6%	+14.5 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	32	31	-3.1%
Number of executives	1	1	0.0%
Average monthly salary of executives (gross, EUR)	725	2,361	+225.7%
SHAREHOLDERS			
State-owned interest			98.95%
Other shareholders			1.05%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Vilius Reksys
Chairman of the Board			Arūnas Šileika
			Darius Vilimas
			Evaldas Pranckevičius
			Irmantas Povilauskas*
			Edmundas Adomavičius*
Members of the Board			

*Independent member



UAB Lietuvos žirgynas

www.lietuvoszirgynas.lt



Preserving and improving the gene pool of Lithuanian equestrian breeds, horse care services, equestrian entertainment, horse training, horse sales, holding competitions, and insemination and mating services

During the course of its business in 2019, the Company assessed 18 stallions and 34 mares in performance tests comparing with 24 stallions and 29 mares evaluated in 2018. The number of assessments of horse gains increased by 12 and amounted to 67 at the end of the year. During the reporting period, the Company had 153 foals born and 17 horses fallen. The Company purchased 1 and sold 110 horses. At the end of the reference year, the Company had 896 horses with their book value totalling EUR 797.4 thousand, while at the end of 2018 it had had 869 horses valued at EUR 706.5 thousand.

In the reference period, the volume of the Company's sales and services from commercial activities totalled EUR 363.1 thousand, of which approximately 52.0%, was attributable to horse sales, whilst revenue from riding and other equestrian services made up the remaining 48.0%. The Company's revenue also includes direct payments from the National Paying Agency for agricultural land and livestock, which comprised EUR 299.8 thousand in the reporting year or EUR 13.3 thousand lower than in 2018. This led to the decrease in Company's sales revenue by 4.6% totalling EUR 663.0 thousand at the end of 2019.

Company's total costs decreased by 5.5% or EUR 38 thousand over the year and stood at EUR 645.7 thousand at the end of 2019. Compared with 2018, the cost of goods sold decreased by 14.9% and amounted to EUR 405.8 thousand, total and administrative expenses increased by 13.0% due to increase in wage (indexing applied on 1 January 2019) and amounted to EUR 221.6 thousand.

The Company's financial liabilities fell by 15.0% or EUR 72.1 thousand during the year and totalled EUR 409.1 thousand at the end of 2019. This was mainly determined by EUR 25.3 thousand worth of balloon payments paid to leasing companies in respect of previously acquired equipment.

In 2019, the Company allocated EUR 12.6 thousand to investments in the necessary equipment, i.e. EUR 8.4 thousand less than in 2018 when EUR 21.0 thousand was allocated to investment. The aforementioned sum was used by the Company for the purchase of a vehicle, grain pneumatic transporter, waste treatment facility and other equipment necessary for Company's activities. During the reporting period, the book value of grants related to non-current assets amounted to EUR 62.4 thousand.

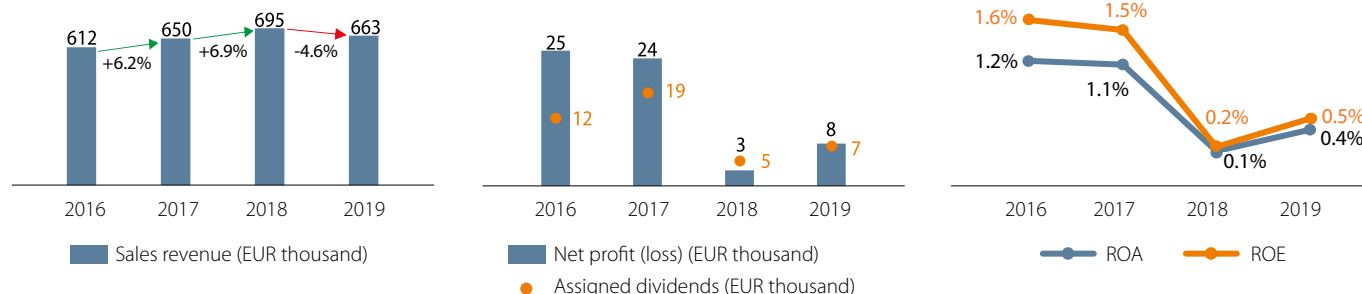
The decreasing Company's costs had a positive impact on the net result, which increased by EUR 5 thousand over the year and amounted to EUR 7.9 thousand at the end of the period compared with EUR 2.9 thousand at the end of 2018.

Better performance is also reflected in the Company's financial ratios of return: the return on equity increased by 0.3 percentage points and amounted to 0.5%, return on assets increased by 0.2 percentage points and amounted to 0.4%. EBITDA also increased and reached EUR 112 thousand, i.e. 5.2% more than in 2018. Company's return to the State grew by 42.3% as compared with 2018 and stood at EUR 6.6 thousand at the end of the reference period.

- ↓ Sales revenue decreased by 4.6% and totalled EUR 663.0 thousand
- ↑ Net profit grew by 173.9% and reached EUR 7.9 thousand
- ↑ Assigned dividends increased by 42.3% and stood at EUR 6.6 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	695	663	-4.6%
Cost of goods sold	477	406	-14.9%
Gross profit (loss)	218	257	+17.9%
Cost of sales	11	18	+69.4%
General and administrative expenses	196	222	+13.3%
Results of other activities	1	0	-120.1%
Net financial items	-9	-9	-1.0%
Profit (loss) before taxes	3	8	+173.9%
Corporation tax	0	0	
Net profit (loss)	3	8	173.9%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	1,199	1,130	-5.7%
Current assets	901	886	-1.7%
Cash and cash equivalents	138	99	-28.8%
Deferred charges and accrued income	10	4	-55.6%
Total assets	2,109	2,020	-4.2%
Equity	1,546	1,548	+0.2%
Grants and subsidies	83	62	-24.5%
Provisions	0	0	-
Amounts payable and other liabilities	481	409	-15.0%
Amounts payable after one year and other non-current liabilities	51	10	-80.1%
<i>Financial liabilities</i>	32	10	-68.6%
Amounts payable within one year and other current liabilities	430	399	-7.3%
<i>Financial liabilities</i>	25	21	-12.7%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	2,109	2,020	-4.2%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	0.1%	0.4%	+0.2 p. p.
ROE	0.2%	0.5%	+0.3 p. p.
D/E	3.7%	2.0%	-1.6 p. p.
EBITDA	106	112	+5.2%
EBITDA margin	15.3%	16.8%	+1.6 p. p.
Net profit margin	0.4%	1.2%	+0.8 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	5	7	+42.3%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	78	77	-1.3%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	2,500	3,472	+38.9%
SHAREHOLDERS			
State-owned interest			89.61%
Other shareholders			10.39%
MANAGEMENT (1 JUL 2020)			
General Director			Edgaras Jeninas
Chairman of the Board			Not appointed
			Raminta Sakalauskiene *
			Rūta Slidžiauskaitė
			Tadas Švilpauskas
			Aloyzas Jaciunskas *
			Petras Jurkuvėnas *

*Independent member



UAB Panevėžio veislininkystė

www.panevezioveislininkyste.lt



Holding breeding animal auctions, exhibitions and fairs, cattle quarantining services and cattle resale to Lithuanian and foreign livestock farmers

MAJOR EVENTS:

• On 25 April 2019, the Company's Management Board was recalled at the General Meeting of Shareholders.

During the course of its business in the reference period, the Company quarantined 1,193 heads of breeding cattle, which was nearly 4 times more than a year ago (in 2018 - 307 heads of cattle were quarantined). The volumes of the services for the identification of genetic quality and productivity of farmed animals also saw a 10.0% or 15 units rise. The number of cattle collected for foreign suppliers grew from 4,586 units in 2018 up to 5,039 units in 2019. However, only one national and international level breeding animal exhibition was organised compared with 3 exhibitions organised a year ago.

In 2019, the Company earned EUR 1,414 thousand in revenue, which was 5.7% or EUR 86 thousand less than during the previous reference period. The major share (87.3% or EUR 1,234 thousand) of sales revenue constituted of the revenue of cattle sales, which decreased by 8.8% or EUR 118 thousand compared with the previous year. The larger share (8.0% or EUR 113 thousand) of revenue was earned by the Company from intermediation services that increased by as much as 3 times. It is worth noting that the revenue from quarantining saw a significant drop of 81.8% or EUR 76 thousand due to a new partnership launched, different quarantining conditions and lower price of nonbreeding calves, although the number of quarantined animals increased 4 times.

In 2019, the costs of Company amounted to EUR 1,390 thousand and were by 5.2% lower than a year ago. In the cost of sales structure, the major share (94.5% or EUR 1,198 thousand) consisted of the cost of cattle sold, the 6.9% or EUR 89 thousand decrease of which made the greatest influence on the total decrease in costs.

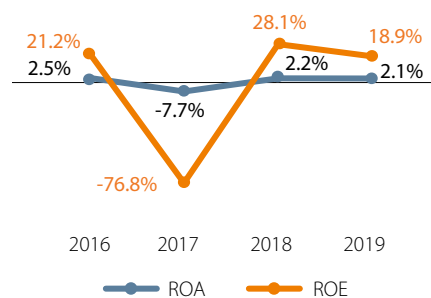
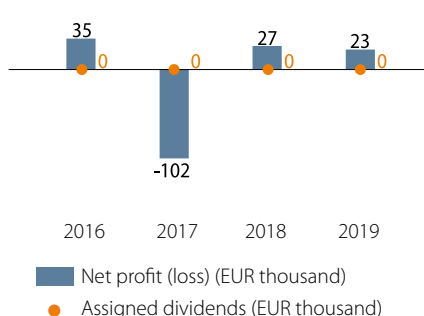
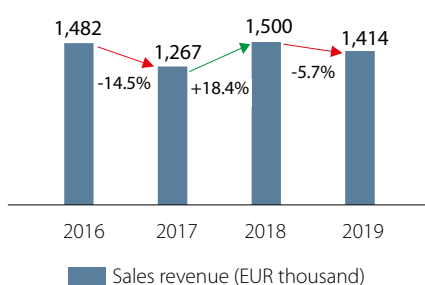
Although the decrease in net profit amounted to 15.3% or EUR 4 thousand, however, Company's net profit remained at the same level during the reporting period (EUR 23 thousand) as in 2018 (EUR 27 thousand). The ratio of net profitability also saw a slight decrease (0.2 percentage points) and stood at 1.6%. Company's EBITDA decreased by 7.6% and stood at EUR 133 thousand as compared with 144 thousand euro a year ago.

The balance sheet structure saw no essential changes over 2019. Company's non-current assets decreased by 10.4% down to EUR 934 thousand due to depreciation. The decrease in grants in the amount of 10.7% or EUR 822 thousand was conditioned by the use of the grant of EUR 99 thousand for modernisation of breeding bull base according to the EU requirements and investment under the project "Development of the Centre for Livestock and Poultry Breed Value Calculation".

The Company's financial return ratios showed a decrease yet unequally. The ratio of return on equity decreased by 9.2 percentage points down to 18.9%, whereas the decrease of return on assets amounted to only 0.1 percentage points and stood at 2.1% at the end of the year.

- ↓ Sales revenue decreased by 5.7% down to EUR 1.4 million
- ↓ Net profit stood at EUR 23 thousand, i.e. EUR 4 thousand less than in 2018
- ↓ Grants decreased by 10.7% down to EUR 822 million

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	1,500	1,414	-5.7%
Cost of goods sold	1,348	1,268	-5.9%
Gross profit (loss)	152	146	-3.9%
Cost of sales	0	0	-
General and administrative expenses	118	122	+3.5%
Results of other activities	0	0	-
Net financial items	-6	0	-
Profit (loss) before taxes	28	24	-15.2%
Corporation tax	1	1	-14.3%
Net profit (loss)	27	23	-15.3%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	1,043	934	-10.4%
Current assets	53	92	+72.7%
Cash and cash equivalents	7	14	+115.2%
Deferred charges and accrued income	1	0	-50.0%
Total assets	1,097	1,027	-6.4%
Equity	109	132	+20.8%
Grants and subsidies	921	822	-10.7%
Provisions	0	0	-
Amounts payable and other liabilities	66	71	+7.4%
Amounts payable after one year and other non-current liabilities	8	3	-60.5%
Financial liabilities	8	3	-60.5%
Amounts payable within one year and other current liabilities	59	68	+16.2%
Financial liabilities	5	5	0.0%
Accrued expenses and deferred income	1	2	+183.3%
Total equity and liabilities	1,097	1,027	-6.4%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	2.2%	2.1%	-0.1 p. p.
ROE	28.1%	18.9%	-9.2 p. p.
D/E	11.1%	5.7%	-5.4 p. p.
EBITDA	144	133	-7.6%
EBITDA margin	9.6%	9.4%	-0.2 p. p.
Net profit margin	1.8%	1.6%	-0.2 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (in total)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	4	4	0.0%
Number of executives	1	1	0.0%
Average monthly salary of executives (gross, EUR)	2,010	2,966	+47.6%
SHAREHOLDERS			
State-owned interest			97.90%
Other shareholders			2.10%
MANAGEMENT (1 JUL 2020)			
General Director			Nerijus Gričius



UAB Šilutės polderiai

www.polderiai.lt



Polder system operation, construction of hydraulic structures, repair and reconstruction of systems and equipment, landscaping works (removal of trees and bushes, stumping works, etc.), building of pedestrian paths and roads

Company's revenue grew by 87.9% and stood at EUR 7.0 million at the end of the year. Around 90.0% of the Company's revenue in 2019 came from the funds intended for the contract works financed by the European Union and the State and municipal budgets. As a result of nearly doubled orders of the main customer, Šilutė District Municipality Administration, the volumes of contract works performed also increased accordingly. The revenue from drainage equipment operation and repair works, repair of roads and other works accounted for 99.0% of the total revenue earned.

The rising volumes of jobs determined the rise in the cost of goods sold. Over the year, the number of employees increased by 6.0% and this led to the increase in the wage costs by 20.7% as well. The subcontracting costs that increased 3 times decreased the total profitability from 10.4% in 2018 down to 6.9% in 2019.

Operating costs grew by 7.0% mostly due to the increase in the wages of executives, maintenance of premises and increase in fuel costs. The net profit earned in the amount of EUR 80.2 thousand conditioned the increase in the ROA by 1.2 p.p. and ROE by 3.1 p.p.

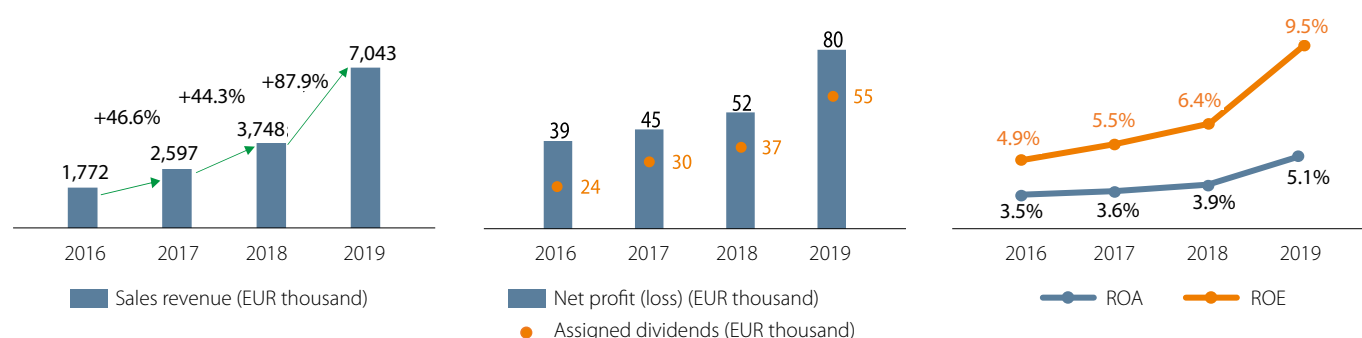
Company's EBITDA increased by 19.1% and stood at EUR 208.1 thousand at the end of the year.

The growth in Company's assets by 42.4% was mostly conditioned by the increase in the funds held in banks up to EUR 1.1 million at the end of 2019. Significant growth in liabilities is related to higher VAT payable (the growth reached EUR 162 thousand over the year) and 2.4 times increase in debts to suppliers - EUR 471 thousand at the end of the year. Pursuant to the information provided, the sums past-due amounted to EUR 71.2 thousand. The Company also used the credit and leasing services of UAB Medicinos bankas, the sum of these liabilities amounted to EUR 136 thousand at the end of the reporting year.

