



STATE-OWNED ENTERPRISES IN LITHUANIA

2020/2021

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SOE Portfolio: a Brief Overview

OVER 2020, THE NUMBER OF SOEs REMAINED ALMOST UNCHANGED

49
ENTERPRISES

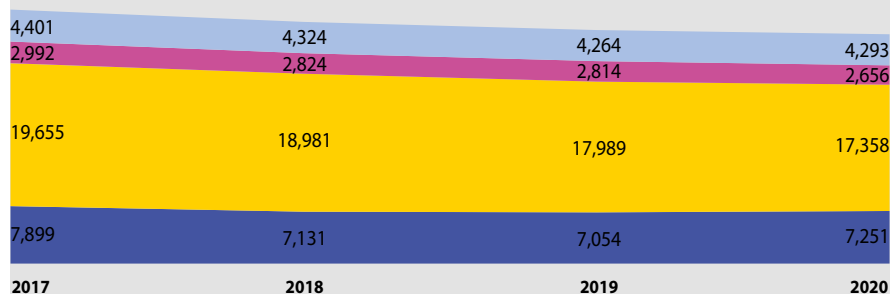
Enterprises



NUMBER OF EMPLOYEES DECREASED BY 1.8%

31,558
EMPLOYEES

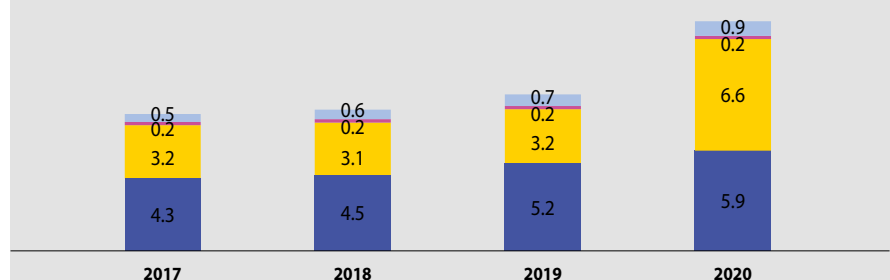
Number of employees



SEO PORTFOLIO BOOK ASSETS VALUE INCREASED BY 46.9%

13.6*
BILLION EUR
ASSETS

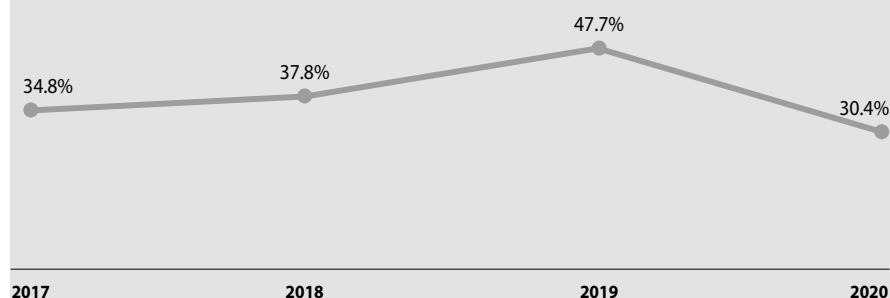
Assets (EUR billion)



SOE DEBT-TO-EQUITY RATIO DECREASED BY 17.3 P. P.

30.4%
D/E

D/E

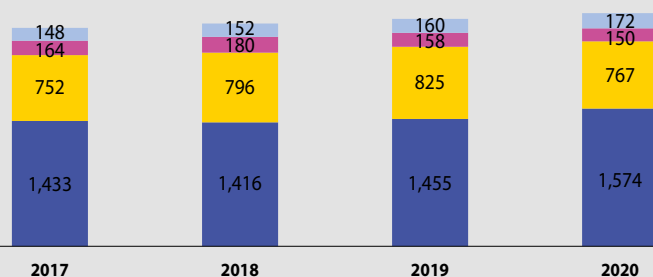


*In this report, value of the SOE portfolio assets is presented excluding the value of the forests, therefore the portfolio assets data may slightly differ from the GCC reports of the previous years.

2020

SOE PORTFOLIO SALES REVENUE INCREASED BY 2.5%

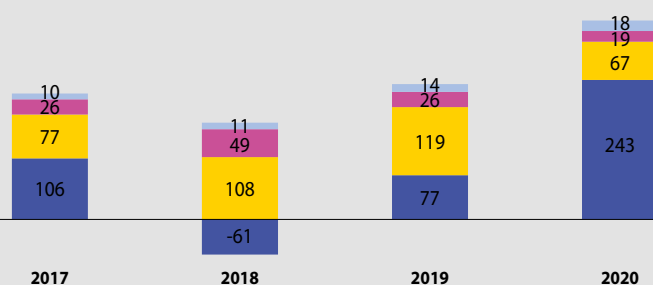
Revenue (EUR million)



2,662.8
MILLION EUR
REVENUE

NET PROFIT EARNED BY SOE INCREASED BY 47.0%

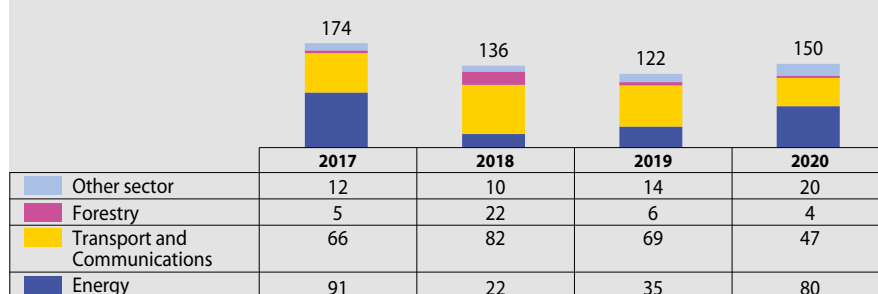
Net Profit (EUR million)



346.0
MILLION EUR
NET PROFIT

ASSIGNED 22.8% MORE DIVIDENDS AND PROFIT CONTRIBUTIONS

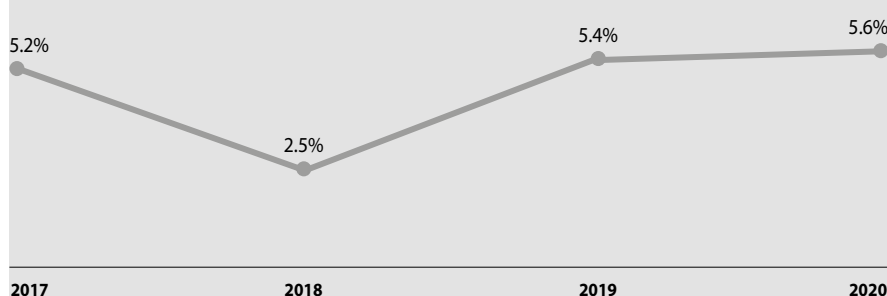
EUR million



150.3
MILLION EUR
DIVIDENDS AND PROFIT
CONTRIBUTIONS

SOE RETURN ON EQUITY INCREASED BY 0.2 P. P.

ROE



5.6%
ROE

Energy Forestry
Transport and Communications Other Sector



The goal of each advanced country is to be a prosperous and secure state for its people, attractive to foreign investors, and a role model for foreign neighbours. Achieving these ambitious goals requires comprehensive measures that cut across many areas, including state-owned enterprises (SOEs). The progress observed in the management of SOEs in recent years provides motivation for further work – the reorganisation of SOEs, increasing efficiency and tangible return to the State, and strengthening transparency remain as the priorities and the main challenges.

There are still a number of companies in the SOE portfolio whose governance principles are only partially in line with international good practice. As a professional and responsible business owner, the State must ensure the application of the highest standards of governance, therefore the process of centralisation of the SOE portfolio continues to seek the best solutions to smoothly and responsibly implement optimisation plans and remove doubts about the expediency of State participation. Along with the restructuring of SOEs, legislation is systematically updated in order to focus on expanding and clarifying the application of good governance practices. The aim is not only to formally implement the recommendations of the Organisation for Economic Co-operation and Development, but also to make governance standards practically applicable and truly effective. Significant innovations are related to the amendments to the Transparency Guidelines and the Selection Guidelines, and the concept of key performance indicators for SOEs under development. The extension of the mandatory application of the provisions of the Transparency Guidelines, the specific requirements for the subsidiaries of SOEs and subsequent subsidiaries will no longer leave the necessary data disclosure gaps. The main amendments to the Selection Guidelines will enable parent companies to organise the selection of independent members more efficiently, while at the same time creating opportunities for the selection of civil servants or other persons, strengthening the data protection of candidates and increasing the efficiency of selection procedures.

We build trust in the state together – I sincerely believe in the importance of the involvement of all stakeholders. Although every change requires responsibility and hard work, looking at the last five years, we can safely say that a lot has been done: we have depoliticised governance of SOEs, clear guidelines in which direction we should move, using the potential of SOEs both for increasing operational efficiency and for targeted and consistent governance improvement.

So I would like to wish you to be bold and determined in your daily work, because no one else will make the best decisions for us, will not weigh all possible alternatives, and finally, no one will rejoice in the results achieved better than ourselves.

Yours sincerely

Aušrinė Armonaitė

Minister of the Economy and Innovation
of the Republic of Lithuania

The extraordinary start of 2020 was one of the most serious challenges of recent times. The threat of the COVID-19 pandemic has inevitably affected almost every area of life and each of us. During this difficult period, Lithuania had to adapt to the changed situation, reconsider the set priorities, and make operative decisions.



I am glad that even in these exceptionally difficult conditions, Lithuanian state-owned enterprises (SOEs) have proven to be examples that we can be proud of: the SOEs not only assisted the authorities by contributing to the management of the pandemic, but also ensured the safety of their employees and uninterrupted service to the population. We understand that last year it was difficult for SOEs to predict future results in the face of uncertainty about the future. There was no single clear model by which could be used to predict the future trends. I believe that the fact that, in the face of a state of emergency, SOEs did not look for the easiest paths or basic excuses, but on the contrary, by pooling their experience, they used the available resources wisely and we have even better results today than expected, must be evaluated very positively.

The results, which summarise the entire SOE portfolio, once again show the importance of the created stable framework: the consistent implementation of good governance practices and the pooling of high-level expertise have helped to mitigate the effects of the COVID-19 pandemic. According to the data of the end of 2020, the revenue, net profit and return on equity of the SOE portfolio increased – more dividends and profit contributions were allocated for the State budget. However, the sudden introduction of quarantine restrictions and compliance with security recommendations have led to a significant reduction in the movement of people, which has undoubtedly been felt most by transport companies. For obvious reasons, the change in the financial performance of this sector as a whole was one of the worst last year. Although the assets of enterprises in the transport sector more than doubled due to the inclusion of VĮ Lietuvos automobilių kelių direkcija in the portfolio of SOEs, the largest increase in turnover and net profit was recorded in the energy sector. Compared to the reporting period of 2019, the four enterprises assigned to it together earned even 3 times more and it accounted for 70% of the total portfolio profit. The forestry sector, while not boasting growing revenues, has managed to maintain the highest rate of return on equity. Enterprises that do not belong to any of the main sectors of SOEs have also improved their financial results and allocated almost EUR 20 million in dividends and profit contributions to the State budget for 2020, i.e. 41% more than was allocated for the reporting period of 2019.

I would like to emphasize that it is not only the improving results of the SOE portfolio that are gratifying – I must also mention the improved cooperation of SOEs. This year, the Governance Coordination Centre continues the cycle of good practice sharing events launched a year ago. Knowledge and practical examples motivate to strive for more efficient activities, improve working conditions, apply more modern methods. The audience of these events is expanding and not only SOEs but also municipal enterprises are joining in this year in order to gain experience.

Although we are a small country on a European scale, expectations from international organisations are relatively high for us. And by aligning ourselves with the leaders of foreign governance, we gain experience and even become an example for other countries. This year, colleagues from abroad, with whom a meeting is scheduled for this autumn, expressed their interest in the activities of the Governance Coordination Centre and good governance practices of SOEs. By improving the governance of SOEs and purposefully and professionally implementing the goals set in this field, we can become an example in the international context. Therefore, I sincerely encourage everyone who is reading this publication to be sociable, indifferent to the changes that are taking place, because every little work is part of a big breakthrough.

Yours sincerely

Vidas Danielius

Director of the Governance Coordination Centre

Major events and news

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.



In April 2020, the Guidelines of Performance of Nominations of Collegial Bodies were published, supplementing the Selection Guidelines. 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.

As of 1 May 2020, amendments to the Republic of Lithuania Law on Charity and Sponsorship entered into force, which established a wider publicity of sponsorship provided by state and municipally owned companies. The new wording of the legal act stipulates that state and municipally owned enterprises must publish on their websites not only their own, but also the subsidiaries' and subsequent subsidiaries related through these subsidiaries management support rules or support fund support management rules, information on beneficiaries, support purpose, amount and delivery period. The period of publicity of the provided support was also determined, i.e. information published on the website must include information on the support granted during the current year and at least during the previous 3 financial years.



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. On 2 September 2020, a new amending amendment No 960 was adopted, which additionally provides that following the decision of the Government to approve the increase of the authorized capital of the company and for the purpose of public offering of at least 25 percent of the shares or at least 25 percent of the shares of the company are admitted to trading on a regulated market, the Government may determine the amount applicable to the payment of dividends by such a company without applying the requirements of this Resolution relating to the prescribed rates of return on capital and the corresponding percentage of distributable profits.

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 (registered on 26 August 2020) and UAB Valstybės investicijų valdymo agentūra (registered on 27 August 2020). 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 28 May 2020, the Seimas of the Republic of Lithuania adopted amendments deciding to transform the budgetary institution Lithuanian Road Administration (LRA) under the Ministry of Transport and Communications, which carries out the restoration, review and development of state roads, into a state-owned enterprise.

On 26 June 2020, the Republic of Lithuania Law on the Protection of Objects of Importance to Ensuring National Security was supplemented with a requirement that first and second category companies important for ensuring national security must have at least one civil servant in the collegial supervisory or management body elected by the general meeting of shareholders. The new requirements apply to the collegial supervisory or management bodies of the first and second category elected by the general meeting of shareholders of companies important for ensuring national security after the entry into force of this Law. Such collegial bodies formed before the entry into force of this Law shall perform their functions until the end of the term for which they were formed or until new relevant supervisory or management bodies are formed.

On 2 October 2020, AB Ignitis grupė completed the largest application book for the Initial Public Offering (IPO) in the Baltic States to institutional and retail investors. The company raised EUR 450 million – far more than all the IPOs held in Lithuania so far combined.

On 1 November 2020, the Public Enterprise Stebėsenos ir prognozių agentūra changed its name to the PE Valdymo koordinavimo centras. The website address of the Governance Coordination Centre has also changed. From now on, information on the activities of the institution, reports on the activities of SOEs and MOEs and other relevant reports can be found at <https://governance.lt/>.

On 5 November 2020, the Seimas approved amendments to the Republic of Lithuania Law on State and Municipal Enterprises supplementing the conditions established by legal acts, under which the Government may set a lower profit contribution to the shareholder budget of state-owned enterprises and thus create preconditions for preserving the financial liquidity and sustainable business continuity of these enterprises. The payment of the profit contribution set in the previous wording of the Law on State and Municipal Enterprises was linked to the enterprise's results in the previous financial year, but enterprises were not exempted from paying the profit contribution due to operating restrictions in the year in which the contribution should be transferred to the state budget. The adopted amendments provide for another condition under which the Government shall be able to set a lower profit contribution to the state budget than specified in this law. The contribution may be reduced if the enterprise becomes insolvent after the payment of the profit contribution. This provision applies to decisions on the distribution of the enterprise's distributable profit (loss) for 2020 and subsequent years.

On 16 March 2021, the Order No 4-193 of the Minister of Economy and Innovation of the Republic of Lithuania "On Approval of the List of Special Obligations Performed by State-Owned Enterprises and Their Subsidiaries" approved the list of special obligations. In total, it is provided that 93 functions assigned to special obligations are performed by 24 state-owned enterprises. SE Turto bankas, SE Žemės ūkio informacijos ir kaimo verslo centras and SE Valstybinių miškų urėdija have the most (more than ten) special obligations.



On 28 April 2021, the mandatory application of the *Transparency Guidelines* was extended. At the same time, with certain exceptions for SOEs, their subsidiaries and subsequent subsidiaries that are not public interest entities, specific requirements have been specified for SOE subsidiaries and subsequent subsidiaries to make key data public and available online on the enterprise's website or on the website of the holding company that manages the entire group of companies.



After receiving additional OECD proposals on how to improve the selection processes, a draft amendment to the *Nomination Guidelines* was submitted to the Government of the Republic of Lithuania in 2021. The main amendments envisaged concern the refusal of the State to interfere in the selection of the boards of subsequent subsidiaries, leaving the possibility to apply the selection procedures under the "comply or explain" rule. At the same time, it is planned to give parent companies more seats in the selection commission (3 out of 5), providing that the head of the parent company, members of collegial bodies or other employees who hold shares in the company may also be appointed members of the commission, i.e. holding companies are given the opportunity to take full responsibility for the formation of their collegial bodies, performance results, etc. This draft *Nomination Guidelines* impose an obligation on ministries to approve selection procedures for civil servants or other nominees, remove the possibility of appointing "temporary" civil servants to boards until independent members are elected, strengthen the confidentiality and impartiality of selection by providing candidates to the selection agency (rather than company).

In 2021, the development of the concept of key performance indicators (KPIs) for state-owned enterprises was initiated, which proposes to set basic and specialized long-term indicators for each enterprise individually – they would replace the current rate of return on equity for all SOEs (except those whose activities are considered to be special obligations) and this assessment would be more complex, taking into account the specificities of the enterprise. The indicators would be established in cooperation with the Ministry of Economy and Innovation, the GCC and state-owned enterprises, and the main indicators would be approved by the Government of the Republic of Lithuania. Harmonized and approved performance indicators should be included in the strategic business plan prepared by the SOE, the implementation of these indicators should also be monitored.

On 26 November 2020, the best of the SOE Good Governance Index 2019-2020 were evaluated and awarded

On 26 November 2020, the Governance Coordination Centre remotely presented the annual Good Governance Index, which assesses the quality of governance of state-owned enterprises (SOEs). According to governance experts, the best practices in 2019-2020 were applied by companies operating in the energy sector – Ignitis grupė, Klaipėdos nafta, EPSO-G. Recently, improving changes in the governance of some companies in the transport sector have been observed, as well as highly valued companies under the Ministry of Economy and Innovation.

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 *Ownership Guidelines*, *Transparency Guidelines* and *Nomination Guidelines* as well as other documents regulating the SOE activities and the best global practices.

Assessing the progress and changes in the governance of SOEs for 8 years in a row, it is noticeable that in some areas companies are as close as possible to the standards of good governance in terms of available resources and opportunities, although there is no shortage of areas for improvement. This shows the need that other solutions are needed today that focus not only on improving the governance of a particular company, but also on actions that cover the entire SOE sector, i.e. which would help to solve the existing problems not only through the resources available to companies, but also through the optimisation of the SOE portfolio and the consolidation of shareholder competencies.

The major changes in the governance have been noticed in the area of collegial bodies. This was determined by the Government's decisive actions in setting the quotas of independent members in the collegial bodies of SOEs (at least half of the independent members) and in standardizing the selection procedures of collegial bodies for all SOEs. According to the GCC, in 2012-2020, the good governance index of SOEs recorded significant governance shortcomings in the areas of corruption prevention, special obligations, practices for monitoring the implementation of strategies, financial sustainability and others. Sustainability practices by SOEs are still particularly weak and lag behind global best practices.

Although systematic and positive changes in the governance of SOEs have been noticed in recent years, the level of governance varies widely. Among SOEs, there are those the governance principles of which could be considered as a national example. Meanwhile, there are also companies the level of governance of which is low and has not changed for several years.

This year, after extending the application of the SOE Good Governance Index, the level of governance of SOE subsidiaries was also assessed for the first time. Despite the fact that the regulation of subsidiaries of SOEs came into force only in the middle of 2019, most of them have already taken measures to improve their governance practices, but there are still many areas for improvement.



For several years in a row, companies in the energy sector remain the leaders of the governance index, but competition is continuously growing. This year, **AB Ignitis grupė** was announced as the leader of governance in the entire SOE sector, as well as the leader in the category of large enterprises, in the category of medium-sized enterprises, the award was given to **UAB Toksika**, in the category of small enterprises – to **UAB Investicijų ir verslo garantijos**.

In the remote presentation of the results of the SOE Good Governance Index 2019/2020, special nominations were announced to assess the performance of companies in the specific fields of good governance. **AB Energetikos skirstymo operatorius** was recognised as the leader in governance in the category of subsidiaries, while **UAB EPSO-G group** of companies was recognised for the most advanced governance of subsidiaries. The award "Professional Governor" has been awarded to the **Ministry of Energy of the Republic of Lithuania**.

More detailed information about the results of SOE Good Corporate Governance Index for 2019-2020 is available on the website of the Governance Coordination Centre.





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 strength-

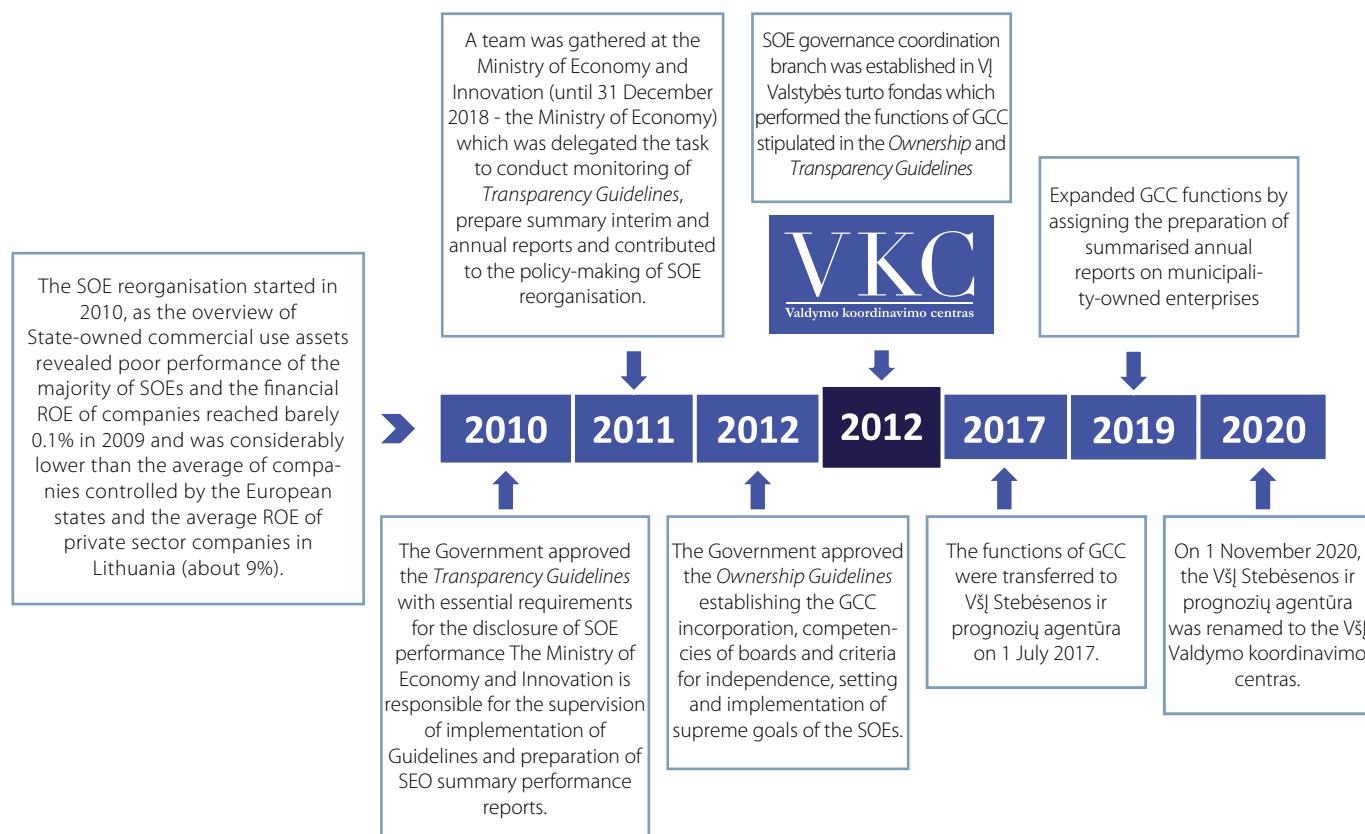
ening of the boards at the companies, which operate under the Law on Limited Liability Companies. As far as the SOEs are concerned, it has been advised to continue strengthening the state's ownership coordination function, improving the independence of the boards, and refining the nomination procedures 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 which was renamed into VŠĮ Valdymo koordinavimo centras as of 1 November 2020. The rights and obligations of the owner of the institution 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. In addition to its primary goal - to promote installation 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);

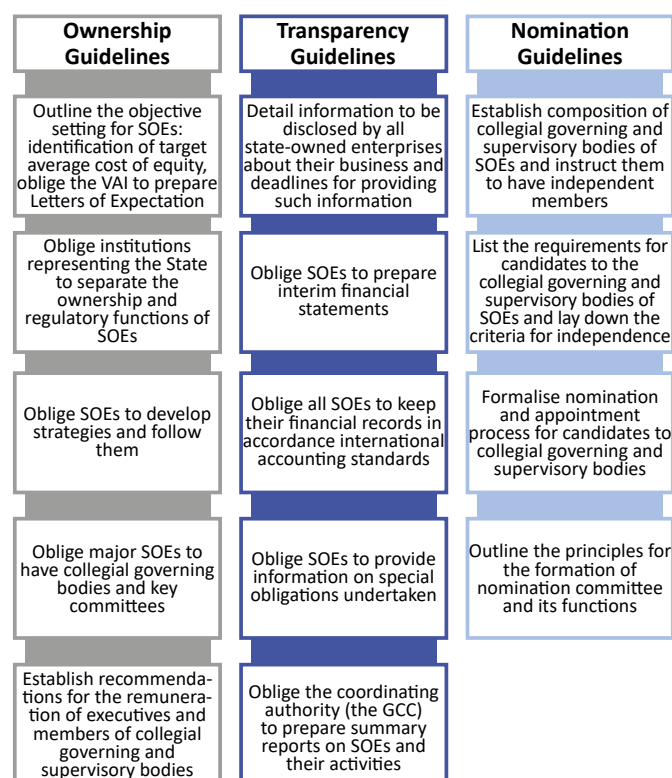
- Policy-making initiatives (drafting methodological guidelines, new legislative initiatives, advising the Government and the Ministry of the Economy and Innovation of the Republic of Lithuania (until 31 December 2018 – the Ministry of Economy);

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, organisation of experience exchange events and seminars, 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*, latest wording of 19/11/2020), 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*, latest wording of 31/08/2019), 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 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 (known as *Nomination Guidelines*, latest wording 09/07/2020) was adopted. The *Nomination Guidelines* are a unique piece of legislation within the scope of the OECD and other world best practices, which clearly and publicly formalises the selection process, determines the composition of SOE collegial bodies, requirements for candidates and more. 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

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 in the SOE's annual activity report or annual report.

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*, current wording in force from 02/08/2019). 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, set 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.

1. State Objectives for the SOEs

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, 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 *Ownership 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.

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).

On 2 September 2020, a new amendment of the Resolution on Dividends No 960 was adopted, which additionally provides that following the decision of the Government to approve the increase of the authorized capital of the company and for the purpose of public offering of at least 25 percent of the shares or at least 25 percent of the shares of the company are admitted to trading on a regulated market, the Government may determine the amount applicable to the payment of dividends by such a company (amount, percentage and/or other amount), without applying the requirements of this Resolution relating to the prescribed rates of return on capital and the corresponding percentage of distributable profits.

1.3. Concept of SOE key performance indicators (KPIs) (still under development):

- the current statutory return on equity (ROE) is not sufficiently universal in assessing the performance of SOEs (e.g. large infrastructure SOEs);
- the concept proposes to set basic (at least 3) and specialized

long-term indicators for each SOE individually;

- the indicators would be set in cooperation with the Ministry of Economy and Innovation, the GCC and the SOE, the main indicators should be approved by the Government;
- specialized indicators would be coordinated in cooperation between the GCC and the SOE, these indicators will be proposed by the SEA boards in order to reveal whether the most important set goals have been achieved in the respective year;
- harmonized and approved key performance indicators would be included in the strategic business plan prepared by the SOE, the implementation of these indicators should also be monitored.

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 SOEs 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.



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 2020, there were 17 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 2020, there were 14 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 18 SOEs, which were private limited liability companies (UAB) in terms of their legal form (AB Ignitis grupė, UAB EPSO-G, UAB Lietuvos parodų ir kongresų centras LITEXPO, etc.).

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.

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

In the newest wording of the *Nomination Guidelines*, 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).

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.

REQUIREMENTS FOR THE CANDIDATES

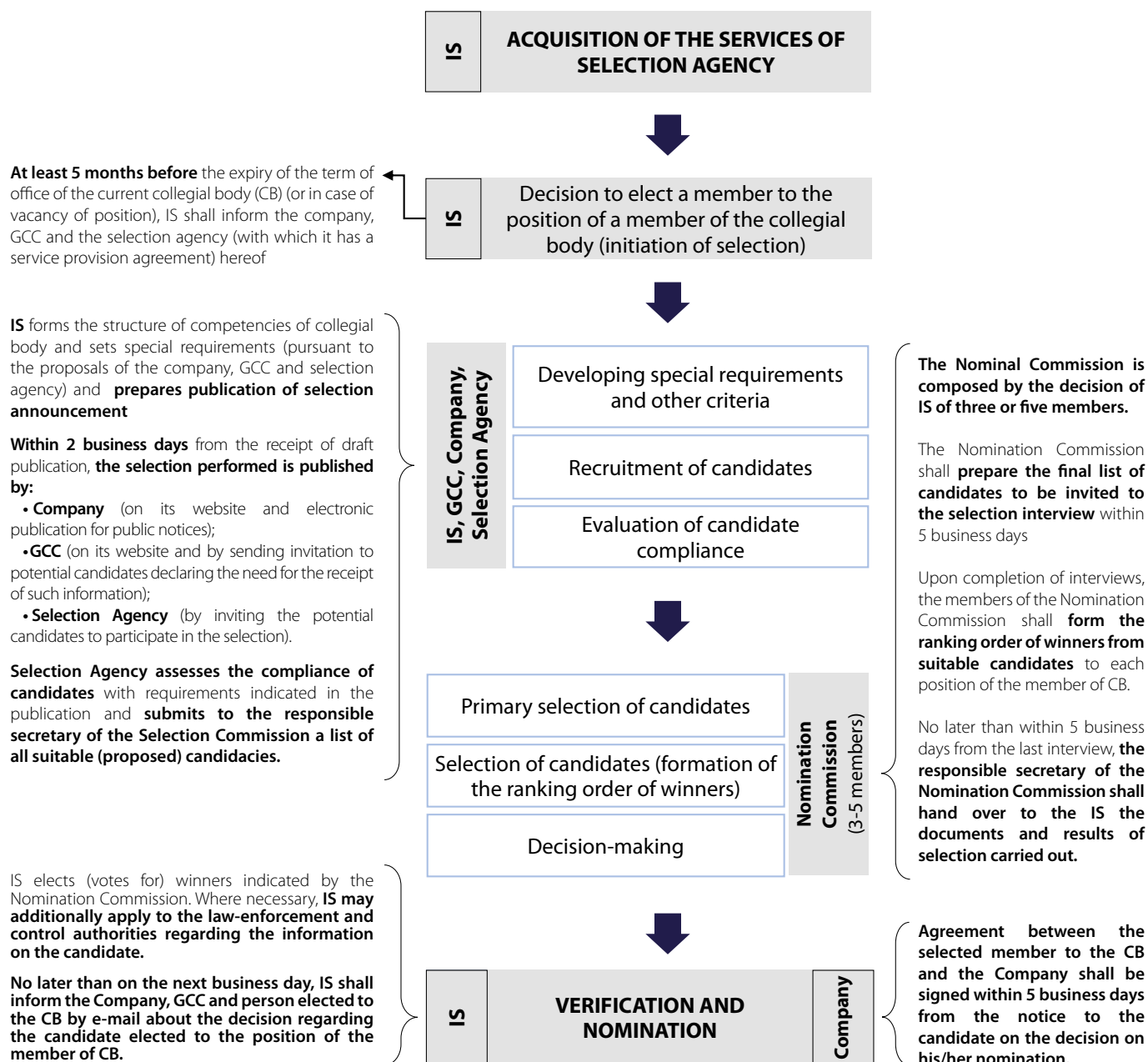
Pursuant to the *Nomination Guidelines*, the candidates are subject to general and special requirements. Each candidate in order to become a member of an SOE collegial body must meet the general requirements. The general criteria require the candidate to be educated to degree level, be of impeccable 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.

SELECTION OF CANDIDATES

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.

In 2021, a draft amendment to the *Nomination Guidelines* was submitted for approval, aiming at:

- to strengthen the selection procedures of civil servants or other persons (e.g. employee representatives) delegated to collegial bodies in order to ensure that state representatives appointed to collegial bodies of SOEs supplement the competencies of the company's collegial body and meet the needs formed in the competence matrices;

- to enable parent companies to organise the selection of independent members more efficiently and to give more influence to the activities of the selection commission;

- to strengthen existing measures for the protection and confidentiality of candidate data and to increase the efficiency of selection procedures (improved voting mechanism, more efficient candidate data collection procedures (elimination of the company)).

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 practice 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.

APPLICATION OF THE TRANSPARENCY GUIDELINES

Transparency Guidelines must be followed by all Lithuanian SOEs. The latest version of this legislation extends the scope (subsequent subsidiaries are included) and clarifies the mandatory requirements for both state-owned enterprises and their subsidiaries. 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.

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.

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 (<http://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.

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.

SOE
submits its financial
statements and
annual/interim reports



GCC
analyses the submitted
information and prepares
summary reports



GCC
submits summary reports to the
Ministry of the Economy and
Innovation of the Republic of Lithuania

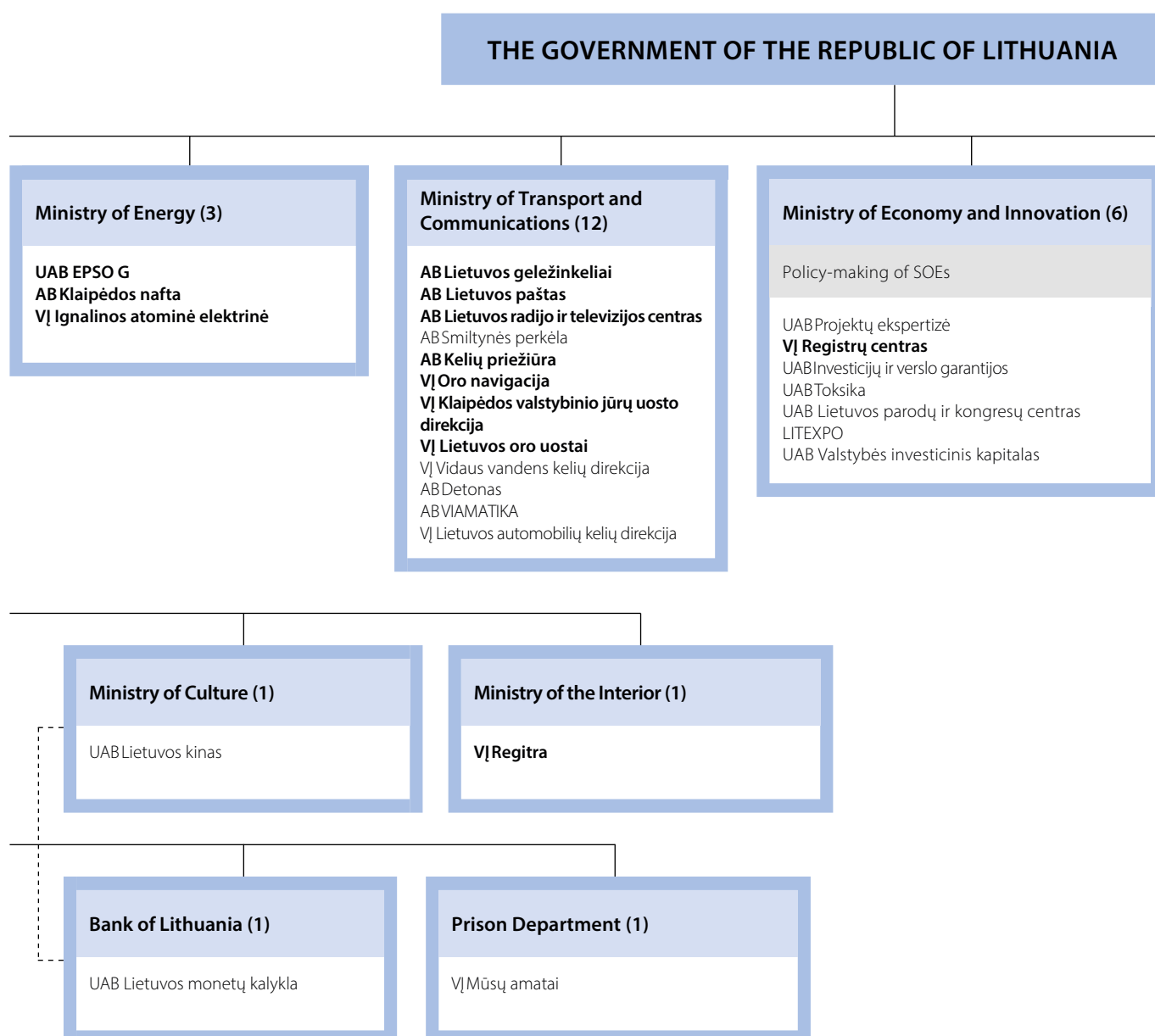


Role of Institutions Representing the State in the SOE Activities

11 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.

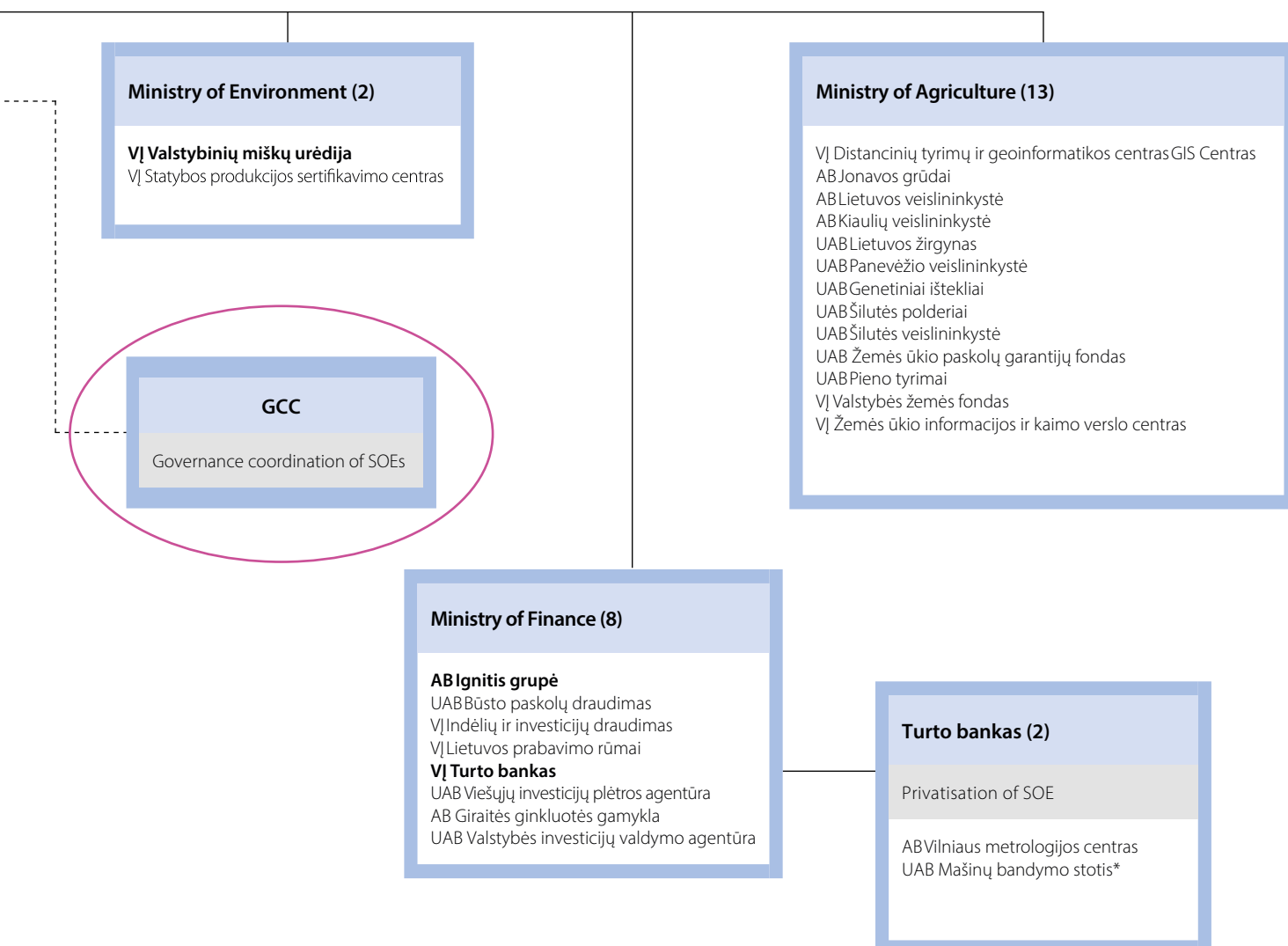
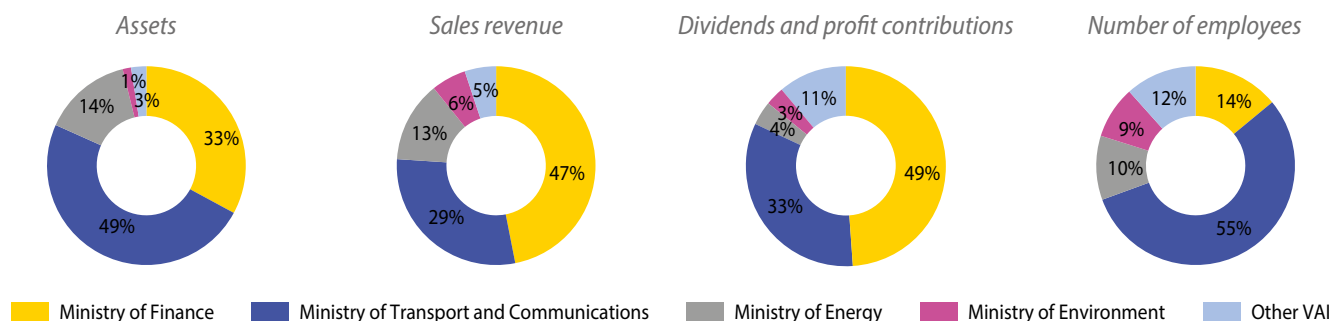
The institution representing the State (hereinafter – the VAI), which is the institution or shareholder exercising the rights and obligations of the owner of the company, shapes the expectations for the SOE business that include the expectations in terms of commercial objectives, special obligations, 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.



* The public auction for the sale of shares of UAB Mašinų bandymo stotis took place on 10 December 2020, therefore the company is not included in the total portfolio of SOEs for 2020 (the final privatization procedures were completed in March 2021).

As of 31 December 2020, 11 institutions, of which four managed one company each, exercised the rights and obligations of the owner or the functions of a share manager in 49 SOEs operating in Lithuania. Compared to the reporting year 2019, the total number of SOEs decreased by one company. It should be noted that the Ministry of Economy and Innovation of the Republic of Lithuania, to which six SOEs were subordinated at the end of 2020, also formulates the general SOE governance policy, prepares and submits relevant legal acts and submits reports prepared by the Governance Coordination Centre (GCC) to the Government of the Republic of Lithuania, manages companies and performs the rights and obligations of the GCC owner, therefore participates in all chains of policy formulation and implementation.

Data for the end of 2020 according to VAI:





Activities Of SOEs

Overview of SOE Portfolio Results

The number of SOEs remained almost unchanged over the year – the State owned 49 enterprises at the end of 2020

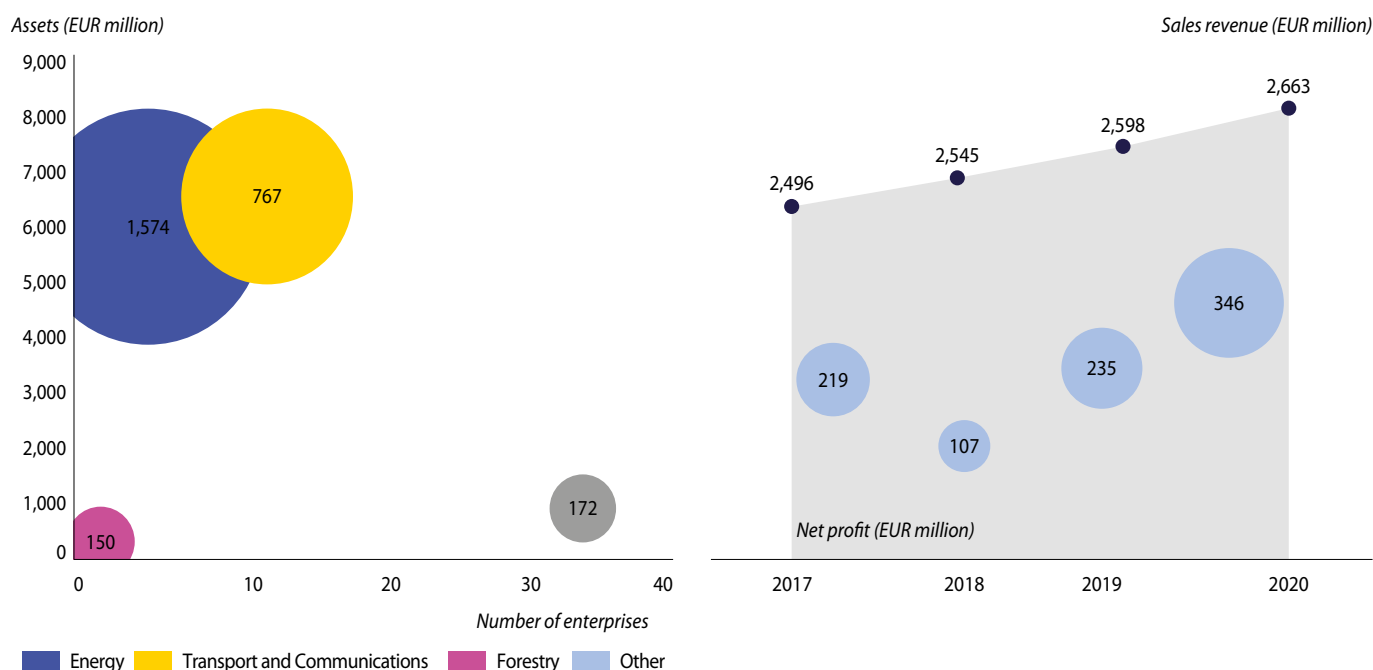
2020As of 31 December 2020, the State owned 49 enterprises, 1 enterprise less than a year ago. The events leading to the changes in the number of SOEs were as follows:

- **UAB Dotnuvos eksperimentinis ūkis** was privatized on 17 January 2020;
- On 1 April 2020, **VĮ Lietuvos paminklai** was transformed into the BĮ Kultūros infrastruktūros centras;
- On 20 July 2020, BĮ Lietuvos automobilių kelių direkcija was transformed into **VĮ Lietuvos automobilių kelių direkcija**;
- On 26 August 2020, **UAB Valstybės investicinis kapitalas** was established;
- On 27 August 2020, **UAB Valstybės investicijų valdymo agentūra** was established;
- On 18 November 2020, **UAB Universiteto vaistinė** was transferred to Vilnius University;
- On 10 December 2020, **VĮ Turto bankas** organised a public auction of UAB Mašinų bandymo stotis, after which the privatization procedures were completed on 22 March 2021.

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 43.6% (EUR 5.9 billion) of the portfolio assets. In 2020, the sales revenue from this sector accounted for 59.1% (EUR 1.6 billion) of the total revenue of the portfolio. The Transport and Communications sector includes ten enterprises, which hold 48.7% of the portfolio assets (EUR 6.6 billion) and earned 28.8% (EUR 767.2 million) of the portfolio revenue in 2020. The Forestry sector includes only one enterprise – **VĮ Valstybinė miškų urėdija** – surviving following the reorganisation. The assets of this company accounted for 1.4% (EUR 0.2 billion) of the analysed SOEs' assets, while the revenue generated by the company accounted for 5.6% (EUR 149.8 million) of total portfolio turnover. The Other Enterprises sector includes 34 enterprises with their aggregate sales revenue representing 6.5% (EUR 171.8 million) of the total portfolio revenue, and their disposable assets, 6.3% (EUR 864.9 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



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

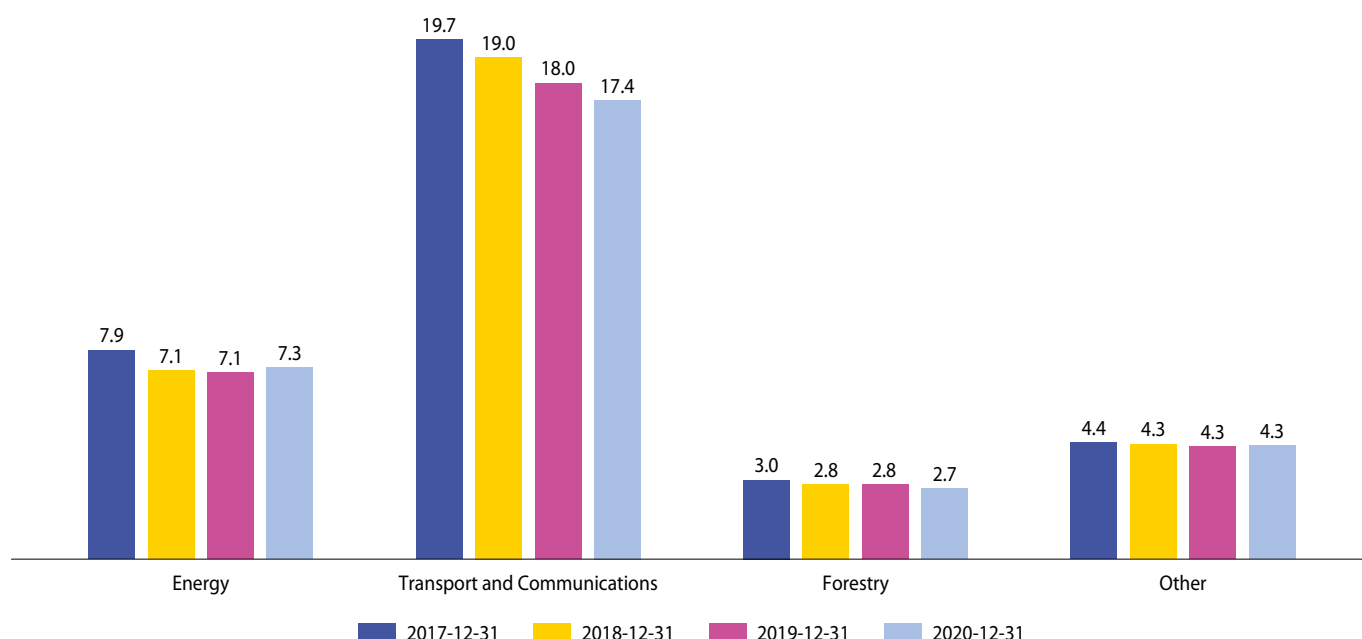
At the end of 2020, SOEs had 31,558 employees or 563 employees less than a year ago. More than half (55.0%) of the employees were employed by the Transport and Communications sector with the top 3 largest employers being **AB Lietuvos geležinkeliai**, **AB Lietuvos paštas** and **AB Ignitis grupė** – all collectively employing 54.6% (17,228) of all SOEs' employees.

The Energy sector had 7,251 employees at the end of 2020 – an increase of 2.8% if compared with the number of employees of this sector in 2019.

At the end of 2020, the Transport and Communications sector employed (17,358) 3.5% 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 4,270 employees, i.e. 483 employees less than a year ago.

The number of employees in the Forestry sector dropped by 5.6%. At the end of 2020, the sector employed 2,656 employees. The number of employees in the Other Enterprises sector increased by 0.7% down to 4,293 employees.

Employees (thousand)



Aggregated Financial Information of SOEs

The following table contains summarised financial information of all SOEs based on the financial statements for 2020.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	2,597,873	2,662,823	+2.5%
Cost of goods sold	1,606,782	1,535,997	-4.4%
Gross profit (loss)	991,092	1,126,825	+13.7%
Cost of sales	429,483	466,153	+8.4%
General and administrative expenses	325,739	338,894	+4.0%
Results of other activities	34,976	50,115	+43.3%
Net financial items	-30,617	-3,790	-87.6%
Profit (loss) before taxes	239,869	368,104	+53.5%
Corporation tax	27,013	43,843	+62.3%
Net profit (loss)	212,855	324,261	+52.3%
Adjusted net profit (loss)	235,447	346,022	+47.0%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets*	7,585,455	11,216,916	+47.9%
Current assets	1,658,616	2,363,006	+42.5%
Cash and cash equivalents	555,333	1,204,950	+117.0%
Deferred charges and accrued income	33,852	46,949	+38.7%
Total assets	9,277,923	13,626,871	+46.9%
Equity	4,447,555	7,826,074	+76.0%
Grants and subsidies	1,474,660	2,014,614	+36.6%
Provisions	182,050	200,140	+9.9%
Amounts payable and other liabilities	2,973,586	3,339,024	+12.3%
Amounts payable after one year and other non-current liabilities	1,918,878	2,436,085	+27.0%
<i>Financial liabilities</i>	1,744,159	2,196,950	+26.0%
Amounts payable within one year and other current liabilities	1,054,709	902,940	-14.4%
<i>Financial liabilities</i>	375,334	182,137	-51.5%
Accrued expenses and deferred income	194,750	247,019	+26.8%
Total equity and liabilities	9,277,923	13,626,871	+46.9%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	2.7%	3.0%	+0.3 p. p.
ROE	5.4%	5.6%	+0.2 p. p.
D/E	47.7%	30.4%	-17.3 p. p.
EBITDA	659,034	728,786	+10.6%
EBITDA margin	25.4%	27.4%	+2.0 p. p.
Net profit margin	9.1%	13.0%	+3.9 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends (share of the State)	77,190	105,770	+37.0%
Assigned profit contributions	45,193	43,420	-3.9%
Dividends and profit contributions to the State	122,383	150,344	+22.8%
Property and raw material tax	26,579	25,601	-3.7%
Total:	148,962	175,945	+18.1%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	32,121	31,558	-1.8%
Number of executives	229	241	+5.2%

*In this report, value of the SOE portfolio assets is presented excluding the value of the forests, therefore the portfolio assets data may slightly differ from the GCC reports of the previous years.

SOEs' Market Value on NASDAQ OMX Vilnius Stock Exchange

The market value of listed SOEs increased

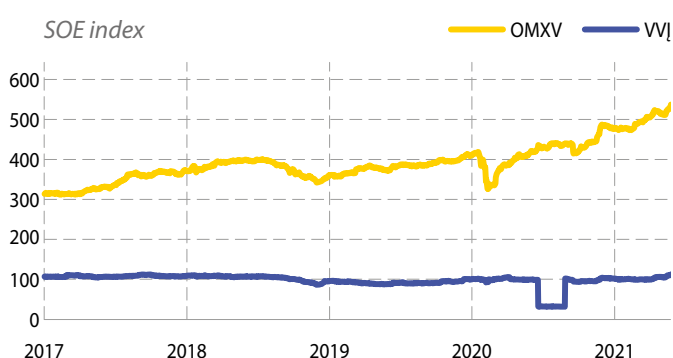
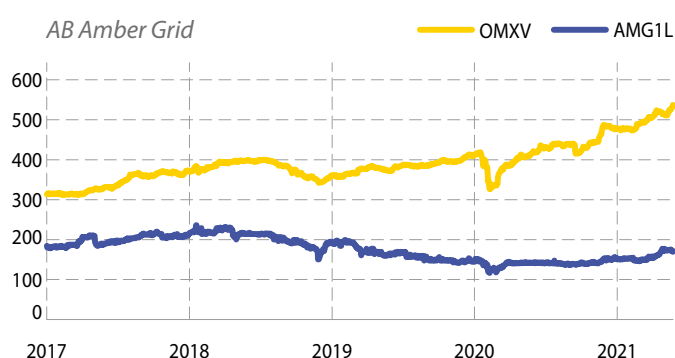
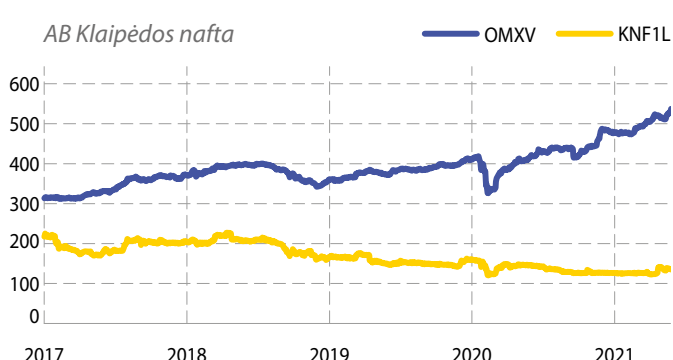
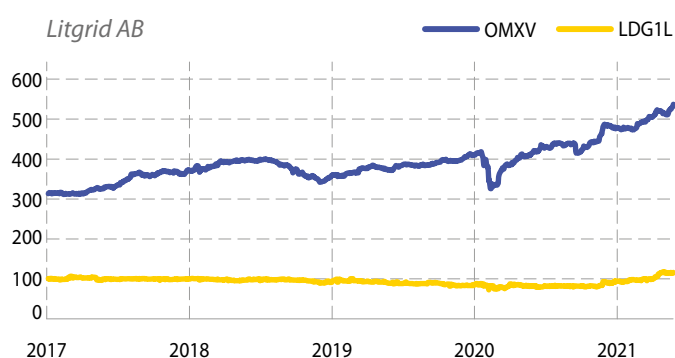
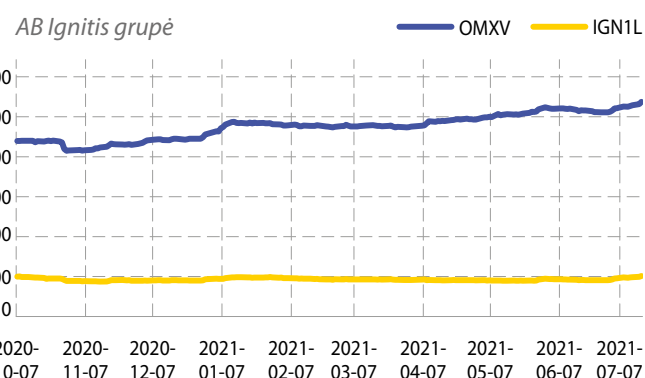
In 2020, four state-owned enterprises and their subsidiaries were listed on the NASDAQ OMX Vilnius Stock Exchange. At the end of 2020, the market value of all these state-owned enterprises amounted to EUR 1,675.7 million and was 3.5% higher than at the end of 2019. It is worth mentioning that on 1 July 2020, **AB Ignitis grupė's** subsidiaries **AB Energijos skirstymo operatorius** and **AB Ignitis gamyba** were removed from the official list of the Nasdaq Vilnius Stock Exchange, and were replaced by **AB Ignitis grupė** itself, the trading of shares of which began on 7 October 2020.

31 DEC 2020 SOEs market value on stock exchange	Share value 31 DEC 2020 (EUR thousand)	State-owned interest*		Value of the state-owned interest as of 31 DEC 2020		Annual change of the share value	Annual change of State-owned interest
		31 DEC 2019	31 DEC 2020	Nominal value (EUR thousand)	Percentage of the total value		
AB Ignitis grupė	1,548,816	100.0%	73.08%	1,131,875	67.5%	-	-
LITGRID AB Group	295,034	97.50%	97.50%	287,666	17.2%	0.9%	0.9%
AB Klaipėdos nafta	121,937	72.34%	72.35%	88,220	5.3%	-11.6%	-11.6%
AB Amber Grid	173,923	96.58%	96.58%	167,972	10.0%	-0.5%	-0.5%
SOE:	2,139,710	-	-	1,675,733	100%	-	-
OMXV index of all the shares:							14.7%

*The percentage points are rounded to.00

In 2020, the largest share (67.5%) of the market value of State-owned shares of SOEs consisted of **AB Ignitis grupė** (EUR 1,131.9 million), while the lowest (5.3%) – **AB Klaipėdos nafta** (EUR 88.2 million). The share price has fallen for two analysed enterprises. The highest (11.6%) drop was seen by the share price of **AB Klaipėdos nafta**. The share price of **AB Amber Grid** decreased slightly – by 0.5%. A significant change is observed in the volume of the state-owned share of **AB Ignitis grupė**, which decreased by 26.9% during the reporting period, due to the already mentioned IPO and entry into the Nasdaq Vilnius Stock Exchange, where 20.0 million shares were issued for the initial EUR 22.5 price.

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 2019. The SOE index increased by 3.5% from the end of 2019 to the end of 2020, while the value of the NASDAQ OMX Vilnius stock index increased by 14.7% during the same period.



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

SUMMARY

Remuneration of executives of SOEs

- State enterprises (SE) shall follow the policy on the remuneration of executives of SE 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, however, it is observed that more and more companies are switching to other remuneration models.
- In 2020, the average remuneration of executives of SOEs increased by as much as 4.7% and amounted to EUR 5,852 (the average salary increased by 10.2% in the country). The lowest average monthly remuneration of executives of SOEs amounted to EUR 2,794, the highest one reached EUR 15,528.
- 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 50-70% 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 25-30% of the total remuneration, whereas in market companies this part accounts for about 10-20%.
- 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.

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.

eration 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. In Western European countries, a fixed remuneration model is commonly used.
- The remuneration of chairmen of collegial bodies increased by as much as 3.4%, whereas that of other members – by 7.4%. The average remuneration of the chairman amounted to EUR 1,291 per month, and that of a member of collegial bodies was EUR 741 per month. The lowest remuneration of members of collegial bodies was EUR 17 per month and the highest one amounted to EUR 2,095 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 2020, the average remuneration of a Committee member accounted for 32.2% of that of a board member (the median amounted to 26.4%), or EUR 362 per month. The salary of the Chairman of the Committee reached on average 44.9% of that of the board member (the median accounted for 39.6%), or EUR 537 per month.

Remuneration of executives of 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, i.e. shall apply if the institution representing the State makes a reasoned decision to follow the provisions of the Remuneration Resolution.

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 raise of the coefficient is possible for enterprises with strategic importance for national security.

In 2020, 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 176 and was 1.7% higher than in 2019.

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 variable 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 2020. 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 2020. Remuneration amounts are presented as average monthly gross salaries.

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.

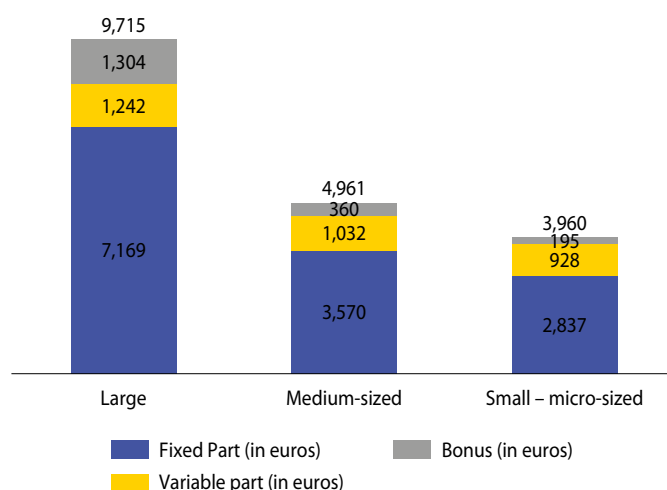
SIZE AND STRUCTURE OF THE REMUNERATION OF EXECUTIVES OF SOES

In 2020, the salary, including the variable part and the annual bonus paid, of the executives of SOEs ranged from EUR 2,794 to EUR 15,528 (the average amounted to EUR 5,852, median EUR 4,833). The average fixed part of a salary reached EUR 4,255 (72.7% of the total salary), the median being EUR 3,361. The average variable part (including the bonus) was equal to EUR 1,596 (27.3% of the total salary), the median being EUR 1,478. In individual cases structures of

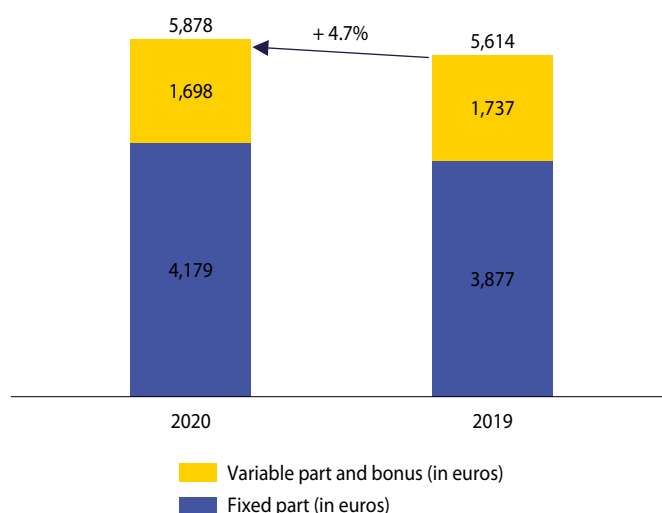
the remuneration of the executives of enterprises differed significantly: from EUR 45% (**UAB Teksika**) to 96% (**AB Kelių priežiūra**) of the fixed part constituting the total salary. Attention should be paid to the fact that different levels of the remuneration of the executives of companies are determined 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 year 2020, the average salary of the executives of SOEs increased by as much as 4.7%. Salaries increased much more significantly in SOEs attributed to the category of medium-sized companies – by 11.3%. Whereas salaries in SOEs assigned to the category of large, small and micro-sized companies increased by 2.6% and 3.4, respectively. For several years now, it has been observed that the fixed part of the remuneration structure is growing more. More and more SOEs are changing their remuneration policies and moving to more frequent market practices, with a fixed share representing a higher share of total remuneration. Most often such enterprises increased the fixed component of the salary considerably, however, they reduced significantly the amount of the variable component of the remuneration. During 2020, the fixed share of remuneration increased by 7.8%, while the variable part decreased by 2.2%. The decline in the variable remuneration component may also have been influenced by the performance of companies affected by the COVID-19 pandemic and the uncertainty in 2020 about the future economic outlook. During 2020, the remuneration of the executives increased at 37 SOEs (on average by 10.3%), but decreased at 10 SOEs (on average by -8.3%). Comparing an increase in the remuneration of the executives of SOEs with an average increase in the salary, 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 2020, the average salary in the country increased by as much as 10.2% (that of executives of SOEs – by 4.7%).

Structure of monthly remuneration for Executives of SOEs by enterprise categories

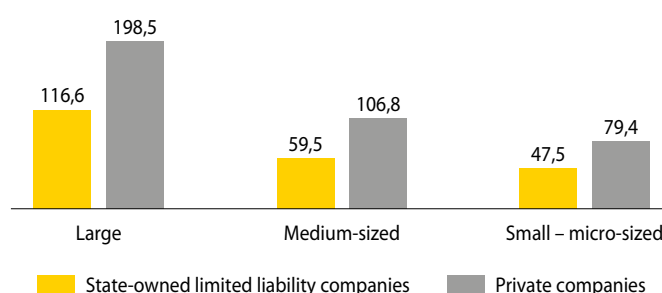


Growth of the monthly remuneration of SOE Executives



In order to systematically assess the remuneration of the executives of SOEs in the market context, in cooperation with external consultants (SIA Fontes Vadības konsultācijas), a comparative analysis of the Lithuanian market in 2020 was carried out. The analysis included the remuneration data of 141 executives of the compared company. 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 50 – 70% of the salaries paid in the market. In 2020, similar differences in remuneration were recorded in all categories of enterprises: in the category of large enterprises the

Average monthly remuneration for Executives in 2020 (EUR thousand) by enterprise categories



average remuneration of a company executive was 58.7% of the market average, in the category of medium enterprises – 55.7%, in the category of small enterprises – 59.9%. It should be noted that over the last few years, differences from market averages remain similar.

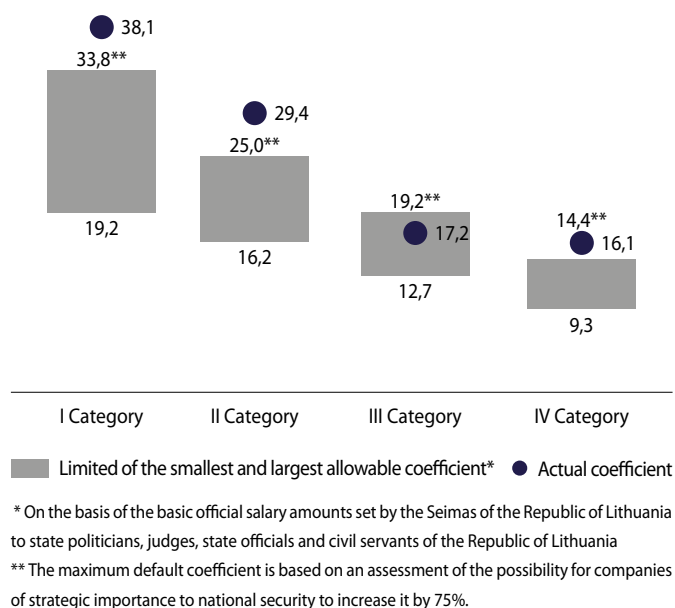
Significant differences can also be seen when comparing the remuneration structures of the executives of SOEs and the executives of comparable market companies. The variable part of remuneration of SOE executives (including annual bonuses) averages about 27% of the total salary, while in the market the variable part of remuneration in 2020 averaged about 10-15%. 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. An analysis of the data for 2020 shows that the variable part of remuneration accounted for a smaller share of remuneration both in the private sector and among state-owned enterprises. In the market, these changes were driven by the economic uncertainties surrounding the impact of COVID-19 in 2020, while the change in the remuneration policy of some SOEs in order to reduce the weight of the variable part of remuneration in the total remuneration structure also affected the SOE.

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 2020, 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 important for national security). Also, in recent years, there has been an increase in the number of state-owned enterprises that no longer comply with the

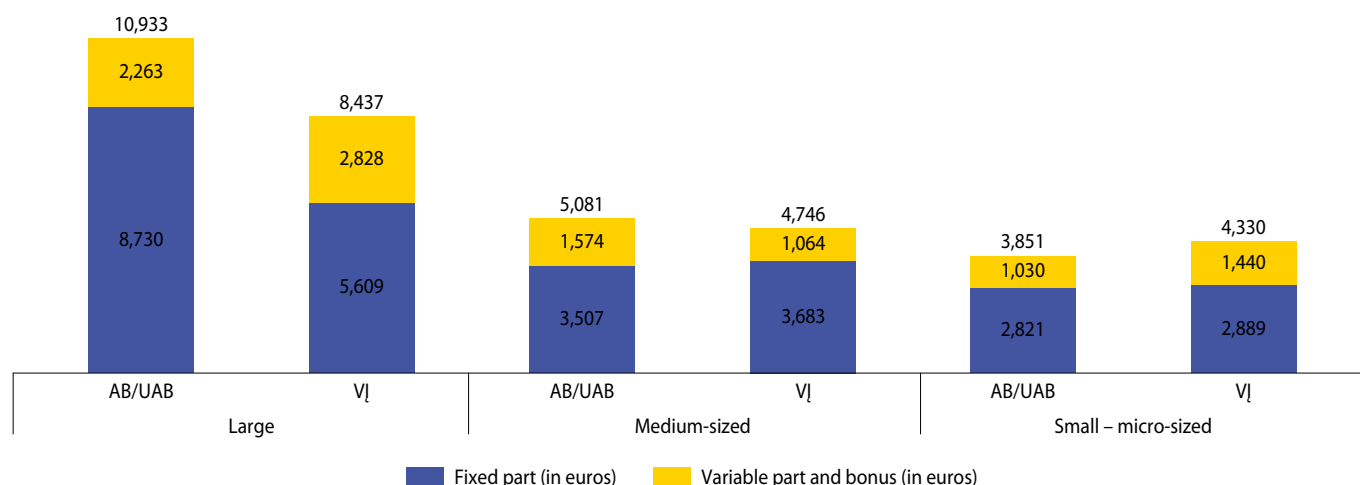
Coefficients of the Fixed Part of Remuneration of SOE Executives



provisions of the Remuneration Resolution and set a higher fixed share of salary than would be allowed by the Remuneration Resolution (state-owned enterprises may not be subject to the Remuneration Resolution). As a result, the coefficients of the fixed share of the enterprises assigned to the categories of companies I, II and IV in 2020 were on average higher than provided for in the Remuneration Resolution. The growing differences between the actual fixed part, where the provisions of the Remuneration Resolution are not binding, and the range of coefficients set in the Remuneration Resolution show that the remuneration policy is increasingly different from market conditions.

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

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



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 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.

The effect of the provisions in the Remuneration Resolution is noticeable not only when comparing SOEs with companies operating in the market, but also when comparing state-owned enterprises (SOEs) and state-owned companies (AB/UAB). The salaries of executives of large companies are higher than those of large state-owned enterprises. The fixed part of the salary is especially different – the fixed part of the companies was about 1.5 times higher than those of the SE. These differences are mainly due to the fact that large companies are more in line with market

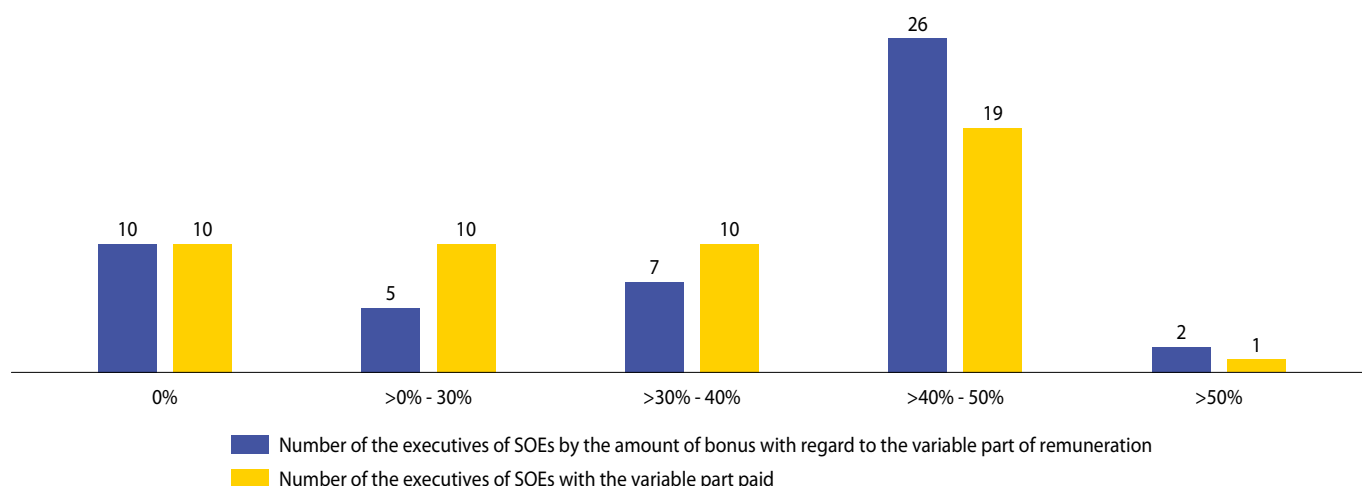
practices, while SEs must comply with the provisions of the Remuneration Resolution. Large SEs try to compensate for the low fixed part of the remuneration through a higher variable part, but this creates the preconditions for setting easily achievable targets so that the remuneration paid to the executive is more competitive and the variable part can at least partially compensate for the low fixed part.

The differences in the companies in the lower categories are not so significant, as the majority of companies follow the provisions of the Remuneration Resolution. The Remuneration Resolution also provides for a condition that allows to increase the remuneration category of the enterprise when the enterprise performs public administration functions. The

majority of state enterprises perform such functions, whereas companies do not fulfil these functions, so they are formally assigned lower remuneration ranges, which result in lower total remuneration.

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 2020, 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 44.5%, the median being 50.0% (including only those companies the executives of which are assigned a monthly variable part of remuneration). The average variable part of the remuneration actually paid was smaller

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



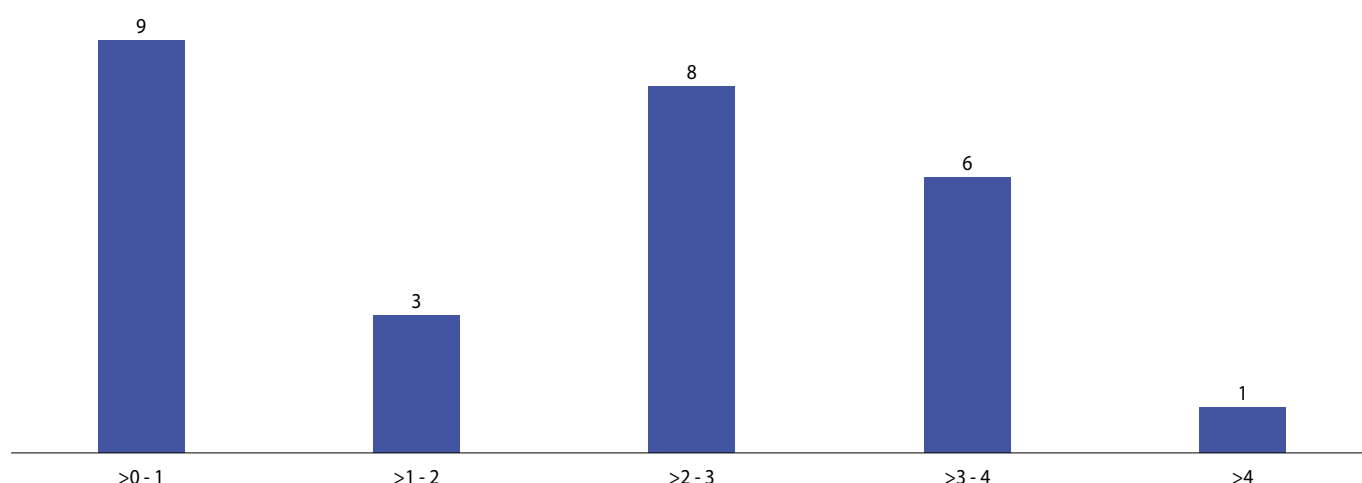
and accounted for 39.0%, the median being 42.2%. During 2020, 21 executives were paid a lower-than-expected variable part due to incompletely implemented indicators. Variable parts exceeding 50.0% were set for two executives of the state-owned limited liability companies (**UAB Toksika** – 95.0%, **VĮ Ignalinos atominė elektrinė** [Ignalina Nuclear Power Plant] – 55.0%). Seven 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. Also, three new SOEs were established in 2020, therefore the variable part was not yet determined and paid to the executives of these companies in 2020.