- ↑ Sales revenue increased by 87.9% and stood at EUR 7.0 million at the end of the year
- ↑ Net profit grew by 53.9% up to EUR 80.2 thousand.
- ↑ Assets increased by 42.4% and stood at EUR 1.9 million at the end of the year

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	3,748	7,043	+87.9%
Cost of goods sold	3,360	6,556	+95.1%
Gross profit (loss)	388	487	+25.4%
Cost of sales	15	46	+209.4%
General and administrative expenses	314	336	+7.0%
Results of other activities	14	1	-92.9%
Net financial items	-9	-9	-
Profit (loss) before taxes	64	97	+50.9%
Corporation tax	12	17	+37.5%
Net profit (loss)	52	80	+53.9%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	403	473	+17.3%
Current assets	652	1,347	+106.6%
Cash and cash equivalents	254	1,086	+327.7%
Deferred charges and accrued income	251	41	-83.8%
Total assets	1,306	1,860	+42.4%
Equity	825	859	+4.2%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	481	1,000	+108.1%
Amounts payable after one year and other non-current liabilities	117	121	+3.4%
<i>Financial liabilities</i>	117	121	+3.4%
Amounts payable within one year and other current liabilities	364	879	+141.8%
<i>Financial liabilities</i>	14	15	+6.6%
Accrued expenses and deferred income	0	0	+30.6%
Total equity and liabilities	1,306	1,860	+42.4%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	3.9%	5.1%	+1.2 p.p.
ROE	6.4%	9.5%	+3.1 p.p.
D/E	15.9%	15.8%	-0.1 p.p.
EBITDA	175	208	+19.1%
EBITDA margin	4.7%	3.0%	-1.7 p.p.
Net profit margin	1.4%	1.1%	-0.3 p.p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	37	55	+49.1%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	83	88	+6.0%
Number of administration employees	2	2	-
Average monthly salary of executives (gross, EUR)	3,235	3,459	+6.9%
SHAREHOLDERS			
State-owned interest			81.03%
Other shareholders			18.97%
MANAGEMENT (1 JUL 2020)			
General Director			Arūnas Jagminas
Chairman of the Board			Linās Lapinskas
Members of the Board			Jonas Lisauskas Simona Martinkė* Arūnas Drūlia*

*Independent member



UAB Šilutės veislininkystė

www.buliukai.lt



Bull evaluation by progeny fattening and meat production characteristics, and trade in animals for breeding and meat

MAJOR EVENTS:

• On **24 April 2019**, the entire Company's Management Board was cancelled at the General Meeting of Shareholders.

During the course of its business in the reference period, the Company acquired 270 head of cattle, i.e. 25.0% less than in 2018. The number of cattle sold increased by 32.0% or 78 animals with 319 head of cattle sold by the end of the year. The Company had 285 bulls at the end of the year with the total weight of 106 thousand kilograms and of the value of EUR 480.8 thousand.

The increasing sales of cattle compared with 2018 conditioned a 44.0% or EUR 92.5 thousand increase in Company's sales revenue that amounted to EUR 303.3 thousand at the end of the period compared with EUR 210.5 thousand at the end of 2018.

The cost of goods sold decreased by 18.6% and reached EUR 188.3 thousand in 2019. This was mainly affected by the increasing value of grants under support mechanisms with the value increasing by approximately 61.0% or EUR 133.6 thousand during the year. General and administrative expenses decreased by 11.4% due to a 30.0% decrease in the number of employees and stood at EUR 99.2 thousand at the end of the reporting period.

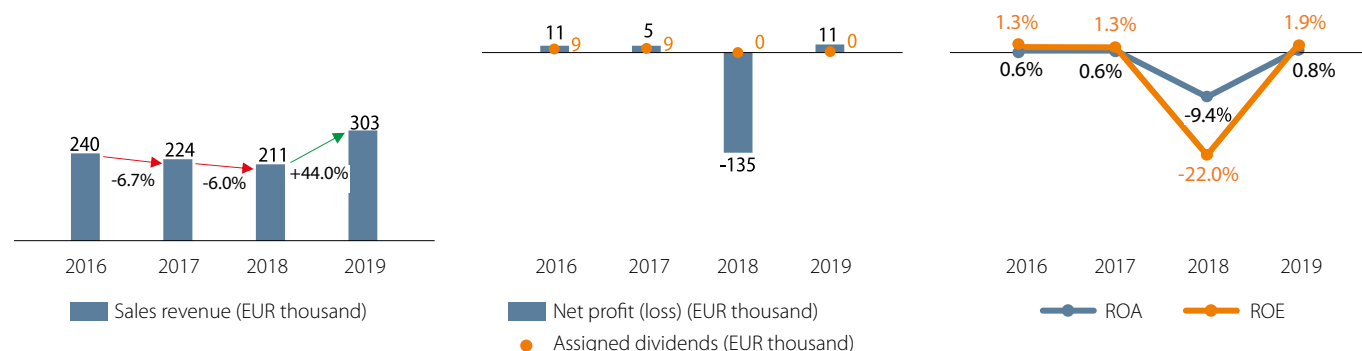
The increasing sales revenue also conditioned a positive change in the net profit. In 2019, the net profit of Company increased by 107.9% and amounted to EUR 10.7 thousand compared with the loss of EUR 134.8 thousand suffered during the previous period. Company's EBITDA also increased accordingly by 289.5% and reached EUR 85.1 thousand during the reporting year. Company's net profit margin, which was negative in 2018 and reached -64%, increased by 67.6 percentage points in 2019 and became positive (3.5%). Profitable Company's activity is also reflected in the ratios of return: ROE and ROA increased by 23.9 and 10.2 percentage points respectively and stood at 1.9% and 0.8% respectively at the end of the year.

40.9% decrease in cash and cash equivalents down to EUR 29.2 thousand led to a 8.0% decrease in current assets, which amounted to EUR 676.6 thousand at the end of the reporting period. Grants for non-current assets amounted to EUR 449.7 thousand at the end of the year, while in 2018 their value amounted to EUR 483.8 thousand, i.e. remained almost the same.

Company's liabilities decreased by 23.9% over the year and stood at EUR 290.2 thousand at the end of the period mostly due to the return of the share of loan in the amount of EUR 39.2 thousand to Luminor Bank AS.

- ↑ Sales revenue increased by 44.0% and stood at EUR 303.0 thousand
- ↑ Net profit increased by 107.9% and stood at EUR 10.7 thousand
- ↑ Net profit grew up to 1.9%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	211	303	+44.0%
Cost of goods sold	231	188	-18.6%
Gross profit (loss)	-21	115	-
Cost of sales	2	3	+7.5%
General and administrative expenses	112	99	-11.4%
Results of other activities	9	0	-95.5%
Net financial items	-9	-3	+68.6%
Profit (loss) before taxes	-135	11	-
Corporation tax	0	0	-
Net profit (loss)	-135	11	-
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	682	617	-9.5%
Current assets	725	677	-6.7%
Cash and cash equivalents	49	29	-40.9%
Deferred charges and accrued income	0	1	+81.3%
Total assets	1,408	1,294	-8.0%
Equity	543	555	+2.2%
Grants and subsidies	484	450	-7.1%
Provisions	0	0	-
Amounts payable and other liabilities	381	290	-23.9%
Amounts payable after one year and other non-current liabilities	178	139	-22.1%
<i>Financial liabilities</i>	178	139	-22.1%
Amounts payable within one year and other current liabilities	203	152	-25.4%
<i>Financial liabilities</i>	63	57	-9.7%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,408	1,294	-8.0%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-9.4%	0.8%	+10.2 p. p.
ROE	-22.0%	1.9%	+23.9 p. p.
D/E	44.3%	35.2%	-9.1 p. p.
EBITDA	-45	85	+289.5%
EBITDA margin	-21.3%	28.1%	+49.4 p. p.
Net profit margin	-64.0%	3.5%	+67.6 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	10	7	-30.0%
Number of administration employees	1	1	0.0%
Average monthly salary of executives (gross, EUR)	2,271	2,526	+11.3%
SHAREHOLDERS			
State-owned interest			96.50%
Other shareholders			3.50%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Remigijus Sakalauskas



UAB Dotnuvos eksperimentinis ūkis

www.dotnuvos-eukis.lt



Livestock farming, crop production, and experimental, educational and testing activities

MAJOR EVENTS:

• On **13 February 2019**, Company's State-owned shares held by the Ministry of Agriculture of the Republic of Lithuania were transferred to State Enterprise Turto bankas on the basis of delivery/acceptance certificate No A4-10.

• On **18 December 2019**, the State-owned shareholding of UAB Dotnuvos eksperimentinis ūkis was sold; the shares were transferred on 17 January 2020.

The activities undertaken by the Company are hybrid: it grows grains and corn, produces milk, rears beef cattle, and processes its produce. Since 2015, the Company's business volumes have been in decline. As a result, on 6 June 2018 UAB Dotnuvos eksperimentinis ūkis was included in the list of objects under privatisation and, on 13 February 2019, Company's State-owned shares held by the Ministry of Agriculture of the Republic of Lithuania were transferred to State Enterprise Turto bankas on the basis of delivery/acceptance certificate No A4-10.

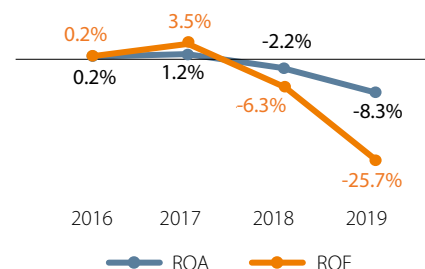
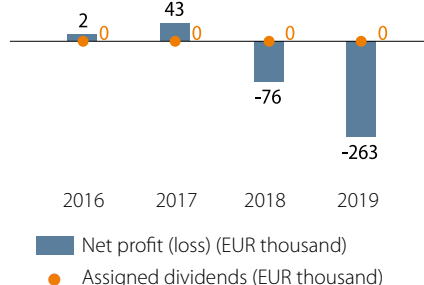
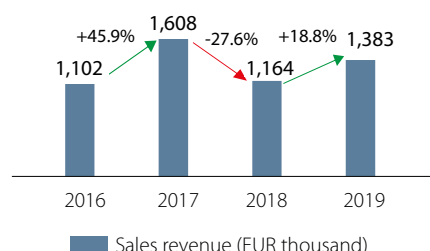
In 2019, the Company earned EUR 1,382.6 thousand in sales revenue, which was 18.8% more than during the previous year. This was mostly affected by EUR 15.5 thousand more received in grants and subsidies related to the revenue and EUR 3.7 thousand increase in revenue from milk sold due to the milk purchase price. General and administrative expenses increased by EUR 46.8 thousand or 28% and stood at EUR 212.8 thousand at the end of the reporting period.

The Company's assets decreased by 11.8% over the reporting period and amounted to EUR 2,966.4 thousand at the end of the year and that was mostly conditioned by the decrease in current assets by 20.1%, which amounted to EUR 647.4 at the end of 2019, as compared with EUR 810.1 thousand at the end of 2018.

In 2019, the net profit of Company showed a rapid decrease and stood at -EUR 262.7 thousand at the end of the period, which is by 247.9% less than at the end of 2018. Company's ratios of financial return decreased accordingly: ROA decreased by 6.1 percentage points as compared with 2018 and stood at -8.3% at the end of the period, decrease in ROE amounted to 19.4 percentage points and reached -25.7%.

- ↑ Sales revenue of the Company increased by 18.8% and reached EUR 1,382.6 thousand
- ↓ A loss in the amount of EUR 262.7 thousand was suffered in 2019
- ↓ Total equity and liabilities decreased by 11.8% and stood at EUR 2,966.4 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	1,164	1,383	+18.8%
Cost of goods sold	1,300	1,401	+7.7%
Gross profit (loss)	-136	-18	+86.8%
Cost of sales	0	0	-
General and administrative expenses	166	213	+28.2%
Results of other activities	256	2	-99.4%
Net financial items	-29	-34	-14.7%
Profit (loss) before taxes	-76	-263	-247.9%
Corporation tax	0	0	-
Net profit (loss)	-76	-263	-247.9%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	2,523	2,315	-8.3%
Current assets	810	647	-20.1%
Cash and cash equivalents	14	0	-100.0%
Deferred charges and accrued income	31	4	-86.1%
Total assets	3,364	2,966	-11.8%
Equity	1,152	889	-22.8%
Grants and subsidies	1,037	949	-8.5%
Provisions	0	0	-
Amounts payable and other liabilities	1,175	1,129	-4.0%
Amounts payable after one year and other non-current liabilities	169	77	-54.6%
<i>Financial liabilities</i>	169	77	-54.6%
Amounts payable within one year and other current liabilities	1,007	1,052	+4.5%
<i>Financial liabilities</i>	367	367	0.0%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	3,364	2,966	-11.8%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-2.2%	-8.3%	-6.1 p. p.
ROE	-6.3%	-25.7%	-19.4 p. p.
D/E	46.5%	49.9%	+3.4 p. p.
EBITDA	32	-82	+289.5%
EBITDA margin	2.7%	-5.9%	-8.7 p. p.
Net profit margin	-6.5%	-19.0%	+12.5 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	39	39	0.0%
Number of administration employees	1	1	0.0%
Average monthly salary of executives (gross, EUR)	2,037	2,921	+43.4%
SHAREHOLDERS			
State-owned interest			100 %
INSTITUTION REPRESENTING THE STATE			
VĮ Turto bankas			
MANAGEMENT (1 JUL 2020)			
General Director			Rūta Labanauskienė



UAB Žemės ūkio paskolų garantijų fondas

www.garfondas.lt



The Company provides guarantees to credit institutions and financial lease (leasing) companies, administers State aid, the implementation of financial instruments and the indemnity funds of licensed warehouses

Special obligations: managing financial instruments; managing the indemnity fund of licensed warehouses.

MAJOR EVENTS:

- Company's guarantee obligations to credit establishments amounted to EUR 79.45 million at the end of 2019.
- In 2019, the Company completed the administration of loans on preferential terms granted from the Loans Fund.
- The Company performed administration of guarantee instrument of Loan Portfolio.
- The Company started implementation of a new financial instrument "Provision of Loans for Acquisition of Agricultural Machinery Financed Out of the Funds Returned and to be Returned".

During the reporting period, the Company issued 208 guarantees to economic entities worth of EUR 21.8 million for loan issued and leasing services provided by financial institutions in the amount of EUR 30.6 million. It is nearly the same figure as in 2018 (21.6 million guarantees). In 2019, Rural Business and Market Development Agency ('the Agency') did not perform any intervention purchases and did not use loans with guarantee. Guarantees in the amount of EUR 21.1 million were issued to the Agency in 2018. A lower number of recipients of loans used the guarantees. 208 guarantees were issued in 2019 (in 2018 - 223) with the average sum amounting to EUR 105 thousand.

The Company administers compensation for the share of margins and the share of interest paid to financial institutions. EUR 347 thousand (19.6% more than in 2018) in margins and EUR 630 thousand (twice more than in 2018) in interest were compensated to the economic entities from the funds of Rural Development and Business Promotion Programmes of the Ministry of Agriculture in 2019.

The main revenue was earned from margins and taxes related to the changes in the terms and conditions of guarantees. In 2019, such revenue amounted to EUR 671 thousand and was by 38.7% lower than in 2018. The main cause of this – the Agency failed to perform planned intervention purchases and the guarantees were not issued. Revenue from investment of funds amounted to EUR 377 thousand, i.e. 17.0% less as compared with the previous year.

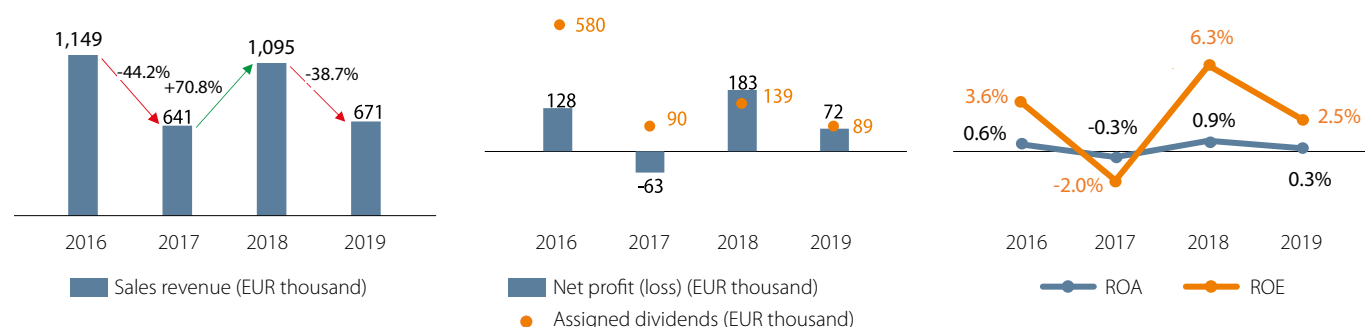
The costs of Company constituted of provisions for the performance of liabilities and administrative expenses. The sum of EUR 228 thousand was accrued for performance of guarantee obligations during 2019. 6.2% growth of administrative expenses was mostly associated with the increase in wage as well as service of computer software applications.