Apart from the monthly variable part of the remuneration, the executives of SOEs can additionally be granted an annual bonus as well. In 2020 (for the results of 2019), bonuses were granted to 27 out of 50 executives of SOEs. The average annual bonus was about 2.5 fixed monthly salaries (the Remuneration Resolution stipulates that the annual bonus for good performance from the company's profit may not exceed the amounts of

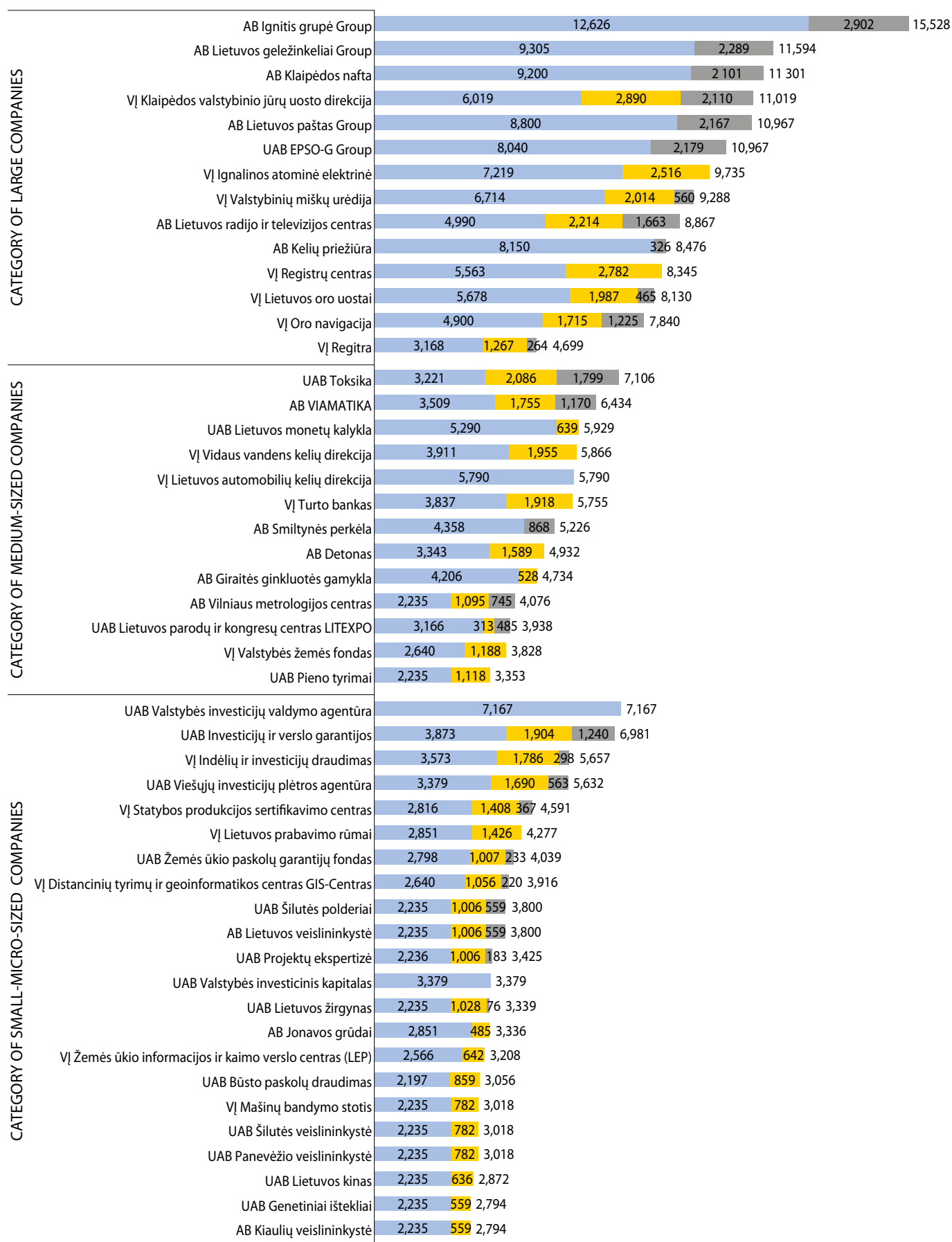
a fixed part of 4 monthly salaries) or an average of EUR 12,262 (EUR 18,251 for SOEs which are attributed to the category of large enterprises). In most cases, bonuses are paid for good performance from the company's annual profit or instead of the monthly variable part of the salary (when the company's executive is not paid a monthly variable part of the salary). In 2020, the average share of the company's net profit allocated to the SOE executive's bonus amounted to 3.1% (0.6% for large SOEs). It should be noted that the amount of the annual bonus is not directly related to the company's performance indicators or net profit margins (unless the bonus is paid instead of the monthly variable part of the salary), i.e. the decision-maker does not set in advance specific objectives or indicators on the basis of which the decision to award the prize would be taken.

Having analysed practices of the remuneration of the executives of SOEs applied in 2020, 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.

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



Structure of the remuneration of executives of SOEs in 2020



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 shows that the remuneration paid to the members of the boards of independent SOEs must motivate and encourage the attraction of competent and motivated professionals to the boards of SOEs. 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 and practices can vary significantly. The remuneration policy of the members of the boards of Lithuanian SOEs is regulated by Government resolutions.

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 board members are subject to an hourly pay system, i.e. board members shall fill in activity reports and their working hours are 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 may not exceed 1/5 of the salary of the chief executive officer and is paid quarterly. The remuneration of the board members who are civil servants is transferred to the State budget, i.e. the company incurs costs but the individual does not receive any remuneration for his/her work on the board. Board members may also get 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. The remuneration system is not defined in the policy established by the Government, therefore the decision on a specific remuneration system may be made by the general meeting of shareholders.

In 2020, all state-owned enterprises followed the remuneration policy for board members established by the Government. All SOEs applied the planned hourly wage systems, as well as all SOEs followed the established wage limits.

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-eight SOEs that had independent members on their boards in 2020. The data on the remuneration for other board members (civil servants or other natural persons who are not considered independent) 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 (10 SOEs).

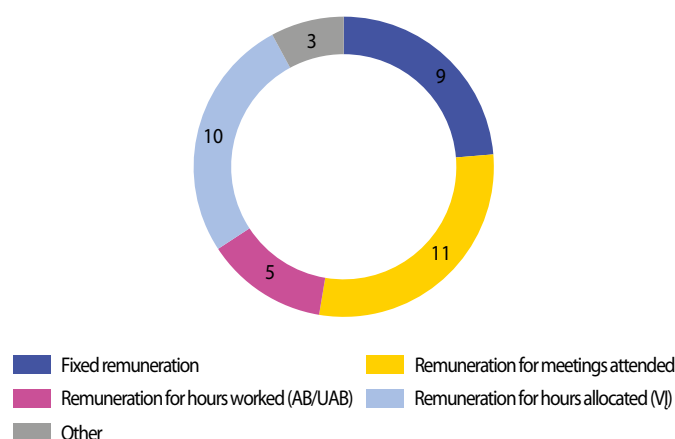
Due to different practices of the remuneration for the activities on the boards, salaries of all board members are recalculated and presented as an average monthly remuneration. The recalculation of the remuneration is based on the number of months that the board member worked in 2020, calculating it on a per day basis. The size of the remuneration includes all the

amounts paid for the activities on the board in 2020, regardless of the date of their payment. The remuneration sizes are presented with all the taxes and contributions payable. In cases where a board member has been in business for a very short period of 2020, his/her remuneration data shall not be included in the report in order not to distort the data.

REMUNERATION SYSTEMS

Remuneration systems applied to independent board members differed significantly. Most often the remuneration was paid for the hours worked. As many as 15 SOEs applied this practice, including 10 state enterprises to which this payment method was obligatory. Eleven 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 three cases (in the companies subordinated to the Ministry of Finance) mixed systems of remuneration were applied, when a member of the Board is paid a fixed amount of remuneration and is additionally paid for attending meetings.

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.

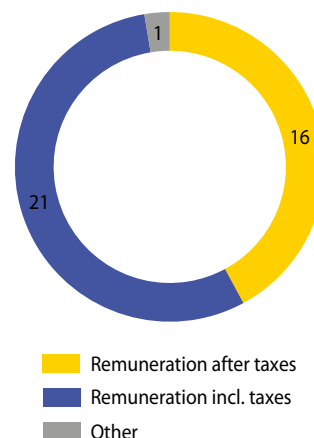
CONTRACTUAL REMUNERATION LEVELS

Remuneration for the board members of state-owned limited liability companies is determined in operational contracts not only including all taxes (gross), 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 (twelve enterprises) under the Ministry of Transport and Communications and in four companies within the jurisdiction of the Ministry of Agriculture. 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 2020, 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 50 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 300 per meeting). In the case of a fixed remuneration, the latter amounted to from EUR 10,283 per year to EUR 25,140 per year (that of the chairman ranged between EUR 13,687 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 set for the independent chairman of the board established in the contract was on average about 1.4 times higher than for the other members of the board (excluding companies that applied 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, therefore, his/her remuneration is in fact higher due to the higher number of hours worked. 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.



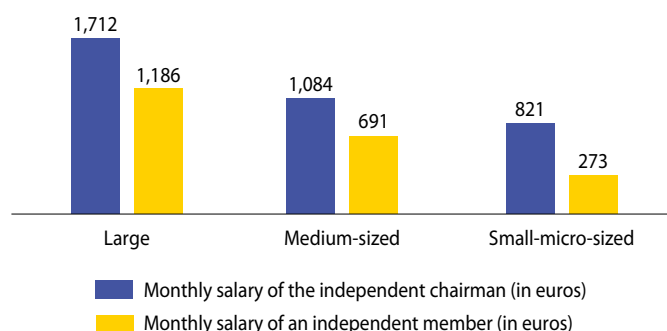
	Contractual remuneration (Independent chairman of the board)	Contractual remuneration (Independent members of the board)
Remuneration system for the hours worked (EUR per hour)		
AB Giraitės ginkluotės gamyba	75.00	60.00
AB Ignitis grupė (Supervisory Board)	100.00	75.00
UAB Investicijų ir verslo garantijos	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	64.45	64.45
VĮ Ignalinos atominė elektrinė	55.00	55.00
VĮ Klaipėdos valstybinio jūrų uosto direkcija*	50.00	50.00
VĮ Lietuvos automobilių kelių 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	65.00	65.00
VĮ Vidaus vandens kelių direkcija*	50.00	50.00
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 ištekliai*	-	200.00
UAB Lietuvos parodų ir kongresų centras LITEXPO	280.00	180.00
UAB Lietuvos žirgynas*	-	100.00
UAB Pieno tyrimai*	-	200.00
UAB Šilutės polderiai	-	213.96
UAB Valstybės investicinis kapitalas	300.00	300.00
UAB Žemės ūkio paskolų garantijų fondas (Supervisory Board)*	-	200.00
Fixed remuneration system (EUR per year)		
AB Detonas*	10,800.00	7,200.00
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 VIAMATIKA*	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
UAB Valstybės investicijų valdymo agentūra	25,800.00	21,000.00
Other		
UAB Būsto paskolų draudimas	EUR 156/per month + EUR 315/per meeting	EUR 156/per month + EUR 235/per meeting
UAB Valstybės investicijų valdymo agentūra	EUR 156/per month + EUR 315/per meeting	EUR 156/per month + EUR 235/per meeting
UAB Viešųjų investicijų plėtros agentūra (Supervisory Board)	EUR 156/per month + EUR 315/per meeting	EUR 156/per month + EUR 235/per meeting

* Remuneration indicated exclude payable taxes and contributions (net)

CALCULATED REMUNERATION

In 2020, the remuneration paid to independent members of the board varied considerably, from an average EUR 2,095 per month at **UAB Klaipėdos nafta** to EUR 17 per month at **AB Lietuvos 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 4.5 times higher, whereas that at the SOEs, which applied the system of an hourly remuneration, it was 3 times higher than the remuneration at the companies that applied the policy of remuneration for attendance of meetings. Remuneration also differed significantly between the companies belonging to the same category of companies, the actual remuneration of the members of the boards of companies belonging to the category of large companies differed up to 8 times, medium-sized companies – up to 6 times, small companies – up to 100 times. It should be noted that in 2020, due to the impact caused by the COVID-19 pandemic, the Board of **UAB Lietuvos parodų ir kongresų centro LITEXPO** refused the remuneration, therefore only one meeting of the Board that took place before the pandemic was paid for.

Although the remuneration of the members of the boards of SOEs belonging to the same category may differ significantly, the assessment of the total remuneration amounts according to the categories of companies shows the dependence of the remuneration on the scope of the company's activities – members of the boards of larger companies receive higher remuneration. In 2020, the average remuneration of the members of the boards of SOEs classified as large companies was EUR 1,186, while for medium-sized companies it was EUR 691 and for small companies it was EUR 273. This is primarily due to

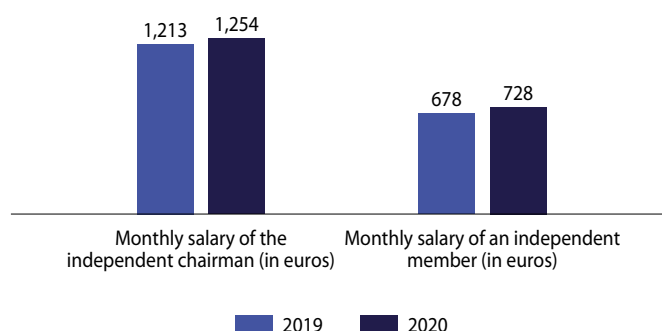


A comparison of the actual remuneration of independent members by legal forms of the companies (depending on a legal form of the company a different remuneration policy is applied) shows that the remuneration paid to the board members of the limited liability companies in 2020 was higher than that paid 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 2020, the average remuneration of independent chairmen of SOEs accounted for 18.4% of the remuneration of the CEO of the company, whereas that of independent members amounted to about 10.4%. 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, and the ratio of **UAB Lietuvos parodų ir kongresų centro LITEXPO**, whose board refused to remunerate for the impact of the COVID-19 pandemic, the ratios increase accordingly up to 19.0% and 12.5%. In assessing changes that took place during 2020, it is seen that the remuneration of the board members amounted to a larger part of the salary of the chief executive officer of the company than that in 2019, the remuneration ratio of the chairmen increased by 1.3 percentage points, and that of other members – by 0.9 percentage points. The reasons that decided this change were as follows: the inclusion of new companies in the portfolio of SOEs, the boards of which

the policy pursued by the Government, which indirectly links the remuneration of a board member to the remuneration of a company executive, which is higher in larger companies. It is also influenced by the more intensive involvement of the members of the boards of larger companies in the supervision and control of companies (higher number of hours worked is paid or allowed to be paid). The results are significantly influenced by decisions taken by several institutions representing the State and the companies within their jurisdiction, for example, there are twenty out of thirty-eight 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 portfolio situation of SOEs.

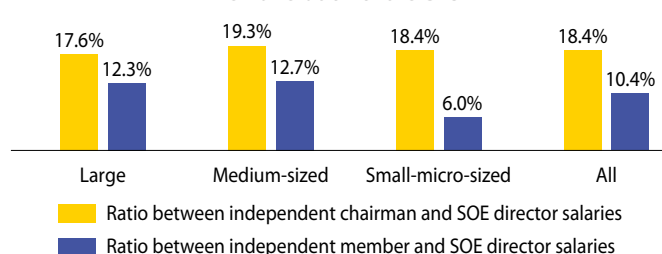
In 2020, the remuneration of the board members of SOEs increased: the remuneration of the chairman increased by 7.4% and that of the board members – by 3.4% (EUR 50 and EUR 41, respectively). Meanwhile, the contractual remuneration increased in only one SOE, so the change was mainly due not to the increased remuneration in the agreements, but to the criteria related to the involvement of the board member, such as the higher number of paid hours or meetings. However, nominal changes are not significant, as only one additional declared working hour per month is sufficient to record such remuneration growth. Although the total remuneration growth was recorded in 2020, the actual remuneration levels of the boards of 13 SOEs decreased (on average by -26%), but again mainly due to the involvement of the board members and the number of paid hours worked. Assessing the changes over the last three years, it can be seen that the remuneration of the members of the Board remains at a similar level and varies depending on the involvement indicators of the members of the board, and not due to increasing remuneration. Visible growth is about 2-3 times lower than the average salary in the country over the last 3 years.



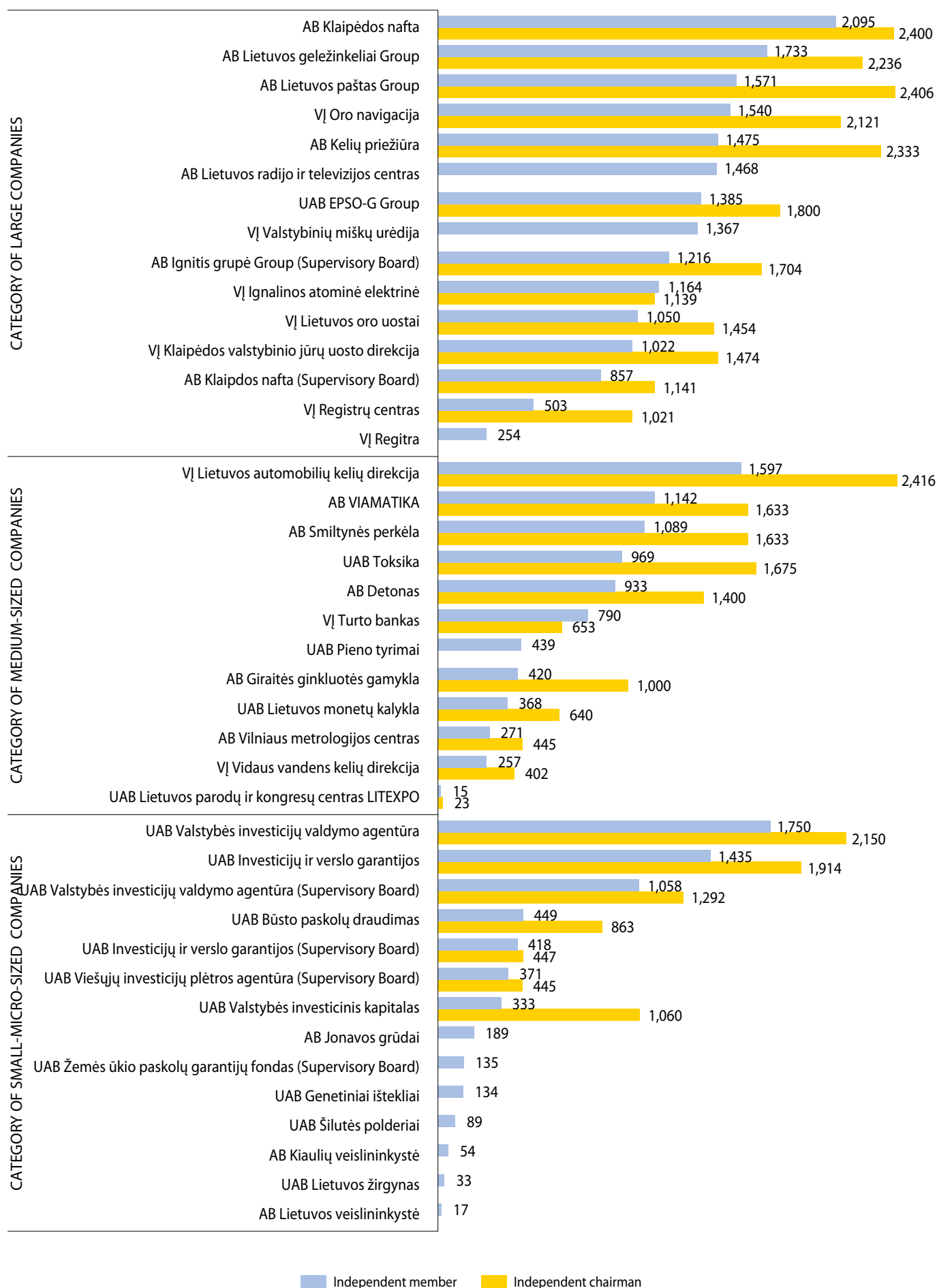
have relatively higher remuneration than other SOEs in comparable categories. Attention should be drawn to the fact that the information presented in the graph on the right includes a comparison with the contractual (non-paid) remuneration of the CEO of the company including also variable parts of the 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 paid to independent members of SOEs (EUR/month)



Independent member Independent chairman

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). Other committees are formed as needed, and their principles are not regulated.

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 recalculation of the remuneration is based on the number of months that the board member worked in 2020, calculating it on a per day basis. The remuneration includes all the amounts calculated for the activities in the Committee in 2020, 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 remuneration sizes are presented with all the taxes and contributions payable.

In 2020, all SOEs, which were assigned to the category of large enterprises had audit committees set up. Only three companies had the Remuneration (Allocation) Committee formed: **AB Ignitis grupė**, **UAB EPSO-G** and **UAB Lietuvos geležinkeliai**. Two of these companies had one more additional committee formed: **AB Ignitis grupė** had the Committee for Risk Management and Business Ethics Supervision set up, **UAB EPSO-G Group** – the Innovations and Development Committee

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 2020, six SOEs applied the fixed remuneration schemes, seven SOEs paid for the hours spend 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.

	Contractual remuneration (Independent chairman of the board)	Contractual remuneration (Independent members of the board)
Fixed remuneration system (EUR per year)		
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 the hours worked (EUR per hour)		
VĮ Ignalinos atominė elektrinė	30.00	30.00
AB Ignitis grupė 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
VĮ Valstybinių miškų urėdija	30.00	30.00
Remuneration system for attending meetings (EUR per meeting)		
VĮ Regitra	180.00	180.00

*If the Committee member is also the board member, an annual salary of EUR 4,200 is paid; if a member of the Board is the chairman of the committee, an annual salary of EUR 9,000 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 2020, it was established that the average remuneration of an independent Chairman of the Committee amounted to EUR 537 per month, whereas the remuneration paid to a member of the Committee was EUR 362 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 592 per month and that of a Committee member was EUR 406 per month. The differences in remuneration between the SOEs differed significantly – from EUR 60 per month in the audit committee of **VĮ Regitra** to EUR 902 per month in the audit committee of **AB Ignitis grupė**. However, in most cases, the remuneration ranged between EUR 350 and EUR 450 per month.

When analysing ratios of the remuneration of the Committee members and the board members, it was established that in 2020, the average salary of a Committee member accounted for 32.2% of the salary of a board member

(the median amounting to 26.4%). The average salary of the Chairman of the Committee was equal to 44.9% of the salary of a board member (the median being 39.6%). 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 similar part of the remuneration paid to a member of the Board as in Western European countries. Typically, in foreign countries the remuneration paid to a Committee member accounts for only about 15-30% of the salary of a board member.



Overview of Collegial Governing or 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 (VĮ). 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 VĮ as well as at least 1/5 members of the board in VĮ 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 2020, the number of independent members nominated by the selection commission reached 57%.

At the end of 2020, the majority of chairmen of collegial bodies also met the autonomy criteria set – there were as much as 27 of them. Out of 37 chairmen of collegial bodies elected directly by institutions representing the State, 8 persons delegated were public servants (representatives of the shareholder/owner). At the end of 2020, no employee representative was appointed chairman of the collegial bodies.

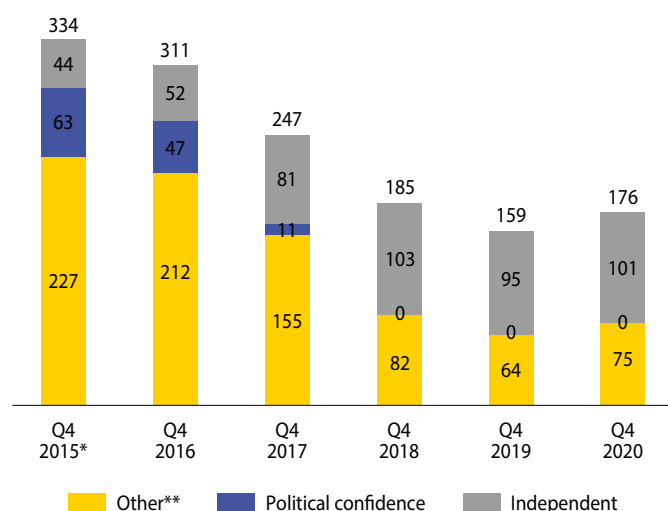
In terms of distribution of the members of boards and supervisory boards of Lithuania SOEs, it has been observed that, in general, men account for 2.5 times more members of collegial bodies than women. Accordingly, women account for less than 1/3 among the persons holding the chairperson's position of 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 2019 – more than a half, i.e. 51%.

At the end of 2020, seven 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. 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 only 2 in Q4 2020, another 20 persons were the members in 2 boards at the same time and the remaining of all members of collegial bodies held one position only.

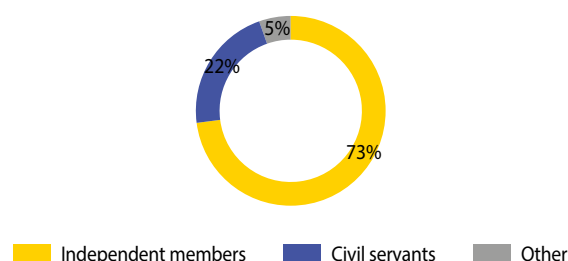
At the start of July 2021, the boards were formed in 38 enterprises (out of 49 SOEs), supervisory boards in 6 enterprises – two companies had both the board and supervisory board formed. There were 171 positions of the member of the board of SOE in Lithuania SOEs in total that were occupied by 146 members, of which 94 positions were dedicated to independent members and were held by 79 persons. Supervisory boards of SOEs had 27 positions of members taken by 24 persons. 17 positions were dedicated to the members of supervisory boards meeting the criteria for autonomy.

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

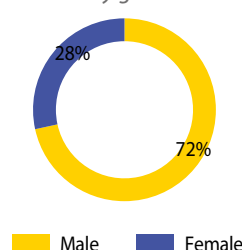
Members of collegial bodies***



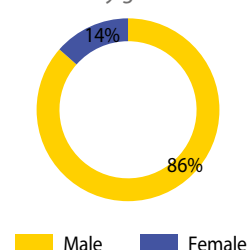
Distribution of chairpersons



Distribution of members of the CB by gender



Distribution of chairpersons of CB by gender



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

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

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

Special obligations

SUMMARY

- 24 of 49 SOEs carried out special obligations in 2020;
- 2 of 24 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 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 2021, for the first time, the *List of Special Obligations*¹ was approved by the Minister of Economy and Innovation, including 93 special obligations performed by 24 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 2020, three SOEs – **AB Smiltynės perkėla** and **VĮ Oro navigacija** performed State-assigned commercial functions.

Commercial activities are considered to be all other activities of the SOE that are not assigned by legal acts: laws or Government resolutions and/or do not meet the criteria of other special obligations. From these functions, the State seeks an adequate return³ that would be required of private capital commercial companies engaged in similar activities.

Financial results of special obligations performed by SOEs

In 2020, 24 out of 49 SOEs carried out special obligations. Ten of them fulfilled only special obligations, while the remainder of the SOEs had significant commercial activities. The expenses incurred by two⁴ companies resulting from the special obligations were not recognised in the profit (loss) statements in full, while the expenses incurred by seven⁵ 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.

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 (3⁶ out of 24) 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. Order No 4-193 of the Minister of Economy and Innovation of the Republic of Lithuania of 16 March 2021 'On Approval of the List of Special Obligations Performed by State-Owned Enterprises and Their Subsidiaries'

3. 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'

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

5. 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 Žemės ūkio informacijos ir kaimo verslo centras

6. VĮ Vidaus vandens kelių direkcija, VĮ Distantinių tyrimų ir geoinformatikos centras GIS-Centras, UAB Žemės ūkio paskolų garantijų fondas

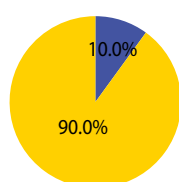
PROFIT (LOSS) STATEMENT (EUR THOUSAND)	SPECIAL OBLIGATIONS	COMMERCIAL FUNCTIONS ASSIGNED BY THE STATE	COMMERCIAL FUNCTIONS	NON-DISTRIBUTED SHARE	TOTAL
Sales revenue	214,847.1	17,775.7	2,427,490.5	2,709.3	2,662,822.7
Cost of goods sold	143,655.7	16,827.2	1,375,237.7	276.7	1,535,997.2
Gross profit	71,191.4	948.5	1,052,252.8	2,432.6	1,126,825.4
Cost of sales	37,486.3	275.6	430,543.2	0.0	468,305.1
General and administrative expenses	46,335.3	5,248.0	283,003.1	2,155.8	336,742.1
Operating profit	-12,630.2	-4,575.0	338,706.5	276.8	321,778.2
Profit (loss) before taxes	50,154.0	-4,771.5	322,381.2	340.1	368,103.8
Net profit (loss)	44,730.2	-4,798.0	284,241.5	87.1	324,260.9
BALANCE SHEET (EUR THOUSAND)					
Assets	6,129,173.9	63,228.3	7,430,513.8	3,955.1	13,626,871.0
Equity	3,938,673.1	44,877.9	3,842,202.2	321.0	7,826,074.2
Grants and subsidies	1,500,042.5	8,140.2	504,489.7	1,941.3	2,014,613.6
Liabilities	690,897.0	10,210.2	3,084,359.4	716.6	3,786,183.2

In 2020, the revenue generated by special obligations that is included in the Profit (Loss) Statement of SOEs accounted for only 8.1% of the total operating revenue of the portfolio, and the expenses accounted for 10.0% of the total cost. Profit of special obligations before tax for the reporting period amounted to EUR 43.2 million. At the same time, the profit of commercial functions assigned by the State and other commercial functions before tax was EUR 324.5 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 45.0%. Most of the expenses attributable to special obligations that are included in the financial statements were generated by **AB Kelių priežiūra** (EUR 59.1 million or 25.2%), in addition, most of the assets were also managed by **VĮ Lietuvos automobilių kelių direkcija** (EUR 3.3 billion or 53.5%). 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.

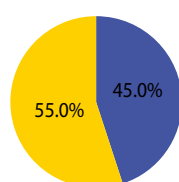
It should be noted that special obligations for the assets were almost double than accounted in 2019 although operating profit before tax increased by only 8.7% or EUR 3.5 million. The changes in assets were mainly due to the reorganisation of the **VĮ Lietuvos automobilių kelių direkcija** in 2020, the entire activity of which consists of special liabilities, managing assets worth EUR 3.3 billion, but earning only EUR 0.9 million in net profit.

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. The latter arise when a specific obligation – the management of holding funds – is carried out through the establishment of funds and separate accounting units for this purpose – public sector entities, the accounting of which is managed separately from the accounting of SOEs, but in order to more accurately assess the scope of SOE activities, they are included in the analysis. Revenue from special obligations not included in the financial statements of SOEs during the reporting period amounted to EUR 132.3 million. Expenses accounted for EUR 280.0 million. The significant growth of these items was mainly due to the almost 20-fold increase in financing revenue and funding costs of the funds managed by **UAB Investicijų ir verslo garantijos** – from EUR 6.4 million to EUR 119.6 million. Expenses that are not included in the financial statements of companies also include grants from the State budget and funds from the European Union or other funds that reduce expenses. In 2020, **VĮ Ignalinos atominė elektrinė** received the largest number of such grants – EUR 112.0 million. The assets of fund managers not directly included in the financial statements of the SOEs themselves accounted for a quarter of the total assets used to meet special obligations, amounting to EUR 1.5 billion. **UAB Investicijų ir verslo garantijos** had the largest amount of assets not included in the financial statements of SOEs through managed funds – EUR 918.4 million or 60.5%.

Expenses



Assets



Special obligations

Functions assigned by the State and other commercial functions

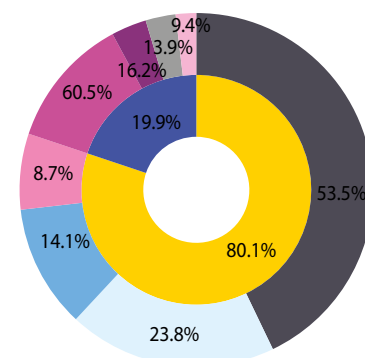
Expenses of Special Obligations



Included in financial statements

Not included in financial statements

Assets of Special Obligations



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	234.4 <i>0.0</i>	1,018.8 <i>112,039.0</i>	-588.5 <i>0.0</i>	530,864.9 <i>0.0</i>	• Safe decommissioning of Ignalina Nuclear Power Plant • Decommissioning of Maišiagala radioactive waste storage facility
UAB EPSO-G Group	183.0	193.7	-10.7	39,349.5	• Administration of the PSO funds
AB Lietuvos geležinkeliai Group ⁷	210,734.7	42,272.0	36,354.0	1,457,899.4	• Public local passenger transport by rail • Maintenance, modernization and development of public railway infrastructure and provision of minimum access package services
AB Lietuvos paštas Group	39,059.8	34,862.2	-4,197.6	42,906.8	• Universal postal services • Delivery of periodicals to rural subscribers
VĮ Klaipėdos valstybinio jūrų uosto direkcija	0.0	193.0	-194.0	3,230.8	• Providing access to infrastructure for the Lithuanian Navy
VĮ Vidaus vandens kelių direkcija	0.0 <i>0.0</i>	669.6 <i>3,073.0</i>	-675.0 <i>0.0</i>	33,311.3 <i>0.0</i>	• Enabling transportation by waterways
VĮ Registrų centras	42,134.3 <i>0.0</i>	29,532.0 <i>3,181.6</i>	12,602.3 <i>0.0</i>	51,193.5 <i>0.0</i>	• Maintenance of State registers • Managing the information systems of e-Health (E. sveikata) services and collaboration infrastructure
AB Kelių priežiūra	62,564.7	59,138.6	3,529.8	115,206.6	• Maintenance and management of state roads (arterial, regional and district)
UAB Investicijų ir verslo garantijos	4,908.9 <i>119,597.4</i>	4,489.3 <i>119,597.4</i>	449.6 <i>5,528.5</i>	34,404.3 <i>918,412.6</i>	• Provision of guarantees • Functions of the fund manager
VĮ Lietuvos prabavimo rūmai	604.1 <i>0.0</i>	515.5 <i>78.9</i>	92.9 <i>0.0</i>	1,927.6 <i>0.0</i>	• State supervision of precious metals and gems
VĮ Indėlių ir investicijų draudimas	739.0 <i>12,705.9</i>	739.0 <i>11,623.8</i>	59.8 <i>0.0</i>	16,120.7 <i>210,478.0</i>	• Administration of the funds
VĮ Turto bankas	11,537.7 <i>0.0</i>	11,666.6 <i>3,073.4</i>	52.6 <i>0.0</i>	445,775.1 <i>180,400.0</i>	• Administration of State-owned real estate, its rent, organisation of renovation • Administration of loans, State-issued guarantees and other property obligations
UAB Viešųjų investicijų plėtros agentūra	3,157.8 <i>4,430.5</i>	2,337.0 <i>4,430.5</i>	909.6 <i>0.0</i>	13,619.9 <i>246,831.2</i>	• Development and implementation of financial incentives and performance of related activities
VĮ Regitra	22,703.6	19,248.2	3,497.8	25,091.8	• Administration of the register of road vehicles • Examination of drivers, issue of driving licenses and maintenance of the register
AB Jonavos grūdai	206.9	244.2	-37.3	-37.3	• Storage of the State reserves (wheat, rye)
UAB Žemės ūkio paskolų garantijų fondas	0.0 <i>0.0</i>	0.0 <i>252.2</i>	0.0 <i>0.0</i>	0.0 <i>143,322.1</i>	• Administration of financial measures
VĮ Valstybės žemės fondas	126.7 <i>0.0</i>	68.5 <i>874.4</i>	65.9 <i>0.0</i>	0.0 <i>0.0</i>	• Sale of State-owned land and lease bids • Development and maintenance of the land information system
VĮ Distancinių tyrimų ir geoinformatikos centras	0.0 <i>0.0</i>	0.0 <i>1,352.2</i>	0.0 <i>0.0</i>	40.9 <i>0.0</i>	• Functions of the manager of LEI portal • Functions of the manager of the Georeferenced Base Cadastre
VĮ Žemės ūkio informacijos ir kaimo verslo centras	519.0 <i>0.0</i>	1,392.8 <i>5,669.3</i>	-873.8 <i>0.0</i>	3,105.5 <i>0.0</i>	• Administration of registers and information systems
VĮ Valstybinių miškų urėdija	325.1 <i>0.0</i>	10,089.3 <i>7,441.2</i>	-9,838.8 <i>0.0</i>	29,833.9 <i>0.0</i>	• Construction and maintenance of forest roads, forest fire protection, planting, nature management works
VĮ Statybos produkcijos sertifikavimo centras	488.1	396.5	91.5	93.5	• Functions of registrar • Certification of managers of the main areas of construction technical activities
VĮ Mūsų amatai	3,425.7	4,253.9	-832.8	4,908.4	• Employment and education of convicted persons
VĮ Lietuvos automobilių kelių direkcija	3,975.0	3,776.0	1,245.0	3,278,740.0	• Management of state roads and organisation of ensuring safe traffic conditions
UAB Valstybės investicijų valdymo agentūra	437.2 <i>0.0</i>	380.6 <i>0.0</i>	56.6 <i>0.0</i>	1,414.1 <i>0.0</i>	• Liquidity support for medium and large companies

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

7. Non-eliminated effects of internal transactions

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**, 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 **VĮ Ignalinos atominės elektrinės** 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 2020, the costs of fulfilling special obligations incurred directly by the company (not through managed funds) were the highest of all SOEs – EUR 113.1 million (in 2019 – EUR 112.1 million). The major part of the costs, EUR 112.0 million, were covered by grants (92.9% from EU funds and the remaining 7.1% from the State budget), therefore, they were not reflected in the company's financial statements. The activities of **VĮ Ignalinos atominės elektrinė** are financed by the European Union funds through the Ignalina Program Fund and the International Ignalina Decommissioning Support Fund and by the State funds through the Ignalina Program Administration Program in Lithuania. The company also receives funds for investment, commercial and economic activities (in 2020 – EUR 234.4 thousand were earned). EUR 67.0 thousand (in 2020 – EUR 87.0 thousand) was allocated from the State budget to ensure the safe management of radioactive waste, and EUR 879.0 thousand of EU funds were allocated for the operation and decommissioning of the Maišiagala radioactive waste storage facility (in 2019 – EUR 58.0 thousand from the EU and EUR 180.0 thousand from the State funds). The European Union has already allocated EUR 1,546 million for the decommissioning of Ignalina nuclear power plant for the period from 2000 to 2020, while the Republic of Lithuania EUR 202.0 million. During the reporting period, the company also managed the third largest assets under special obligations, amounting to more than half a billion euros.

AB Kelių priežiūra

Special obligations:

- Maintenance and management of state roads (arterial, regional and district).

Most of the activities carried out by **AB Kelių priežiūra** are considered to be a special obligation: in 2020, they accounted for 63.9% 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 obligation incurred in the reporting year amounted to EUR 59.1 million (EUR 64.3 million in 2019) and was the largest of all costs directly reflected in the profit (loss) statements of the SOE. No grants were received to offset the expenses. **AB Kelių priežiūra** performs a special obligation on the basis of agreement with the **VĮ Lietuvos automobilių kelių direkcija** and its revenue from these functions constitutes of grants from the State budget received from the **VĮ Lietuvos automobilių kelių direkcija**. The amount of grants received in 2020 was EUR 62.6 million, while in 2019 EUR 64.3 million were received. The company's pre-tax profit from special liabilities increased significantly – from EUR 157.8 thousand to EUR 3,529.8 thousand. During the reporting year, 80.9% of the company's assets under special obligations earned 61.7% of profit before tax.

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 2020. 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 12.4 million (the company's financial statements included EUR 0.7 million in fund administration costs), whereas assets managed: EUR 226.6 million (of which EUR 16.1 million directly managed by the company itself). The 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 and to finance resolution measures for financial sector entities. As at 31 December 2020, 10 banks and 62 credit establishments insured their deposits in this fund, while the fund's assets amounted to EUR 207.6 million.

- Fund of Liabilities to Investors. It is a cumulative fund that raises funds to pay out liabilities to investors insurance claims. At the end of 2020, 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. During the reporting period, the participant of the fund was 1 financial brokerage company. The assets of the fund amounted to EUR 6.0 thousand at the end of 2020.

The company's activities are regulated by the Law on Deposit and Liabilities to Investors Insurance of the Republic of Lithuania and Law on Financial Sustainability of the Republic of Lithuania 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 16.1 million by each special obligation.

AB Lietuvos geležinkeliai Group

Special obligations:

- Public passenger transport by rail;
- Maintenance, modernization and development of public railway infrastructure and provision of minimum access package services.

In 2020, **AB Lietuvos geležinkeliai Group** carried out two special obligations. Prior to that, the specific responsibilities assigned to the group – the services constituting the minimum access package and the maintenance of the public railway infrastructure – were merged. This decision is due to the fact that the two functions are accounted for together, as the revenue from the provision of the minimum access package may only be used for the activities of the public railway infrastructure manager. The aim of these functions is to provide services to railway companies under equal conditions and maintain, modernise and develop public railway infrastructure. The special obligation covering the latter activities is performed by **AB LTG Infra**, a subsidiary of **AB Lietuvos geležinkeliai**, and passenger transport by rail is assigned to another subsidiary, **UAB LTG Link**. This function includes the carriage of eligible passengers 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**. State-budget assignments are allocated to the performance of special obligation.

Revenue from the fulfilment of special obligations in the reporting year accounted for 25.3% of the company's total revenue, expenses – 25.5% (excluding the impact of internal transactions and grants). The expenses of special obligations amounted to EUR 211.9 million in the reporting year, of which EUR 168.1 million were intra-group transactions. It should be noted that the major part of the expenses of special obligations incurred by the Group, amounting to 79.3%, are internal (paid to the subsidiaries of **AB Lietuvos geležinkeliai**) and do not affect the consolidated financial results of the Group. These passenger transportation expenses incurred by **UAB LTG Link** and **AB LTG Infra** are revenues of subsidiaries engaged in freight transportation, railway infrastructure and other activities. In this way the income of other directorates of the Company is indirectly subsidised. A significant part of the costs of the passenger transportation function was offset in 2020 by the company receiving a grant of EUR 37.7 million from the State budget, which was recorded in the revenue from other activities (in 2019 – EUR 32.5 million). As a result, the function had a positive impact on the company's results, increasing its net profit by EUR 988.5 thousand (compared to a net profit of EUR 2.3 million a year ago). Another specific commitment, covering the provision of services to railway undertakings and the maintenance, modernisation and development of railway infrastructure, received a cost reduction grant of EUR 1.5 million (EUR 1.0 million in 2019). The revenue of the special obligation was positively affected in the amount of EUR 7.8 million by the reduction of the fine due to the dismantling of the Rengė railway section by a court decision, as the reduced amount of the fine was recorded in the sales revenue. As a result, the maintenance, modernisation and development of public railway infrastructure and the provision of minimum access package services earned a profit of EUR 31.1 million in the reporting year (EUR 38.0 million in 2019).

The Group used 69.3 of assets disposed (of the value of EUR 1,457.9 million) in performance of special obligations by using which it earned EUR 32.1 million in net profit or 87.9% of all net profit earned.

VĮ Registrų centras

Special obligations:

- Management of the real estate register and the real estate cadastre;
- Management of legal entities register;
- Management of address register;
- Management of residents' register;
- Management of rights register;
- Managing the information systems of e-Health (E. sveikata) services and collaboration infrastructure;
- Management of the national information system for the delivery of electronic items via the postal network.

Most of the activity of **VĮ Registrų centras** (87.3%) was recognised as special obligations in the reporting period in terms of revenue generated. This share, which reached 84.6% in 2019, increased due to a special obligation assigned to the new company – management of the national electronic mail delivery information system using the postal network, which earned EUR 187.4 thousand in the reporting year. The special obligations generated a total of EUR 42.1 million in revenue and EUR 29.5 million in expenses in 2020, the net result of special obligations at the end of the year was EUR 12.6 million, while in 2019 – EUR 4.9 million. The major part (76.9%) of revenue from special obligations is earned directly from customers, and pricing is regulated by Government resolutions. In 2019, EUR 9.7 million in grants were received from the State budget (compared to EUR 4.6 million in 2019), which were recorded in the company's sales revenue. The only special obligation that does not generate revenue is the management of electronic health services and cooperation infrastructure information system. The allocation of EUR 2.2 million was issued from the budget to cover its expenses, which reduced the cost of sales. EUR 1.0 million has been allocated to cover the costs of other special obligations.

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 information systems and are entrusted to the company by Laws or Governmental resolutions. It should be noted that some of the functions performed by the **VĮ Registrų centras** could be considered as special obligations according to the nature of the activity, although they were not included in the *List of Special Obligations*, due to the fact that according to the *Recommendations for Special Obligations*, these functions do not meet the criteria of the special obligation – they are not assigned to the company by the Law or the Government resolutions.

VĮ Regitra

Special obligations:

- Registration of road vehicles transport vehicles;
- Issuance of driving licenses;
- Management of the Register on Road Transport Vehicles;
- Examination of persons seeking to acquire a right to drive road vehicles;
- Management of the Driver Registry of Road Vehicles;
- Administration of motor vehicle registration tax

During the reporting period, as well as in 2019, all activities carried out by **VĮ Regitra** were treated as special obligations. The Company is delegated the administration and management of the Register of Road Vehicles of the Republic of Lithuania and Drivers Registry of Road Vehicles of the Republic of Lithuania and the information systems used to ensure the assigned functions, as well as the functions of driver examination, issuance of certificates and registration of road vehicles. The revenue from these special obligations amounted to EUR 22.7 million, while the expenses amounted to EUR 19.2 million in 2020. According to the revenue, the major share of Company's activities consisted of the Road Vehicle Registration function – 64.4%, to which the assets assigned accounted for 78.0% of the Company's total assets. The company earned EUR 4.4 million from driver examinations, EUR 3.1 million from issuing driving licenses, while the maintenance of road vehicle and driver registers, which the company accounts for together, generated the least revenue amounting to EUR 0.6 million. The Company generated EUR 3.5 million of profit before tax (34.4% less than in 2019) while carrying out the special obligations, normalized return on equity amounted to 15.7% (for comparison, the normalized ROE of the SOE portfolio is 5.6%). The income earned by the company consisted of fees from the clients of **VĮ Regitra** for the company's services. The Company did not receive any grants from the State budget or EU funds. The pricing of services under three functions - registration of road transport vehicles, examination of persons seeking to acquire a right to drive road vehicles, and issuance of driving licenses is determined by orders 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. In the *List of Special Obligations* approved in 2021, a new function performed by the Company appeared – administration of the motor vehicle registration tax, all received contributions are transferred to the account of the State Tax Inspectorate. It should be noted that, for this reason, the Company does not account for the expenses incurred to meet the special obligation and the assets used.

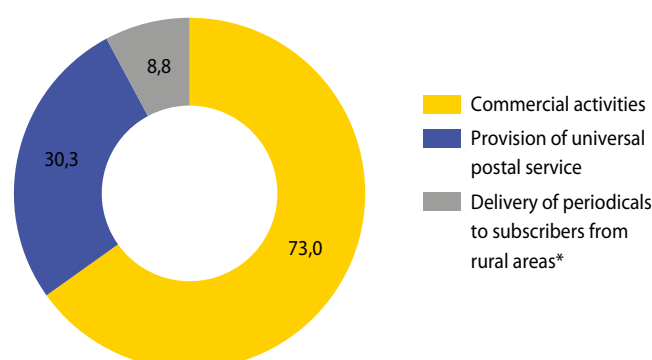
AB Lietuvos paštas Group

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 2020, the **AB Lietuvos paštas** carried out two special obligations, which accounted for 34.9% of activities of **AB Lietuvos paštas Group** by revenues, and 37.3% of the Group's assets were used to earn this revenue. 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 2020, **AB Lietuvos paštas** earned EUR 4.3 million in net profit in performance of this function, and in comparison, the Company earned EUR 6.8 million in 2019. 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. The function of delivery of periodicals for subscribers to rural residential areas was loss-making and the performance result amounted to EUR -67.2 thousand during the reporting year (in 2019, the loss amounted to EUR -87.1 thousand). The expenses of the aforementioned function until 2020 have been partially reimbursed from the state budget, however, by taking into account that the loss results from a limitation on the price of the service which results in insufficient revenue being collected to cover the loss, it was decided to compensate for the loss of subscription delivery to be recognised in other revenue. In 2020, compensation for subscription losses amounted to EUR 6.9 million⁸, compared to EUR 7.0 million in the previous year.

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



*EUR 6.9 million of this revenue is other operating revenue, which includes compensation for subscription losses

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 administration of compensatory measures;
- Functions of holding funds, fund of funds, Innovation Promotion Fund, individual financial engineering, incentive financial instruments and financial instruments manager.

In 2020, all activities carried out by **UAB Investicijų ir verslo garantijos** were considered special obligations. The company's mission - 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 not directly included in the financial statements through its controlled funds, out of all SOEs – EUR

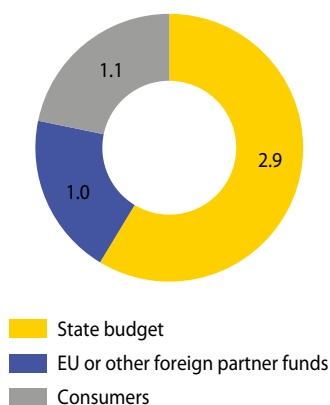
8. It should be noted that the amount of subscription compensation accounted for in the company's financial statements differs from the compensation actually received, because the financial statements reflect the accounting accumulation of losses for 2020, whereas the actual reimbursement from the state budget in 2020 was for the second half of 2019 and losses for the first half of 2020.

918.4 million (total assets included in the special obligations of fund managers' SOEs, which are not included in the financial statements, amounted to EUR 1,519.0 million in 2020). These assets consisted of funds managed by the company and other financial instruments. In 2020, UAB Investicijų ir verslo garantijos administered holding funds financed from funds that reached business entities and returned or will return to holding funds as well as funds funded by the EU Structural Funds. Funds managed by the company:

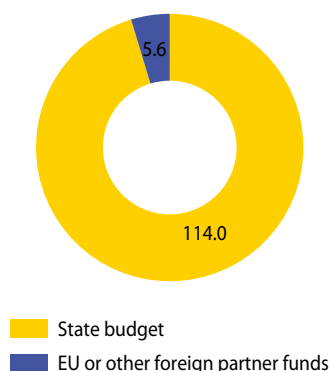
- Controlling INVEGA fund. The assets of this fund amounted to EUR 714.8 million at the end of the reporting period, with operating expenses of EUR 113.8 million, of which 96.9% were provisions and impairment costs;
- Controlling Entrepreneurship Promotion Fund. At the end of 2020, the assets of this fund amounted to EUR 10.4 million, incurred expenses of EUR 209.4 thousand for operating activities, of which 57.0% were management expenses of this fund;
- Entrepreneurship Promotion Fund 2014-2020 funded by the European Social Fund. The assets of this fund amounted to EUR 23.3 million as at 31 December 2020, with expenses of EUR 303.3 thousand incurred for operating activities, of which 62.6% was allocated as an administration fee to the financial intermediary;
- Entrepreneurship Promotion Fund funded by the European Regional Development Fund. At the end of 2020, the assets of this fund amounted to EUR 137.5 million, and the expenses incurred to ensure its functions amounted to EUR 5.2 million, of which 61.6% were the costs of guarantee payments and provisions;
- Defence Investment Fund, financed from the State budget. At the end of the reporting period, the assets of this fund amounted to EUR 11.3 million, operating expenses of EUR 11.5 thousand were incurred, of which 69.2% were the salary expenses of the employees of **UAB Investicijų ir verslo garantijos** directly and indirectly involved in the implementation and administration of the Defence Investment Fund.
- Innovation Promotion Fund, financed from the state budget. On 31 December 2020, the Fund managed EUR 20.0 million in assets and incurred expenses of EUR 8.1 thousand, of which 74.9% were the salary expenses of the employees of **UAB Investicijų ir verslo garantijos** directly and indirectly involved in the implementation and administration of the Innovation Promotion Fund.

Functions of the special obligation performed by **UAB Investicijų ir verslo garantijos** – holding funds, fund of funds, Innovation Promotion Fund, individual financial engineering, incentive financial instruments and manager of financial instruments – in 2020, the costs incurred through the funds were subsidized mainly from the State budget (EUR 114.0 million) and EU funds (EUR 5.6 million). Funds operate on a cost recovery basis when the funding revenue of the funds equals the funding expenses. During the reporting year, the funds' profit from financial and investment activities amounted to EUR 5.5 million. The net profit of **UAB Investicijų ir verslo garantijos** itself increased by more than 3 times and amounted to EUR 1.1 million in the reporting period.

Origin of revenue of UAB Investicijų ir verslo garantijos (EUR million)



Origin of grants compensating the costs of funds managed by UAB Investicijų ir verslo garantijų sąnaudas (EUR million)



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;
- Leasing of State-owned real estate intended for administrative purposes managed by trust;
- 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; 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, etc.).

In 2020, in accordance with the newly approved *List of Special Obligations*, the amount of special obligations performed by **VĮ Turto bankas** increased to 15. According to this list, **VĮ Turto bankas** is the company that performs the most special obligations of all SOEs. Special responsibilities appointed to it mainly included the centralized management of state real estate, the privatization of state and municipal shares and the recovery of debts to the State. In 2020, the company earned the most revenue from the lease of state-owned administrative real estate managed by the right of trust – EUR 5.2 million, however, due to the high cost of performing the function, the net result was negative and amounted to EUR -1.4 million. The sale of state real estate and land plots and other real estate assigned to it earned EUR 3.5 million in revenue for **VĮ Turto bankas** and generated a net profit of EUR 0.9 million. This function had the greatest positive impact on the Company's end result. During the reporting period, the Company incurred EUR 14.7 million in costs related to its special obligations, of which EUR 2.8 million was reimbursed from the State budget and EUR 0.2 million – from EU funds. The Company received all the revenue generated during the reporting period, which amounted to EUR 11.3 million, from consumers. In 2020, **VĮ Turto bankas** managed EUR 445.8 million of assets, which were included in the Company's financial statements and the assets of EUR 180.4 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.

UAB Viešųjų investicijų plėtros agentūra

Special obligations:

- Development and implementation of financial incentives and performance of related activities.

All of activities carried out by **UAB Viešųjų investicijų plėtros agentūra** include a special obligation related to the management of various funds and financial instruments. In 2020, the company managed and administered five funds on a fiduciary basis, the assets of which were not included in the company's financial statements:

- **Modernisation Fund for Apartment Buildings.** The main objective of the fund is to promote energy efficiency by investing in the modernisation of apartment buildings. At the end of 2020, the fund's assets amounted to EUR 190.7 million, generating EUR 3.7 million in operating revenue;

- **Energy Efficiency Fund.** The Fund implements two financial instruments: a loan financial instrument, according to which the fund provides loans to finance central government public building renovation projects, and a guarantee financial instrument, the purpose of which is to guarantee payments to project funders by street lighting modernisation project promoters. At the end of 2020, the fund's assets amounted to EUR 18.4 million, and EUR 105.4 thousand of financing revenue was received to cover operating expenses;

- **Cultural Heritage Fund.** The main goal of the fund is to promote investments in cultural heritage objects in order to adapt them to the needs of the society, to preserve and reveal the valuable features of heritage objects, to increase the interest of the Lithuanian population in cultural heritage. At the end of 2020, the fund's assets amounted to EUR 2.5 million, EUR 13.2 thousand of operating revenue was received;

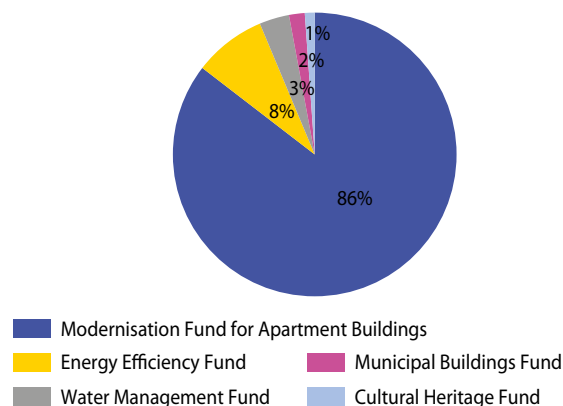
- **Municipal Buildings Fund.** The main objective of the fund is to promote energy efficiency by investing in the modernisation of municipal public buildings. At the end of 2020, the fund's assets amounted to EUR 4.0 million, and operating revenue of EUR 94.1 thousand was received.

- **Water Management Fund.** The main objectives of the fund are to contribute to the development and reconstruction of drinking water supply and wastewater collection networks and to the increasing number of users. At the end of 2020, the fund's assets amounted to EUR 7.6 million, and operating revenue of EUR 38.6 thousand was received.

Since 2013, the company has also been acting 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 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.

During the reporting period, the costs incurred by **UAB Viešųjų investicijų plėtros agentūra**, included in the company's financial statements, amounted to EUR 2.3 million, and the excluded expenses attributable to the managed funds amounted to EUR 4.4 million. These expenses are covered by the funds' operating revenue – fund management fees paid from the funds' own contributions.

Funds administered by UAB Viešųjų investicijų plėtros agentūra by assets under management



VĮ Valstybinių miškų urėdija

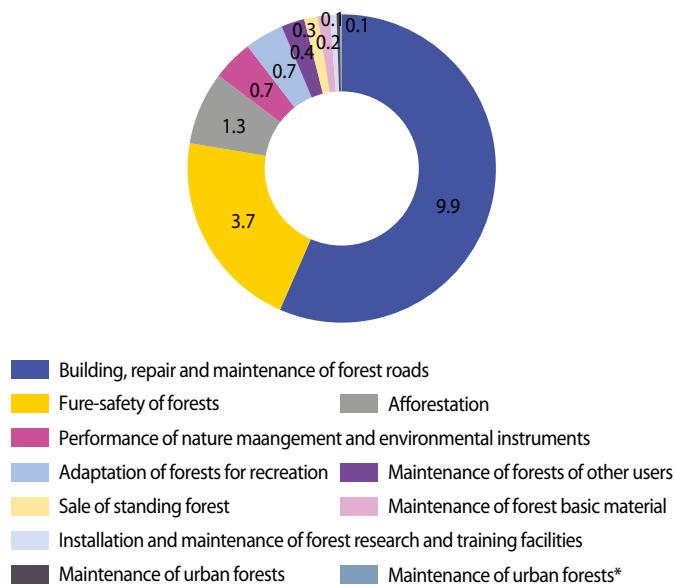
Special obligations:

- 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; protection of forest resources; installation and maintenance of forest research and training facilities);
- Sale of standing forest.

In 2020, **VĮ Valstybinių miškų urėdija** carried out 11 special obligations. According to the costs, the obligations performed by the company mostly included the building, reconstruction, repair and maintenance of forest roads (56.6%) and fire-safety in forests of all types of ownership (21.1%). In performance of special obligations, the company suffered costs in the amount of EUR 17.5 million (in 2019 – EUR 17.4 million), EUR 7.4 million of which are not included in the financial statement (in 2019 – EUR 6.4 million). According to the latter index, **VĮ Valstybinių miškų urėdija** is the fourth 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. Assets assigned to special obligations accounted for 16.2% of the total value of assets managed by the company.

Out of total special obligations assigned to **VĮ Valstybinių miškų urėdija**, the only one generating revenue is the sale of standing state forest. The profit before taxes from this function was equal to EUR 74.6 thousand during the reporting period compared to EUR 106.4 thousand a year ago. Other functions generated losses and were financed from the grants and the funds of Company itself earned from commercial activities. In 2020, the company received EUR 7.4 million in grants: from the state budget (98.6%) and EU structural funds (1.2%), while other expenses, amounting to EUR 7.3 million, were covered from commercial activities.

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



*The cost of fulfilling the special obligation was less than EUR 1,000

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 No. I-172 (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. 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.

Sponsorship granted in 2020			
Company name	Sponsorship granted (EUR thousand)	Net profit of the Company for the previous period (2019) (EUR thousand)	Share of net profit for the previous period granted as sponsorship
UAB Toksika	19.1	280.7	6.8%
UAB Šilutės polderiai	2.4	80.2	3.0%
AB Lietuvos radijo ir televizijos centras	1.5	658.7	0.2%
AB Smiltynės perkėla	0.5	655.2	0.08%

According to the data provided by State-owned enterprises, 4 out of 32 State-owned enterprises included in the portfolio provided sponsorship in 2020. 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 **UAB Toksika** granting EUR 19.1 thousand for sponsorship purposes in 2020 or 6.8% of the net profit for the previous reporting period. The major share (EUR 17.0 thousand) was allocated to the Bridų bendruomenė. The second largest company by the amount of sponsorship granted was **AB Šilutės polderiai** that allocated 3.0% of its net profit for the previous reporting period, i.e. EUR 2.4 thousand. **AB Lietuvos radijo ir televizijos centras** allocated EUR 1.5 thousand or 0.2% of Company's net profit. The amount allocated for the sponsorship by **AB Smiltynės perkėla** was the lowest and amounted to EUR 0.5 thousand and accounted for 0.08% of the Company's net profit. The company's sponsorship was provided to 7 beneficiaries – provided by services (transfer of passengers and vehicles by ferries). During 2020, the sponsorship provided by State-owned companies totalled EUR 23.5 thousand and was granted to 11 beneficiaries, which was the lowest amount of sponsorship in the last four years. On average, one beneficiary received sponsorship of EUR 2.1 thousand.

In 2018, the amount allocated for the sponsorship of State-owned companies decreased significantly – by as much as 84.1% and amounted to EUR 154.1 thousand. This was influenced by the decision of the Board of **AB Ignitis grupė** not to allocate sponsorship from 2018 and to initiate

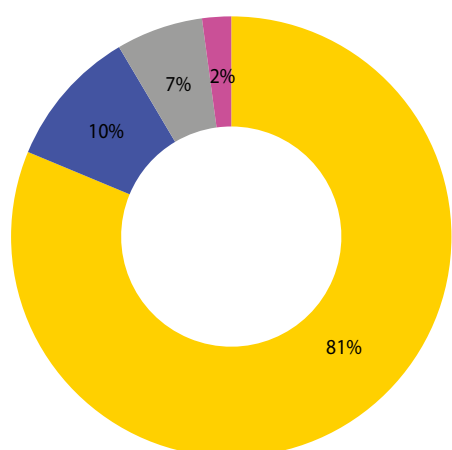
the termination of the sponsorship fund, which was not opposed by the company's Supervisory Board and shareholder, the Ministry of Finance. The companies' support was granted to improve sports, social care, culture and education. The information provided by the companies reveals that, prior to the entry into force of the resolution No. 533 "Concerning the Approval 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, **AB Ignitis grupė** 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 sponsorship amounting to EUR 113.0 thousand. Compared with 2018, the total number of beneficiaries supported decreased by more than 1/5.

In 2020, the amount of sponsorship allocated by State-owned companies was the lowest in a four-year period – EUR 23.5 thousand. Compared to 2019, in the reporting period, the total number of beneficiaries decreased more than 7 times. As in the previous period, in 2020, not only is there a declining trend in the number of beneficiaries, but also a decrease in the amount allocated for sponsorship. However, the number of companies providing sponsorship remains the same for the third year in a row – 4 companies provided sponsorship.

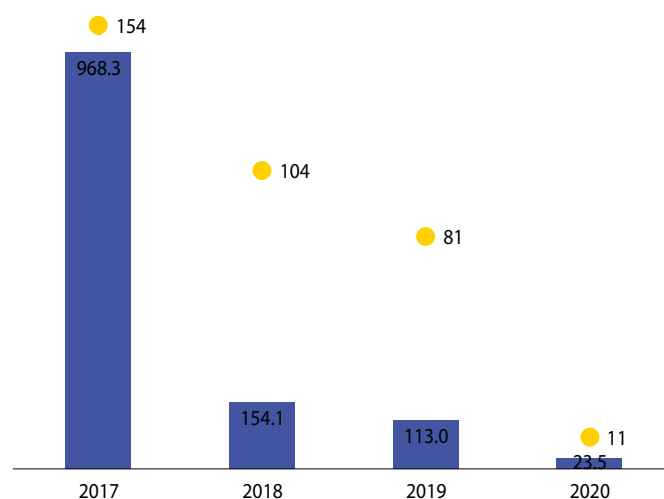


Company name	2017		2018		2019		2020	
	Sponsorship granted (EUR thousand)	Number of recipients	Sponsorship granted (EUR thousand)	Number of recipients	Sponsorship granted (EUR thousand)	Number of recipients	Sponsorship granted (EUR thousand)	Number of recipients
AB Ignitis grupė	800.4	41.0	-	-	-	-	-	-
AB Klaipėdos nafta	134.9	21.0	137.3	21.0	90.0	21.0	-	-
AB Lietuvos paštas Group	8.7	3.0	-	-	-	-	-	-
UAB Toksika	-	-	-	-	-	-	19.1	2.0
AB Smiltynės perkėla	13.1	53.0	14.4	78.0	15.8	55.0	0.5	7.0
UAB Viešųjų investicijų plėtros agentūra	1.0	2.0	-	-	-	-	-	-
AB Jonavos grūdai	2.6	9.0	0.7	3.0	-	-	-	-
AB Lietuvos radijo ir televizijos centras	2.4	13.0	-	-	6.0	2.0	1.5	1.0
UAB Gyvulių produktyvumo kontrolė	0.3	1.0	-	-	-	-	-	-
UAB Šilutės polderiai	4.6	9.0	1.7	2.0	0.8	3.0	2.4	1.0
UAB Šilutės veislininkystė	0.3	2.0	-	-	0.4	-	-	-
Total:	968.3	154.0	154.1	104.0	113.0	81.0	23.5	11.0

SOEs which provided sponsorship in 2020



■ UAB Toksika
■ UAB Šilutės polderiai
■ AB Lietuvos radijo ir televizijos centras
■ AB Smiltynės perkėla



■ Sponsorship granted (EUR thousand)
● Number of recipients

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**.

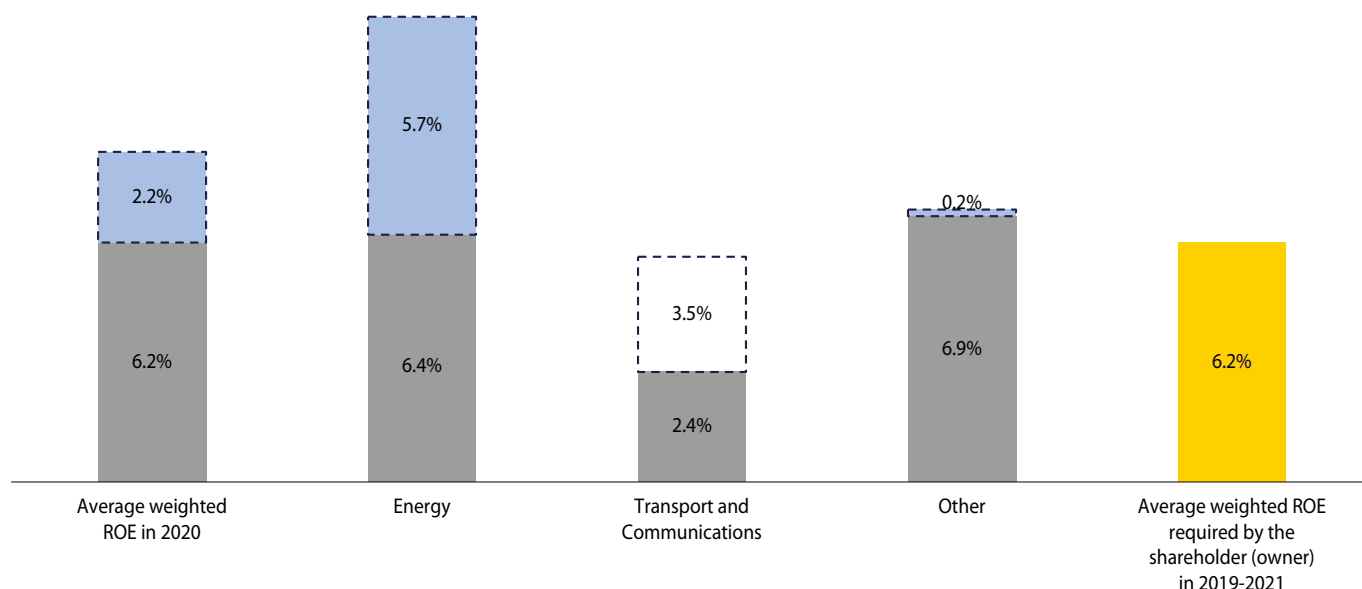
This section provides the following adjustments to the actual return on equity and net profit achieved by SOEs:

- 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;
- 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**;
- the impact of the special obligations carried out by the following SOEs is excluded:
 - UAB EPSO-G Group;
 - AB Lietuvos paštas Group;

- AB Lietuvos geležinkeliai Group;
- VĮ Distancinių tyrimų ir geoinformatikos centras Gis centras;
- UAB Žemės ūkio paskolų garantijų fondas;
- AB Kelių priežiūra;
- VĮ Klaipėdos valstybinio jūrų uosto direkcija;
- AB Jonavos grūdai;
- VĮ Statybos produkcijos sertifikavimo centras;
- VĮ Valstybės žemės fondas;
- VĮ Valstybinių miškų urėdija

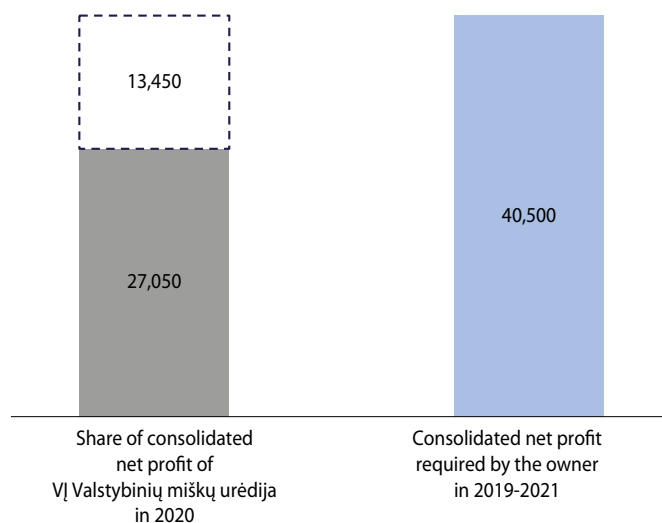
It should be noted that, under the existing legal framework for the attribution of special obligations that was valid from 16 March 2021, there are 24 SOEs with special obligations in total, however, at the time of preparation of this report, not all performance from special obligations was separated 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 2020, the average weighted return on equity for companies with a target return on equity set by the Government was 8.6%, which is 2.4% more than required by the Government. It should be noted that a year ago, i.e. In 2019, the weighted average return on equity was 5.2%. During the reporting period, the target ROE set by the Government was reached by 18 out of 33 SOEs. In 2020, the best ROE was achieved by companies in the Energy sector – their actual ROE exceeded the target set by the Government almost two-fold. The result of the sector of Transport and Communications Enterprises was the lowest and amounted to 2.4%, although the target value set for this sector was the highest of all – as little as 5.9%. The major change was registered in the weighted ROE achieved by the Energy sector enterprises which reached only 4.6% in the previous reporting period and as much as 12.1% in 2020. In 2020, 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 13.5 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 33 SOEs included in the SOE portfolio for 2020. 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, %		Average adjusted ROE, % 2019-2020	Target ROE set, % 2019-2021
	2019	2020		
AB Ignitis grupė	4.4	10.6	7.5	6.6
UAB EPSO-G	6.0	18.8*	12.4	5.7
AB Klaipėdos nafta	4.1	16.7	10.4	5.8
AB Lietuvos geležinkeliai	5.0*	1.4	3.2	5.5
AB Lietuvos paštas	5.7	-11.1	-8.4	9.0
AB Smiltynės perkėla	9.1	10.2	9.7	6.2
VĮ Klaipėdos valstybinio jūrų uosto direkcija	6.9	6.8	6.9	6.0
VĮ Lietuvos oro uostai	10.7	-7.2	1.8	6.7
AB Lietuvos radijo ir televizijos centras	2.0	0.7	1.4	4.5
AB Detonas	2.4	10.7	6.6	6.3
AB VIAMATIKA	19.1	23.6	21.4	8.7
UAB Toksika	4.5	22.7	13.6	3.2
UAB Lietuvos parodų ir kongresų centras LITEXPO	5.0	-10.4	-2.7	8.3
UAB Projektų ekspertizė	20.3	23.2	21.8	7.1
VĮ Statybos produkcijos sertifikavimo centras	13.5	11.7	12.6	5.0
AB Jonavos grūdai	2.0	7.5	4.8	11.3
UAB Panevėžio veislininkystė	18.9	10.3	14.6	5.3
UAB Šilutės polderiai	9.5	60.0	34.8	6.7
UAB Lietuvos monetų kalykla	-13.1	-3.2	-8.2	5.8
AB Vilniaus metrologijos centras	6.4	3.7	5.1	7.8
AB Giraitės ginkluotės gamyba	3.4	6.1	4.8	6.1
AB Kelių priežiūra	2.4	8.0	5.2	7.6
UAB Žemės ūkio paskolų garantijų fondas	2.5	8.3*	5.4	6.5
VĮ Distantinių tyrimų ir geoinformatikos centras Gis centras	18.8	51.0*	34.9	6.2
AB Lietuvos veislininkystė	8.2	8.6	8.4	5.3
UAB Lietuvos žirgynas	0.5	-10.2	-4.9	5.2
UAB Genetiniai ištekčiai	0.1	1.7	0.9	5.2
AB Kiaulių veislininkystė	-3.0	3.1	0.1	5.0
UAB Šilutės veislininkystė	2.0	-29.8	-13.9	5.0
VĮ Valstybės žemės fondas	4.5	0.4	2.5	4.8
UAB Pieno tyrimai	5.5	6.9	6.2	4.7
VĮ Oro navigacija	6.9	-10.7	-1.9	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.

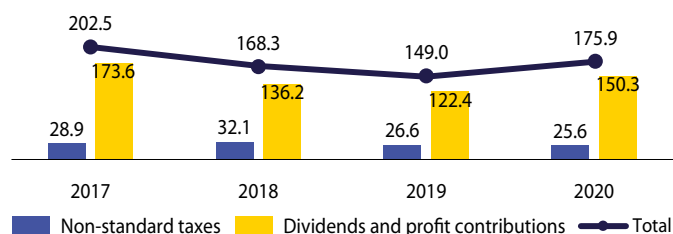
Company	Consolidated net profit in 2019, EUR thousand	Consolidated net profit in 2020, EUR thousand	Average annual consolidated net profit in 2019-2020, EUR thousand	Average annual consolidated net profit required by the shareholder (owner) in 2019-2021, EUR thousand
VĮ Valstybinių miškų urėdija	35,648	27,050	31,349	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*).

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%

Contribution by SOEs to the State budget (EUR million)



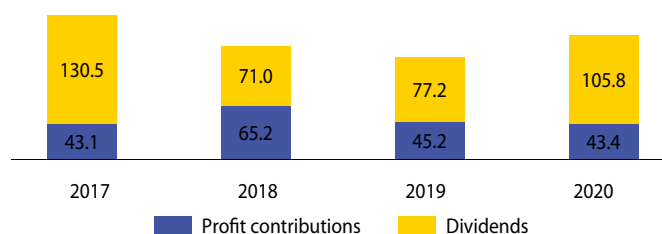
24 SOEs paid higher dividends or profit contributions for the reporting year than for 2019, and 4 enterprises, which did not pay any return to the State for 2019, allocated significant amounts for 2020. The first profit payment in the amount of EUR 1,154 thousand for 2020 was granted by the enterprise **VĮ Lietuvos automobilių kelių direkcija**, which was reorganised from a budgetary institution to a state-owned enterprise only on 20 July 2020. In 2020, the newly established **UAB Valstybės investicijų valdymas agentūra** also paid the first dividends of EUR 36.0 thousand to the shareholder.

Following the entry into force of the new individualized dividend policy of **AB Ignitis grupė** on 4 September 2020, this Group distributed significantly higher dividends than those set by the resolution of the Government of the Republic of Lithuania No 20 – EUR 73.4 million was paid to the State in 2020 (a total of EUR 85.1 million was paid to all shareholders), which accounted for 48.8% of the total amount of dividends and profit contributions allocated to the SOE portfolio. Having earned as much as 135.3% higher net profit in 2020, the company **VĮ Registrų centras** significantly increased its profit contributions: it allocated EUR 2.8 million in 2019, and EUR 9.6 million in 2020. Dividends allocated to the State by **AB Klaipėdos nafta** for 2020 decreased by 5.1%, but still amounted to a significant amount – EUR 5.5 million. Due to the Covid-19 pandemic and the geopolitical situation, the deteriorating financial results of **AB Lietuvos geležinkeliai** resulted in almost three times lower return to the State budget – EUR 13.8 million, when EUR 38.0 million were paid for 2019. However, this enterprise paid out a larger than required share of distributable profit – 80% instead of 75%. Some enterprises also paid higher returns than the amounts of dividends and profit contributions set by the Government of the Republic of Lithuania, which are directly related to the accounting amount of the return on equity (ROE) earned during the reporting year: **AB Smiltynės perkėla**, instead of the minimum 65% of the distributable profit, decided to pay 69.4% or EUR 540.6 thousand for the reporting year 2020, **AB Kelių priežiūra**, which could pay 75% of the distributable profit, allocated 96.2% or EUR 6.0 million in dividends. **AB VIAMATIKA**, which achieved 23.6% ROE in 2020 and was able to allocate only 75% of the distributable profit, intended to supplement the State budget with dividends of EUR 1.7 million or 114.7%. It should be mentioned that due to the impact of the Covid-19 pandemic on the enterprise's operations, **VĮ Lietuvos oro uostai** did not pay profit contributions for 2019 which are also not provided for in the 2020 profit distribution project.

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.

In 2020, SOEs' dividends and profit contributions allocated to the State budget amounted to EUR 150.3 million, which was 22.8% or EUR 28.0 million more than last year when the amount of EUR 122.4 million was allocated for the period of 2019. For the reporting year 2020, 33 enterprises planned to supplement the State budget, of which 24 were public limited liability companies or private limited liability companies. Non-standard taxes, which are also calculated as a contribution to the State budget, amounted to EUR 25.6 million in 2020, which is EUR 1 million or 3.8% less than in the previous reporting period.

Dividends and profit contributions of SOEs (EUR million)



It should be noted that some enterprises 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.

- **AB Giraitės ginkluotės gamykla**. Pursuant to Resolution No 745 of 8 July 2020 'On Dividends Paid by the Public Limited Liability Company Giraitės ginkluotės gamykla for State-Owned Shares', the enterprise's dividends for 2019 must reach 21.86% of distributed profit, and in 2020-2021 – 10% of distributed profit;

- **AB Klaipėdos nafta**, in accordance with the Resolution No 20 of the Government of the Republic of Lithuania of 14 January 1997 Amendment of 20 April 2021, reduced the share of dividends to be paid in 2020, eliminating the impact of exchange rate changes and other unrealized gains or losses;

- **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.

Non-standard taxes paid by the SOEs to the State budget in the year 2020, were 3.8% lower than in 2019 and amounted to EUR 25.6 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 2020, the largest part of non-standard taxes was paid to the State budget by **VĮ Valstybinių miškų urėdija**: property and raw material taxes paid amounted to EUR 23.7 million or 92.6% of the total non-standard taxes paid in the reporting year. **VĮ Oro navigacija**, which incurred losses and did not pay profit contributions in the reporting year, paid EUR 229.1 thousand of non-standard taxes, **VĮ Klaipėdos valstybinio jūrų uosto direkcija** paid non-standard taxes amounting to EUR 471.9 thousand.

The table below shows dividends or profit contribution allocated by individual SOEs to the State.

Company	Dividends and profit contributions allocated for the year (State share), (EUR thousand)		Dividends and profit contributions as a share of net profit, %	
	2019	2020	2019	2020
AB Ignitis grupė	28,000.0	73,430.3	94.6%*	74.8%*
UAB EPSO-G	773.0	777.0	0.5%	0.5%
AB Klaipėdos nafta	5,747.3	5,454.0	105.1%*	22.2%*
VĮ Ignalinos atominė elektrinė	0.0	0.0	0.0%	0.0%
VĮ Lietuvos automobilių kelių direkcija	-	1,154.0	-	85.0%
AB Lietuvos geležinkeliai	38,000.0	13,835.9	95.1%	80.0%
AB Lietuvos paštas	0.0	0.0	0.0%	0.0%
AB Lietuvos radijo ir televizijos centras	874.0	373.0	80.0%	85.1%
AB Smiltynės perkėla	491.4	540.6	72.3%	69.4%
AB Kelių priežiūra	0.0	5,986.9	0.0%	96.2%
VĮ Oro navigacija	1,185.0	0.0	33.6%	0.0%
VĮ Klaipėdos valstybinio jūrų uosto direkcija	28,000.0	25,290.0	70.7%	70.0%
VĮ Lietuvos oro uostai	0.0	0.0	0.0%	0.0%
VĮ Vidaus vandens kelių direkcija	0.0	0.0	0.0%	0.0%
VĮ Valstybinių miškų urėdija	5,500.0	3,714.0	87.2%	65.0%
UAB Projektų ekspertizė	93.4	121.3	60.0%	60.0%
VĮ Statybos produkcijos sertifikavimo centras	193.8	164.3	60.0%	65.0%
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	94.8	258.7	61.5%	155.6%
VĮ Turto bankas	19.1	21.2	79.9%	84.8%
UAB Viešųjų investicijų plėtros agentūra	205.8	563.6	75.0%	70.0%
VĮ Mūsų amatai	0.0	0.0	0.0%	0.0%
UAB Lietuvos kinas	0.0	0.0	0.0%	0.0%
UAB Valstybės investicinis kapitalas	-	0.0	-	0.0%
UAB Lietuvos monetų kalykla	0.0	0.0	0.0%	0.0%
VĮ Distancinių tyrimų ir geoinformatikos centras Gis centras	145.3	226.1	60.0%	60.0%
AB Detonas	140.1	246.7	80.0%	65.0%
AB VIAMATIKA	1,106.0	1,706.0	93.7%	114.7%
UAB Valstybės investicijų valdymo agentūra	-	36.0	-	75.0%
VĮ Registrų centras	2,807.0	9,634.0	63.1%	60.0%
AB Giraitės ginklų gamyba	100.0	55.5	21.9%	10.0%
UAB Investicijų ir verslo garantijos	799.5	287.7	70.7%	80.0%
UAB Toksika	0.0	814.4	0.0%	60.0%*
UAB Lietuvos parodų ir kongresų centras LITEXPO	49.8	0.8	4.5%*	1.0%*
AB Vilniaus metrologijos centras	306.8	432.4	70.0%	98.6%
VĮ Regitra	7,200.0	4,080.0	60.0%	60.1%
AB Jonavos grūdai	152.0	218.8	56.1%	49.1%
AB Lietuvos veislininkystė	88.3	98.6	69.5%	68.5%
AB Kiaulių veislininkystė	0.0	0.0	0.0%	0.0%
UAB Lietuvos žirgynas	6.6	0.0	75.9%	0.0%
UAB Panevėžio veislininkystė	0.0	0.0	0.0%	0.0%
UAB Genetiniai ištekčiai	0.0	35.4	0.0%	79.9%
UAB Šilutės polderiai	55.1	355.7	56.7%	60.0%
UAB Šilutės veislininkystė	0.0	0.0	0.0%	0.0%
UAB Žemės ūkio paskolų garantijų fondas	89.1	179.4	80.0%	70.0%
UAB Pieno tyrimai	131.6	222.0	70.0%	70.0%
VĮ Valstybės žemės fondas	33.6	31.1	75.0%	74.9%
VĮ Žemės ūkio informacijos ir kaimo verslo centras	0.0	0.0	0.0%	0.0%

* Percentage of the total amount of dividends paid to shareholders (not only from the part allocated to the State budget).

Asset Management

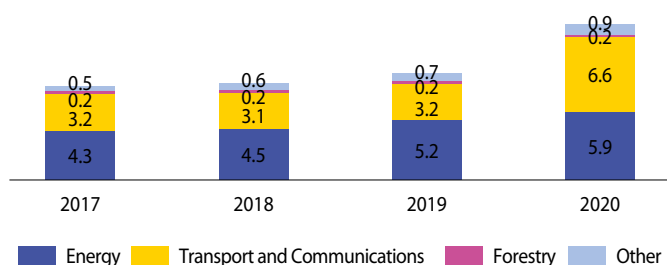
At the end of 2020, the value of assets of SOEs amounted to EUR 13.6 billion – 46.9% more than at the end of 2019. This change was mainly influenced by VĮ Lietuvos automobilių kelių direkcija, which became an SOE after the implementation of the budget institution and was included in the portfolio of the SOE, the assets of which increased the total value of the assets of the SOEs by EUR 3.3 billion. As a result, the book value of the transport sector as a whole doubled to EUR 6.6 billion, the highest of any other sector. At the end of last year, the largest assets were accumulated in the energy sector – the book value of the said sector increased by 15.1% to EUR 5.9 billion in 2020 and accounted for 43.6% of the total assets of SOEs. The value of assets in the forestry sector (excluding the value of forests) decreased by 2.1%, i.e. EUR 0.2 billion. The book value of assets of other enterprises sector increased by 26.1% and amounted to EUR 0.9 billion at the end of 2020.

In 2020, the financial liabilities of the SOEs portfolio grew by 12.3% up to EUR 2,379.3 million. The increase was mainly caused by an increase of 10.6% or EUR 199.5 million in financial liabilities of enterprises in the energy sector. At the end of the accounting period, they amounted to EUR 2,078.3

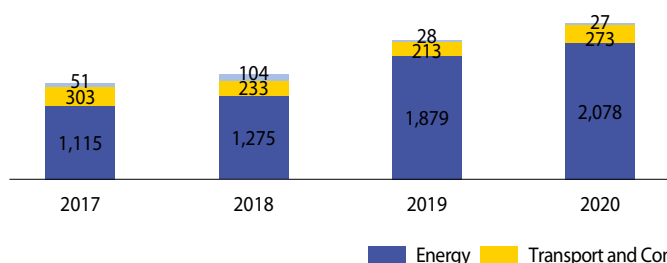
million and accounted for 87.4% of the value of financial liabilities of the entire portfolio. **AB Ignitis grupė** stood out for the largest volume of financial liabilities in the energy sector, the financial liabilities of which increased by 18.7% in 2020, i.e. EUR 205.8 million, amounted to EUR 1,304.1 million and accounted for 62.8% of the value of total sector liabilities. During the reporting period, the financial liabilities of the transport sector increased by 28.6%, which was mainly influenced by the **AB Lietuvos geležinkeliai Group**, the financial liabilities of which accounted for 75.8% of the value of the total liabilities of the sector, i.e. EUR 207.3 million. In 2020, the financial liabilities of the other corporate sector decreased by 1.8%. In 2020, the structure of financial liabilities of the portfolio of SOEs shows a growing trend of long-term liabilities – compared to the reporting period of 2019, the latter increased by a quarter. The opposite trend was observed in the dynamics of short-term financial liabilities, but given that their quantification is not very significant, it did not have a significant impact on the portfolio result.

The book value of the SOE portfolio increased by 76.0% in 2020 and amounted to EUR 7.8 billion. During the reporting period, the value of equity in the transport sector grew the fastest, increasing by EUR 2.7 billion or 128.4%. As in the case of accounting assets, this growth was mainly due to the newly established SOE – **VĮ Lietuvos automobilių kelių direkcija**, the equity of which amounted to EUR 2.7 billion. The value of capital in the energy sector grew by 31.9%, or almost EUR 0.6 billion. The decrease in the value of equity in the forestry sector (excluding the value of forests) was 5.1% from EUR 158.2 thousand to EUR 150.2 thousand. In 2020, the amount of grants and subsidies in the portfolio of SOEs increased by 36.6% to EUR 2.0 billion. More than half, i.e. 61.4% or EUR 1.2 billion, of all grants and subsidies in the portfolio of SOEs in the reporting period went to the transport sector, the grants of which increased by 83.2% or almost EUR 0.6 billion, of which EUR 0.5 billion were allocated for the VĮ Lietuvos automobilių kelių direkcija.

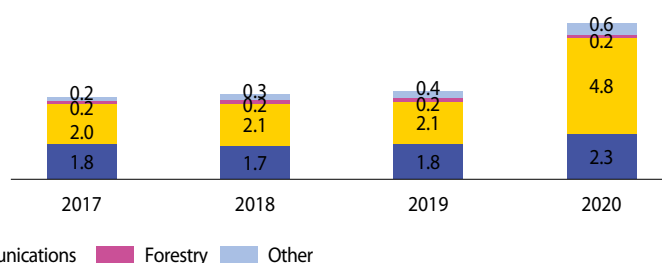
Assets (EUR billion)



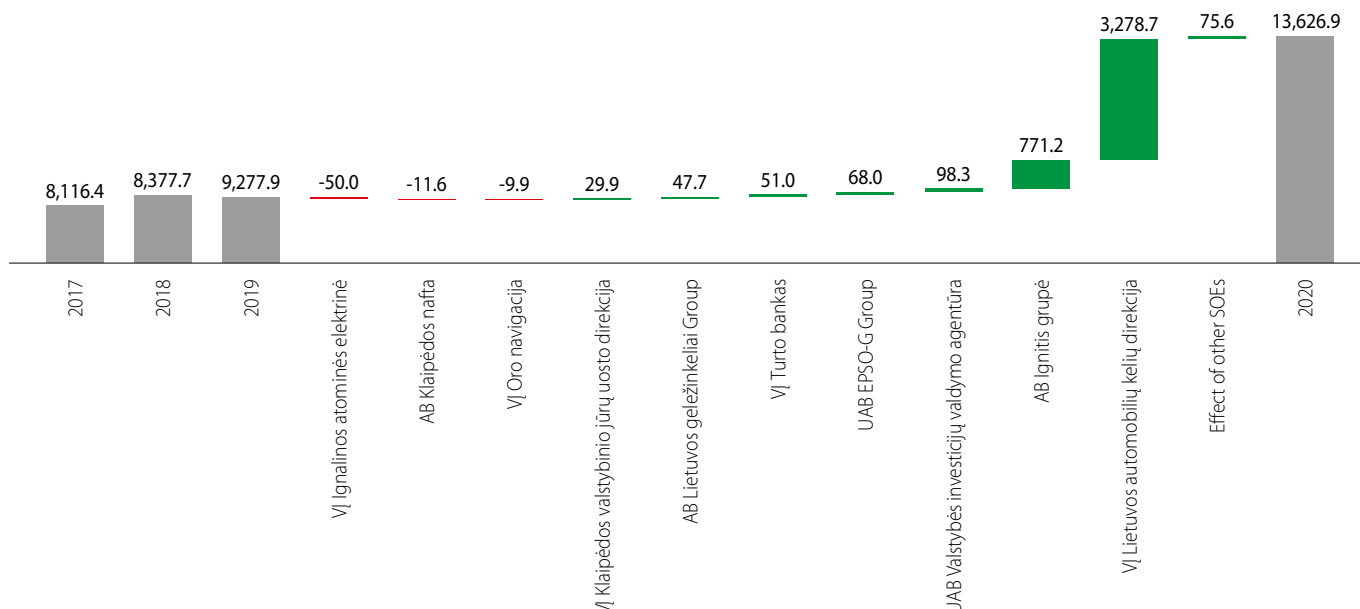
Financial liabilities (EUR million)



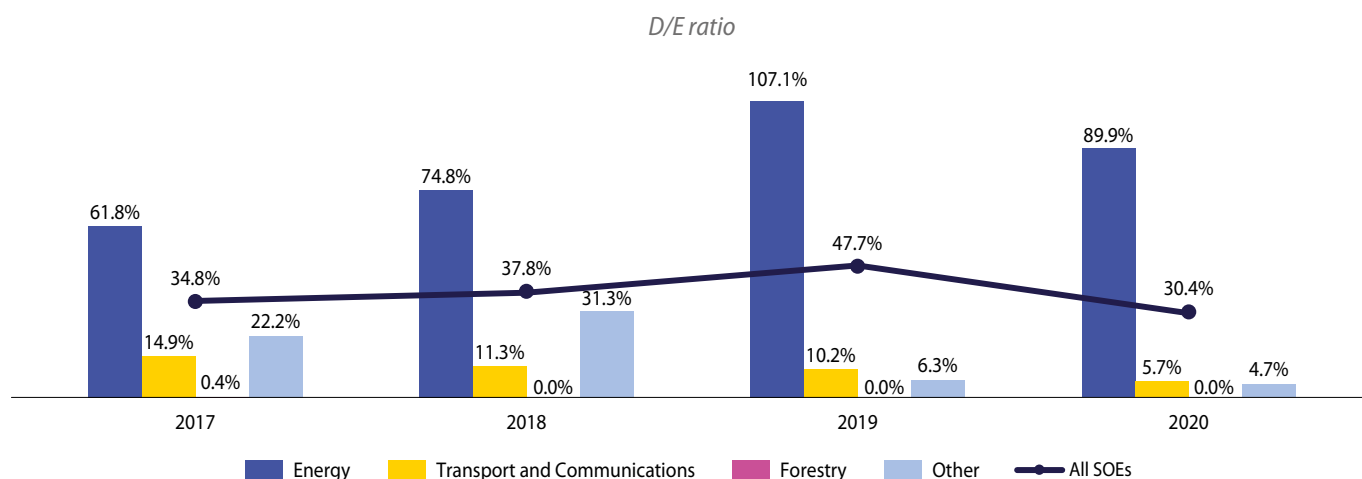
Equity (EUR billion)



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



At the end of 2020, the ratio of financial liabilities to equity of the SOE portfolio amounted to 30.4% and decreased by 17.3 p. p. compared to 2019. At the end of 2020, the highest D/E ratio was recorded in the energy sector, reaching 89.9%. The ratio of financial liabilities to equity in the forestry sector was 0%, as in previous years. At the end of 2020, the D/E ratio of other enterprises in the transport sector was 5.7% and was 4.4 p. p. lower than in 2019.



The information on changes in the book value 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 value of **VĮ Ignalinos atominė elektrinė** assets amounted to EUR 530.9 million at the end of 2020, i.e. decreased by 8.6% or EUR 50.0 million as compared with 2019. The decrease of assets was mainly caused by the sale of assets that were no longer used.

↓ On 31 December 2020, **AB Klaipėdos nafta** controlled assets worth EUR 651.7 million, i.e. 1.7% or EUR 11.6 million less than at the end of 2019. This difference was mainly due to a 3.7% or EUR 21.4 million decrease in the value of non-current assets, which was partially offset by EUR 9.8 million increase in current assets.

↓ At the end of 2020, the assets of **VĮ Oro navigacija** amounted to EUR 59.6 million and, compared to 2019, decreased by 14.3% or EUR 9.9 million. The major part, 69.5% or EUR 41.4 million of the Company's total assets, consisted of non-current assets, which decreased by 3.9%. This change was mainly due to the decrease in the carrying amount of property, plant and equipment.

↑ At the end of 2020, the assets of **VĮ Klaipėdos valstybinio jūrų uosto direkcija** amounted to EUR 643.9 million. The increase of 4.9% or EUR 29.9 million was due to intensive investments in non-current tangible assets.

↑ The assets of **AB Lietuvos geležinkeliai Group** grew during the reporting period and amounted to EUR 2,104.2 million at the end of the year. At the end of the reporting year, the increase in assets amounted to EUR 47.7 million. This growth was driven by large-scale investments in the renewal and modernisation of non-current assets. The growth was mainly influenced by a 31.1% increase in construction in progress and prepayments due to investment projects implemented by AB LTG Infra and the advance payment paid for the implementation of the Corridor IX B electrification project.

↑ At the end of 2020, the assets of **VĮ Turto bankas** amounted to EUR 445.8 million and, compared to 2019, increased by 12.9% or EUR 51.0 million. The growth was mainly due to a 13.0% increase in the value of investment assets. Current assets also increased by 13.0% to EUR 145.3 million due to an increase in trade receivables and increased cash equivalents.

↑ The book value of the **UAB EPSO-G Group** increased by 9.4% during the reporting period, i.e. EUR 68.0 million, and at the end of 2020 amounted to EUR 787.5 million. The growth was driven by the increase of the Group's non-current assets during the reporting period (80.7% of the Group's total assets), which increased by 12.4% to EUR 635.3 million due to ongoing strategic investment projects of state importance. The value of the Group's current assets at the end of 2020 amounted to EUR 152.2 million, and remained almost unchanged compared to 2019.

↑ At the end of 2020, the assets of **UAB Valstybės investicinis kapitalas** amounted to EUR 98.3 million. The assets of the Company established in 2020 significantly contributed to the total value of the assets of the SOE portfolio.

↑ At the end of 2020, the assets of **AB Ignitis grupė** amounted to EUR 3,969.3 million. The increase of 24.1% or EUR 771.2 million was due to the increase in current assets caused by the growth in the value of cash and cash equivalents in 2020 – non-available funds held by banks, which cannot be used to finance operations due to certain guarantee agreements.

↑ At the end of 2020, the assets of the **VĮ Lietuvos automobilių kelių direkcija** amounted to EUR 3,278.7 million. The assets of the Company established in 2020 significantly increased the total value of the assets of the SOE portfolio.

↑ The value of the book assets of the remaining SOEs increased by EUR 75.6 million over the year and also contributed to the increase in the total value of the SOE portfolio assets. Out of 40 enterprises, the assets changes of which were not detailed, the assets of 17 enterprises decreased and that of 23 increased during the accounting period.

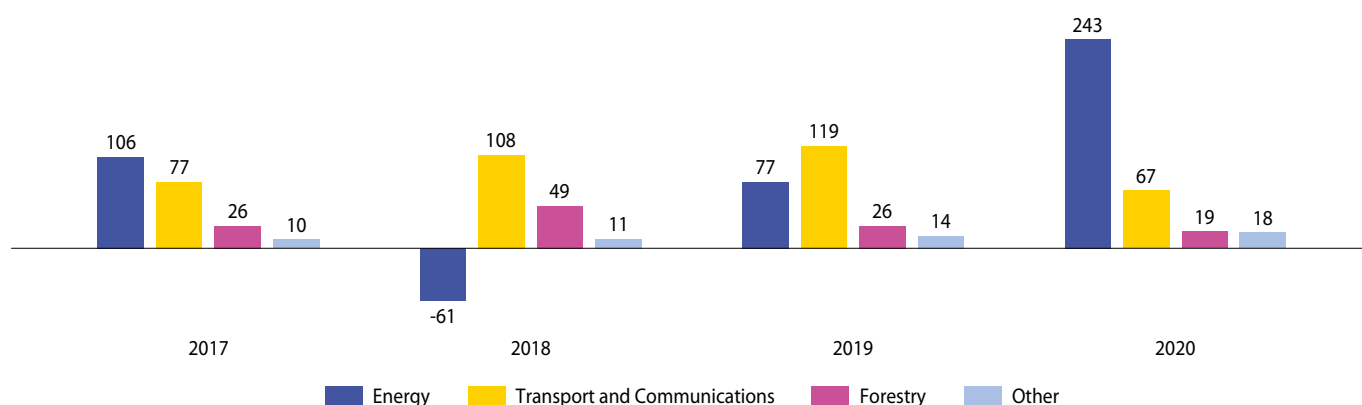
Net Profit

During 2020, the net profit of SOEs increased 1.5 times

SOEs earned EUR 346.0 million in net profit in 2020, which was 47.0% or EUR 110.6 million more than in 2019. The increase in the portfolio's net profit was mainly due to the increase in the profit of energy sector companies from EUR 76.9 million to EUR 242.7 million, particularly the net result of **AB Ignitis grupė**, **UAB EPSO-G Group** and **AB Klaipėdos nafta**. The net profit of enterprises in the Transport sector decreased by

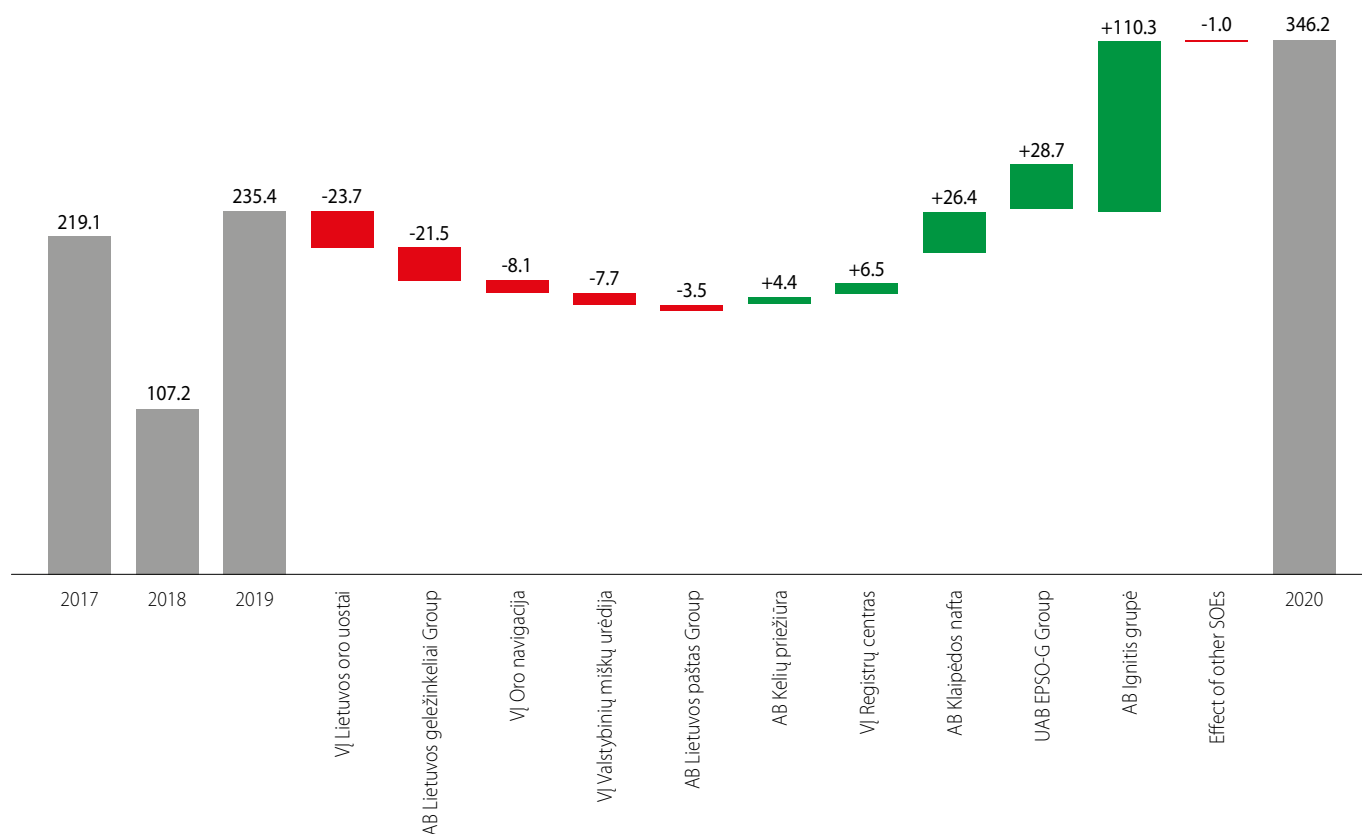
43.9% and amounted to EUR 66.5 million at the end of the year – this change was mainly due to the decrease in the net profit of **VĮ Lietuvos oro uostai** and **AB Lietuvos geležinkeliai Group**. Net profit in the Forestry sector decreased by 29.3% to EUR 18.7 million. The net profit of the other enterprises sector increased by 33.5% to EUR 18.1 million, mainly due to the growing net profit of **VĮ Registrų centras**.

Net profit (EUR 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 Lietuvos oro uostai** incurred a loss of EUR 9.4 million in 2020, while in 2019 it earned a net profit of EUR 14.4 million. The change was due to a 53.5% decrease in revenue and a 5.7% increase in costs. The Company's revenue from aviation activities decreased by EUR 25.7 million and from non-aviation activities – by EUR 7.4 million. The change was determined by operating restrictions applied during quarantine and a 72.0% decrease in passenger flows. During the quarantine, the Company paid great attention to ensuring business continuity and maintaining key non-aviation partners. An aid package has been adapted, consisting of various discounts, deferrals of payments and the suspension of other contractual obligations. The increase in the Company's costs was determined by the impairment of assets of EUR 6.9 million, after the calculation of the recoverable amount of non-current assets, it was determined that the assets of Palanga Airport are impaired..
- ↓ The net profit of **AB Lietuvos geležinkeliai Group** shrank by EUR 21.5 million and amounted to EUR 36.6 million at the end of the year. The change was due to a 10.7% decrease in sales revenue and a 2.1% decrease in costs. Freight revenue, which accounted for the largest share (91.1%) of the revenue structure, decreased by EUR 31.0 million. The change was mainly due to the slowdown in trade, the decline in commodity markets and the decline in freight volumes due to the COVID-19 pandemic. Revenue from passenger traffic, which accounted for 3.0% of revenue, decreased by EUR 15.8 million due to quarantine restrictions and lower passenger flows.
- ↓ **VĮ Oro navigacija** incurred a loss of EUR 4.8 million in the reporting year, compared to a net profit of EUR 3.3 million a year ago. The Company's revenue fell by 42.9%, while costs shrank by just 13.5%. The changes were due to lower flight volumes caused by restrictions imposed in regards to the COVID-19 pandemic and lower terminal and en-route unit rates. In 2020, the toll on the Lithuanian route was EUR 36.81 (EUR 42.75 in 2019), and the toll on the terminal was EUR 132.54 (EUR 159.0 in 2019). As a result, revenue from en route services decreased by EUR 13.1 million and revenue from terminal services decreased by EUR 3.2 million.
- ↓ In 2020, **VĮ Valstybinių miškų urėdija** earned a net profit of EUR 18.7 million, i.e. EUR 7.7 million less than in 2019. The change was due to a 5.0% decrease in revenue and a 0.7% increase in costs. In the total revenue structure, sales of raw timber accounted for 94.0% of total revenue. During the reporting year, the timber market was congested, which resulted in a decrease in timber prices in the international market and in Lithuanian auctions. In 2020, the average price per metre of raw timber was 23.0% lower than in 2019. The Company's loss was mitigated by higher timber sales volumes and lower unit cost of production. The slight increase in costs was due to a EUR 6.7 million increase in contractors' costs caused by the Company's reforestation and maintenance work. The Company's revenue from other activities increased by EUR 1.0 million, mainly due to grants recognised as revenue.
- ↓ The net profit of **AB Lietuvos paštas Group** amounted to EUR 1.6 million, i.e. EUR 3.5 million less than in 2019. Costs that grew faster than revenue had the largest impact on the Group's operating result, with growth of 10.8% and 16.0%, respectively. The main reason for the increase in costs was the EUR 13.3 million increase in the costs of international postal transport and settlements with foreign mail. The increase in these costs was influenced by the higher flow of export shipments and the intensive transit project for Chinese trains since the spring of 2020. The costs of settlement with foreign post offices increased due to the introduction of higher final settlement rates.
- ↑ The net profit of **AB Kelių priežiūra** grew by EUR 4.4 million and at the end of 2020 amounted to EUR 4.8 million. The change was driven by faster revenue than expense growth, which rose by 16.1% and 8.9%, respectively. In order to diversify its revenue and reduce its dependence on its main customer, VĮ Lietuvos automobilių kelių direkcija, the Company earned EUR 16.1 million more from contract work in 2020 than in 2019. The increase in costs was due to a EUR 1.9 million increase in material costs caused by higher work volumes and a EUR 6.4 million increase in other costs.
- ↑ The net profit of the **VĮ Registrų centras** increased by EUR 6.5 million and amounted to EUR 11.2 million. The better result of the Company was determined by a 13.0% increase in revenue and a 3.2% decrease in costs. Revenue growth was impacted by a 19.4% increase in the volume of services provided. The growth of business volumes was determined by the activation of the real estate market in the second half of the year and changes in legal acts, which oblige to enter into and obtain data from relevant registers and information systems when concluding transactions or performing other legal activities. Revenue from the real estate register and cadastre increased by 17.9% to EUR 29.5 million, and revenue from the address register increased 4.2 times to EUR 1.2 million. The contraction in costs was due to a 7.5% to EUR 20.1 million decrease in wages and social security costs due to employee downtime, slower recruitment of new employees and lower employee wages.
- ↑ The net profit of **AB Klaipėdos nafta** increased by EUR 26.4 million and at the end of 2020 amounted to EUR 34.0 million. Growth was driven by faster spending than revenue. The Company's revenue decreased by 23.2% due to the 16th IFRS "Lease", which entered into force on 1 January 2019, according to which the LNG security component was reduced by EUR 26.8 million per year from the beginning of 2020. When the amendment to IFRS becomes effective, lease liabilities are recognised in the statement of financial position as an asset and a liability (right to a leased asset and a finance lease liability). The Company's cost of sales decreased by 39.0%, mainly due to a EUR 29.5 million decrease in depreciation costs for usable assets and a EUR 2.9 million decrease in vessel-terminal 'Independence' costs. The significant decrease in depreciation costs is related to the capitalization of the vessel-terminal option on 31 December 2019, when the useful life of the assets under management was extended from 5 to 25 years.
- ↑ The net profit of the **UAB EPSO-G Group** grew by EUR 28.7 million and amounted to EUR 40.1 million at the end of the reporting year. The change was due to a 7.8% increase in the Group's revenue and a 2.2% decrease in costs. In total, revenue from electricity transmission and related services accounted for 72.3% of the Group's total revenue. The higher average actual electricity transmission price resulted in an increase in electricity transmission revenue of EUR 14.0 million. Revenue from system services also increased by EUR 16.0 million. The decrease was due to a EUR 12.4 million decrease in electricity and gas costs.
- ↑ In 2020, **AB Ignitis grupė** earned a net profit of EUR 169.3 million, i.e. EUR 110.3 million more than in 2019. The change was due to an 11.3% increase in earned revenue and a 0.8% decrease in costs. Revenue growth was mainly driven by a EUR 67.2 million increase in network segment revenue due to an average 11.0% increase in electricity transmission service tariffs. There was also a EUR 30.9 million increase in revenue in the flexible generation segment (due to higher CCU (Combined Cycle Unit) operating revenue) and a EUR 26.3 million increase in revenue in the customer solutions segment (due to higher revenue from business and household customers).
- ↓ **The remaining SOEs** earned EUR 1.0 million less in net profit in 2020 than in 2019. 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		Net profit		Dividends/Profit contributions		Assets		Equity	
	(EUR thousand)	Share in portfolio, %	(EUR thousand)	Impact on portfolio result (%)	(EUR thousand)	Share in portfolio, %	(EUR thousand)	Share in portfolio, %	(EUR thousand)	Share in portfolio, %
 AB Ignitis grupė	↑ 1,223,090	45.9%	↑ 169,262	52.2%	↑ 73,430	48.8%	↑ 3,969,296	29.1%	↑ 1,843,831	23.6%
 UAB EPSO-G Group	↑ 270,520	10.2%	↑ 40,085	12.4%	↑ 777	0.5%	↑ 787,532	5.8%	↑ 233,064	3.0%
 AB Klaipėdos nafta	↓ 80,114	3.0%	↑ 33,958	10.5%	↓ 5,454	3.6%	↓ 651,694	4.8%	↑ 216,326	2.8%
 VĮ Ignalinos atominė elektrinė	↓ 234	0.0%	↑ -589	-	0	0.0%	↓ 530,865	3.9%	↓ 19,791	0.3%
 AB Lietuvos geležinkeliai Group	↓ 422,953	15.9%	↓ 36,556	11.3%	↓ 13,836	9.2%	↑ 2,104,226	15.4%	↓ 1,162,977	14.9%
 AB Lietuvos paštas Group	↑ 112,062	4.2%	↓ 1,583	0.5%	0	0.0%	↑ 114,884	0.8%	↑ 33,696	0.4%
 AB Lietuvos radijo ir televizijos centras	↓ 20,496	0.8%	↓ 209	0.1%	↓ 373	0.2%	↑ 55,702	0.4%	↓ 31,791	0.4%
 AB Kelių priežiūra	↑ 97,863	3.7%	↑ 4,752	1.5%	↑ 5,987	4.0%	↑ 142,388	1.0%	↑ 116,051	1.5%
 VĮ Oro navigacija	↓ 15,802	0.6%	↓ -4,793	-	↓ 0	0.0%	↓ 59,566	0.4%	↓ 41,887	0.5%
 VĮ Klaipėdos valstybinio jūrų uosto direkcija	↑ 66,083	2.5%	↓ 36,473	11.2%	↓ 25,290	16.8%	↑ 643,916	4.7%	↑ 548,101	7.0%
 VĮ Lietuvos oro uostai	↓ 22,717	0.9%	↓ -9,357	-	- *	0.0%	↓ 196,030	1.4%	↑ 126,168	1.6%
 VĮ Valstybinių miškų urėdija	↓ 149,845	5.6%	↓ 18,686	5.8%	↓ 3,714	2.5%	↓ 184,469	1.4%	↓ 150,190	1.9%
 VĮ Registrų centras	↑ 48,288	1.8%	↑ 11,223	3.5%	↑ 9,634	6.4%	↑ 55,837	0.4%	↑ 37,160	0.5%
 VĮ Regitra	↓ 22,704	0.9%	↓ 3,056	0.9%	↓ 4,080	2.7%	↓ 25,092	0.2%	↓ 17,281	0.2%
 VĮ Lietuvos automobilių kelių direkcija**	3,975	0.2%	966	0.3%	1 154	0.8%	3,278,740	24.1%	2,693,140	34.4%

* Until 10/08/2021, the decision on the payment of the assigned profit contribution has not been made

** VĮ Lietuvos automobilių kelių direkcija became a State-owned enterprise only in 2020, therefore comparative information (indicators) is not provided in this table

↑ Represents a positive change
↓ Represents a negative change

Company	Employees		Collegial supervisory and management bodies structure (01/07/2021)						ROE (%)
	Units	Share in portfolio, %	Management Board		Share in the Company, %	Stebėtojų taryboje		Share in the Company, %	
			Independent members	Total		Independent members	Total		
 AB Ignitis grupė	↑ 3,959	12.5%	0	5	0.0%	5	7	71.4%	↑ 10.6%
 UAB EPSO-G Group	↑ 1,081	3.4%	3	5	60.0%	-	-	-	↑ 18.8%
 AB Klaipėdos nafta	↑ 411	1.3%	3	5	60.0%	2	3	66.7%	↑ 16.7%
 VĮ Ignalinos atominė elektrinė	↓ 1,800	5.7%	2	5	40.0%	-	-	-	↑ -2.9%
 AB Lietuvos geležinkeliai Group	↓ 8,999	28.5%	-	-	-	-	-	-	↓ 3.1%
 AB Lietuvos paštas Group	↓ 4,270	13.5%	3	4	75.0%	-	-	-	↓ 4.8%
 AB Lietuvos radijo ir televizijos centras	↓ 300	1.0%	1	3	33.3%	-	-	-	↓ 0.7%
 AB Kelių priežiūra	↓ 2,308	7.3%	3	4	75.0%	-	-	-	↑ 4.2%
 VĮ Oro navigacija	↑ 296	0.9%	3	5	60.0%	-	-	-	↓ -10.7%
 VĮ Klaipėdos valstybinio jūrų uosto direkcija	↑ 243	0.8%	3	5	60.0%	-	-	-	↓ 6.7%
 VĮ Lietuvos oro uostai	↓ 528	1.7%	2	4	50.0%	-	-	-	↓ -7.1%
 VĮ Valstybinių miškų urėdija	↓ 2,656	8.4%	4	7	57.1%	-	-	-	↓ 12.1%
 VĮ Registrų centras	↑ 1,506	4.8%	3	5	60.0%	-	-	-	↑ 34.8%
 VĮ Regitra	↓ 531	1.7%	5	10	50.0%	-	-	-	↓ 15.7%
 VĮ Lietuvos automobilių kelių direkcija**	245	0.8%	2	4	50.0%	-	-	-	0.1%

AB Ignitis grupė

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 – 99.91%), AB Energijos skirstymo operatorius (100%), NT Valdos, UAB (100%), UAB Energetikos paslaugų ir rangos organizacija (100%), Tuuleenergla 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%)*, Lietuvos energijos paramos fondas (100%), UAB Kauno kogeneracinė jėgainė (51%), via UAB Ignitis – Ignitis Eesti OU (100%), Ignitis Latvija SIA (100%), Ignitis Posika 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 Invall Sp. z o. o. (100%), UAB EURAKRAS (100%), UAB Vėjo vatas (100%), UAB Vėjo gūsis (100%), UAB VVP Investment (100%). *Duomenų logistikos centras was sold on 7 July 2020, and the Verslo aptarnavimo centras was merged with the Ignitis grupės paslaugų centras on 1 January 2020.

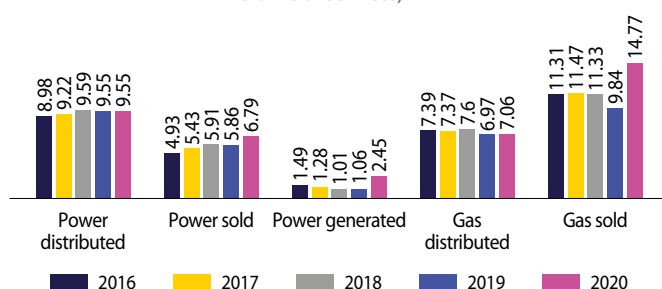
MAJOR EVENTS:

- On 1 January, trading on the Finnish gas market began. For a long time, the Finnish customers who depended on only one natural gas supplier had the opportunity to choose the Balticconnector gas pipeline connection. The latter runs along the bottom of the Baltic Sea and connects Estonia with Finland;
- In January, the supply of electricity to business customers started in Poland;
- On 14 May, a 10-year bond issue with a nominal value of EUR 300 million was issued;
- In July, the shares of AB Energijos skirstymo operatorius and AB Ignitis gamyba were removed from the official Baltic list;
- In August, UAB Kauno kogeneracinė jėgainė (Kaunas CHP) started commercial activities, which contributed to the progress in the Green Production segment;
- In September, a purchase and sale agreement was signed with Sun Investment Group for a solar park development portfolio (up to 170 MW) in Poland;
- In September, a partnership agreement has been signed with Ocean Winds for the development of offshore wind parks;
- On 7 October, after the execution of the largest initial public offering ever in the Baltic States, the shares of AB Ignitis grupė were listed on the Nasdaq Vilnius and London Stock Exchange stock exchanges.

In implementing the expectations set out in the letter of expectations, the Group seeks to consistently improve the network reliability indicators - electricity and gas, SAIDI (Average duration of unplanned interruptions in electricity or gas transmission) and SAIFI (Frequency of unplanned interruptions per user). The Group's electricity SAIDI ratio increased from 91.8 min. in 2019 to 207.7 min. in 2020. The SAIFI index increased from 1.31 units to 1.34 units. The SAIDI index of gas distribution also grew and reached 1.61 min. (in 2019 – 1.25 min.), the SAIFI index amounted to about 0.010 units, while in 2019 it amounted to 0.008 units. The deterioration of electricity quality indicators was mainly caused by the storm Laura, which took place on 12–13 March 2020. The deterioration in gas quality was due to network failures caused by third parties. The biggest failure of the gas distribution network occurred due to a fire in the Alytus gas distribution system.

The amount of electricity distributed in 2020 remained unchanged compared to 2019 and amounted to 9.55 TWh. The volume of electricity distributed to business customers decreased by 3.4%, but was partially offset by a 7.7% increase in the volume of energy distributed to household customers. The change between user groups was mainly influenced by COVID-19. The amount of electricity sold increased by 15.9% to 6.79 TWh due to higher sales to businesses in Lithuania. The amount of electricity produced more than doubled to 2.45 TWh. This growth was determined by higher volumes of electricity generation at the Combined Cycle Unit, Kruonis PSHP and Kaunas CHP. The electricity production volumes of the combined cycle unit increased almost 61.7 times from 0.02 TWh in 2019 to 1.18 TWh in 2020, the growth was determined by favourable natural gas prices and changed regulation of system services. In 2020, electricity production volumes at Kruonis PSHP increased by 33.8% due to fluctuations in efficiently used electricity prices. The volume of gas sold by the Group companies in 2020 increased by 50.3%. This positive result was mainly due to the entry into the Finnish gas market and higher gas sales in the Latvian market.

Volume of services, TWh



General Director
Darius Maikštėnas

Chairman of the Board of Directors
Darius Daubaras

- Company's sales revenue grew by 11.3% in 2020
- Gross profit grew by 39.7%
- Allocated dividends increased by 162.3% and amounted to EUR 73.4 million.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	1,099,276	1,223,090	+11.3%
Cost of goods sold	726,649	702,591	-3.3%
Gross profit (loss)	372,627	520,499	+39.7%
Cost of sales	289,566	305,584	+5.5%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	-16,908	-20,245	-19.7%
Profit (loss) before taxes	66,153	194,670	+194.3%
Corporation tax	7,177	25,408	+254.0%
Net profit (loss)	58,976	169,262	+187.0%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	2,770,085	2,970,412	+7.2%
Current assets	405,711	975,158	+140.4%
Cash and cash equivalents	131,837	658,795	+399.7%
Deferred charges and accrued income	22,290	23,726	+6.4%
Total assets	3,198,086	3,969,296	+24.1%
Equity	1,348,620	1,843,831	+36.7%
Grants and subsidies	267,949	280,370	+4.6%
Provisions	55,382	71,094	+28.4%
Amounts payable and other liabilities	1,349,444	1,563,072	+15.8%
Amounts payable after one year and other non-current liabilities	895,038	1,330,688	+48.7%
Financial liabilities	855,747	1,275,256	+49.0%
Amounts payable within one year and other current liabilities	454,406	232,384	-48.9%
Financial liabilities	242,591	28,877	-88.1%
Accrued expenses and deferred income	171,369	210,929	+23.1%
Total equity and liabilities	3,198,086	3,969,296	+24.1%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.9%	4.7%	2.8 p. p.
ROE	4.4%	10.6%	6.2 p. p.
D/E	81.4%	70.7%	-10.7 p. p.
EBITDA	192,948	328,289	70.1%
EBITDA margin	17.6%	26.8%	9.3 p. p.
Net profit margin	5.4%	13.8%	8.5 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	28,000	73,430	+162.3%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	3,859	3,959	+2.6%
Average monthly salary of a manager (gross, EUR)	6,778	8,228	+21.4%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Finance	73.1%		
Small investors	26.9%		
MANAGEMENT (1 JUL 2021)			
General Director	Darius Maikštėnas		
Chairman of the Board of Directors	Darius Maikštėnas		
Members of the Board of Directors	Živilė Skibarkienė Darius Kašauskas Vidmantas Salietis		
Chairman of the Supervisory Board	Darius Daubaras*		
Supervisory Board	Aušra Vičkačienė Andrius Pranckevičius* Daiva Kamarauskienė Daiva Lubinskaitė-Trainauskienė* Judith Buss* Bent Christensen*		

*Independent member

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 548.5 million in earnings in 2020, and accounting for 44.8% of the total revenue of the Group in the revenue structure. Revenue from network segment accounted for 39.4% and amounted to EUR 482.2 million, revenue from the green manufacturing segment accounted for 7.3% and revenue from the Flexible Manufacturing segment amounted to EUR 111.7 million or 9.1% of total revenue. **The Group's revenue abroad (Latvia, Estonia, Poland and Finland) increased by 15.2% to EUR 100.3 million.** This growth was mainly due to the expansion of operations to Finland and increased gas sales in Latvia. In comparison with the results of 2019, **the Company's sales revenue increased by 11.3% and amounted to EUR 1,223.1 million.** The growth was mainly driven by the following reasons:

- EUR 67.2 million higher revenue in the network segment, the increase of which was mainly due to higher electricity distribution and transmission revenue, the growth of the latter being influenced by an 11.0% higher electricity transmission rate;
- higher revenue in the customer solutions segment, an increase of EUR 26.3 million. The growth of such revenue was mainly due to higher revenue from the supply of electricity to business customers and growth in revenue from the supply of electricity to household customers;
- Revenue of the flexible production segment increased by EUR 30.9 million, the increase of which was mainly due to higher operating income of the Combined Cycle Unit in the provision of isolated electricity system operation services and commercial activities under favourable market conditions for electricity generation.

AB Ignitis grupė, Group Revenue Structure



Source: Annual Report of AB Ignitis grupė for 2020

EBITDA increased by 70.1% to EUR 328.3 million due to better performance. This was mainly due to:

- the growth of networks (EUR 18.5 million), which was due to the growth of the value of the regulated asset base, increased by 15.0%.
- The increase in the growth of flexible production (EUR 9.8 million) was due to the better performance of the Combined Cycle Unit in the provision of the isolated electricity system service and in the operation under favourable commercial market conditions for electricity generation. The growth was also influenced by better performance results of Units 7 and 8 of the Elektrėnai complex.
- The better result of Green Production (EUR 7.3 million), which was determined by the better result of Kruonis PSHP, was mainly determined by the fluctuations of efficiently used electricity market prices and the positive influence of Kaunas CHP, which started operating in August.

Due to better operating results, **the Group's net profit increased almost 3 times in 2020 and amounted to EUR 169.3 million.**

The increase in the Group's net result also led to an increase in the net profit margin and return on equity. **The net profit margin rose from 5.4% to 13.8%, and the return on equity also grew quite significantly – by 6.2 p. p.**

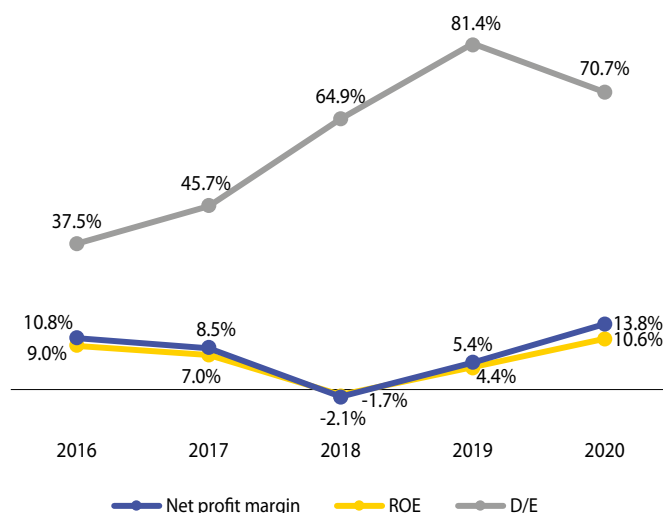
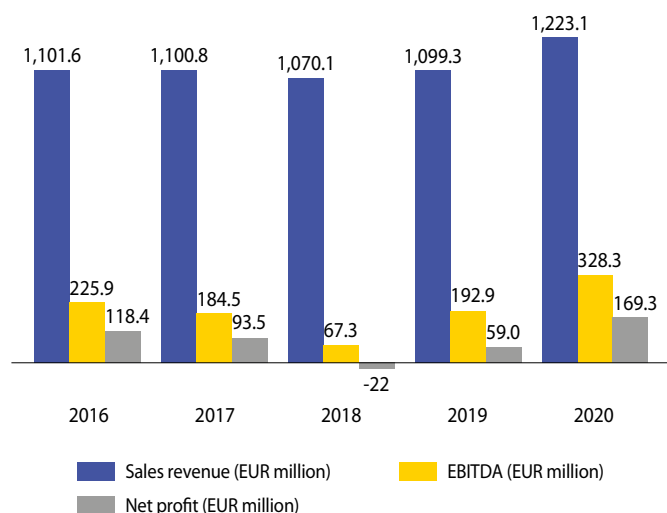
Since 2015, the Group's debt to equity ratio (D/E ratio) has been growing steadily, mainly due to ongoing investments. In 2020, this indicator slightly decreased from 81.4% to 70.7% due to lower investment volumes.

In May 2020, the international credit rating agency Standard & Poor's upheld the BBB+ credit rating of AB Ignitis grupė. Following the initial public offering of the Company's shares on the stock exchange in October, the structure of the parent company was strengthened. In the light of this event, the credit rating was revised and the outlook improved from "negative" to "stable".

The Group's investments decreased by 23.5% in 2020 and amounted to EUR 346.8 million (EUR 453.2 million in 2019). During the reporting period, the largest investments, amounting to EUR 197.0 million or 56.8% of all investments, were made to the Green Production segment. The growth of investments allocated to the latter segment was determined by a 53.1% increase in investments in the construction of Pomeranian WPP, which amounted to EUR 75.8 million, and a 60.2% increase in investments in Kaunas cogeneration power plant, which amounted to EUR 70.5 million in 2020. The amount allocated to investments in the network segment decreased by 21.5% and amounted to EUR 140.6 million or 40.5% of total investments. The contraction in these investments was due to lower investments in the development of electricity and gas distribution networks, which was mainly due to COVID-19 and a reduction in the average cost of connecting new customers and increasing capacity.

At the end of 2020, the amount of grants received was EUR 280.4 million and was 4.6% higher than at the end of 2019. Grants related to renovation, environmental and safety improvement projects accounted for 44.6% (EUR 125.1 million) of total grants. Grants related to other projects implemented by the Group accounted for 54.2% of all grants and in 2020 increased by 19.3% to EUR 152.0 million. Grants for pollution permits accounted for 1.2% (EUR 3.3 million) of total grants and decreased by 57.2% compared to the end of 2019. During 2020, the Group received EUR 25.7 million in investment grants, the largest part of which (EUR 18.5 million) was allocated to the Vilnius CHP project.

During the reporting period, the Group's return to the state increased significantly – the dividends allocated by the shareholder's decision for the results achieved in 2020 amounted to EUR 73.4 million (EUR 28.0 million was allocated for 2019).



AB Ignitis gamyba

www.ignitisgamyba.lt



Production of electric and heat energy, and trade in electric energy

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 9 June**, after the unplanned shutdown of two Riga cogeneration power plants and the failure of the electricity connection with Sweden NordBalt, 73% of the electricity demand in Lithuania was provided by the Kruonis Pumped Storage Hydroelectric Plant, the combined cycle unit and Kaunas Hydroelectric Power Plant;

• **On 30 June**, the Company's shares were removed from the Official Trading List of AB Nasdaq Vilnius in accordance with the decision adopted at the Extraordinary General Meeting of Shareholders of the Company on 4 December 2019;

• **On December 30**, the Company signed an Agreement with Litgrid for the provision of Isolated Power System work services, according to which in 2021 this service will be provided by KCB (371 MW capacity) and Unit 7 (38 MW capacity);

• **In December**, the Company won the Tertiary Active Power Reserve Auction announced by the transmission system operator Litgrid and signed a contract for the provision of this service, according to which in 2021 this service, which is crucial for the reliability of the electricity network, will be provided by Units 7 and 8, with a total capacity of 482 MW.

During the reporting period, 2.1 TWh of electricity was produced and sold in the power plants managed by the Company, i.e. 2.5 times more than in 2019. The unit of the Elektrėnai complex – the combined cycle unit – produced about 1.2 TWh of electricity in 2020, i.e. 62 times more than in 2019. During the reporting period, the production of Kruonis PSHP increased by 33.8% to 0.72 TWh and this is the best result since 1992. This growth was due to favourable differences in day and night electricity prices, the professional work of a team of traders and the introduction of a 24-hour automated trading system. 2.5 times more electricity was produced and sold from the secondary power reserve, i.e. 0.033 TWh. In 2020, Kaunas A. Brazauskas HPP transmitted and produced almost 16.4% less electricity than in 2019. The reasons for the decrease in electricity production are related to unfavourable weather conditions.

Sales revenue in 2020 amounted to EUR 174.5 million, an increase of almost one-fifth compared to 2019 results. The main part of revenue in the reporting period consisted of revenue from electricity trading and power reservation services, revenue from balancing and regulation of electricity, as well as revenue from heat sales. This growth was mainly due to higher electricity sales, which doubled to EUR 117.7 million during the reporting period and accounted for 67.4% of total revenue. Power reservation revenue, accounting for 12.6% of total revenue, decreased by EUR 22.6 million to EUR 22.0 million. Other system services grew by 16.6% to EUR 27.4 million, accounting for 15.7% of total revenue. By revenue segment, revenue from commercial activities amounted to **EUR 121.6 million and from regulated activities to EUR 52.8 million, i.e. 30.3% of the total revenue structure.**

During the reporting period, the Company incurred costs of EUR 123.9 million, which is an increase of 30.7% compared to the costs incurred in 2019. For the most part, i.e. 56.3%, or EUR 69.7 million, accounted for the purchase of electricity and related services and the purchase of fuel for electricity generation. Gas and biofuel costs almost doubled to EUR 45.7 million due to higher gas purchase costs, the growth of which was determined by higher production volumes in the Elektrėnai complex. Higher production volumes of the Elektrėnai complex also resulted in a 25.0% increase in repair and maintenance costs and an increase in the cost of emission allowances. The increase in sales revenue in 2020, which did not exceed the increase in costs, resulted in a negligible decrease in the Company's EBITDA, i.e. 1.3% and amounted to EUR 68.2 million. Compared to the previous reporting period, net profit was 2.3% lower, amounting to EUR 41.8 million.

Dividends paid for 2020 amounted to EUR 51.2 million, i.e. 102.6% more than the payment in 2019.

The value of assets managed by the Company at the end of 2020 amounted to EUR 689.9 million and, compared to 2019, increased by 1.7% or EUR 11.8 million. The increase was mainly due to 1.8% or EUR 7.5 million higher equity.

At the end of 2020, total liabilities increased by 1.6% compared to 2019 and amounted to EUR 272.4 million. The increase in current liabilities was due to provisions for used emission allowances, which amounted to EUR 14.5 million at the end of the year, compared to EUR 0.5 million in 2019. Long-term liabilities decreased by 3.1% due to lower long-term loans and grants.

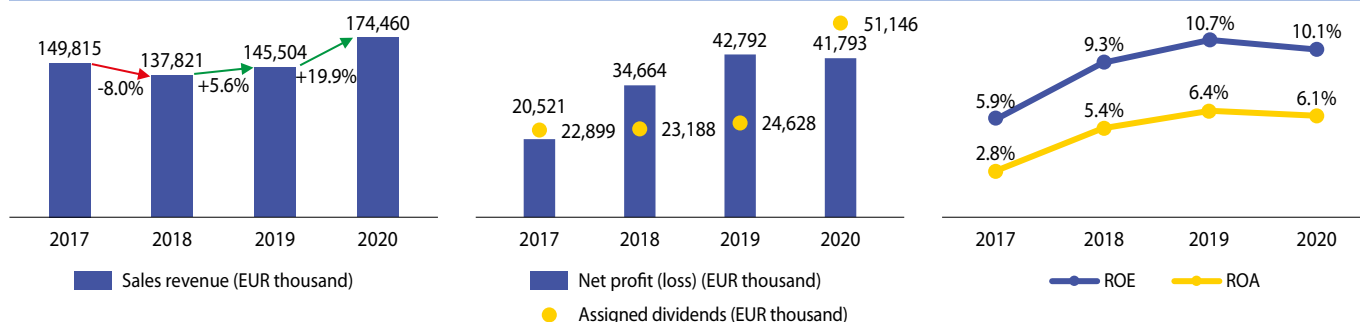
As the Company's net operating result remained at a similar level as in the previous reporting period, the return indicators also changed insignificantly. The return on assets (ROA) was 6.1%, i.e. 0.3 p. p. less than in 2019. The return on equity (ROE) was 10.1%, i.e. 0.6 p. p. less than in 2019.

In the reporting year, the Company invested EUR 1.1 million in non-current assets, while in 2019 – EUR 0.8 million. In 2020, investments were slightly higher due to increased investments in Kaunas HPP and Kruonis HPP.

- ↑ The amount of electricity produced and sold increased 2.5 times
- ↓ Net profit fell by 2.3% to EUR 41.8 million
- ↑ Sales revenue grew by 19.9% and reached EUR 174.5 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	145,504	174,460	+19.9%
Cost of goods sold	0	0	-
Gross profit (loss)	145,504	174,460	+19.9%
Cost of sales	55,956	69,834	+24.8%
General and administrative expenses	38,838	54,028	+39.1%
Results of other activities	215	112	-47.9%
Net financial items	-275	-335	-21.8%
Profit (loss) before taxes	50,650	50,375	-0.5%
Corporation tax	7,858	8,582	+9.2%
Net profit (loss)	42,792	41,793	-2.3%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	519,691	517,089	-0.5%
Current assets	142,837	167,081	+17.0%
Cash and cash equivalents	58,501	138,120	+136.1%
Deferred charges and accrued income	15,584	5,752	-63.1%
Total assets	678,112	689,922	+1.7%
Equity	410,053	417,513	+1.8%
Grants and subsidies	166,722	154,035	-7.6%
Provisions	16,890	35,192	+108.4%
Amounts payable and other liabilities	84,406	82,961	-1.7%
Amounts payable after one year and other non-current liabilities	52,252	50,748	-2.9%
<i>Financial liabilities</i>	26,876	22,479	-16.4%
Amounts payable within one year and other current liabilities	32,154	32,213	+0.2%
<i>Financial liabilities</i>	4,603	4,567	-0.8%
Accrued expenses and deferred income	41	221	+439.0%
Total equity and liabilities	678,112	689,922	+1.7%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	6.4%	6.1%	-0.3 p. p.
ROE	10.7%	10.1%	-0.6 p. p.
D/E	7.7%	6.5%	-1.2 p. p.
EBITDA	69,160	68,235	-1.3%
EBITDA margin	47.5%	39.1%	-8.4 p. p.
Net profit margin	29.4%	24.0%	-5.4 p. p.
RETURN TO SHAREHOLDER (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	25,272	51,192	+102.56%
INFORMATION ABOUT EMPLOYEES	POKYTIS		
Number of employees	356	362	+1.7%
Average monthly salary of executives (gross, EUR)	6,711	8,080	+20.4%
SHAREHOLDERS	OWNED SHARES		
AB Ignitis grupė			98.2%
Other shareholders			1.8%
MANAGEMENT (1 JUL 2021)			
General Director	Rimgaudas Kalvaitis		
Chairman of the Board of Directors	Rimgaudas Kalvaitis		
Members of the Board of Directors	Darius Kucinas Andrius Valivonis		
Chairman of the Supervisory Board	Dominykas Tučkus		
Members of the Supervisory Board	Živilė Skibarkienė Edvardas Jatautas*		

*Independent member



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 29 June**, the Company signed an agreement with AB Ignitis grupė for a long-term loan of EUR 200.0 million, the purpose of which is to refinance existing short-term liabilities intended to finance investments in the reliability and efficiency of the distribution network;

• **On 29 July**, the Company opened a permanent liquefied natural gas degassing station in Druskininkai. This station will ensure uninterrupted supply and distribution of natural gas;

• **On 3 November**, AB Ignitis grupė completed the mandatory redemption of the Company's shares, after which AB Ignitis grupė controlled 98.5% of ESO shares.

In 2020, 9.55 billion kWh of electricity was distributed to the Company's customers (9.55 billion kWh in 2019); the guaranteed supply accounted for 4.5%, and only the transmission service was provided to the remaining customers. Distribution costs in technological equipment during the period of 2020 amounted to 588.86 million kWh or 5.81% of the amount of electricity received. In 2020, compared to the data of 2019, the structure of electricity transmission volumes to objects did not change significantly: about 32.0% of the transmitted electricity was consumed by the residents, while the consumption by industry entities and service companies consumed 29.0% and 11.0%, respectively. From January to December 2020, 7.06 billion kWh of natural gas was transported via the Company's distribution pipelines, which is about 1.3% more than in 2019. The increase in volumes was mainly due to the lower average air temperature in December.

At the end of 2020, the Company's sales revenue amounted to EUR 484.8 million, which is 15.8% more than in 2019. During the analysed reporting period, the Company's revenue growth was influenced by the average 11.0% higher price of the electricity transmission service, which consists of the components of electricity transmission, distribution and public interest services (PSO), approved by the regulatory authority. The main source of the Company's revenue is electricity transmission revenue, which, compared to 2019, grew by 17.5% and amounted to EUR 443.3 million and accounted for 91.4% of total revenue. Gas distribution revenue accounted for 7.8% of total revenue, or EUR 37.6 million, an increase of 4.4% over 2020.

Purchases of electricity, natural gas and related services amounted to EUR 194.5 million and increased by 4.5% compared to 2019. This was mainly due to the increase in the price of electricity transmission. Personnel-related costs increased by 11.7% due to higher employee bonuses for the elimination of the effects of storm Laura, higher annual leave reserve costs and lower wage capitalization for investment projects. EBITDA increased to EUR 172.8 million or 37.0% due to the increased electricity transmission price. For the same reason, net profit in 2020 was twice as high as in 2019, reaching EUR 69.5 million. However, the net profit result was negatively affected by higher deferred corporation tax and interest costs. Dividends paid for 2020 amounted to EUR 55.5 million, i.e. 18.4% less than in 2019.

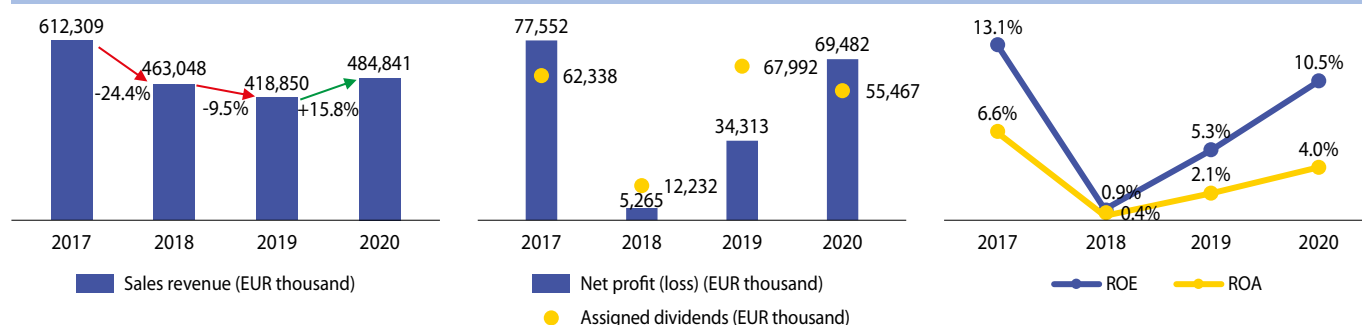
The Company's financial liabilities at the end of the reporting period amounted to EUR 673.3 million, of which 97.7% or EUR 657.7 million were long-term financial liabilities. Long-term financial liabilities grew the most by 41.3% due to the signing of a EUR 200.0 million loan agreement with AB Ignitis grupė. Due to financial liabilities, the D/E ratio increased from 96.7% to 101.2%. The better results of the Company are reflected in the Company's financial return indicators. Return on equity (ROE) increased by 5.2 p. p. to 10.5% at the end of the reporting period. Return on assets (ROA) grew accordingly.

The Company's investments in the renewal of the electricity distribution network amounted to EUR 49.1 million, which is 10.5% higher than in 2019. EUR 54.2 million was invested in the development of the electricity distribution network, which is 31.4% less than in 2019. The change in investment was due to lower connection costs for new customers. Investments in the construction of gas systems amounted to EUR 21.4 million and were 52.3% lower than in 2019, but investments in the reconstruction of gas systems increased by 37.1% and amounted to EUR 9.6 million. Other investments, which focused on IT systems, amounted to EUR 6.1 million, i.e. was 7.0% higher than in 2019.

- ↑ Sales revenue grew by 15.8% and reached EUR 484.8 million
- ↑ Net profit doubled to EUR 69.5 million
- ↑ ROE grew by 5.2 p. p. to 10.5%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	418,850	484,841	+15.8%
Cost of goods sold	0	0	-
Gross profit (loss)	418,850	484,841	+15.8%
Cost of sales	186,098	194,476	+4.5%
General and administrative expenses	188,515	200,374	+6.3%
Results of other activities	292	139	-52.4%
Net financial items	-10,238	-12,058	-17.8%
Profit (loss) before taxes	34,291	78,072	+127.7%
Corporation tax	-22	8,590	-
Net profit (loss)	34,313	69,482	+102.5%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	1,631,817	1,673,403	+2.5%
Current assets	73,872	88,997	+20.5%
Cash and cash equivalents	4,775	8,965	+87.7%
Deferred charges and accrued income and prepayments	917	1,123	+22.5%
Total assets	1,706,606	1,763,523	+3.3%
Equity	663,917	665,616	+0.3%
Grants and subsidies	15,156	21,318	+40.7%
Provisions	35,239	30,082	-14.6%
Amounts payable and other liabilities	740,831	766,783	+3.5%
Amounts payable after one year and other non-current liabilities	492,183	688,310	+39.8%
<i>Financial liabilities</i>	465,633	657,732	+41.3%
Amounts payable within one year and other current liabilities	248,648	78,473	-68.4%
<i>Financial liabilities</i>	176,268	15,549	-91.2%
Accrued expenses and deferred income	251,463	279,724	+11.2%
Total equity and liabilities	1,706,606	1,763,523	+3.3%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	2.1%	4.0%	+1.9 p. p.
ROE	5.3%	10.5%	+5.2 p. p.
D/E	96.7%	101.2%	+4.5 p. p.
EBITDA	126,150	172,846	+37.0%
EBITDA margin	30.1%	35.7%	+5.5 p. p.
Net profit margin	8.2%	14.3%	+6.1 p. p.
RETURN TO SHAREHOLDER (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	67,992	55,467	-18.4%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	2,374	2,424	+2.1%
Average monthly salary of executives (gross, EUR)	6,192	7,862	+27.0%
SHAREHOLDERS	OWNED SHARES		
AB Ignitis grupė			100.0%
MANAGEMENT (1 JUL 2021)			
General Director	Mindaugas Keizeris		
Chairman of the Board of Directors	Mindaugas Keizeris		
Members of the Board of Directors	Augustas Dragūnas Virgilijus Žukauskas Ovidijus Martinonis Renaldas Radvila		
Chairman of the Supervisory Board	Darius Maikštėnas		
Members of the Supervisory Board	Darius Kašauskas Kęstutis Betingis* Žaneta Kovaliova* Dalia Jakutavičė*		

*Independent member



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 gūsis, UAB Vėjo vatas, EURAKRAS UAB, UAB VVP Investment and Pomerania Wind Farm Sp. z o. O.

MAJOR EVENTS:

• **In September**, the Group selected OW Ocean Winds as a strategic partner for the development of an offshore wind farm project in Lithuania and signed a purchase agreement with OW Ocean Winds subsidiary for the acquisition of a 5% Moray West wind farm on the east coast of Great Britain and will be the small partner in the project;

• **In September**, the group has signed an agreement to acquire a portfolio of solar parks under development with a total capacity of up to 170 MW from the solar energy company Sun Investment Group.

During 2020, the Group produced 178.7 GWh and sold 174.6 GWh of electricity. During the 9 months of 2019, 121.5 GWh of electricity was produced and 118.4 GWh of electricity was sold. In 2020, all electricity farms managed by the Group operated without significant disruptions and the 98% wind farm availability indicator was achieved.

During the reporting period, the Group earned EUR 13.9 million in revenue, which was 38.0% more than in 2019 (EUR 10.1 million). In 2020, the absolute majority (99.7%) of the Group's revenue consisted of sales of electricity generated by wind farms. In 2020, the Group's operating costs increased by 60.9% to EUR 12.2 million compared to the previous financial year. The rise in costs is related to the growth in the payroll caused by the increase in the number of employees, the increase in the need for business servicing and management services, and the cost of repairs and maintenance of operating wind turbines. The Group's financial expenses also almost doubled to EUR 2.7 million, mainly due to higher interest rates on loans received and increased exchange rate losses, most of which are related to the development of Pomerania Wind Farm Sp. z o.o project. The faster growth of expenses than revenue resulted in negative changes in the Group's net result – from a profit of EUR 0.9 million in 2019 to a loss of EUR 0.1 million in 2020. However, the Group's EBITDA (excluding depreciation and financial expenses) increased by 18.9% compared to 2019 due to the fact that operating wind farms were connected to the Group from April 2019 (i.e. 2019 does not reflect the results of full year operation of the wind farms).

The value of assets managed by the Group increased by 49.7% during the reporting year to EUR 245.1 million. The majority (88.1%) of the Group's assets consisted of non-current assets, which increased by 57.5% over the year to EUR 215.9 million due to the construction of the Pomerania wind farm.

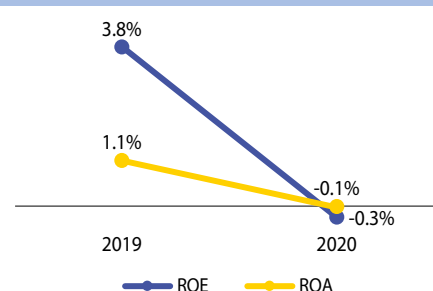
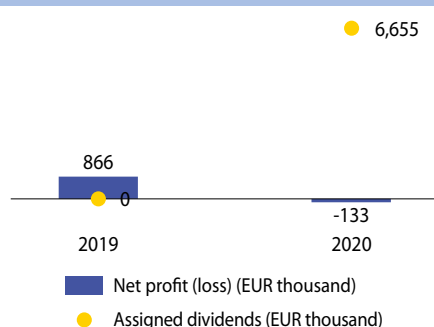
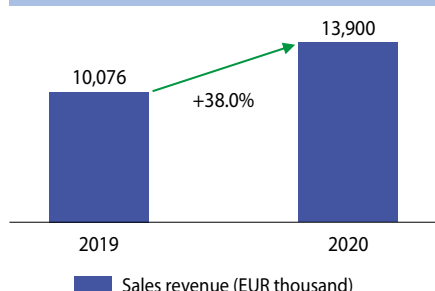
In 2020, the Group's liabilities amounted to EUR 201.8 million, i.e. 70.9% more than in 2019. As much as 91.2% of total liabilities were financial debt, which increased by 78.4% to EUR 183.4 million over the year. The increase was mainly due to the EUR 56.4 million contract signed with the European Investment Bank and the EUR 32.9 million contract with the Nordic Investment Bank for the implementation of the wind farm project. The Group's financial debt to equity ratio (D/E) was 423.5%, which indicates that the Group is developing its activities with very active borrowing.

↑ Sales revenue grew by 38.0%

↓ Net result decreased by EUR 1.0 million

↑ Value of assets under management increased by 49.7%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	10,076	13,900	+38.0%
Cost of goods sold	0	0	-
Gross profit (loss)	10,076	13,900	+38.0%
Cost of sales	7,561	12,166	+60.9%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	-1,348	-2,736	-103.0%
Profit (loss) before taxes	1,167	-1,002	-
Corporation tax	301	-869	-
Net profit (loss)	866	-133	-
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	137,107	215,901	+57.5%
Current assets	26,614	28,968	+8.8%
Cash and cash equivalents	19,885	11,434	-42.5%
Deferred charges and accrued income	0	263	-
Total assets	163,721	245,132	+49.7%
Equity	45,642	43,315	-5.1%
Grants and subsidies	0	0	-
Provisions	0	6	-
Amounts payable and other liabilities	118,079	201,811	+70.9%
Amounts payable after one year and other non-current liabilities	49,312	128,306	+160.2%
Financial liabilities	42,733	122,039	+185.6%
Amounts payable within one year and other current liabilities	68,767	73,505	+6.9%
Financial liabilities	60,083	61,413	+2.2%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	163,721	245,132	+49.7%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.1%	-0.1%	-1.2 p. p.
ROE	3.8%	-0.3%	-4.1 p. p.
D/E	225.3%	423.5%	+198.2 p. p.
EBITDA	7,495	8,913	+18.9%
EBITDA margin	74.4%	64.1%	-10.3 p. p.
Net profit margin	8.6%	-1.0%	-9.6 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned dividends	0	6,655	-
INFORMATION ABOUT EMPLOYEES			
	2019	2020	CHANGE
Number of employees	15	23	+53.3%
Average monthly salary of executives (gross, EUR)	2,508	2,739	+9.2%
SHAREHOLDERS			OWNED SHARES
AB Ignitis grupė			100.0%
MANAGEMENT (1 JUL 2021)			
General Director			Aleksandr Spiridonov



UAB Ignitis

www.ignitis.lt



Supply of electricity and natural gas

Managed companies: Ignitis Eesti OÜ (100%), Ignitis Latvia SIA (100%), Ignitis Polska s.p. z o.o. (100%) and Ignitis Suomi OY (100%) which was established in 2021.

MAJOR EVENTS:

- On 1 January, the supply of natural gas to Finland began;
- On 1 January, the organisational structure of the Company changed – the external customer service provider was abandoned;
- On 13 August, the Company started cooperating with the Estonian start-up Fusebox, which plans to become the first independent concentrator of electricity demand in Lithuania.

During 2020, the Company supplied customers with 14.7 TWh of natural gas, the amount of which increased by 49.5%, which is the largest amount of natural gas supplied since the beginning of the Company's operations. The majority (36.4%) of all natural gas was supplied to business clients in Lithuania, slightly less – to the residents (15.3%), the Finnish market (20.7%), the Latvian market (13.9%), LNG transshipment (0.4%) and the remaining part (13.2%) was sold on the Get Baltic natural gas exchange. The Company also sold 5.5 TWh of electricity in the course of its operations, i.e. 20.2% more than in 2019. The Company supplied 3.0 TWh of electricity to public clients and the remaining 2.5 TWh to business clients. The Company sold green electricity and supplied 1.5 TWh of green electricity to Lithuanian business clients, i.e. 89.3% more than in 2019.

During the reporting year, the Company's sales revenue increased by 16.8% and amounted to EUR 506.3 million. In the structure of revenue, public supply accounted for 32.6% of revenue, electricity supply for business accounted for 21.2% and natural gas sale to business accounted for 21.0%. The growth was mainly due to a 56.1% increase in revenues from natural gas export activities and a 2.2-fold increase in revenues from electricity supply to businesses to EUR 107.5 million. Such changes were determined by the opening of the Finnish market and only on 1 June 2019, the supply of electricity to businesses started.

In 2020, the Company's costs amounted to EUR 457.2 million, i.e. 4.6% more than in 2019. The major part (89.4%) of costs was accounted for by the cost of sales, which increased slightly by 0.4% due to increased purchases of electricity for supply. General and administrative costs increased by 61.6% to EUR 48.5 million. The growth was mainly due to a 3.5-fold increase in depreciation and amortization costs and a 2.8-fold increase in wage costs. Revenue growth had a positive impact on the Company's net profit of EUR 42.1 million, compared to a loss of EUR 5.3 million a year ago.

In 2020, the Company's distributable profit amounted to EUR 41.8 million, and dividends of EUR 39.7 million were allocated for 2020.

The Company's liabilities decreased by 36.7% to EUR 117.4 million. The decrease in liabilities was mainly due to the contraction of financial debts by 55.8% to EUR 48.8 million. Short-term financial liabilities decreased by EUR 70.0 million due to lower short-term loans to group companies. The decrease in liabilities had a positive effect on the debt-to-equity ratio D/E, which decreased from 273.4% to 59.2%.

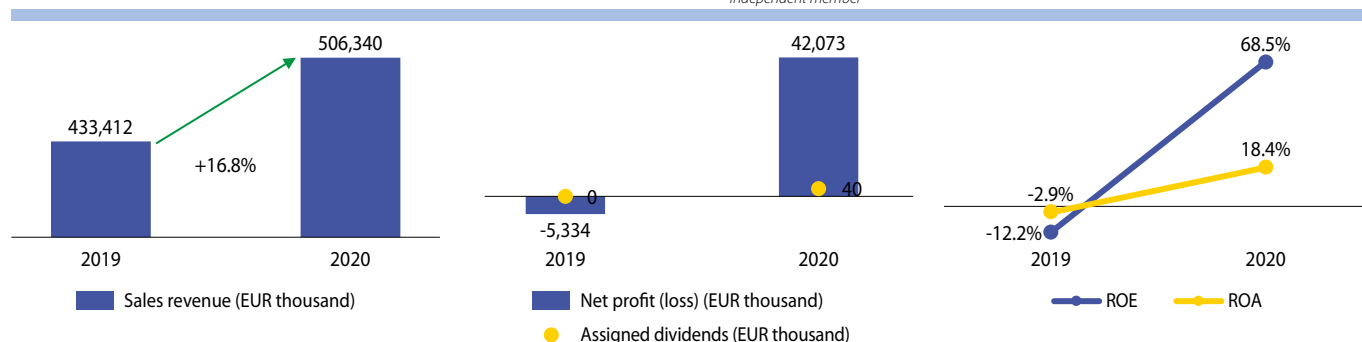
In the reporting year, faster growth in sales revenue than costs led to an increase in the gross profit margin by 13.2 p. p. to 19.3%, while the operating profit margin increased by 10.6 p. p. to 9.7%. The Company's EBITDA increased from EUR 1.5 million to EUR 67.6 million. The growth of the indicator was mainly influenced by increased revenue. The increase in net profit had a positive effect on the return indicators. The return on equity (ROE) increased by 80.7 p. p. to 68.5%, while the return on assets (ROA) increased by 21.3 p. p. to 18.4%.

The number of employees of the Company increased 2.7 times and reached 311 employees at the end of the reporting year. Since the beginning of the reporting year, 172 employees have been transferred to the Company from UAB Verslo aptarnavimo centras.