The net profit in the amount of EUR 71.7 thousand earned in 2019 was by 60.8% lower than in 2018. Company's EBITDA decreased by 133.2% and amounted to EUR -19.3 thousand. Both return on assets and return on equity declined accordingly: ROA – by 0.5 percentage points, while ROE – by 3.9 percentage points.

- ↓ Company's sales revenue decreased by 38.7%
- ↓ Company's net profit decreased by 60.8% down to EUR 71.7 thousand
- ↓ Return on equity ratio shrank by 3.9 percentage points

PROFIT (LOSS) STATEMENT (EUR thousand)			
	2018	2019	CHANGE
Sales revenue	1,095	671	-38.7%
Cost of goods sold	618	228	-63.1%
Gross profit (loss)	477	443	-7.7%
Cost of sales	0	0	-
General and administrative expenses	499	530	+6.2%
Results of other activities	49	32	-33.9%
Net financial items	177	126	-28.5%
Profit (loss) before taxes	204	72	-64.8%
Corporation tax	21	0	-100.0%
Net profit (loss)	183	72	-60.8%
BALANCE SHEET (EUR thousand)			
	2018	2019	CHANGE
Non-current assets	19,188	16,724	-12.8%
Current assets	1,607	3,571	+122.2%
Cash and cash equivalents	431	208	-51.8%
Deferred charges and accrued income	12	3	-73.9%
Total assets	20,806	20,298	-2.4%
Equity	2,941	2,873	-2.3%
Grants and subsidies	11	8	-33.0%
Provisions	17,823	17,391	-2.4%
Amounts payable and other liabilities	27	23	-15.3%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	27	23	-15.3%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	4	4	-
Total equity and liabilities	20,806	20,298	-2.4%
RATIOS			
	31 DEC 2018	31 DEC 2019	CHANGE
ROA	0.9%	0.3%	-0.5 p.p.
ROE	6.3%	2.5%	-3.9 p.p.
D/E	0.0%	0.0%	-
EBITDA	58	-19	-133.2%
EBITDA margin	5.3%	-2.9%	-8.2 p.p.
Net profit margin	16.7%	10.7%	-6.0 p.p.
RETURN TO THE SHAREHOLDERS (EUR thousand)			
	2018	2019	CHANGE
Assigned dividends (share of the State)	139	89	-36.0%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	14	14	-
Number of administration employees	1	1	-
Average monthly salary of executives (gross, EUR)	3,117	3,883	+24.5%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director	L. e. p. Romalda Globienė		
Chairman of the Board	Vygantas Katkevičius		
Members of the Board	Saulius Jasius		
	Snieguolė Valiulienė		
	Dalia Kavoliūnienė		
	Alfredas Gustas		
	Virginija Žostauiienė		
Supervisory Board	Lina Liubauskaitė		
	Dalius Darulis*		
	Sigita Seemann-Ignatjeva*		

*Independent member



UAB Pieno tyrimai

www.pieno-tyrimai.lt



Composition and quality testing of milk and of milk from controlled livestock purchased across the country, and other milk testing and related services

MAJOR EVENTS:

• By virtue of Resolution No 183 of the Government of the Republic of Lithuania of **20 February 2019**, the Company underwent reorganisation and had UAB Gyvulių produktyvumo kontrolė merged into it on 1 July.

The Company carried out 3,480.7 thousand milk tests, i.e. 7.5% less than a year ago. In 2019, the average number of milk producers amounted to 17.8 thousand units, i.e. 10.7% less than in 2018. A major influence on the number of milk farms was made by varying social rural infrastructure and varying milk purchase prices. Despite the foregoing, the Company's revenue increased by 32.3%.

In 2019, the major cause for growth in sales revenue was indicated by the Company as the revenue in the amount of EUR 1,163 thousand in the productivity tests of milk livestock of merged company. Revenue earned from milk tests increased by EUR 134 thousand. All this led to the increase in total revenues up to EUR 5,312 thousand.

Cost of goods sold had the major part in Company's costs structure (80.8%). Its growth by 29.3% can be referred to as the proportional increase in revenues as the total profitability has not changed significantly: in 2018, it stood at 21%, in 2019 – 22%. Operating costs, on the other hand, showed a considerable increase – 24.9% and stood at EUR 974 thousand. According to the Company, this resulted from additional costs regarding the connection of livestock productivity control test administration.

In 2019, the Company earned EUR 201 thousand in net profit – 78.5% more than in 2018.

After merger with UAB Gyvulių produktyvumo kontrolė in 2019, the Company's authorised capital was supplemented with shares of the value of EUR 732 thousand. After payment of non-distributed part of profit to the State budget, the total equity reached EUR 3,985 thousand and was by 21% higher than in 2018.

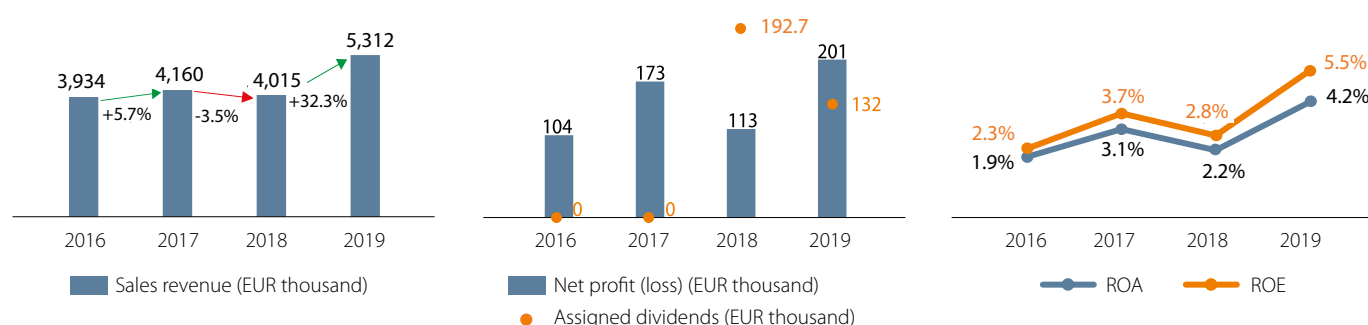
In 2019, Company's non-current assets grew by 3.1% due to taken over and accounted assets of UAB Gyvulių produktyvumo kontrolė for EUR 320 thousand. The amount of current assets taken over stood at EUR 520 thousand (reserves and amounts receivable within one year), this largely conditioned the growth of Company's current assets by 90.7% up to EUR 1,587 thousand. In the structure of current assets, the major share of 25% or EUR 403 thousand constituted of receivables. Stocks (reagents, various substances for performance of tests, other inventory) accounted for 12% and stood at EUR 189 thousand. Item of current assets – funds held in the banks – grew by 332.7% and stood at EUR 801 thousand at the end of the year.

The Company performed its obligations according financial leasing agreements without delay and reduced its financial liabilities by EUR 148 thousand over 2019. Upon increase in amounts payable associated with labour relations (EUR 181 thousand) and VAT payable, the total sum of liabilities in the balance sheet grew by 15.6% and reached EUR 1,195 thousand. **However, due to considerable growth in owner's equity, the total tendency of debt to equity remained positive – D/E ratio decreased down to 16.9%.**

The Company has successfully implemented the State's expectation regarding the ROE – i.e. the 4.7% target set was exceeded and 5.5% return was earned.

- ↓ The number of milk tests decreased by 7.5%
- ↑ Net profit grew by 78.5% and amounted to EUR 201 thousand
- ↑ Rate on equity grew by 2.7 percentage points and reached 5.5%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	4,015	5,312	+32.3%
Cost of goods sold	3,176	4,106	+29.3%
Gross profit (loss)	839	1,206	+43.8%
Cost of sales	0	0	
General and administrative expenses	780	974	+24.9%
Results of other activities	7	3	-64.9%
Net financial items	-19	-25	-27.6%
Profit (loss) before taxes	47	210	+345.3%
Corporation tax	5	9	+82.4%
Net profit (loss)	42	201	+377.2%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	3,481	3,589	+3.1%
Current assets	832	1,587	+90.7%
Cash and cash equivalents	185	801	+332.7%
Deferred charges and accrued income	19	11	-43.4%
Total assets	4,332	5,187	+19.7%
Equity	3,293	3,985	+21%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	1,034	1,195	+15.6%
Amounts payable after one year and other non-current liabilities	504	432	-14.3%
<i>Financial liabilities</i>	487	420	-13.8%
Amounts payable within one year and other current liabilities	529	763	+44.1%
<i>Financial liabilities</i>	334	253	-24.3%
Accrued expenses and deferred income	5	6	+22%
Total equity and liabilities	4,332	5,187	+19.7%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	2.2%	4.2%	+2.0 p. p.
ROE	2.8%	5.5%	+2.7 p. p.
D/E	24.9%	16.9%	-8.1 p. p.
EBITDA	623	884	+41.8%
EBITDA margin	15.5%	16.6%	+1.1 p. p.
Net profit margin	2.8%	3.8%	+1.0 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	193	132	-31.7%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	129	313	+142.6%
Number of administration employees	1	2	+100%
Average monthly salary of executives (gross, EUR)	3,057	2,897	-5.2%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Laima Urbšienė



VĮ Valstybės žemės fondas

www.vzf.lt

**Land use planning, territorial planning, surveying, GIS, soil survey and evaluation, and land reclamation cadastral works**

Special obligations: activity "Aid for Land Consolidation" under the Lithuanian Rural Development Programme 2014-2020 measure "Investments in Tangible Assets"; areas of operations of the measure "Land Information System Development and Support" under the land management and administration and information infrastructure development programme; supervision of land reclamation works and reclamation structures; conducting public land plot sale and lease auctions.

In 2019, the Company operated in 35 districts (urban) municipal territories – across 760 cadastral areas (i.e. in 60.0% of the total area of the country) and performed EUR 2.6 million worth of plot formation, management, surveying, reclamation and other works.

Following the programme prepared by the State, the Company mainly focused on the management and development of the Land Information System (LIS) that is covered by state budget funds and works of activity "Aid for Land Consolidation" that are covered by the funds of the European Agricultural Fund for Rural Development. 2019 saw jobs worth EUR 860.9 thousand carried out using the State budget funds, whereas the worth of jobs carried out using funds of European Agricultural Fund for Rural Development reached EUR 1.5 million.

In the reference year, the Company's sales revenue was EUR 2.6 million, i.e. 4.8% less than in 2018. This sum included the revenue from organisation of State-owned land sales bids in the amount of EUR 119.32 thousand.

The seller / lessor of State-owned land plots is the National Land Service under the Ministry of Agriculture (in cases where the land plots are managed by the municipality by the right of trust, the lessor is the municipality), Valstybės žemės fondas only organises the State-owned land sale and lease bids.

In 2019, Valstybės žemės fondas organised 230 State-owned land sale/lease bids for which the winners of auction paid approximately EUR 3.1 million to the National Land Service under the Ministry of Agriculture, which the National Land Service under the Ministry of Agriculture will transfer (transferred) to budgets of the state (50%) and municipalities where the bids were organised (50%). It shall be noted that some plots of land were purchased on deferred terms, therefore, a share of the aforementioned sum will be collected during a possible maximum period dedicated for payment - 15 years. Despite a 7.0% increase in the revenue from various commercial land management works (+EUR 138 thousand), the final volumes of sales revenue were determined by a 38.0% (EUR -204 thousand) decrease in the revenue from land reform management projects and preparation of land plot plans.

Due to 6.5% decrease in wage costs, the total 5.4% decrease in the cost of goods sold conditioned by 0.6 percentage points higher gross profit margin (from 10.7 in 2018, to 11.3% in 2019). The operating costs that remained almost the same (EUR 321 thousand) allowed the Company to earn at least the same normalised net profit margin (2.6%) as in the previous year.

Normalised ratio of return on equity decreased by 0.2 percentage points and amounted to 3.3% at the end of the year.

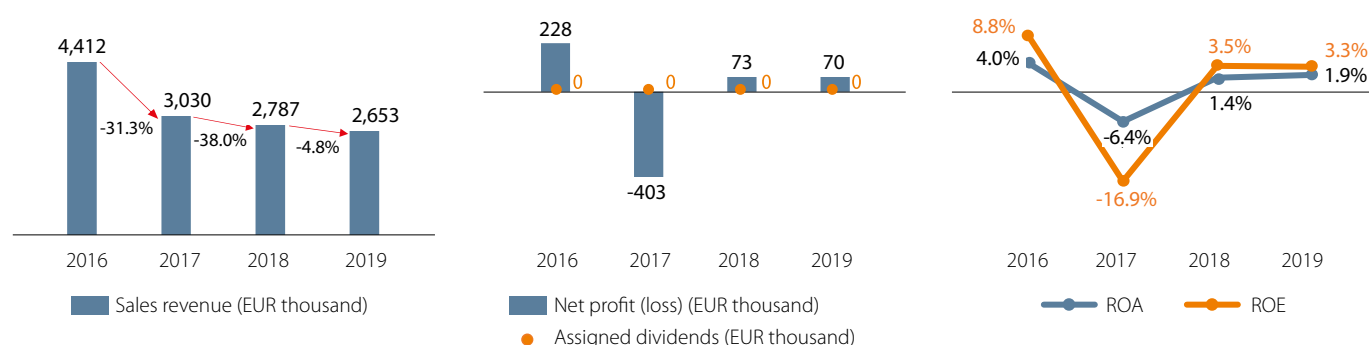
The profit contribution estimated from the distributable profit to the State budget amounted to EUR 33.6 thousand in 2019.

During 2019, the Company used the grants and subsidies in the amount of EUR 2.3 million, of which EUR 1.45 million was used for the activity "Aid for Land Consolidation" under the Lithuanian Rural Development Programme 2014-2020 measure "Investments in Tangible Assets", whereas EUR 0.45 million was returned as the sum unused.

Off-balance liabilities of VĮ Valstybės žemės fondas for guarantees received for performance of the terms and conditions of contracts and performance of tenders amounted to EUR 0.5 million at the end of 2019. The Company had a temporary right of trust to control 58 State-owned land plots of the area of 51.7 ha, while the value of buildings constructed on them - EUR 0.6 million.

- ↓ Company's sales revenue decreased by 4.8% and amounted to EUR 2.7 million
- ↓ Net profit decreased by 4.5% down to EUR 69.8 thousand
- ↑ Return to the State increased by 4.3% and amounted to EUR 72.3 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	2,787	2,653	-4.8%
Cost of goods sold	2,487	2,353	-5.4%
Gross profit (loss)	300	300	+0.1%
Cost of sales	0	0	-
General and administrative expenses	332	321	-3.3%
Results of other activities	20	32	+62.3%
Net financial items	63	32	-49.7%
Profit (loss) before taxes	51	44	-15.2%
Corporation tax	12	7	-45.1%
Net profit (loss)	39	37	-5.9%
Adjusted net profit (loss)	73	70	-4.5%
Non-current assets	2,551	1,304	-48.9%
Current assets	2,044	1,493	-27.0%
Cash and cash equivalents	1,916	1,217	-36.5%
Deferred charges and accrued income	0	0	-
Total assets	4,595	2,797	-39.1%
Equity	2,082	2,089	+0.4%
Grants and subsidies	2,318	407	-82.4%
Provisions	0	0	-
Amounts payable and other liabilities	195	301	+54.4%
Amounts payable after one year and other non-current liabilities	1	2	+83.3%
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	194	299	+54.2%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	4,595	2,797	-39.1%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	1.4%	1.9%	+0.5 p. p.
ROE	3.5%	3.3%	-0.2 p. p.
D/E	0.0%	0.0%	-
EBITDA	124	73	-40.6%
EBITDA margin	4.4%	2.8%	-1.7 p. p.
Net profit margin	2.6%	2.6%	0.0 p. p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	29	34	+14.3%
Property tax	40	39	-3.0%
Total contributions and non-standard taxes to the State	69	72	+4.3%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	233	216	-7.3%
Number of administration employees	2	2	-
Average monthly salary of executives (gross, EUR)	3,165	3,579	+13.1%
INSTITUTION REPRESENTING THE STATE	Ministry of Agriculture of the Republic of Lithuania		
MANAGEMENT (1 JUL 2020)	General Director		
	Tomas Balčiūnas		



VĮ Žemės ūkio informacijos ir kaimo verslo centras

www.vic.lt



Performs functions and implements tasks related to the development and implementation of the key components of Integrated Administration and Control System (IACS) – the Livestock Register, the Agricultural and Rural Business Register of the Republic of Lithuania, Application Acceptance Information System) and other delegated functions

Special obligations: managing of registers (the livestock register, pets register, register of feed business operators approved in the Republic of Lithuania; register of farm holdings of the Republic of Lithuania; register of agriculture and rural business of the Republic of Lithuania; register of tractors, self-propelled and agricultural machinery and their trailers); development and administration of information systems (livestock breeding information system (cattle (fatstock and dairy), horses, pigs, goats, sheep); information system for milk accounting and direct payments for milk; application acceptance information system; agricultural products and foodstuffs market information system; information system of certificates of tractor operators); administration of spatial data set of control land plots (hereinafter - spatial set of land plots).