- ↑ Net profit earned amounted to EUR 42.1 million
- ↓ Liabilities decreased by 36.7% to EUR 117.4 million
- ↑ ROE increased by 80.7 p. p. to 68.5%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	433,412	506,340	+16.8%
Cost of goods sold	407,174	408,684	+0.4%
Gross profit (loss)	26,238	97,656	+272.2%
Cost of sales	0	0	-
General and administrative expenses	30,025	48,514	+61.6%
Results of other activities	0	0	-
Net financial items	-1,000	-1,543	-54.3%
Profit (loss) before taxes	-4,787	47,599	-
Corporation tax	547	5,526	+910.2%
Net profit (loss)	-5,334	42,073	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	59,952	50,981	-15.0%
Current assets	171,458	168,405	-1.8%
Cash and cash equivalents	23,409	23,291	-0.5%
Deferred charges and accrued income	927	5,063	+446.2%
Total assets	232,337	224,449	-3.4%
Equity	40,354	82,427	+104.3%
Grants and subsidies	0	0	-
Provisions	93	153	+64.5%
Amounts payable and other liabilities	185,394	117,380	-36.7%
Amounts payable after one year and other non-current liabilities	31,077	39,594	+27.4%
Financial liabilities	30,737	38,901	+26.6%
Amounts payable within one year and other current liabilities	154,317	77,786	-49.6%
Financial liabilities	79,577	9,909	-87.5%
Accrued expenses and deferred income	6,496	24,489	+277.0%
Total equity and liabilities	232,337	224,449	-3.4%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-2.9%	18.4%	+21.3 p. p.
ROE	-12.2%	68.5%	+80.7 p. p.
D/E	273.4%	59.2%	-214.2 p. p.
EBITDA	1,525	67,613	+4,333.6%
EBITDA margin	0.4%	13.4%	+13.0 p. p.
Net profit margin	-1.2%	8.3%	+9.5 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	40	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	117	311	+165.8%
Average monthly salary of executives (gross, EUR)	7,946	8,204	+3.2%
SHAREHOLDERS	OWNED SHARES		
AB Ignitis grupe			100.0%
MANAGEMENT (1 JUL 2021)			
General Director	Darius Montvila		
Chairman of the Board of Directors	Darius Montvila		
Members of the Board of Directors	Tadas Adomaitis Artūras Bortkevičius Andrius Kavaliauskas Haroldas Nausėda		
Chairman of the Supervisory Board	Vidmantas Salietis		
Members of the Supervisory Board	Paulius Dambrauskas		

*Independent member



UAB NT Valdos

www.ignitisgrupe.lt/lt/nt-valdos-uab



MAJOR EVENTS:

• **As of 1 October 2020**, the Company no longer provides property lease services and all owned real estate held for lease has been sold;

• **In 2020**, the organisational structure of the Company was changed.

At the end of 2020, the Company did not have any real estate under management and no longer provided rental services. For comparison, in 2019 the Company owned 7 objects, 6 of which were held for rent. In the course of 2020, the Company provided real estate rental services to 39 customers, i.e. 309 customers less than in 2019.

In 2020, the Company's sales revenue amounted to EUR 523.0 thousand, i.e. 86.0% less than in 2019. Rental income decreased by EUR 2.0 million and utility income decreased by EUR 1.1 million.

Cost of sales decreased by 78.4% to EUR 974.0 thousand. The change was due to a decrease in wage costs by EUR 827.0 thousand, a decrease in utility costs by EUR 768.0 thousand and a decrease in tax expenses by EUR 399.0 thousand. The decrease in costs was also influenced by the EUR 1.3 million impairment of non-current assets held for sale in 2019. The faster contraction of the Company's revenue had a negative impact on the operating profit margin, which decreased by 65.4 p. p. to -86.2%. The costs incurred by the Company exceeded the earned revenue, which resulted in a negative operating result. **A loss of EUR -144.0 thousand was recorded in the reporting year.**

In 2020, the Company paid dividends of EUR 3.8 million to AB Ignitis grupė for 2019.

At the end of 2020, the value of assets managed by the Company amounted to EUR 5.7 million, i.e. 44.0% less than in 2019. At the end of the reporting year, the Company had no non-current assets, in 2020 investment assets worth EUR 1.8 million were sold. Non-current assets sold for EUR 4.8 million were also held for sale. The Company's cash and cash equivalents increased from EUR 45.0 thousand to EUR 5.2 million.

During the reporting year, the Company's liabilities decreased by 82.5% to EUR 143.0 thousand. The change was mainly due to a EUR 452.0 thousand decrease in advances and a decrease of EUR 183.0 thousand in trade payables. In 2020, the Company had no financial debts.

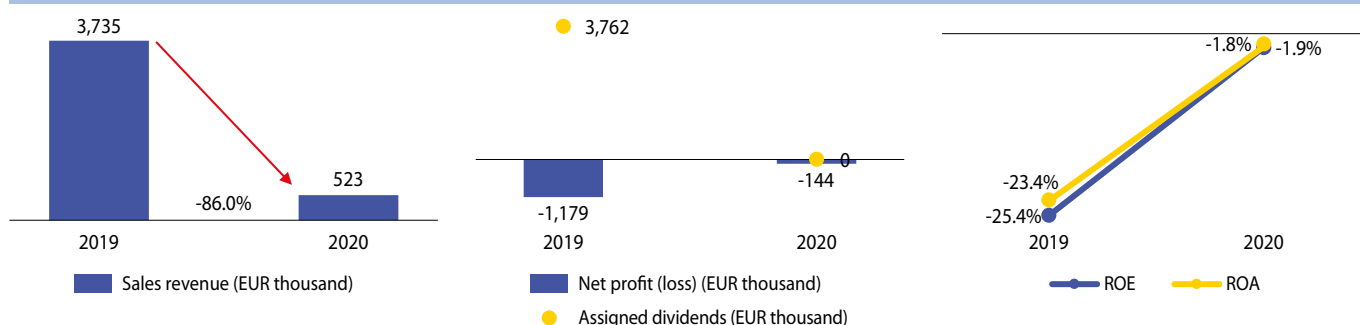
The decrease in the Company's loss from EUR 1.2 million to EUR 144.0 thousand had a positive effect on the financial return, but remained negative. The return on equity (ROE) changed by 10.8% to -1.9%, while the return on assets (ROA) increased by 23.5 p. p. to -1.8%.

The number of employees of the Company decreased from 14 to 1 employee. During 2020, the organisational structure was changed and the number of employees was reduced, the only employee left is temporarily holding the position of the Company's manager.

- ↓ Sales revenue fell by 86.0% to EUR 0.5 million
- ↓ Value of assets under management decreased by 44.0% to EUR 5.7 million
- ↓ Liabilities decreased by 82.5% to EUR 0.1 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	3,735	523	-86.0%
Cost of goods sold	0	0	-
Gross profit (loss)	3,735	523	-86.0%
Cost of sales	4,512	974	-78.4%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	64	14	-78.1%
Profit (loss) before taxes	-713	-437	+38.7%
Corporation tax	466	-293	-
Net profit (loss)	-1,179	-144	+87.8%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	1,751	0	-
Current assets	8,334	5,651	-32.2%
Cash and cash equivalents	45	5,185	+11,422.2%
Deferred charges and accrued income	4	1	-75.0%
Total assets	10,089	5,652	-44.0%
Equity	9,274	5,501	-40.7%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	815	143	-82.5%
Amounts payable after one year and other non-current liabilities	25	0	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	790	143	-81.9%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	8	-
Total equity and liabilities	10,089	5,652	-44.0%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-23.4%	-1.8%	+21.5 p. p.
ROE	-25.4%	-1.9%	+23.5 p. p.
D/E	0.0%	0.0%	
EBITDA	-735	-442	+39.9%
EBITDA margin	-19.7%	-84.5%	-64.8 p. p.
Net profit margin	-31.6%	-27.5%	+4.0 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	3,762	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	14	1	-92.9%
Average monthly salary of executives (gross, EUR)	7,075	12,778	+80.6%
SHAREHOLDERS	OWNED SHARES		
AB Ignitis grupė	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	I. e. p. Sigutė Dainienė		
Chairman of the Board of Directors	Vidmantas Saliotis		
Members of the Board of Directors	Jonas Rimavičius		

*Independent member



UAB Ignitis grupės paslaugų centras

www.ignitisgrupe.lt/lt/uab-ignitis-grupes-paslaugu-centras



Company's activities – provision of IT and telecommunications, public procurement organisation, accounting, labour relations administration, legal consultations, customer service, training organisation, as well as selection, operational mastery, document management and communication services to AB Ignitis grupė Group

MAJOR EVENTS:

• **On 1 January**, UAB Ignitis grupės paslaugų centras and UAB Verslo aptarnavimo centras were merged into one internal Group service centre;

• **In April**, according to the plan of the project implemented by the Group, an agreement on the implementation of the Business Management System in the Group companies was concluded;

• **In July**, by the decision of the shareholder, the authorized capital of the Company was increased by EUR 4.4 million, with the shareholder making EUR 3.2 million in cash and EUR 1.1 million in non-monetary contributions.

The Company provides services of 8 service groups: IT, law, procurement, communications, accounting, people and culture, document management, and from 2020 and asset management services.

The Company's sales revenue increased 60.4% to EUR 27.5 million. The growth was mainly due to EUR 10.4 million in revenue from contracts with customers, which increased due to the volume of services provided by UAB Verslo aptarnavimo centras, which was merged on 1 January 2020. Revenues from information technology and telecommunications maintenance services also increased by 6.0%.

General and administrative costs amounted to EUR 26.5 million, i.e. 63.2% more than in 2019. The change was mainly due to a 2.8-fold increase in wage costs to EUR 15.2 million. The increase in these costs was determined by the transfer of 268 employees from UAB Verslo aptarnavimo centras. The Company's operating profit margin decreased by 1.7% to 3.9% due to increased operating costs. Changes in sales revenue and costs resulted in a **19.8% increase in net profit to EUR 931.0 thousand.**

At the end of the reporting year, the value of assets increased by 48.9% and amounted to EUR 21.8 million. The increase was mainly due to a EUR 3.3 million increase in amounts receivable within one year. There was also an increase in the value of intangible assets under management of EUR 2.6 million due to higher investment needs for information technology and telecommunications services.

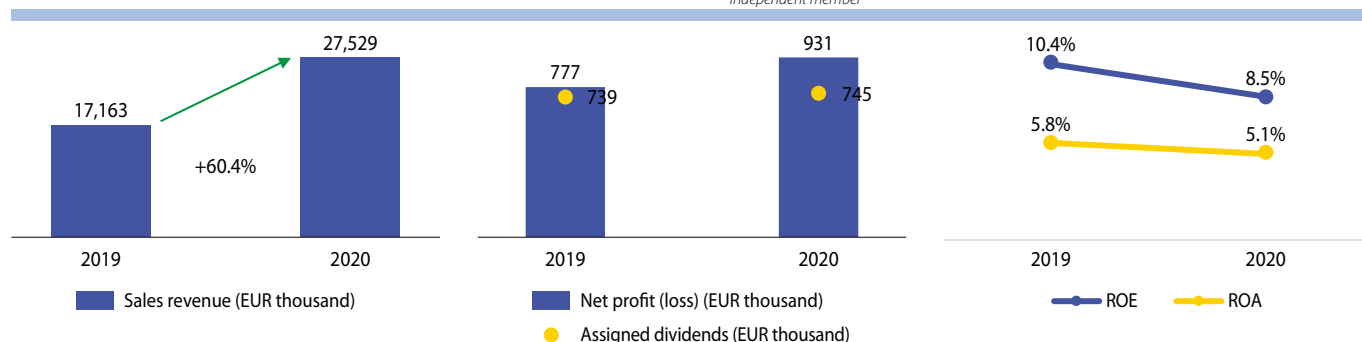
During 2020, the Company's liabilities increased by 2.4% and amounted to EUR 5.1 million. The change was influenced by a 107.0% increase in accrued costs related to employment and a 42.2% increase in trade payables. Financial debt decreased by 31.5% to EUR 2.1 million due to lower indebtedness to group companies. The decrease in financial liabilities and the increase in equity led to a decrease in the debt-to-equity ratio D/E by 22.9% to 15.3%.

The growth of assets and equity managed by the Company resulted in lower return rates. The return on assets (ROA) decreased by 0.7 p. p. to 5.1%, while the return on equity (ROE) shrank by 1.9 p. p. to 8.5%.

- ↑ EBITDA increased by 21.4% to EUR 5.2 million
- ↑ Net profit increased by 19.8% to EUR 0.9 million
- ↑ Value of assets under management increased by 48.9% to EUR 21.8 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	17,163	27,529	+60.4%
Cost of goods sold	0	0	-
Gross profit (loss)	17,163	27,529	+60.4%
Cost of sales	0	0	-
General and administrative expenses	16,212	26,464	+63.2%
Results of other activities	0	0	-
Net financial items	-11	-16	-45.5%
Profit (loss) before taxes	940	1,049	+11.6%
Corporation tax	163	118	-27.6%
Net profit (loss)	777	931	+19.8%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	9,471	12,123	+28.0%
Current assets	4,552	8,353	+83.5%
Cash and cash equivalents	421	942	+123.8%
Deferred charges and accrued income	634	1,352	+113.2%
Total assets	14,657	21,828	+48.9%
Equity	8,081	13,801	+70.8%
Grants and subsidies	0	0	-
Provisions	139	139	-
Amounts payable and other liabilities	5,024	5,143	+2.4%
Amounts payable after one year and other non-current liabilities	893	1,151	+28.9%
<i>Financial liabilities</i>	860	1,151	+33.8%
Amounts payable within one year and other current liabilities	4,131	3,992	-3.4%
<i>Financial liabilities</i>	2,228	964	-56.7%
Accrued expenses and deferred income	1,413	2,745	+94.3%
Total equity and liabilities	14,657	21,828	+48.9%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	5.8%	5.1%	-0.7 p. p.
ROE	10.4%	8.5%	-1.9 p. p.
D/E	38.2%	15.3%	-22.9 p. p.
EBITDA	4,263	5,177	+21.4%
EBITDA margin	24.8%	18.8%	-6.0 p. p.
Net profit margin	4.5%	3.4%	-1.1 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	739	745	+0.8%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	185	472	+175.7%
Average monthly salary of executives (gross, EUR)	7,478	8,334	+11.4%
SHAREHOLDERS	OWNED SHARES		
AB Ignitis grupė			50.5%
AB Energijos skirstymo operatorius			26.4%
AB Ignitis gamyba			21.5%
UAB Ignitis			1.7%
MANAGEMENT (1 JUL 2021)			
General Director	Irma Kaukienė		
Chairman of the Board of Directors	Živilė Skibarkienė		
Members of the Board of Directors	Darius Montvila Mindaugas Keizeris		

*Independent member



UAB Energetikos paslaugų ir rangos organizacija

www.enepro.lt



MAJOR EVENTS:

- In 2020, the Company completed the reconstruction project of the VE-3 switchyard, i.e. obligations under the last construction contract;
- On 10 May 2021, the sole shareholder of the Company, AB Ignitis grupė, made a decision to liquidate UAB Energetikos paslaugų ir rangos organizacija. The end of the Company's liquidation proceedings is scheduled for 31/10/2021.

The main customer of the Company in 2020 was AB Litgrid. On 13 April 2018, a decision was made to start the termination of the Company's operations by conducting a consistent withdrawal business.

Company's revenue increased by 18.2% to EUR 812.0 thousand The major part (89.4%) of revenue was received from the Vilnius E-3 110 kV switchyard reconstruction project. The rest consisted of other revenue, which increased from EUR 8.0 thousand to EUR 86.0 thousand.

General and administrative expenses amounted to EUR 1.2 million, i.e. 22.9% less than in 2019. The decrease in the Company's expenses was caused by a 49.3% lower repair and maintenance costs and lower business service costs. The increase in revenue and the decrease in expenses affected the change in the operating profit margin, by 78.0 p. p. to -46.3%. During the reporting year, **the Company incurred a loss of EUR 45.0 thousand.** For comparison, in 2019 a loss of EUR 744.0 thousand was recorded.

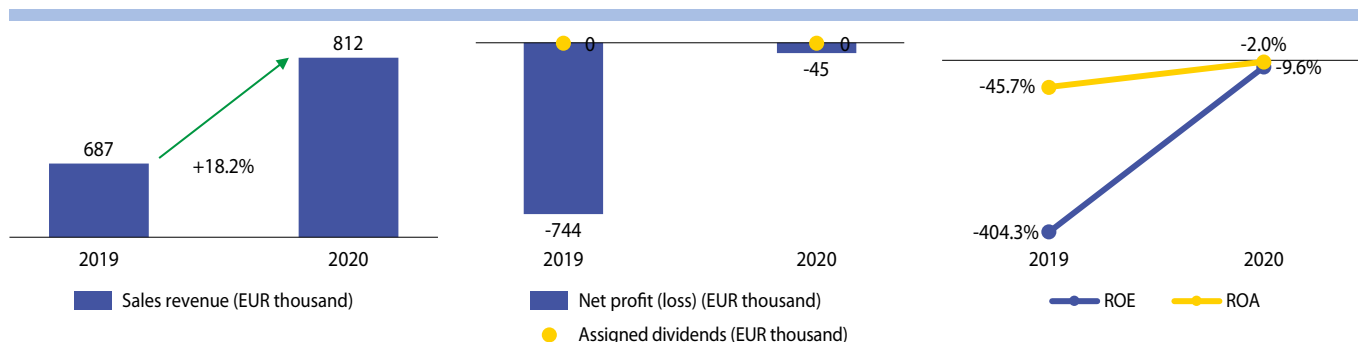
At the end of 2020, the value of assets managed by the Company amounted to EUR 1.2 million, i.e. 63.3% less than in 2019. The change was due to a decrease of EUR 1.6 million in cash and cash equivalents and a decrease of EUR 0.5 million in receivables over one year. **The Company's liabilities amounted to EUR 0.6 million and, compared to 2019, decreased by 78.5%.** The decrease in liabilities was due to a decrease in short-term financial debts by EUR 1.9 million due to the repayment of loans to AB Ignitis grupė companies. The balance of financial debts of EUR 2.0 thousand consists of interest payable. The change in the Company's liabilities led to a decrease in the debt-to-equity ratio (D/E ratio) by 530.1 p. p. to 0.4%.

During the reporting year, the Company's return indicators remained negative, but the lower loss and impairment of assets resulted in a change in ROA of 43.7 p. p. to -2.0%. The return on equity (ROE) also changed by 394.7 p. p. to -9.6%.

During 2020, due to the abandonment of contracting activities, the number of employees of the Company decreased from 21 to 5 employees.

- ↑ The loss decreased from EUR -744.0 thousand to EUR -45.0 thousand
- ↓ Value of assets under management decreased by 63.3% to EUR 1.2 million
- ↓ Liabilities decreased by 78.5% to EUR 0.6 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		687	812	+18.2%
Cost of goods sold		0	0	-
Gross profit (loss)		687	812	+18.2%
Cost of sales		0	0	-
General and administrative expenses		1,541	1,188	-22.9%
Results of other activities		0	0	-
Net financial items		-51	-28	+45.1%
Profit (loss) before taxes		-905	-404	+55.4%
Corporation tax		161	359	+123.0%
Net profit (loss)		-744	-45	+94.0%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		113	0	-
Current assets		3,145	1,195	-66.8%
Cash and cash equivalents		2,483	896	-63.9%
Deferred charges and accrued income		0	0	-
Total assets		3,258	1,195	-63.3%
Equity		368	573	+55.7%
Grants and subsidies		0	0	-
Provisions		0	0	-
Amounts payable and other liabilities		2,890	622	-78.5%
Amounts payable after one year and other non-current liabilities		5	0	-
Financial liabilities		0	0	-
Amounts payable within one year and other current liabilities		2,885	622	-78.4%
Financial liabilities		1,952	2	-99.9%
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		3,258	1,195	-63.3%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		-45.7%	-2.0%	+43.7 p. p.
ROE		-404.3%	-9.6%	+394.7 p. p.
D/E		530.4%	0.3%	-530.1 p. p.
EBITDA		-829	-373	+55.0%
EBITDA margin		-120.7%	-45.9%	+74.7 p. p.
Net profit margin		-108.3%	-5.5%	-102.8 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)		2019	2020	CHANGE
Assigned dividends		0	0	-
INFORMATION ABOUT EMPLOYEES		2019	2020	CHANGE
Number of employees		21	5	-76.2%
Average monthly salary of executives (gross, EUR)		6,594	8,159	+23.7%
SHAREHOLDERS			OWNED SHARES	
AB Ignitis grupė			100.0%	
MANAGEMENT (1 JUL 2021)				
General Director			Laurynas Jocy	



Tuuleenergia OU

www.ignitisgrupe.lt/lt/tuuleenergia-osauhing



The Company operates 18.3 MW 6 wind farm parks in Mali and Tamba, Estonia. In 2020, 63.7 GWh of energy was produced, i.e. 15.6% more than in 2019. The Company's operations are affected by seasonality as most of the electricity is produced and sold during the winter season.

The Company's sales revenue fell by 8.2% to EUR 3.8 million. The change was mainly due to a 19.8% lower electricity market price.

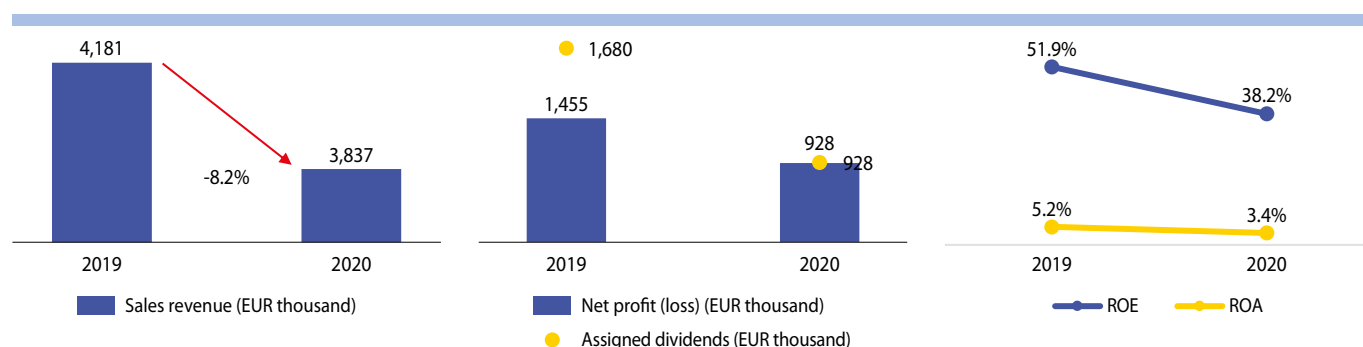
During the reporting year, the Company's operating costs increased by 4.9% to EUR 1.9 million. Depreciation and amortization expenses, which accounted for the largest share (69.2%) of operating costs in 2020, did not change significantly compared to the previous period. The increase in operating costs was due to a 25.2% increase in repair and maintenance costs. The decrease in revenue and the increase in operating costs had a negative impact on the operating profit margin, which decreased by 6.2 p. p. to 49.9%. The Company's EBITDA decreased by 18.4% to EUR 1.9 million, while **net profit decreased by 36.2% to EUR 0.9 million.**

The Company's financial debts consisted of the balance of a long-term loan of AB Ignitis grupė – EUR 19.5 million. During the reporting year, the Company's equity decreased by 26.8% to EUR 2.1 million due to dividends paid in 2020. This change led to an increase in the debt-to-equity ratio (D/E ratio) by 254.0 p. p. to 949.2%.

The lower net profit earned during the reporting year had a negative impact on the dynamics of return indicators. The return on equity (ROE) decreased by 13.7 p. p. to 38.2% and the return on assets (ROA) shrank by 1.8 p. p. to 3.4%.

- ↓ Sales revenue fell by 8.2% to EUR 3.8 million
- ↓ Net profit fell by 36.2% to EUR 0.9 million
- ↓ Return on equity (ROE) shrank by 13.7 p. p. to 38.2%.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	4,181	3,837	-8.2%
Cost of goods sold	0	0	-
Gross profit (loss)	4,181	3,837	-8.2%
Cost of sales	1,432	1,431	-0.1%
General and administrative expenses	404	492	+21.8%
Results of other activities	0	0	-
Net financial items	-665	-592	+11.0%
Profit (loss) before taxes	1,680	1,322	-21.3%
Corporation tax	225	394	+75.1%
Net profit (loss)	1,455	928	-36.2%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	24,272	22,569	-7.0%
Current assets	3,606	4,115	+14.1%
Cash and cash equivalents	2,831	3,539	+25.0%
Deferred charges and accrued income	0	0	-
Total assets	27,878	26,684	-4.3%
Equity	2,805	2,053	-26.8%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	25,073	24,631	-1.8%
Amounts payable after one year and other non-current liabilities	24,281	23,893	-1.6%
Financial liabilities	19,485	19,471	-0.1%
Amounts payable within one year and other current liabilities	792	738	-6.8%
Financial liabilities	14	15	+7.1%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	27,878	26,684	-4.3%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	5.2%	3.4%	-1.8 p. p.
ROE	51.9%	38.2%	-13.7 p. p.
D/E	695.2%	949.2%	+254.0 p. p.
EBITDA	2,345	1,914	-18.4%
EBITDA margin	56.1%	49.9%	-6.2 p. p.
Net profit margin	34.8%	24.2%	-10.6 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned dividends	1,680	928	-44.8%
INFORMATION ABOUT EMPLOYEES			
	2019	2020	CHANGE
Number of employees	1	1	-
Average monthly salary of executives (gross, EUR)	427	543	+0.2%
SHAREHOLDERS			
OWNED SHARES			
AB Ignitis grupė			100.0%
MANAGEMENT (1 JUL 2021)			
General Director			Aleksandr Spiridonov



UAB Elektroninių mokėjimų agentūra

www.ignitisgrupe.lt/lt/uab-elektroniniu-mokejimu-agentura



MAJOR EVENTS:

• On 23 July, the Company's electronic money institution license No. 13 was revoked and the payment institution's license No. 49 was issued.

The Company's revenue in 2020 increased by 10.5% and amounted to EUR 757.0 thousand. The largest part (74.0%) was received from service providers, which increased by EUR 88.0 thousand. The remaining part (26.0%) consisted of revenue from services and commissions of natural persons, which decreased by EUR 16.0 thousand.

In 2020, general and administrative expenses amounted to EUR 669.0 thousand, i.e. 23.9% more than in 2019. The increase was mainly due to a 45.5% increase in other costs and a 24.8% increase in wage costs. The increase in other costs is related to higher expenses for business servicing and business management services. Faster expenditure growth had a negative impact on the operating profit margin, which shrank by 9.5 p. p. to 11.6%. **This change also resulted in a decrease of the Company's net profit by 40.3% to EUR 74.0 thousand.**

The net profit earned by the Company in the reporting year was intended to reduce retained earnings, therefore no dividends were allocated for 2020.

The value of assets managed by the Company at the end of 2020 amounted to EUR 1.1 million, i.e. 5.0% more than in 2019. Growth was driven by a 30.4% increase in cash and cash equivalents.

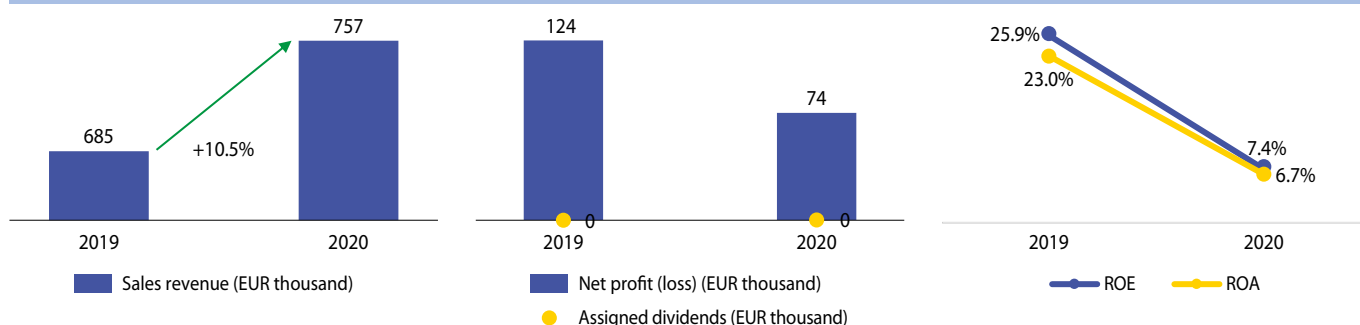
The Company's liabilities decreased by 46.8% to EUR 41.0 thousand. During 2020, the Company's financial debt, which consisted of lease liabilities, decreased by 88.5% to EUR 3.0 thousand. The change led to a decrease in the debt-to-equity ratio D/E by 2.4 p. p. to 0.3%.

Declining net profit and growth in assets and equity led to lower returns. The return on equity (ROE) shrank by 18.5 p. p. to 7.4% and the return on assets (ROA) decreased by 16.3 p. p. to 6.7%.

- ↑ Revenue increased by 10.5% to EUR 757.0 thousand
- ↓ Net profit fell by 40.3% to EUR 74.0 thousand
- ↓ Return on equity decreased by 18.4 p. p.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	685	757	+10.5%
Cost of goods sold	0	0	-
Gross profit (loss)	685	757	+10.5%
Cost of sales	0	0	-
General and administrative expenses	540	669	+23.9%
Results of other activities	0	0	-
Net financial items	1	0	-
Profit (loss) before taxes	146	88	-39.7%
Corporation tax	22	14	-36.4%
Net profit (loss)	124	74	-40.3%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	316	224	-29.1%
Current assets	758	905	+19.4%
Cash and cash equivalents	635	828	+30.4%
Deferred charges and accrued income	2	1	-50.0%
Total assets	1,076	1,130	+5.0%
Equity	958	1,031	+7.6%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	77	41	-46.8%
Amounts payable after one year and other non-current liabilities	13	0	-
Financial liabilities	13	0	-
Amounts payable within one year and other current liabilities	64	41	-35.9%
Financial liabilities	13	3	-76.9%
Accrued expenses and deferred income	41	58	+41.5%
Total equity and liabilities	1,076	1,130	+5.0%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	23.0%	6.7%	-16.3 p. p.
ROE	25.9%	7.4%	-18.5 p. p.
D/E	2.7%	0.3%	-2.4 p. p.
EBITDA	258	212	-17.8%
EBITDA margin	37.7%	28.0%	-9.7 p. p.
Net profit margin	18.1%	9.8%	-8.3 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	5	5	-
Average monthly salary of executives (gross, EUR)	5,715	5,751	+0.6%
SHAREHOLDERS	OWNED SHARES		
AB Ignitis grupė			100.0%
MANAGEMENT (1 JUL 2021)			
General Director	Gabrielė Lubyte		
Chairman of the Board of Directors	Vidmantas Saliotis		
Members of the Board of Directors	Živilė Skibarkienė		

*Independent member



UAB Vilniaus kogeneracinė jėgainė

www.vkj.lt



MAJOR EVENTS:

- On 16 January, the remaining part of the authorized capital of EUR 11.3 million was covered, the capital of the Company is EUR 52.3 million;
- On 6 October, a decision was made to terminate the contract with one of the main contractors and to continue the works of the biofuel power plant after new public procurements;

The main activity of the Company is to build and prepare for operation a cogeneration power plant in Vilnius, which will use the remaining household waste for energy production. The Company's main future customers are expected to be AB Vilniaus šilumos tinklai, waste management centres and other waste managers. The electricity will be sold on the electricity exchange Nord Pool AS.

In 2020, continuing the implementation of the Project, the Company received revenue from resold inventories to the contractor for power plant testing (EUR 119.0 thousand) and from financial activities (EUR 113.0 thousand), from lending to other group companies through a mutual lending platform.

The Company's operating costs amounted to EUR 3.4 million, i.e. 2.6 times more than in 2019. The increase in expenses was determined by the formation of the power plant maintenance and operation team – the number of employees changed from 44 to 87 during the year. In the reporting year, **the Company's operating loss amounted to EUR 2.8 million, i.e. loss of EUR 1.7 million higher than in 2019.**

The value of assets managed by the Company at the end of the year amounted to EUR 302.1 million and, compared to 2019, increased by 26.1%. The increase in the value of assets was mainly due to the increase in property, plant and equipment by EUR 30.3 million and the increase in cash and cash equivalents by EUR 26.8 million.

During 2020, the Company's liabilities increased by 31.8% and amounted to EUR 147.3 million. Liabilities of EUR 139.6 million consisted of a loan from the European Investment Bank from the European Fund for Strategic Investments for the construction of a cogeneration power plant in Vilnius. The increase in liabilities contributed to a 15.8 p. p. increase in the debt-to-equity ratio D/E to 300.6%.

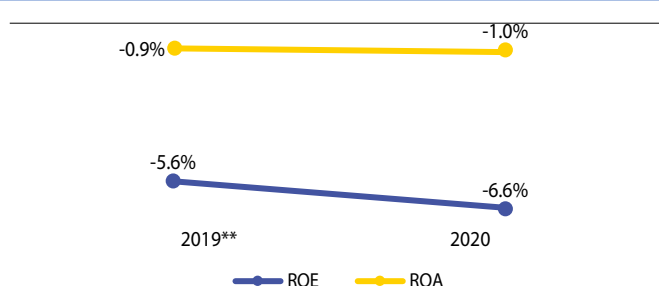
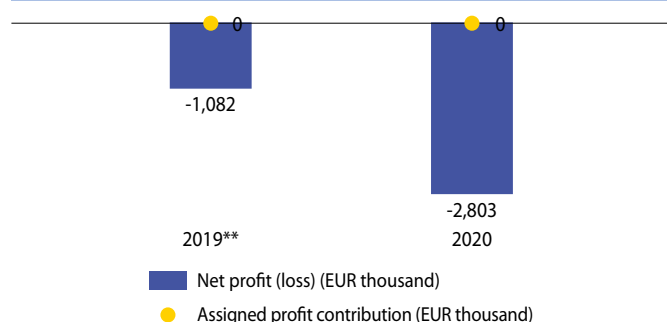
The loss incurred by the Company resulted in lower rates of return, with the return on assets (ROA) changing from -0.9% to -1.0% and the return on equity (ROE) from -5.6% to -6.6%.

Grants received by the Company increased by 20.8% to EUR 107.8 million. As of 31 December 2020, the Company has already received EUR 107.8 million from the EU Structural Funds.

- ↓ Loss increased from EUR 1.1 million to EUR 2.8 million
- ↑ Value of assets under management increased by 26.1% to EUR 302.1 million
- ↑ Liabilities increased by 31.8% to EUR 147.3 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	0	0	-
Cost of goods sold	0	0	-
Gross profit (loss)	0	0	-
Cost of sales	0	0	-
General and administrative expenses	1,307	3,389	+159.3%
Results of other activities	0	119	-
Net financial items	32	105	+228.1%
Profit (loss) before taxes	-1,275	-3,165	-148.2%
Corporation tax	-193	-362	-87.6%
Net profit (loss)	-1,082	-2,803	-159.1%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	238,940	270,390	+13.2%
Current assets	538	31,662	+5,785.1%
Cash and cash equivalents	267	27,023	+10,021.0%
Deferred charges and accrued income	0	0	-
Total assets	239,478	302,052	+26.1%
Equity	38,427	46,938	+22.1%
Grants and subsidies	89,245	107,774	+20.8%
Provisions	0	2	-
Amounts payable and other liabilities	111,806	147,338	+31.8%
Amounts payable after one year and other non-current liabilities	100,428	139,957	+39.4%
<i>Financial liabilities</i>	100,428	139,957	+39.4%
Amounts payable within one year and other current liabilities	11,378	7,381	-35.1%
<i>Financial liabilities</i>	9,012	1,127	-87.5%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	239,478	302,052	+26.1%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-0.9%	-1.0%	-0.1 p. p.
ROE	-5.6%	-6.6%	-1.0 p. p.
D/E	284.8%	300.6%	15.8 p. p.
EBITDA	-1,216	-3,096	-154.6%
EBITDA margin	0.0%	0.0%	-
Net profit margin	0.0%	0.0%	-
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	44	87	+97.7%
Average monthly salary of executives (gross, EUR)	6,050	7,371	+21.8%
SHAREHOLDERS	OWNED SHARES		
AB Ignitis grupė			100.0%
MANAGEMENT (1 JUL 2021)			
General Director	Mantas Burokas		
Chairman of the Board of Directors	Nerijus Rasburskis		
Members of the Board of Directors	Paul K. Dainora*		

*Independent member



UAB Kauno kogeneracinė jėgainė

www.kkj.lt



MAJOR EVENTS:

- **On 1 August**, by the decision of the Board of the Company, commercial activities were started;
- **On 21 October**, the final deed of the State Commission for the completion of the construction of the power plant was received;
- **On 20 November**, NCC issued a permit to the Company to operate in the electricity sector – to generate electricity.

The cogeneration power plant is able to handle 200.0 thousand tonnes of non-recyclable, energy-value municipal waste and non-hazardous industrial waste per year, from which 500.0 GWh of heat and 170.0 GWh of electricity are produced. Heat energy is supplied to the centralized heat supply network of Kaunas city, while electricity is supplied to the national electricity transmission network. The power plant is able to produce about 40.0% of the total heat demand of Kaunas city.

The Company's sales revenue in 2020 amounted to EUR 7.1 million.

Of this, revenue from waste management was EUR 3.3 million, revenue from electricity trade was EUR 2.4 million, revenue from heat supply was EUR 1.3 million and revenue from electricity balancing and regulation was EUR 88.0 thousand. For comparison, in 2019 the Company was not engaged in commercial activities and had no sales revenue.

The cost of sales of the Company was EUR 7.4 million. Expenses previously recorded in the general and administrative expenses account were transferred to the cost of sales account. Depreciation and amortization costs of EUR 2.4 million, revaluation and utilization costs of EUR 1.6 million and higher electricity and heat generation costs of EUR 1.3 million had the largest impact on the increase in expenses. The Company's EBITDA increased by EUR 3.7 million to EUR 2.2 million, driven by revenue from the initiated activities. At the end of the year, **the Company incurred a loss of EUR 1.2 million, i.e. 24.0% lower loss than in 2019.**

During 2020, the value of assets managed by the Company increased by 43.2% to EUR 160.1 million. The increase was mainly due to a EUR 36.3 million increase in the value of tangible assets and a EUR 4.8 million increase in intangible assets. Cash and cash equivalents also increased by EUR 5.6 million.

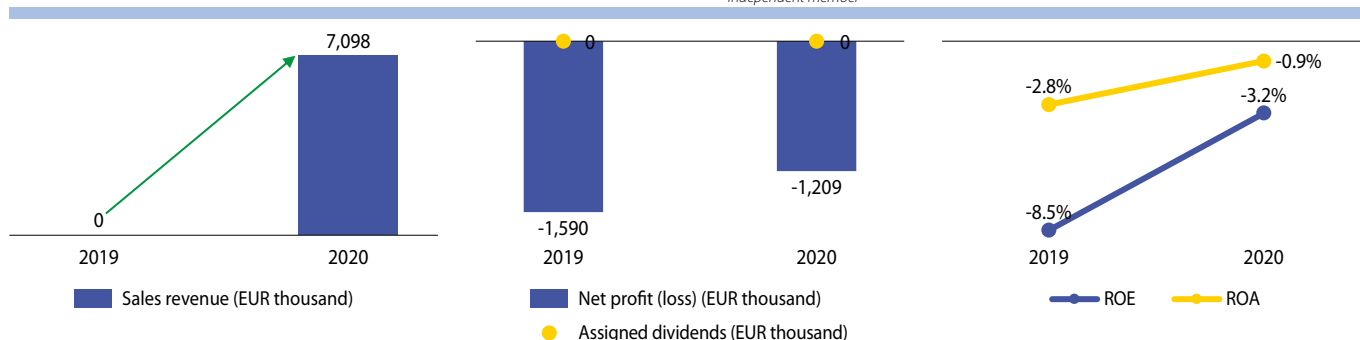
The Company's liabilities increased by 65.7% to EUR 123.1 million. The major part (EUR 114.7 million) of liabilities consists of the Company's financial debt. During the reporting year, a part of the loan of EUR 53.7 million was taken out in accordance with the agreement signed on 31 May 2017 with AB Swedbank on financing the construction of a cogeneration power plant. The share of the loan received led to an increase in the debt-to-equity ratio D/E by 147.3 p. p. to 310.2%.

The Company's return indicators remained negative, but they were positively affected by the lower loss of the Company and changes in assets and equity items. The return on equity (ROE) increased from -8.5% to -3.2%, and the return on assets (ROA) increased from -2.8% to -0.9%.

- ↑ The loss suffered fell by 24.0% to EUR 1.2 million
- ↑ Value of assets increased by 43.2% to EUR 160.1 million
- ↑ Liabilities increased by 65.7% to EUR 123.1 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		0	7,098	-
Cost of goods sold		0	7,416	-
Gross profit (loss)		0	-318	-
Cost of sales		0	0	-
General and administrative expenses		1,588	0	-
Results of other activities		0	76	-
Net financial items		-2	-967	-48,250.0%
Profit (loss) before taxes		-1,590	-1,209	+24.0%
Corporation tax		0	0	-
Net profit (loss)		-1,590	-1,209	+24.0%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		103,199	144,562	+40.1%
Current assets		8,622	15,561	+80.5%
Cash and cash equivalents		7,777	13,327	+71.4%
Deferred charges and accrued income		0	0	-
Total assets		111,821	160,123	+43.2%
Equity		37,520	36,999	-1.4%
Grants and subsidies		0	0	-
Provisions		5	12	+140.0%
Amounts payable and other liabilities		74,296	123,112	+65.7%
Amounts payable after one year and other non-current liabilities		61,072	114,737	+87.9%
Financial liabilities		61,072	114,737	+87.9%
Amounts payable within one year and other current liabilities		13,224	8,375	-36.7%
Financial liabilities		16	15	-6.3%
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		111,821	160,123	+43.2%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		-2.8%	-0.9%	+1.9 p. p.
ROE		-8.5%	-3.2%	+5.3 p. p.
D/E		162.8%	310.1%	+147.3 p. p.
EBITDA		-1,560	2,176	
EBITDA margin		0.0%	30.7%	+30.7 p. p.
Net profit margin		0.0%	-17.0%	-17.0 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)		2019	2020	CHANGE
Assigned dividends		0	0	-
INFORMATION ABOUT EMPLOYEES		2019	2020	CHANGE
Number of employees		36	38	+5.6%
Average monthly salary of executives (gross, EUR)		5,242	6,954	+32.7%
SHAREHOLDERS				
				OWNED SHARES
AB Ignitis grupė				51.0%
UAB GREN Lietuva				49.0%
MANAGEMENT (1 JUL 2021)				
General Director			Ramūnas Paškauskas	
Chairman of the Board of Directors			Andrius Vilkauskas	
Members of the Board of Directors			Vitalijus Žuta Nerijus Rasburskis	

*Independent member



UAB Transporto valdymas

www.tpvaldymas.eu



The Company rents and maintains 1,492 vehicles, i.e. 21.7% less than in 2019. These services are provided throughout the country, therefore the Company's employees serve customers in Vilnius, Kaunas, Klaipėda, Šiauliai, Panevėžys, Alytus and Utena regions. During the reporting year, 63 vehicles were purchased and 477 vehicles were sold. The Company's fleet consisted of 55.0% passenger cars, 41.0% trucks weighing up to 3.5 tonnes, 2.0% fire trucks and special and freight vehicles weighing over 3.5 tonnes.

The Company's sales revenue shrank by 11.2% to EUR 6.3 million. The change was mainly due to a EUR 1.0 million decrease in revenue from vehicle rental. Revenue from contracts with customers increased by 12.6% to EUR 3.4 million. The growth was driven by a EUR 0.6 million increase in gains on the sale of non-current assets.

The Company's operating costs amounted to EUR 4.2 million, i.e. 22.8% less than in 2019. The change in expenses was mainly due to a decrease of EUR 0.8 million in depreciation and amortization costs, a decrease of EUR 0.3 million in vehicle repair, maintenance and payroll costs. The faster decrease in the Company's costs resulted in an increase in the operating profit margin by 10.0 p. p. to 33.1%. The Company's EBITDA decreased by 11.2% to EUR 3.1 million due to lower depreciation and amortization costs. Changes in revenue and costs affected the **Company's net profit growth by 55.2% to EUR 1.6 million.**

The Company's distributable profit in 2020 amounted to EUR 4.3 million, dividends amounting to EUR 1.3 million were allocated for 2020. No dividends were paid for 2019.

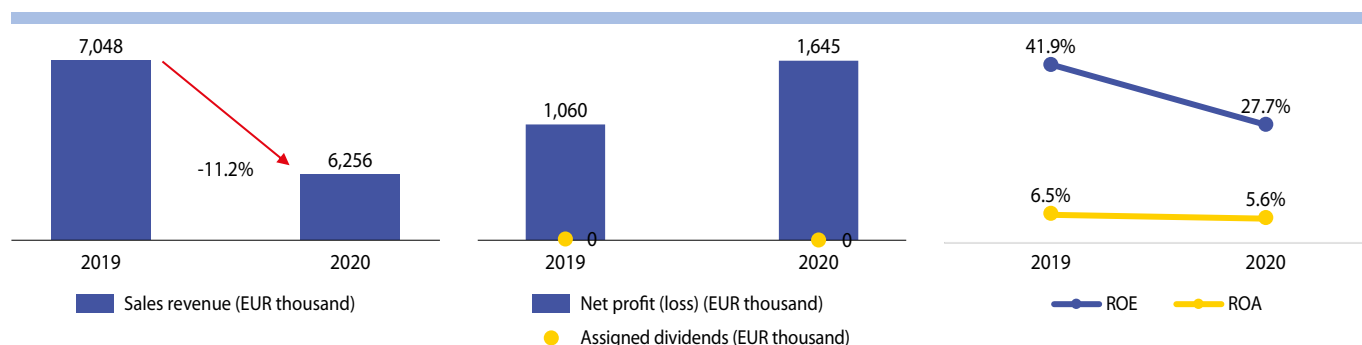
During 2020, the value of assets managed by the Company decreased by 20.1% and amounted to EUR 25.9 million at the end of the year. The change was mainly due to the sale of vehicles, which decreased the value of non-current assets by EUR 2.9 million. The article of cash and cash equivalents also shrank by EUR 2.0 million.

The Company's liabilities decreased by 30.1% to EUR 18.9 million. The largest part (92.0%) was accounted for by financial debts, which shrank by EUR 8.3 million during the reporting year. Financial liabilities of the Company – loans granted to AB Ignitis grupė in previous years. Lower liabilities led to a decrease in the debt-to-equity ratio D/E by 253.4 p. p. to 256.0%.

The growth of the Company's net profit had a positive effect on the dynamics of return indicators. The return on equity (ROE) decreased by 14.2 p. p. to 27.7% and the return on assets (ROA) fell by 0.9 p. p. to 5.6%.

- ↑ Net profit increased by 55.2% to EUR 1.6 million
- ↓ Value of assets decreased by 20.1% to EUR 25.9 million
- ↓ Liabilities decreased by 30.1% to EUR 18.9 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	7,048	6,256	-11.2%
Cost of goods sold	0	0	-
Gross profit (loss)	7,048	6,256	-11.2%
Cost of sales	0	0	-
General and administrative expenses	5,416	4,183	-22.8%
Results of other activities	0	0	-
Net financial items	-381	-289	+24.1%
Profit (loss) before taxes	1,251	1,784	+42.6%
Corporation tax	191	139	-27.2%
Net profit (loss)	1,060	1,645	+55.2%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	22,295	19,348	-13.2%
Current assets	10,168	6,595	-35.1%
Cash and cash equivalents	2,577	573	-77.8%
Deferred charges and accrued income	0	0	-
Total assets	32,463	25,943	-20.1%
Equity	5,062	6,799	+34.3%
Grants and subsidies	0	0	-
Provisions	8	5	-37.5%
Amounts payable and other liabilities	27,092	18,929	-30.1%
Amounts payable after one year and other non-current liabilities	26,591	18,334	-31.1%
Financial liabilities	25,601	17,310	-32.0%
Amounts payable within one year and other current liabilities	501	595	+18.8%
Financial liabilities	186	96	-48.4%
Accrued expenses and deferred income	301	210	-30.2%
Total equity and liabilities	32,463	25,943	-20.1%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	6.5%	5.6%	-0.9 p. p.
ROE	41.9%	27.7%	-14.2 p. p.
D/E	509.4%	256.0%	-253.4 p. p.
EBITDA	3,534	3,137	-11.2%
EBITDA margin	50.1%	50.1%	0.0 p. p.
Net profit margin	15.0%	26.3%	+11.3 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	1,316	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	29	25	-13.8%
Average monthly salary of executives (gross, EUR)	5,231	7,828	+49.6%
SHAREHOLDERS	OWNED SHARES		
AB Ignitis grupė	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Jurgita Navickaitė-Dedeliene		



UAB Gamybos optimizavimas

www.ignitisgrupe.lt/lt/uab-gamybos-optimizavimas



The main customers of the Company are Ignitis group companies AB Ignitis gamyba, UAB Kauno kogeneracinė jėgainė, UAB Vilniaus kogeneracinė jėgainė, wind farm companies.

During the reporting year, the Company's sales revenue increased by 11.3% to EUR 593.0 thousand. The largest share (88.5%) of revenue was accounted for by revenue from power plant work planning and optimization services, which increased by 2.7% over the year. The growth was mainly due to the EUR 43.0 thousand earned revenue from electricity sales and balancing services.

The Company's operating costs amounted to EUR 585.0 thousand, i.e. 28.6% more than in 2019. 57.8% of expenses was accounted for by wage costs, which increased by 18.6% in the reporting year. Other costs, which included telecommunications and IT services, management fee, utilities, taxes and other expenses, also increased by 73.3%. The faster growth of the Company's costs resulted in a decrease in the operating profit margin by 13.3 p. p. to 1.4%. The increase in financial expenses from EUR 1.0 thousand to EUR 19.0 thousand had a negative impact on the Company's net result. **In 2020, the Company incurred a loss of EUR 13.0 thousand, while in 2019 a profit of EUR 67.0 thousand was earned.**

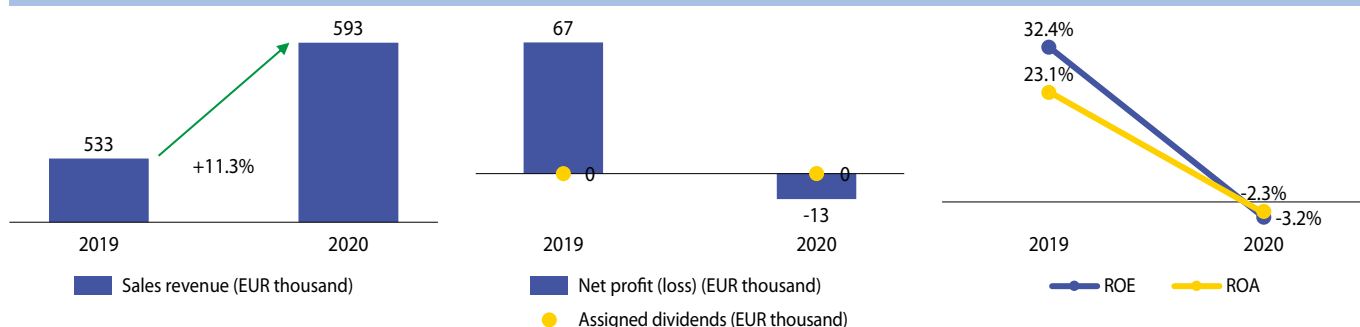
In 2020, liabilities increased slightly (1.2%) to EUR 170.0 thousand. Of these, 77.1% were short-term non-financial liabilities, i.e. taxes, wage-related liabilities, trade payables and other current liabilities, which increased by 13.9%. Lease liabilities accounted for the Company's financial liabilities, which decreased by 26.4% during the reporting year. This change led to a contraction of the debt-to-equity ratio D/E by 3.0 p. p. to 9.8%.

The loss incurred during the reporting year resulted in negative return indicators. Return on assets (ROA) decreased by 25.4 p. p. to -2.3%, and return on equity (ROE) decreased by 35.6 p. p. to -3.2%.

- ↑ Company's revenue increased by 11.3% to EUR 593.0 thousand
- ↓ A loss of EUR 13.0 thousand was suffered
- ↓ Return on equity (ROE) decreased by 35.6 p. p. to -3.2%.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		533	593	+11.3%
Cost of goods sold		0	0	-
Gross profit (loss)		533	593	+11.3%
Cost of sales		0	0	-
General and administrative expenses		455	585	+28.6%
Results of other activities		0	0	-
Net financial items		-1	-19	-1,800.0%
Profit (loss) before taxes		77	-11	
Corporation tax		10	2	-80.0%
Net profit (loss)		67	-13	-
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		64	76	+18.8%
Current assets		517	494	-4.4%
Cash and cash equivalents		0	0	-
Deferred charges and accrued income		0	0	-
Total assets		581	570	-1.9%
Equity		413	400	-3.1%
Grants and subsidies		0	0	-
Provisions		0	0	-
Amounts payable and other liabilities		168	170	+1.2%
Amounts payable after one year and other non-current liabilities		37	22	-40.5%
Financial liabilities		37	22	-40.5%
Amounts payable within one year and other current liabilities		131	148	+13.0%
Financial liabilities		16	17	+6.3%
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		581	570	-1.9%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		23.1%	-2.3%	-25.4 p. p.
ROE		32.4%	-3.2%	-35.6 p. p.
D/E		12.8%	9.8%	-3.0 p. p.
EBITDA		89	24	-73.0%
EBITDA margin		16.7%	4.0%	-12.7 p. p.
Net profit margin		12.6%	-2.2%	-14.8 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)		2019	2020	CHANGE
Assigned dividends		0	0	-
INFORMATION ABOUT EMPLOYEES		2019	2020	CHANGE
Number of employees		7	7	-
Average monthly salary of executives (gross, EUR)		4,862	7,675	+57.9%
SHAREHOLDERS		OWNED SHARES		
AB Ignitis grupė		100.0%		
MANAGEMENT (1 JUL 2021)				
General Director			Tomas Tumonis	
Chairman of the Board of Directors			Not appointed	
Members of the Board of Directors			Vidmantas Salietis Diana Kazakevič	

*Independent member



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; to organise trading on exchanges of natural gas and biofuel

The Group consists of the management company UAB EPSO-G (State share – 100%) and they are directly subordinated to AB Litgrid (controlled shares – 97.5%), UAB Baltpool (67%) and UAB Tetas (100%), UAB Energy cells (100%)*, AB Amber Grid (96.6%) and its subsidiary UAB GET Baltic (96.6%).

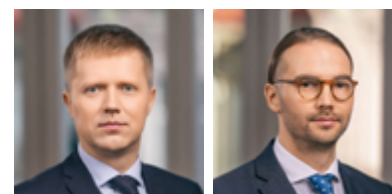
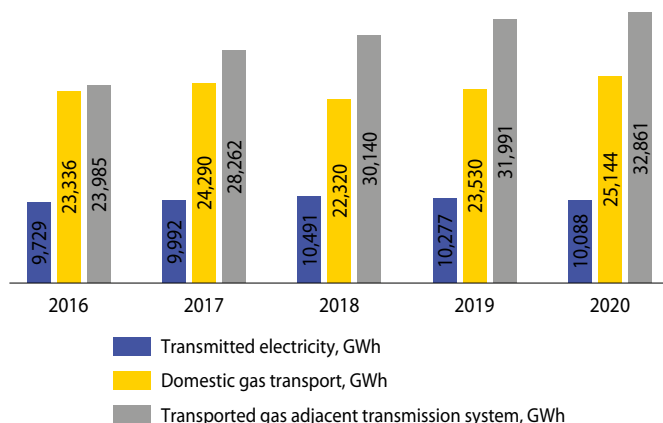
*Established on 26 January 2021.

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

MAJOR EVENTS:

- On **1 January**, GET Baltic started operating in Finland, becoming a unifying trading platform for the Baltic and Finnish gas markets. The Finnish virtual trading point has started trading short-term and long-term natural gas products using an indirect capacity allocation model;
- On **28 January**, in order to ensure transparent and reasonable development of the electricity sector meeting the needs of market participants, the National Energy Regulatory Council (NERC) approved the 400-110 kV network development plan prepared by Litgrid for 2019-2028;
- On **1 April**, the Baltic electricity transmission system operators Litgrid, Estonian Elering and Latvian AST agreed on a regional cooperation model that will help the three Baltic States to work together and implement important synchronization projects with Western European electricity networks faster, more efficiently and at lower cost;
- On **26 May**, Lithuanian, Latvian, Estonian and Polish transmission system operators submitted a joint application of EUR 1.2 billion to finance a project to synchronize the Baltic electricity networks with European networks. This is the first time that four countries have submitted such application to the European Union;
- On **2 July**, Litgrid completed the construction of the 110 kV power transmission line Pagėgiai – Bitėnai. The new 17.1 km long line increased the reliability of electricity transmission to the electricity consumers of Pagėgiai municipality and the whole of Western Lithuania. This is the second of fourteen synchronization projects approved and already implemented by the Government;
- On **2 December**, Litgrid completed the reconstruction of the 330 kV power transmission line Lietuvos elektrinė – Vilnius. This is the third implemented strategic project for synchronization with continental European networks. The reconstructed line significantly strengthened the electricity network of the Vilnius region, ensured a reliable supply for residents and businesses.

In 2020, 10.1 billion kilowatt-hours of electricity were transmitted via high-voltage transmission networks for the needs of the country's population and business, which is 1.8% less than in 2019. The decline in the volume of these services was due to the warmer-than-usual first quarter of the year and the slowdown in the country's economic development due to the impact of COVID-19. During the reporting period, 25,144 GWh of natural gas was transported to Lithuanian consumers to gas distribution or directly connected consumer systems, compared to the same period a year ago, the volumes of transported gas increased by 7.0%. The positive change was mainly due to increased demand for electricity in the generation sector. Gas transportation to adjacent transmission systems grew by 2.7% and amounted to 32,861 GWh. In 2020, the amount of natural gas transmitted to the Republic of Latvia through the Kiemėnai DAS system increased by 32.9% and 7,960 GWh was transmitted (in 2019 – 5,990 GWh). In 2020, the volume of gas transmission services to Latvia grew due to favourable gas prices and the launch of the connection between Estonia and Finland.



General Director
Rolandas Zukas

Chairman of the Board of Directors
Gediminas Almantas

- ↑ Sales revenue increased by 7.8%
- ↑ The net result increased 3.5 times to EUR 40.1 million
- ↑ Return on equity grew to 18.8%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	250,985	270,520	+7.8%
Cost of goods sold	146,282	134,736	-7.9%
Gross profit (loss)	104,703	135,784	+29.7%
Cost of sales	0	0	-
General and administrative expenses	88,928	95,322	+7.2%
Results of other activities	174	1,726	+892.0%
Net financial items	-2,437	-2,005	+17.7%
Profit (loss) before taxes	13,512	40,183	+197.4%
Corporation tax	2,109	98	-95.4%
Net profit (loss)	11,403	40,085	+251.5%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	565,052	635,287	+12.4%
Current assets	154,494	152,245	-1.5%
Cash and cash equivalents	13,470	5,113	-62.0%
Deferred charges and accrued income	0	0	-
Total assets	719,546	787,532	+9.4%
Equity	193,961	233,064	+20.2%
Grants and subsidies	0	0	-
Provisions	2,681	6,198	+131.2%
Amounts payable and other liabilities	522,904	548,270	+4.9%
Amounts payable after one year and other non-current liabilities	330,729	367,699	+11.2%
Financial liabilities	290,547	309,011	+6.4%
Amounts payable within one year and other current liabilities	192,175	180,571	-6.0%
Financial liabilities	39,577	62,982	+59.1%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	719,546	787,532	+9.4%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.6%	5.3%	+3.7 p. p.
ROE	6.0%	18.8%	+12.8 p. p.
D/E	170.2%	156.3%	-13.9 p. p.
EBITDA	47,616	74,893	+57.3%
EBITDA margin	19.0%	27.7%	+8.7 p. p.
Net profit margin	4.5%	14.8%	+10.3 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	773	777	+0.5%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	993	1,081	+8.9%
Average monthly salary of a manager (gross, EUR)	7,810	8,020	2.7%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Energy of the Republic of Lithuania	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Rolandas Zukas		
Chairman of the Board of Directors	Gediminas Almantas*		
Members of the Board of Directors	Dainius Bražiūnas Gediminas Karalius Robertas Vyšniauskas* Tomas Tumėnas*		

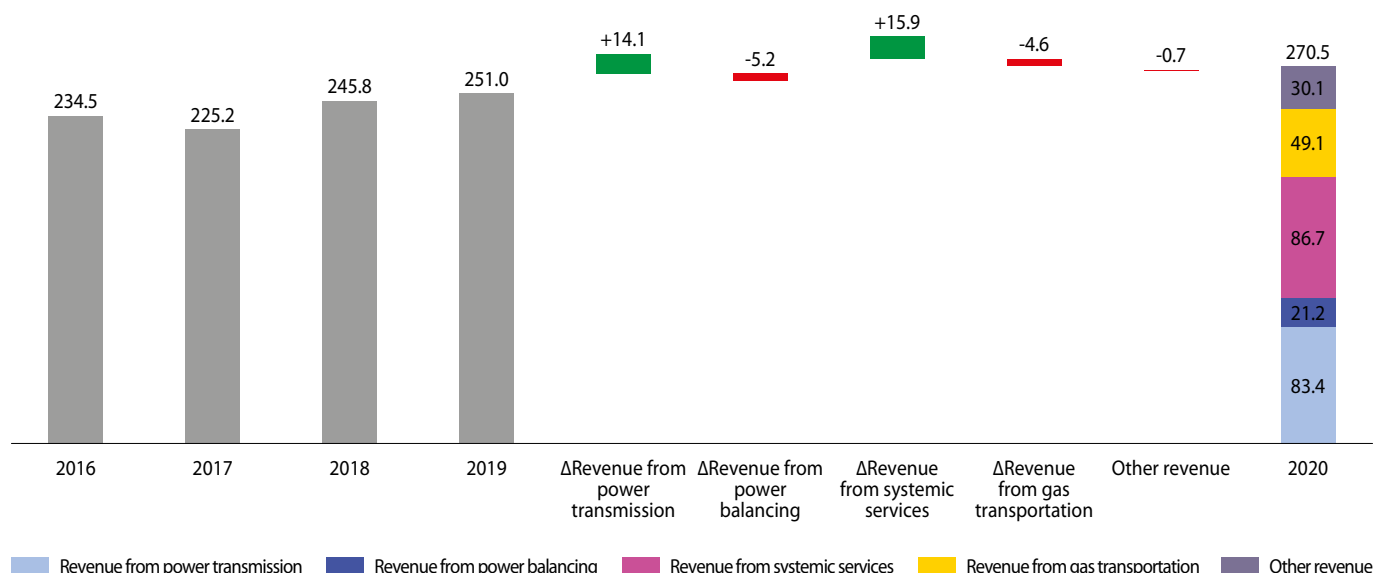
*Independent member

In 2020, the trading volume of the GET Baltic natural gas exchange in Lithuania, Latvia, Estonia and Finland more than doubled and amounted to 7,201 GWh. This growth in trading volumes was mainly due to the successful operation of the natural gas exchange in Finland since the beginning of the year. In 2020, district heating companies, independent heat producers and industrial companies purchased 470.0 thousand toe of biofuel on the Baltpool Energy Resources Exchange, i.e. 9.0% more than in 2019.

The Group's revenue in 2020, compared to the results of 2019, increased by 7.8% and amounted to EUR 270.5 million. Revenues from electricity transmission, which accounted for 30.8% of the Group's total revenue

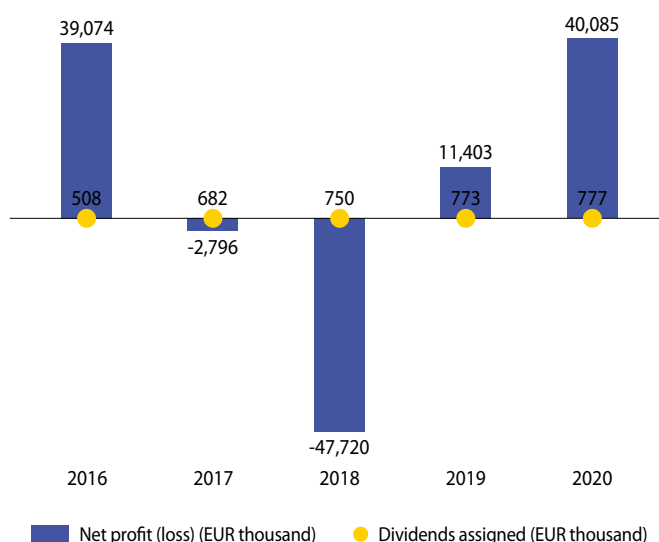
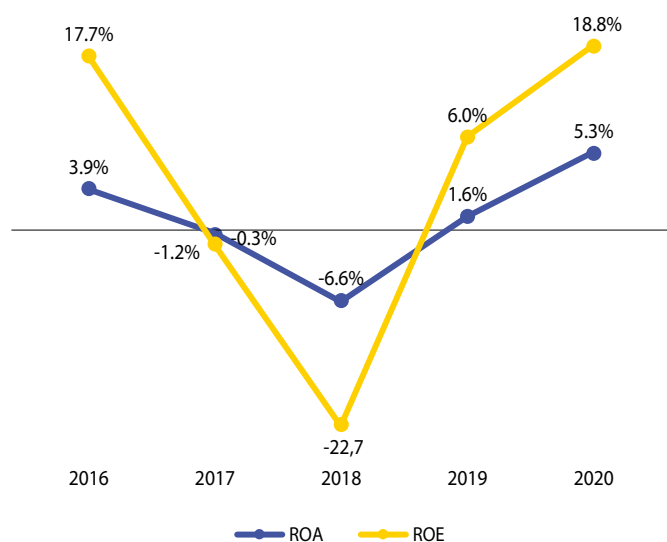
in 2020, increased by 20.3% to EUR 83.4 million. Although the amount of electricity transmitted decreased, this growth was due to the higher actual price of electricity transmission. Revenue from sales of system services increased 22.5% to EUR 86.7 million. This change was also determined by the average, non-differentiated price of Litgrid system services valid in 2020 (approved by NERC from 1 January 2020), which increased by almost 28.0% compared to the previous year 2019 (0.615 ct/kWh) and amounted to 0.785 ct/kWh. Revenues from natural gas transmission, which amounted to EUR 49.1 million in 2020, decreased by 8.6% and accounted for 18.2% of the Group's total revenues. This decrease was caused by 16.0% lower transmission rates for supplied gas.

Sales revenue (EUR million)



In 2020, the Group's net result was 3.5 times higher than in 2019 and amounted to EUR 40.1 million. The Group's profit before taxes, interest, depreciation and amortization (EBITDA) in 2020 reached EUR 74.9 million. The main reasons for the increase in EBITDA are the following: higher gas transportation volumes, which partially offset the reduced service tariffs; EUR 23.1 million more revenue was generated from electricity transmission, system and

related services; lower costs for the purchase of electricity and natural gas and related services, as well as part of the planned costs were not incurred due to the effect of COVID-19. The improving results of the Group also determined the growth of other profitability indicators: the net profit margin reached 14.8%, the return on equity in 2020 increased to 18.8%, well exceeding the target set by the Government at 5.7% for the period 2019-2021.



At the end of 2020, the Group's financial liabilities, including a liability of EUR 148.6 million to AB Ignitis grupė for the acquisition of Litgrid shares, amounted to EUR 364.4 million, and the ratio of financial liabilities to equity amounted to 156.3%. Compared to 2019, the Group's financial debt increased by about 10.0% due to the financing attracted by Amber Grid for the implementation of the GIPL (construction of a gas pipeline between Poland and Lithuania) project. After assessing the need to allocate sufficient funds to

meet the financial liability of EUR 210.0 million to the state-owned enterprise AB Ignitis grupė for the shares of the subsidiary Litgrid, the Government of the Republic of Lithuania has decided that EPSO-G shall pay the dividends from distributed profit of 0.5% directly to the State budget until 2022. **For the results of 2020, the Group paid dividends of EUR 777.0 thousand, i.e. 0.5% more than for the results of 2019, when EUR 773.0 thousand were allocated.**

UAB Litgrid

www.litgrid.eu



Lithuanian electricity transmission system operator Litgrid is responsible for reliable electricity transmission, maintaining the balance of electricity consumed and produced in the electricity transmission system and creates conditions for competition in the open electricity market; implements strategic Lithuanian electricity projects, bases its vision and strategic guidelines on long-term goals enshrined in the National Energy Independence Strategy.

Until 7 July 2020, Litgrid controlled the shares of Nord Pool Holding AS (2.0%) and the votes attached to them.

MAJOR EVENTS:

• On 4 March, the new LITGRID electricity system management and data security centre was opened in Vilnius, ensuring stable and secure operation of the country's energy system and management of energy transmission flows, as well as a higher level of physical and cyber security;

• On 2 October, the Coordinating Committee of the Connecting Europe Facility of the European Union Infrastructure Networks provided the maximum possible support for key projects for the synchronization of the Baltic States with the networks of continental Europe. According to the joint application of Lithuanian, Latvian, Estonian and Polish transmission system operators, EUR 719.7 million was provided, which will ensure the smooth implementation of major infrastructure projects and allow the Baltic States to start operating with Poland and other continental European countries as early as 2025;

• On 2 December, the Company completed the reconstruction of the 330 kV power transmission line Lietuvos elektrinė – Vilnius. This is the third implemented strategic project necessary for the synchronization of the Lithuanian electricity system with the continental European networks.

In Lithuania, the Company maintains 7,246.4 (6,987.1 km of overhead lines and 259.3 cables) kilometres of high voltage lines and 237 transformer substations and switchgears. During 2020, the Company transmitted 10,089 million kilowatt-hours (kWh) of electricity via the high-voltage transmission networks for the needs of the country, which is 1.8% less than in 2019. The decrease in the amount of transmitted energy was caused by households and service providers that used less electricity. In 2020, 6.2 MWh of electricity was not transmitted due to disconnections of network equipment, while in 2019 – 32.3 MWh, and the average duration of transmission interruption was 0.21 minutes, while in 2019 – 1.13 minutes.

During the reporting period, the sales revenue of the Company increased by 12.8% up to EUR 207.5 million compared to 2019. Revenue from electricity transmission, which accounted for 40.2% of the total revenue structure, increased by 20.3% compared to 2019 and amounted to EUR 83.4 million. Revenues grew due to a 22.5% higher average electricity transmission price than a year ago. The revenue from balancing energy decreased by 19.6% to EUR 21.2 million. Revenue from system services grew by 22.5% to EUR 86.7 million, accounting for 41.8% of the Company's total revenue. Revenue from system services grew due to the 27.7% increase in the price of system services set by the National Commission for Energy Control and Prices as of 1 January 2020.

In 2020, the Company's cost of sales, compared to the results of 2019, decreased by 4.9% and amounted to EUR 128.4 million. The major part, i.e. 72.3% of the Company's total costs were the costs from buying electricity and related services. The cost of balancing electricity (regulation) decreased by 19.6% to EUR 20.8 million. The costs of system services increased by 9.9% to EUR 81.7 million due to the increased costs of ensuring the isolated operation of the Lithuanian energy system. The cost of purchasing electricity to compensate for technological losses in the transmission network decreased by 31.7% and amounted to EUR 15.2 million.

The net result for the reporting period increased almost 9 times and amounted to EUR 26.6 million. EBITDA increased from EUR 22.3 million to EUR 50.4 million. The main reasons for the increase in EBITDA are: EUR 14.0 million increase in transmission revenue; EUR 7.0 million lower costs of compensating for technological losses; EUR 8.6 million better difference between revenue and costs of system services; EUR 0.5 million increase in other operating revenue. Dividend profit for 2020 amounted to EUR 16.1 million, i.e. 4 times more than in 2019.

During 2020, the Company's assets increased by 10.1% or EUR 38.2 million and amounted to EUR 414.4 million at the end of the year. Investments in the transmission network increased tangible and intangible non-current assets by EUR 11.9 million, long-term revenues from congestion revenue increased by EUR 9.9 million and deferred corporate tax assets increased by EUR 5.0 million. Current assets increased by EUR 13.5 million. The Company's financial liabilities to credit institutions amounted to EUR 79.9 million and decreased by EUR 14.2 million over the year.

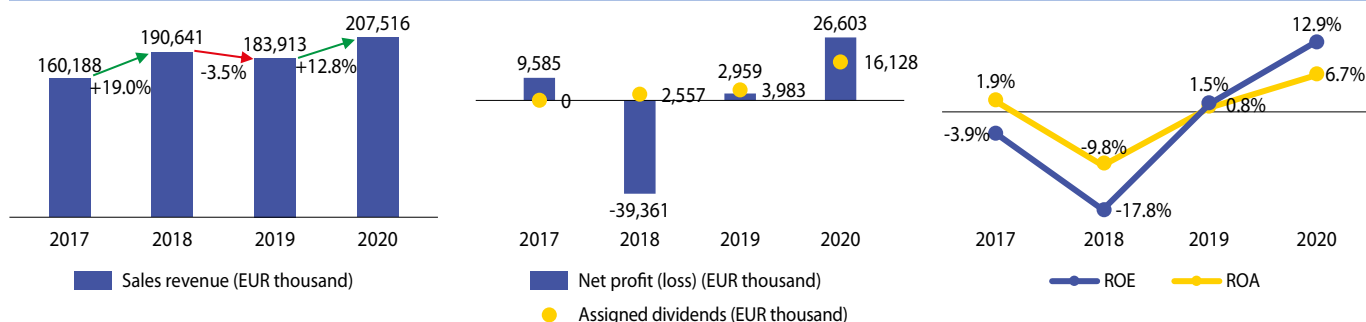
The better results of the year are also reflected in the Company's financial return indicators. Return on equity (ROE) increased by 11.4 p. p. to 12.9% at the end of the reporting period. Return on assets (ROA) grew accordingly, increasing by 5.9 p. p. to 6.7%.

In 2020, investments amounted to EUR 53.3 million, of which 63% were for the implementation of strategic electricity projects and projects of State importance.

- ↓ 1.8% less electricity was transmitted
- ↑ The net result grew to EUR 26.6 million
- ↑ Return on equity increased to 12.9%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		183,913	207,516	+12.8%
Cost of goods sold		134,948	128,391	-4.9%
Gross profit (loss)		48,965	79,125	+61.6%
Cost of sales		0	0	-
General and administrative expenses		47,111	49,069	+4.2%
Results of other activities		0	0	-
Net financial items		1,292	825	-36.1%
Profit (loss) before taxes		3,146	30,881	+881.6%
Corporation tax		187	4,278	+2,187.7%
Net profit (loss)		2,959	26,603	+799.1%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		350,693	375,388	+7.0%
Current assets		25,041	38,131	+52.3%
Cash and cash equivalents		30	33	+10.0%
Deferred charges and accrued income		464	834	+79.7%
Total assets		376,198	414,353	+10.1%
Equity		195,571	218,037	+11.5%
Grants and subsidies		0	0	-
Provisions		1,970	3,392	+72.2%
Amounts payable and other liabilities		170,926	186,748	+9.3%
Amounts payable after one year and other non-current liabilities		124,833	127,603	+2.2%
Financial liabilities		79,903	65,677	-17.8%
Amounts payable within one year and other current liabilities		46,093	59,145	+28.3%
Financial liabilities		14,225	14,225	0.0%
Accrued expenses and deferred income		7,731	6,176	-20.1%
Total equity and liabilities		376,198	414,353	10.1%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		0.8%	6.7%	+5.9 p. p.
ROE		1.5%	12.9%	+11.4 p. p.
D/E		48.1%	36.7%	-11.4 p. p.
EBITDA		22,272	50,410	+126.3%
EBITDA margin		12.1%	24.3%	+12.2 p. p.
Net profit margin		1.6%	12.8%	+11.2 p. p.
RETURN TO SHAREHOLDER (EUR THOUSAND)		2019	2020	CHANGE
Assigned dividends		3,983	16,129	+304.9%
INFORMATION ABOUT EMPLOYEES				POKYTIS
Number of employees		290	308	+6.2%
Average monthly salary of executives (gross, EUR)		9,099	9,391	+3.2%
SHAREHOLDERS				OWNED SHARES
UAB EPSO-G				97.50%
Other shareholders				2.50%
MANAGEMENT (1 JUL 2021)				
General Director			Rokas Masilius	
Chairman of the Board of Directors			Algirdas Juozaponis	
Members of the Board of Directors			Jūratė Marcinkienė Domas Sidoravičius* Artūras Vilimas*	

*Independent member



AB Amber Grid

www.ambergrid.lt



Lithuanian gas transmission system operator Amber Grid ensures reliable and safe transmission of natural gas to customers via high-pressure gas pipelines. The Company is responsible for the operation, maintenance and development of the Lithuanian gas transmission infrastructure, which consists of a network of more than 2,100 km of gas pipelines and two gas compressor stations.

AB Amber Grid holds 100% shares of UAB GET Baltic shares, which organises and develops trading on the natural gas exchange in Lithuania, Latvia, Estonia and Finland.

MAJOR EVENTS:

• **On 1 January**, UAB GET Baltic started operating in Finland, becoming one regional trading platform for the Baltic and Finnish gas markets;

• **On 30 June**, AB Amber Grid signed a loan agreement worth up to EUR 65.0 million with the European Investment Bank for financing the construction of a gas pipeline connection between Poland and Lithuania (hereinafter referred to as GIPL);

• **On 29 December**, after completing 61% of construction work, almost half of the GIPL (Gas Interconnection Poland-Lithuania) pipeline was filled with gas.

In 2020, 21,897 GWh of natural gas was imported for customers of Lithuania and other European Union states (Latvia, Estonia, Finland) from Klaipėda LNG terminal into the transmission system operated by the Group, 9,926 GWh from Belarus, and 1,702 GWh from Latvia to Lithuania. 65.3% of the total required amount of gas was delivered from Klaipėda LNG terminal. Compared to 2019, when a total of 23,530 GWh of natural gas was transmitted, transmission volumes increased by 7.0%. 24,144 GWh of natural gas was transported to Lithuanian consumers up to the internal exit point. 33.0% more natural gas was transferred from Lithuania to Latvia to consumers, i.e. 7,960 GWh of natural gas, while 5,990 GWh was transmitted in 2019. During the reporting period, 24,902 GWh of gas was transported to the Kaliningrad region of the Russian Federation, while in 2019 – 26,002 GWh of gas.

In 2020, the Group's sales revenue decreased by 6.0% to EUR 52,286 thousand. Revenue from natural gas transportation services accounted for about 82.0% of total revenue. Revenue from natural gas transportation services to Lithuanian consumers increased by 6.4%, accounted for 56.0% of total revenue and amounted to EUR 33.3 million. However, transportation revenues to adjacent transmission systems decreased by 13.1% to EUR 12.6 million. The transmission service tariff is 16.0% lower compared to 2019, but due to increased gas transmission volumes to Latvia and higher demand in Lithuania, especially in the extra generation sector, revenues from gas transmission remained stable. Balancing revenues decreased by 47.1% to EUR 4.6 million due to lower balancing gas prices. Other revenues, most of which came from exchange trading, amounted to EUR 1.8 million in 2020.

During the reporting period, one of the largest parts of the cost structure, i.e. EUR 11.1 million, was assigned to depreciation and amortization of non-current assets which accounted for 30.0% of total operating costs. These costs grew by 9.5% due to increasing investment. **Natural gas costs in 2020 amounted to EUR 6.3 million and decreased by 44.2% compared to the previous reporting period due to lower gas prices.** Salaries and social security costs accounted for EUR 10.3 million or 27.0% of all costs and increased by 9.5% compared to 2019. Repair and maintenance costs amounted to EUR 3.4 million and decreased by 4.7%.

Due to lower costs, higher sales revenues and increased volumes of transmitted gas, the Group's net profit increased by 44.5% to EUR 18.2 million. Correspondingly, EBITDA increased by 3.3% to EUR 26.1 million.

At the end of 2020, the value of the Group's assets amounted to EUR 316.4 thousand. Non-current assets increased by 22.0% to EUR 255.8 thousand due to higher than depreciation investments. Current assets amounted to EUR 60.6 million and increased by 29.6% compared to 2019.

Amounts payable and liabilities increased by 33.2% to EUR 159.4 million at the end of 2020 due to an increase in financial debt due to the intensive implementation of the GIPL project. A long-term loan from the European Investment Bank was received for this project.

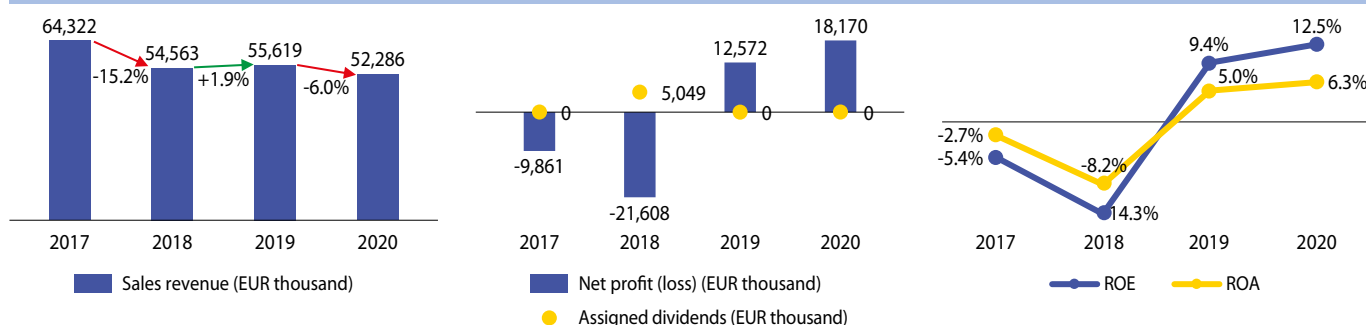
The faster decrease in the Group's cost of sales than revenue resulted in an increase in the gross profit margin by 1.5 p. p. to 28.6%. The better net result had a positive effect on the growth of return indicators. The return on assets (ROA) increased by 1.3 p. p. to 6.3% and the return on equity (ROE) rose by 3.1 p. p. to 12.5%. The Group's net profit margin also increased by 12.1 p. p. to 34.8%.

During 2020, the Group's investments increased almost 5 times to EUR 89.7 million. The GIPL project accounted for 86.0% of all investments. The rest was invested in the reconstruction and modernisation of the property.

- ↑ Natural gas transmission volumes to Lithuanian consumers increased by 7.0%
- ↑ Net profit grew to EUR 18.2 million
- ↑ Return on equity grew to 12.5%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	55,619	52,286	-6.0%
Cost of goods sold	40,544	37,337	-7.9%
Gross profit (loss)	15,075	14,949	-0.8%
Cost of sales	0	0	-
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	-341	-363	-6.5%
Profit (loss) before taxes	14,734	14,586	-1.0%
Corporation tax	2,162	-3,584	-
Net profit (loss)	12,572	18,170	+44.5%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	30 DEC 2020	CHANGE
Non-current assets	209,557	255,757	+22.0%
Current assets	46,783	60,614	+29.6%
Cash and cash equivalents	233	767	+229.2%
Deferred charges and accrued income	0	0	-
Total assets	256,340	316,371	+23.4%
Equity	136,660	154,830	+13.3%
Grants and subsidies	0	0	-
Provisions	0	2,179	-
Amounts payable and other liabilities	119,680	159,362	+33.2%
Amounts payable after one year and other non-current liabilities	55,446	105,364	+90.0%
<i>Financial liabilities</i>	53,588	103,518	+93.2%
Amounts payable within one year and other current liabilities	64,234	53,998	-15.9%
<i>Financial liabilities</i>	20,230	18,436	-8.9%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	256,340	316,371	+23.4%
RATIOS	31 DEC 2019	30 DEC 2020	CHANGE
ROA	5.0%	6.3%	+1.3 p. p.
ROE	9.4%	12.5%	+3.1 p. p.
D/E	6.2%	6.6%	+0.4 p. p.
EBITDA	25,234	26,075	+3.3%
EBITDA margin	45.4%	49.9%	+4.5 p. p.
Net profit margin	22.6%	34.8%	+12.2 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	316	319	+0.9%
Average monthly salary of executives (gross, EUR)	8,436	7,577	-10.2%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
UAB EPSO-G	96.6%		
Other shareholders	3.4%		
MANAGEMENT (1 JUL 2021)			
General Director	Nemunas Bilknius		
Chairman of the Board of Directors	Algirdas Juozaponis		
Members of the Board of Directors	Sigita Žutautas* Renata Damanskytė-Rekašienė Ignas Degutis*		

*Independent member



UAB TETAS

www.tetas.lt



MAJOR EVENTS:

- On 7 February, a new version of the Company's Articles of Association was approved;
- On 1 September, a new organisational management structure of the Company came into force;
- In 2020, the Company's laboratory was granted the right to perform metrological inspection of current and voltage transformers;
- In 2020, activities were launched in the field of renewable energy resources (RES).

The Company aims to become one of the strongest contracting organisations in the national market by offering high voltage electrical equipment maintenance and construction services, to grow, strengthen and increase awareness in export markets. The Company, seeing the great potential of Lithuania's energy strategy, also aims to actively participate in the field of renewable energy power plants. The Company's target market is Lithuanian electricity infrastructure developers, and the export market region is the countries of the Baltic Sea basin.

The Company's sales revenue increased 75.7% to EUR 25.8 million. Of these, 52.0% included operating revenue, 33.0% revenue – from investment (contracting) projects and 13.0% – export revenue. The increase in revenue was mainly due to a 76.0% increase in operating volumes and a 119.0% increase in the volume of investment project work. Revenue from other activities of the Company increased by EUR 0.2 million.

In 2020, the cost of sales amounted to EUR 25.0 million, i.e. 68.3% more than in 2019. The change was mainly due to a EUR 5.3 million increase in the purchase of materials and raw materials, a EUR 2.7 million increase in subcontracting costs and a EUR 1.1 million increase in employee benefits. Faster revenue than expenditure growth had a positive impact on the increase in gross profit margin by 4.2 p. p. to 3.1%. **In the reporting year, the Company earned a net profit of EUR 854.0 thousand, compared to a loss of EUR 204.0 thousand a year ago.** The Company's distributable profit amounted to EUR 854.0 thousand, but no dividends were allocated for 2020.

In 2020, the value of assets managed by the Company increased by 42.0% to EUR 11.9 million. The largest impact on asset growth was the increase in current assets of EUR 3.3 million due to higher workloads and the acquisition of stocks in preparation for the 2021 works.

At the end of the reporting year, the Company's liabilities amounted to EUR 9.9 million, i.e. 33.0% more than in 2019. Non-financial liabilities increased to EUR 6.1 million, mainly due to an increase of EUR 3.6 million in trade and other payables. Financial liabilities decreased by 21.6% due to the repayment of loans to related parties. The change in financial liabilities had a positive effect on the debt-to-equity ratio, which fell by 660.4 p. p. to 276.3%. Earned net profit had a positive effect on the Company's return.

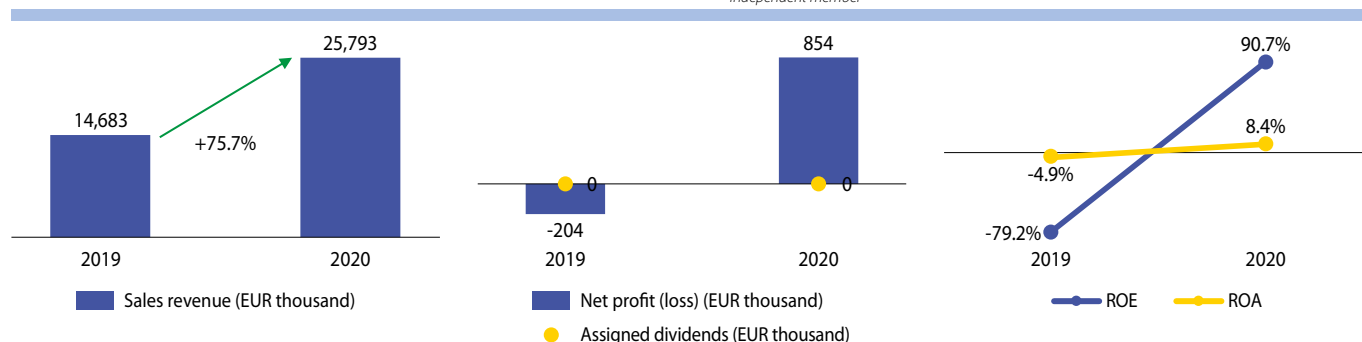
The return on equity (ROE) increased by 169.9 p. p. to 90.7%, while the return on assets (ROA) increased by 13.3 p. p. to 8.4%. The Company's investments in non-current assets decreased by 55.0% to EUR 0.5 million. The major part of investments is related to cable line construction and overhead transmission line activities, activities in foreign markets, as well as modernisation of IT systems used by the Company and implementation of innovations.

The number of employees increased by 16.9% to 395.

- ↑ Company's revenue increased by 75.7% to EUR 25.8 million
- ↑ Value of assets under management increased by 42.0% to EUR 11.9 million
- ↑ ROE increased by 169.9 p. p. to 90.7%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	14,683	25,793	+75.7%
Cost of goods sold	14,856	25,004	+68.3%
Gross profit (loss)	-173	789	-
Cost of sales	0	0	-
General and administrative expenses	0	0	-
Results of other activities	96	336	+250.0%
Net financial items	-98	-96	+2.0%
Profit (loss) before taxes	-175	1,029	-
Corporation tax	29	175	+503.4%
Net profit (loss)	-204	854	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	4,197	4,250	+1.3%
Current assets	3,871	7,190	+85.7%
Cash and cash equivalents	186	860	+362.4%
Deferred charges and accrued income	329	486	+47.7%
Total assets	8,397	11,926	+42.0%
Equity	515	1,369	+165.8%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	7,464	9,930	+33.0%
Amounts payable after one year and other non-current liabilities	1,908	912	-52.2%
Financial liabilities	1,799	812	-54.9%
Amounts payable within one year and other current liabilities	5,556	9,018	+62.3%
Financial liabilities	3,025	2,971	-1.8%
Accrued expenses and deferred income	418	627	+50.0%
Total equity and liabilities	8,397	11,926	+42.0%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-4.9%	8.4%	+13.3 p. p.
ROE	-79.2%	90.7%	+169.9 p. p.
D/E	936.7%	276.3%	-660.4 p. p.
EBITDA	878	2,199	+150.5%
EBITDA margin	6.0%	8.5%	+2.5 p. p.
Net profit margin	-1.4%	3.3%	+4.7 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	338	395	+16.9%
Average monthly salary of executives (gross, EUR)	6,189	6,169	-0.3%
SHAREHOLDERS	OWNED SHARES		
UAB EPSO-G	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Gediminas Mažeika		
Chairman of the Board of Directors	Tomas Urmanavičius		
Members of the Board of Directors	Giedrius Zaronskis Vaineta Barevičiūtė – Kryževičienė* Nedas Karkliūš*		

*Independent member



UAB Baltpool

www.baltpool.eu



MAJOR EVENTS:

- **On 20 April**, a new Board of the Company was elected, consisting of two independent members of the Board;
- **In July**, the first long-term transaction in the Latvian market was concluded – for the price of EUR 185.0/tonne;
- **As of 1 September**, the Exchange Trading Regulation has been updated to ensure an even smoother trading process.

The number of transactions concluded on the biofuel exchange increased by 7.1% to 5,629 transactions, and the volume of transactions amounted to 5.4 TWh (in 2019 – 5.2 TWh). The value of transactions concluded on the stock exchange decreased by 12.3% to EUR 54.9 million. The number of active exchange participants amounted to 424, i.e. 30 participants more than in 2019.

Transactions were concluded at the Timber Exchange regarding the purchase and sale of 2.8 million ktm of timber at a weighted average price of EUR 34.70/ ktm (in 2019 – 2.1 million ktm at a weighted average price of EUR 34.18/ktm). The transactions were concluded by 369 different buyers (in 2019 – 345).

Heat auctions in 2020 concluded purchase and sale transactions for 4.9 TWh of heat energy (3.1% more than in 2019) for the average price of 1.89 ct/kWh (-23.7% compared to 2019).

The Company also performs PSO funds administration functions, in 2020 the PSO funds budget amounted to EUR 106.4 million and, compared to 2019, increased by 6.8%. **During the reporting year, the Company's revenue increased by 16.0% to EUR 1.1 million.** The revenue growth was mainly due to the EUR 169.1 thousand earned revenue from the Capacity Facility Auction IT system. ETS trade commission revenue also increased by EUR 58.2 thousand.

The Company's operating costs amounted to EUR 0.9 million and, compared to 2019, increased by 5.9%. The largest part (71.4%) of expenses was accounted for by wage costs, which increased by 19.7% in the reporting year. Faster sales revenue growth led to a 6.5 p. p. increase in net profit margin to 16%.

Net profit increased by 95.4% and amounted to EUR 181.6 thousand. The Company's distributable profit amounted to EUR 290.9 thousand, but no dividends were allocated for 2020. For comparison, dividends of EUR 163.9 thousand were allocated for 2019.

The value of assets managed by the Company in 2020 decreased by 32.1% to EUR 46.0 million. The change was mainly due to a decrease of EUR 7.6 million in receivables from administered PSOs and a decrease of EUR 14.1 million in PSO cash balances.

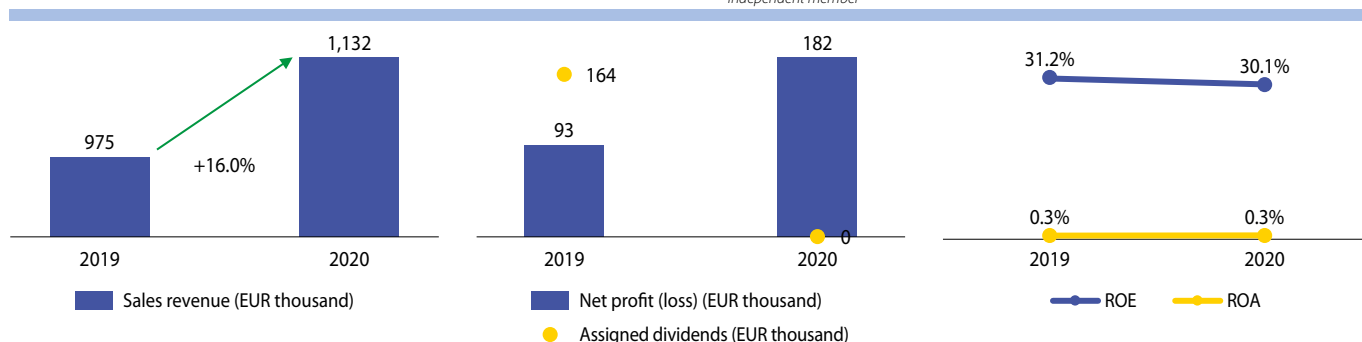
During the reporting year, the Company's liabilities amounted to EUR 45.3 million, i.e. 32.4% less than in 2019. The decrease of EUR 40.2 million in payable administered PSO funds resulted in a 60.1% decrease in non-financial liabilities. The Company's financial debts increased from EUR 150.5 thousand to EUR 18.6 million due to higher short-term financial PSO debts. This change led to an increase in the debt-to-equity ratio D/E by 3,024.0 p. p. to 3,049.3%.

Return on equity (ROE) decreased by 1.2 p. p. to 30.1%, while return on assets (ROA) increased and remained at 0.3%.

- ↑ Net profit increased by 95.4% to EUR 181.6 thousand
- ↓ Value of assets under management decreased by 32.1% to EUR 46.0 million
- ↑ ROE increased by 14.5 p. p. to 30.1%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	975	1,132	+16.0%
Cost of goods sold	0	0	-
Gross profit (loss)	975	1,132	+16.0%
Cost of sales	0	0	-
General and administrative expenses	866	918	+5.9%
Results of other activities	0	0	-
Net financial items	-1	-1	-
Profit (loss) before taxes	108	213	+96.9%
Corporation tax	15	31	+106.7%
Net profit (loss)	93	182	+95.4%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	211	177	-16.1%
Current assets	67,426	45,776	-32.1%
Cash and cash equivalents	675	726	+7.5%
Deferred charges and accrued income	0	0	-
Total assets	67,637	45,953	-32.1%
Equity	594	612	+3.0%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	67,043	45,342	-32.4%
Amounts payable after one year and other non-current liabilities	131	82	-37.5%
Financial liabilities	108	67	-38.0%
Amounts payable within one year and other current liabilities	66,912	45,260	-32.4%
Financial liabilities	43	18,583	+43,521.6%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	67,637	45,953	-32.1%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	0.3%	0.3%	0.0 p. p.
ROE	31.3%	30.1%	-1.2 p. p.
D/E	25.3%	3,049.3%	3,024.0 p. p.
EBITDA	168	273	+62.4%
EBITDA margin	17.2%	24.1%	+6.9 p. p.
Net profit margin	9.5%	16.0%	+6.5 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	164	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	17	18	+5.9%
Average monthly salary of executives (gross, EUR)	3,828	3,850	+0.6%
SHAREHOLDERS	OWNED SHARES		
UAB EPSO-G			67.0%
AB Klaipėdos nafta			33.0%
MANAGEMENT (1 JUL 2021)			
General Director	Andrius Smaliukas		
Chairman of the Board of Directors	Ieva Kuodė		
Members of the Board of Directors	Gediminas Mikalajūnas* Vytautas Vorobjovas* Rytis Valūnas Viktoras Baltuškonis		

*Independent member



AB Klaipėdos nafta

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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% of UAB SGD logistika shares and 100% of UAB SGD terminalas shares.

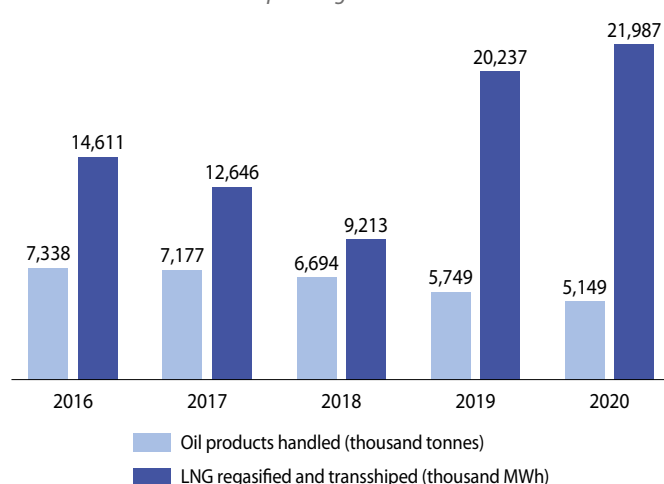
MAJOR EVENTS:

- On **9 March**, the Company entered into an agreement with the Nordic Investment Bank for a loan of up to EUR 160 million. The purpose of the loan is to finance the acquisition of a floating liquefied natural gas storage vessel;
- On **17 March**, AB Klaipėdos nafta, KN Açu Serviços de Terminal de GNL Ltda. and UTE GNA I Geração de Energia S.A. (hereinafter – the GNA) signed a Terminal Operator Service Agreement for the provision of terminal operation and maintenance services to GNA's liquefied natural gas terminal in the port of Açu, Rio de Janeiro;
- On **1 April**, the Polish oil and gas company PGNiG started commercial operations at the Klaipėda Liquefied Natural Gas (LNG) distribution station operated by the Enterprise. The station's capacity, which allows more efficient access to the small regional LNG market, is reserved for the strategic partner for five years;
- On **5 June**, the tanker NS Captain moored at the berth of the Klaipėda Oil Terminal managed by the KN Group, bringing 77.0 thousand tons of crude oil cargo from the USA intended for Belarusian oil refineries.

The handling of oil products in 2020 decreased by 10.4% and amounted to 5,149 thousand tons, of which 5,045 thousand tons were transshipped through Klaipėda Oil Terminal and 104 thousand tons through Subačius Oil Terminal. Compared to 2019, in 2020, cargo handling at Klaipėda Oil Terminal decreased by 11.3%, and at Subačius Fuel Base increased by 70.1%. One of the factors that led to the overall decrease in cargo handling was the suspension of oil supply pipelines from Russia to Belarus in the first quarter of 2020, which reduced the export of oil products from Belarus via the Klaipėda Oil Terminal. The decline in global demand for oil products due to the particularly warm winter season of 2019-2020 and the onset of the COVID-19 pandemic also contributed to lower cargo volumes. One of the main customers of BNK (UK) Limited, a company belonging to the largest exporter of Belarusian oil products – ZAT Belaruskaja neftenaja kompanija (Belarusian oil company – BNK), has suspended trade in oil products by transshipment through the port of Klaipėda. The decrease in the handling of Belarusian oil products in the first quarter of 2020 was partially offset by revenues from crude oil imports to Belarus via the Klaipėda Oil Terminal, including crude oil imported from the USA for the first time. In 2020, BNK delivered over 2,007 tons of cargo to the company, which is about 55.1% more than in 2019. Another important customer – AB ORLEN Lietuva – delivered 30.7% less oil products compared to 2019. The main reason for this change is the decrease in productivity and utilization in the refinery in order to mitigate the negative effects of unfavourable market conditions. Compared to the operating volumes in 2019, the import of light oil products to the Lithuanian market through the KN tanker filling site in 2020 increased by 9.0%.

The LNG terminal, which started degassing activities on 27 November 2014, degassed and transshipped 8.6% more liquefied natural gas in 2020 compared to 2019, the operating volume of this amounted to 21,987 thousand MWh. In 2020, the LNG terminal was used by 6 consumers, two of which are companies from Estonia.

Operating volumes



General Director
Darius Šilenskis

Chairperson of the Board
Giedrius Dusevičius

- ↓ Oil handling volumes decreased by 10.4%
- ↓ Sales revenue decreased by 23.2%
- ↑ Net profit increased almost 5 times and amounted to EUR 34.0 million

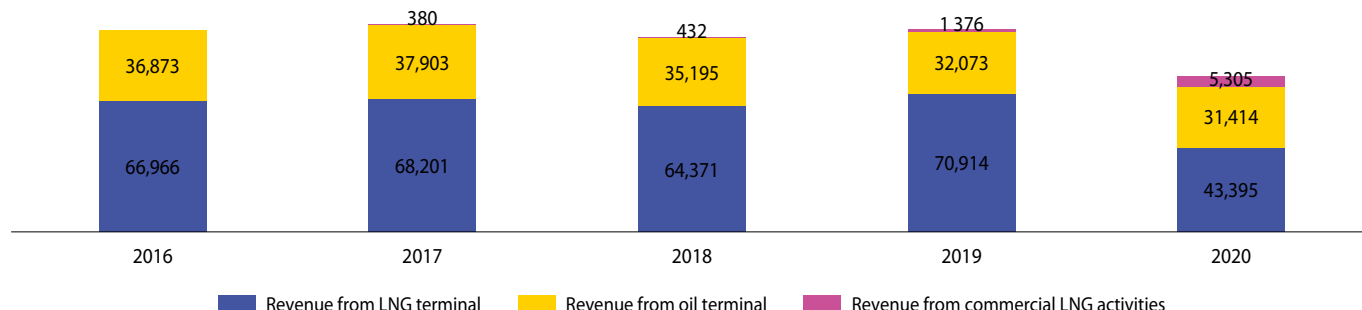
PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		104,363	80,114	-23.2%
Cost of goods sold		83,529	50,960	-39.0%
Gross profit (loss)		20,834	29,154	+39.9%
Cost of sales		7,064	9,811	+38.9%
General and administrative expenses		0	0	-
Results of other activities		546	36	-93.4%
Net financial items		-8,314	24,460	-
Profit (loss) before taxes		6,002	43,839	+630.4%
Corporation tax		-1,559	9,881	-
Net profit (loss)		7,561	33,958	+349.1%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		581,351	559,999	-3.7%
Current assets		81,946	91,695	+11.9%
Cash and cash equivalents		41,865	51,076	+22.0%
Deferred charges and accrued income		0	0	-
Total assets		663,297	651,694	-1.8%
Equity		190,649	216,326	+13.5%
Grants and subsidies		5,988	5,817	-2.9%
Provisions		72	1,709	+2,273.6%
Amounts payable and other liabilities		466,588	427,842	-8.3%
Amounts payable after one year and other non-current liabilities		402,366	367,280	-8.7%
Financial liabilities		402,126	358,043	-11.0%
Amounts payable within one year and other current liabilities		64,222	60,562	-5.7%
Financial liabilities		48,124	44,086	-8.4%
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		663,297	651,694	-1.8%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		1.6%	5.2%	+3.6 p. p.
ROE		3.9%	16.7%	+12.8 p. p.
D/E		236.2%	185.9%	-50.3 p. p.
EBITDA		71,818	45,868	36.1%
EBITDA margin		68.8%	57.3%	-11.5 p. p.
Net profit margin		7.2%	42.4%	+35.2 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		5,747	5,454	-5.1%
INFORMATION ABOUT EMPLOYEES		2019	2020	CHANGE
Number of employees		365	411	+12.6%
Average monthly salary of a manager (gross, EUR)		4,701	5,507	17.2%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Energy of the Republic of Lithuania			72.35%	
UAB KONCERNAS ACHEMOS GRUPĖ			10.41%	
Other shareholders			17.24%	
MANAGEMENT (1 JUL 2021)				
General Director			Darius Šilenskis	
Chairperson of the Board			Giedrius Dusevičius*	
Members of the Board of Directors			Bjarke Pålsson* Mantas Bartuška Dainius Bražiūnas Ian Jonathan Bradshaw*	
Chairman of the Supervisory Board			Eimantas Kiudulas*	
Members of the Supervisory Board			Karolis Švaikauskas Žaneta Kovaliova*	

*Independent member

In 2020, the Company's sales revenue comprised EUR 80,1 million and, compared with the results of 2019, suffered a 23.2% drop. Revenues from regulated LNG terminal operations decreased by 38.8% and amounted to EUR 43.4 million. In total, the sales revenue of oil terminals in 2020 was 2.0% lower and amounted to EUR 31.4 million. This decline in revenue was due to the COVID-19 pandemic, which led to a decline in global demand for oil products and a prolonged period of unfavourable low refining margins.

The latter revenue was partially offset by increased demand for oil product storage. Sales revenue from commercial LNG operations was almost 4 times higher than in 2019 and amounted to EUR 5.3 million. These revenues grew as the Group became the operator of a liquefied natural gas terminal in the Brazilian port of Açú and signed a long-term agreement with the Polish state gas company PGNiG to reserve the capacity of Klaipėda small LNG distribution station for the next 5 years starting in the second quarter of 2020.

Sales revenue structure of AB Klaipėdos nafta (EUR thousand)



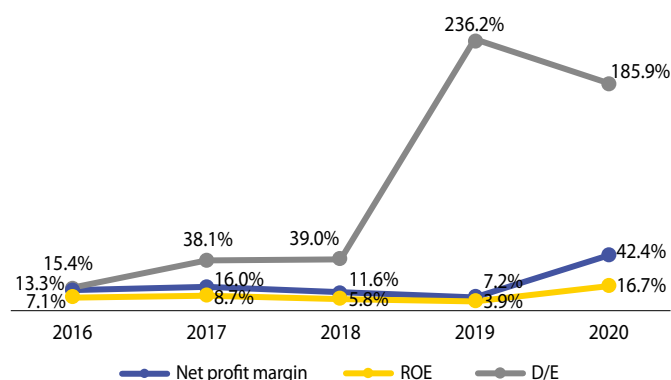
By analysing the period of the last three years, it is noticeable that the total revenue of the oil terminal makes up an ever smaller part of the Company's revenue structure – since 2017, it has decreased by about 17.1%. The declining volumes of oil handling also significantly affected the customer structure – the general revenue structure recorded a drop in sales revenue from foreign customers from 2015 to 2019. In 2020, the revenue received from customers registered outside Lithuania in the total revenue structure increased from 13.0% in 2019 to 26.0% in 2020.

In 2020, the Group earned a net profit of EUR 34.0 million, i.e. almost 5 times more than in 2019. The results for 2020 were mainly affected by IFRS 16 Leases, effective from 1 January 2019, and a reduced LNG security component of EUR 26.8 million per year which came into force on 1 January 2020. These changes affected the Group's statement of financial position, statement of comprehensive income and financial ratios. For the Group's net profit, the adjusted financial ratios are recalculated and presented from net profit by deducting the following amounts: 1) the effect of unrealized foreign exchange rates arising from the requirements of IFRS 16; 2) the effect of the related deferred income tax arising from exchange rates; and 3) the effect of derivatives. Excluding unrealized exchange rate effects (EUR -28.8 million), derivatives (EUR 1.9 million) and deferred tax from unrealized exchange rates (EUR 4.3 million), adjusted net profit is EUR 11.5 million. Thus, this adjusted net profit is 10.0% lower compared to 2019 and the reasons for its decrease are: EUR 4.2 million lower adjusted net profit from oil terminals, EUR 2.4 million lower loss from commercial LNG operations and EUR 458 thousand higher adjusted net profit from regulated LNG operations.

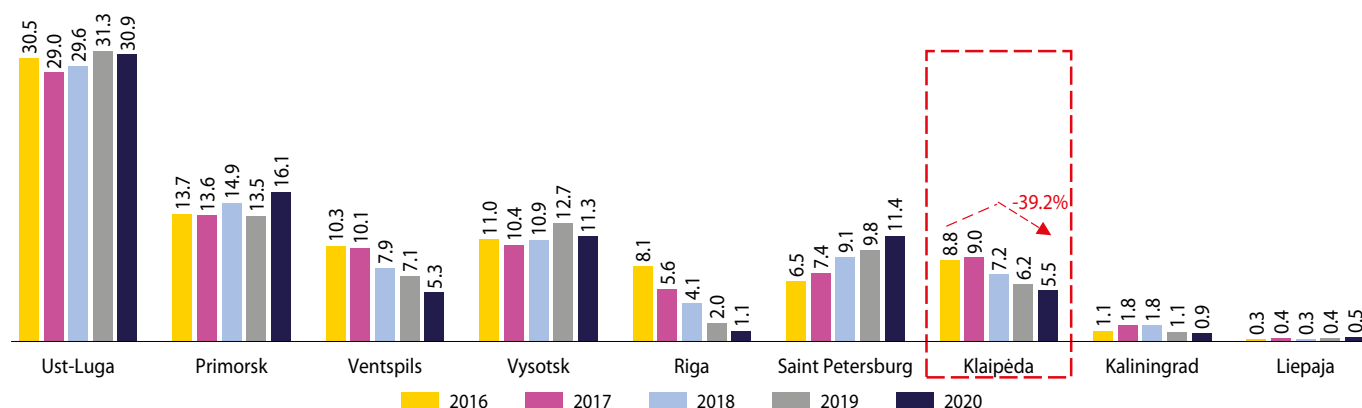
At the end of 2020, the Group's EBITDA amounted to EUR 45.9 million, i.e.

36.1% less than in 2019. As a result of the changed calculation methodology of IFRS 16, profitability indicators increased: the net profit margin was 35.2 percentage points higher and amounted to 42.4%. The return on equity increased from 3.9% in 2019 to 16.7% in 2020. **Between 2019 and 2020, the Group's debt to equity (D/E) ratio increased significantly, reaching 185.9% in 2020.** The increase was mainly due to a change in the calculation methodology of IFRS 16, which includes lease liabilities as financial liabilities.

For 2020, the Group's general meeting of shareholders allocated a dividend of EUR 5.5 million to the State, i.e. 5.1% less than was allocated for the 2019 results.



Transshipment of oil products in the ports of the eastern coast of the Baltic Sea (million tons)



Ports on the eastern Baltic coast (excluding Estonian ports), which are considered to be the Company's main competitors, according to statistics, handled about 88.8 million tons of oil products in 2020. Compared to the cargo handling volumes of 90.5 million tons in 2019, the cargo handling decreased by 2.0% during the reporting period. The handling of oil products in Klaipėda port decreased for three years in a row from 7.2 million tons in 2018 to 5.5 million tons in 2020, and compared to 2019, 12.0% of oil products were handled during the reporting period. In the neighboring Latvian port of Riga, which is losing its main

Russian flows, cargo handling has been declining by an average of 38.5% annually since 2016, indicating a losing market position. As the main export flows of oil and chemical products produced by the Russian refinery, as well as Belarusian products, are routed through Russian ports in the Gulf of Finland, the volume of cargo handling in the port of St. Petersburg has been growing for the fourth year in a row. Also, the cargo handling volumes of the port of Primorsk in this bay increased by 19.2% compared to the previous year, while the growth of cargo handling volumes of the port of Ust-Luga decreased slightly by 1.2%.

UAB SGD logistika

In 2020, the Company did not earn any revenue from sales.

In 2020, UAB SGD logistika incurred general and administrative costs of EUR 3.5 thousand, and revenue from financial and investment activities allowed the Company to earn a net profit of EUR 21.6 thousand.

The total book value of the Company's assets changed insignificantly – by 0.6%, but larger changes in the structure were observed due to long-term investments in financial assets (subsidiaries) – this item increased by 495% and amounted to EUR 151.1 thousand. **The largest share of all assets was in cash in banks amounting to EUR 3.2 million.**

The Company had no financial liabilities.

Due to the net profit of EUR 22 thousand, the Company's return on assets (ROA) was 0.5% and the return on equity (ROE) was 1.0%.

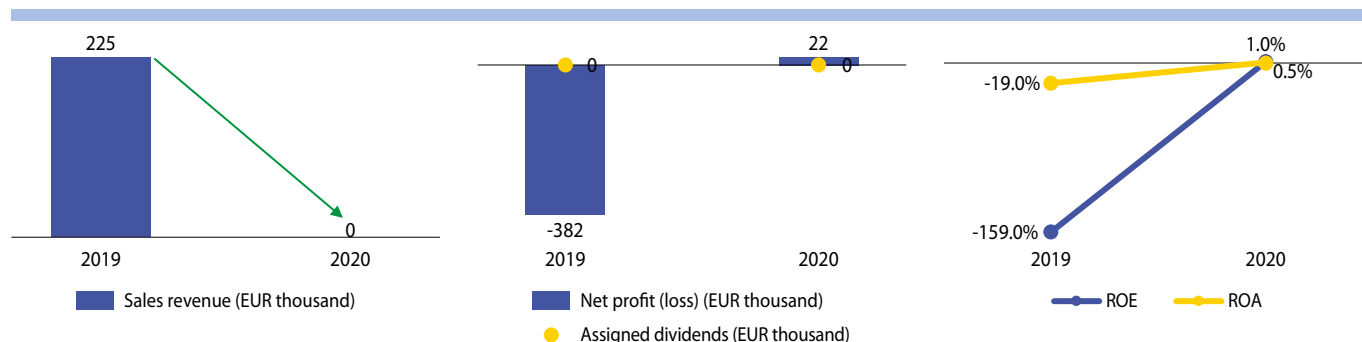
In 2020, the Company invested EUR 125.7 thousand in KN Acu Servicios de Terminal GNL LTDA, while in 2019 EUR 25.0 thousand was invested in the subsidiary UAB SGD SPB.

↓ The Company's revenue from sales fell to EUR 0

↑ Non-current financial assets increased by 495% and amounted to EUR 151.1 thousand

↑ The authorized capital increased by EUR 3.54 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	225	0	-
Cost of goods sold	632	0	-
Gross profit (loss)	-408	0	-
Cost of sales	0	0	-
General and administrative expenses	5	4	-23.9%
Results of other activities	0	0	-
Net financial items	31	26	-14.4%
Profit (loss) before taxes	-382	23	-
Corporation tax	0	1	-
Net profit (loss)	-382	22	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	25	151	+494.9%
Current assets	3,995	3,892	-2.6%
Cash and cash equivalents	3,985	3,201	-19.7%
Deferred charges and accrued income	0	0	-
Total assets	4,020	4,043	+0.6%
Equity	480	4,042	+742.0%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	3,540	2	-100.0%
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	3,540	2	-100.0%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	4,020	4,043	+0.6%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-19.0%	0.5%	+19.5 p. p.
ROE	-159.0%	1.0%	+160.0 p. p.
D/E	0.0%	0.0%	-
EBITDA	-412	-4	+99.2%
EBITDA margin	-183.4%	0.0%	+183.4 p. p.
Net profit margin	-169.8%	0.0%	+169.8 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	2	2	-
Average monthly salary of executives (gross, EUR)	551	607	+10.2%
SHAREHOLDERS	OWNED SHARES		
AB Klaipėdos nafta	100.0%		
MANAGEMENT (1 JUL 2021)			
Director	Linās Kilda		



VĮ Ignalinos atominė elektrinė

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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.

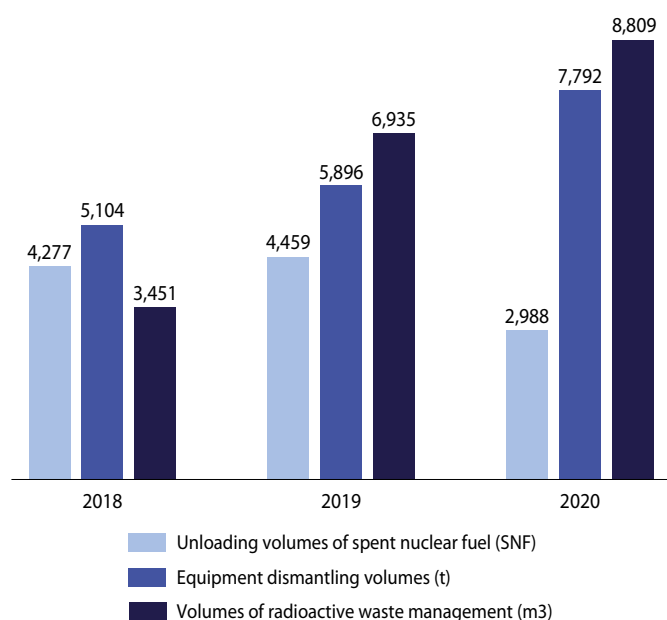
Special obligations: preparations for the decommissioning of Ignalina Nuclear Power Plant operations and safe decommissioning of this power plant; safe management of radioactive waste; Maišiagala radioactive waste storage facility operations and decommissioning.

MAJOR EVENTS:

- On **15 April**, a contract worth EUR 1.1 million was signed with GK CAPITAL, Estonia for 200-litre structures intended for the storage of cemented radioactive waste;
- On **19 June**, the entire solid radioactive waste disposal complex (project B2) started operating in industrial operation mode;
- On **21 July**, the European Union Economic Recovery Fund and the new budget were adopted, after which EUR 552 million of European Union funds for 2021-2027 were allocated for INPP decommissioning;
- On **11 August**, the final decommissioning plan, approved by order of the Minister of Energy No. 1-248, has been updated;
- On **16 November**, the individual dosimetric control laboratory of the Company's Radiation Protection Division was issued a certificate of recognition of the dosimetry service in accordance with the requirements of BSR-1.9.7 "Description of the Procedure for Recognition of the Dosimetry Service of Nuclear Power Facilities", confirming the professionalism of the laboratory staff and strict compliance with the requirements of Lithuanian and international laws and normative documents in daily work.

The Company's activities are focused on meeting the public interest, i.e. the decommissioning of the INPP's operations funded by the State and international donors, which is undertaken on the cost reimbursement basis. For the period 2000-2020, the European Union allocated EUR 1,546.0 million, while the Republic of Lithuania allocated EUR 202.0 million by the end of 2020.

The volumes of equipment dismantling works increased by 32.2% over the reference period compared with the results for 2019. In 2020, 7,792 t of INPP equipment was dismantled, including 3,579.2 t of metal structures and reinforced concrete. During the reporting period, the planned indicators for the treatment of solid and liquid radioactive waste and the total amount of final treated waste increased by 27.0%. This was despite less treatment compared to the period 2019, Class B and C solid radioactive waste due to the elimination of deficiencies identified during the tests of the solid radioactive waste management complex and the delayed "hot" tests of the complex incineration plant, which delayed the industrial commissioning of the complex. Also, in 2020 there was 33.0% less of used fuel than in the previous reporting period. This decrease was due to the start of handling of damaged fuel assemblies, which is a much more complex and time-consuming process compared to unloading of undamaged fuel.



General Director
Audrius Kamienas

Chairperson of the Board
Darius Jasinskis

- ↑ Volumes of equipment dismantling works increased by 32.2%
- ↓ Company's sales revenue decreased by 25.8%
- ↑ Net loss diminished by 43.5%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	316	234	-25.8%
Cost of goods sold	0	0	-
Gross profit (loss)	316	234	-25.8%
Cost of sales	0	0	-
General and administrative expenses	1,857	1,019	-45.1%
Results of other activities	817	284	-65.2%
Net financial items	-318	-88	+72.2%
Profit (loss) before taxes	-1,042	-589	+43.5%
Corporation tax	0	0	-
Net profit (loss)	-1,042	-589	+43.5%
Adjusted net profit (loss)	-1,042	-589	+43.5%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	291,898	243,375	-16.6%
Current assets	288,810	287,338	-0.5%
Cash and cash equivalents	16,613	9,718	-41.5%
Deferred charges and accrued income	113	152	+34.8%
Total assets	580,821	530,865	-8.6%
Equity	20,380	19,791	-2.9%
Grants and subsidies	480,972	438,029	-8.9%
Provisions	71,449	65,049	-9.0%
Amounts payable and other liabilities	7,994	7,876	-1.5%
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	7,994	7,876	-1.5%
Financial liabilities	0	0	-
Accrued expenses and deferred income	27	120	+342.8%
Total equity and liabilities	580,821	530,865	-8.6%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-0.2%	-0.1%	+0.1 p. p.
ROE	-5.0%	-2.9%	+2.1 p. p.
D/E	0.0%	0.0%	-
EBITDA	-210	37	-
EBITDA margin	-66.3%	15.9%	+82.2 p. p.
Net profit margin	-329.8%	-251.1%	+78.8 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Assigned profit contribution	0	0	-
Property tax	0	0	-
Total contributions and non-standard taxes to the State	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	1,837	1,800	-2.0%
Average monthly salary of a manager (gross, EUR)	6,548	7,271	+11.0%
INSTITUTION REPRESENTING THE STATE	Ministry of Energy of the Republic of Lithuania		
MANAGEMENT (1 JUL 2021)			
General Director	Audrius Kamienas		
Chairperson of the Board	Darius Jasinskis*		
Members of the Board of Directors	Rimvydas Štilinis Patricija Ceiko Laimonas Belickas* Jurgita Radzevičė		

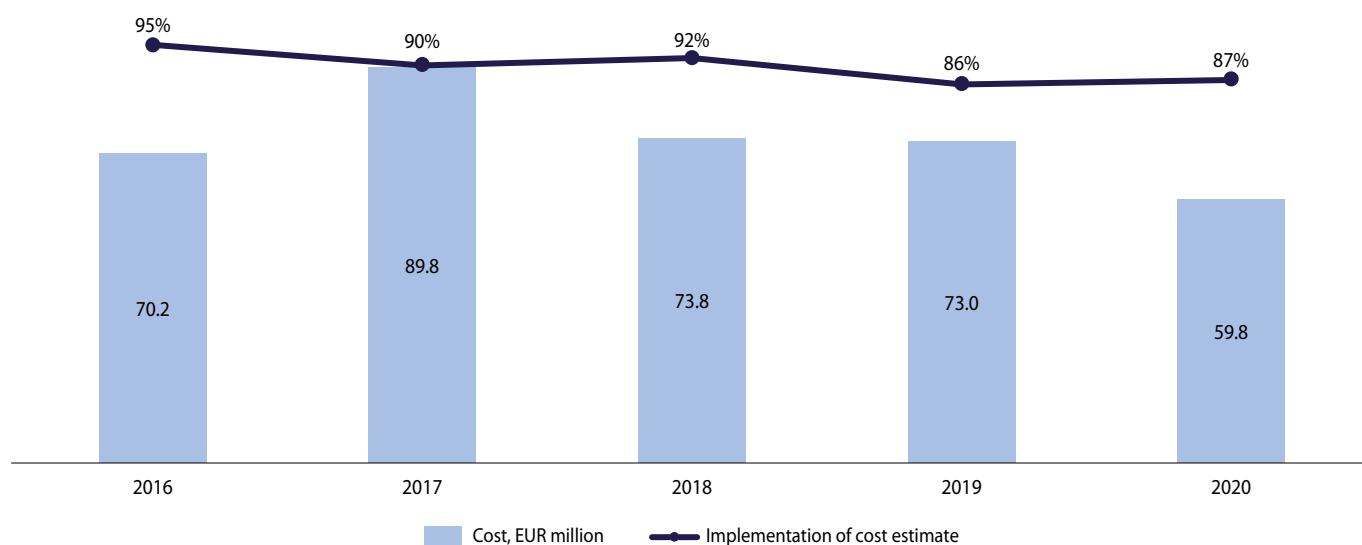
*Independent member

According to the Order of the Minister of Energy of the Republic of Lithuania of 11 August 2020 No. 1-248, the updated decommissioning plan of the Ignalina Nuclear Power Plant was approved, according to which the decommissioning of the power plant, the value of which, excluding inflation and risks, amounts to EUR 2.7 billion, is planned to be completed by 2038. Including inflation and related risks, the value of the plant's decommissioning works rises to EUR 3.3 billion, and the national contribution is estimated at an average of 14.0%. The plan also describes in detail the technological equipment of the Ignalina Nuclear Power Plant, estimates the decommissioning costs, preliminary quantities of radioactive waste generated and their management methods, envisages the decommissioning strategy and sets out the work plan.

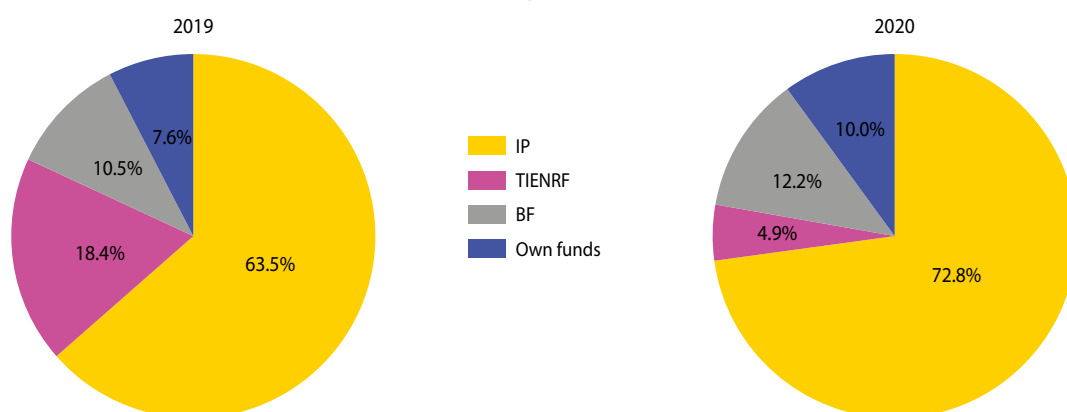
During the performance of the main activities, safe and effective decommissioning of the Ignalina Nuclear Power Plant – more than a third of the equipment was dismantled from 2010 to the end of 2020 (58 thousand tonnes out of 166.9 thousand tonnes). One of the most important works has been completed in 2020: unloading of undamaged nuclear fuel from 1st unit and "hot" tests of the damaged fuel management system and unloading of damaged fuel assemblies and their transportation to the interim spent fuel storage facility.

EUR 59.8 million was used for the decommissioning of the power plant in 2020, i.e. 18.1% less than in 2019. The major part of these funds – 72.8% (EUR 42.8 million) – consisted of funds from the Ignalina Programme (hereinafter – IP). The utilization of the International Decommissioning Support Fund for the Ignalina Nuclear Power Plant (hereinafter – TIENRF) amounted to EUR 2.9 million and decreased by 78.2% compared to 2019, when EUR 13.3 million or 18.4% of the total funding for 2019 was used. EUR 7.2 million (12.2%) was used from the budget of the Republic of Lithuania (hereinafter – BF), and the amount financed by the Company amounted to EUR 5.9 million (10.0%). In 2019, EUR 3.1 million were used with state funds through the State Enterprise Ignalina Nuclear Power Plant Decommissioning Fund, but as of 1 January 2020, the Company no longer receives funds from this fund (formerly ENF), as a draft law on liquidation was submitted to the Seimas.

In the period of 2016 – 2020, the Company incurred an average of EUR 73.3 million in expenses annually. Since the power plant decommissioning costs are subsidised, the Company's general and administrative expenses reflect the non-subsidised values of incurred costs. During a five-year period, the Company's estimate of operating costs was implemented by 90.0% according to the plan.



Funding structure



In 2020, compared to the results of 2019, the Company's sales revenue decreased by 25.8% and amounted to EUR 234.4 thousand.

The overall revenue structure of the Company in 2019 was dominated by revenue from the sale of assets, but in 2020 this activity was suspended due to unfavourable market prices. When unnecessary uncontaminated or decontaminated equipment is dismantled, the Company sells it in public auctions. Therefore, in 2020, total sales revenue from other economic and commercial activities (compressed air supply, transport, training services, temporary reception and storage of ionizing sources, etc.) accounted for 60.6% of total revenue.

The Company's net result for 2020 was negative as the Company suffered a net loss of EUR 588.5 thousand, but compared to the results of 2019, the loss decreased by EUR 453.1 thousand. This change was due to a significant decrease in general and administrative (operating) expenses, which amounted to EUR 1.0 million, compared to EUR 1.9 million in 2019.

Despite higher labour costs, increased leave savings, higher electricity prices in the market, as well as lower other costs, general and administrative expenses decreased the most due to the discounting to present value of the provision for decommissioning of the Ignalina Nuclear Power Plant from own funds.

At the end of 2020, the Company's EBITDA was equal to EUR 37 thousand. Return on equity was negative and amounted to -2.9% or 2.1 p. p. higher than in 2019. The following results are determined by the abovementioned reasons and the peculiarities 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.
- 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 disposal.

AB Lietuvos geležinkeliai Group



AB Lietuvos geležinkeliai owns 100% shares of UAB Geležinkelio tiesimo centras, UAB Vilniaus lokomotyvų remonto depas, UAB Gelsauga, UAB Rail Baltica statyba, AB LTG CARGO, UAB Saugos paslaugos, AB LTG Infra, UAB LTG Link, as well as 80% shares of VšĮ Geležinkelių logistikos parkas, 34% shares of UAB voestalpine Railway Systems Lietuva and 33% shares of VšĮ Transporto inovacijų centras.

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.

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



General Director
Mantas Bartuška

Chairman of the Board of Directors
Not appointed

MAJOR EVENTS:

- On **1 January**, the Group company LTG Link joined the partners of the family card provided for in the Republic of Lithuania Law on the Family Card. Family card holders receive a 20.0% discount for local train travel in Lithuania;

- On **11 April**, for the first time in history, a train arrived in Europe from China, the cargo of which consisted only of postal items, and it stopped in Lithuania, at the Vilnius intermodal terminal. The consignments delivered in the 42 postal containers that make up the train are destined not only for Lithuania, but for the whole of Europe. They were distributed throughout Europe by AB Lietuvos paštas;

- On **13 May**, the country's railway infrastructure manager LTG Infra announced that it would open the country's railway infrastructure to foreign carriers;

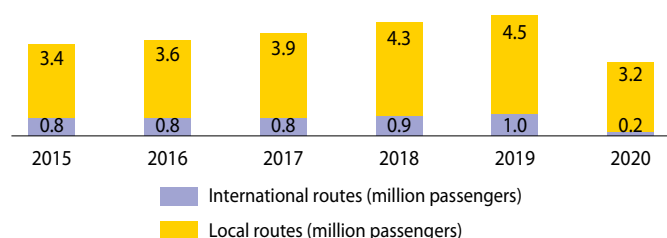
- On **14 May**, LTG Cargo and its partners transported truck semi-trailers by rail for the first time. A train with 22 semi-trailers reached the Šeštokai railway station in Lazdijai district – it arrived from Central Europe in two days. This is the first time in history that semi-trailers have been transported by rail in the Baltic States;

- On **3 July**, AB Lietuvos geležinkeliai presented a new image – not only the logo of the main company (its new abbreviation LTG) was changed, but also the trade marks of all Group companies. The names of the main companies of the Group have been changed – UAB LG Keleiviams engaged in passenger transport became UAB LTG Link, AB LG Cargo engaged in freight transport became AB LTG Cargo, and infrastructure development company AB Lietuvos geležinkelių infrastruktūra became AB LTG Infra; On 29 September, the freight transportation company LTG Cargo prepared for the transportation of semi-trailers in Lithuania, so the first truck semi-trailer delivered by train from Klaipėda Seaport reached the Vilnius Intermodal Terminal. In Vilnius, the cargo was loaded on a semi-trailer and it was transported back to Klaipėda Seaport;

- By implementing international development and diversifying activities, in 2020 LTG Cargo established three subsidiaries – LTG Cargo Polska, LTG Cargo Ukraine, UAB LTG Wagons.

In 2020, 3.3 million passengers were transported by rail, which is 39.5% less than in 2019. 30.5% less passengers were transported via local routes, amounting to 3.2 million passengers and accounting for 95.0% of all passengers transported. This decrease was due to the suspension of almost half of the local train services in March-April 2020 due to the COVID-19 pandemic, which have been resumed since mid-May 2020. As of 9 November, due to the second wave of COVID-19, 25 local train routes have been optimized, and a further 14 have been rescheduled. Thus, at the end of the year, out of 226 domestic train routes, 103 routes had not been reinstated.

Transportation of passengers



In 2020, international traffic decreased by 82.5 percent and amounted to 0.2 million passengers. This was also due to the announcement of the COVID-19 pandemic, which led to the suspension of international train traffic from 16 March 2020 and the suspension of transit train traffic from 6 April. At the end of 2020, only 6 out of 32 international transit train routes were reinstated.

The Group must ensure the provision of services to the public which are necessary but not commercially viable for local transport. The State allocates grants to compensate for losses incurred in the carriage of passengers via local routes. In 2020, they amounted to EUR 36.0 million, and in 2019 to EUR 30.1 million.

Freight transport accounts for most of the revenue generated by the Group. In 2020, the Group transported 53.4 million tons of cargo – 3.2% less than in 2019:

- In 2020, rail transport continued to be dominated by chemical and mineral fertilizers and oil and oil products, accounting for more than half of all freight transported.

↓ Sales revenue decreased by 10.7%
↓ Net profit earned by the Group decreased by 37.1% to EUR 36.6 million
↓ Assigned dividends decreased by 63.6% down to EUR 13.8 million

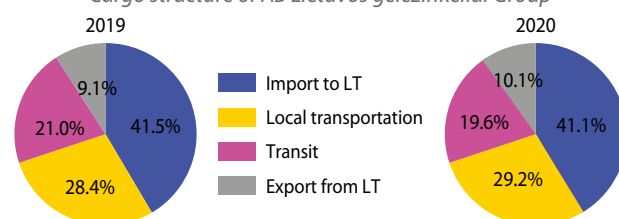
PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		473,541	422,953	-10.7%
Cost of goods sold		370,201	351,628	-5.0%
Gross profit (loss)		103,340	71,325	-31.0%
Cost of sales		0	0	-
General and administrative expenses		60,194	69,725	+15.8%
Results of other activities		31,560	44,745	+41.8%
Net financial items		-3,014	-3,451	-14.5%
Profit (loss) before taxes		71,692	42,894	-40.2%
Corporation tax		13,597	6,338	-53.4%
Net profit (loss)		58,095	36,556	-37.1%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		1,825,445	1,929,090	+5.7%
Current assets		226,981	158,849	-30.0%
Cash and cash equivalents		105,153	69,499	-33.9%
Deferred charges and accrued income		4,089	16,287	+298.3%
Total assets		2,056,514	2,104,226	+2.3%
Equity		1,167,131	1,162,977	-0.4%
Grants and subsidies		556,015	581,384	+4.6%
Provisions		17,392	15,274	-12.2%
Amounts payable and other liabilities		313,241	333,678	+6.5%
Amounts payable after one year and other non-current liabilities		186,673	209,329	+12.1%
Financial liabilities		155,484	176,991	+13.8%
Amounts payable within one year and other current liabilities		126,569	124,349	-1.8%
Financial liabilities		29,597	30,296	+2.4%
Accrued expenses and deferred income		2,735	10,913	+299.0%
Total equity and liabilities		2,056,514	2,104,226	+2.3%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		2.8%	1.8%	-1.0 p. p.
ROE		5.0%	3.1%	-1.9 p. p.
D/E		15.9%	17.8%	+1.9 p. p.
EBITDA		193,079	157,617	-18.4%
EBITDA margin		40.8%	37.3%	-3.5 p. p.
Net profit margin		12.3%	8.6%	-3.7 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Assigned dividends		38,000	13,836	-63.6%
INFORMATION ABOUT EMPLOYEES		2019	2020	CHANGE
Number of employees		9,190	8,999	-2.1%
Average monthly salary of a manager (gross, EUR)		7,339	7,604	+3.6%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Transport and Communications of the Republic of Lithuania			100.0%	
MANAGEMENT (1 JUL 2021)				
General Director			Mantas Bartuškas	

- International freight, which amounted to 37.8 million tons and made up 70.8% of all shipments in the cargo structure, increased by 4.4%. Cargo transported through transit through the territory of Lithuania decreased by 9.7% due to lower flows of coal and food products in the direction of the Kaliningrad region. On the other hand, the volume of cargo in transit through seaport of Klaipėda increased by 3.8% due to a tenth more Belarusian cargo transported. The flow of Russian cargo in 2020 decreased by 24.0% due to geopolitical changes in the market.

- The volume of cargo transported by local routes amounted to 29.2% of all cargos transported and slightly decreased by 0.3% in 2020, totalling to 15.6 million tons. Domestic routes were dominated by construction cargo and food products, most of which were grain intended for export.

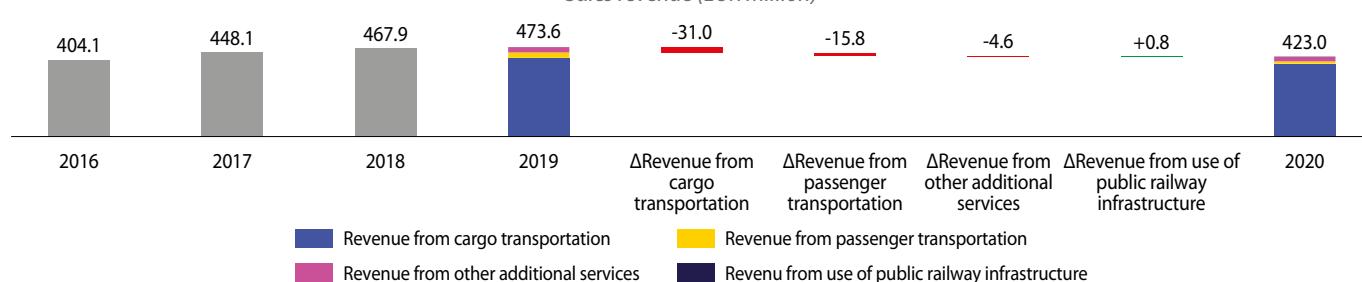
- Following the disruption of logistics chains during the global COVID-19 pandemic, in 2020 the flow of Chinese cargo to Lithuania increased. The volume of Chinese cargo amounted to 51.6 thousand TEU (unit of measurement, equivalent

Cargo structure of AB Lietuvos geležinkeliai Group



to a 20-foot container) and was almost 5 times higher than in 2019. The growth of these cargos was due to reduced air and sea transport capacities, longer delivery times and higher transportation prices.

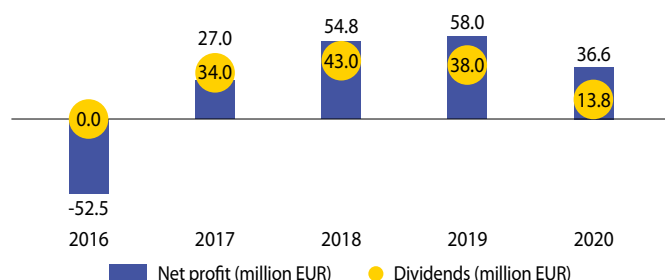
Sales revenue (EUR million)



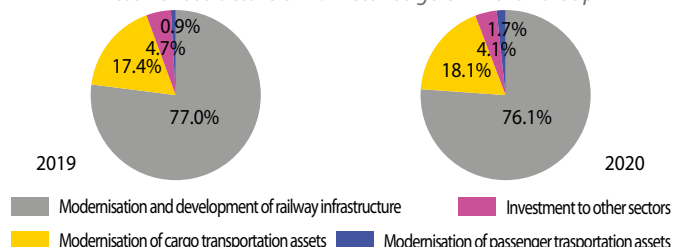
The Group's sales revenue decreased by EUR 50.6 million or 10.7% and amounted to EUR 423.0 million. Revenue from freight carriage, accounting for 91.2% of total sales revenue, declined by 7.4%, or EUR 31.0 million, due to slower trade volumes, a decline in commodity markets and lower freight volumes in the global COVID-19 pandemic. Revenues from passenger transport, excluding state subsidies to compensate for losses in passenger transport, which accounted for 2.9% of sales revenue in 2020, decreased by 55.8 percent and amounted to EUR 12.6 million. The negative developments were due to reduced passenger traffic due to the COVID-19 pandemic. Other revenue also declined, i.e. by 13.2 percent or

EUR 3.8 million. The decrease in such revenues was due to lower sales of scrap metal.

In 2020, the Group's net profit decreased by 37.1 percent to EUR 36.6 million. The Group's EBITDA decreased by 18.4 percent to EUR 157.6 million. The weaker results were due to a 7.4% decrease in the Group's total revenue due to lower transportation volumes, mainly caused by the economic consequences which occurred due to the COVID-19 pandemic. During the reporting period, the Group's expenses decreased at a slower pace than revenue, i.e. 2.1% – the Group's concentrated assets and its maintenance account for a fairly significant share of fixed costs. Return on equity also declined from 5.0 percent to 3.1 percent.



Investment structure of AB Lietuvos geležinkeliai Group



In 2020, the Group's investments increased by 103.3 percent compared to 2019 and amounted to EUR 228.9 million, of which 81.7 percent was financed by the Group's own funds. During the reporting period, EUR 42.0 million of EU support and state budget funds were used. Most investments, i.e. 76.1% of the total structure, or EUR 174.1 million, was spent on upgrading and expanding rail infrastructure. Investments in the renewal of freight assets also increased significantly by 111.2% to EUR 41.1 million and investments in the renewal of passenger assets increased by 290.0% to EUR 3.9 million. The value of investments to other sectors in the overall structure increased by 79.2 percent in 2020 and amounted to EUR 9.5 million.

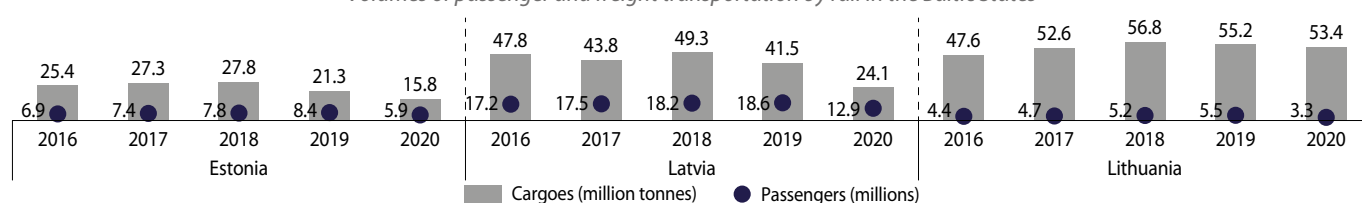
The major part of the Lithuanian railway network consists of the 1,520 mm-wide gauge used in the CIS and the Baltic States, while the standard gauge used in almost all European Union countries is 1,435 mm wide. This is one of the major obstacles of direct rail links with Europe. At the end of 2020, the extended length of the railway reached 3,459.9 km, and the length of electrified gauge increased to 317.5 km during 2020. Since 8 December 2019, the network infrastructure of Lithuanian Railways has been controlled by the parent company AB Lietuvos geležinkelių 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 leading the way in the transportation of passengers: in 2020 they carried 12.9 million passengers, which is 4 times more than Lithuanian railways. The volume of passenger transport by Estonian railways, which decreased by 29.8 percent and reached 5.9 million passengers in 2020, was also almost twice as high as in Lithuania.

Lithuania was a leader of the Baltic States by the amount of cargo transported in 2020: the amount of cargo carried by Lithuanian railways amounted to 53.4 million tons, while the amount of cargo transported in Estonia was the lowest and amounted to 15.8 million tons. It is noticeable that in 2020 the volumes of cargo transported in the Baltic States decreased, but in Lithuania this decrease reached only 3.2%. The largest decrease in cargo transportation volumes, reaching 41.9%, was recorded in Latvia, as well as a decrease of 25.8% in Estonia. The declining trend in rail freight due to the slowdown in trade caused by the decline in raw material markets and the global coronavirus pandemic is recorded in all markets in the surrounding countries.

Volumes of passenger and freight transportation by rail in the Baltic States



UAB Vilniaus lokomotyvų remonto depas

www.vlrd.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:

- **In May**, a new draft strategy was approved – construction of production bases;
- **In August**, a new version of the Company's Articles of Association was prepared;
- **In October**, the first two semi-trailers were certified. All the necessary equipment for the production process has been manufactured.

In the reporting year, 96.1% of all services were provided to Lithuanian companies. The Company carried out repairs of 7,312 sections of traction units and 16,614 wagons.

Despite a one-third decrease in revenue from wagon repairs, a significant increase in the volume of traction vehicle (locomotive) repairs enabled the Company **to earn 30.3% higher revenue – it amounted to EUR 68 million at the end of the reporting year**. This allowed to start the capital repairs of Siemens locomotives for AB LTG Cargo. In total, locomotive repair revenue accounted for 68.3% of the total revenue structure.

Due to the changed structure of repairs performed in 2020 (more locomotive repairs, less – wagon repairs), the Company incurred more costs during repairs to purchase new materials and components. This led to a decrease in overall profitability of 8.7 p. p. Operating costs increased insignificantly due to rising wages, which resulted in a smaller decrease in operating profitability, i.e. 5.9 p. p. **Earned EBITDA amounted to EUR 4.1 million, which is 39.6% less than in 2019.**

In 2020, dividends were paid to the shareholder for 2019 – the amount of total accumulated and distributed profit, i.e. EUR 7.7 million. However, the dividends paid for 2020 decreased by 87.6% to EUR 956 thousand.

The Company's assets changed insignificantly, i.e. decreased by 2.4%. Changes in the structure of assets consisted of a 31.1% increase in non-current assets due to ongoing investments in production buildings and a decrease in current assets at the expense of funds in banks.

Due to the need to balance working capital, in 2020 the Company used the LTG group cash-pool account, therefore at the end of the year the financial debt to the group increased more than three times.

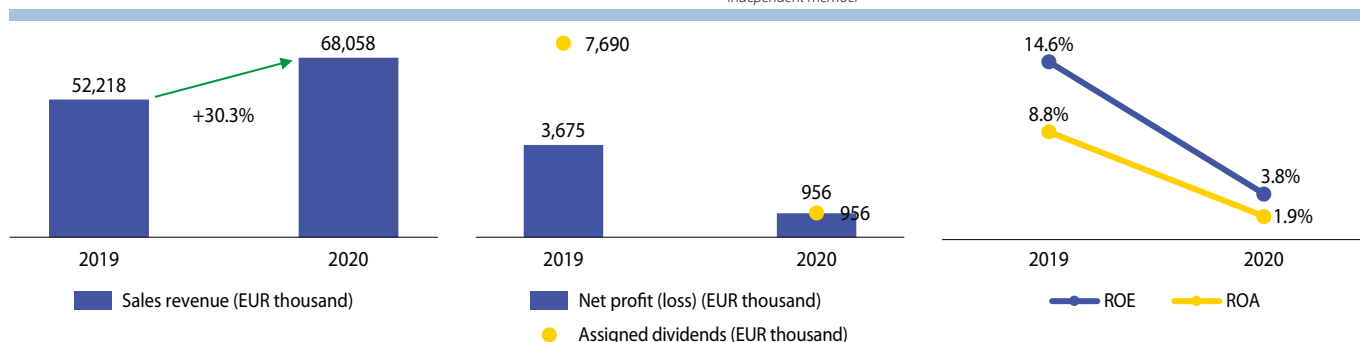
The decrease in net profit had a negative impact on both the return on equity (ROE) and the return on assets (ROA), which decreased by 10.8 p. p. and 6.9 p. p., respectively.

The Company's own investments in 2020 amounted to EUR 3.4 million, of which EUR 2.2 million were allocated to the wagon production project.

- ↑ Sales revenue grew by 30.3% and reached EUR 68.1 million
- ↓ Net profit decreased by 74.0% and amounted to EUR 955.8 thousand
- ↑ Financial debt more than tripled to EUR 13.2 million.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	52,218	68,058	+30.3%
Cost of goods sold	41,239	59,683	+44.7%
Gross profit (loss)	10,979	8,375	-23.7%
Cost of sales	0	0	-
General and administrative expenses	6,558	6,654	+1.5%
Results of other activities	76	136	+79.7%
Net financial items	-198	-432	-118.3%
Profit (loss) before taxes	4,298	1,425	-66.8%
Corporation tax	623	469	-24.8%
Net profit (loss)	3,675	956	-74.0%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	14,253	18,691	+31.1%
Current assets	35,620	30,005	-15.8%
Cash and cash equivalents	4,128	482	-88.3%
Deferred charges and accrued income	33	31	-5.7%
Total assets	49,906	48,727	-2.4%
Equity	28,609	21,875	-23.5%
Grants and subsidies	41	14	-65.7%
Provisions	111	208	+87.9%
Amounts payable and other liabilities	20,624	24,481	+18.7%
Amounts payable after one year and other non-current liabilities	3,481	1,940	-44.3%
<i>Financial liabilities</i>	2,562	1,217	-52.5%
Amounts payable within one year and other current liabilities	17,143	22,542	+31.5%
<i>Financial liabilities</i>	1,453	12,022	+727.4%
Accrued expenses and deferred income	522	2,149	+311.6%
Total equity and liabilities	49,906	48,727	-2.4%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	8.8%	1.9%	-6.9 p. p.
ROE	14.6%	3.8%	-10.8 p. p.
D/E	14.0%	60.5%	+46.5 p. p.
EBITDA	6,790	4,104	-39.6%
EBITDA margin	13.0%	6.0%	-7.0 p. p.
Net profit margin	7.0%	1.4%	-5.6 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	7,690	956	-87.6%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	940	935	-0.5%
Average monthly salary of executives (gross, EUR)	5,083	5,423	+6.7%
SHAREHOLDERS	OWNED SHARES		
AB Lietuvos geležinkeliai	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Albertas Bajorinas		
Chairman of the Board of Directors	Egidijus Lazauskas		
Members of the Board of Directors	Lukas Danielevičius Agnė Grambaite Rokas Janutėnas Greta Kernagienė		

*Independent member



UAB Geležinkelio tiesimo centras

www.gtc.lt



Maintenance of railway infrastructure, implementation of construction, repair and modernisation projects

MAJOR EVENTS:

- In April, a new organisational structure was approved.
- In June, a subsidiary was established in Belarus together with VLRD

During the reporting year, the Company collected 20% less km of railways: if 63 km were collected or re-selected in 2019, the amount in 2020 was 51 km. There was also less dismantling works performed – 49 km, which is 29% less than last year. A total of 223 km of railways was repaired. The existing rails have been replaced by long rails – 73 km.

GTC's revenue in 2020 was EUR 28.7 million, up by 14.8% compared to 2019. The largest share of revenue (86%) was accounted for by railway construction and repair. Revenues of this segment are 36.8% higher due to ongoing projects conducted with contractors' materials (second railways on Livintai-Gaižiūnai).

Increased costs of materials significantly increased the Company's cost of sales: if in 2019 it amounted to EUR 21.8 million (including costs of materials – EUR 1.1 million), then in 2020 the cost jump amounted to 22.7% and reached EUR 26.7 million (including EUR 7.3 million for materials). Faster growth in direct costs resulted in a 38.5% decrease in gross profit. Therefore, even controlled operating expenses, which decreased by 8.1%, **had a negative impact on both EBITDA and net revenue: 31.3% and 201.8% of the latter, respectively, were earned.**

During the reporting period, the value of the Company's assets increased by 6.4% or EUR 2.4 million. This was mainly due to the increase in current assets – stocks – due to ongoing second railway projects.

The Company's financial liabilities at the end of 2020 amounted to EUR 793.3 thousand and were mainly related to the fulfilment of real estate (premises, areas) and vehicle lease agreements.

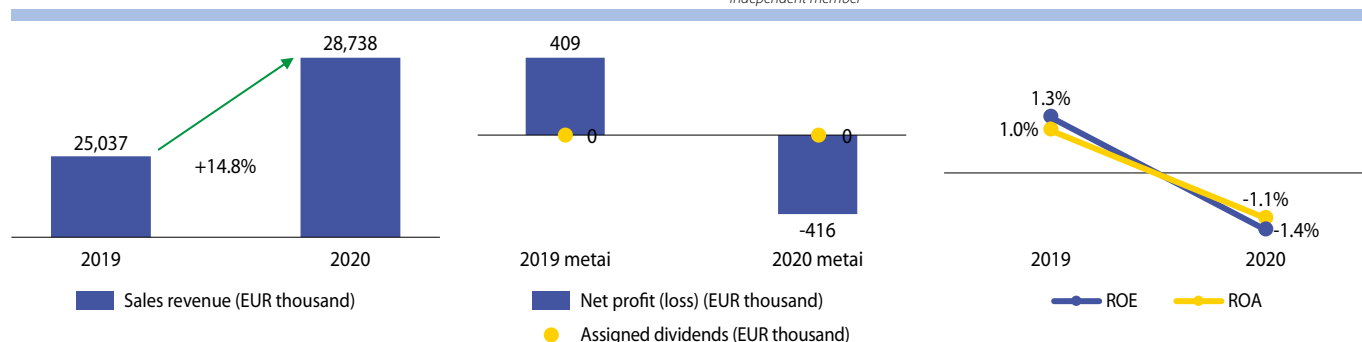
The net loss resulted in negative rates of return on assets (ROA) and return on equity (ROE): **in 2020, ROA amounted to -1.1% and ROE was -1.4%, while the EBITDA margin, which shrank by 5.7 p. p., was 8.5%.**

In 2020, the Company invested EUR 254 thousand in technical renewal with its own funds.

- ↓ The Company's net result shrank by -202% and amounted to a loss of EUR 416 thousand
- ↓ EBITDA decreased by 31% to EUR 2.5 million
- ↑ The Company's liabilities grew by 56.7%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	25,037	28,738	+14.8%
Cost of goods sold	21,811	26,754	+22.7%
Gross profit (loss)	3,226	1,985	-38.5%
Cost of sales	0	0	-
General and administrative expenses	2,931	2,694	-8.1%
Results of other activities	280	272	-2.5%
Net financial items	-80	-76	+5.6%
Profit (loss) before taxes	494	-513	-
Corporation tax	85	-97	-
Net profit (loss)	409	-416	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	29,101	26,797	-7.9%
Current assets	8,279	12,924	+56.1%
Cash and cash equivalents	1,453	1,677	+15.4%
Deferred charges and accrued income	0	37	-
Total assets	37,380	39,758	+6.4%
Equity	30,898	30,481	-1.3%
Grants and subsidies	0	0	-
Provisions	486	425	-12.6%
Amounts payable and other liabilities	5,649	8,851	+56.7%
Amounts payable after one year and other non-current liabilities	700	729	+4.1%
Financial liabilities	700	729	+4.1%
Amounts payable within one year and other current liabilities	4,949	8,123	+64.1%
Financial liabilities	1,542	65	-95.8%
Accrued expenses and deferred income	347	0	-
Total equity and liabilities	37,380	39,758	+6.4%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.0%	-1.1%	-2.1 p. p.
ROE	1.3%	-1.4%	-2.7 p. p.
D/E	7.3%	2.6%	-4.7 p. p.
EBITDA	3,577	2,457	-31.3%
EBITDA margin	14.3%	8.5%	-5.7 p. p.
Net profit margin	1.6%	-1.4%	-3.0 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	461	373	-19.1%
Average monthly salary of executives (gross, EUR)	4,526	5,700	+25.9%
SHAREHOLDERS	OWNED SHARES		
AB Lietuvos geležinkeliai	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Vytautas Radzevičius		
Chairman of the Board of Directors	Linus Baužys		
Members of the Board of Directors	Rokas Janutėnas Sigita Kubilius Brigita Velenčienė Vaidotas Dirmekis		

*Independent member



UAB Rail Baltica statyba

www.rail-baltica.lt



MAJOR EVENTS:

- **In February**, the Baltic States applied for EU support under the Connecting Europe Facility of the Transport Sector Multi-Annual Work Programme;
- **In February**, public procurements were announced for the implementation of the territorial planning phase of the Rail Baltica project;
- **In May**, the Rail Baltica project office was opened in Lithuania;
- **In June**, public procurements were announced for the contract works of the Rail Baltica project in the section from Kaunas to the Lithuanian/Latvian border;
- **In October**, the main works of the project on the Kaunas–Palemonas railway section were completed – by laying the last rails of the European standard and connecting the Kaunas intermodal terminal directly to the European railway network;

• **In November**, the Supervisory Board of the new Baltic joint venture RB Rail AS was elected;

• **In December**, grant agreements were signed for the European Connecting Europe Facility, on the basis of which an additional EUR 182.2 million of EU funds was allocated for the implementation of the Rail Baltica project in the Baltic States.

The Company's revenue in 2020 changed insignificantly – decreased by -2% and amounted to EUR 49 thousand. The decrease was determined by the coordination service agreements of the Rail Baltica project concluded with AB LTG Infra.

The Company's operating costs in 2020 amounted to EUR 83.1 thousand, i.e. increased by 7.3% due to wage growth. **The final result remains negative – a loss of EUR 26 thousand was incurred.**

The value of the Company's assets decreased minimally – by 0.8%. Long-term financial assets remained as the main assets and were unchanged at EUR 2.3 million.