During the course of its business in the reference period, the Company registered 4,763 new holdings (as opposed to 3,657 new holdings in 2018), updated information of 128,142 holdings (as opposed to 126,208 in 2018) and deregistered 7,191 holdings (as opposed to 14,891 in 2018). 2,886 new farms were registered (1,684 new farms in 2018), information of 70,686 farms was updated (57,630 in 2018) and 634 farms were removed from the register (10,316 in 2018). The Company collected 126.1 thousand applications for utilised agricultural areas and other plots for direct pay-outs and receipt of support under Rural Development Programme for 2014-2020 with the total declared area of 2,926,751 hectares. Over 6 million entries on breeding livestock were collected in the Livestock Breeding Information System. Approximately 2.2 million entries were made in the Livestock Register. The Company also issued 162,933 units of livestock certificates of origin and 1,489 units of horse certificates of origin. Estimated the support received by more than 23 thousand Lithuanian milk producers amounting to EUR 41 million, registered 7,792 wheeled tractors, harvesters, tractor trailers and semi-trailers (8,449 units in 2018). In 2019, it collected 24,829 food product statistical testing reports and was managing 28 applications made by co-operatives.

The Company's continuous business is funded from 3 sources: the State budget funds of the Republic of Lithuania, the EU funds in conjunction with the State budget funds and the Company's revenue earned from collecting fees for issued cattle and horse certificates, certificates from the registers and information systems managed by the Company and other activities of the Company. **The largest share of the funds was awarded by the Government of the Republic of Lithuania. 75.4% or EUR 5,062 thousand of financing funds were allocated out of EUR 6,715 thousand.** The funding from the EU funds and the Company's earnings represented 10.6% and 14.0% respectively.

In 2019, the Company earned EUR 752.8 thousand in sales revenue. Compared with 2018, the revenue grew by barely 0.2% or EUR 1.2 thousand. The largest share of all Company's revenue (68.0%) consisted of revenue from issue of livestock certificates and 23.0% - revenue from distribution of form templates.

During the reporting period, all operating costs of the Company increased by 4.9% and stood at EUR 6,929 thousand. Costs that are covered by revenue earned by the Company increased by 5.6% over 2019 and amounted to EUR 1,083 thousand, costs reimbursable by the funds from the State budget of the Republic of Lithuania remained relatively stable (amounted to EUR 5,846 thousand in 2019 compared with EUR 5,584 thousand in 2018).

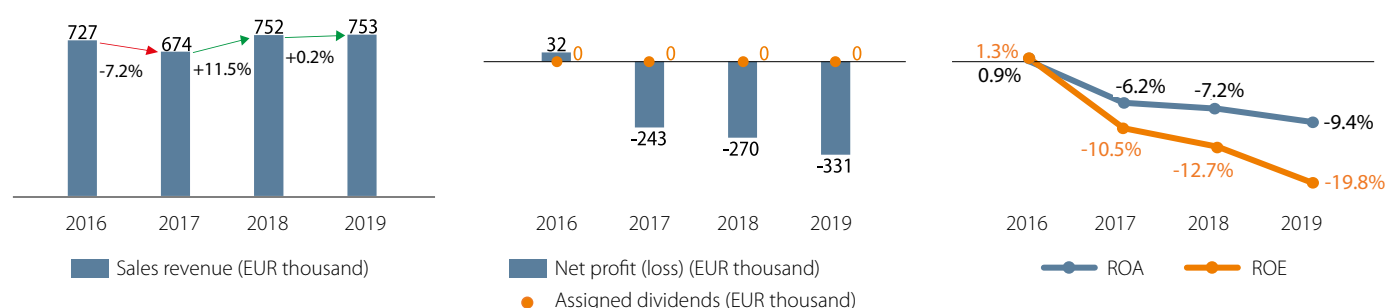
Over the reporting year, the Company's assets decreased by 10.7% and stood at EUR 3,747.7 thousand. This decrease was conditioned by 11.4% decrease in the balance value of non-current assets and decrease in the value of current assets by 15.5% that resulted from 18.3% decrease in the balance of funds held in bank accounts.

Company's loss grew by 22.4% and stood at EUR 330.6 thousand at the end of the year. **This led to a 118.7% decrease in EBITDA totalling EUR -176.5 thousand at the end of the period.**

The decrease in equity by 18.0% or EUR 331 thousand totalling EUR 1,507 thousand was conditioned by the loss incurred in 2019. The underperformance was reflected in the Company's financial ratios of return: return on equity compared with the previous year decreased by 6.1 p. p. and amounted to -19.8%, whereas decrease in the return on assets reached 2.2 p. p.

- ↑ The costs of goods sold increased by 37.1% and totalled EUR 213.1 thousand
- ↑ Company's liabilities increased by 23.5% and stood at EUR 443.8 thousand
- ↓ Net loss increased by 22.4% and reached EUR 330.6 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	752	753	+0.2%
Cost of goods sold	155	213	+37.1%
Gross profit (loss)	596	540	-9.5%
Cost of sales	0	0	-
General and administrative expenses	867	870	+0.4%
Results of other activities	1	0	-100.0%
Net financial items	0	0	-
Profit (loss) before taxes	-270	-331	-22.4%
Corporation tax	0	0	-
Net profit (loss)	-270	-331	-22.4%
Adjusted net profit (loss)	-270	-331	-22.4%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	2,571	2,278	11.4%
Current assets	984	831	-15.5%
Cash and cash equivalents	945	772	-18.3%
Deferred charges and accrued income	193	237	22.6%
Total assets	3,748	3,346	-10.7%
Equity	1,838	1,507	-18.0%
Grants and subsidies	1,456	1,395	-4.2%
Provisions	0	0	-
Amounts payable and other liabilities	454	444	-2.2%
Amounts payable after one year and other non-current liabilities	54	14	-74.8%
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	400	430	+7.6%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	3,748	3,346	-10.7%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-7.2%	-9.4%	-2.2 p. p.
ROE	-13.7%	-19.8%	-6.1 p. p.
D/E	0.0	0.0	0.0 p. p.
EBITDA	-81	-177	-118.7%
EBITDA margin	-10.7%	-23.4%	-12.7 p. p.
Net profit margin	-35.9%	-43.9%	-8.0 p. p.
RETURN TO THE OWNER (EUR thousand)	2018	2019	CHANGE
Assigned profit contributions	0	0	-
Property tax	0	0	-
Total contributions and non-standard taxes to the State	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	209	202	-3.3%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	2,723	3,153	+15.8%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Sigitas Puodžiukas acting as a Director



VĮ Mašinų bandymo stotis

www.bandymai.lt



Conformity assessment of agricultural and forestry vehicles, type approval, and market surveillance. Control of technical inspections and evaluation of registered tractors, self-propelled and agricultural machinery. Advice to vehicle manufacturers, suppliers and consumers

MAJOR EVENTS:

• On 2 September 2019, the legal status of Company was changed from State Enterprise to Public Limited Liability Company.

During the reporting period, in the course of its activities, the Company tested and assessed 279 pieces of agricultural, forestry and other machinery and work equipment (201 pieces in 2018), carried out tests of 413 vehicles, their components or technical combinations (366 in 2018) and tested and certified 31 gambling devices (29 in 2018).

Company's revenue decreased by 32.4% in 2019 and reached EUR 277.3 thousand as compared with EUR 410.4 thousand in 2018. A significant decrease in revenue resulted from donations that were not received by the Company in 2019, while the donation received in 2018 amounted in EUR 150 thousand and comprised more than 1/3 of all revenue. In case this factor is ignored, the revenue for 2019 increased by 6.6% compared with the revenue earned in 2018. The major share of revenue constituted of revenue from lease (EUR 157.0 thousand) and revenue from the sale of services (EUR 120.3 thousand).

The costs incurred by the Company decreased by 31.48% or EUR 120.0 thousand over the year. The operating costs mostly decreased due to the decrease of 40.7% in general and administrative expenses down to EUR 157.4 thousand, which was partly conditioned by the decrease in the number of employees and accordingly lower costs of wages.

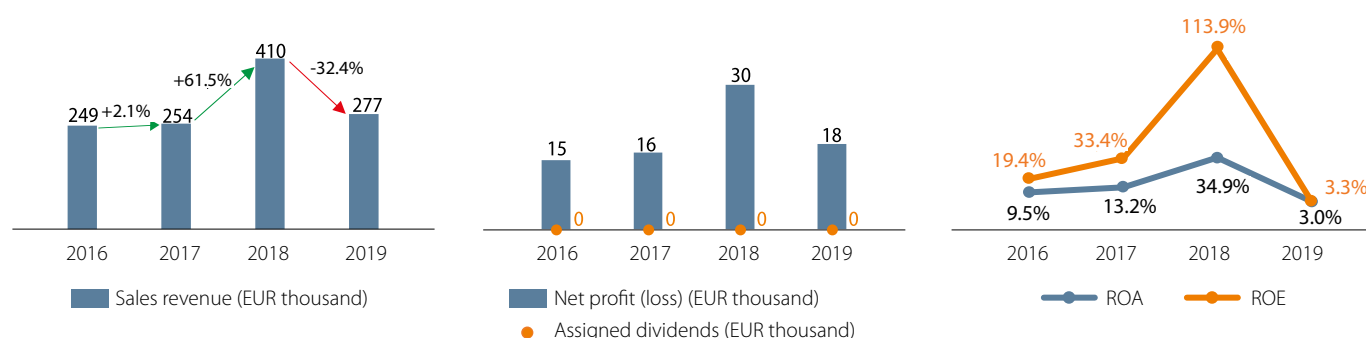
A significant drop in revenue had a negative effect of the Company's net profit, which decreased by 41.9% and amounted to EUR 17.3 thousand at the end of the year, compared with EUR 29.8 thousand in 2018. Accordingly, the Company's EBITDA ratio increased which, compared with the previous year, dropped by 13.9% and stood at EUR 35.2 thousand at the end of the reporting period.

During the reporting period, Company's equity grew by 2,424.2% and stood at EUR 1,052.6 thousand at the end of the period (EUR 41.7 thousand at the end of 2018). This was mainly influenced by Company's reorganisation from State Enterprise to Private Limited Liability Company and, accordingly, formation of authorised capital in the amount of EUR 1,023.8 thousand. It also conditioned the increase in non-current assets by 2,975.4% or from EUR 32.9 thousand to EUR 1,011.8 thousand.

The decrease in Company's profit had a negative influence on the Company's ratios of return: return on equity decreased by 110.7% and amounted to 3.3% (113.9% in 2018), and return on assets dropped by 31.8% totalling 3.0% at the end of the year (34.9% in 2018).

- ↓ Revenue decreased by 32.4% and amounted to EUR 277.3 thousand
- ↓ Net profit decreased by 41.9% and reached EUR 17.3 thousand
- ↑ Equity increase by 2,424.2%

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	410	277	-32.4%
Cost of goods sold	111	101	-8.8%
Gross profit (loss)	300	177	-41.1%
Cost of sales	0	0	-
General and administrative expenses	266	157	-40.7%
Results of other activities	0	0	-
Net financial items	1	1	+50.0%
Profit (loss) before taxes	35	20	-42.2%
Corporation tax	5	3	-43.4%
Net profit (loss)	30	17	-41.9%
Adjusted net profit (loss)	30	18	-41.0%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	33	1,012	+2,975.4%
Current assets	57	83	+45.4%
Cash and cash equivalents	33	59	+78.0%
Deferred charges and accrued income	0	0	-
Total assets	90	1,094	+1,120.1%
Equity	42	1,053	+2,424.2%
Grants and subsidies	8	6	-24.7%
Provisions	0	0	-
Amounts payable and other liabilities	40	36	-10.6%
Amounts payable after one year and other non-current liabilities	0	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	40	36	-10.6%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	90	1,095	+1,118.8%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	34.9%	3.0%	-31.8 p. p.
ROE	113.9%	3.3%	-110.7 p. p.
D/E	0.0	0.0	-
EBITDA	41	35	-13.9%
EBITDA margin	10.0%	12.7%	+2.7 p. p.
Net profit margin	7.4%	6.5%	-0.9 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	13	11	-15.4%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	1,816	2,278	+25.5%
INSTITUTION REPRESENTING THE STATE	Ministry of Agriculture of the Republic of Lithuania		
MANAGEMENT (1 JUL 2020)	General Director		
	Paulius Kalina		



UAB Genetiniai ištekliai

www.genetiniaiistekliai.lt



Cattle breeding, seed processing for propagation, experimental, training and pilot farming, implementation of programme for preservation of animal genetic resources

MAJOR EVENTS:

• On **2 January 2019**, a new company UAB Genetiniai ištekliai was incorporated by merging UAB Šeduvos avininkystė and UAB Upytės eksperimentinis ūkis.

• On **8 October 2019**, the Company's Management Board was appointed by Order No 3D-548 of the Minister of Agriculture of the Republic of Lithuania.

In 2019, about 1,800 sheep and 800 cattle were raised in Company's farms, 1,385 units of sheep were sheared and 3,248 kg of wool was cut. During the reporting year, 89 sheep calves were fed and 9 breeding rams were checked for reproduction. Over 850 ha of cereal were sowed, rapeseed and corn crops amounted to 150 ha each on the average. The volume of plant production amounted to 2,847 tonnes (grain, rapeseed and peas) during 2019, while the number of production sold – 2,485 tonnes. 2,082 tonnes of milk were produced and 1,759 tonnes were sold in 2019; the volume of meat production sold was the same as produced, i.e. 146 tonnes.

In 2019, the Company earned EUR 1,750.3 thousand in revenue. As compared with 2018, the sales revenue decreased by 9.7%. Company's core revenues consist of the sale of milk – approximately 33.0% of all sales revenue, and sale of plant production – approximately 30.0% of all sales revenue. General and administrative expenses decreased by 18.7% as compared with 2018 and amounted to EUR 205.9 thousand. It was mostly conditioned by the 7.8% decrease in the number of employees.

During the reporting period, the assets managed by the Company decreased by 5.3% or EUR 192 thousand and amounted to EUR 3,467.9 thousand at the end of the reporting period. During the reporting year, the Company performed liabilities according to the conditions stipulated in long-term credit agreement and decreased its non-current liabilities by 25.6% or EUR 132 thousand.

Company's reorganisation and accordingly decreased general and administrative expenses had a positive effect on the Company's operating result, therefore, in 2019, Company's net profit increased by 102.3% and amounted to EUR 3.5 thousand, while in 2018 the Company suffered a loss in the amount of EUR 152.9 thousand.

The better performance is reflected in the Company's financial return ratios: net profit margin increased by 8.1 percentage points and stood at 0.2%, while, in 2018, it was negative and stood at -7.9%. EBITDA increased by 200.0% and amounted to EUR 216 thousand as compared with 2 thousand euro a year ago, return on equity increased by 5.8 percentage points and was positive, amounted to 0.1% as compared with -5.7% in 2018. Furthermore, Company's return on assets ratio changed from negative to positive and increased by 4.1 percentage points and reached 0.1% in 2019.

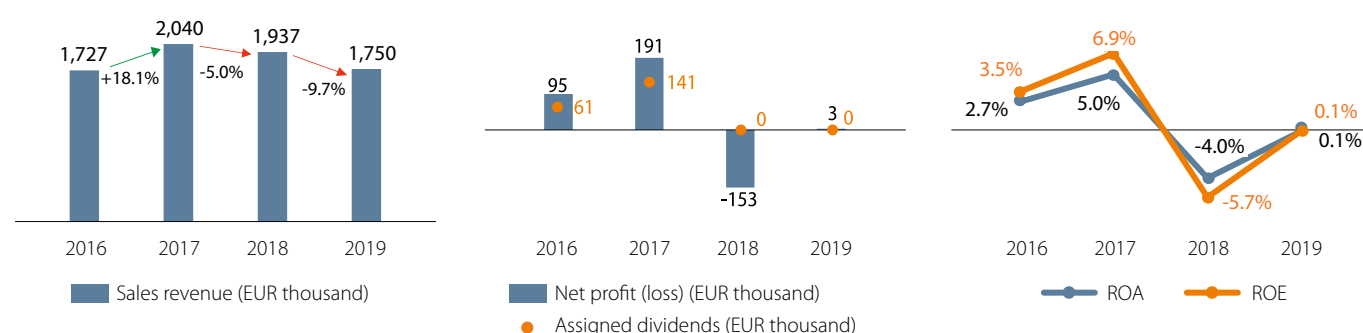
↓ Sales revenue decreased by 9.7% and amounted to EUR 1,750.3 thousand

↑ Net profit increased by 102.3% and stood at EUR 3.5 thousand

↑ EBITDA grew by 200.0% and stood at EUR 216 thousand

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	1,937	1,750	-9.7%
Cost of goods sold	1,829	1,532	-16.2%
Gross profit (loss)	109	218	+100.9%
Cost of sales	0	0	-
General and administrative expenses	253	206	-18.7%
Results of other activities	2	1	-75.0%
Net financial items	-11	-9	+12.4%
Profit (loss) before taxes	-153	3	-
Corporation tax	0	0	-
Net profit (loss)	-153	3	-
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	2,512	2,315	-7.8%
Current assets	1,137	1,143	+0.6%
Cash and cash equivalents	23	67	+195.2%
Deferred charges and accrued income	12	9	-21.7%
Total assets	3,660	3,468	-5.3%
Equity	2,550	2,554	+0.1%
Grants and subsidies	594	530	-10.7%
Provisions	0	0	-
Amounts payable and other liabilities	516	384	-25.6%
Amounts payable after one year and other non-current liabilities	79	5	-93.6%
Financial liabilities	79	5	-93.6%
Amounts payable within one year and other current liabilities	438	379	-13.4%
Financial liabilities	80	74	-8.0%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	3,660	3,468	-5.3%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-4.0%	0.1%	+4.1 p. p.
ROE	-5.7%	0.1%	+5.8 p. p.
D/E	6.2%	3.1%	-3.1 p. p.
EBITDA	2	216	+200.0%
EBITDA margin	0.1%	12.3%	+12.2 p. p.
Net profit margin	-7.9%	0.2%	+8.1 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	77	71	-7.8%
Number of administration employees	2	2	0.0%
Average monthly salary of executives (gross, EUR)	2,500	2,090	-16.4%
SHAREHOLDERS			
State-owned interest			100%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2020)			
General Director			Audrius Zalatoris
Chairman of the Board			Not appointed
			Jolita Čičiurkienė
			Ramūnas Antanaitis*
			Alfredas Gustas
			Rūta Liaubienė*
Members of the Board			

*Independent member



UAB Vilniaus lokomotyvų remonto depas

www.vlrd.lt/lt



Manufacture of new maneuvering locomotives and road vehicles, capital and current repairs and technical maintenance of all types of railway rolling stock, manufacture and repair of freight wagons

The company has 25% shares of associated company UAB Lokomotyvai ir transporto komponentai.

MAJOR EVENTS:

- Customer Service Standard regulating the main processes of activity was prepared and approved.

- New Articles of Association of VLRD were registered.

- Two certificates of the main manufacturers were received (for repair of freight wagons with castellated bearings) allowing the Company to expand the range of repairs even further.

- New organisational structure of Company was approved.

During the reporting period, the Company carried out repairs of 17,577 wagons and repairs of 7,787 traction units. Compared with the previous year, due to increase in the number of new clients, the volumes of repair of wagons grew by 1.8%, while the repairs of traction units decreased by 7.2% as a result of transfer of these functions to another subsidiary of UAB Lietuvos geležinkeliai – UAB LG Keleiviams.

Sales revenue of the Company increased by 3.0% over 2019 and amounted to EUR 52.3 million the end of the period. The growth was mostly conditioned by 38.0% increase in the revenue from repairs of freight wagons due to increase in the volumes and quantities of works as well as recalculation of prices. Revenue from repair of freight traction units accounting for the major share (46.6%) of sales revenue grew by 3.9%. Decrease in the revenue from repair of passenger traction units by 92.7% resulted from the transfer of functions to UAB LG Keleiviams.

During the reporting period, Company's costs remained at the similar level (grew insignificantly by 1.8% up to EUR 47,797 thousand). The costs of acquisition of materials comprising the major share (40.6%) of all costs grew by 14.3%. It was conditioned by the increasing volumes in the services provided. Although the number of employees decreased by 11.8%, wage and social insurance costs remained almost the same - the decrease amounted to 1.3%.

The increase in the revenue of the Company faster than the costs conditioned the increase in Company's net profit by 14.7% up to EUR 3.7 million. Company's EBITDA grew accordingly by 41.6% or EUR 2 million – up to EUR 6.8 million. EBITDA margin increased by 3.6 percentage points and reached 13.0% at the end of the period.

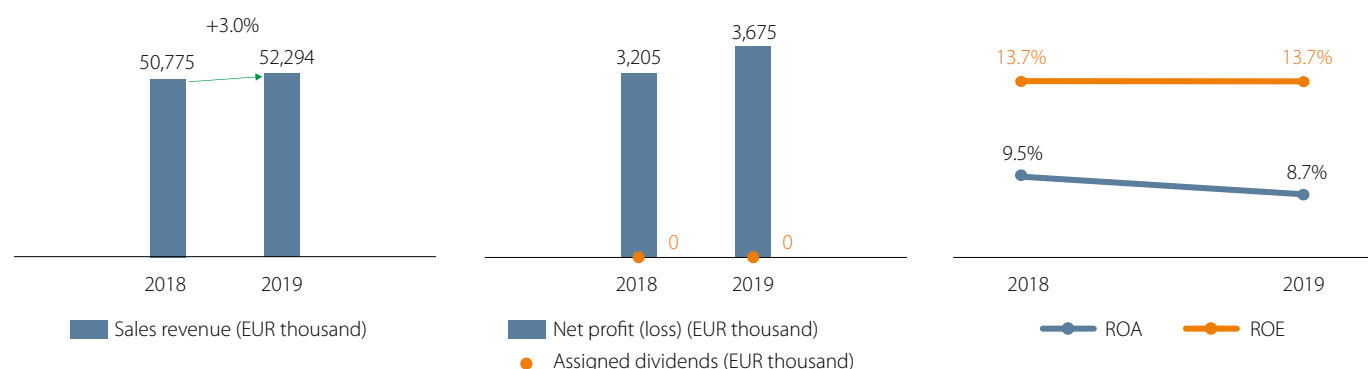
Company's assets increased by 46.3% up to EUR 49.9 million over the year. Non-current assets that stood at EUR 11.6 million at the beginning of the year increased by 22.6% during the reporting period due to the start of application of 16th IFRS "Lease" – the assets controlled by the right of use increased. Growth in current assets amounting to EUR 35.7 million at the end of the year reached 58.6%. The main reason of such growth – acquired locomotives for renovation and sale resulting in the 49.6% increase in stocks.

During the reporting period, the Company's amounts payable and other liabilities grew by 134.9%, i.e. from EUR 9.0 million to EUR 21.1 million. The major influence on this growth was caused by increase in liabilities under agreements with clients from EUR 3 thousand to EUR 7.3 million. Furthermore, the start of application of the 16th IFRS "Lease" (it was not applied in 2018) increased the liabilities by EUR 4.0 million.

Over 2019, Company's financial ratios changed insignificantly. Decrease in ROA ratio by 0.8 percentage points down to 8.7% resulted from considerable gain in the assets. ROE ratio remained the same – 13.7%. Net profit margin grew by 0.7 percentage points up to 7.0%.

- ↑ Sales revenue grew by 3.0% and stood at EUR 52.3 million
- ↑ Net profit grew by 14.7% and reached EUR 3.7 million
- ↑ Company's assets increased by 46.3% and amounted to EUR 49.9 million

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	50,775	52,294	+3.0%
Cost of goods sold	17,959	20,403	+13.6%
Gross profit (loss)	32,816	31,891	-2.8%
Cost of sales	0	0	-
General and administrative expenses	29,000	27,395	-5.5%
Results of other activities	0	0	-
Net financial items	-77	-198	-157.1%
Profit (loss) before taxes	3,739	4,298	+15.0%
Corporation tax	534	623	+16.7%
Net profit (loss)	3,205	3,675	+14.7%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	11,629	14,253	+22.6%
Current assets	22,485	35,653	+58.6%
Cash and cash equivalents	1,150	4,128	+259.0%
Deferred charges and accrued income	0	0	-
Total assets	34,114	49,906	+46.3%
Equity	24,934	28,609	+14.7%
Grants and subsidies	67	41	-38.8%
Provisions	113	111	-1.8%
Amounts payable and other liabilities	9,000	21,145	+134.9%
Amounts payable after one year and other non-current liabilities	990	3,480	+251.5%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	8,010	17,665	+120.5%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	34,114	49,906	+46.3%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	9.5%	8.7%	-0.8 p. p.
ROE	13.7%	13.7%	0.0 p. p.
D/E	0.0%	0.0%	-
EBITDA	4,813	6,816	+41.6%
EBITDA margin	9.5%	13.0%	+3.6 p. p.
Net profit margin	6.3%	7.0%	+0.7 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	1,066	940	-11.8%
Number of executives	6	6	0.0%
Average monthly salary of executives (gross, EUR)	4,327	4,933	+14.0%
SHAREHOLDERS			
AB Lietuvos geležinkeliai			100%
MANAGEMENT (1 JUL 2020)			
General Director			Albertas Bajorinas
Chairman of the Board			Egidijus Lazauskas
			Agnė Grambaitė
			Lukas Danielevičius
			Rokas Janutėnas
			Greta Kernagienė
Members of the Board			



UAB Geležinkelio tiesimo centras

www.gtc.lt/w/



Maintenance of railway infrastructure, implementation of construction, repair and modernisation projects

During the reporting period, the Company built 65 km, dismantled 68 km, repaired 389 km of railways as compared with 43 km of built, 45 km of dismantled and 334 km of repaired railways in 2018. 26.9% (236 units) of railway welding works and 69.7% or 42,098 m³ ballast works more were performed in 2019. The volumes of works also increased in the activities of collection of gratings, cleaning of chippings and replacement of straps. The decrease was recorded only in the activities of replacement of inventory rails with continuously welded rails (12.8% or 12 units), replacement of switches (76.9% or 20 units), repair of access (57.5% or 145 sets), replacement of rails (23.6% or 693 units) and replacement of sleepers (5.6% or 1,131 units). 94.8% of all works were performed according to the public tendering procedures of structural units and parent companies of UAB Lietuvos geležinkeliai, because the major share of railways in Lithuania consists of public infrastructure controlled by AB Lietuvos geležinkeliai Group.

Company's revenue stood at EUR 25,317 thousand at the end of 2019 as compared with 29,815 thousand euro a year ago. A 15.1% decrease in revenues was mostly influenced by intense competition. In 2019, the Company started to provide its service under the conditions of open competition. The absolute majority of all revenue (71.4% or EUR 18,068 thousand) was earned from railway building and repair works, which decreased by 27.7% or EUR 6,931 thousand as compared with the previous year. A smaller share, 15.8% or EUR 3,994 thousand, of all revenue consisted of revenue from technical inspection of railway buildings and roads that were characterised by a 13.2% growth.

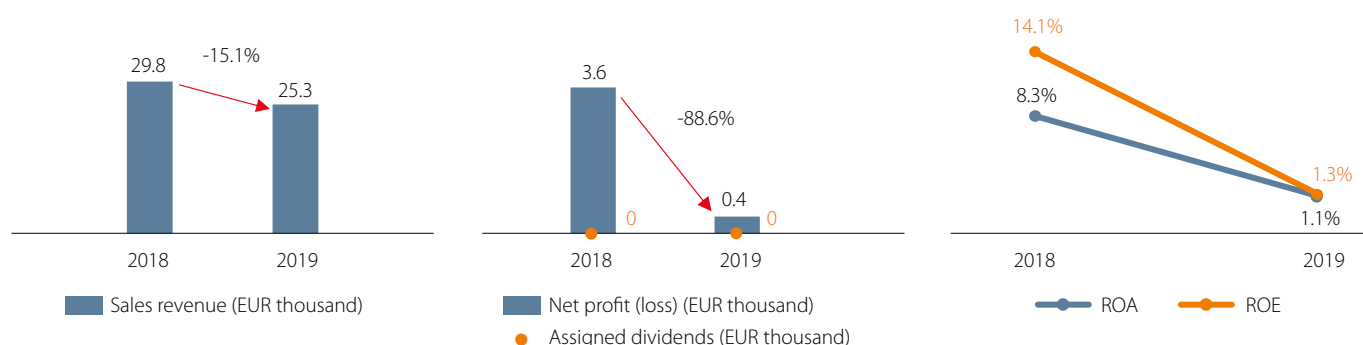
Changes in the volumes of work had direct influence on the changes in costs as well. **The decrease in Company's costs amounting to EUR 24,743 thousand at the end of 2019 amounted to 2.7% or EUR 676 thousand.** The main reason of such decrease was a 67.5% or EUR 2,255 thousand decrease in costs of acquisition of materials that amounted to EUR 1,083 thousand or 4.4% of all costs at the end of the year. This was conditioned by a partial or full performance of the major share of works with customer's materials. The major share of Company's costs (41.5% or EUR 10,276 thousand) that consisted of wage costs grew by 3.4% mostly due to the new taxing system. It is noteworthy that although the costs of wage saw an increase, the number of employees in the Company decreased by 16.3% at the end of the period - the Company had 461 employees at the end of the period (on 31 December 2018 - 551 employees).

A faster decrease in the revenue than costs had a direct impact on the Company's net result. **Over 2019, the Company earned EUR 409 thousand in net profit, i.e. 88.6% or EUR 3,173 thousand less than in 2018.** EBITDA ratio was also affected and decreased by 51.7% to EUR 3,578 thousand during the reporting period.

Over 2019, the Company's allocated EUR 159 thousand to investment, i.e. 56.4% or EUR 206 thousand less than a year ago. The major share of investment (EUR 98 thousand) was allocated to the purchase of facilities, devices and other long-term assets. The remaining funds were used for acquisition of machines and equipment.

- ↓ Sales revenue decreased by 15.1%
- ↓ Net profit decreased by almost 9 times
- ↓ 13.0% drop in assets at the end of the period

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	29,815	25,317	-15.1%
Cost of goods sold	17,061	15,043	-11.8%
Gross profit (loss)	12,754	10,274	-19.4%
Cost of sales	0	0	-
General and administrative expenses	8,358	9,700	+16.1%
Results of other activities	0	0	-
Net financial items	-96	-80	+16.7%
Profit (loss) before taxes	4,300	494	-88.5%
Corporation tax	718	85	-88.2%
Net profit (loss)	3,582	409	-88.6%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	30,791	29,101	-5.5%
Current assets	12,198	8,279	-32.1%
Cash and cash equivalents	3,055	1,453	-52.4%
Deferred charges and accrued income	0	0	-
Total assets	42,989	37,380	-13.0%
Equity	30,488	30,897	+1.3%
Grants and subsidies	0	0	-
Provisions	535	486	-9.2%
Amounts payable and other liabilities	11,966	5,997	-49.9%
Amounts payable after one year and other non-current liabilities	4	700	+17,400.0%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	11,962	5,297	-55.7%
Financial liabilities	0	1,487	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	42,989	37,380	-13.0%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	8.3%	1.1%	-7.2 p. p.
ROE	14.1%	1.3%	-12.8 p. p.
D/E	0.0%	4.8%	+4.8 p. p.
EBITDA	7,403	3,578	-51.7%
EBITDA margin	24.9%	14.1%	-10.7%
Net profit margin	12.0%	1.6%	-10.4%
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	551	461	-16.3%
Number of executives	4	6	+50.0%
Average monthly salary of executives (gross, EUR)	4,461	5,396	+21.0%
SHAREHOLDERS			
AB Lietuvos geležinkeliai			100%
MANAGEMENT (1 JUL 2020)			
General Director		Vytautas Radzevičius	
Chairman of the Board		Linas Baužys	
		Rokas Janutėnas	
		Sigitas Kubilius	
		Brigita Valenčienė	
		Vaidotas Dirmeikis	
Members of the Board			



AB LG CARGO

www.cargo.litrail.lt



Local and international transportation of cargoes, rent of cargo wagons and containers, cargo handling and storage and other services.

MAJOR EVENTS:

- On **30 April 2019**, the activities of transportation of cargoes of Lithuanian railways were transferred to LG CARGO.
- On **7 August 2019**, the Company's share capital was increased by EUR 30,410 thousand.

In order to ensure the continuity of transportation of cargoes, the take-over of activities was gradual – during the transitional period - in January-April 2019 - the Company provided operation and maintenance of rolling-stock used for cargo transportation and related services, while all other cargo transportation activities were taken over from 1 May 2019. From this day until the end of the reporting period, the flow of Company's cargoes reached 37.2 million tonnes. In railway transport, the transportation of chemical and mineral fertilisers as well as oil and oil products prevailed constituting 28.5% or 10.6 million tonnes and 23.7% or 8.8 million tonnes of all volumes of cargoes transported respectively. Local and international transportation accounted for 29.7% and 70.3% in the total structure of cargoes transported respectively.