The Company had no financial debts.

The Company does not carry out investment projects.

*The object of the Company's activity is the management of the shares of the company RB Rail AS, implementation of the rights and obligations granted by them. As a result, the Company has no core business, i.e. entry – exit logistics, marketing and sales, after-sales service, etc., also does not participate in the market and competitive environment, does not have a managed infrastructure. In view of this, the Company does not calculate profitability and return indicators.***

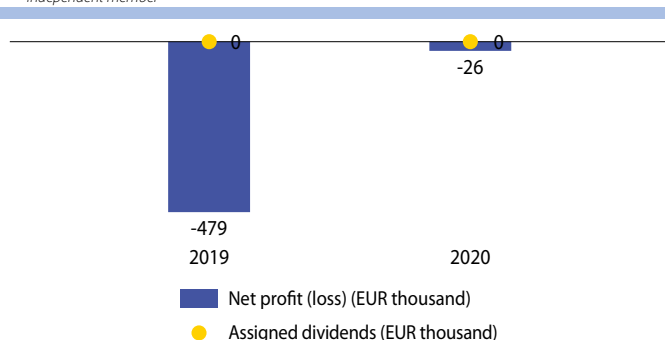
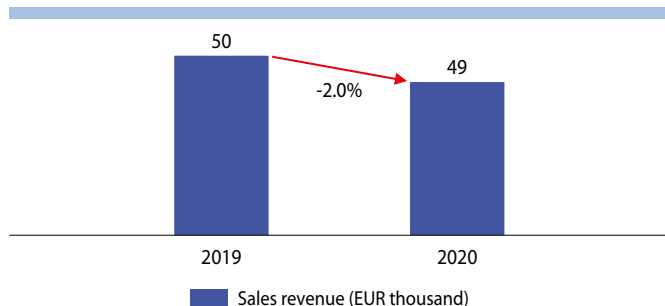
↑ The loss decreased from EUR -479 thousand in 2019 to EUR -26 thousand in 2020

↓ Sales revenue decreased by 2.0% to EUR 49 thousand

↓ Value of assets decreased by 0.8%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	50	49	-2.0%
Cost of goods sold	70	75	+7.3%
Gross profit (loss)	-20	-26	-30.4%
Cost of sales	0	0	-
General and administrative expenses	5	8	+47.3%
Results of other activities	0	0	-
Net financial items	-454	8	-
Profit (loss) before taxes	-479	-26	+94.6%
Corporation tax	0	0	-
Net profit (loss)	-479	-26	+94.6%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	2,304	2,312	+0.3%
Current assets	107	81	-24.7%
Cash and cash equivalents	92	67	-26.9%
Deferred charges and accrued income	0	0	-
Total assets	2,411	2,393	-0.8%
Equity	2,398	2,372	-1.1%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	7	13	+77.3%
Amounts payable after one year and other non-current liabilities	0	0	-
<i>Financial liabilities</i>	<i>0</i>	<i>0</i>	<i>-</i>
Amounts payable within one year and other current liabilities	7	13	+77.3%
<i>Financial liabilities</i>	<i>0</i>	<i>0</i>	<i>-</i>
Accrued expenses and deferred income	5	7	+33.3%
Total equity and liabilities	2,411	2,393	-0.8%
RATIOS**	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-	-	-
ROE	-	-	-
D/E	-	-	-
EBITDA	-	-	-
EBITDA margin	-	-	-
Net profit margin	-	-	-
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	4	4	-
Average monthly salary of executives (gross, EUR)	1,605	1,765	+10.0%
SHAREHOLDERS	OWNED SHARES		
AB Lietuvos geležinkeliai	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Karolis Sankovski		
Chairman of the Board of Directors	Karolis Sankovski		
Members of the Board of Directors	Arenijus Jackus Odeta Tručinskaitė-Siušienė		

*Independent member



AB LTG CARGO

www.cargo.litrail.lt



Local and international transportation of cargoes

The company started operating from 1 May 2019, therefore the data for the period 2019 do not cover the full year and are not comparable with the data for 2020.**

MAJOR EVENTS:

- In March, Company's share capital was reduced by EUR 16.5 million in accordance with the shareholder's decision by cancelling 56,888 ordinary registered shares;
- In April, the first postal train from China arrived at the Vilnius Intermodal Terminal;
- In July, the Company's new brand LTG Cargo was introduced;
- In July, a new subsidiary in Poland, LTG Cargo Polska, was established;
- In October, wagon rental activities were transferred to the newly established company LTG Wagons;
- In December, a new subsidiary in Ukraine, LTG Cargo Ukraine, was established.

During the reporting year, the Company transported 53.4 million tonnes of cargo, which is only 3% less than last year. The largest share was accounted for by international cargo transportation – 37.8 million tonnes. The achieved cargo turnover amounted to 15.9 billion tonnes of kilometres, for comparison – at the end of 2019 it reached 16.2.

Although the volume of cargo transportation decreased due to both the influence of Covid-19 and geopolitical factors, the volume of cargo entering and leaving through Klaipėda port increased, and in 2020 the Company increased the revenue from other additional services.

The Company's operating costs increased the most due to rising wages. The main costs of the Company in 2020 consisted of infrastructure costs (54.0%), personnel maintenance costs (13.4%) and fuel (11.3%). **The Company's net profit at the end of 2020 amounted to EUR 16.3 million.**

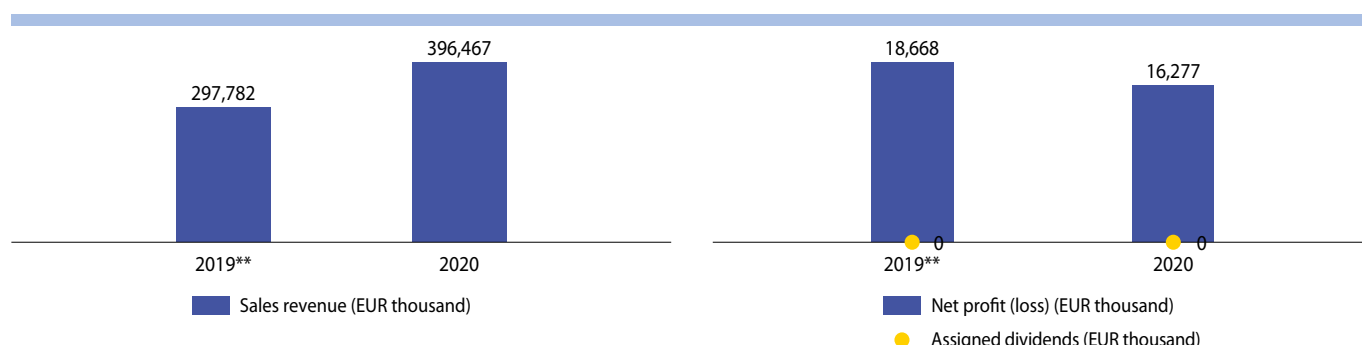
The total assets of the Company in the reporting year amounted to EUR 286.9 million. In the structure of assets, the value of current assets changed the most – due to better receivables management, trade receivables decreased by 22.3% (or EUR 14.5 million), while non-current assets increased by 9.5% (or EUR 18 million).

The Company's financial liabilities decreased by EUR 9.6 million during the reporting year and amounted to EUR 149.1 million at the end of the year. The Company uses the LTG Group cash-pool to balance working capital.

In 2020, the Company invested EUR 41.9 million. EUR 39.2 million was invested in overhauls of the rolling-stock (freight wagons and locomotives). EUR 0.5 million has been allocated for expansion into new markets. Investments are financed with own funds.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019**	2020	CHANGE
Sales revenue	297,782	396,467	-
Cost of goods sold	260,067	354,627	-
Gross profit (loss)	37,716	41,840	-
Cost of sales	0	0	-
General and administrative expenses	15,153	22,560	-
Results of other activities	18	1,018	-
Net financial items	-1,156	-1,726	-
Profit (loss) before taxes	21,424	18,572	-
Corporation tax	2,756	2,295	-
Net profit (loss)	18,668	16,277	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019**	31 DEC 2020	CHANGE
Non-current assets	191,276	210,368	-
Current assets	92,411	73,327	-
Cash and cash equivalents	25,143	21,358	-
Deferred charges and accrued income	1,842	3,244	-
Total assets	285,528	286,939	-
Equity	58,190	74,467	-
Grants and subsidies	0	0	-
Provisions	235	37	-
Amounts payable and other liabilities	223,653	208,625	-
Amounts payable after one year and other non-current liabilities	149,349	147,010	-
<i>Financial liabilities</i>	144,286	139,411	-
Amounts payable within one year and other current liabilities	74,305	61,615	-
<i>Financial liabilities</i>	14,432	9,732	-
Accrued expenses and deferred income	3,450	3,809	-
Total equity and liabilities	285,528	286,939	-
RATIOS	31 DEC 2019**	31 DEC 2020	CHANGE
ROA	-	-	-
ROE	-	-	-
D/E	272.8%	200.3%	-
EBITDA	-	-	-
EBITDA margin	-	-	-
Net profit margin	6.3%	4.1%	-
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019**	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019**	2020	CHANGE
Number of employees	2,355	2,261	-4.0%
Average monthly salary of executives (gross, EUR)	6,522	6,707	+2.8%
SHAREHOLDERS	OWNED SHARES		
AB Lietuvos geležinkiai Group	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Egidijus Lazauskas		
Chairman of the Board of Directors	Mantas Bartuška		
Members of the Board of Directors	Egidijus Lazauskas Lukas Danielevičius Brigita Valenčienė Rokas Janutėnas		

*Independent member



UAB LTG Link

www.traukiniobilietas.lt/portal/

The Company started operating from 1 September 2019, therefore the data for the period 2019 do not cover the full year and are not comparable with the data for 2020.**

MAJOR EVENTS:

- **In January**, the first phase of the public procurement of the new ticketing system was completed;
- **In March**, a new version of the Articles of Association was registered, which reduced the authorized capital by EUR 12.6 million by cancelling 12,647 ordinary registered shares of the Company;
- **In July**, the new brand LTG Link was introduced;
- **In September**, a letter of intent was signed with PKP Intercity regarding commitments to connect Vilnius and Warsaw by a comfortable passenger train in the second half of 2021.

For most of the reporting year, the Company's operations were disrupted by the Covid-19 pandemic. Passengers were transported on 21 domestic and 8 international routes. In 2020, 3.2 million passengers were transported on local routes, i.e. 95% of all passengers carried during that period. Due to the Covid-19 pandemic, one third (76 out of 226) of local train routes were suspended in March and were later resumed, however, with the re-introduction of quarantine in November, 25 routes were re-reviewed and optimized, and 14 were re-scheduled. By the end of 2020, 103 domestic routes were still halted. 0.2 million passengers were transported on international routes, i.e. 5% of all passengers.

Passenger transportation revenue in 2020 amounted to EUR 13 million and accounted for 26.2% of the Company's total revenue structure. Other operating revenue amounted to EUR 36 million and consisted mainly of grants received from the State to compensate for losses incurred on domestic passenger transport.

The Company's operating costs in 2020 amounted to EUR 50.2 million, of which the largest part (25.7%) was accounted for by wage costs, depreciation costs – 24.8%, and infrastructure taxes – 11.9%. This led to a negative end result, i.e. loss of EUR 206.9 thousand.

The Company's total assets in 2020 amounted to EUR 155.2 million. Non-current assets were reduced by depreciation (EUR 12.5 million) and were increased by investments (EUR 3.9 million), resulting in a 5.0% decrease in non-current assets. Current assets doubled due to an additional EUR 9.2 million subsidy received in cash.

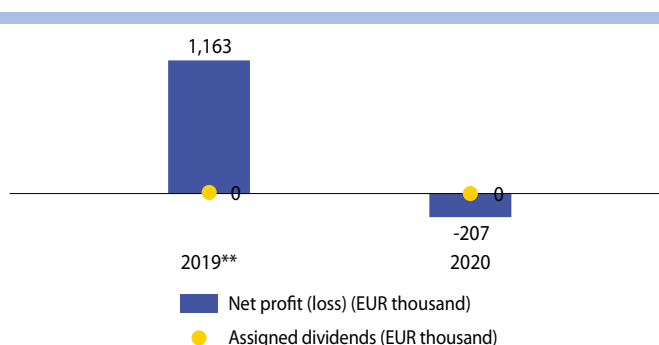
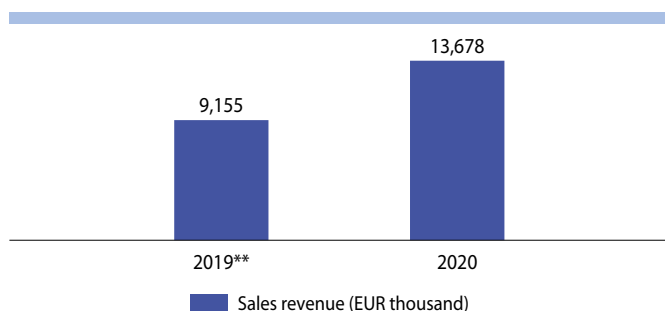
The Company's financial liabilities grew to EUR 1 million at the end of the year. The Company used the LTG Group's cash-pool to balance working capital. The debt-to-equity ratio D/E was moderate at 0.7% at the end of the year.

During the reporting year, the Company made investments in capital repairs of passenger vehicles totalling EUR 3.95 million. All of them were financed with own funds.



PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019**	2020	CHANGE
Sales revenue	9,155	13,678	-
Cost of goods sold	15,240	39,714	-
Gross profit (loss)	-6,084	-26,035	-
Cost of sales	0	0	-
General and administrative expenses	3,122	10,509	-
Results of other activities	10,571	36,050	-
Net financial items	15	152	-
Profit (loss) before taxes	1,380	-342	-
Corporation tax	216	-135	-
Net profit (loss)	1,163	-207	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019**	31 DEC 2020	CHANGE
Non-current assets	142,023	134,724	-
Current assets	10,731	20,007	-
Cash and cash equivalents	7,288	17,389	-
Deferred charges and accrued income	1,280	424	-
Total assets	154,035	155,155	-
Equity	143,941	143,734	-
Grants and subsidies	0	0	-
Provisions	668	670	-
Amounts payable and other liabilities	8,682	6,416	-
Amounts payable after one year and other non-current liabilities	179	869	-
Financial liabilities	179	869	-
Amounts payable within one year and other current liabilities	8,503	5,547	-
Financial liabilities	96	148	-
Accrued expenses and deferred income	744	4,335	-
Total equity and liabilities	154,035	155,155	-
RATIOS	31 DEC 2019**	31 DEC 2020	CHANGE
ROA	-	-	-
ROE	-	-	-
D/E	0.2%	0.7%	-
EBITDA	-	-	-
EBITDA margin	-	-	-
Net profit margin	12.7%	-1.5%	-
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019**	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019**	2020	CHANGE
Number of employees	710	675	-
Average monthly salary of executives (gross, EUR)	5,663	5,808	-
SHAREHOLDERS	OWNED SHARE		
AB Lietuvos geležinkeliai	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Linas Baužys		
Chairman of the Board of Directors	Mantas Bartuška		
Members of the Board of Directors	Linas Baužys Daiva Pivorūnienė Dovilė Aleksandravičienė Mantas Dubauskas		

*Independent member



AB LTG Infra

www.ltginfra.lt

The Company started operating from 8 December 2019, therefore the data for the period 2019 do not cover the full year and are not comparable with the data for 2020.**

MAJOR EVENTS:

- **In January**, the authorized capital was increased by issuing an additional 654,778 shares, for a total of EUR 654 million;
- **In February**, the largest procurement procedures of Rail Baltica to date were launched;
- **In May**, it was announced that LTG Infra was opening the country's railway infrastructure to foreign carriers, and the first international use of the country's public railway infrastructure with PKP Cargo was signed.
- **In July**, a new Company logo and the name LTG Infra were introduced.

The volume of train work in 2020 was 32.6 billion tonnes of gross km, the train mileage was 15.9 million train km.

The main operating revenue in 2020 amounted to EUR 222.6 million, in the total operating revenue structure the revenue for the provision of the minimum access package services accounted for 87.0%. Revenues from railway service facilities accounted for 8.0%, while the remaining revenues were earned from the lease of assets under management and the provision of various other commercial services. Other operating revenue includes an amount of EUR 7.9 million, after a reduction of the fine already paid for the dismantling of the Rengė section.

The total operating costs incurred by the Company amounted to EUR 196.9 million, of which 35.3% were depreciation, 13.9% were repair and maintenance costs, 10.0% were management services, etc. In 2020, the Company earned a net profit of EUR 27.6 million.

Dividends of EUR 17.3 million were paid to the shareholder for the results of 2019.

Non-current assets increased by EUR 95.3 million or 6.8% in 2020, mainly due to the advance payment of EUR 72.6 million for electrification works and investments in railway infrastructure. In total, the change in the Company's total assets in the reporting year amounted to 5.8%.

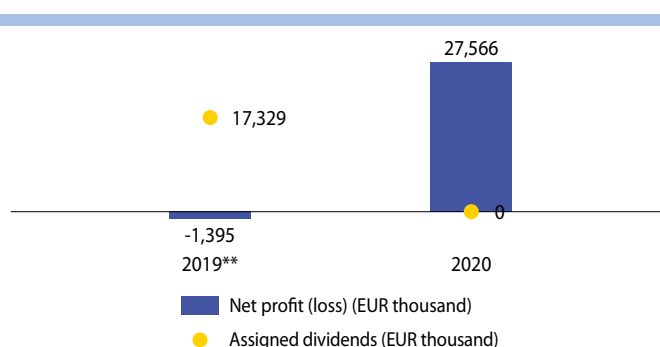
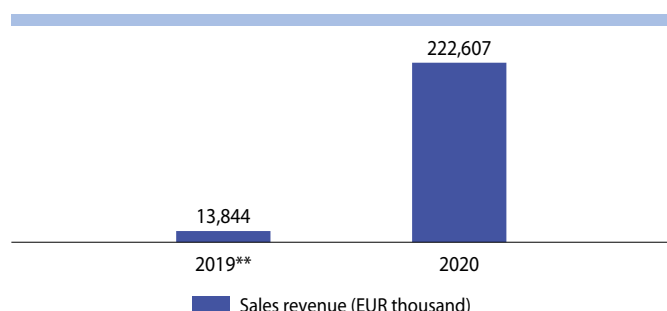
In 2020, the Company's financial liabilities increased due to additional borrowing for the implementation of the railway electrification program – the change amounted to 23.0% or EUR 33.8 million.

In 2020, the Company continued to implement railway infrastructure repair and modernisation projects – the total amount of investments amounted to EUR 175 million, which is EUR 88 million more than in 2019.



PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019**	2020	CHANGE
Sales revenue	13,844	222,607	-
Cost of goods sold	11,747	159,214	-
Gross profit (loss)	2,097	63,393	-
Cost of sales	0	0	-
General and administrative expenses	3,550	37,670	-
Results of other activities	2	7,919	-
Net financial items	-182	-2,324	-
Profit (loss) before taxes	-1,632	31,319	-
Corporation tax	-237	3,753	-
Net profit (loss)	-1,395	27,566	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019**	31 DEC 2020	CHANGE
Non-current assets	1,396,144	1,491,473	-
Current assets	67,648	38,301	-
Cash and cash equivalents	13,450	4,566	-
Deferred charges and accrued income	134	13,074	-
Total assets	1,463,926	1,548,599	-
Equity	672,272	679,799	-
Grants and subsidies	555,248	580,728	-
Provisions	14,400	14,660	-
Amounts payable and other liabilities	217,876	256,705	-
Amounts payable after one year and other non-current liabilities	153,625	181,338	-
Financial liabilities	130,376	159,061	-
Amounts payable within one year and other current liabilities	64,251	75,367	-
Financial liabilities	15,430	20,540	-
Accrued expenses and deferred income	4,130	16,707	-
Total equity and liabilities	1,463,926	1,548,599	-
RATIOS	31 DEC 2019**	31 DEC 2020	CHANGE
ROA	-	-	-
ROE	-	-	-
D/E	21.7%	26.4%	+4.7 p. p.
EBITDA	-	-	-
EBITDA margin	-	-	-
Net profit margin	-10.1%	12.4%	+22.5 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019**	2020	CHANGE
Assigned dividends	17,329	0	-
INFORMATION ABOUT EMPLOYEES	2019**	2020	CHANGE
Number of employees	3,159	3,178	+0.6%
Average monthly salary of executives (gross, EUR)	6,081	6,354	+4.5%
SHAREHOLDERS	OWNED SHARES		
AB Lietuvos Geležinkeliai	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Karolis Sankovski		
Chairman of the Board of Directors	Andrej Kosiakov		
Members of the Board of Directors	Karolis Sankovski Irena Jankutė-Balkunė Ilona Daugėlaite Arenijus Jackus		

*Independent member



UAB Saugos paslaugos

The Company started operating from 1 August 2019, therefore the data for the period 2019 do not cover the full year and are not comparable with the data for 2020.**

MAJOR EVENTS:

• In March, the new Articles of Association of the Company were registered.

The Company's sales revenue in 2020 amounted to EUR 6.0 million or 135.0% more than in 2019, when they were accounted for since the Company's establishment on 1 August 2019. The vast majority, or 94%, of revenue is earned from physical security services, with the remainder coming from technical security, equipment maintenance, and repair services.

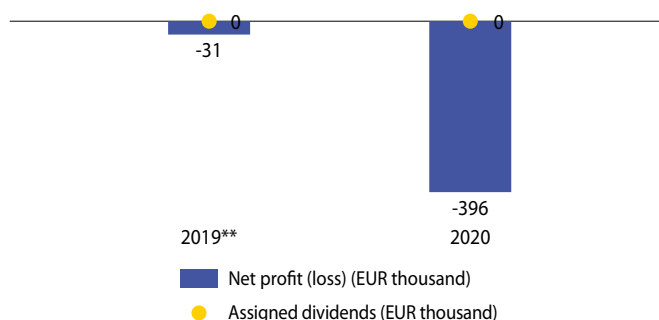
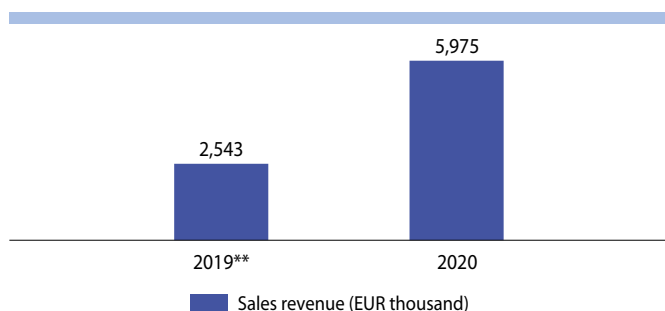
The Company's cost of sales in 2020 amounted to EUR 5.9 million and resulted in a minimum gross profit of EUR 84 thousand. Operating costs amounted to EUR 466 thousand (the increase was related to the purchase of management services from the parent company) and resulted in a significant net loss of EUR 396 thousand.

During the reporting period, the Company's assets decreased by EUR 272 thousand or 16.9%. Non-current assets accounted for 7.2% of total assets. The decrease in assets was influenced by the depreciation of available vehicles and assets under the right of use.

The Company's financial liabilities at the end of 2020 were small – EUR 22 thousand.

In 2020, the Company did not make any investments.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019**	2020	CHANGE
Sales revenue	2,543	5,975	-
Cost of goods sold	2,439	5,891	-
Gross profit (loss)	104	84	-
Cost of sales	0	0	-
General and administrative expenses	136	466	-
Results of other activities	0	9	-
Net financial items	-1	-1	-
Profit (loss) before taxes	-33	-374	-
Corporation tax	-2	22	-
Net profit (loss)	-31	-396	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019**	31 DEC 2020	CHANGE
Non-current assets	182	96	-
Current assets	1,429	1,243	-
Cash and cash equivalents	189	68	-
Deferred charges and accrued income	0	0	-
Total assets	1,611	1,339	-
Equity	580	184	-
Grants and subsidies	0	0	-
Provisions	134	139	-
Amounts payable and other liabilities	897	1,016	-
Amounts payable after one year and other non-current liabilities	22	0	-
Financial liabilities	22	0	-
Amounts payable within one year and other current liabilities	875	1,016	-
Financial liabilities	32	22	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,611	1,339	-
RATIOS	31 DEC 2019**	31 DEC 2020	CHANGE
ROA	-	-	-
ROE	-	-	-
D/E	9.3%	12.0%	-
EBITDA	-	-	-
EBITDA margin	-	-	-
Net profit margin	-1.2%	-6.6%	-
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019**	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019**	2020	CHANGE
Number of employees	387	373	-3.6%
Average monthly salary of executives (gross, EUR)	5,411	6,600	+22.0%
SHAREHOLDERS	OWNED SHARES		
AB Lietuvos geležinkeliai	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Daiva Pivoriūnienė		



AB Lietuvos paštas Group

www.post.lt



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

AB 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

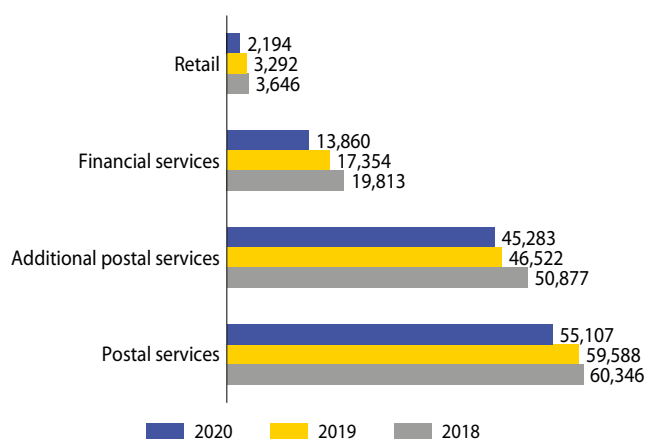
MAJOR EVENTS:

- **In January**, a new 7-year Universal Postal Service license came into force, according to which the post shall provide the obligated services until 31 December 2026;
- **In February**, a three-year mobile mail project was completed. The last 49 mobile mailers started working. The Lithuanian population is served by a total of 440 mobile mailers;
- **In April**, for the first time in history, a postal train from China arrived in Europe. The consignments arriving in the train set of 42 wagons were distributed all over Europe by Lietuvos paštas;
- **In December**, automated distribution was started in the new Vilnius logistics centre – a conveyor distributing consignments up to 5 kg was switched on for testing in the production environment;
- **In December**, the sale of the Vilnius Central Post Office building was successfully completed.

At the end of 2020, the Lietuvos paštas Group (hereinafter – the Group) consisted of a network of service outlets: 245 stationary customer service departments, 440 mobile mailers, 190 bicycle mailers and 1,227 yellow mailboxes. The Group's financial services network PayPost, which provides financial services, consisted of 63 branches. At the end of 2020, the parent company AB Lietuvos paštas operated a network of 270 LP EXPRESS parcel self-service postal terminals.

In 2020, 116.4 million units of basic services were provided. This is 8.1% less than in 2019, when 126.8 million units of services were provided. In 2020, customers sent 11.0% less parcels in the domestic market compared to 2019. Domestic customer parcels decreased by 18.8% due to a drop in information traffic, while items were shipped 15.6% more often, mostly due to a 122.9% increase in traffic through post offices. In 2020, due to a 155.4% increase in exports of goods, the total volume of exports increased by 82.5%, although the flow of information exports, due to the naturally shrinking market, decreased by 13.0%. Business customers shipped 150.9% more than a year ago and accounted for 79.1% of total exports, compared to 57.5% of total exports in 2019. Respectively, physical customers sent 10.1% less and accounted for 20.9% of total exports (in 2019 – 42.5%).

Volumes of services provided (thousand units)



In 2020, the revenue from the postal services of physical customers decreased by 4.5% due to a 12.7% drop in revenue from the import of goods. Revenues from domestic shipments also declined by 25.6%, but revenue from exports of mail was recorded at 13.6%. Revenue from postal services for business customers was 22.0% higher than in 2019. Revenue from mail delivery services increased by 29.6% over the year, and from information delivery services – by 12.3%. Revenues from ETOE increased by 900.5% during the reporting period. It is a model of the postal operator's activities established by the Universal Postal Union (UPU) that allows the operator to establish and operate postal exchanges in other countries. Mail sent from such an exchange shall be sent on the same basis as would be sent from an exchange in the operator's country. ETOE currently operates in the Netherlands.



General Director
Asta Sungailienė

Chairperson of the Board
Mindaugas Kyguolis

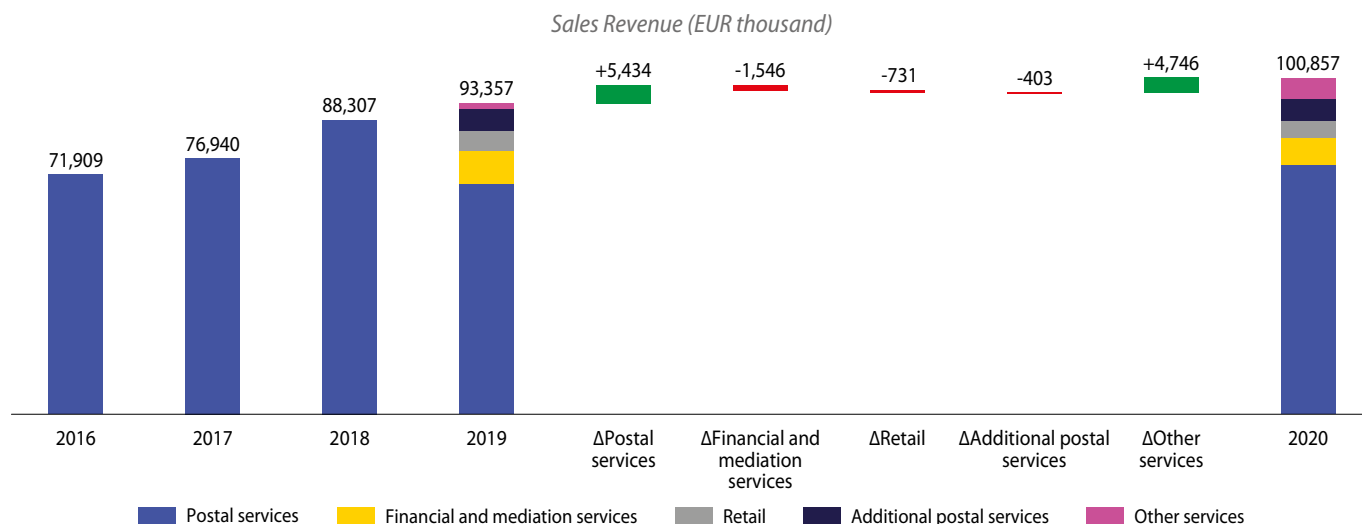
- ↑ Sales revenue increased by 10.8%
- ↓ Net profit decreased by 68.8% and reached EUR 1.6 million
- ↓ EBITDA decreased by 24.7% and reached EUR 8.6 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		101,177	112,061	+10.8%
Cost of goods sold		0	0	-
Gross profit (loss)		101,177	112,061	+10.8%
Cost of sales		95,273	110,540	+16.0%
General and administrative expenses		0	0	-
Results of other activities		89	469	+428.0%
Net financial items		-392	-462	-17.9%
Profit (loss) before taxes		5,601	1,529	-72.7%
Corporation tax		519	-55	-
Net profit (loss)		5,082	1,583	-68.8%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		58,291	65,055	+11.6%
Current assets		40,869	49,829	+21.9%
Cash and cash equivalents		6,205	9,788	+57.8%
Deferred charges and accrued income		0	0	-
Total assets		99,160	114,884	+15.9%
Equity		32,112	33,696	+4.9%
Grants and subsidies		67	95	+41.6%
Provisions		0	0	-
Amounts payable and other liabilities		49,702	57,675	+16.0%
Amounts payable after one year and other non-current liabilities		18,512	27,324	+47.6%
Financial liabilities		5,000	13,533	170.7%
Amounts payable within one year and other current liabilities		31,190	30,351	-2.7%
Financial liabilities		7,426	967	-87.0%
Accrued expenses and deferred income		17,279	23,419	+35.5%
Total equity and liabilities		99,160	114,884	+15.9%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		6.0%	1.5%	-4.5 p. p.
ROE		17.2%	4.8%	-12.4 p. p.
D/E		38.7%	43.0%	+4.3 p. p.
EBITDA		11,426	8,601	-24.7%
EBITDA margin		11.3%	7.7%	-3.6 p. p.
Net profit margin		5.0%	1.4%	-3.6 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		0	0	-
INFORMATION ABOUT EMPLOYEES		2019	2020	CHANGE
Number of employees		4,753	4,270	-10.2%
Average monthly salary of a manager (gross, EUR)		5,946	6,086	+2.4%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Transport and Communications of the Republic of Lithuania			100.0%	
MANAGEMENT (1 JUL 2021)				
General Director			Asta Sungailienė	
Chairperson of the Board			Mindaugas Kyguolis*	
Members of the Board of Directors			Saulė Balčiūnienė* Saulius Kerza Alditas Saulius*	

*Independent member

During the reporting period, sales revenue increased by 8.0% and amounted to EUR 100.9 million. Revenue from postal services accounts for the largest share of the sales revenue structure, i.e. 74.1% of total sales revenue. Revenue from postal services increased by 7.8% to EUR 74.7 million. Other operating income consisted of revenue from the lease of premises, sale of non-current assets and other non-standard operating revenue. In 2020, compared to 2019, other operating income increased by 43.3% due to increased profit from the sale of non-current assets. Revenue from additional postal services decreased 5.8% due to lower

subscription acceptance, which decreased by 79.3%. Income from financial services decreased by 15.8% due to a decrease in income from the issuance of intermediation loans, acceptance of fees and charges, and administration of remittances. The total revenue of retail trade and other services increased by 54.2% in 2020 due to higher international transit traffic through Lithuania, mainly due to higher volumes of consignments arriving by train from China. **Sales revenue has increased from 2016 to 2020, showing a general positive trend.** During the period in question, this revenue increased from EUR 71.9 million in 2016 to EUR 100.9 million in 2020.



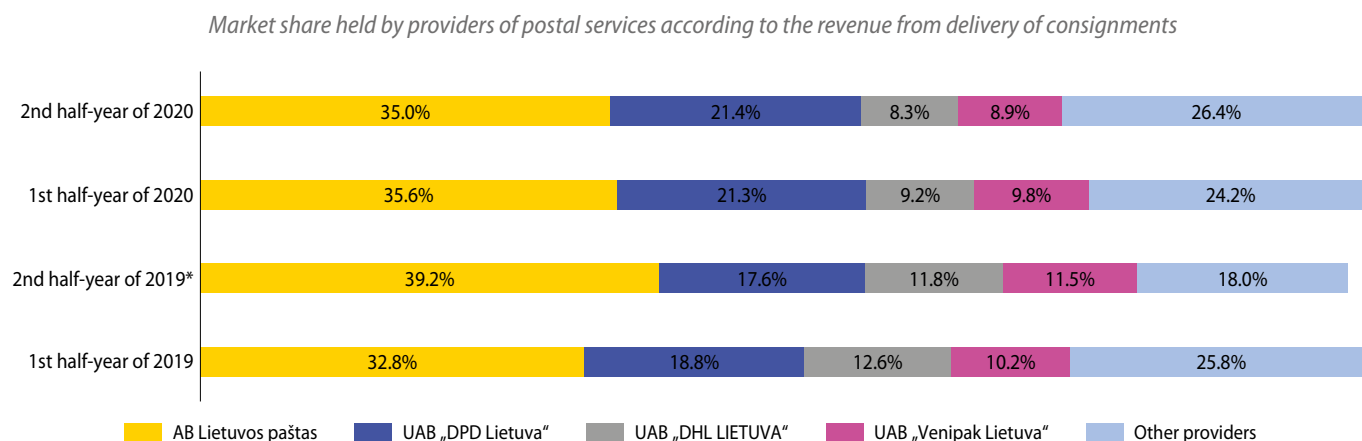
During the reporting period, the Group's operating expenses increased by 16.0% and amounted to EUR 110.5 million. In 2020, staff costs, which accounted for 51.6% of total costs or EUR 47.1 million, decreased 4.1%. This decrease is due to efficiency projects, a lower share of variable salaries in financial services and a decline in retail sales during the quarantine period due to lower sales premiums paid. The costs of international postal transportation and settlements with foreign post offices, which accounted for 17.1% of total operating expenses (EUR 29.5 million), increased by 81.7% compared to 2019. These costs have risen due to higher flow of export shipments and an intensive closed train project for Chinese trains since the spring. In addition, the cost of settlements with foreign post offices increased due to the introduction of higher final settlement rates. The growth of international settlement tariffs to the USA, which has changed since 1 July 2020, also had a significant impact. Consumption of materials and raw materials increased by 24.5%, mainly due to higher fuel consumption. Depreciation expense on non-current assets increased by 21.7% due to a 47.2% increase in depreciation from leases. The 19.8% increase in other expenses was due to higher compensation paid and post office costs.

Due to the growth ratio of revenue and expenses (revenue increased by 10.8% and expenses by 16.0%), the Group's net profit decreased from EUR 5.1 million in 2019 to EUR 1.6 million in 2020. The worse results are also reflected in the 24.7% decrease in EBITDA to EUR 8.6 million. The return on equity in the reporting period was 4.8% and was 12.4 percentage points lower compared to the return on equity in 2019. **The Group's investments in 2020 amounted to EUR 17.9 million and, compared to 2019, increased by 72.9%.** Most of the investment, i.e. EUR 11.9 million was allocated for the construction of the Vilnius Logistics Centre. EUR 3.8 million has been allocated for the development of self-service parcel terminals

by installing 110 new self-service parcel terminals. EUR 0.3 million was also allocated to other buildings – 9 post offices were renovated and 4 new dispatch centres were established.

During the reporting period, the Group's financial liabilities to credit institutions increased and amounted to EUR 14.5 million, compared to EUR 12.4 million in 2019. The financing was targeted and intended for investments in the construction of a new centralized distribution centre in Vilnius, the repair of parking lots and the purchase of self-service parcel terminals. **These changes led to an increase of 4.3 percentage points in the D/E (debt-to-equity) ratio, which reached 43.0% in 2020.**

According to the data of the report "Activity Report for the Provision of Postal Services for the Fourth Quarter of 2020" published by the Communications Regulatory Authority, as of 31 December 2020, 51 enterprises were operating in the postal services market, compared to 48 a year ago. In the fourth quarter of 2020, compared to the corresponding period of 2019, the total postal service market increased by 17.8% in terms of revenue – from EUR 55.0 million to EUR 64.8 million, while the increase in 2019 was 7.6%. By comparing the revenue from the delivery of postal items in the second half-year of 2020, the largest market share, i.e. 35.0% was occupied by the Lietuvos paštas Group, compared to the same period in 2019, the market share shrank by 4.2 percentage points. The second largest postal service provider UAB DPD Lietuva had 21.4% of the market in the second half of 2020 and compared to the same period in 2019, the market share increased from 17.6% to 21.4%. The market share of other postal service providers, in the second half-year of 2020, in terms of revenue received for the delivery of parcels averaged 3.8%, while in the second half-year of 2019 it amounted to 2.5%.



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, rental of telecommunications infrastructure, transmission of data centres and data, provision of digital TV services

MAJOR EVENTS:

- In February, the scope of TV channels retransmitted via MEZON TV (IPTV), which the user can subscribe to directly, was expanded. A second TV service was also launched;
- On 16 March, the Telecentras Sustainable Business Policy was approved and the Telecentras Sustainable Business Committee was established;
- On 23 April, the idea of becoming a generating electricity consumer and investing in solar power plants in the Telecentras's facilities and territories was approved;
- On 6 November, a contract was signed with UAB KV Baltic for the design of the first (out of 4 planned) state data centre in Vilnius, after on 26 August the Government approved Telecentras's proposal to build 4 state data centres of the highest security level;
- On 30 December, the final business transfer transaction documents for the services provided under the MEZON brand services were signed with the Bitė Lietuva Group company.

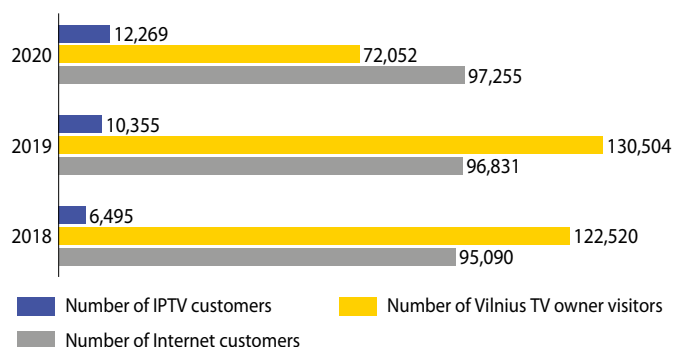
The infrastructure of the Company's 59 towers (over 100 metres tall) allows the coverage of nearly 100% of the territory of Lithuania with TV signal and is the most suitable for provision of TV and radio programme transmission and wireless telecommunication services. **As the Company is the entity of 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 2020, the Company was broadcasting 25 television programs free of charge (15 national and 10 regional coverage) via digital terrestrial television networks; 23 programs were broadcasted in standard definition (SD) and two – in high definition (HD). Services are provided to 5 Lithuanian TV program developers. Since February 2020, the first digital terrestrial television network ST1 has started broadcasting the Delfi TV program. The LRT LITUANICA broadcast project for Polish Lithuanians started on 20 August. Radio transmission services were used by 10 clients in total – 4 national broadcasters, 2 regional broadcasters and 4 local radio stations. During 2020, the Company performed 134 live broadcasts of sports and other events with a total duration of 320 hours.

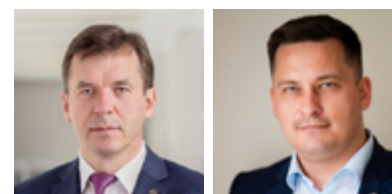
The volume of the Company's data services is revealed by the dynamics of the number of internet customers. **The number of MEZON customers increased by 0.4% in 2020 and reached 97.3 thousand customers at the end of the year.** The number of the Company's IPTV service users increased 1.2 times. At the end of 2020, this service was provided to 12.3 thousand customers via wireless networks.

The decrease in the number of visitors from Lithuania and abroad in the Vilnius TV Tower was determined by the restrictions imposed due to the COVID-19 pandemic, the flow of visitors, compared to 2019, decreased by 55.2%.

Number of clients



During the reporting period of 2020, the Company's core operation revenue amounted to EUR 20.5 million and was 1.1% lower than in 2019. The decrease in the Company's revenue was mainly due to the COVID-19 pandemic, due to which the revenue of the Non-Telecommunication Services Division – TV Tower decreased by 41.0% compared to 2019. Also due to the new pricing model applied to TV broadcasters, revenue from radio and television broadcasting services decreased by 4.1%. Revenue from data services, including Internet, IPTV and other services, increased 4.8% to EUR 11.9 million due to the growth of the customer base and the successful implementation of projects for business customers. Revenue from infrastructure services grew by 2.9% to EUR 2.3 million compared to 2019. Also, the group of other revenue grew by as much as 73.4% compared to 2019, this growth was determined by the implemented public Internet access projects in municipalities.



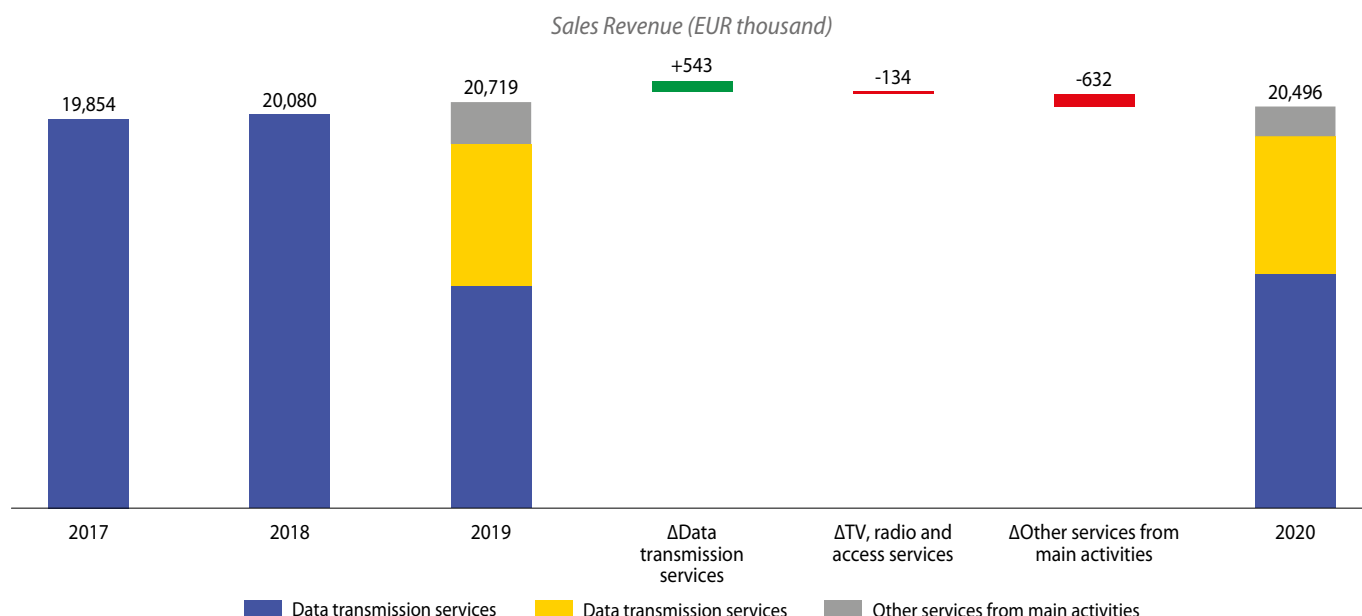
General Director
Remigijus Šeris

Chairman of the Board of Directors
Vidas Danielius

- ↑ The number of online clients grew by 0.4%, whereas of IPTV – by 18.5%
- ↓ Company's sales revenue decreased by 1.1%
- ↓ Company's net profit decreased by 68.3% and amounted to EUR 209 thousand

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	20,719	20,496	-1.1%
Cost of goods sold	14,113	14,361	+1.8%
Gross profit (loss)	6,606	6,135	-7.1%
Cost of sales	855	898	+5.1%
General and administrative expenses	5,335	5,218	-2.2%
Results of other activities	231	173	-25.1%
Net financial items	-15	-32	-118.4%
Profit (loss) before taxes	632	159	-74.8%
Corporation tax	-26	-50	-89.4%
Net profit (loss)	659	209	-68.3%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	28,917	28,474	-1.5%
Current assets	11,868	27,228	+129.4%
Cash and cash equivalents	7,777	23,089	+196.9%
Deferred charges and accrued income	0	0	-
Total assets	40,784	55,702	+36.6%
Equity	32,117	31,791	-1.0%
Grants and subsidies	0	0	-
Provisions	181	199	+10.4%
Amounts payable and other liabilities	8,487	23,712	+179.4%
Amounts payable after one year and other non-current liabilities	6,149	6,339	+3.1%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	2,338	17,373	+643.1%
Financial liabilities	11	0	-100.0%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	40,784	55,702	+36.6%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.6%	0.4%	-1.2 p. p.
ROE	2.0%	0.7%	-1.3 p. p.
D/E	0.0%	0.0%	-
EBITDA	5,785	5,383	-6.9%
EBITDA margin	27.9%	26.3%	-1.7 p. p.
Net profit margin	3.2%	1.0%	-2.2 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	874	373	-57.3%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	303	300	-1.0%
Average monthly salary of a manager (gross, EUR)	4,823	6,434	+33.4%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Transport and Communications of the Republic of Lithuania	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Remigijus Šeris		
Chairman of the Board of Directors	Vidas Danielius		
Members of the Board of Directors	Janina Laskauskienė Raimondas Geleževičius*		

*Independent member



In 2020, the Company's net profit decreased from EUR 695.0 thousand to EUR 209.0 thousand, and EBITDA decreased by 6.9%, respectively. The decline in net profit and profitability was driven by the suspension of the TV tower's entertainment operations, more expensive resources and lower sales of non-current assets. Due to the quarantine, EUR 0.8 million in revenue was not generated from the entertainment activities of the TV tower. Expenses also increased due to rising prices in network maintenance and additional acquisition of resources due to increased data usage on the network. Profitability ratios were also affected by more than double the sales of assets compared to 2019. Operating costs increased by only 0.8% in 2020, the growth of which was determined by a 6.7% increase in the cost of goods and services. However, personnel costs and other operating costs of the Company decreased by 3.0% and 4.6%, respectively. The decrease in net profit also led to a negative change in return ratios: return on equity decreased by 1.2 p. p. to 0.4%, EBITDA margin decreased from 27.9% in 2019 to 26.2% in 2020, and net profit margin decreased from 3.2% to 1.0%. Respectively, the amount of dividends amounting to EUR 373.3 thousand was allocated for the results achieved in 2020, which, compared to the dividends for the results of 2019, decreased by 57.3%.

During the reporting period, the value of available assets decreased by 1.5% or EUR 0.4 million due to depreciation, which was higher than the investments made. During 2020, current assets increased by EUR 15.4 million due to increased cash balances, but the Company has no loans from

banks. Current liabilities increased 7 times and amounted to EUR 17,373.4 thousand due to the advance payment received for the sale of the MEZON business, which was transferred to the buyer at the beginning of 2021.

During the period of 2020, the Company invested most of its investments in the development of the MEZON LTE and WiFi technology network and the acquisition of customer equipment, thus responding to the increased use of data and the increased need for services during quarantine. In 2020, the total investment amounted to EUR 4.2 million and, compared to the funds invested in 2019, which amounted to EUR 2.7 million, increased by 56.3%. Investments in the improvement of masts, tower infrastructure, protection and the data centre amounted to EUR 0.8 million. 184.5% more investment amount was allocated to IT investment projects, i.e. EUR 0.4 million for the creation of virtual jobs, the modernization and updating of business systems. The Company invested EUR 2.6 million in the television and radio network, or 96.4% more than in 2019, when the LRT Group's FM transmitters were upgraded and the LRT LITUANICA transmission station was installed. Also, in 2020, the Company invested in the modernization of the existing data centre in order to meet the requirements of the State Data Centre. With the approval of the Government, decisions were made on the further development of the State Data Centres. With the approval of the Board and the shareholder, the Company started the implementation of the State Data Centres and Vilnius TV Tower reconstruction projects. Most of the investments are planned to be made in 2021 – 2023.

AB Kelių priežiūra

www.keliuprieziura.lt



Ongoing and periodic maintenance of state roads, road maintenance services for municipalities, road repair and construction works for legal entities and natural persons, installation and design of traffic control measures, technical repair service, extraction of materials, etc.

Special obligations: road maintenance services.

MAJOR EVENTS:

- On **1 January**, an economic driving project was launched to promote safe driving, reduce fuel consumption and thus contribute to operational efficiency;
- On **13 January**, the Company's freight transport and construction equipment repair base was opened in Pagiriai;
- In **June**, the road services were consolidated, with 45 existing road services being transformed into a more efficient structure of 21 services;
- In **June**, a performance improvement program was launched to standardize the quality of work. This program will help to create an organisational culture where each of the employees is involved in the improvement of processes, people's abilities and competencies are developed, deviations are recorded in time, solutions are offered;
- On **6 November**, the Company officially became a member of the Lithuanian Quarry Association. Together with other members of the association, it is committed to promote safe, efficient and rational mining of aggregates (members of the association extract more than 40.0% of all aggregates in Lithuania), to strive to protect nature and the environment;
- On **3 December**, the Company became a member of the Association of Construction Products Testing Laboratories. Participation in the activities of the association will allow to seek mutual cooperation with specialists in their field, share experience and knowledge;
- On **21 December**, an agreement was signed on the project "Development of Subject Competences and Qualification Improvement of the Company's Employees in the Workplace" financed by the European Union Structural Funds.

On 31 October 2017, following the implementation of the reform of Lithuanian road maintenance companies, 11 regional road maintenance companies were merged into one state-owned company, Kelių priežiūra, which on 31 December 2018 was transformed into a public limited liability company.

From 1 January 2020, roads will be divided into five levels of road maintenance according to traffic intensity and importance. The following arterial roads are of the highest priority: Via Baltica, Vilnius – Kaunas – Klaipėda, Vilnius – Panevėžys, Vilnius – Trakai, Vilnius Southern Bypass. These roads are maintained by the Company's employees around the clock.

The Company has a permit to use underground resources in 74 sand and gravel quarries, covering an area of more than 1 thousand ha. They extract over 600 thousand m³ of sand and gravel per year.

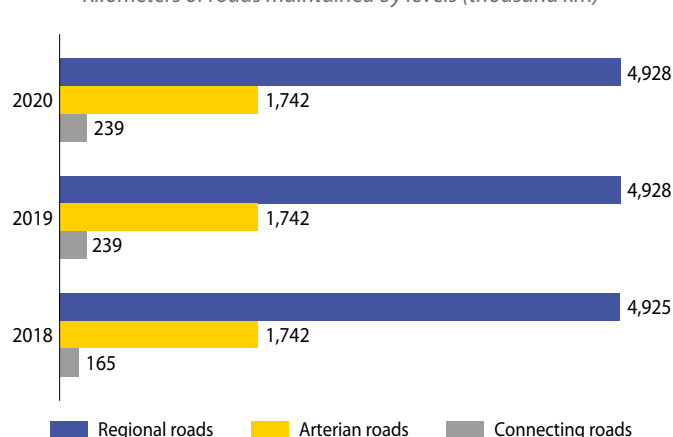
About 50 Company crews roam around the country every day to inspect the road in order to assess the condition of the roads, identify dangerous places, analyse emergency sections and take preventive measures.

During the winter season, on average, 88 units of special equipment are used in one winter day, but there have been cases where this number has jumped to 425 due to extremely difficult conditions.

According to the statistics of the winter seasons of 2018–2019 and 2019–2020, on average 80 thousand tonnes of salt, more than 57 thousand tonnes of sand and about 9 thousand tonnes of solution are used per season for spreading works.

In 2020, compared to 2019, the Company used the equipment more intensively. In assessing the main groups of machinery and transport, the working time of machinery increased by 7.0%, and the number of kilometers travelled by vehicles increased by 3.0%.

Kilometers of roads maintained by levels (thousand km)



General Director
Rolandas Rutėnas

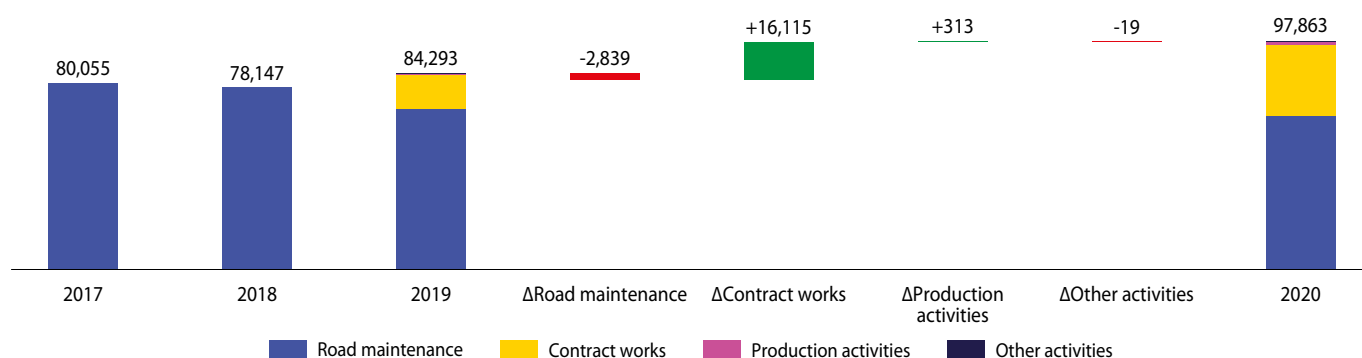
Chairman of the Board of Directors
Vyngantas Sliesoraitis

- ↑ During the reporting period, revenue grew by 16.1% and amounted to EUR 97.9 million
- ↑ Net profit increased more than 13 times and amounted to EUR 4.8 million
- ↑ Liabilities increased by 49.6%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	84,293	97,863	+16.1%
Cost of goods sold	77,263	84,710	+9.6%
Gross profit (loss)	7,031	13,153	+87.1%
Cost of sales	0	0	-
General and administrative expenses	6,886	7,606	+10.4%
Results of other activities	272	265	-2.5%
Net financial items	-69	-93	-34.8%
Profit (loss) before taxes	347	5,720	+1,546.5%
Corporation tax	-5	969	-
Net profit (loss)	353	4,752	+1,247.6%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	85,991	93,397	+8.6%
Current assets	43,025	48,990	+13.9%
Cash and cash equivalents	31,231	37,974	+21.6%
Deferred charges and accrued income	0	0	-
Total assets	129,016	142,388	+10.4%
Equity	111,299	116,051	+4.3%
Grants and subsidies	0	0	-
Provisions	2,152	3,049	+41.7%
Amounts payable and other liabilities	15,566	23,289	+49.6%
Amounts payable after one year and other non-current liabilities	2,177	3,038	+39.6%
<i>Financial liabilities</i>	1,505	2,137	+42.0%
Amounts payable within one year and other current liabilities	13,389	20,250	+51.2%
<i>Financial liabilities</i>	178	272	+53.3%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	129,016	142,388	+10.4%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	0.3%	3.5%	+3.2 p. p.
ROE	0.3%	4.2%	+3.9 p. p.
D/E	1.5%	2.1%	+0.6 p. p.
EBITDA	10,325	15,913	+54.1%
EBITDA margin	12.2%	16.3%	+4.1 p. p.
Net profit margin	0.4%	4.9%	+4.5 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	0	5,987	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	2,380	2,308	-3.0%
Average monthly salary of a manager (gross, EUR)	11,275	8,673	-23.1%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Transport and Communications of the Republic of Lithuania	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Rolandas Rutėnas		
Chairman of the Board of Directors	Vyngantas Sliesoraitis*		
Members of the Board of Directors	Egidijus Vaišvilas* Audrius Vaitkus* Agnė Amelija Mikalėnė		

*Independent member

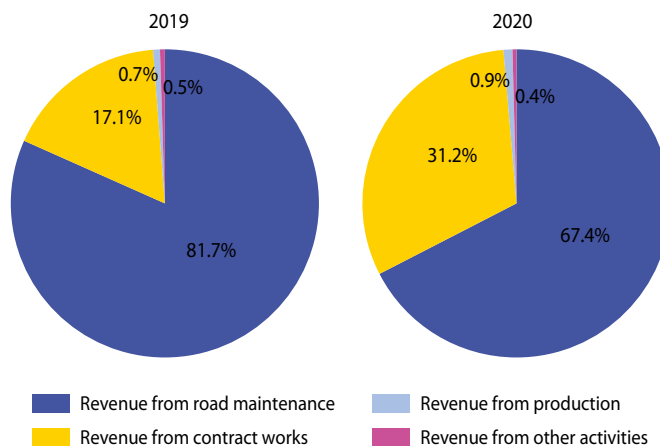
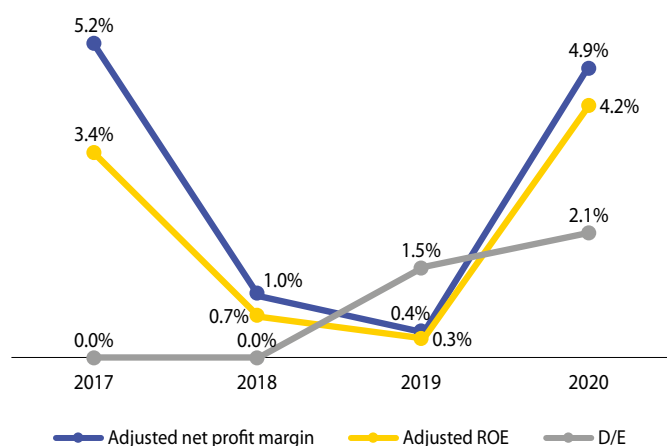
Sales Revenue (EUR thousand)



The Company's sales revenue in 2020, compared to the results of 2019, increased by 16.1% and amounted to EUR 97.9 million. The Company's main customer is the Lithuanian Road Administration, from which revenue from road maintenance and contract work decreased by 1.3% from EUR 67.2 million in 2019 to EUR 66.3 million in 2020. During the reporting period, revenue from road maintenance decreased by 4.1% to EUR 66.0 million, representing 67.4% of the total revenue structure, compared to 81.7% in 2019. The Company received EUR 30.5 million in revenue from contract work, i.e. 111.7% more than in 2019. Revenue from manufacturing operations, for sales of asphalt, gravel and similar materials, increased by EUR 0.31 million to EUR 0.92 million. The overall revenue growth was driven by strong growth in

contract revenue, as well as higher production revenue.

In the structure of the Company's revenue, the two largest income groups, i.e. revenue from road maintenance and revenue from contract work. Road maintenance accounts for the largest share of total revenue. However, **the Company seeks to reduce reliance on a single customer by increasing the share of revenue from contract work.** Therefore, the main change observed in the revenue structure is the increase in contract revenue. During 2020, the share of contract revenue in the total revenue structure increased from 17.1% to 31.2%. The change in the structure was also due to a decrease in revenues from road maintenance, which was due to EUR 2.5 million less public funding for road maintenance than in 2019 (excluding value added tax).



The Company's sales revenue in 2020, compared to the results of 2019, increased by 16.1% and amounted to EUR 97.9 million. The Company's main customer is the Lithuanian Road Administration, from which revenue from road maintenance and contract work decreased by 1.3% from EUR 67.2 million in 2019 to EUR 66.3 million in 2020. During the reporting period, revenue from road maintenance decreased by 4.1% to EUR 66.0 million, representing 67.4% of the total revenue structure, compared to 81.7% in 2019. The Company received EUR 30.5 million in revenue from contract work, i.e. 111.7% more than in 2019. Revenue from manufacturing operations, for sales of asphalt, gravel and similar materials, increased by EUR 0.31 million to EUR 0.92 million. The overall revenue growth was driven by strong growth in contract revenue, as well as higher production revenue.

In the structure of the Company's revenue, the two largest income groups, i.e. revenue from road maintenance and revenue from contract work. Road maintenance accounts for the largest share of total revenue. However, **the Company seeks to reduce reliance on a single customer by increasing the share of revenue from contract work.** Therefore, the main change observed in the revenue structure is the increase in contract revenue. During 2020, the share of contract revenue in the total revenue structure increased from 17.1% to 31.2%. The change in the structure was also due to a decrease in revenues from road maintenance, which was due to EUR 2.5 million less public funding for road maintenance than in 2019 (excluding value added tax).

The Company's cost of sales, which amounted to EUR 84.7 million, increased by 9.6% compared to the results of 2019. The major share (45.0%) in the cost structure was the wage costs, which increased by 2.6% and amounted to EUR 38.1 million. The increase in these costs was due to the increase in the average salary and the severance pay and compensation for unused leave due to the enlargement of the structure. Material acquisition costs, which accounted for 18.4% of total costs, increased by 13.5% due to higher workloads. The most significant increase in costs, amounting to 131.7% and reaching EUR 11.2 million, was recorded in other operating costs, mainly due to services purchased from contractors. In

2020, the highest decrease, i.e. 14.9%, was observed in transport operating costs, amounting to EUR 10.2 million due to more efficient use of transport in operations.

The Company's EBITDA, which reached EUR 15.9 million, increased by 54.1% compared to the result of 2019. EBITDA growth compared to 2019 was driven by higher earnings before taxes. The better financial results were also influenced by the more favourable winter season, increased contract revenue and increased technical efficiency related to investments in more modern equipment and more efficient organisation of work processes. Return on equity also improved: return on equity increased from 0.3% to 4.2%, i.e. increased by 3.9 p. p. Adjusted net profit margin increased to 4.9%. From 2016 to 2018, the D/E ratio was 0.0%, but during 2019–2020, the Company's debt to equity ratio increased from 1.5% to 2.1%.

For 2020, a return of almost EUR 6.0 million was allocated to the state, when the distributable result for both 2018 and 2019 was EUR 0 at the end, therefore no profit contribution was allocated. Dividends for 2020 were allocated due to better performance during the reporting period.

During 2020, the number of employees in the Company decreased by 3.0% and amounted to 2,308, while in 2019 the number of employees also decreased by 2.9%. As in the previous reporting period, this number will decrease in 2020 due to the structural changes implemented in the Company. In 2020, the Kelių priežiūra department was restructured – 45 road services were reorganised into 21 for efficiency.

In 2020, the value of investments amounted to EUR 16.5 million, compared to 2019, an increase of 93.8%. The largest amount of investments, accounting for 92.8% of total investments and reaching EUR 15.3 million, was allocated for the purchase of new equipment and transport. The Company acquired more than 500 units of construction machinery, vehicles and other equipment and machinery, most of which consisted of 46 sets of trucks with snow clearing and salt spreading equipment. Also in 2020, the Company acquired radiological equipment that allows to perform qualitative measurements of road construction works.

VĮ Oro navigacija

www.oronavigacija.lt

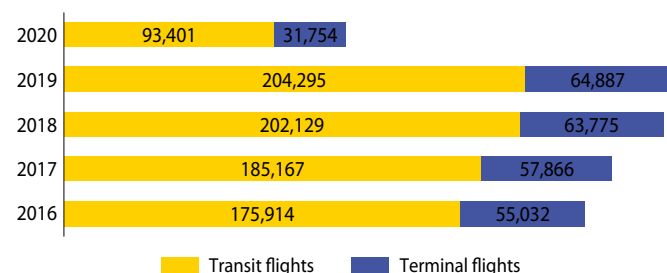


Air navigation services for aircrafts flying in the airspace of the Republic of Lithuania

MAJOR EVENTS:

- **In January**, the Company launched the second phase of the European Research and Innovation Development Program (SESAR 2020, Wave 2). The SESAR program aims to improve the functionality of the European Air Traffic Management (ATM) network by modernizing and harmonizing ATM systems, creating, developing, testing and deploying innovative technological and operational ATM solutions;
- **In August**, the Company signed a cooperation agreement with VĮ Lietuvos oro uostai, which establishes operational cooperation in the field of safety management;
- **In October**, a Transition Plan for Navigation in the Vilnius Flight Information Region was prepared and coordinated with the main stakeholders (airspace users, Lithuanian airports, Lithuanian Air Force), which sets out the measures that Lithuanian stakeholders plan to implement in order to implement the provisions of Commission Implementing Regulation (EU) No 2018/1048 of 18 July 2018 laying down airspace usage requirements and operating procedures concerning performance-based navigation and the relevant legislation of the International Civil Aviation Organisation and the European Union;
- **In October**, a new aviation message transmission system LT-ON-AMHS has been installed and put into use. AMHS has much more functionality, ensures greater accuracy and security of information, which is very important for air traffic control.

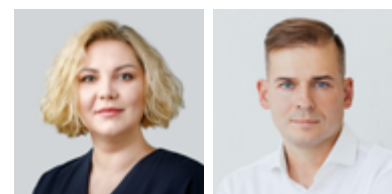
In 2020, the growth in the number of flights in the airspace of the countries of the European Civil Aviation Conference (ECAC) decreased significantly due to the limitations of the COVID-19 pandemic. Compared to 2019, Europe carried 1.7 billion fewer passengers and performed 6.1 million fewer flights. Overall, the market declined from 40.0% to 73.0%. As a result thereof, European airlines, airports and air navigation service providers collectively incurred a loss of EUR 56.2 billion.



In 2016 – 2019, the number of flights in the airspace of the Republic of Lithuania was growing every year. However, in 2020, the COVID-19 pandemic strongly affected the Lithuanian aviation sector, therefore the number of flights serviced by the Company was 53.5% lower compared to 2019. On the other hand, during the reporting period, one of the smallest decreases in the number of flights was recorded in Lithuania due to the favourable geographical position of the country. Compared to other European countries, out of 41 countries, the smallest loss of flights has been observed in Norway, reaching 40.0%, and the largest – in Georgia (Sakartvelo) – falling by 73.0%. During the reporting period, transit flights accounted for 74.6% and terminal flights for 25.4% of the total number of flights. In 2020, the total number of flights decreased significantly to 125,155. The number of terminal flights during the reporting period amounted to 31,754, i.e. 33,133 flights or 51.1% less than in 2019. 93,401 aircraft flew in transit, i.e. 54.3% less than a year ago.

The share of the top ten transit flights in the airspace of the Republic of Lithuania accounted for 33.9% of the total number of transit flights, while the share of terminal flights operated by the ten main airlines accounted for as much as 69.4% of the total number of terminal flights. This shows that the segment of transit flights is more diversified than that of terminal flights.

The main goal of the Company is not the pursuit of profit, but the satisfaction of public interests and the performance of commercial functions assigned by the State, giving priority to the implementation of social and political goals. Profitable activities play a secondary role. During the reporting period, sales revenue for air navigation services decreased by 42.9%, as well as sales costs decreased by 13.5% and general and administrative expenses decreased by 13.6%. The Company's main operating revenue consists of revenue from route and terminal air navigation services, i.e. route and terminal charges. During the reporting period, revenue from en-route air navigation services decreased by 45.1% to EUR 12.5 million, while revenue from terminal services decreased by 33.2% to EUR 3.3 million. This significant decrease in revenue was due to a



General Director
Redvita Četkauskienė

Chairman of the Board of Directors
Dangirutis Janušas

- ↓ In 2020, the number of flights decreased by almost 50.0% and reached 125.2 thousand
- ↓ During the reporting period, sales revenue decreased by 42.9%
- ↓ Company incurred a net adjusted loss of EUR -4.8 million

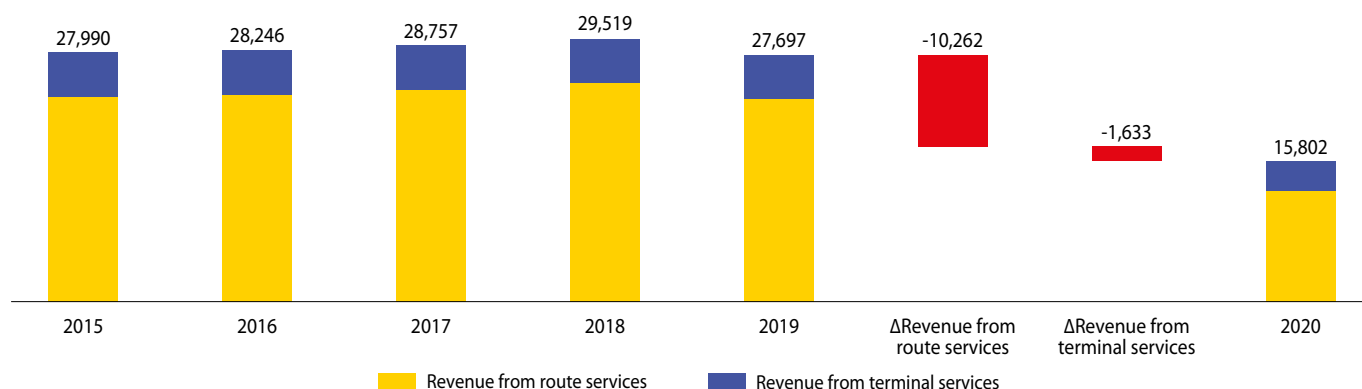
PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	27,697	15,802	-42.9%
Cost of goods sold	18,252	15,791	-13.5%
Gross profit (loss)	9,445	11	-99.9%
Cost of sales	0	0	-
General and administrative expenses	5,565	4,810	-13.6%
Results of other activities	-8	-192	-2,181.0%
Net financial items	194	-5	-
Profit (loss) before taxes	4,066	-4,996	-
Corporation tax	971	-8	-
Net profit (loss)	3,095	-4,988	-
Adjusted net profit (loss)	3,349	-4,793	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	43,084	41,398	-3.9%
Current assets	23,861	16,741	-29.8%
Cash and cash equivalents	19,102	12,075	-36.8%
Deferred charges and accrued income	2,543	1,426	-43.9%
Total assets	69,488	59,566	-14.3%
Equity	48,098	41,887	-12.9%
Grants and subsidies	8,278	8,140	-1.7%
Provisions	163	0	-
Amounts payable and other liabilities	11,171	8,363	-25.1%
Amounts payable after one year and other non-current liabilities	3,442	2,514	-26.9%
Financial liabilities	143	522	+264.0%
Amounts payable within one year and other current liabilities	7,729	5,848	-24.3%
Financial liabilities	236	2,238	+848.7%
Accrued expenses and deferred income	1,778	1,176	-33.9%
Total equity and liabilities	69,488	59,566	-14.3%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	4.8%	-7.4%	-12.2 p. p.
ROE	6.9%	-10.7%	-17.5 p. p.
D/E	0.8%	6.6%	+5.8 p. p.
EBITDA	7,349	-1,499	-
EBITDA margin	26.5%	-9.5%	-36.0 p. p.
Net profit margin	11.2%	-31.6%	-42.8 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Assigned profit contribution	1,185	0	-100.0%
Property tax	298	229	-23.2%
Total contributions and non-standard taxes to the State	1,483	229	-84.6%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	291	296	+1.7%
Average monthly salary of a manager (gross, EUR)	8,114	7,812	-3.7%
INSTITUTION REPRESENTING THE STATE	Ministry of Transport and Communications of the Republic of Lithuania		
MANAGEMENT (1 JUL 2021)			
General Director	Redvita Četkauskienė		
Chairman of the Board of Directors	Dangirutis Janušas*		
Members of the Board of Directors	Gediminas Almantas* Miklas Jovaišas* Vytautas Vaižmužis Sergejus Volkovas		

*Independent member

significant decrease in flight volumes due to the restrictions imposed during the COVID-19 pandemic, in particular the restrictions on border capacity. Also in 2020, the decrease in revenue was negatively affected by lower unit and route unit tariffs. In 2020, the fee on the Lithuanian route was EUR 36.8, while in 2019 it amounted to EUR 42.7, the terminal fee amounted to EUR 132.5, and in 2019

– EUR 159.0. Tariffs are coordinated and approved with airspace users' representatives on an annual basis. On 11 February 2019, in accordance with Articles 25 to 28 of Commission Implementing Regulation (EU) 2019/317, excess operating revenue received during the reporting year to cover costs shall be returned to service users within the next two years.

Sales Revenue (EUR thousand)



Thus, the Company's gross profit decreased by 99.9% and the net profit was negative and amounted to EUR -5.0 million. The Company's adjusted net profit decreased from EUR 3.3 million in 2019 to an adjusted net loss of EUR -4.8 million in 2020. Employment-related expenses accounted for 68.3% of total expenses and decreased by 17.5% compared to the reporting period of 2019. Depreciation and amortization expenses, which accounted for 16.3% of the total structure, increased by 0.4%, while other expenses, which included equipment maintenance and upkeep, utilities, office maintenance, insurance, and staff operating expenses, which accounted for 11.0%, decreased by 41.2%. Equipment maintenance costs decreased by 20.9% due to the review of the organisation of maintenance and repair of communications, navigation and monitoring equipment.

Pursuant to Article 15 (5) of the Republic of Lithuania Law on State and Municipal Enterprises, the Company is exempted from paying the profit contribution to the State budget, as the structure of the Company's revenue and expenses is regulated by European Union legislation. However, for several years in a row, the Company has paid profit contributions. EUR 500.0 thousand was paid for the results of 2017, EUR 1.1 million for 2018, and the Company allocated a profit contribution of EUR 1.2 million for the results of operations in 2019, which it paid in 2020. However, no dividends were paid for 2020 during the analysed reporting period, when the Company incurred a loss.

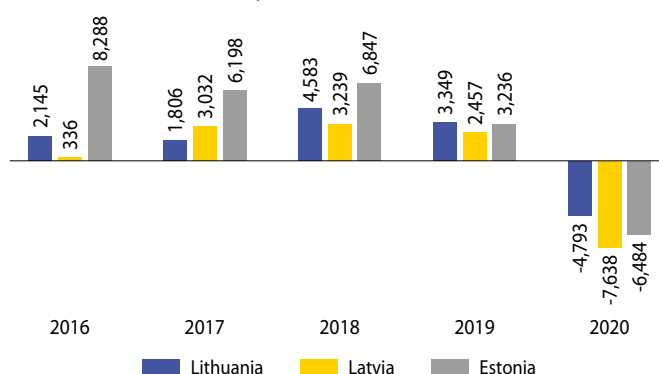
In 2020, the Company invested EUR 1.6 million. During the reporting period, the investment plan was changed in order to manage the COVID-19 crisis, with the result that most major projects were suspended or postponed. As a result thereof, the amount of investments and property acquisitions was about 80.0% lower than planned.

According to the data provided by Eurocontrol on the companies providing air navigation services, the airspace controlled by the Company amounted to 76,126 sq. km, i.e. the lowest among the Baltic States. However, according to the number of flights served by air navigation service providers per sq. km of controlled airspace, the Company was the first in the Baltic and Nordic region. According to the data of 2019, Lennuiklusteeninduse AS operating in Estonia controlled 77,400 sq. km, and the area of airspace controlled by the company operating in Latvia amounted to 95,900 sq. km.

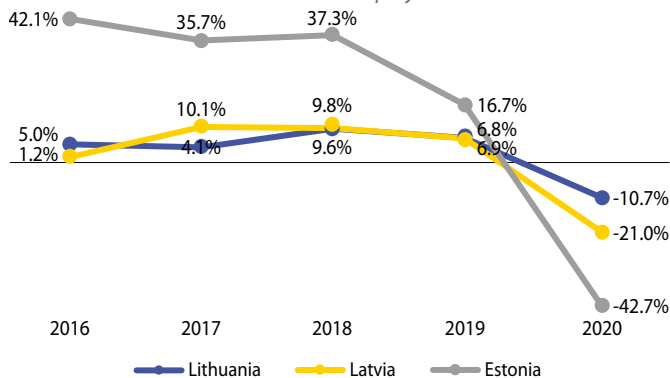
The net profit of the Estonian air navigation company was the highest among the Baltic States every year from 2016 to 2018, except in 2019 when the net result of the Lithuanian air navigation company was 3.5 percent higher. During the reporting period of 2020, the loss of VĮ Oro navigacija was also the lowest among the companies providing air navigation services in the Baltic States. However, it is worth noting that the goal of VĮ Oro navigacija is not to make a profit, but to satisfy a public service.

The trends of relative indicators are similar – the net profit margin in 2020 decreased the least for VĮ Oro navigacija, which reached -30.3% and decreased by 42.4 p. p., the net profit margin for VAS Latvijas oro satiksme decreased the most, reaching -46.2% and decreased by 54.1 p. p. This shows that the activities of the Lithuanian air navigation service provider are more profitable. The return on equity reveals similar trends – in the period 2016–2019, the return on equity of Lennuiklusteeninduse AS was significantly higher than in the rest of the Baltic countries. However, due to the COVID-19 pandemic crisis in 2020, the performance of all Baltic air navigation companies decreased, with Lennuiklusteeninduse AS's return on equity falling the most, i.e. 59.4 p. p., while the indicator of the Lithuanian company decreased the least – by 17.6 p. p.