In May-December of the reporting period, the Company's sales revenue reached EUR 297,782 thousand, the major share of which (94.4% or EUR 281,216 thousand) constituted of revenue from the delivery of cargo transportation services and services related to transportation activities. The remaining share of revenue (5.6% or EUR 16,566 thousand) was earned by Company from other additional services such as operation, maintenance of rolling-stock used for transportation of cargoes and related services.

During the analysed period, the Company's operating costs and costs from other activities amounted to EUR 275,251 thousand. More than half of all costs (51.3% or EUR 141,245 thousand) constituted of infrastructure fees. Fuel and personnel maintenance costs showed the same level and accounted for 12.9% or EUR 35,528 thousand and 12.2% or EUR 33,384 thousand of all Company's costs respectively.

During the reporting period, the Company earned EUR 18,668 thousand in net profit, while net profitability ratio reached 6.3%. Company's EBITDA amounted to EUR 45,838 thousand, while EBITDA margin reached 15.4%.

In company's assets structure, non-current assets accounted for 2/3 of all assets as much as 98.4% or EUR 186,186 thousand of which constituted of vehicles. In current assets structure, the major share constituted of trade and other receivables (62.5% or EUR 58,916 thousand) and cash and cash equivalents (26.7% or EUR 25,143 thousand).

At the end of 2019, Company's financial liabilities reached EUR 157,034 thousand. According to the loan agreement concluded with parent company AB Lietuvos geležinkeliai on 12 March 2019 of the value of EUR 163,862 thousand and time-limit until 2031, the Company purchased railway transport rolling-stock - wagons, containers and locomotives. The provision of this loan led to high Company's D/E ratio – 269.9%.

During the reporting period, the Company allocated EUR 19,632 of own funds to investment. These funds were used to carry out rolling-stock park repair programme (to repair 2,063 freight wagons, carry out capital repairs of 7 Siemens locomotives, carry out capital repairs of various complexity of 32 locomotives) and to conclude agreements as well as to pay advance payments for the purchase of locotractors.

- ↑ The net profit amounted to EUR 18.7 million
- ↓ Financial liabilities amounted to EUR 157.0 million
- ↑ EUR 19.6 million were allocated to investment

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	0	297,782	-
Cost of goods sold	0	260,067	-
Gross profit (loss)	0	37,715	-
Cost of sales	0	0	-
General and administrative expenses	94	15,153	-
Results of other activities	0	17	-
Net financial items	0	-1,156	-
Profit (loss) before taxes	-94	21,423	-
Corporation tax	-14	2,755	-
Net profit (loss)	-80	18,668	-
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	14	191,276	-
Current assets	30,000	94,252	+214.2%
Cash and cash equivalents	30,000	25,143	-16.2%
Deferred charges and accrued income	0	0	-
Total assets	30,014	285,528	+851.3%
Equity	29,920	58,191	+94.5%
Grants and subsidies	0	0	-
Provisions	0	234	-
Amounts payable and other liabilities	94	227,528	-
Amounts payable after one year and other non-current liabilities	0	149,348	-
Financial liabilities	0	143,379	-
Amounts payable within one year and other current liabilities	94	77,755	-
Financial liabilities	0	13,655	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	30,014	285,528	+851.3%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-0.5%	11.8%	+12.4 p. p.
ROE	-0.5%	42.4%	+42.9 p. p.
D/E	0.0%	269.9%	+269.9 p. p.
EBITDA	-94	45,838	-
EBITDA margin	-	15.4%	+15.4 p. p.
Net profit margin	-	6.3%	+6.3 p. p.

RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	0	0	-

INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	-	2,355	-
Number of executives	-	8	-
Average monthly salary of executives (gross, EUR)	-	6,523	-

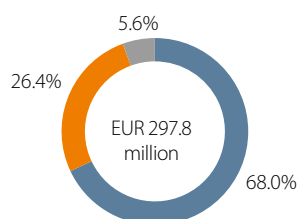
SHAREHOLDERS	
AB Lietuvos geležinkeliai	100%

MANAGEMENT (1 JUL 2020)	
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General Director	Egidijus Lazauskas
Chairman of the Board	Mantas Bartuška

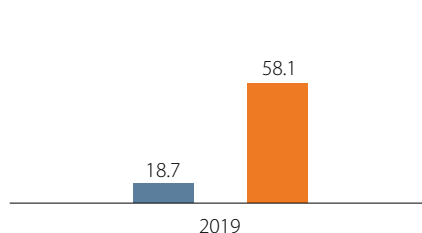
Members of the Board	Egidijus Lazauskas Lukas Danielevičius Brigita Valenčienė Rokas Janutėnas
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Sales Revenue Structure



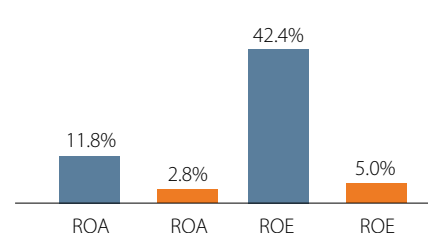
- Transportation of cargoes
- Services related to transportation activities
- Other additional services

Net profit (EUR million)



- AB LG CARGO
- AB Lietuvos geležinkeliai Group

Financial return indicators for 2019



- AB LG CARGO
- AB Lietuvos geležinkeliai Group

UAB LG Keleiviams

www.litrail.lt/keleiviams



Local and international carriage of passengers, transportation of postal items and baggage, bicycles and animals in the territory of Lithuania and abroad, organisation of charter trips, etc.

MAJOR EVENTS:

• On **28 February 2019**, the Company was registered in the Register of Legal Entities and the activities of LG Passenger Carriage Directorate started to be transferred to this Company gradually.

• From **1 September 2019**, following the decision of the Management Board of 6 August 2019, the LG passenger carriage activities and employees were transferred to UAB LG Keleiviams.

• On **11 October 2019**, authorised capital of the Company was increased from EUR 150 thousand to EUR 156.23 thousand.

In 2019, the Company carried out activities from September through December and 1.7 million passengers travelled 114.9 million kilometres during this period. The route of the majority of passengers (82.4% or 1.4 million) was local and the remaining share (17.6% or 0.3 million) of passengers took the international routes. Trips from Vilnius dominated in the local carriage structure, and as much as 26.4% of local carriages take place on route Vilnius-Kaunas.

During the last four months of 2019, the Company earned EUR 19,726 thousand from passenger carriage, additional services and grants. Revenue from passenger carriages accounted for 44.5% or EUR 8,769 thousand of all sales revenue of which revenue from local and international routes accounted for 50.5% and 48.1% of all passenger transportation revenue accordingly. EUR 386 thousand of all sales revenue were received from additional services, such as baggage storage, transportation of small consignments, advertising services, food on-board the trains, etc. The major share (52.7% or EUR 10,402 thousand) constituted of State grant for compensation of losses incurred in carriage of passengers on local routes.

Costs of the Company amounted to EUR 18,362 thousand in September-December 2019. The major share of these costs constituted of wage costs (26.5% or EUR 4,866 thousand), depreciation costs (22.2% or EUR 4,076 thousand), infrastructure fees (13.8% or EUR 2,534 thousand) and energy resources (12.1% or EUR 2,222 thousand).

During the first year of Company's establishment, the net profit stood at EUR 1,163 thousand, while net profitability ratio amounted to 5.9%. Company's EBITDA amounted to EUR 5,434 thousand, while EBITDA margin reached 27.6% at the end of 2019. Company's return on equity and return on assets ratios remained at the similar level totalling 1.6% and 1.5% respectively.

In September-December 2019, Company invested EUR 367 thousand of own funds to non-current assets. These funds were used for investment projects and performance of works: rolling-stock park repair programme was implemented – 9 diesel trains and 1 electric train were repaired; the first stage of public procurement of the acquisition of ticket sale system through lease was completed.

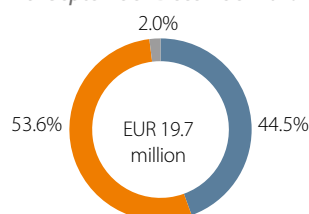
Over the period of 4 months, the Company's earnings amounted to EUR 19.7 million.

Earnings in net profit amounted to EUR 1.2 million.

EUR 367 million funds were allocated to investment.

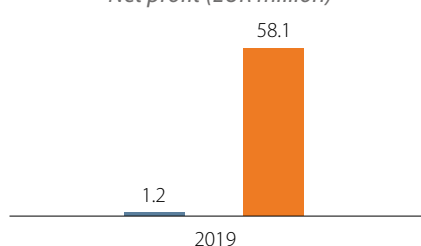
PROFIT (LOSS) STATEMENT (EUR thousand)	2019
Sales revenue	19,726
Cost of goods sold	11,108
Gross profit (loss)	8,618
Cost of sales	0
General and administrative expenses	7,254
Results of other activities	0
Net financial items	15
Profit (loss) before taxes	1,379
Corporation tax	216
Net profit (loss)	1,163
BALANCE SHEET (EUR thousand)	31 DEC 2019
Non-current assets	142,023
Current assets	12,011
Cash and cash equivalents	7,288
Deferred charges and accrued income	0
Total assets	154,034
Equity	143,941
Grants and subsidies	0
Provisions	0
Amounts payable and other liabilities	10,093
Amounts payable after one year and other non-current liabilities	847
<i>Financial liabilities</i>	0
Amounts payable within one year and other current liabilities	9,246
<i>Financial liabilities</i>	0
Accrued expenses and deferred income	0
Total equity capital and liabilities	154,034
RATIOS	31 DEC 2019
ROA	1.5%
ROE	1.6%
D/E	0.0%
EBITDA	5,434
EBITDA margin	27.6%
Net profit margin	5.9%
RETURN TO THE SHAREHOLDERS (EUR thousand)	2019
Assigned dividends	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2019
Number of employees	710
Number of executives	5
Average monthly salary of executives (gross, EUR)	5,864
SHAREHOLDERS	
AB Lietuvos geležinkeliai	100%
MANAGEMENT (1 JUL 2020)	
General Director	Linas Baužys
Chairman of the Board	Mantas Bartuška
Members of the Board	Dovilė Aleksandravičienė Mantas Dubauskas Linas Baužys Daiva Pivoriūnienė

Sales revenue structure of September-December 2019



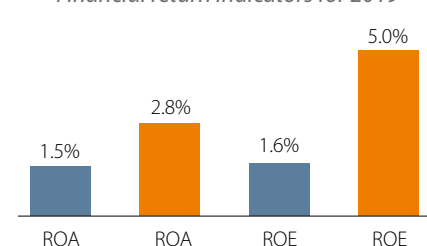
Passenger transportation revenue
Other revenue
Other additional revenue

Net profit (EUR million)



UAB LG Keleiviams
AB Lietuvos geležinkeliai Group

Financial return indicators for 2019



UAB LG Keleiviams
AB Lietuvos geležinkeliai Group

UAB Ignitis

www.ignitis.lt



Supply of electricity and natural gas

Company's under control: Ignitis Eesti OÜ (100%), Ignitis Latvia SIA (100%) and Ignitis Polska s.p. z o.o. (100%)

MAJOR EVENTS:

- On 1 January 2019, UAB LITGAS was merged into the Company, and on 1 June 2019 - UAB Energijos tiekimas.
- On 6 September 2019, the name of the legal person of UAB Lietuvos energijos tiekimas was changed into UAB Ignitis.
- On 22 October 2019, a national online platform "Ignitis Solar Parks", the first of its kind in the world, was launched, which will allow solar energy to be produced by everyone – not only the residents of individual homes, but also of multi-apartment houses.

During the reporting period, the Company provided the clients with 9,822 thousand MWh of natural gas, the amount of which decreased by 13% compared with combined volumes sold by former Lietuvos energijos tiekimas and Litgas in 2018. It was conditioned by the decrease in the sales of gas to Lithuanian business clients and changes in the model of assigned regulation of supply activity. The major share (47.2% or 4,636 thousand MWh) of total natural gas was supplied to business clients in Lithuania, slightly less – to residents (21.1% or 2,077 thousand MWh), Latvian market (12.8% or 1,259 thousand MWh) and LNG transshipment (5.5% or 542 thousand MWh). Furthermore, in 2019, the Company supplied 2,884 million kWh of electricity to public supply clients.

Company's sales revenue amounted to EUR 437,360 thousand at the end of the reporting year, i.e. twice more than a year ago (in 2018, sales revenue stood at EUR 208,754 thousand). The increase in revenue resulted from Company's reorganisation and connection of new activities during the reporting period. In the structure of revenue, the major share (49.1%) of all sales revenue constituted of revenue from the sale of natural gas that grew by 14.8% to EUR 214,853 thousand. A lesser part (31.4%) of all revenue constituted of revenue from public supply of electricity the growth of which amounted to solid 6.5 times or EUR 115,936 thousand. Such considerable change was conditioned by the fact that the Company started this activity only from 1 October 2018. Also, the expansion of the range of Company's services, new sources of revenue emerged, such as revenue from the sale of electricity and revenue from LNG (liquefied natural gas) that amounted to EUR 50,568 thousand and EUR 29,371 thousand respectively.

Company's costs varied accordingly in 2019. The cost of goods sold doubled and stood at EUR 416,044 thousand at the end of the period, whereas the cost of sales increased by EUR 17,566 thousand up to EUR 25,103 thousand. Two groups of costs accounted for as much as 95.6% of the total cost of goods sold, i.e. purchase of electricity for supply (EUR 199,005 thousand) and purchase of natural gas (EUR 198,669 thousand), the growth of which reached 420.0% and 24.4% respectively.

Although Company's revenue and costs saw drastic changes during the reference period, the net profit, however, remained at the similar level. At the end of the period, Company's net profit constituted EUR 5,335 thousand as compared with EUR 5,921 thousand a year ago. Loss-making activity of Company is associated with higher prices of purchase of electricity than set in the price of public electricity supply service. Positive change in EBITDA ratio (increase by EUR 11,635 thousand over the year) was conditioned by a twice lower loss before taxes and increase in depreciation and amortisation costs by more than 6 times (up to EUR 5,312).

During the reporting period, as a result of reorganisation inside the Company, significant changes were noticed in the items of balance sheet. During 2019, Company's assets grew by 78.4% and amounted to EUR 232,337 thousand, the equity grew by 3.8 times or EUR 29,705 thousand, whereas financial liabilities increased by 4.9 times up to EUR 110,314 thousand. The increase in the latter ratio led to the growth of D/E (debt-to-equity) ratio by 62.5 percentage points up to 273.4% showing that the Company makes a better use of the leverage of funds lent.

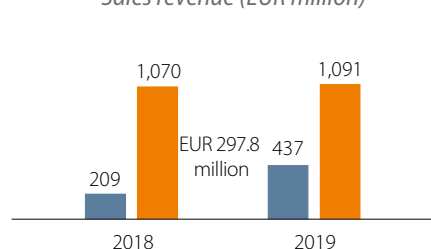
ROE and ROA barely changed and remained at the similar level. ROE ratio decreased by 0.4 percentage points and amounted to 20.9% at the end of the period, whereas ROA ratio grew by 1.5 percentage points and amounted to -2.9%.

As a result of the aforementioned reorganisation, the number of Company's employees grew by 2.7 times up to 104 employees at the end of the period.

- Net loss decreased by 9.9% down to EUR 5.3 million
- Financial debts increased by 4.9 times and amounted to EUR 110.3 million.
- Positive change in EBITDA amounted to EUR 11.6 million.

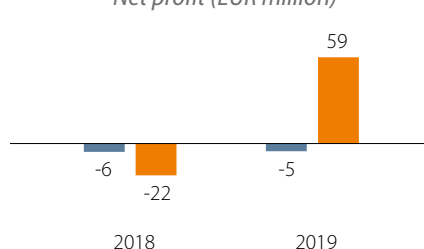
PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	208,754	437,360	+109.5%
Cost of goods sold	212,153	416,044	+96.1%
Gross profit (loss)	-3,399	21,316	-
Cost of sales	7,537	25,103	+233.1%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	74	-1,001	-
Profit (loss) before taxes	-10,862	-4,788	+55.9%
Corporation tax	-4,941	547	-
Net profit (loss)	-5,921	-5,335	+9.9%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	29,897	59,952	+100.5%
Current assets	100,325	172,385	+71.8%
Cash and cash equivalents	11,438	23,409	+104.7%
Deferred charges and accrued income	0	0	-
Total assets	130,222	232,337	+78.4%
Equity	10,649	40,354	+278.9%
Grants and subsidies	0	0	-
Provisions	4	114	+2,750%
Amounts payable and other liabilities	119,569	191,869	+60.5%
Amounts payable after one year and other non-current liabilities	0	31,077	-
Financial liabilities	0	30,737	-
Amounts payable within one year and other current liabilities	119,569	160,792	+34.5%
Financial liabilities	22,451	79,577	+254.4%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	130,222	232,337	+78.4%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	-4.4%	-2.9%	+1.5 p. p.
ROE	-20.5%	-20.9%	-0.4 p. p.
D/E	210.8%	273.4%	+62.5 p. p.
EBITDA	-10,110	1,525	-
EBITDA margin	-4.8%	0.4%	+5.2 p. p.
Net profit margin	-2.8%	-1.2%	+1.6 p. p.
RETURN TO SHAREHOLDERS	2018	2019	CHANGE
Assigned dividends	4,600	-	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	38	104	+173.7%
Number of executives	3	19	+533.3%
Average monthly salary of executives (gross, EUR)	5,204	5,709	+9.7%
SHAREHOLDERS			
UAB Ignitis grupė			100%
MANAGEMENT (1 JUL 2020)			
General Director			Darius Montvila
Chairman of the Board			Darius Montvila
Members of the Board			SHaroldas Nausėda Andrius Kavaliauskas Artūras Bortkevičius
Chairman of the Supervisory Board			Tadas Adomaitis
Members of the Supervisory Board			Vidmantas Saliotis Dominykas Tučkus Paulius Dambrauskas

Sales revenue (EUR million)



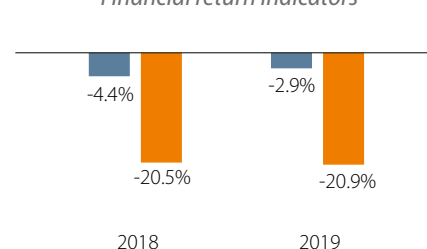
UAB Ignitis
UAB Ignitis grupė

Net profit (EUR million)



UAB Ignitis
UAB Ignitis grupė

Financial return indicators



UAB Ignitis ROA
UAB Ignitis grupė ROE

UAB Ignitis renewables

www.ignitisgrupe.lt/uab-ignitis-renewables



The Company controls renewable energy projects in the Baltic States and Poland and is responsible for effective operation of active wind farms, maintenance of wind parks under construction and development of new parks

The Company controls 100% shares of UAB Vėjo gūsīs, UAB Vėjo vatas, EURAKRAS UAB, UAB VVP Investment and Pomerania Wind Farm Sp. z o. O.

MAJOR EVENTS:

• By implementing the objectives set in the LE Strategy 2030, on **14 January 2019**, UAB Ignitis grupė established renewable energy resources holding – UAB Ignitis renewables.

• On **28 March 2019**, UAB Ignitis renewables acquired 100% ordinary book-entry shares of UAB Vėjo gūsīs, UAB „Vėjo vatas“, EURAKRAS UAB and UAB VVP Investment.

• On **27 May 2019**, UAB Ignitis renewables concluded a share purchase/sale agreement with unrelated party regarding the acquisition of 100% shares of Pomerania Wind Farm Sp. z o.o. The value of such investment amounted to EUR 20,470 thousand.

UAB Ignitis renewables, UAB Vėjo gūsīs, UAB Vėjo vatas, EURAKRAS UAB, UAB VVP Investment and Pomerania Wind Farm Sp. Z.o.o form a group of companies (hereinafter – the Group). Below are the operating indices of the Group.

In 2019, in the course of its activity, the Group produced 176.5 GWh and sold 172.4 GWh of electricity. All wind farm parks controlled by the Group operated without any significant disruptions in 2019 and led to the achievement of 98% wind farm accessibility ratio.

In performance of activities related to the production and sale of electricity from wind farms, during the period from 14th of January to 31th of December 2019, **the Group earned EUR 9,376 thousand in sales revenue.** It shall be noted that UAB Ignitis renewables acquired the control of shares of active wind farm parks only on 28 March 2019, therefore, the Group's sales revenue cover the period from the Q2 to Q4 2019.

During the analysed period, Group's costs amounted to EUR 7,561 thousand, with the major share of all costs being depreciation and amortisation expenses (65.9%). A lesser part consisted of repair, maintenance and tax costs totalling EUR 1,574 thousand. Financial operating costs amounting to EUR 1,451 thousand constituted a considerable share in the structure of costs of the Group due to interest for the loans concluded with UAB Ignitis grupė and UAB Swedbank lizingas.

From the start of operation until the end of the year, the Group earned EUR 866 thousand in net profit, whereas the profitability ratio amounted to 9.2%. Accordingly, EBITDA amounted to EUR 7,495 thousand and EBITDA profitability ratio reached 79.9%.

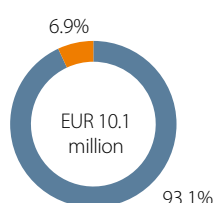
The major share of Group's total assets in the amount of EUR 163,721 thousand constituted of non-current assets (83.7%) and current assets (16.3%). Equity that was by 3 times lower amounted to EUR 45,642 thousand. The values of Group's financial ratios of return were as follows: return on equity (ROE) amounted to 3.8%, whereas the return on assets (ROA) was by 2.7 percentage points lower and totalled 1.1%. Since the Company's performance results for 2019 cover only 9 months and the Group develops wind parks of UAB VVP Investment and POMERANIA Wind Farm Sp. z o.o (incurred investments the return of which would be reflected in the next periods), the values of return on equity and return on assets are lower.

As at 31 December 2019, the Group's liabilities amounted to EUR 118,079 thousand, EUR 84,438 thousand of which consisted of financial loan received from parent company UAB Ignitis grupė. This led to high Company's D/E ratio (185.0%).

- ↑ Sales revenue stood at EUR 9.4 million
- ↑ Net profit amounted to EUR 0.9 million
- ↑ D/E ratio amounted to 185.0%

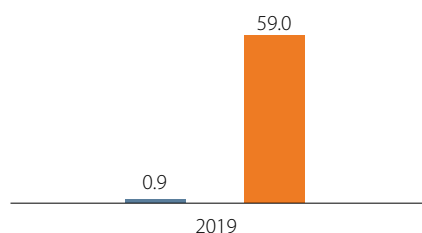
PROFIT (LOSS) STATEMENT (EUR thousand)	2019
Sales revenue	9,376
Cost of goods sold	5,271
Gross profit (loss)	4,105
Cost of sales	0
General and administrative expenses	2,290
Results of other activities	700
Net financial items	-1,348
Profit (loss) before taxes	1,167
Corporation tax	301
Net profit (loss)	866
BALANCE SHEET (EUR thousand)	31 DEC 2019
Non-current assets	137,107
Current assets	26,614
Cash and cash equivalents	19,885
Deferred charges and accrued income	0
Total assets	163,721
Equity	45,642
Grants and subsidies	0
Provisions	0
Amounts payable and other liabilities	118,079
Amounts payable after one year and other non-current liabilities	49,312
<i>Financial liabilities</i>	24,355
Amounts payable within one year and other current liabilities	68,767
<i>Financial liabilities</i>	60,083
Accrued expenses and deferred income	0
Total equity capital and liabilities	163,721
RATIOS	31 DEC 2019
ROA	1.1%
ROE	3.8%
D/E	185.0%
EBITDA	7,495
EBITDA margin	79.9%
Net profit margin	9.2%
RETURN TO THE SHAREHOLDERS (EUR thousand)	2019
Assigned dividends (in total)	0
INFORMATION ABOUT EMPLOYEES	31 DEC 2019
Number of employees	8
Number of executives	1
Average monthly salary of executives (gross, EUR)	6,862
SHAREHOLDERS	
UAB Ignitis grupė	100%
MANAGEMENT (1 JUL 2020)	
General Director	Aleksandr Spiridonov
Chairman of the Board	Dominykas Tučkus
Members of the Board	Jonas Rimavičius

Sales revenue structure



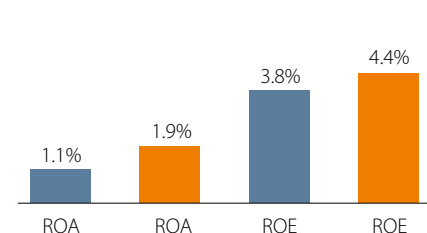
Revenue from contracts with clients
Other revenue

Net profit (EUR million)



UAB Ignitis renewables
UAB Ignitis grupė

Financial return indicators for 2019



UAB Ignitis renewables
UAB Ignitis grupė

UAB Ignitis grupės paslaugų centras

www.ignitisgrupe.lt/lt/uab-ignitis-grupes-paslaugu-centras



Provision of IT and telecommunication services to the companies of Ignitis Group

The Company controls 3.75% shares of UAB Verslo aptarnavimo centras.

MAJOR EVENTS:

• On 1 January 2020, UAB Verslo aptarnavimo centras was merged into UAB Ignitis grupės paslaugų centras.

During the reporting period, the Company implemented 17 instruments out of 20 stipulated in the Company's Action Plan for 2019-2020. 1 instrument was terminated and 2 instruments are planned to be completed in 2020. Furthermore, in 2019, the Company's IT project control group was implementing 566 projects and project-based changes, 484 of which were implemented compared with 34 projects implemented by the Company during the previous year. 153 units of various services to clients provided by IT maintenance employees were provided during the reporting period. It is noteworthy that the major share of all services rendered by the Company were rendered to the companies of UAB Ignitis grupė.

In 2019, the sales revenue of Company grew by 8.7% or EUR 1,378 thousand and reached EUR 17,163 thousand. The Company earns revenue from two sources: IT and telecommunication services and development of information technologies. As much as 68.0% (EUR 11,670 thousand) of all revenue earned by the Company comes from IT and telecommunications services which were characterised by 8.0% growth if compared with the previous year. A smaller share (31.6% or EUR 5,425 thousand) consisted of revenue from IT development the growth of which amounted to 10.1%. The remaining share of revenue (0.4% or EUR 67 thousand) consisted of revenue from tangible values sold, dividends and transfer of current assets.

In January-December 2019, the Company suffered costs in the amount of EUR 16,212 thousand compared with EUR 15,206 thousand a year ago. 6.6% growth in costs resulted from increase in volumes of works, increase in the number of employees and entry into force of the 16th IFRS "Lease" from 1 January 2019, due to which the Item "Depreciation of assets controlled by the right of use" was included in the costs. The major share of Company's costs consisted of IT costs (EUR 5,786 thousand) and wage as well as related costs (EUR 5,514 thousand) that grew by 5.1% and 8.1% respectively.

More rapid growth in revenue and costs conditioned the increase by 66.4% or EUR 310 thousand in Company's net profit (in 2019 - EUR 777 thousand, in 2018 - EUR 467 thousand). Positive changes are reflected in EBITDA ratio, which increased by 13.8% up to EUR 6,465 thousand over the year. Net profitability of Company also increased accordingly and amounted to 4.5%, i.e. Increased by 1.6 percentage points.

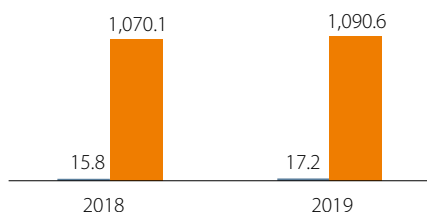
During the reporting period, the Company covered part (EUR 620 thousand) of its financial liabilities for the loan granted by UAB Ignitis grupė. This led to a considerable decrease in D/E ratio falling by 11.9 p. p. down to 23.5% over the year.

Better performance is reflected in the Company's financial ratios: the return on equity increased by 3.5 p. p. and amounted to 10.2%, while the return on assets increased by 1.9 p. p. and amounted to 5.6%.

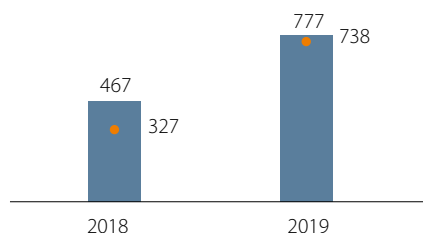
- ↑ Sales revenue grew by 8.7% and stood at EUR 17.2 million
- ↑ Net profit grew by 2/3 and amounted to EUR 777 thousand
- ↑ Financial liabilities decreased by 24.6% down to EUR 1.9 million

PROFIT (LOSS) STATEMENT (EUR thousand)	2018	2019	CHANGE
Sales revenue	15,785	17,163	+8.7%
Cost of goods sold	10,608	11,300	+6.5%
Gross profit (loss)	5,177	5,863	+13.3%
Cost of sales	4,598	4,912	+6.8%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	-5	-11	-123.3%
Profit (loss) before taxes	574	940	+63.7%
Corporation tax	107	163	+52.0%
Net profit (loss)	467	777	+66.4%
BALANCE SHEET (EUR thousand)	31 DEC 2018	31 DEC 2019	CHANGE
Non-current assets	7,951	9,471	+19.1%
Current assets	5,294	5,186	-2.0%
Cash and cash equivalents	1,156	421	-63.3%
Deferred charges and accrued income	0	0	-
Total assets	13,244	14,657	+10.7%
Equity	7,111	8,081	+13.6%
Grants and subsidies	0	0	-
Provisions	61	139	+126.9%
Amounts payable and other liabilities	6,072	6,437	+6.0%
Amounts payable after one year and other non-current liabilities	96	893	+830.8%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	5,976	5,543	-7.2%
Financial liabilities	2,522	1,902	-24.6%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	13,244	14,657	+10.7%
RATIOS	31 DEC 2018	31 DEC 2019	CHANGE
ROA	3.7%	5.6%	+1.9 p. p.
ROE	6.7%	10.2%	+3.5 p. p.
D/E	35.5%	23.5%	-11.9 p. p.
EBITDA	5,682	6,465	+13.8%
EBITDA margin	36.0%	37.7%	+1.7 p. p.
Net profit margin	3.0%	4.5%	+1.6 p. p.
RETURN TO THE SHAREHOLDERS (EUR thousand)	2018	2019	CHANGE
Assigned dividends (share of the State)	327	738	+125.7%
INFORMATION ABOUT EMPLOYEES	31 DEC 2018	31 DEC 2019	CHANGE
Number of employees	167	185	+10.8%
Number of executives	4	4	0.0%
Average monthly salary of executives (gross, EUR)	5866	7232	+23.3%
SHAREHOLDERS			
UAB Ignitis grupė			50.46%
UAB Ignitis			1.68%
AB Energijos skirstymo operatorius			26.40%
AB Ignitis gamyba			21.45%
MANAGEMENT (1 JUL 2020)			
General Director			Irma Kaukienė
Chairman of the Board			Živilė Skibarkienė
			Mindaugas Keizeris
			Mindaugas Kvekšas
			Darius Montvila
Members of the Board			

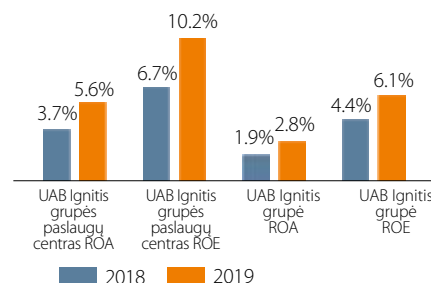
Sales revenue (EUR million)



Net profit (EUR million)



Financial return indicators







Evaluation Methodology

1. The analysis of the SOE portfolio results was based on the aggregate SOE financial data disclosed in audited annual financial statements of the companies (with the exception of AB Lietuvos geležinkeliai Group whose information is presented using unaudited financial statements) because of a lack of consolidated financial statements of all SOEs, i.e. transactions between different SOEs have not been eliminated. The value of assets of the SOE portfolio does not include the value of the State-owned real estate, which is not held by SOEs and is not on their balance sheets. The data of the analysis of portfolio, sectoral or individual company results are provided according to the business accounting standards. For this reason and due to the application of different accounting standards, the disclosure of information provided by some companies may not match the data published in financial statements, however, this has no effect on the performance of companies.
2. The analysis of the SOE portfolio relies on comparative historical data based on the SOE portfolio composition in 2019.
3. The SOE portfolio results include the consolidated financial results of **UAB Ignitis grupė, UAB EPSO-G, AB Lietuvos geležinkeliai, AN Klaipėdos nafta, AB Lietuvos paštas, UAB Lietuvos parodų ir kongresų centras LITEXPO** and **UAB Investicijų ir verslo garantijos groups**.
4. The book value of equity of **VĮ Valstybinių miškų urėdija** was increased by the forest value, which was determined using the discounted cash flow method. Under this approach, at the beginning of 2020, the value of forests was recalculated in the light of the changed market conditions: the value of forests was estimated at EUR 1,176.2 million in 2019, EUR 11,778.4 million in 2018, EUR 1,201.1 million in 2017, EUR 1,107.5 million in 2016, and EUR 952.9 million in 2015.
5. In the context of the changes in the company's business, for the purposes of data comparability, the report presents the aggregated results of the following companies:
 - **VĮ Valstybinių miškų urėdija** has aggregated data of **42 reorganised forestry enterprises** and **VĮ Valstybinis miškotvarkos institutas**, all of which had been merged by absorption into a single company, presented for the period between 2015 and 2017.
 - **UAB Genetiniai ištekliai** provided aggregated data of reorganised companies **UAB Upytės eksperimentinis ūkis** and **UAB Šėduvos avininkystė** for 2018.
 - Aggregated data provided by **UAB Pieno tyrimai** for 2018 – 2019 includes data of **UAB Gyvulių produktyvumo kontrolė** merged from 1 July 2019.
6. The report presents non-standard taxes to the State – a tax payable by state enterprises for the use of entrusted state property (property tax) and the mandatory payments made by forestry enterprises on the revenue from raw wood and uncut forest sales (raw material tax). These tax liabilities generate additional revenue to the State budget and apply only to the above-mentioned companies. Therefore, for the purpose of assessing the profitability of such companies and their return to the State, non-standard taxes are deducted from operating expenses increasing the net profit (reducing the net losses) by the value of non-standard taxes to the State reduced by the corporation tax (15%), or the total sum of all non-standard taxes to the State if, under the procedure established by the legislation, the companies did not pay corporation tax. This adjustment is for informational purposes only, and its impact on the book values is not detailed in the report.
7. The report provides the result of net profit of the SOEs portfolio, separate sectors and each company and its assessment is adjusted by deducting non-standard taxes to the State (if any). This adjusted net profit result serves as a basis for further analysis, i.e. estimation of ratios, etc.
8. For better comparability of data, in sections of the report analysing / presenting the wage (gross, EUR), the sum provided by companies for 2018 has been indexed by multiplying by 1.289 (as a result of amendments made in the procedure for estimation of wage that entered into force from 1 January 2019).
9. The definition "Management Staff" includes the managers of first and second level (managerial positions).
10. The report uses names of the companies that were recorded before 1 July 2020. As a result, in case of any further changes in the names of companies, they may not match the ones provided in the report or in the relevant list of SOEs available at www.governance.lt.