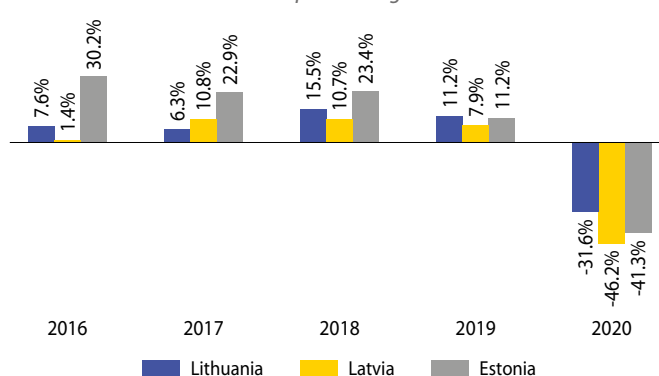
Net profit (EUR thousand)



Return on equity



Net profit margin



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

VĮ Klaipėdos valstybinio jūrų uosto direkcija

www.portofklaipeda.lt



The main functions of the Company: ensuring safe shipping in Klaipėda State Seaport, maintenance and development of port infrastructure.

Special obligations: access to the infrastructure is provided to the Lithuanian Naval Force.

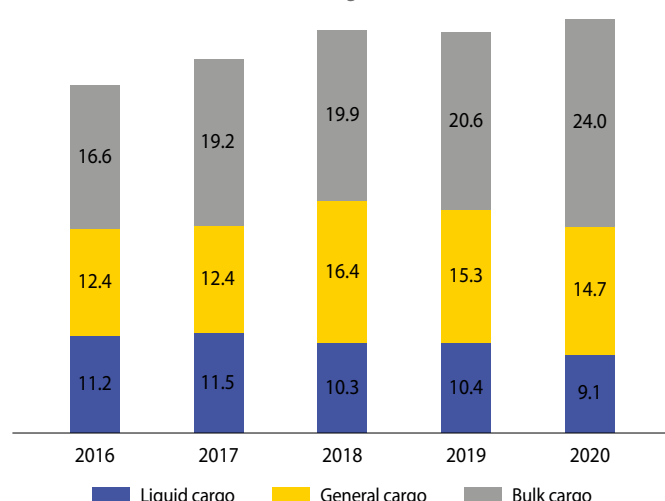
MAJOR EVENTS:

• On **3 April**, Šiaurės investicijų bankas and Klaipėda State Seaport Authority signed a 19-year credit agreement, the loan funds of which shall be used for the implementation of port infrastructure projects;

• On **5 August**, the project "Dredging of Malkū Bay to 14.5 m, including the installation of a nature protection wall" was completed. The deepened water area and the installed nature protection measures will ensure the navigational safety of Malkū Bay and will allow the safe reception of Panamax and Post Panamax type vessels to the terminals in Malkū Bay.

In 2020, the cargo turnover exceeded the best result achieved in 2018, which amounted to 46.6 million tonnes. During the reporting period, compared to 2019, the total stevedoring volumes increased by 3.3%. A total of 47.8 million tonnes were handled in 2020 – 1.5 million tonnes more than a year ago.

Volume of stevedoring (million of tonnes)



From 2016 to 2020, total handling volumes grew by an average of 4.5%. During the reporting period, the volume of bulk stevedoring grew the most – by 16.7%. The growth of these cargoes was due to the growth of natural and chemical fertilizers (+1.5 million tonnes), as well as the growth of agricultural products (+1.3 million tonnes), of which grain made up 89.0%. In 2020, general stevedoring volumes decreased by 3.8%, which accounted for 35.2% of the total cargo structure. The decrease in general cargo was mainly due to the decrease in container cargo turnover, which amounted to 9.8%. (0.8 million tonnes). Liquid stevedoring decreased by 12.7%, which in the total cargo structure makes up 19.0% of all cargo. In the group of these cargoes, the decline in oil products was recorded at 1.5 million tonnes.

In 2020, the number of vessels entering Klaipėda port decreased by 4.8% compared to 2019, amounting to 6,453 vessels, of which 4,919 vessels were engaged in stevedoring. Compared to the results of 2019, the number of vessels with stevedoring operations increased by 1.6%. The number of visitors amounted to 203.3 thousand, while in 2019 it amounted to 392.3 thousand, which is 48.2% less than a year ago. In 2020, all cruise ships were cancelled due to the Covid-19 pandemic. When in 2019, although cruise shipping accounted for a relatively small share in the total structure of ships entering and passengers arriving at the Klaipėda Seaport: in 2019, 68.1 thousand passengers were carried by 51 cruise ships.

The increase in activity volumes had a positive impact on the Company's operating revenue, which amounted to EUR 66.1 million and was EUR 2.1 million higher than in 2019. Changes in the operating revenue were mainly driven by port fees (accounting for 88.0% of total operating revenue in 2020), that increased by 3.1% and amounted to EUR 58.0 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. Due to the



General Director
Algis Latakas

Chairman of the Board of Directors
Nerijus Udrėnas

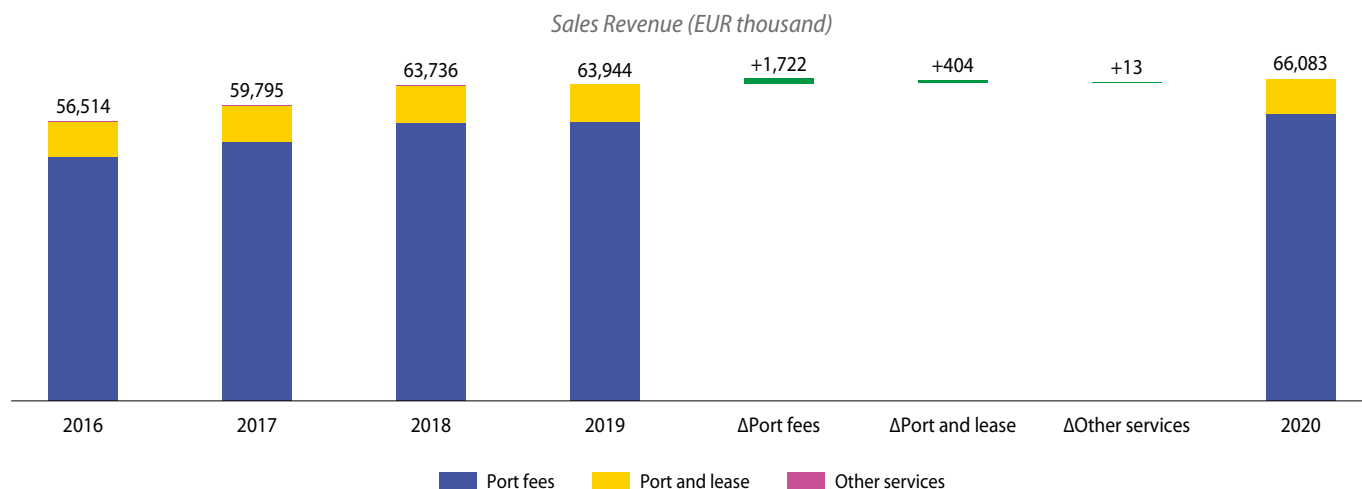
- ↑ Total cargo volumes grew by 3.3%
- ↑ Company's sales revenue grew by 3.3%
- ↓ Assigned dividends decreased by 9.7% down to EUR 25.3 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	63,944	66,083	+3.3%
Cost of goods sold	0	0	-
Gross profit (loss)	63,944	66,083	+3.3%
Cost of sales	0	0	-
General and administrative expenses	30,290	30,774	+1.6%
Results of other activities	84	79	-6.0%
Net financial items	74	-22	-
Profit (loss) before taxes	33,812	35,366	+4.6%
Corporation tax	-2,478	-706	+71.5%
Net profit (loss)	36,290	36,072	-0.6%
Adjusted net profit (loss)	36,691	36,473	-0.6%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	594,169	627,041	+5.5%
Current assets	19,853	16,875	-15.0%
Cash and cash equivalents	15,493	12,707	-18.0%
Deferred charges and accrued income	0	0	-
Total assets	614,022	643,916	+4.9%
Equity	539,748	548,101	+1.5%
Grants and subsidies	67,312	76,810	+14.1%
Provisions	0	0	-
Amounts payable and other liabilities	6,962	19,005	+173.0%
Amounts payable after one year and other non-current liabilities	410	12,741	+3,007.6%
<i>Financial liabilities</i>	61	12,017	+19,600.0%
Amounts payable within one year and other current liabilities	6,552	6,264	-4.4%
<i>Financial liabilities</i>	1	1	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	614,022	643,916	+4.9%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	6.1%	5.8%	-0.3 p. p.
ROE	6.9%	6.7%	-0.2 p. p.
D/E	0.0%	2.2%	+2.2 p. p.
EBITDA	47,763	50,453	+5.6%
EBITDA margin	74.7%	76.3%	+1.6 p. p.
Net profit margin	56.8%	54.6%	-2.2 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Assigned profit contribution	28,000	25,290	-9.7%
Property tax	472	472	-
Total contributions and non-standard taxes to the State	28,472	25,762	-9.5%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	241	243	+0.8%
Average monthly salary of a manager (gross, EUR)	10,742	10,403	-3.2%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director	Algis Latakas		
Chairman of the Board of Directors	Nerijus Udrėnas*		
Members of the Board of Directors	Saulius Kerza Vaidotas Rūkas* Eligijus Kajieta* Edvardas Simokaitis		

*Independent member

constraints of the COVID-19 pandemic, fee revenues from cruise shipping decreased in 2020, but these revenues accounted for only 1.3% of fee revenues in 2019, so they did not have a negative impact on operating revenue dynamics. The revenue from land lease, which accounted for about 12.0% of operating revenue in 2020, also showed growth compared with 2019 – 5.4% and amounted to EUR

7.9 million. This revenue is collected from port users under long-term land lease agreements. From 2016 to 2020, the overall positive trend has been observed, with an increasing annual revenue growth which amounted to 3.6% in 2016, 5.8% in 2017, 6.6% in 2018, however, in 2019, the rate of growth has slightly decreased and amounted to 0.3% while in 2020 it once again increased by 3.3%.

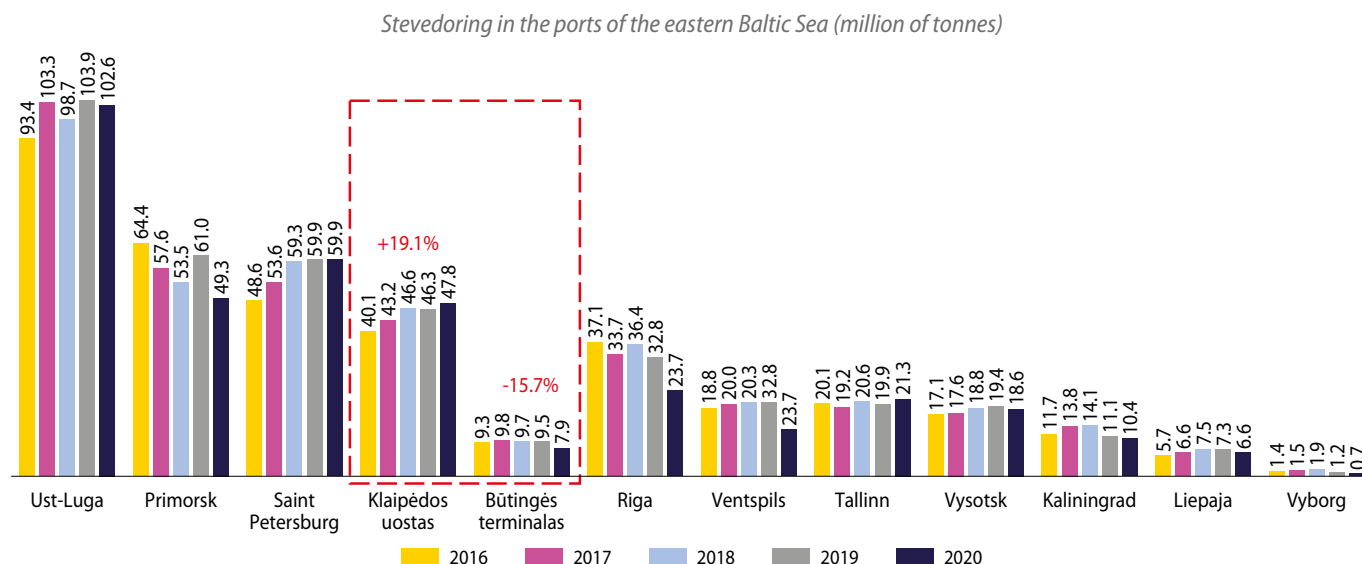


During the reporting period, operating expenses increased by 1.6% or EUR 0.5 million compared to 2019 and amounted to EUR 30.8 million. The increase in costs was mainly due to the EUR 1.0 million higher depreciation costs of non-current assets due to the commissioning of new infrastructure in 2020. These costs, i.e. depreciation and amortization expenses for non-current assets account for the largest share of total expenses – about 49.0% and amount to EUR 15.1 million. The other one of the largest cost groups, accounting for about 28.6% of operating expenses, increased personnel costs by EUR 0.73 million or 8.6% and amounted to EUR 9.1 million due to the increased salary budget after estimating the salary level of the Company's employees in the market. However, compared to the planned costs in 2020, EUR 3.5 million or 10.0% less costs were incurred.

The changes in revenue and expenses discussed above resulted in a net change in net profit of almost EUR 36.1 million, i.e. EUR 0.2 million or just 0.6% less than in 2019. This also led to changes in financial indicators: The Company's EBITDA increased by 5.6% to EUR 50.5 million. Accordingly, the EBITDA margin

increased by 1.6 p. p. to 76.3%. The increase in these indicators was mainly due to a 3.3% increase in operating revenue, while operating expenses increased by only 1.6% during the reporting period. Return on equity amounted to 6.7% and, compared to 2019, decreased by 0.2 p. p.

In 2020, the value of the Company's investments decreased to EUR 51.4 million (in 2019, they amounted to EUR 80.8 million). Most of the investment, i.e. 84.2% of total investment, amounting to EUR 43.3 million, was allocated for the construction and reconstruction of quays (EUR 58.1 million in 2019). 9.9% of the total amount of investments was allocated for deepening of port aquatory and dredging the quays areas, i.e. EUR 5.1 million, compared to EUR 19.1 million in 2019. EUR 27.3 million of investments were financed with own funds, and EUR 12.1 million were financed by the European Union, of which the main funds were allocated for the dredging of Malkų Bay and breakwater reconstruction projects. Investments of up to EUR 12.0 million were also made with the loan.



*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 2020, the total average cargo volumes on the Baltic Sea coast decreased by 13.1%. In 2020, stevedoring volumes, compared to 2019, increased in two ports: in the ports of Klaipėda and Tallinn. Other ports saw a decline from 1.2% to 44.3%. Only in the seaport of St. Petersburg the volume of activities remained at the same level. The volume of cargo transported through

Klaipėda port in 2020 accounted for 13.2% of the market share, while in 2019 Klaipėda port accounted for 11.8% of the cargo flow transported through the ports of the eastern coast of the Baltic Sea. During the period of 2016-2020, stevedoring at Klaipėda port increased from 40.1 to 47.8 million tons, i. e. by 19.1%. During the same period, the total stevedoring in the ports on the eastern coast of the Baltic Sea decreased by 1.7% or 6.1 million tonnes. **These data show that the turnover of Klaipėda port grew faster than the market average. The market share of Klaipėda port grew steadily from 10.9% in 2016 to 13.2% in 2020.**

VĮ Lietuvos oro uostai

www.ltou.lt

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

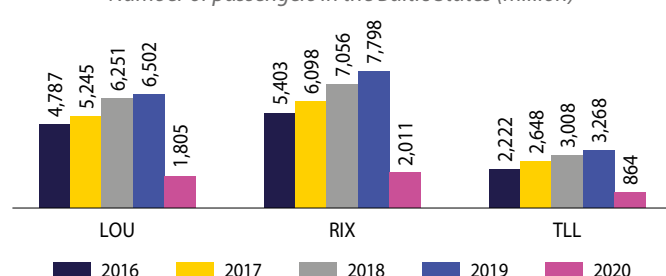
MAJOR EVENTS:

- In 2020, the Company completed the construction and installation of a new VIP terminal with a conference centre. The ground floor of the building is equipped with aviation security check for VIP guests, state border check procedure premises, waiting rooms and other premises. On the second floor of the building there is a 300-seat conference centre with a view of the platform.
- Vilnius and Palanga airports have attracted well-known brands in commercial areas, improving the range of shopping areas and the quality of passenger service in response to the needs of modern passengers.
- In 2020, the Company implemented, tested and performed a pilot operation of the new AMS (Airport Management System) – airport operations management information system. The new system will ensure a unified, integrated and unified solution in all branches of Lithuanian airports.
- In 2020, the Company, implementing the Vilnius Airport program and aerodrome reconstruction projects, completed: the first stages of asphalt works on the Northern Platform; first stage works for the reconstruction of the taxiway "F"; works on the first stage of the new taxiway.
- In 2020, the Company implemented the objectives of the operational efficiency program: 255 operational processes, their hosts, participants, stakeholders and interfaces, process indicators, risk and preventive measures were identified, a process map was prepared, and a process repository was created and put into use.

In accordance with the OECD recommendations on the restructuring of state-owned enterprises engaged in economic activities into limited liability companies, as well as in order to increase operational efficiency, in 2017, the Company, together with the Ministry of Transport and Communications, started the implementation of the Company's project of restructuring into a public limited liability company, which continued in 2020. In order to effectively transform the Company into a public limited liability company, certain amendments to the laws regulating the transformation of the airport were required, after which the approval process will be continued.

In 2020, the number of passengers served at Lithuanian airports reached 1.8 million and, compared to 2019, decreased by 72.2% due to the limitations of the COVID-19 pandemic. During the reporting period, 72.7% of all the Company's passengers were served at Vilnius Airport, i.e. 1.3 million passengers. Compared to 2019, the number of passengers at Vilnius Airport decreased by about 74.0%, at Kaunas Airport – by about 69.0% to 369 thousand passengers. Comparing Lithuanian airports with other airports in the Baltic States, it can be noticed that the total decrease in the number of passengers was about 73.0%. At Lithuanian and Baltic airports, the largest passenger flows were recorded in the directions of emigration. In 2019, regular flights were operated in 92 directions at Lithuanian airports, and in 2020 they decreased to 72 directions. In 2019, 117 routes were offered to those flying from Riga Airport, while in 2020 the flight offer dropped to 92 destinations, and the supply of scheduled flights at Tallinn Airport decreased from 43 to 34 destinations.

Number of passengers in the Baltic States (million)



*Source: VĮ Lietuvos oro uostai

In 2020, 15 airlines offering regular flights operated at Vilnius Airport. The largest carriers in Lithuania remained the airline Ryanair, which accounted for 31.0% of the total traffic and Wizzair, which served 24.0% of all passengers. **However, despite the challenges posed by the COVID-19 pandemic, due to consistent long-term work and airlines' efforts to adapt to the prevailing situation, in 2020 Lithuanian airports ranked 7th in terms of traffic losses in Europe.**

The decline in the Company's performance due to the constraints of the COVID-19 pandemic is also reflected in the decrease in sales revenue, which amounted to 53.5%. **In 2020, the Company earned EUR 22.7 million in sales revenue.** Aviation revenue, which accounted for 58.0% of total revenue, declined 58.6%, or EUR 18.7 million. The share of non-aviation operating revenue in the total revenue structure amounted to 42.0%, but, compared to 2019, decreased by 43.8% and amounted to EUR 9.5 million.

LIETUVOS ORO UOSTAI

VNO KUN PLQ



General Director
Marius Gelžinis

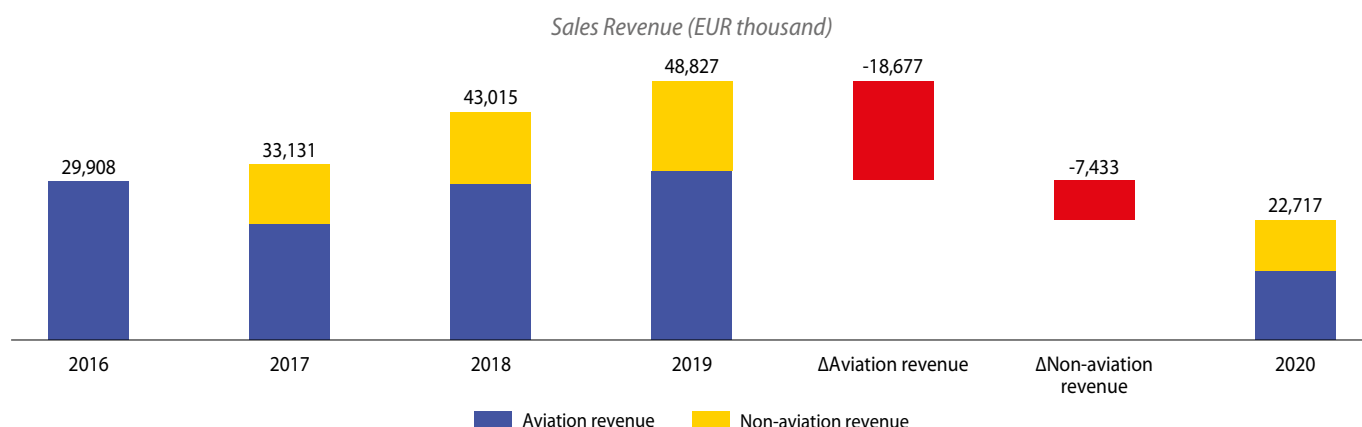


Chairman of the Board of Directors
Eglė Čiužaitė

- ↓ Sales revenue decreased by 53.5%
- ↓ Adjusted net result was negative and amounted to EUR 9.4 million
- ↓ The return on equity fell to -7.5%

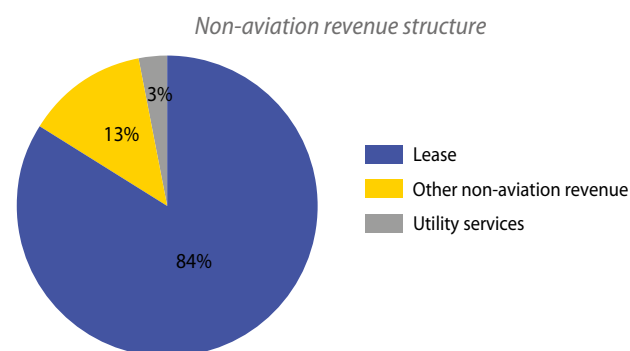
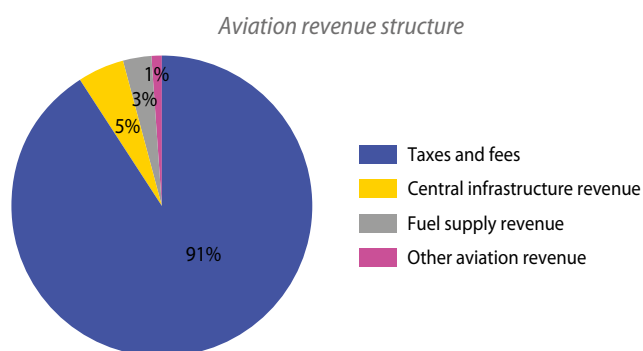
PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	48,827	22,717	-53.5%
Cost of goods sold	0	0	-
Gross profit (loss)	48,827	22,717	-53.5%
Cost of sales	32,480	34,336	+5.7%
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	-60	-47	+21.8%
Profit (loss) before taxes	16,287	-11,665	-
Corporation tax	2,289	1,859	-
Net profit (loss)	13,998	-9,807	-
Adjusted net profit (loss)	14,359	-9,357	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	172,004	182,463	+6.1%
Current assets	25,293	13,568	-46.4%
Cash and cash equivalents	18,050	10,011	-44.5%
Deferred charges and accrued income	0	0	-
Total assets	197,297	196,030	-0.6%
Equity	135,576	126,168	-6.9%
Grants and subsidies	36,241	34,823	-3.9%
Provisions	0	0	-
Amounts payable and other liabilities	25,480	35,039	+37.5%
Amounts payable after one year and other non-current liabilities	12,710	21,690	+70.6%
<i>Financial liabilities</i>	12,591	21,418	+70.1%
Amounts payable within one year and other current liabilities	12,769	13,349	+4.5%
<i>Financial liabilities</i>	409	2,074	+407.2%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	197,297	196,030	-0.6%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	7.2%	-5.0%	-12.2 p. p.
ROE	10.7%	-7.5%	-18.2 p. p.
D/E	9.6%	18.6%	+9.0 p. p.
EBITDA	23,079	-4,391	-
EBITDA margin	47.3%	-19.3%	-66.6 p. p.
Net profit margin	28.7%	-43.2%	-71.9 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Assigned profit contribution	9,711	0	-100.0%
Property tax	425	529	+24.6%
Total contributions and non-standard taxes to the State	10,136	529	-94.8%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	662	528	-20.2%
Average monthly salary of a manager (gross, EUR)	9,769	7,665	-21.5%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director	Marius Gelžinis		
Chairman of the Board of Directors	Eglė Čiužaitė*		
Members of the Board of Directors	Tadas Arvydas Vizgirda* Saulius Kerza Darius Makauskis *		

*Independent member



The structure of aviation revenues of VĮ Lietuvos oro uostai changed during the analysed period due to the restrictions introduced by the COVID-19 pandemic. If in 2019 the departure passenger fee in the total structure of aviation revenue was about 60.0%, then in 2020 this fee amounted to about 40.0%. Increased cargo flows, aircraft repair activities and the need for parking determined the growth of aircraft landing fees, therefore in the overall structure they accounted for about 40.0% of total aviation revenue (in 2019 – about 34.0%). Compared to the results of 2019, the collection fee for aircraft parking increased due to the increased demand for these services and accounted for about 20.0% of all fees (in 2019 – 5.0%). Revenue from central infrastructure, including revenue from restricted mobility and services for disabled

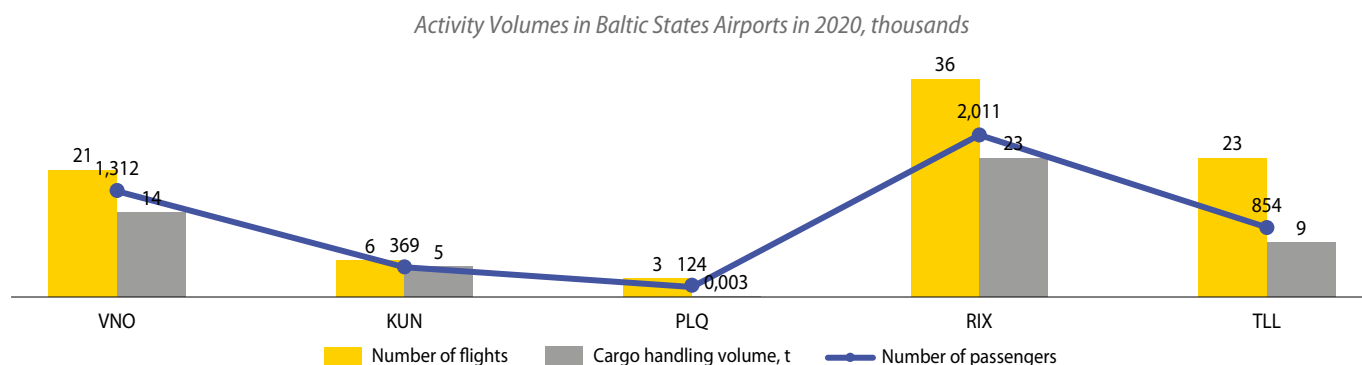
passengers, depend on the flow of scheduled flights, and have therefore also declined compared to 2019. **Sales of non-aviation services decreased by about 48.0%, although the supply of these services expanded rapidly in 2020. As in 2019, in the reporting period, the main part of the structure of non-aviation services was the collection of lease, which in 2019 accounted for 84.1% of the revenue structure of non-aviation activities.** In 2019, 42.0% less was collected for the lease of buildings and premises than in 2019, which was affected by the restrictions related to the pandemic. **The Company adapted an aid package consisting of various discounts, deferrals of payments and suspension of other contractual obligations, allowing it to maintain a critical mass of partners.**



Due to the declining business volumes caused by constraints of the COVID-19 pandemic, the Company incurred a loss in asset value testing of EUR 9.4 million in 2020, while adjusted net profit at the end of 2019 amounted to EUR 14.4 million. EBITDA was also negative at EUR -4.4 million, with the EBITDA margin declining by 66.6 p.p. to -19.3%. Due to the negative net result, the Company offered the shareholder to assess the possibility of not paying the profit contribution for 2020, while the property tax to the state budget decreased by 94.8% compared to 2019.

In order to improve and expand the services provided by airports, modernise the infrastructure, ensure flight safety and optimise business processes, the Company implements investment projects – in 2020, the amount of investments made amounted to EUR 26.1 million, i.e. 7.6% more than in 2019. In 2020,

investments were implemented not only by using the Company's funds, but also by using the state budget – EUR 1.7 million as well as the budget of the European Union – EUR 1.8 million. By analysing the period of the last three reporting years, the largest amount of investments was allocated in 2017 which amounted to EUR 28.4 million. In 2020, as in the previous reporting period, the Company's main investments were directed to the category of buildings and structures. Approximately EUR 6.0 million has been allocated for the reconstruction and extension of the northern platform, EUR 4.7 million for the reconstruction of taxiway F, EUR 1.8 million for the reconstruction of concrete aircraft parking lots of the Vilnius branch and an investment of EUR 0.6 million was allocated for the construction of a new taxiway. EUR 3.6 million has been allocated for the new VIP terminal and conference centre in Vilnius.



Source: VĮ Lietuvos oro uostai

Comparative data of competing airports in 2020 show that in terms of the number of flights, Vilnius Airport is inferior to other airports in the Baltic region, but in terms of the volume of transported cargo and passenger flows, only Riga Airport is ahead of the Lithuanian air gate. In 2020, the number of cargo handled jointly at all three Lithuanian

airports increased by about 12.0%, to 19.0 thousand tonnes. Vilnius Airport handled 14.0 thousand tonnes of cargo, Kaunas – 5.0 thousand tonnes, and Palanga – 0.003 thousand tonnes of cargo. During the same period, 23.0 thousand tonnes of cargo was handled at Riga Airport and 9.0 thousand tonnes at Tallinn Airport.

VĮ Valstybinių miškų urėdija

www.vivmu.lt



Maintains 1.1 million ha of forest by the right of confidence; return to the State each year – approximately EUR 40 million; plants approximately 50 million units of trees per year; restores 8,500 ha of forests per year; plants approximately 500 ha of new forests; maintains 36,600 km of the network of forest paths and 1,500 recreational objects; prepares 3.6 million sters of timber; extinguishes fires in the forest, upgrades approximately 13,000 km of fire straps, during the fire season, the Company's fire brigades go to the fire locations 500-800 times per season. Main activities: afforestation, reforestation and maintenance, forest planting cultivation, logging and timber trade, forest management, sanitary forest protection and fire protection, state and private 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:

- **From 1 January**, a great deal of attention was paid to the purchase of various machinery and tools: 16 wood carriers and 7 wood cutting machines were purchased (contracts were concluded for the purchase of 6 wood carriers and 3 wood cutting machines for felling in small-stem stands), which were purchased to replace the worn equipment; 247 new vehicles were purchased for the Company's specialists working in the forest; 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** By accumulating data in one database, continuous centralization of accounting functions is enabled, which enables automatic generation of data and control of input data.

REFORESTATION, AFFORESTATION AND MAINTENANCE

Forestry: The Company applies principles of sustainable farming in the forests, restores all deforested areas (8,642.5 ha was restored in 2020) and plants new ones (527.7 ha of new forests were planted in 2019) Since 1934, the area of forests has more than doubled in Lithuania – up to 33.7%. The planting stocks necessary for restoration and planting of forests are grown in the tree nurseries managed by the Company.

Forest seeds and planting stock. 23 tree nurseries of the Company and Raudondvaris decorative planting stock nursery of VĮ VMU were operating in Lithuania in 2020. 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 programme for optimisation of tree nurseries was approved. In 2020, 50 million planting stock was cultivated in the tree nurseries of the Company, 29.6 million of which were used for own needs

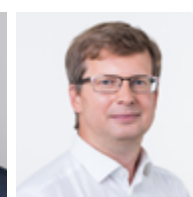
Forest protection: Pursuant to the Law on Forests, the Company organises implementation and support of the single national system of fire-fighting measures in all national forests irrespective of the form of their ownership. The Company ensures sanitary protection of the forest, protection of wildlife, protection of the forest from illegal actions by humans and the implementation of various preventive measures in the managed forests.

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 1,500 recreational objects. Information about them is uploaded to an interactive map of recreational objects and made available to the public.

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 2020, nature management works were performed in 1,783.9 ha.



General Director
Valdas Kaubė



Chairman of the Board of Directors
Mantas Šukevičius

- ↑ Volume of round timber sold increased by 24.2%
- ↓ Net profit from commercial activities² decreased by 24.4% to EUR 27 million
- ↓ Profit tax, raw timber and State property taxes decreased by 9.3% to EUR 27.4 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	157,726	149,845	-5.0%
Cost of goods sold	56,787	65,837	+15.9%
Gross profit (loss)	100,939	84,009	-16.8%
Cost of sales	2,914	2,919	+0.2%
General and administrative expenses	92,522	84,603	-8.6%
Results of other activities	336	1,347	+300.4%
Net financial items	519	208	-59.9%
Profit (loss) before taxes	6,359	-1,958	-
Corporation tax	961	-503	-
Net profit (loss)	5,399	-1,455	-
Adjusted net profit (loss)¹	26,424	18,686	-29.3%
Net profit from trading activities²	35,775	27,050	-24.4%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	87,607	92,461	+5.5%
Current assets	97,951	89,353	-8.8%
Cash and cash equivalents	62,278	54,995	-11.7%
Deferred charges and accrued income	2,844	2,656	-6.6%
Total assets	188,402	184,469	-2.1%
Equity	158,193	150,190	-5.1%
Grants and subsidies	16,288	17,212	+5.7%
Provisions	2,658	3,069	+15.5%
Amounts payable and other liabilities	11,262	13,997	+24.3%
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	11,262	13,997	+24.3%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	188,402	184,469	-2.1%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	13.2%	10.0%	-3.2 p. p.
ROE	15.8%	12.1%	-3.7 p. p.
ROA of commercial activities	17.9%	14.5%	-3.4 p. p.
ROE of commercial activities	21.4%	17.5%	-3.9 p. p.
D/E	0.0%	0.0%	-
EBITDA	16,939	7,171	-57.7%
EBITDA margin	10.7%	4.8%	-5.9 p. p.
Net profit margin	3.4%	-1.0%	-4.4 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	5,500	3,714	-32.5%
Mandatory deductions for timber sold	22,158	21,154	-4.5%
Property tax	2,578	2,542	-1.4%
Special obligations (non-subsidized by the State)	11,000	9,839	-10.6%
Total contributions and non-standard taxes to the State	41,236	37,249	-9.7%
INFORMATION ABOUT EMPLOYEES			
	2019	2020	CHANGE
Number of employees	2,814	2,656	-5.6%
Average monthly salary of executives (gross, EUR)	7,532	8,175	+8.5%
INSTITUTION REPRESENTING THE STATE			
Ministry of Environment of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director	Valdas Kaubė		
Chairman of the Board of Directors	Mantas Šukevičius*		
Members of the Board of Directors	Gediminas Jasinevičius* Ina Bikuvienė Normantas Marius Dvareckas* Alditas Saulius* Asta Cepienė Vilija Augutavičienė		

*Independent member

1. 1 Adjusted net profit (loss) is calculated according to the formula: Net profit + Compulsory deductions * 0.85 + Property tax * 0.85 (without excluding the effect of special obligations not subsidized by the State).

2. 2 Net profit (loss) from commercial activities is calculated according to the formula: Net profit + Compulsory deductions * 0.85 + Property tax * 0.85 + Special obligations (non-subsidized by the State) * 0.85. It shows how much profit a Company would make if it operated as a private equity firm without special deductions and obligations.

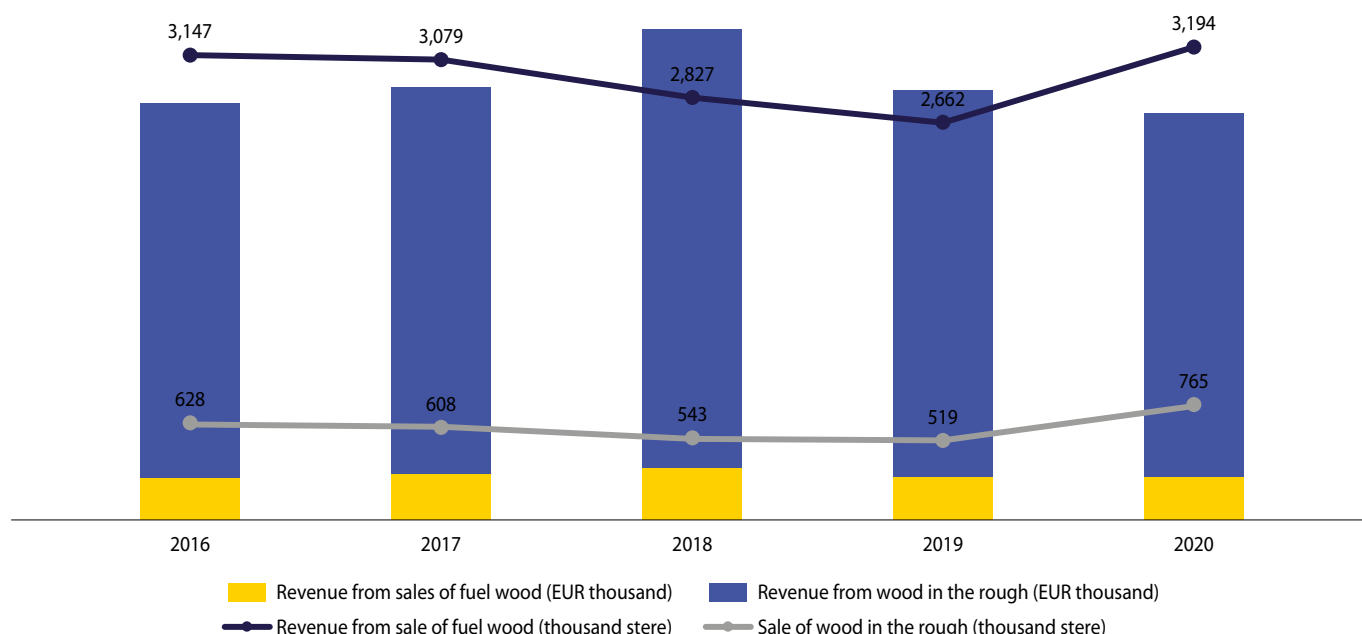
Logging and trade in timber

In 2020, the Company produced 3.7 million cubic metres of round wood – 5.7% more than in 2019. **In 2020, the Company sold 3.96 million cubic metres of round timber during the reporting period, i.e. 24.2% more than in 2019.** Sales revenue from round timber dropped by 4.6% and stood at EUR 140.7 million. The decrease in the revenue of this group was mostly affected by the decrease in the price of average cubic metre by 23.2%. **The decrease in the volume of main production sold and prices led to the decrease in the revenue by 5% totalling EUR 149.8 million.** This change was conditioned by the drop in the sales volumes and prices of round timber accounting for 94% in the total revenue structure. The impact of the fall in prices on revenue was mitigated by higher timber sales from accumulated stocks in 2019. Decrease in the sales volume of round timber also resulted in the decrease in the amounts of by-products accompanying the main production costs.

In 2020, the Company supplied its **products to 396 customers**, the largest of which are: UAB Juodeliai, having purchased 506.3 thousand cubic metres or 12.8% of the total sales volume, UAB Targirė – 300.6 thousand cubic metres (7.6% of the total sales volume), UAB IKEA Industry Lietuva – 205.4

thousand cubic metres (5.2% of the total sales volume), UAB Šilalės mediena, UAB Litforina, UAB Vakarų medienos grupė and UAB Stora Enso Lietuva. Wholesale trade in raw timber and deforestation residues produced in state forests is carried out by organising auctions for concluding contracts through the electronic timber sales system administered by UAB Baltpool. Non-harvested forest and raw timber are sold in retail trade, giving priority to the sale of firewood to the residents. In 2020, VĮ Valstybinių miškų urėdija concluded transactions on the sale of 106.7 thousand MWh of biofuel for EUR 1.1 million at the UAB Baltpool biofuel exchange, in 2019 – 98.5 thousand MWh for the sale of almost EUR 1.2 million.

Compared to 2019, the costs incurred in the analysed reporting period decreased by 1.8%. In 2020, the increase in costs was mainly due to EUR 6.7 million or 14.8% higher volumes of contractors' work. Other costs decreased: the payment fund by EUR 4 million and other goods and services by EUR 5.5 million. The impact of the negative change in timber prices in the reporting period is also recorded in the profitability indicators – the net profit margin decreased by 4.4 p. p. and reached -1.0% at the end of 2020. **Net profit from commercial activities amounted to EUR 27 million and decreased by 24.4% compared to 2019.¹**



The Company paid EUR 27.4 million in profit contributions, raw timber and State property taxes to the State budget for the results of its operations in 2020, which is 9.3% less than a year ago. The profit contribution amounted to EUR 3.7 million, compared to EUR 5.5 million in 2019. Compared to the results of 2019, non-standard taxes were lower or remained at a similar level: EUR 2.5 million were paid for the use of State property on trust in 2020, EUR 2.6 million was paid in 2019, while compulsory deductions (15.0%) from raw timber and non-felled forest sales revenue (raw timber tax) amounted to EUR 21.2 million and decreased by 4.5% compared to 2019 due to lower revenue from raw timber sales. Non-standard taxes are included in the calculation of the Company's contribution to the State budget, as these taxes are not applicable to private forest managers. In 2020, the Company also performed work belonging to the group of special obligations, which is not covered by grants, for EUR 9.8 million (in 2019 – for EUR 11 million). Private forest managers are also not obliged to perform these works, so the named amounts are included in the calculation of the net profit from commercial activities.

INVESTMENTS

INVESTMENTS MADE IN 2020	
Item of investments	Sum (EUR thousand)
Building and construction	6,900
Other devices, appliances and tools	1,089
Machinery and equipment	6,713
Vehicles	5,513
Purchase of tangible assets	20,215
Industrial equipment	0
Concession patents, licences, trademarks and similar goods	45
Other intangible asset	27
Purchase of intangible assets	72
TOTAL:	20,287

The Company's investments in 2020 amounted to EUR 20.3 million, of which EUR 6.9 million were invested in buildings and construction, EUR 7.8 million were invested in machinery and equipment, and EUR 5.5 million were invested in vehicles for production and reforestation personnel. A significant decrease in investments has been recorded since 2017, when the reorganisation processes of 42 forest enterprises and the VĮ Valstybinių miškotvarkos institutas were started. In 2019, only over EUR 4 million were invested.

CONSTRUCTION, REPAIR, MAINTENANCE OF FOREST ROADS:

the Company maintains about 36.6 thousand km of road network. **Total road construction (reconstruction), repair (capital and current) and maintenance expenses (costs and investments) in State forests in 2020 amounted to EUR 10.8 million**, which, compared to 2019, decreased by 4.4%. **In 2020, the Company constructed and reconstructed 13.5 km of roads using the Road Maintenance and Development Program**, using EUR 1.3 million. In 2019, 5.3 km were constructed and reconstructed and EUR 664.8 thousand of the program funds were used. During the reporting period, the Company repaired (capital repair) 2.56 km of roads and used EUR 260 thousand, while in 2019 it repaired 5.15 km, allocating EUR 579.1 thousand from the Road Maintenance and Development Program.

In 2020, 377 km of forest roads were repaired and 9.7 thousand km of forest roads were maintained at the Company's expense – EUR 1.5 million and EUR 1.6 million were allocated for these works, respectively.

In 2020, a total of 31 km of forest roads were built (reconstructed or underwent capital repairs) and 1,563 km of forest roads were repaired in forests of State importance. In 2020, the Company repaired 1,190.4 km of roads in private and public forests with the funds of the General Forestry Financing Program. A total of EUR 6.4 million was allocated to the General Forestry Financing Program.

1. 1 Adjusted net profit (loss) is calculated according to the formula: Net profit + Compulsory deductions * 0.85 + Property tax * 0.85 (without excluding the effect of special obligations not subsidized by the State).

2. 2 Net profit (loss) from commercial activities is calculated according to the formula: Net profit + Compulsory deductions * 0.85 + Property tax * 0.85 + Special obligations (non-subsidized by the State) * 0.85. It shows how much profit a Company would make if it operated as a private equity firm without special deductions and obligations.

VĮ Registry 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.

MAJOR EVENTS:

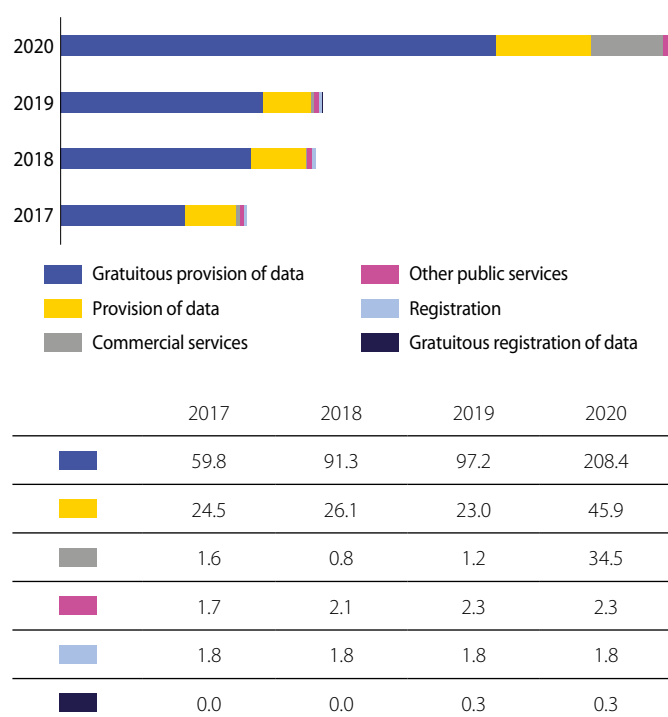
• **In March**, the infrastructure of the Centre of Registers and eHealth database servers was modernized, as well as the advanced RPA project development platform UiPath was acquired at the Centre of Registers;

• **In November**, data stored in the Address Register became opened to the public;

• **In December**, the process documentation and management platform Nintex Promapp was acquired, as well as the equipment of the Consulting Centre was updated in preparation for the opening of the centre in Utena. In addition, a massive valuation of land and other real estate was conducted this month.

During the reporting period, the Company provided 293.1 million service units to residents, businesses and the public sector and compared to 2019, the growth was significant and amounted to 133.0%. Significant growth was recorded in gratuitous data services, which grew by 111.2 million units to 208.4 million units due to the Law on Amendment of Articles 25, 27, 29, 35 and 38 No XIII-848 of the Republic of Lithuania Law on Management of State Information Resources No XI-1807, which entered into force on 1 January 2019, the purpose of which is to ensure that data and information in state registers are obtained and used free of charge in order to solve public tasks of State and municipal governance, as well as to ensure free registration of data in state registers for state and municipal institutions and establishments. Thus, analysing the retrospective of data provided free of charge in 2018–2020, after the entry into force of the law, a significant increase in the volume of services provided free of charge can be seen. The share of these services in the total structure decreased insignificantly to 71.1% due to the increased volumes of total data provision and commercial services. The volume of data provision services grew by 100.2% and in the overall structure accounted for 15.7% with 45.9 million service units provided. Commercial services were provided about 30 times more, so the total structure increased to 11.8% with 34.5 million service units. The increase in volumes is due to changes in the procedure for accounting for the volume of commercial services, the introduction of new services to the market, and the significant intensification of the real estate market in the second half of the year, changes in legal acts obliging to enter into and obtain data from relevant registers and information systems when concluding transactions or performing other legal activities. Growth in the volume of commercial services was significant, but revenue from commercial activities fell by 13.0% to EUR 3.4 million and accounted for 7.0%, compared to 9.0% in 2019.

Volume of services provided (million units)



General Director
Saulius Urbanavičius

Chairman of the Board of Directors
Egidijus Vaišvilas

- ↑ Net profit grew by 142.9% and reached EUR 10.9 million
- ↑ Adjusted return on equity grew to 34.1%
- ↑ 3-fold increase in profit contribution of EUR 9.6 million was assigned

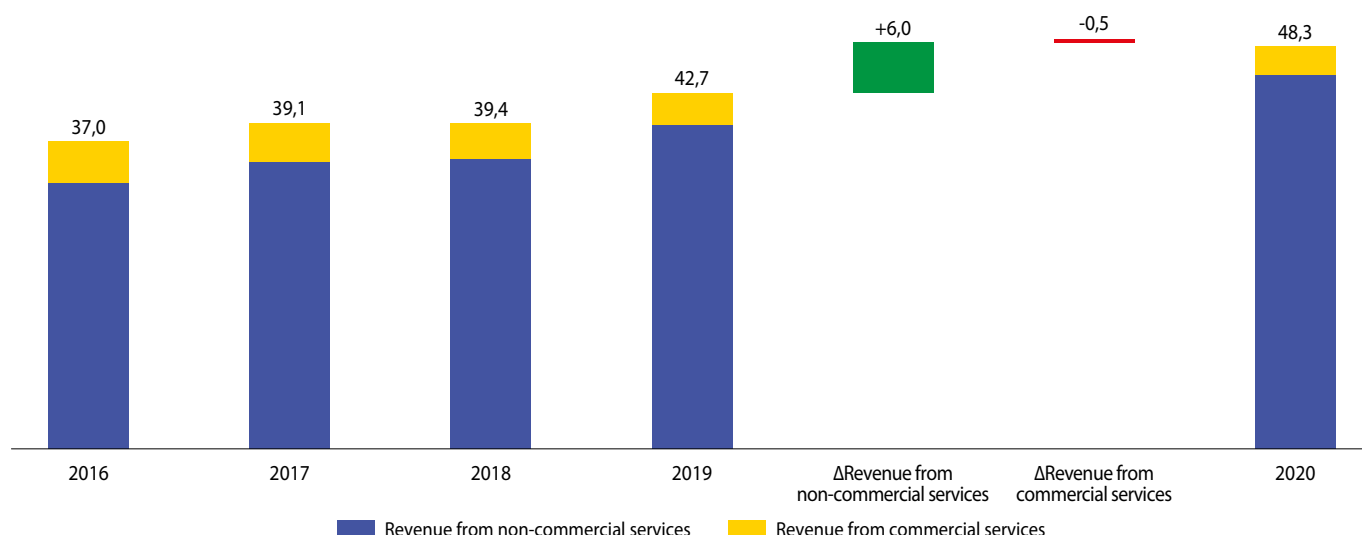
PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	42,723	48,288	+13.0%
Cost of goods sold	28,625	26,142	-8.7%
Gross profit (loss)	14,098	22,146	+57.1%
Cost of sales	0	0	-
General and administrative expenses	7,794	9,123	+17.1%
Results of other activities	30	54	+79.5%
Net financial items	-27	-3	+90.8%
Profit (loss) before taxes	6,307	13,074	+107.3%
Corporation tax	1,785	2,089	+17.1%
Net profit (loss)	4,522	10,984	+142.9%
Adjusted net profit (loss)	4,769	11,222	+135.3%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	24,737	27,424	+10.9%
Current assets	15,858	27,856	+75.7%
Cash and cash equivalents	12,876	22,219	+72.6%
Deferred charges and accrued income	756	557	-26.4%
Total assets	41,351	55,837	+35.0%
Equity	27,343	37,160	+35.9%
Grants and subsidies	3,625	7,688	+112.1%
Provisions	2,748	3,579	+30.3%
Amounts payable and other liabilities	7,591	7,389	-2.7%
Amounts payable after one year and other non-current liabilities	454	565	+24.5%
Financial liabilities	454	565	+24.5%
Amounts payable within one year and other current liabilities	7,137	6,824	-4.4%
Financial liabilities	569	555	-2.6%
Accrued expenses and deferred income	45	21	-52.8%
Total equity and liabilities	41,351	55,837	+35.0%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	13.2%	23.1%	+9.9 p. p.
ROE	20.2%	34.8%	+14.6 p. p.
D/E	3.7%	3.0%	-0.7 p. p.
EBITDA	9,340	15,619	+67.2%
EBITDA margin	21.9%	32.3%	+10.4 p. p.
Net profit margin	10.6%	22.7%	+12.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	2,807	9,634	+243.2%
Property tax	291	280	-3.7%
Total contributions and non-standard taxes to the State	3,098	9,914	+220.0%
INFORMATION ABOUT EMPLOYEES			
	2019	2020	CHANGE
Number of employees	1,480	1,506	+1.8%
Average monthly salary of a manager (gross, EUR)	6,614	7,659	+15.8%
INSTITUTION REPRESENTING THE STATE			
Ministry of Economy and Innovation of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director	Saulius Urbanavičius		
Chairman of the Board of Directors	Egidijus Vaišvilas*		
Members of the Board of Directors	Ingrida Miknevičienė Ina Bielskė* Andrius Byčkovas* Arūnas Stašionis Arūnas Cijūnaitis		

*Independent member

The growth of the Company's activities also led to a 13.0% increase in sales revenue, which amounted to EUR 48.3 million. As the main objective of the Company's activities is to fulfil special obligations – to provide public services, they account for about 86.0 – 90.0% of total revenue, commercial revenue accounts for about 10.0 – 14.0%, respectively. Thus, due to a significant increase in the use of gratuitous services, grants of EUR 4,757.9 thousand were received for 2019 and EUR 5,373.0 thousand for 2020, which were recognised as revenue. **During the reporting period, income from commercial activities decreased by about EUR 500.0 thousand or 13.0% and amounted to EUR 3.4 million.** This decrease was due to the decline in revenues from property valuation and cadastral surveying services due to the COVID-19 pandemic in the first half of the year, and the provision of publishing services was cancelled. These losses were not offset by improved sales in the second half of the year.

In the structure of public service revenues, the revenues of the real estate cadastre and register, which accounted for 62.0%, increased by EUR 6.4 million and amounted to EUR 29.5 million. The largest part of the structure of provided services consists of the Real Estate Cadastre and Register. The share of the Real Estate Cadastre and Register in 2020 reached about 62.0%, i.e. EUR 29,490 thousand. Compared to 2019, the volume of services provided by this register increased by 27.0%. The volume of services of the Register of Legal Entities and Address Register has also increased significantly. Slightly fewer services were provided in the Population Register, Mortgage Register, Register of Wills, Register of Legally Incapable Persons and Persons with Limited Legal Capacity. In the information systems segment, the volumes of information systems services of legal entities' participants increased the most.

Sales revenue (EUR million)



The costs incurred by the Company in 2020 remained at a similar level as in the previous reporting period and decreased by EUR 1,153 thousand to EUR 35.3 million. In the cost structure, cost of sales decreased by 8.7% to EUR 26.1 million, while general and administrative expenses increased by 17.1% to EUR 9.1 million. **Salary and social security expenses accounted for the largest share – about 72.0% – of the Company's expenses – the latter amount decreased by EUR 1,069 thousand due to quarantine downtime, slowdown in new hiring, halted commercial activities and lower employee salaries.**

Due to good performance, lower costs increased the Company's net profit by EUR 6.5 million, with an adjusted net profit of EUR 11.2 million at the end of the reporting period. EBITDA growth was 67.2%, respectively, and was EUR 15.6 million. Adjusted return on equity grew from 20.2% 2019 to 34.8% in 2020, while adjusted net profit margin grew by 12.1 p. p. to 23.2%. **The good results of the Company resulted in a 243.2% increase in the assigned profit contribution for the results achieved in 2020, which amounts to EUR 9.6 million, the property tax in 2020 slightly decreased to EUR 280.0 thousand.**

The Company's investments in the reporting period amounted to EUR 5.4 million, while in 2019 they amounted to EUR 1.4 million. Modernization works of registers and information systems were performed for EUR 1,816 thousand. The following have also been purchased: servers for EUR 337 thousand, data warehouses for EUR 280 thousand, switches for EUR 137 thousand and other equipment. In order to improve customer service, queue management systems were purchased for EUR 50.8 thousand and qualified time stamp servers for EUR 76.2 thousand. **Investments from own funds accounted for 33.0% of the total amount invested in 2020 and totaled at about EUR 1,776 thousand.** In 2020, IT software and licenses were purchased for EUR 2,146 thousand, of which EUR 1,576 thousand for ESPBIS licenses. The Company acquired assets from the European Union funds for approximately EUR 1,290.0 thousand – these funds are intended for the modernization of the Population Register for the development of ESPBIS.

The growth trend of non-current assets and current assets is observed in the analysed reporting period. At the end of 2020, the Company's non-current assets increased by 10.9% to EUR 27.4 million due to the book value of real estate being prepared for sale by public auction. In 2020, the growth of current assets amounted to 75.7% due to the increase in assets under preparation for sale and increase in cash and cash equivalents. **The return on assets for the reporting period was 22.6%, and the ratio of financial liabilities to equity decreased from 3.7% to 3.0%.**

	2017	2018	2019	2020
Name	(thousands of units)			
Legal entities	80,203	112,760	114,173	281,645
Natural persons	3,233	3,276	3,401	3,130
Notaries and their assistants	5,492	5,596	5,924	5,825
Attorneys and their assistants	313	299	289	448
Bailiffs and their assistants	164	212	1,985	2,046
Total:	89,405	122,143	125,772	293,094

The company provides services to natural persons and legal entities. **As in 2019, during the analysed reporting period, the largest number of services was provided to legal entities.** The volume of services in units for legal entities more than doubled. The growth was influenced by the growth of the volume of data provided free of charge and the increased activity of the real estate market.

VĮ Lietuvos automobilių kelių direkcija

www.lakd.lrv.lt



**LIETUVOS AUTOMOBILIŲ
KELIŲ DIREKCIJA**

Organisation and coordination of maintenance of state roads, maintenance and development, performance of functions provided for the company in the Republic of Lithuania Law on Roads, the Republic of Lithuania Law on Road Traffic Safety and other legal acts, performance of other activities in order to satisfy public interests, commercial activities in transport infrastructure.

Special obligations – management of state roads and organisation and coordination of ensuring safe traffic conditions by implementing traffic safety measures on state roads



General Director
Remigijus Lipkevičius

Chairman of the Board of Directors
Not appointed

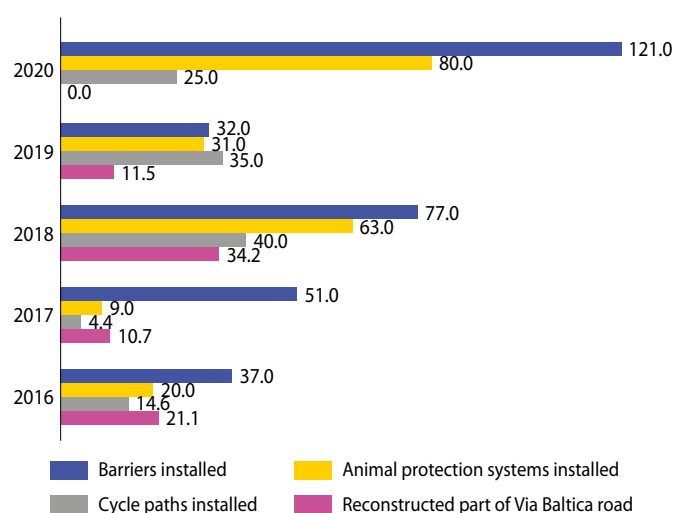
MAJOR EVENTS:

- On **1 September**, a new legal form of the Lithuanian Road Administration was registered in the VĮ Registry centras. The Lithuanian Road Administration was transformed from a budgetary institution into a state-owned enterprise;
- In **September**, the implementation of the second stage of modernization of state road lighting in line with the green and digitalisation directions was launched. The aim of the project is more efficient and high-quality road lighting for all road users and saving of energy resources;
- In **October**, a project for the reconstruction of the Lentvaris railway crossing and a tunnel for cars under the railway was launched in Lentvaris (Trakai district);
- In **November**, an innovative product developed by the specialists of the Road Administration and benefiting all the partners of the Road Administration in the field of green and information technologies – an electronic construction logbook to replace the paper construction logs completed so far – has been applied to the objects of the new works contracts signed.
- In **November**, an agreement on the reconstruction of the section of the state-owned highway A1 Vilnius – Kaunas – Klaipėda from 102.90 to 107.00 km entered into force, during which one of the most dangerous intersections in the state-important road network will be removed.

In 2020, the Company achieved a high operating result – it used 99.0% of the funds collected for the Road Maintenance and Development Programme (RMDP). VĮ Lietuvos automobilių kelių direkcija implements the RMDP, and is also responsible for part of the RMDP funds for the expansion of the local road network and ensuring that it operates. At the same time, ensuring the development of state and local roads, it cooperates with municipalities in the implementation of road infrastructure projects.

During 2020, the Company paved 372.3 km of gravel roads and at the end of the year, unpaved roads of state importance accounted for 27.1%. The following were also installed: 25 km of cycle paths, 80 km of animal protection systems (net fences, crossings, etc. for the protection of wild animals), 1 unit of fast loading station on main roads, 88 units of speed control measures, 6 units of roundabouts, 121 km of barriers. There were 53.0% fewer fatalities in road accidents compared to 2009 data.

Operating volumes, km



The Via Baltica road is important for the development of the country's road network and integrating the Lithuanian road transport infrastructure into the unified road infrastructure of the European Union. In 2016-2019, 77.5 km of the Via Baltica road network was reconstructed. During 2020, the procedure of land acquisition for public needs was carried out in order to implement the reconstruction of the Via Baltica project on the road section from Marijampolė to the Polish border. Agreements have already been mentioned section and supervision of the project implementation. Last year, large-scale works were carried out on the A1 Vilnius – Kaunas – Klaipėda road.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2020
Sales revenue	3,975
Cost of goods sold	3,776
Gross profit (loss)	199
Cost of sales	0
General and administrative expenses	0
Results of other activities	3
Net financial items	1,043
Profit (loss) before taxes	1,245
Corporation tax	305
Net profit (loss)	940
Adjusted net profit (loss)	966
BALANCE SHEET (EUR THOUSAND)	31 DEC 2020
Non-current assets	3,230,581
Current assets	47,480
Cash and cash equivalents	7,161
Deferred charges and accrued income	679
Total assets	3,278,740
Equity	2,693,140
Grants and subsidies	528,524
Provisions	0
Amounts payable and other liabilities	57,075
Amounts payable after one year and other non-current liabilities	10,451
Financial liabilities	10,451
Amounts payable within one year and other current liabilities	46,624
Financial liabilities	0
Accrued expenses and deferred income	1
Total equity and liabilities	3,278,740
RATIOS	31 DEC 2020
ROA	0.1%
ROE	0.1%
D/E	0.4%
EBITDA	560
EBITDA margin	14.1%
Net profit margin	23.6%

CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2020
Awarded dividends (share of the State)/ profit contributions	1,154
Property tax	31
Total contributions and non-standard taxes to the State	1,185

INFORMATION ABOUT EMPLOYEES	2020
Number of employees	245
Average monthly salary of a manager (gross, EUR)	5,790

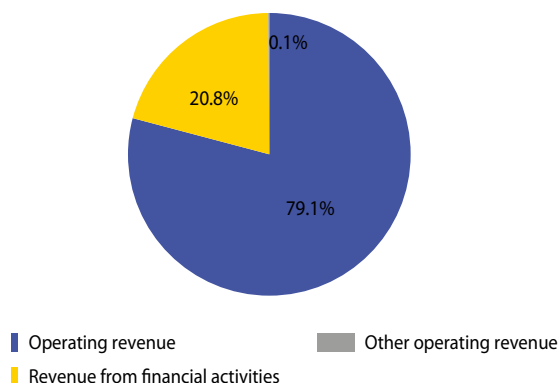
INSTITUTION REPRESENTING THE STATE	
Ministry of Transport and Communications of the Republic of Lithuania	

MANAGEMENT (1 JUL 2021)	
General Director	Remigijus Lipkevičius
Chairman of the Board of Directors	Not appointed
Members of the Board of Directors	Roma Andriuskevičienė Vaidotas Balynas* Rūta Jakubauskienė* Agnė Amelija Mikalonė

*Independent member

During September-December 2020, the total revenue of the Company amounted to EUR 5,023 thousand, of which the main or sales revenue in 2020 amounted to EUR 3,975 thousand. **Sales revenue accounts for the largest percentage of the total revenue structure, i.e. 79.1%, which is received for the fulfilment of special obligations.** Revenue from financial activities in the revenue structure accounted for 20.8% or EUR 1,043 thousand of total revenue, which included revenue from fines, as well as revenue from contractual sanctions for non-performance of contractual obligations, interest on late work and forfeit.

Revenue structure (September – December 2020)



The main source of financing for the maintenance and development of state-important roads and the implementation of traffic safety measures is the RMDP financing funds allocated from the state budget of the Republic of Lithuania. In accordance with the Republic of Lithuania Law on the Financing of Road Maintenance and Development Programme, funds for this source are accumulated annually from revenue contributions. During 2020, EUR 504,448 thousand of income was collected, the most received, i.e. 85.2% of total revenue (EUR 429,671 thousand) was intended for fuel excise duties. Other income was received for: vehicle taxes which amounted to EUR 70,225 thousand (of which EUR 49,430 thousand for road use and EUR 20,795 thousand for goods vehicles registered in the Republic of Lithuania), EUR 1,292 thousand for fines paid or recovered, other EUR 3,260 thousand (of which EUR 3,044 thousand tax for the use of large and/or heavy vehicles on the road and EUR 216 thousand tax for traffic restrictions).

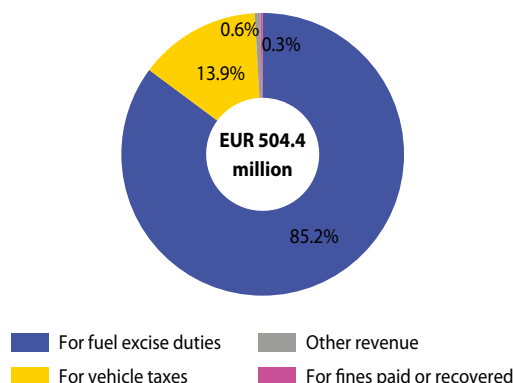
In September – December 2020, the total costs of the Company amounted to EUR 3,776 thousand. Operating costs, i.e. the costs of fulfilling special obligations accounted for 99.94% of the total costs. The other part – 0.06% of the costs were incurred from financial activities. The major part, i.e. 77.0% of operating costs comprise of personnel maintenance costs amounting to EUR 2,905 thousand. Depreciation of tangible and intangible assets accounted for 13.0% of operating costs.

During September – December 2020, the Company's operating result was positive and the Company earned EUR 1,245 thousand before taxes. Taking into account the profit tax of EUR 305 thousand, the Company's net profit at the end of 2020 amounted to EUR 940 thousand. EBITDA amounted to EUR 560 thousand. Ratios of return: return on equity was 0.1%, net profit margin was 23.6%, D/E was 0.4%.

In 2020, the Company also financed the most important investment projects with the funds of the European Union and other funds. The Company is implementing the programme "Implementation of projects for the improvement and development of road transport infrastructure, implementation of smart transport

Other operating income accounted for the smallest share, i.e. 0.1% of the total proceeds from the surety of tenders. **In 2020, the Company did not receive any revenue from commercial activities and did not incur any expenses because it did not perform these activities.** Although the Company's Articles of Association provide for commercial activities – laboratory research, expert assessment of road surface condition, traffic flow planning and modelling, in 2020 resources were concentrated on high-quality fulfilment of special state obligation, giving priority to improving problematic Lithuanian road surfaces.

2020 RMDP revenue structure

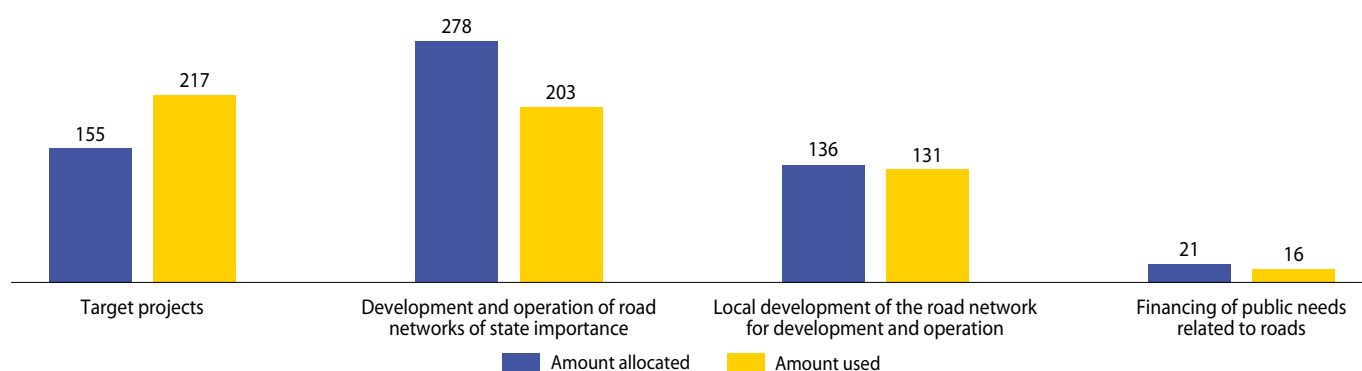


systems, traffic safety and environmental protection measures", for which the amount of EUR 77,665 thousand was allocated for 2020, of which EUR 52,422 thousand was allocated from the European Union structural funds. There were 18 investment projects on the list of the programme, but 10 of these projects will be launched only in 2021, when it is planned to start using the European Union support funds. Thus, in 2020, EUR 39,837 thousand of European Union support funds were actually used, of which EUR 1,547 thousand were paid to municipalities as part of the co-financing allocated to municipalities, taking into account the contribution of municipalities to the implementation of projects.

The main source of financing for the maintenance and development of state-important roads and the implementation of traffic safety measures is the RMDP financing funds allocated from the state budget of the Republic of Lithuania. Of the EUR 589.8 million allocated for RMDP in 2020, EUR 565.8 million was used, i.e. 96% of the approved estimate, while in 2019 this indicator was 93.0%. It should be noted that the utilization of the RMDP from the amount of collected contributions and transferred from previous periods (the share of unused funds in 2019) amounted to 99%. The basic distribution of RMDP funds is as follows: funding for targeted projects approved by the Law on the Approval of the Financial Indicators of the 2020 State Budget and the Municipal Budgets; 65.0% of the remaining amount are allocated to roads of state importance; 30.0% – for roads of local significance, i.e. for the needs of municipalities and other institutions; 5.0% of the funds are allocated to the reserve.

By assessing the RMDP estimate, in 2020 the Company used the largest amount of funds for the development of the national road network and ensuring its proper functioning, as well as for other areas, using EUR 202.7 million. The funds were also used for target objects: "Asphalting of regional gravel roads of state importance", for which EUR 161.6 million were used; "Reconstruction of the section of the state highway A1 Vilnius – Kaunas – Klaipėda from 89.40 to 107.00 km" – EUR 21.2 million. In 2020, 68.4% or EUR 387.2 million of RMDP funds were used for all national roads.

Use of RMDP funds (million EUR)



In accordance with Resolution No 422 "Approval of the Description of the Procedure for the Reconstruction, Repair of Roads of State and Local Importance of the Plan of Measures to Stimulate the Economy and Reduce the Consequences of

the Spread of Coronavirus (COVID-19), in 2020, EUR 150 million was also allocated for the reconstruction and repair of roads of national and local importance. In 2020, 96.0% of these funds were used.

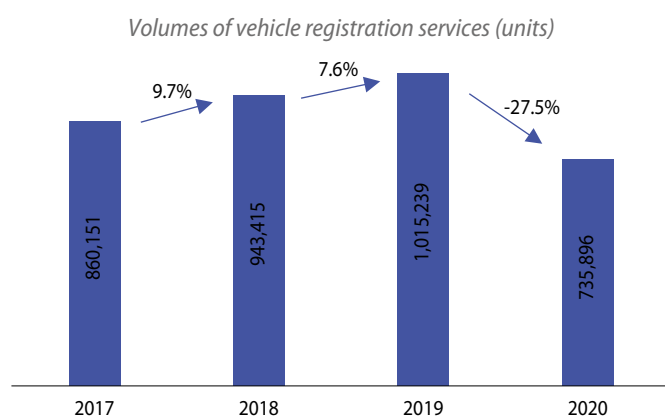
Processing of the register data on road transport vehicles of the Republic of Lithuania and driver registry of road vehicles of the Republic of Lithuania, registration of motor vehicles and their trailers, examination of drivers, issuance of driving licenses

Special obligations: registration of road transport vehicles; issuance of driving licenses; processing of the register on road transport vehicles of the Republic of Lithuania; calculation of vehicle registration tax and administration of its payment; 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.

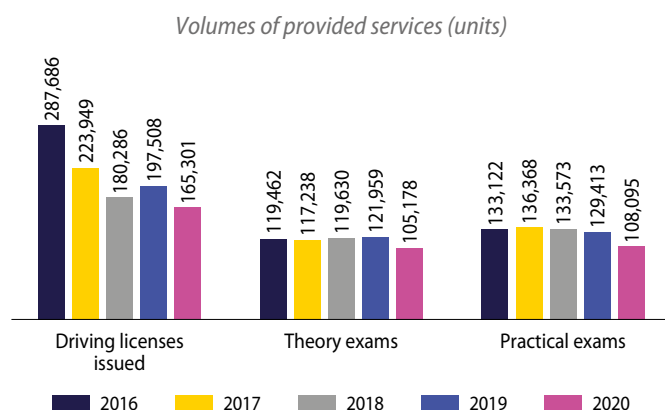
MAJOR EVENTS:

- The Company started issuing international driving licenses;
- The possibility to check the data in the information system of issued licenses administered by the SE Centre of Registers has been implemented, therefore the requirement to provide original documents to customers has been removed;
- Under the new special obligation, the Company has started to apply and administer the vehicle registration tax.

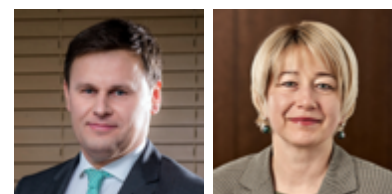
In the course of its activities, in 2020 the Company performed slightly more than 700 thousand customer vehicle registration operations, the volume of which, compared to the results of 2019, decreased by 27.5%. The Company serves the most customers by providing vehicle registration services, therefore, due to the quarantine introduced on 16 March, the volume of services decreased significantly and only stabilized again in June.



During the reporting period, the number of theory and practice examinations and driving licenses issued decreased on average by 15.5%. The volume of theoretical knowledge examinations, which in 2019 reached almost 122.0 thousand units, decreased by 13.8%. In 2020, the volume of practical examinations motor vehicle driving skills and abilities decreased by 16.5% and amounted to 108.1 thousand examinations. In 2019, the number of licenses issued increased by 9.6%, in 2020 it decreased by 16.3% to 165.3 thousand units. The volume of all these services has decreased due to quarantine restrictions, the lack of possibility to physically contact customers.



The Company started issuing two types of international driving licenses since January 2020. During the reporting year, 2,364 international driving licenses were issued. Although 1,423 licenses of this type were issued in the first month of the year, the demand for international driving licenses has decreased significantly since April, amounting to just a few dozen licenses issued due to limited travel between countries during a global pandemic.



General Director
Acting Saulius Šuminas

Chairperson of the Board
Ilona Smailienė

- ↑ 90.3% more services were provided electronically
- ↓ Adjusted net profit decreased 33.4% to EUR 3.1 million
- ↓ Assigned profit contribution decreased by 43.3% and amounted to EUR 4.1 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	27,493	22,704	-17.4%
Cost of goods sold	18,084	14,919	-17.5%
Gross profit (loss)	9,409	7,784	-17.3%
Cost of sales	0	0	-
General and administrative expenses	4,233	4,329	+2.3%
Results of other activities	153	130	-15.5%
Net financial items	-59	-87	-47.8%
Profit (loss) before taxes	5,270	3,498	-33.6%
Corporation tax	819	576	-29.7%
Net profit (loss)	4,451	2,922	-34.4%
Adjusted net profit (loss)	4,585	3,056	-33.4%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	10,954	14,983	+36.8%
Current assets	17,507	9,855	-43.7%
Cash and cash equivalents	6,396	8,361	+30.7%
Deferred charges and accrued income	120	253	+110.9%
Total assets	28,581	25,092	-12.2%
Equity	21,559	17,281	-19.8%
Grants and subsidies	0	0	-
Provisions	228	163	-28.6%
Amounts payable and other liabilities	6,784	7,624	+12.4%
Amounts payable after one year and other non-current liabilities	3,423	5,278	+54.2%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	3,362	2,346	-30.2%
Financial liabilities	0	0	-
Accrued expenses and deferred income	9	24	+159.3%
Total equity and liabilities	28,581	25,092	-12.2%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	17.9%	11.4%	-6.5%
ROE	22.0%	15.7%	-6.2%
D/E	0.0%	0.0%	-
EBITDA	7,586	5,280	-30.4%
EBITDA margin	27.6%	23.3%	-4.3 p. p.
Net profit margin	16.2%	12.9%	-3.3 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Assigned profit contribution	7,200	4,080	-43.3%
Property tax	158	158	-
Total contributions and non-standard taxes to the State	7,358	4,238	-42.4%
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	535	531	-0.7%
Average monthly salary of a manager (gross, EUR)	4,141	4,469	+7.9%
INSTITUTION REPRESENTING THE STATE	The Ministry of the Interior of the Republic of Lithuania		

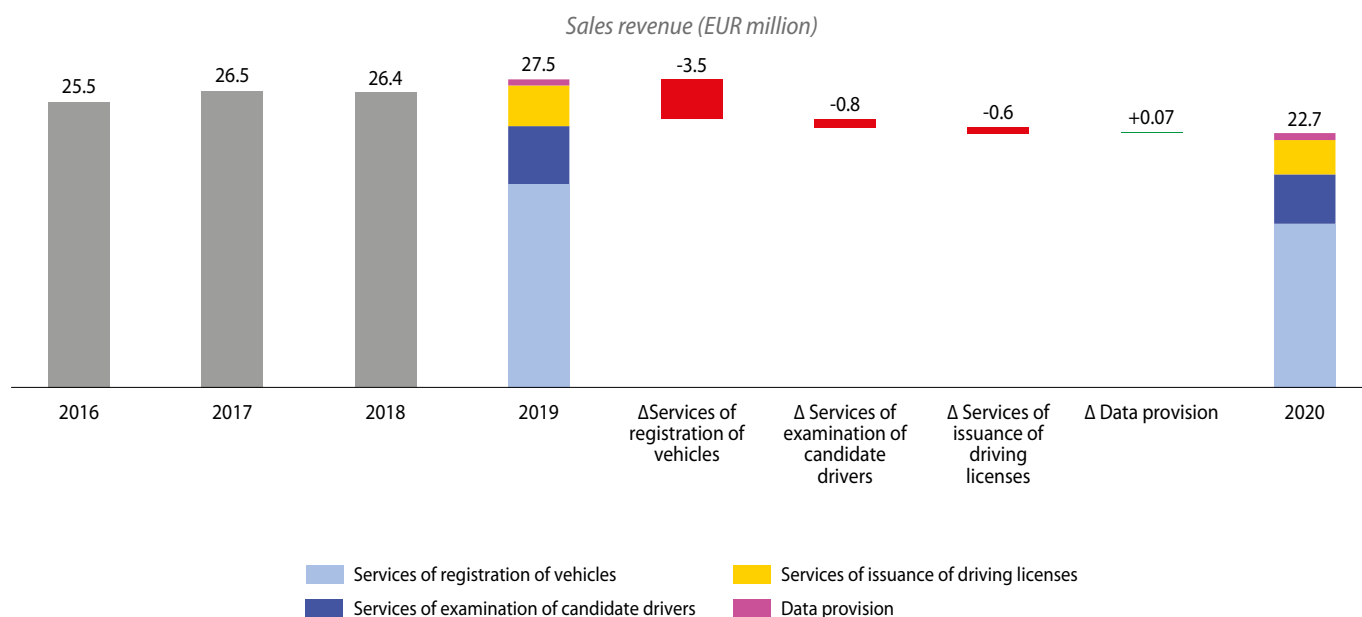
MANAGEMENT (1 JUL 2021)

General Director	Acting Saulius Šuminas
Chairperson of the Board	Ilona Smailienė
Members of the Board of Directors	Vainius Butinas Laimis Janciušas* Mindaugas Kyguolis* Vytautas Markauskas Gintaras Nakutis* Povilas Ruškus Paulius Skardžius Aurimas Tomas Staškevičius* Gediminas Vyšniauskis*

*Independent member

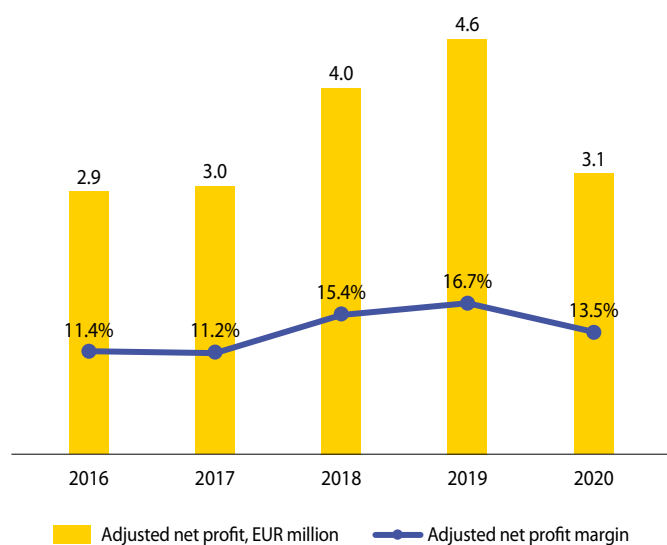
A positive trend has been observed in the provision of services, with an increasing volume of services rendered. Compared to 2019, the number of users of the eKETRIS portal grew by 38.6% during the reporting period, growing to almost 500.0 thousand users. During 2020, 136,093

new users registered in this system. In 2020, the total number of electronic vehicle registration services provided was 90.3%, which accounted for 22.7% of all registration services provided electronically. This growth in digital services was driven by quarantine restrictions.