Methodology for estimation of company, SOE portfolio and sector ratios

Return on assets (ROA). The ratio of return on assets is calculated by dividing net profit (loss) for the last twelve months by the average book values of the assets at the beginning and at the end of the reference period.

Return on equity (ROE). The ratio of return on equity is calculated by dividing net profit (loss) for the last twelve months by the average book values of equity at the beginning and at the end of the reference period.

Financial Dependency Coefficient (D/E). The ratio is calculated by dividing a sum of non-current and current financial liabilities by equity.

Earnings before Interest, Taxes, Depreciation and Amortisation (EBITDA). The ratio is calculated by subtracting the result of financing activities from the profit before taxes and adding the depreciation and amortisation of non-current assets thereto.

Operating Profitability before Interest, Taxes, Depreciation and Amortisation (EBITDA margin). The ratio is calculated by dividing the EBITDA value by sales revenue.

Net profit margin. Ratio calculated by dividing net profit by net turnover.

The net profit margin, ROE and ROA ratios are presented in the report as calculated using the adjusted profit values, i.e. having deducted the effects of non-standard taxes to the State.

The corporate, sectoral and SOE portfolio data and derived financial indicators as well as other aggregated results presented allow for a decimal margin of error due to data rounding and presentation in thousands of euros.

This annual report was prepared by Public Enterprise Stebėsenos ir prognozių agentūra, which implements the functions of the Governance Coordination Centre in accordance with Resolution No 1052 of the Government of the Republic of Lithuania of 14 July 2010 "Approving the Schedule of Guidelines for Ensuring Transparency of State-Owned Enterprises and Appointing the Coordinating Body" and Resolution No 665 of 6 June 2012 "Approving the Schedule of Procedures for the Implementation of State Property and Non-Property Rights in State-Owned Enterprises".

This annual report relied on the following external sources of information: public information about State-owned enterprises and the institutions representing the State, the annual financial statements, annual activity reports and annual reports submitted by the companies, the information and data published by the Lithuanian Department of Statistics, the State Forest Service, the National Energy Regulatory Council (operating under the name of the National Commission for Energy Control and Prices until 1 July 2019), the Communications Regulatory Authority, stock exchange NASDAQ OMX Vilnius, Nord Pool AS, SJSC RIGA International Airport, Tallinn

Airport Ltd, PostNord AB, Sveaskog AB, SJSC LATVIJAS GAISA SA-TIKSME, Lennuliiklusteeninduse AS, Central Statistical Bureau of Latvia, SJSC Latvijas dzelzceļš, Nærings- og fiskeridepartementet (Ministry of Trade, Industry and Fisheries), Næringsdepartementet (Ministry of Enterprise and Innovation), Eesti Statistika, and Eurostat. The report's information was not verified by independent auditors and the authors did not carry out an independent review of the information contained in this report, including estimates or forecasts, and, whenever there is any need to rely on this information in any decision-making process, any person should rely on their own assessment. The authors of the report, the Government and any state institution or another entity under its control are not, under any circumstances, responsible for third party decisions taken based on the information, findings and opinions expressed herein. The companies' past performance does not guarantee and cannot be linked to their future results. This annual report is neither an offer to sell nor an invitation to purchase securities or any assets nor shall it constitute a part of any investment decision or any decision to enter into any transaction.

List of State-owned enterprises

No	Enterprise	State-owned interest *	Accountability	Sector	Category **	Dividends (share of the State) in 2019 (EUR thousand)	Assets as at 31 DEC 2019 (EUR thousand)	Sales revenue in 2019 (EUR thousand)	EBITDA in 2019 (EUR thousand)	Net profit in 2019 (EUR thousand)
1	UAB Ignitis grupė ¹	100.0%	Ministry of Finance	Energy	Large	28,000	3,198,086	1,090,627	192,682	58,976
1.1	AB Ignitis gamyba ²	-	UAB Ignitis grupė	Energy	-	25,272***	678,112	145,504	68,945	42,792
1.2	AB Energijos skirstymo operatorius	-	UAB Ignitis grupė	Energy	-	67,992***	1,706,606	413,144	125,858	34,313
1.3	UAB Ignitis renewables ³	-	UAB Ignitis grupė	Energy	-	0***	163,721	9,376	7,495	866
1.4	UAB Ignitis ³	-	UAB Ignitis grupė	Energy	-	0***	232,337	437,360	1,525	-5,335
1.5	UAB Ignitis grupės paslaugų centras	-	UAB Ignitis grupė	Energy	-	0***	14,657	17,163	6,465	777
2	UAB EPSO-G Group	100.0%	Ministry of Energy	Energy	Large	773	719,546	250,985	47,442	11,403
2.1	Litgrid AB	-	UAB EPSO-G	Energy	-	4,085***	377,369	194,274	24,426	4,610
2.2	AB Amber Grid	-	UAB EPSO-G	Energy	-	0***	256,129	54,756	24,371	11,838
3	AB Klaipėdos nafta	72.3%	Ministry of Energy	Energy	Large	5,747	663,297	104,363	71,818	7,561
4	VĮ Ignalinos atominė elektrinė ⁴	100.0%	Ministry of Energy	Energy	Large	0	580,821	316	-210	-1,042
5	AB Lietuvos geležinkeliai Group	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	38,000	2,056,514	473,541	193,079	58,095
5.1	UAB Vilniaus lokomotyvų remonto depas	-	AB Lietuvos geležinkeliai	Transport and Communications	-	0***	49,906	52,294	6,816	3,675
5.2	UAB Geležinkelio tiesimo centras	-	AB Lietuvos geležinkeliai	Transport and Communications	-	0***	37,380	25,317	3,578	409
5.3	AB LG CARGO	-	AB Lietuvos geležinkeliai	Transport and Communications	-	0***	285,528	297,782	45,838	18,668
5.4	UAB LG Keleiviams	-	AB Lietuvos geležinkeliai	Transport and Communications	-	0***	154,034	19,726	5,434	1,163
6	AB Lietuvos paštas Group	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	0	99,160	93,357	11,337	5,082
7	AB Lietuvos radijo ir televizijos centras	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	874	40,784	20,719	5,785	659
8	AB Smiltynės perkėla	99.0%	Ministry of Transport and Communications	Transport and Communications	Medium-sized	491	9,685	4,985	1,813	655
9	AB Kelių priežiūra	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	0	129,016	84,293	10,325	353
10	VĮ Oro navigacija	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	1,185	69,488	27,697	7,349	3,349
11	VĮ Klaipėdos valstybinio jūrų uosto direkcija	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	28,000	614,022	63,944	47,763	36,691
12	VĮ Lietuvos oro uostai	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	0	197,297	48,486	22,707	13,988
13	VĮ Vidaus vandens kelių direkcija	100.0%	Ministry of Transport and Communications	Transport and Communications	Medium-sized	0	26,052	248	-50	-666
14	VĮ Valstybinių miškų urėdija	100.0%	Ministry of the Environment	Forestry	Large	5,500	188,402	157,726	15,477	26,424
15	UAB Projektų ekspertizė ⁵	100.0%	Ministry of the Environment	Other	Small	93	635	796	138	114
16	VĮ Statybos produkcijos sertifikavimo centras	100.0%	Ministry of the Environment	Other	Small	194	1,509	1,186	247	190
17	UAB Būsto paskolų draudimas	100.0%	Ministry of Finance	Other	Small	0	13,299	528	-273	66
18	VĮ Indėlių ir investicijų draudimas	100.0%	Ministry of Finance	Other	Small	0	16,046	737	23	60
19	VĮ Lietuvos prabavimo rūmai	100.0%	Ministry of Finance	Other	Small	95	2,020	710	89	59
20	VĮ Turto bankas	100.0%	Ministry of Finance	Other	Medium-sized	19	394,766	8,062	2,132	92
21	UAB Viešųjų investicijų plėtros agentūra	100.0%	Ministry of Finance	Other	Small	206	11,971	2,241	449	258
22	VĮ Mūsų amatai	100.0%	Prison Department	Other	Medium-sized	0	5,664	3,683	-286	-542
23	UAB Lietuvos kinas	100.0%	Ministry of Culture	Other	Micro	0	1,027	293	-4	-20

No	Enterprise	State-owned interest *	Accountability	Sector	Category **	Dividends (share of the State) in 2019 (EUR thousand)	Assets as at 31 DEC 2019 (EUR thousand)	Sales revenue in 2019 (EUR thousand)	EBITDA in 2019 (EUR thousand)	Net profit in 2019 (EUR thousand)
24	VĮ Lietuvos paminklai ⁶	100.0%	Department of Cultural Heritage	Other	Small	51	638	6,610	16	19
25	UAB Lietuvos monetų kalykla	100.0%	Bank of Lithuania	Other	Medium-sized	0	5,379	4,432	-544	-662
26	VĮ Distancinių tyrimų ir geoinformatikos centras Gis-centras	100.0%	Ministry of Agriculture	Other	Small	145	1,966	810	179	102
27	AB Detonas	100.0%	Ministry of Transport and Communications	Other	Medium-sized	140	3,898	2,141	297	84
28	AB Problematika	100.0%	Ministry of Transport and Communications	Other	Medium-sized	1,106	7,919	5,472	1,945	1,180
29	UAB Universiteto vaistinė	100.0%	Ministry of Health	Other	Small	72	1,491	2,590	105	82
30	VĮ Registrų centras ⁷	100.0%	Ministry of the Economy and Innovation	Other	Large	2,807	36,577	42,723	8,173	4,696
31	AB Giraitės ginkluotės gamykla	100.0%	Ministry of Finance	Other	Medium-sized	0	20,004	7,912	1,228	292
32	UAB Investicijų ir verslo garantijos	100.0%	Ministry of the Economy and Innovation	Other	Small	800	20,870	3,658	1,334	1,131
33	UAB Toksika	92.5%	Ministry of the Economy and Innovation	Other	Medium-sized	0	26,504	4,894	802	281
34	UAB Lietuvos parodų ir kongresų centras LITEXPO	98.8%	Ministry of the Economy and Innovation	Other	Medium-sized	50	19,668	6,058	1,625	599
35	AB Vilniaus metrologijos centras	100.0%	VĮ Turto bankas	Other	Medium-sized	307	7,102	3,486	762	409
36	VĮ Regitra	100.0%	Ministry of the Interior	Other	Large	7,200	28,581	27,493	7,586	4,585
37	AB Jonavos grūdai	70.1%	Ministry of Agriculture	Other	Medium-sized	152	9,750	9,051	537	113
38	AB Lietuvos veislininkystė	99.0%	Ministry of Agriculture	Other	Small	88	1,817	1,628	175	125
39	AB Kiaulių veislininkystė	99.0%	Ministry of Agriculture	Other	Small	0	1,474	945	16	-34
40	UAB Lietuvos žirgynas	98.6%	Ministry of Agriculture	Other	Small	7	2,020	663	112	8
41	UAB Panevėžio veislininkystė	97.9%	Ministry of Agriculture	Other	Small	0	1,027	1,414	133	23
42	UAB Genetiniai išteklių	100.0%	Ministry of Agriculture	Other	Small	0	3,468	1,750	216	4
43	UAB Šilutės polderiai	81.0%	Ministry of Agriculture	Other	Small	55	1,860	7,043	208	80
44	UAB Šilutės veislininkystė	96.5%	Ministry of Agriculture	Other	Micro	0	1,294	303	85	11
45	UAB Dotnuvos eksperimentinis ūkis ⁸	100%	VĮ Turto bankas	Other	Small	0	2,966	1,383	-82	-263
46	UAB Žemės ūkio paskolų garantijų fondas	100.0%	Ministry of Agriculture	Other	Small	89	20,298	671	-19	72
47	UAB Pieno tyrimai ⁹	100.0%	Ministry of Agriculture	Other	Medium-sized	132	5,187	5,312	884	201
48	VĮ Valstybės žemės fondas	100.0%	Ministry of Agriculture	Other	Medium-sized	34	2,797	2,653	73	70
49	VĮ Žemės ūkio informacijos ir kaimo verslo centras	100.0%	Ministry of Agriculture	Other	Small	0	3,346	753	-177	-331
50	UAB Mašinų bandymo stotis ¹⁰	100.0%	Ministry of Agriculture	Other	Micro	13	1,094	277	35	18

Liquidated, reorganised or privatised enterprises

1	UAB Geoterma	-	VĮ Turto bankas	Energy	-	-	-	-	-	-
2	UAB poilsio namai „Baltija“	-	VĮ Turto bankas	Other	Medium-sized	-	-	-	-	-

* Directly and indirectly; State enterprises (SE) are 100% owned by the State

** Category is set pursuant to the Law on Financial Reporting by Undertakings

*** Total sum of dividends assigned for payment

¹ From 9 September 2019, UAB Lietuvos energija Group changed its name to UAB Ignitis grupė, and from 28 July 2020 - to AB Ignitis grupė.

² From 9 September 2019, AB Lietuvos energijos gamyba changed its name to AB Ignitis gamyba.

³ From 9 September 2019, company names of UAB Lietuvos energija renewables and UAB Lietuvos energijos tiekimas were changed into UAB Ignitis renewables and UAB Ignitis respectively.

⁴ VĮ Ignalinos atominė elektrinė is at the closing stage (production was carried out until 31 December 2009).

⁵ By resolution of the Government of the Republic of Lithuania of 28 August 2019, 100% of State-owned shares of the company were transferred to the Ministry of Economy and Innovation (from the Ministry of Environment) to be managed by the right of trust.

⁶ From 1 April 2020, VĮ Lietuvos paminklai was reorganised into budgetary institution Kultūros infrastruktūros centras.

⁷ By resolution of the Government of the Republic of Lithuania of 29 May 2019, the rights and obligations of the owner of VĮ Registrų centras were handed over to the Ministry of Economy and Innovation (until then VĮ Registrų centras was under the subordination of the Ministry of Transport and Communications).

⁸ The State-owned shareholding of UAB Dotnuvos eksperimentinis ūkis was sold on 18 December 2019, the shares were transferred on 17 January 2020.

⁹ From 1 July 2019, UAB Gyvulių produktyvumo kontrolė was merged into UAB Pieno tyrimai.

¹⁰ On 2 September 2019, the legal form of UAB Mašinų bandymo stotis (former Valstybės įmonė Mašinų bandymo stotis) was changed in the Register of Legal Entities. From 6 May 2020, 100% State-owned shareholding of the company was transferred to be controlled by the right of trust by VĮ Turto bankas.



VKC
Valdymo koordinavimo centras

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