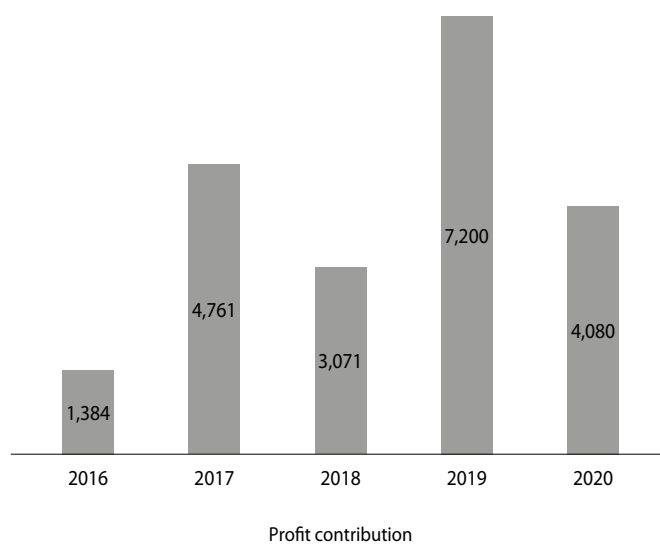


During the reporting period, the Company's sales revenue decreased by 17.4% from EUR 27.5 million to EUR 22.7 million. The main reason for the decrease in revenue is the limited activity of the Company from 16 March 2020 due to the announced quarantine during the COVID-19 pandemic. Thus, for some time the Company was able to provide services only through digital channels. Conducting of theory and practice examinations, direct applications for driving licenses and vehicle registration services that required physical

contact were suspended. Revenue from the provision of vehicle registration services amounted to EUR 14.6 million, i.e. 19.4% or EUR 3.5 million less than in 2019. Revenue from the licensing service decreased by 15.7% to EUR 0.3 million. Revenue from candidates to driver examination dropped by 15.0% down to EUR 4.4 million. In 2020, only revenue from data provision services increased, growing by 14.4% to EUR 621.7 thousand.



The decrease in the volume of services during 2020 affected the Company's financial indicators – the adjusted net profit decreased by 33.4%, which amounted to EUR 3.1 million at the end of the reporting period. The Company's EBITDA, which amounted to EUR 7.6 million in 2019, decreased by 30.4% in 2020 and amounted to EUR 5.3 million. Other financial return indicators also declined: the adjusted return on equity, which decreased by 15.7%, was at 6.2 p.p., and the normalized net profit margin,



which decreased by 3.2 p.p., was at 13.5% at the end of the reporting period. The Company's poorer results are also reflected in the return to the State: a profit contribution of EUR 4.1 million was allocated for 2020, i.e. 43.3% less than in 2019. The amount of property tax did not change and amounted to EUR 0.2 million, therefore, the total amount of contributions and non-standard taxes to the State for the reporting period of 2020 amounted to EUR 4.2 million.

AB Smiltynės perkėla

www.keltas.lt



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

Special obligations: development and implementation of incentive financial instruments and related activities Relocation of Neringa, Smiltynė residents, legal entities, institutions, employees of special services and their vehicles by ferries through Klaipėda State Seaport to (from) the Curonian Spit

MAJOR EVENTS:

- On **10 January**, a new version of the Company's Articles of Association was approved;
- On **8 May**, an agreement was signed with UAB Vakarų baltijos laivų statyba on the construction of a new passenger-cargo ferry Klaipėda, which will be able to transport up to 1,000 passengers or 40 cars;
- On **27 July**, the Company's Board approved the new version of the risk management policy and the risk management methodology.

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. According to the data for 2020, the free transfer concession was offered to 282.9 thousand vehicles, i.e. 8.7% or 22.5 thousand vehicles less than in 2019.

During the reference period, the number of passengers and cyclists ferried also increased by 15.1% up to 2.7 million (in 2019 – 2.4 million passengers and cyclists). The number of vehicles ferried decreased by 3.7% or 28.0 thousand and amounted to 722.3 thousand at the end of the year. In 2020, 28.1 thousand trips were performed or 3.3 thousand fewer flights than in 2019. The changes in flows were influenced by the quarantine announced for the COVID-19 pandemic and the associated movement restrictions. The growth of passenger and cyclist flows was determined by the limited opportunities to go on holiday abroad and the priority given to holidays at the Lithuanian seaside.

In 2020, the Company's sales revenue amounted to EUR 4.9 million, i.e. 2.2% less than in 2019. The change was due to a 20.4% decrease in transfer income of transfer passengers to EUR 0.5 million. The major part (88.7%) of operating revenue was accounted for by transport relocation, which increased by 0.8% due to the introduction of an average 5% higher relocation price on 1 July. Other operating income increased 4 times to EUR 1.4 million – the change was due to EUR 1.4 million of revenue from the lease and sale of the vessel Smiltynė.

The company's expenses during the reporting period amounted to EUR 4.2 million, i.e. 5.5% or EUR 0.2 million less than in 2019. Cost of goods sold decreased by 8.6% down to EUR 2.3 million. This change was mainly due to a decrease in ferry fuel, repairs, spare parts, other operating expenses, depreciation and ferry insurance costs. General and administrative expenses decreased by 3.2% to EUR 1.2 million and selling expenses increased by 1.9% to EUR 0.7 million. Lower general and administrative expenses were due to lower costs for insurance, legal and other advice. The change in selling expenses was influenced by the decrease in the costs of current land management and other repairs. The company's EBITDA increased by 8.8% to EUR 2.0 million, mainly due to the sale of the vessel Smiltynė and higher depreciation costs. The faster decrease in expenses than income resulted in the growth of the net result by 16.5% to EUR 763.4 thousand.

During the reporting year, the Company's liabilities increased by 119.2% to EUR 1.2 million. The financial debts of the company amounted to EUR 546.4 thousand, while in 2019 the Company had no financial debts. The growth was determined by the signed credit agreement with the Lithuanian branch of OP Corporate Bank plc regarding the financing of the construction of the ferry Klaipėda. The conclusion of the loan agreement led to an increase in the debt/equity ratio D/E from 0.0% to 7.2%.

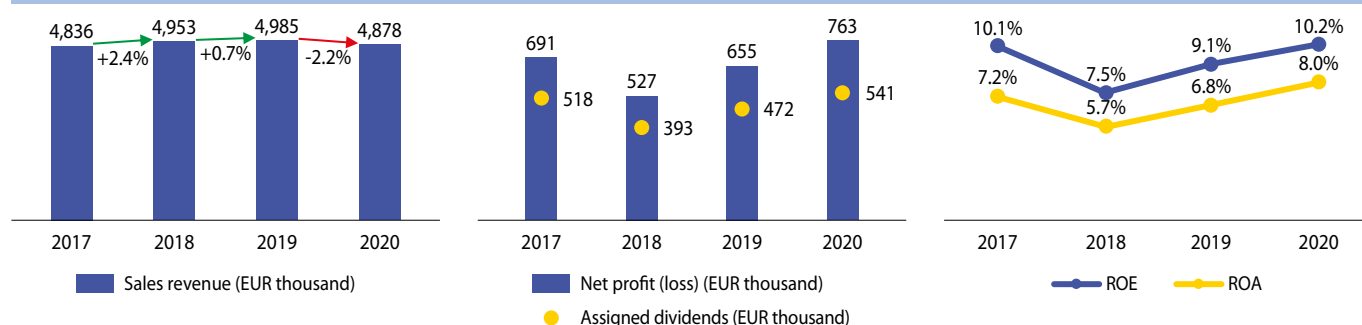
The higher net result had a positive effect on the growth of return indicators. The return on assets (ROA) increased by 1.3 p. p. to 8.0% and the return on equity (ROE) increased by 1.1 p. p. to 10.2%. The Company's net profit margin also increased by 2.5 p. p. to 15.7%.

During the reporting year, the Company invested EUR 879.9 thousand in non-current assets, i.e. EUR 674.1 thousand more than in 2019. The largest share of investments was in access control equipment, video surveillance system installation and ferry repairs.

- ↓ Cost of goods sold decreased by 8.6%
- ↑ Net profit grew by 16.5%
- ↑ Liabilities increased by 119.2%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	4,985	4,878	-2.2%
Cost of goods sold	2,562	2,342	-8.6%
Gross profit (loss)	2,424	2,536	+4.6%
Cost of sales	668	681	+1.9%
General and administrative expenses	1,211	1,173	-3.2%
Results of other activities	230	215	-6.5%
Net financial items	-1	3	-
Profit (loss) before taxes	774	900	+16.3%
Corporation tax	119	136	+15.0%
Net profit (loss)	655	763	+16.5%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	4,440	4,413	-0.6%
Current assets	5,203	4,878	-6.3%
Cash and cash equivalents	2,657	4,563	+71.7%
Deferred charges and accrued income	41	21	-49.8%
Total assets	9,685	9,312	-3.9%
Equity	7,335	7,621	+3.9%
Grants and subsidies	0	0	-
Provisions	475	317	-33.1%
Amounts payable and other liabilities	537	1,177	+119.2%
Amounts payable after one year and other non-current liabilities	0	528	-
Financial liabilities	0	528	-
Amounts payable within one year and other current liabilities	537	649	+20.8%
Financial liabilities	0	18	-
Accrued expenses and deferred income	1,339	196	-85.3%
Total equity and liabilities	9,685	9,312	-3.9%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	6.8%	8.0%	+1.2 p. p.
ROE	9.1%	10.2%	+1.1 p. p.
D/E	0.0%	7.2%	+7.2 p. p.
EBITDA	1,813	1,972	+8.8%
EBITDA margin	36.4%	40.4%	+4.0 p. p.
Net profit margin	13.1%	15.7%	+2.6 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	472	541	+14.6%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	89	91	+2.2%
Average monthly salary of a manager (gross, EUR)	4,706	4,427	-5.9%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Transport and Communications of the Republic of Lithuania			98.99%
Other shareholders			1.01%
MANAGEMENT (1 JUL 2021)			
General Director	Mindaugas Čiakas		
Chairman of the Board of Directors	Valdemaras Vaičekas*		
Members of the Board of Directors	Kęstutis Motiejūnas* Jovita Razgutė		

*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

Specific obligations: implementation of the programme 'Enabling transportation by waterways'

MAJOR EVENTS:

• On 9 December, the financing administration agreement of the project "Modernization of the TEN-T network road E41" implemented under the measure of implementation of the EU Structural Funds Investment for 2014-2020 Operational Programme was signed;

• In 2020, the Company submitted to the Ministry of Transport and Communications of the Republic of Lithuania Guidelines for the Inland Waterways Development Strategy, which include a plan for the operation of the entire inland waterway network and measures for its implementation.

The Company's management infrastructure (ports, marinas) is used to perform the Company's functions, which is intended for the maintenance and repair of technical vessels performing inland waterway maintenance. **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 2020, the length of waterways operated by the Company increased by 1.8% and reached 443.0 km. The maximum navigation duration increased from 206 days to 213 days during the reporting year. The rate of removed shallows increased by 23.0% to 887.0 thousand m³ of alluvial soil.

During the reporting period, the Company's sales revenue amounted to EUR 346.8 thousand, i.e. 39.7% or EUR 98.6 thousand more than in 2019. The increase in revenue was mainly due to an increase of EUR 66.0 thousand in revenue from one-off bathymetric measurements.

The Company's expenses in the reporting year increased by 17.4% and amounted to EUR 978.9 thousand. The increase was mainly due to the increase in general and administrative expenses from EUR 12.7 thousand to EUR 102.3 thousand. The increase in these expenses was due to the increase in the own share of completed projects and the increase in commercial revenues, as well as the corresponding allocation of the share of costs attributed to them. The cost of sales, which accounted for the majority of expenses (69.3%), increased by 4.3% to EUR 678.1 thousand, of which EUR 630.7 thousand was depreciation of non-current assets used for the implementation of the Programme. In 2020, the loss incurred by the Company amounted to EUR 623.2 thousand, i.e. EUR 43.1 thousand less than in 2019. The negative result was determined by the large depreciation of non-current assets, which is not covered by the Company's earned commercial revenue.

The value of assets managed by the Company at the end of 2020 amounted to EUR 33.3 million and, compared to 2019, increased by 27.9% or EUR 7.3 million. The increase was mainly due to a EUR 7.2 million increase in tangible assets.

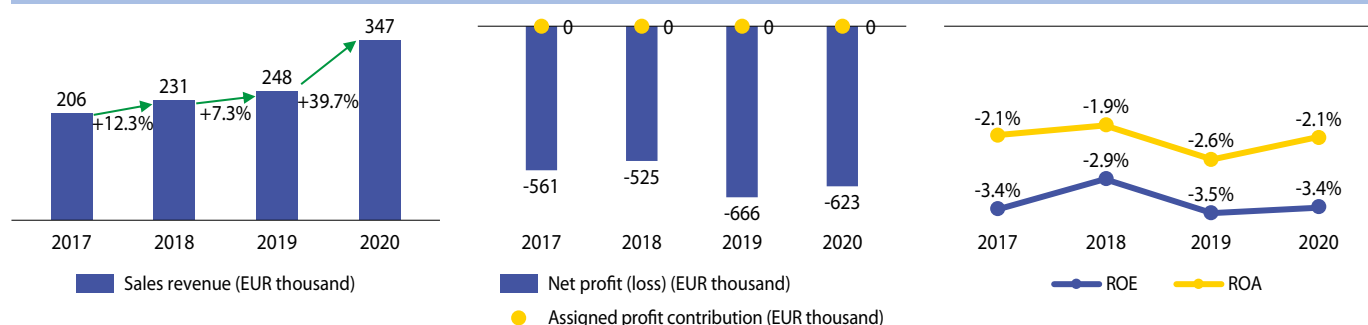
During 2020, the Company's liabilities increased from EUR 0.1 million to EUR 8.4 million. The growth was driven by EUR 6.9 million received in accordance with the EU project, which is recorded as a liability until the project completion date (Q4 2023). There is another liability of EUR 1.3 million for the received State budget funds for the acquisition of non-current assets.

The negative net result of the Company's activity barely raised the return indicators. The return on assets (ROA) was -2.1%, i.e. 0.5 p. p. more than in 2019. The return on equity (ROE) was -3.4%, i.e. 0.1 p. p. more than in 2019. The increase in sales revenue and the cost of sales maintained at a similar level resulted in a change in the gross profit margin of 66.4 p. p. to -95.5%.

- ↑ Sales revenue increased by 39.7%
- ↑ Value of assets under management increased by 27.9%
- ↑ Liabilities increased by EUR 8.4 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	248	347	+39.7%
Cost of goods sold	650	678	+4.3%
Gross profit (loss)	-402	-331	+17.6%
Cost of sales	171	199	+16.2%
General and administrative expenses	13	102	+705.5%
Results of other activities	-104	0	-
Net financial items	3	-5	-
Profit (loss) before taxes	-686	-638	+7.1%
Corporation tax	0	0	-
Net profit (loss)	-686	-638	+7.1%
Adjusted net profit (loss)	-666	-623	-6.5%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	25,775	32,936	+27.8%
Current assets	272	372	+37.2%
Cash and cash equivalents	23	59	+151.7%
Deferred charges and accrued income	6	3	-45.8%
Total assets	26,052	33,311	+27.9%
Equity	18,866	18,171	-3.7%
Grants and subsidies	7,072	6,721	-5.0%
Provisions	0	0	-
Amounts payable and other liabilities	115	8,419	+7,233.9%
Amounts payable after one year and other non-current liabilities	0	6,903	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	115	1,516	+1,220.8%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	26,052	33,311	+27.9%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-2.6%	-2.1%	+0.5 p. p.
ROE	-3.5%	-3.4%	+0.1 p. p.
D/E	0.0%	0.0%	-
EBITDA	-50	2	-
EBITDA margin	-20.1%	-0.4%	+19.7 p. p.
Net profit margin	-276.6%	-183.8%	+92.8 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	0	0	-
Property tax	24	17	-29.1%
Total contributions and non-standard taxes to the State	24	17	-29.1%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	80	78	-2.5%
Average monthly salary of a manager (gross, EUR)	5,221	5,296	+1.4%
INSTITUTION REPRESENTING THE STATE			
Ministry of Transport and Communications of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director	Vladimiras Vinokurovas		
Chairman of the Board of Directors	Evaldas Tamelis*		
Members of the Board of Directors	Manfred Seitz* Indrė Bernotaitė Justinas Jarusevičius* Reinhard Vorderwinkler*		

*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 reporting year, the Company performed 532 building design review, i.e. 27 more than in 2019. Most of them consisted of full technical design reviews (39.7%), overhaul descriptions (24.8%) and general technical design reviews (19.7%).

In the reporting year, the Company's revenue amounted to EUR 1.0 million, i.e. 26.7% more than in 2019. Revenue growth was positively impacted by an increase in the number of technical design reviews performed.

The Company's costs increased by 25.1% to EUR 837.8 thousand. The cost of sales amounted to EUR 627.8 thousand, i.e. 24.3% more than in 2019. The increase was mainly due to an increase of EUR 55.2 thousand in social security costs, EUR 46.8 thousand in higher salaries of experts and production staff, and EUR 33.0 thousand in more expensive subcontracting. General and administrative costs amounted to EUR 210.0 thousand and, compared to 2019, increased by 27.7%. The change was mainly due to an increase of EUR 23.8 thousand in expenses for suppliers' services (heating, electricity, etc.), an increase of EUR 9.2 thousand in social security costs and an increase of EUR 7.4 thousand in administrative salaries.

Faster growth of revenue than costs resulted in a 22.8% increase in net profit to EUR 139.4 thousand. The Company's EBITDA indicator increased accordingly, amounting to EUR 180.0 thousand and growing by 30.6%.

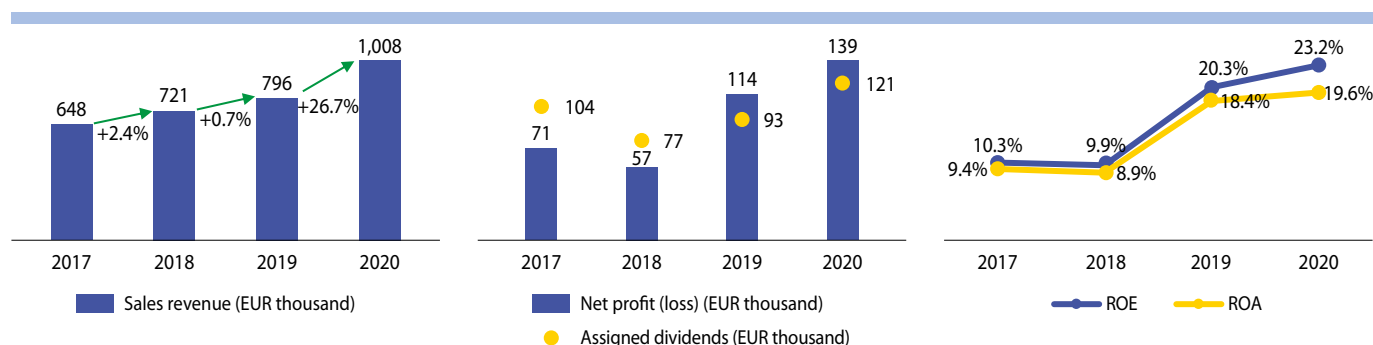
At the end of the year, the assets managed by the Company amounted to EUR 790.0 thousand, i.e. almost a quarter more than in 2019. The change was mainly due to a 95.2% increase in receivables over one year to EUR 211.8 thousand due to an increase in trade receivables of EUR 103.3 thousand due to higher sales volumes.

The Company had no long-term liabilities, and the volume of short-term liabilities increased 2.9 times to EUR 165.6 thousand. The increase in liabilities was due to an increase of EUR 43.5 thousand in trade payables, an increase of EUR 39.0 thousand in employment-related liabilities, an increase of EUR 16.2 thousand in other payables and an increase of EUR 10.5 thousand in income tax liabilities.

The positive change in net profit led to an increase in return indicators. Return on equity (ROE) increased by 2.9 p. p. to 23.2%. The return on assets (ROA) also increased by 1.2 p. p. to 19.6%.

- ↑ Sales revenue increased by 26.7%
- ↑ Net profit increased by 22.8%
- ↑ Assets under management grew by 24.5%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		796	1,008	+26.7%
Cost of goods sold		505	628	+24.3%
Gross profit (loss)		290	380	+30.8%
Cost of sales		0	0	-
General and administrative expenses		164	210	+27.7%
Results of other activities		4	2	-57.9%
Net financial items		1	0	
Profit (loss) before taxes		131	171	+31.0%
Corporation tax		17	32	+85.0%
Net profit (loss)		114	139	+22.8%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		308	307	-0.4%
Current assets		324	480	+48.4%
Cash and cash equivalents		213	261	+23.0%
Deferred charges and accrued income		3	3	-3.4%
Total assets		635	790	+24.5%
Equity		578	624	+8.0%
Grants and subsidies		0	0	-
Provisions		0	0	-
Amounts payable and other liabilities		56	166	+194.1%
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		56	166	+194.1%
Financial liabilities		0	0	-
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		635	790	+24.5%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		18.4%	19.6%	+1.2 p. p.
ROE		20.3%	23.2%	+2.9 p. p.
D/E		0.0%	0.0%	-
EBITDA		138	180	+30.6%
EBITDA margin		17.3%	17.9%	+0.6 p. p.
Net profit margin		14.3%	13.8%	-0.5 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		93	121	+29.9%
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		24	25	+4.2%
Average monthly salary of a manager (gross, EUR)		3,125	3,506	+12.2%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Economy and Innovation of the Republic of Lithuania			100.0%	
MANAGEMENT (1 JUL 2021)				
General Director			Arvydas Kuralavičius	



VĮ Statybos produkcijos sertifikavimo centras

www.spsc.lt



Certification and technical assessment of construction products, certification of 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; maintenance of a list of energy performance certificates for buildings; certification of spatial planning managers and maintenance of the list of certified managers

MAJOR EVENTS:

- In 2020, the Company implemented and started using a document management system.

During the reporting period, the Company issued 118 certificates of conformity for internal production control of construction products, of which 37 were issued in accordance with harmonized European technical specifications. 76.0% of all certificates were issued to Lithuanian customers. For comparison, in the reporting year, **43.0% fewer certificates were issued than in 2019**. During the year, 128 applications for certification of conformity of constancy of performance of construction products or conformity of production control of products were registered, 5 applications for preparation or updating of National Technical Assessments were also registered. 6 wastewater treatment plant capacity tests, 7 water permeability and 1 constructional behaviour test was carried out in the Treatment Facilities Testing Laboratory. During the year, 17,681 building and energy performance certificates and 12,633 standard apartment energy certificates were registered. Furthermore, 409 qualification certificates of building construction, construction and survey contractors were issued. In 2020, 2,136 applications for the issue of a qualification certificate were received, including applications from 11 citizens of the European Union member states for the issuance of a Certificate of Recognition of Rights. **1,227 qualification certificates of the Managers in the Main Areas of Technical Construction Activities were issued to applicants (45.0% less compared to 2019)**. The majority, i.e. 79.0% of the Company's services were rendered to Lithuanian customers, 6.0% – Belarusian, 4.0% – to Russian, 3.0% – to Polish and 2.0% – to Ukrainian customers.

In 2020, the Company's sales revenue amounted to EUR 1.1 million, i.e. 9.0% less than in 2019, of which EUR 488.0 thousand was revenue from public administration and EUR 591.0 thousand was from commercial activities. Due to the pandemic situation and the cyclical nature of activities, the number of certified specialists decreased by 7.9% due to the decrease in the number of certified specialists. Revenues from commercial activities shrank by 11.1% due to lower revenues from construction product certification activities.

During the reporting year, the Company's expenses decreased by 5.3% to EUR 925.8 thousand. The decrease in expenses was mainly due to a 16.6% decrease in general and administrative expenses due to lower holiday accrued expenses and lower expenses for socio-cultural needs. The faster decrease in revenue than expenses resulted in **a decrease in adjusted net profit by 22.5% to EUR 147.2 thousand**.

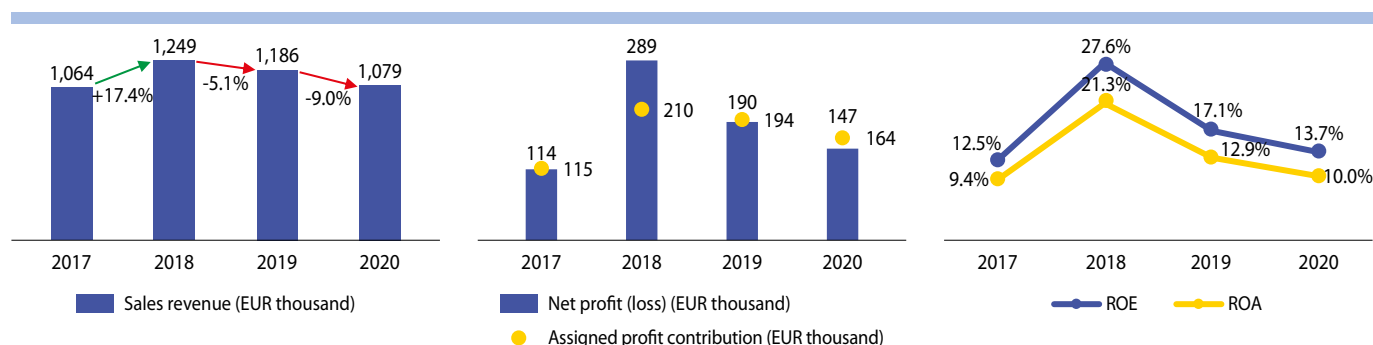
At the end of the reporting year, the Company's assets under management decreased by 4.3% to EUR 1.4 million. The decrease in assets was due to the depreciation of assets and a decrease in working capital of EUR 31.4 thousand.

The Company had no long-term liabilities, and **the amount of current liabilities decreased by 15.6% to EUR 247.1 thousand**. The decrease was mainly due to repaid debts to BIM-LT project partners.

The decrease in net profit had a negative impact on the return ratios, the return on assets (ROA) contracted by 2.9 p. p. to 10.0%. Return on equity (ROE) also decreased by 3.4 p. p. to 13.7%.

- ↓ Sales revenue decreased by 9.0%
- ↓ Adjusted net profit fell by more than a fifth
- ↓ Liabilities dropped by 15.6%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	1,186	1,079	-9.0%
Cost of goods sold	685	682	-0.4%
Gross profit (loss)	501	397	-20.7%
Cost of sales	0	0	-
General and administrative expenses	293	244	-16.6%
Results of other activities	12	12	+3.5%
Net financial items	0	0	-
Profit (loss) before taxes	220	166	-24.8%
Corporation tax	37	26	-31.8%
Net profit (loss)	183	140	-23.4%
Adjusted net profit (loss)	190	147	-22.5%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	226	206	-8.8%
Current assets	1,262	1,113	-11.9%
Cash and cash equivalents	820	789	-3.8%
Deferred charges and accrued income	21	125	+496.2%
Total assets	1,509	1,444	-4.3%
Equity	1,101	1,047	-4.9%
Grants and subsidies	114	149	+30.0%
Provisions	0	0	-
Amounts payable and other liabilities	293	247	-15.6%
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	293	247	-15.6%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	1	1	-18.2%
Total equity and liabilities	1,509	1,444	-4.3%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	12.9%	10.0%	-2.9 p. p.
ROE	17.1%	13.7%	-3.4 p. p.
D/E	0.0%	0.0%	-
EBITDA	247	191	-22.7%
EBITDA margin	20.9%	17.7%	-3.1 p. p.
Net profit margin	15.4%	13.0%	-2.4 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	194	164	-15.2%
Property tax	9	9	-
Total contributions and non-standard taxes to the State	202	173	-14.6%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	31	30	-3.2%
Average monthly salary of a manager (gross, EUR)	4,586	4,686	+2.2%
INSTITUTION REPRESENTING THE STATE			
Ministry of Environment of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director		Valdemaras Gauronskis	



UAB Būsto paskolų draudimas

www.bpd.lt



Administration of insurance contracts for mortgage loans and loans for modernization of apartment blocks

MAJOR EVENTS:

• In 2020, the Company, in coordination with banks, prematurely terminated 3.8 thousand credit insurance contracts and returned EUR 240 thousand premiums to policyholders;

• On 11 November, an agreement was signed with consultants on the organisation and execution of the transfer of the portfolio of valid insurance contracts to another insurance company and the first stage of the transfer project was launched;

• On 30 November, the Company's Board adopted a decision on the strategy of transferring the portfolio of receivables rights – to sell all available receivables in one stage.

In times of difficulty, the Company offered assistance to individuals, who had their mortgage insured with the Company and faced temporary financial difficulties in fulfilling their commitments to banks under the mortgage agreement. 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. At the end of 2020, the Company administered 12.4 thousand mortgage insurance contracts. The Company is obliged by the Bank of Lithuania to transfer rights and obligations under insurance contracts until 31 December 2021.

The Company's revenue amounted to EUR 411.8 thousand, i.e. 22.0% less than in 2019. Revenue decreased due to lower operating volumes and written premium revenue which was lower by EUR 165.1 thousand.

The cost of sales changed from EUR 161.8 thousand to EUR -2.0 million. The change was due to a EUR 1.1 million decrease in insurance premiums paid in 2020 and a positive change of EUR 1.9 million in technical provisions. Changes in costs affected the Company's net profit growth by 8.3 times to EUR 1.7 million. Respectively, the Company's EBITDA ratio increased from EUR -273 thousand to EUR 1.6 million.

The Company's retained earnings for the previous financial year amounted to EUR 1.9 million. In 2020, no dividends were allocated and the earned profit was used to reduce losses, an unallocated loss of EUR 195.9 thousand was carried forward. The structure of items in the Company's asset accounting also changed – the value of non-current assets decreased by 93.8% to EUR 0.7 million at the end of the year due to receivables and investment assets to be sold in 2021 as current assets. This change led to a 5.4-fold increase in current assets amounting to EUR 13.5 million.

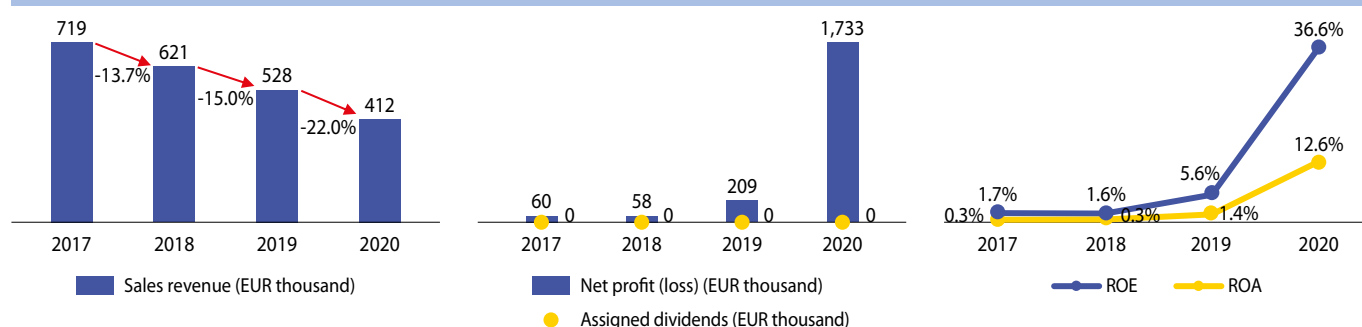
The Company's liabilities amounted to EUR 6.5 million, i.e. 8.6% less than in 2019. The change was due to a 36.8% reduction in long-term liabilities amounting to EUR 4.4 million. The decrease was due to the recognition of part of long-term liabilities as revenue in 2020, and the amounts received in advance in 2020 were recorded in current liabilities, which increased by EUR 1.9 million. The Company's financial debts consist of 2 long-term loans of EUR 4.4 million granted by the Ministry of Finance.

A significant decrease in retained earnings, which resulted in an increase in equity of 44.9% to EUR 5.6 million, and unchanged financial liabilities of the Company resulted in a decrease in the debt-to-equity ratio of 35.0 p. p. to 78.1%. Changes in the net result had an impact on the growth of return indicators. Return on equity increased by 31.0 p. p. to 36.6%, while return on assets increased by 11.2% and reached 12.6% at the end of the reporting period.

- ↓ Cost of sales decreased from EUR 161.8 thousand to EUR -2.0 million
- ↑ Net profit increased 8.3 times to EUR 1.7 million
- ↑ The value of equity increased by 44.9% at the end of the year

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	528	412	-22.0%
Cost of goods sold	162	-1,988	-
Gross profit (loss)	366	2,400	+556.0%
Cost of sales	0	0	-
General and administrative expenses	771	817	+6.0%
Results of other activities	119	0	-
Net financial items	502	246	-51.1%
Profit (loss) before taxes	216	1,829	+746.1%
Corporation tax	7	95	+1,223.6%
Net profit (loss)	209	1,733	+729.7%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	10,932	674	-93.8%
Current assets	2,507	13,456	+436.8%
Cash and cash equivalents	2,439	0	-
Deferred charges and accrued income	3	2	-38.2%
Total assets	13,442	14,132	+5.1%
Equity	3,863	5,597	+44.9%
Grants and subsidies	0	0	-
Provisions	2,429	1,999	-17.7%
Amounts payable and other liabilities	7,138	6,525	-8.6%
Amounts payable after one year and other non-current liabilities	6,912	4,372	-36.8%
Financial liabilities	4,372	4,372	-
Amounts payable within one year and other current liabilities	226	2,153	+853.3%
Financial liabilities	0	0	-
Accrued expenses and deferred income	12	11	-0.9%
Total equity and liabilities	13,442	14,132	+5.1%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.4%	12.6%	+11.2 p. p.
ROE	5.6%	36.6%	+31.0 p. p.
D/E	113.2%	78.1%	-35.0 p. p.
EBITDA	-273	1,598	-
EBITDA margin	-51.7%	388.0%	-
Net profit margin	39.6%	420.9%	+381.3 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	22	21	-4.5%
Average monthly salary of a manager (gross, EUR)	3,003	3,111	-
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Finance of the Republic of Lithuania	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Egidijus Velička		
Chairperson of the Board	Žana Kraučėnienė*		
Members of the Board of Directors	Darius Indriūnas* Audrutė Dziskienė Lolita Šumskaitė		

*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

Special obligations: administration of the Deposit Insurance Fund; administration of the Liabilities to Investors Insurance Fund; administration of the Resolution Fund

MAJOR EVENTS:

- In 2020, the specialized bank UAB GF bankas and the bank UAB PayRay became participants of the Deposit Insurance System;
- On 19 May, the periodic amount of the deposit insurance premium of EUR 13.3 million was approved until 31 June 2021, which was 0.1% of the amount of the main insured deposits in credit institutions;
- At its sitting of 22 December 2020, the Seimas of the Republic of Lithuania adopted amendments to the Law on Insurance of Deposits and Liabilities to Investors of the Republic of Lithuania, which entered into force on 1 January 2021, which also changes the procedure for calculating deposit insurance premiums, regulates the notification of liabilities to investors, creates legal opportunities to open accounts with the Bank of Lithuania for holding IID and administered funds;
- By the end of 2020, over EUR 1 billion had been recovered from bankrupt credit institutions to the Deposit Insurance Fund, accounting for about 62% of second-tier creditor coverage.

The Company manages three funds: Deposit Insurance Fund, Liabilities to Investors Insurance Fund and Resolution Fund. The financial statements of the Company and the funds it administers are managed separately. **At the end of 2020, the value of the assets managed by the Company amounted to EUR 210.4 million, i.e. 1.2% more than in 2019, of which 98.7% was the Deposit Insurance Fund.** This fund accumulates funds for the payment of deposit insurance benefits. During the reporting year, the main insured deposits of credit institutions participating in the Lithuanian deposit insurance system increased by 21.7% to EUR 16.2 billion. The resources of the Deposit Insurance Fund (cash and GS) amounted to EUR 130.7 million and, compared to 2019, increased by 21.2%.

In 2020, the Company's revenue remained stable and amounted to EUR 739.0 thousand. All revenue accounted for by the Company is used to cover expenses, therefore all revenue from fund administration is equal to the administrative expenses of the funds. Earned profit from financial and investment activities allowed the Company to record **a positive net profit, which amounted to EUR 59.8 thousand and, compared to 2019, increased by 8.7%.**

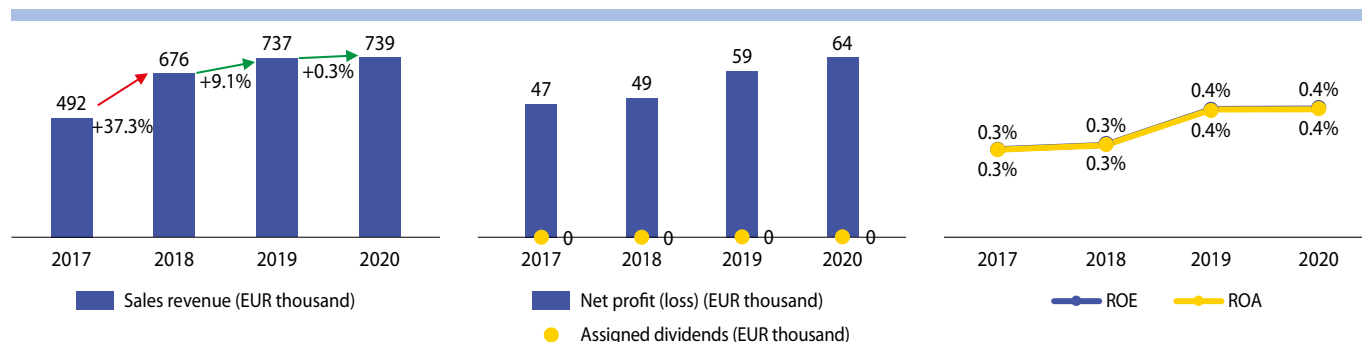
Pursuant to Article 3 (2) of the Law on Corporate Income Tax of the Republic of Lithuania, the Company is not subject to corporate income tax. Earned net profit is allocated to the statutory reserve. Pursuant to the description approved by Order No 1K-437 of the Minister of Finance of the Republic of Lithuania of 14 December 2018, the Company's equity funds may be invested only in low-risk assets, i.e. Government securities and may only be held with the Bank of Lithuania and/or in the accounts of highly rated banks (not lower than Baa1/BBB+).

The assets under management at the end of the reporting year amounted to EUR 16.1 million. Non-current assets decreased by 15.7% to EUR 9.3 million due to the transfer of EUR 4.0 million worth of GS to short-term investments. Assets amounting to a maximum of EUR 13.3 million consist of financial assets and short-term investments, i.e. GS of the Republic of Lithuania denominated in euros and short-term time deposits.

The Company's return on assets and return on capital remained stable at 0.4% as there were no significant changes in either the Company's assets or capital structure.

- ↑ Adjusted net profit grew by 8.2%
- ↓ Company's non-current assets decreased by 15.7%
- ↓ EBITDA decreased by 21.6% to EUR 18.0 thousand

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	737	739	+0.3%
Cost of goods sold	0	0	-
Gross profit (loss)	737	739	+0.3%
Cost of sales	0	0	-
General and administrative expenses	737	739	+0.3%
Results of other activities	0	0	-
Net financial items	55	60	+8.7%
Profit (loss) before taxes	55	60	+8.7%
Corporation tax	0	0	-
Net profit (loss)	55	60	+8.7%
Adjusted net profit (loss)	59	64	+8.2%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	11,060	9,322	-15.7%
Current assets	4,984	6,792	+36.3%
Cash and cash equivalents	623	2,653	+326.0%
Deferred charges and accrued income	2	6	+258.8%
Total assets	16,046	16,121	+0.5%
Equity	15,979	16,039	+0.4%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	66	82	+23.3%
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	66	82	+23.3%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	16,046	16,121	+0.5%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	0.4%	0.4%	-
ROE	0.4%	0.4%	-
D/E	0.0%	0.0%	-
EBITDA	23	18	-21.6%
EBITDA margin	3.1%	2.5%	-0.6 p. p.
Net profit margin	7.5%	8.1%	+0.6 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	0	0	-
Property tax	5	5	-
Total contributions and non-standard taxes to the State	5	5	-
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	16	18	+12.5%
Average monthly salary of a manager (gross, EUR)	5,267	5,245	-0.4%
INSTITUTION REPRESENTING THE STATE			
Ministry of Finance of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
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) hallmarking 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:

• In September, the Company's owner's capital decreased by EUR 101.8 thousand due to the transfer of the Company's real estate managed by the Company by the right of trust – administrative premises at M. K. Čiurlionio st. 65-3, Druskininkai, the residual value of which is EUR 98.4 thousand, to VĮ Turto bankas and the garage located at S. Daukanto st. 4A, Kaunas, the residual value of which is EUR 3.4 thousand, which was transferred to the Special Investigation Service.

During the reporting period, the Company struck 0.7 million marks on precious metal products in the course of its core business, i.e. 17.0% less than in 2019, and verified (assayed) 0.7 million products, while 0.9 million products were verified (assayed) in 2019. Expert examinations of 44.7 thousand products with precious stones were also performed, while 52.6 thousand expert examinations were performed during the previous reporting period.

In 2020, the Company's sales revenue amounted to EUR 604.1 thousand and was 14.9% lower than in the previous year. The main reason for the fall in turnover was the COVID-19 pandemic, which restricted trade activities, including trade in precious metals and precious stones.

The Company's expenses in 2020 amounted to EUR 515.5 thousand, i.e. 23.8% less than in 2019. The major part (79.2%) of expenses, after compensation from the budget, consisted of wage costs and other expenses related to staff remuneration, which were 1.0% lower than in the previous reporting period and amounted to EUR 408.2 thousand. It is worth mentioning that during the reporting period the Company received EUR 79.8 thousand in subsidies to compensate for costs, when in 2019 and 2018 no subsidies were received. The decrease in expenses faster than revenue resulted in the growth of the Company's adjusted net profit by 78.4% to EUR 106.1 thousand. Correspondingly, EBITDA grew by 72.1% to EUR 153.5 thousand.

For the results of 2020, the Company allocated EUR 258.7 thousand in profit contributions, i.e. 172.9% more than for the results of 2019, when EUR 94.8 thousand of profit contributions were allocated.

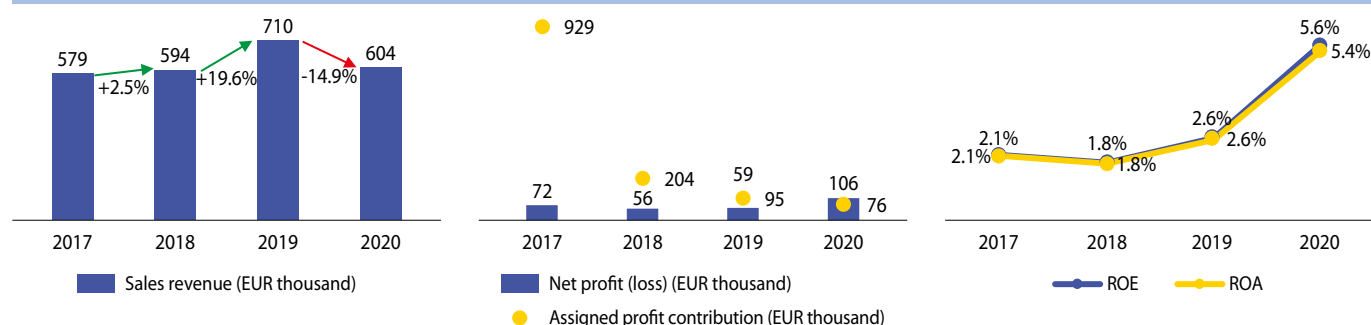
During the reporting year, the value of assets managed by the Company decreased by 4.6% and amounted to EUR 1,927.6 thousand. The major part (63.7%) of the Company's total assets consisted of current assets, which decreased slightly in 2020 – by 0.3%, mainly due to a decrease in working capital in bank accounts by EUR 21.5 thousand to EUR 1,163.3 thousand. The decrease in non-current assets, which amounted to EUR 698.8 thousand, by 11.0% was due to the trust assets transferred to VĮ Turto bankas.

Rising profits and declining capital had a positive impact on the Company's financial return: return on assets (ROA) increased by 2.8 p. p. to 5.4%, and return on equity (ROE) increased by 3.0 p. p. to 5.6%. The Company's gross margin in 2020 was 0.6 p. p. lower than in 2019 and amounted to 49.7%, but the increase in operating profitability by 10.0 p. p. to 14.7% reflects the Company's proper management of operating expenses.

In 2020, the Company invested EUR 77.9 thousand in non-current assets, i.e. 26.7% less than in 2019. With these funds, the Company purchased an X-ray fluorescence spectrometer, ventilation system, microscope, computers and other technological devices.

- ↓ Sales revenue decreased by 14.9%
- ↑ Adjusted net profit grew by 78.4%
- ↓ Value of assets under management decreased by 4.6%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	710	604	-14.9%
Cost of goods sold	353	304	-13.8%
Gross profit (loss)	357	300	-16.0%
Cost of sales	0	0	-
General and administrative expenses	324	211	-34.7%
Results of other activities	2	1	-70.8%
Net financial items	0	4	-
Profit (loss) before taxes	36	93	+158.8%
Corporation tax	12	15	+23.4%
Net profit (loss)	24	78	+230.2%
Adjusted net profit (loss)	60	106	+78.4%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	785	699	-11.0%
Current assets	1,232	1,228	-0.3%
Cash and cash equivalents	1,185	1,163	-1.8%
Deferred charges and accrued income	3	1	-58.1%
Total assets	2,020	1,928	-4.6%
Equity	1,960	1,841	-6.1%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	60	87	+45.0%
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	60	87	+45.0%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	2,020	1,928	-4.6%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	2.6%	5.4%	+2.8 p. p.
ROE	2.6%	5.6%	+3.0 p. p.
D/E	0.0%	0.0%	-
EBITDA	89	154	+72.1%
EBITDA margin	12.6%	25.4%	+12.8 p. p.
Net profit margin	3.3%	12.8%	+9.5 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	95	259	+172.9%
Property tax	42	34	-20.8%
Total contributions and non-standard taxes to the State	137	110	-20.1%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	25	25	-
Average monthly salary of a manager (gross, EUR)	0	0	-
INSTITUTION REPRESENTING THE STATE			
Ministry of Finance of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director Gintautas Bagotyrus			



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: privatisation of state-owned shares transferred to the Company by the right of trust; organisation and coordination of State real estate renovation; implementation of centrally managed administrative State real estate renovation and energy efficiency improvement projects; provision of State institutions and establishments with administrative real estate necessary for the performance of State functions and meeting their needs and (if necessary) real estate in another country of destination necessary for the purposes of management and use and for the needs of the persons using the property; rental of State-owned real estate managed by trust; sale of State real estate and land plots and other real estate assigned to it; performance of the functions of the manager of the State property information search system; administration of ownerless, confiscated, State-inherited real estate, shares of public limited liability companies and private limited liability companies; preparation of a report on the management of State-owned assets; coordination of draft decisions of asset managers relating to the management, use and disposal of State-owned real estate under their management; liquidation of illegally established legal entities; write-off and liquidation of State real estate; representation of the State in courts regarding the establishment of the fact of management of real estate by the right of ownership and in other cases regarding the protection of the ownership rights of state real estate, when such property has not been transferred to another State institution or body; other specific legal obligations

At the end of 2020, the Company owned the shares of 80 State-owned enterprises (74 enterprises in 2019), of which 10 enterprises were included in the privatization list, 7 were in liquidation, bankrupt or State-owned, which are not on the privatization list, and 63 enterprises were transferred as ownerless property. **VĮ Turto bankas, implementing centralised real estate management, managed EUR 363.5 million of assets in the reporting year, i.e. 8.2% more than in 2019.** During the reporting year, the Company organised 1,542 auctions, during which 564 objects were sold for EUR 19.5 million. For comparison, 1,504 auctions were organised in 2019, 465 real estate objects were sold for EUR 31.5 million. The Company recovered debts for EUR 3.7 million, i.e. 28.7% less than in 2019.

During the reporting year, the Company's revenue increased by 43.1% and amounted to EUR 11.5 million, of which 44.8% was revenue from administrative real estate management and maintenance services, which increased by EUR 2.0 million. 29.8% of the revenue was accounted for by the State real estate and the revenue of the State land plots assigned to it, which increased by 6.8%.

The Company's costs amounted to EUR 11.7 million, i.e. 43.4% more than in 2019. Employee salaries accounted for 54.8% of costs, which increased by EUR 1.7 million in the reporting year. The increase in wage costs was mainly due to the growth of the Company's assets under management and the growing number of employees. Similarly, the increase in sales revenue and costs resulted in a **1.1% increase in adjusted net profit, which amounted to EUR 92.9 thousand**. The Company's EBITDA increased by 71.6% to EUR 3.7 million.

The value of assets managed by the Company at the end of 2020 amounted to EUR 445.8 thousand and, compared to 2019, increased by 12.9%. The growth was mainly due to a 13.0% increase in the value of investment assets. **During 2020, the Company's liabilities increased by 10.1% to EUR 138.8 million.** The increase was mainly due to an increase of EUR 14.3 million in liabilities related to the renovation of State real estate. Financial debts amounting to EUR 779.5 thousand consisted of long-term loans of UAB Viešųjų investicijų plėtotės agentūra.

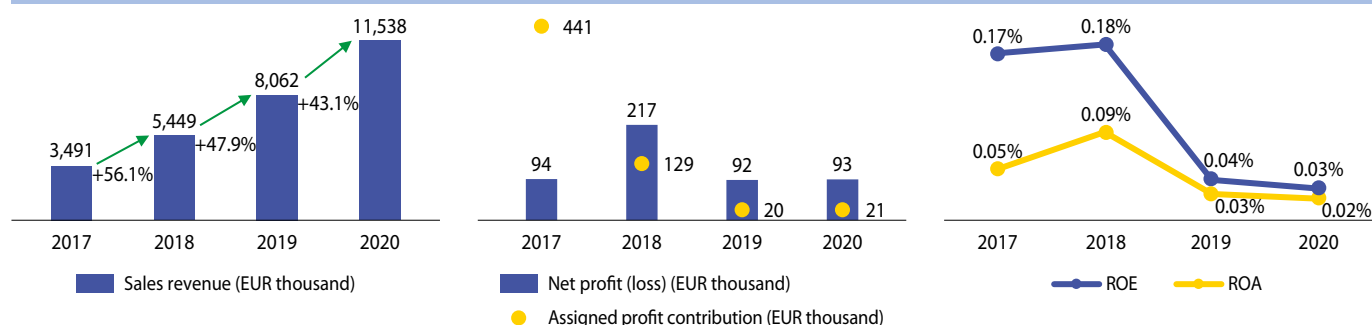
The increase in costs resulted in a contraction of the gross profit margin by 0.7 p. p. to 17.5% and a decrease in the operating profit margin by 0.2 p. p. to -1.1%. **During 2020, the Company acquired non-current assets corresponding to the owner's capital for EUR 749.0 thousand, i.e. EUR 640.2 thousand more than in 2019.** 73.3% was invested in the purchase of equipment and devices, and the remaining investments were in the purchase of software.

The capital of the Company's owner decreased by EUR 175.0 thousand to EUR 4.8 million due to the decision of the Government of the Republic of Lithuania to transfer the Company's assets to the Renewable Property Project of the State Security Department of the Republic of Lithuania.

- ↑ Sales revenue grew by 43.1%
- ↑ Value of assets under management increased by 12.9%
- ↑ Liabilities increased by 10.1%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	8,062	11,538	+43.1%
Cost of goods sold	6,594	9,514	+44.3%
Gross profit (loss)	1,468	2,023	+37.8%
Cost of sales	-	-	-
General and administrative expenses	1,542	2,152	+39.6%
Results of other activities	5	0	-
Net financial items	118	182	+53.3%
Profit (loss) before taxes	50	53	+5.4%
Corporation tax	26	28	+6.2%
Net profit (loss)	24	25	+4.6%
Adjusted net profit (loss)	92	93	+1.1%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	265,594	299,840	+12.9%
Current assets	128,602	145,301	+13.0%
Cash and cash equivalents	43,249	64,182	+48.4%
Deferred charges and accrued income	569	634	+11.4%
Total assets	394,766	445,775	+12.9%
Equity	268,127	304,097	+13.4%
Grants and subsidies	518	2,771	+435.3%
Provisions	32	49	+53.3%
Amounts payable and other liabilities	126,073	138,830	+10.1%
Amounts payable after one year and other non-current liabilities	32,846	45,661	+39.0%
Financial liabilities	643	766	+19.1%
Amounts payable within one year and other current liabilities	93,227	93,169	-0.1%
Financial liabilities	0	14	-
Accrued expenses and deferred income	16	28	+74.1%
Total equity and liabilities	394,766	445,775	+12.9%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	0.0%	0.0%	-
ROE	0.0%	0.0%	-
D/E	0.2%	0.3%	+0.1 p. p.
EBITDA	2,132	3,658	+71.6%
EBITDA margin	26.4%	31.7%	+5.3 p. p.
Net profit margin	0.3%	0.2%	-0.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	20	21	+4.4%
Property tax	80	80	+0.4%
Total contributions and non-standard taxes to the State	100	101	+1.2%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	201	220	+9.5%
Average monthly salary of executives (gross, EUR)	5,410	5,601	+3.5%
INSTITUTION REPRESENTING THE STATE			
Ministry of Finance of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director	Mindaugas Sinkevičius		
Chairman of the Board of Directors	Darius Indriūnas *		
Members of the Board of Directors	Viktorija Trimbel*, Vidmantas Siugždinis*, Lina Frejūtė, Algirdas Stumbrys		

*Independent member



UAB Viešųjų investicijų plėtros agentūra

www.vipa.lt



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: development and implementation of financial incentives and related activities

MAJOR EVENTS:

- **In the first quarter of 2020**, the financing model with ENEF (Energy Efficiency Fund) and repayable subsidy was substantially revised. Under the updated financing model, project promoters may receive up to 70% repayable grant financing, reducing the loan share to 30%, while budgetary institutions may apply for 100% repayable grant financing as they are not entitled to borrow directly;
- **In 2020**, an open tender was successfully completed for the procurement of loan and guarantee pricing methodology, customer creditworthiness assessment methodology and model development services based on them. This project will strengthen the Company's risk management and expand the range of financial services offered to customers;
- On **25 November 2020**, the Government adopted a resolution "On Investment of State Property and Increase of the Authorized Capital of the Private Limited Liability Company Viešųjų investicijų plėtros agentūra" and ordered the Ministry of Finance to increase the authorized capital by an additional contribution of EUR 19,999,978.72.

At the end of the 4th quarter of 2020, the Company managed 5 funds under fund management agreements, 1 investment platform acting as a full member, implemented 3 repayable subsidies and 1 municipal grant measures and implemented 2 measures acting as a financial intermediary. In order to ensure the growing financing of public infrastructure and public interest projects, the Company is consistently increasing the volume of the portfolio of funds allocated for public infrastructure financing. The total amount of mobilized funds increased by 16% over the year and amounted to EUR 680.5 million at the end of the fourth quarter of 2020. In 2020, the Company started providing equity financing for projects and during 2020, it has already allocated EUR 4 million to finance public infrastructure improvement projects.

During the reporting period, the Company's sales revenue increased by 40.9% and amounted to EUR 3.2 million at the end of 2020, compared to EUR 2.2 million at the end of 2019. **The majority of the Company's revenue is earned from the management of the Multi-Apartment Building Modernization Fund (MABMF).** This fund increased significantly during 2020 due to an increase in the number of contracts signed.

The decrease in current assets from EUR 11.4 million to EUR 9.3 million (18.8% in total) was due to the fact that part of current assets was invested in Government securities, which are accounted for under non-current financial assets. A significant increase in non-current assets from EUR 0.5 million to EUR 4.3 million was due to the change in accounting for administrative premises and car lease agreements from the fourth quarter of 2019.

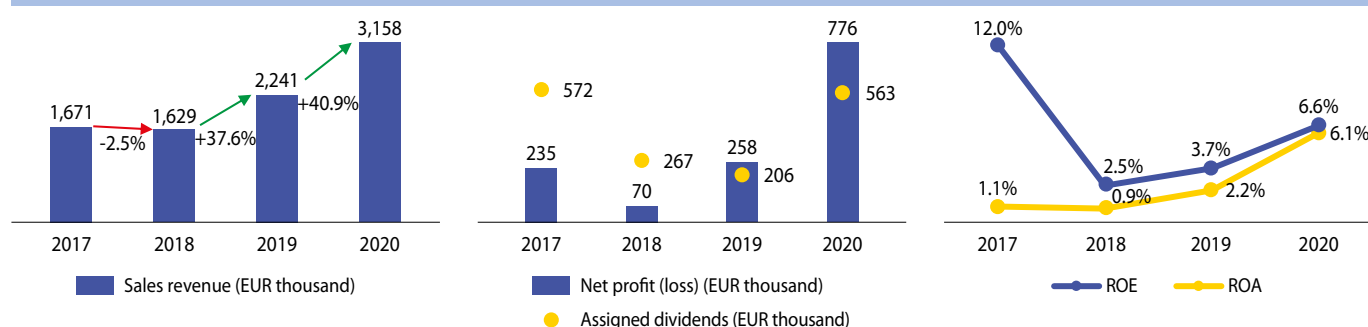
At the end of the reporting period, current liabilities increased from EUR 0.3 million to EUR 1.5 million, i.e. by 354.8% due to the funds received for the increase of the authorized capital. The increase was also influenced by liabilities related to employment (leave accruals), accrued costs (amounts payable for audit, electronic signature services), income tax liabilities. At the end of the reporting year, long-term liabilities decreased by almost 100% from EUR 96.7 thousand to EUR 0.3 thousand – this change was due to the transfer of part of long-term liabilities to current liabilities (the lease agreement is expected to expire in 2021).

The increase in the net profit margin by 13.1 p. p. is explained by the Company's development of activities and active investment in new initiatives (provision of loans from the authorized capital, Water Management Fund). A positive trend is also observed in return indicators: return on assets ROA increased by 3.9 p. p. and reached 6.1%, return on capital ROE increased by 2.9 p. p. and reached 6.6%.

- ↑ Revenue rose by 40.9% to EUR 3.2 million
- ↑ Net profit increased by 201.1% to EUR 776.2 thousand
- ↑ Non-current assets grew by 692.5% to EUR 4.3 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	2,241	3,158	+40.9%
Cost of goods sold	769	903	+17.4%
Gross profit (loss)	1,472	2,255	+53.2%
Cost of sales	0	0	-
General and administrative expenses	1,220	1,434	+17.5%
Results of other activities	36	41	+13.5%
Net financial items	14	48	+254.6%
Profit (loss) before taxes	301	910	+202.3%
Corporation tax	43	133	+209.4%
Net profit (loss)	258	776	+201.1%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	547	4,333	+692.5%
Current assets	11,409	9,265	-18.8%
Cash and cash equivalents	523	6,203	+1,085.3%
Deferred charges and accrued income	15	22	+45.4%
Total assets	11,971	13,620	+13.8%
Equity	11,545	12,116	+4.9%
Grants and subsidies	0	0	-
Provisions	4	6	+39.4%
Amounts payable and other liabilities	418	1,460	+249.6%
Amounts payable after one year and other non-current liabilities	97	0	-99.7%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	321	1,460	+354.8%
Financial liabilities	0	0	-
Accrued expenses and deferred income	3	38	+1,000.2%
Total equity and liabilities	11,971	13,620	+13.8%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	2.2%	6.1%	+3.9 p. p.
ROE	3.7%	6.6%	+2.9 p. p.
D/E	0.0%	0.0%	-
EBITDA	449	1,029	+129.5%
EBITDA margin	20.0%	32.6%	+12.6 p. p.
Net profit margin	11.5%	24.6%	+13.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	206	563	+173.4%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	55	62	+12.7%
Average monthly salary of a manager (gross, EUR)	4,501	4,579	+1.7%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Finance of the Republic of Lithuania	100.0%		
VADOVYBĖ (2021-07-01)			
General Director	Gvidas Dargužas		
Chairman of the Board of Directors	Gvidas Dargužas		
Members of the Board of Directors	Ramunė Kandžežauskienė Raimonda Lauraitytė Kristina Vaskelienė		

*Independent member



VĮ Mūsų amatai

www.musuumatai.lt



Employment of convicts to preserve and develop their employment skills and prepare them for employment after their release

Special obligations: organisation of employment of inmates; preservation, development (improvement) of work (professional) skills of inmates and training of new work (professional) skills that would help them to integrate more easily into society

MAJOR EVENTS:

• On 8 June, Vilnius Regional Court approved the Company's restructuring plan, setting the duration of the restructuring process at 4 years. During the restructuring period, the Company's activities remain the same, but their volumes are being increased. The Company will continue to optimise operations by saving money, strengthening centralized management and reviewing the need for positions in structural divisions.

The Company operates in three branches: Pravieniškės, Marijampolė and Alytus. Each branch produces different products and provides different services. The average number of convicts employed in the reporting year was 882, while 992 convicts were employed in 2019.

The Company's sales revenue fell by 7.0% to EUR 3.4 million. Revenue from finished products (i.e. sales of furniture and metal products, embroidery) accounted for 51.1% of total revenue and amounted to EUR 1.8 million. 48.7% or EUR 1.7 million of revenue was received for services provided (i.e. laundry, transportation, installation services). The Company's operations were negatively affected by the quarantine announced in the country, which suspended the employment of convicts outside prisons, and reduced the number of orders due to the deteriorating market situation.

The Company's operating costs rose by 0.9% to EUR 4.3 million. The cost of sales decreased by 4.1% due to a decrease of EUR 108.3 thousand in the salaries of convicts attributed directly to the cost of production. General administrative costs amounted to EUR 703.9 thousand, i.e. 46.2% more than in 2019. The increase in these costs was determined by the increase in wage costs by EUR 131.7 thousand. Due to reduced revenue and costs remaining at a similar level, the Company's net loss increased by 50.3% and amounted to EUR -813.7 thousand.

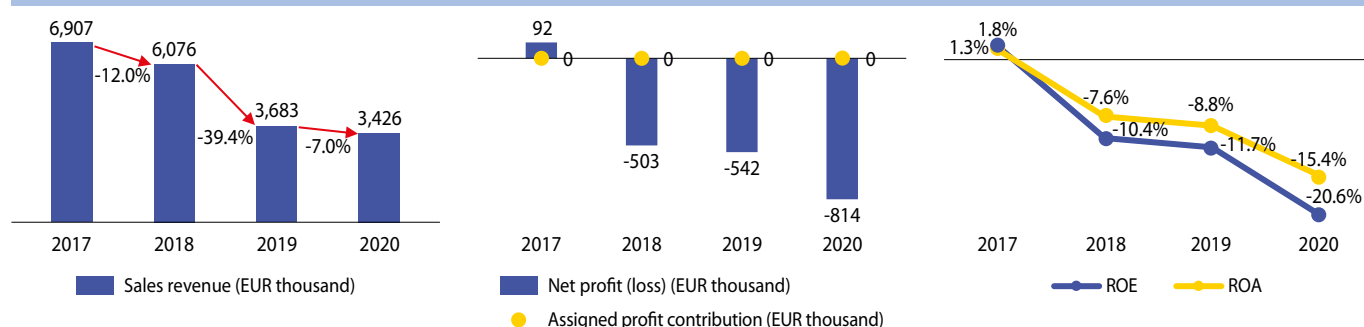
At the end of 2020, the Company's assets under management decreased by 13.3% to EUR 4.9 million. The value of non-current assets amounted to EUR 3.2 million and, compared to 2019, decreased by 6.7% due to depreciation costs. Current assets shrank by 23.3% to EUR 1.7 million, mainly due to a EUR 0.2 million increase in trade receivables.

Liabilities increased by 5.9% to EUR 1.4 million during the reporting year. The Company's financial liabilities increased from EUR 12.4 thousand to EUR 181.3 thousand. Under the restructuring plan, the Company is required to pay such amount to non-lower-ranking creditors in the current year. The increase in liabilities was due to an increase in the debt-to-equity ratio by 4.8 p. p. to 5.13%.

The Company's poorer results also affected its financial performance, with the return on equity (ROE) declining by 8.9 p. p. to -20.6% and the return on assets (ROA) shrinking by 6.6 p. p. to -15.4%.

- ↓ Sales revenue decreased by 7.0%
- ↑ General and administrative costs increased by 46.2%
- ↓ Value of assets under management decreased by 13.3%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	3,683	3,426	-7.0%
Cost of goods sold	3,590	3,444	-4.1%
Gross profit (loss)	93	-18	-
Cost of sales	143	106	-25.9%
General and administrative expenses	482	704	+46.2%
Results of other activities	-2	-2	-6.3%
Net financial items	-8	-3	+65.1%
Profit (loss) before taxes	-542	-833	-53.8%
Corporation tax	0	0	-
Net profit (loss)	-542	-833	-53.8%
Adjusted net profit (loss)	-542	-814	-50.3%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	3,404	3,176	-6.7%
Current assets	2,260	1,733	-23.3%
Cash and cash equivalents	193	87	-54.8%
Deferred charges and accrued income	1	0	-
Total assets	5,664	4,908	-13.3%
Equity	4,369	3,537	-19.1%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	1,295	1,372	+5.9%
Amounts payable after one year and other non-current liabilities	0	787	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	1,295	585	-54.9%
Financial liabilities	12	181	+1,362.1%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	5,664	4,908	-13.3%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-8.8%	-15.4%	-6.6 p. p.
ROE	-11.7%	-20.6%	-8.9 p. p.
D/E	0.3%	5.1%	+4.8 p. p.
EBITDA	-286	-597	-108.7%
EBITDA margin	-7.8%	-17.4%	-9.6 p. p.
Net profit margin	-14.7%	-24.3%	-9.6 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	0	0	-
Property tax	0	23	-
Total contributions and non-standard taxes to the State	0	23	-
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	92	83	-9.8%
Average monthly salary of executives (gross, EUR)	1,315	1,457	+10.8%
INSTITUTION REPRESENTING THE STATE			
Prison Department under the Ministry of Justice of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director		Kęstutis Mitkus	



UAB Lietuvos kinas

www.lietuovskinas.lt



Film production, distribution, rental, public screening, cinema advertising and educational film activities, and lease and operations of own real estate

MAJOR EVENTS:

• On 29 July, by the decision of the Government of the Republic of Lithuania, the winding up of the Company was postponed to July 2021. The resolution on the winding up of the Company was adopted on 5 December 2018 by the Resolution No 1212 of the Government of the Republic of Lithuania.

The main cinema-related activities of the Company are concentrated in the Ozo Cinema Hall (Ozo st. 4) in Vilnius, where films were shown, closed film screenings were held, and the hall was rented for events and filming before the pandemic. The Company also owns the Naglis Cinema, located in Palanga, Vytauto st. 82. With the entry into force of the quarantine restrictions in 2020 due to the COVID-19 pandemic, the activities of cinema halls were restricted. The Company also owns an archive of nearly 11,000 analogue 35mm and 16mm film tapes which is intended to be preserved and used for the purposes of making the National Film Library.

In 2020, the Company received a subsidy of EUR 8,891 from the State budget of the Republic of Lithuania under the measure "Subsidies for micro-enterprises" of the plan of measures to stimulate the economy and mitigate the effects of COVID-19 and a grant of EUR 76,258 to partially compensate for the losses incurred as a result of the announced quarantine and the consequent restrictions on the activities of cinemas and cinema distributors. Therefore, EUR 85.0 thousand was allocated to the result of other activities.

In 2020, the Company's sales revenue amounted to EUR 267.3 thousand, i.e. 8.7% less than in 2019. The Company earned 98.6% of its revenue from the rental of premises and the remaining 1.4% from the rental and showing of motion pictures. Other operating revenue (IT sales, interest, compensations, interest on arrears) increased from EUR 0.1 thousand to EUR 85.3 thousand.

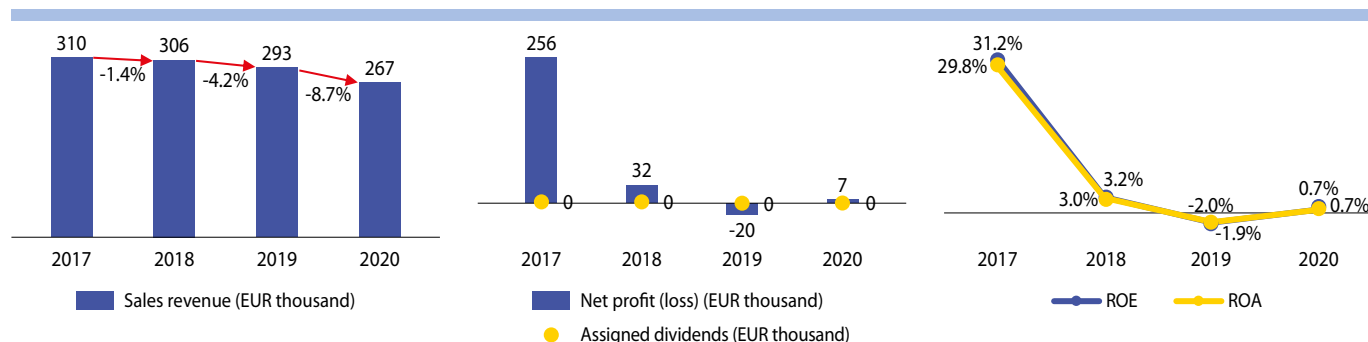
During the reporting year, the Company's expenses increased by 10.6% to EUR 345.3 thousand. The cost of sales increased by 2.1% to EUR 251.8 thousand, while general and administrative expenses increased by 42.3% and amounted to EUR 93.5 thousand. The increase in expenses was due to an increase of EUR 36.3 thousand in wage costs. Other operating revenue allowed the Company to earn a net profit of EUR 6.8 thousand. For comparison, in 2019 the Company incurred a loss of EUR 19.5 thousand.

The Company's retained earnings for the previous financial year amounted to EUR 388.1 thousand in the reporting year. In 2020, no dividends were paid and the earned profit was used to reduce losses.

The decrease in sales revenue and the increase in cost of sales resulted in a decrease in gross profit margin of 10.0 p.p to 5.8%. Earned net profit led to an increase in return ratios. Return on equity (ROE) and return on assets (ROA) were equal at 0.7%. During the reporting year, ROE increased by 2.7 p. p. and ROA increased by 2.5 p. p. EBITDA increased from EUR -4.0 thousand to EUR 24.0 thousand.

- ↓ Sales revenue decreased by 8.7%
- ↑ A profit of EUR 6.8 thousand was earned
- ↑ Return on equity grew by 2.7 p. p. to 0.7%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	293	267	-8.7%
Cost of goods sold	247	252	+2.1%
Gross profit (loss)	46	16	-66.5%
Cost of sales	0	0	-
General and administrative expenses	66	94	+42.3%
Results of other activities	0	85	-
Net financial items	0	0	-
Profit (loss) before taxes	-20	7	-
Corporation tax	0	1	-
Net profit (loss)	-20	7	-
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	285	269	-5.4%
Current assets	742	767	+3.5%
Cash and cash equivalents	693	733	+5.8%
Deferred charges and accrued income	1	0	-40.0%
Total assets	1,027	1,037	+1.0%
Equity	981	988	+0.7%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	46	49	+6.9%
Amounts payable after one year and other non-current liabilities	12	14	+13.9%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	34	35	+4.4%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,027	1,037	+1.0%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-1.9%	0.7%	+2.6 p. p.
ROE	-2.0%	0.7%	+2.7 p. p.
D/E	0.0%	0.0%	-
EBITDA	-4	24	-
EBITDA margin	-1.4%	8.9%	+10.3 p. p.
Net profit margin	-6.7%	2.5%	+9.2 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Awarded dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	7	6	-14.3%
Average monthly salary of a manager (gross, EUR)	1,818	2,592	+42.6%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES
Ministry of Culture of the Republic of Lithuania			100.00%
MANAGEMENT (1 JUL 2021)			
General Director			Arūnas Stoškus



UAB Valstybės investicijų valdymo agentūra

www.viva.lt



Management of investment entities, establishment and management of investment funds in order to assist medium-sized and large enterprises operating in Lithuania which were affected by the challenges posed by COVID-19

Special obligations: liquidity support for medium-sized and large enterprises through the implementation of the Business Support Fund

MAJOR EVENTS:

- In August, the Company was registered in the Register of Legal Entities;
- In October, the limited partnership Business Support Fund (BSF) was registered, which the Company established in order to achieve its business objectives.

The main activity of the Company in 2020 was the management of BSF, the initial investment funds of which amounted to EUR 100.0 million – provided by the State, through a financial injection of UAB Valstybės investicinis kapitalas. These funds were intended to preserve the businesses affected by COVID-19 and to address the issue of insufficient market funding. During the reporting period, the Company interacted with more than 300 large and medium-sized enterprises in order to learn about their needs and expectations in regards to investments. The Company receives revenue from the BSF management fee.

In 2020, the Company earned EUR 437.2 thousand in sales revenue from the BSF management fee. It is worth mentioning that the Company started operating only in August 2020.

During the reporting period, the Company's expenses amounted to EUR 380.6 thousand, of which the major part (76.2% or EUR 290.0 thousand) consisted of salaries and other related expenses. The Company's net profitability in 2020 amounted to 11.0%, which allowed the Company to earn EUR 48.0 thousand in net profit. The Company's EBITDA amounted to EUR 62.8 thousand, with a profitability of 14.4%.

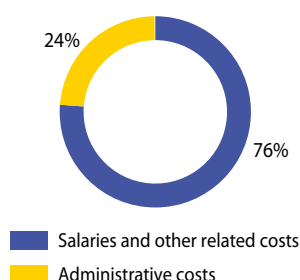
The value of assets managed by the Company at the end of the reporting period amounted to EUR 1,414.1 thousand, of which as much as 83.4% or EUR 1,179.4 thousand was working currency balance in the bank account. In the structure of assets, the assets controlled by the right of use also stood out, amounting to EUR 207.8 thousand.

At the end of 2020, the Company's liabilities amounted to EUR 366.1 thousand, of which the majority (53.5% or EUR 195.7 thousand) were long-term and short-term lease liabilities. The remaining part (EUR 170.4 thousand) consisted of trade, contract, wage and other current liabilities. During the reporting period, the Company's financial liabilities to equity ratio amounted to 18.7%.

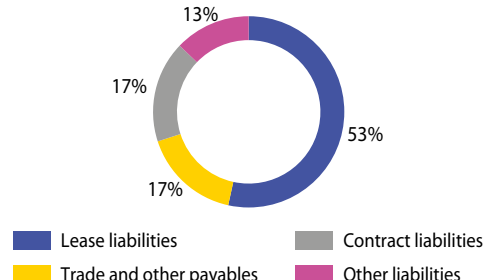
PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2020
Sales revenue	437
Cost of goods sold	0
Gross profit (loss)	437
Cost of sales	0
General and administrative expenses	381
Results of other activities	0
Net financial items	0
Profit (loss) before taxes	57
Corporation tax	9
Net profit (loss)	48
BALANCE SHEET (EUR THOUSAND)	31 DEC 2020
Non-current assets	213
Current assets	1,179
Cash and cash equivalents	1,179
Deferred charges and accrued income	21
Total assets	1,414
Equity	1,048
Grants and subsidies	0
Provisions	0
Amounts payable and other liabilities	366
Amounts payable after one year and other non-current liabilities	127
<i>Financial liabilities</i>	127
Amounts payable within one year and other current liabilities	240
<i>Financial liabilities</i>	69
Accrued expenses and deferred income	0
Total equity and liabilities	1,414
RATIOS	31 DEC 2020
ROA	6.8%
ROE	9.2%
D/E	18.7%
EBITDA	63
EBITDA margin	14.4%
Net profit margin	11.0%
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2020
Awarded dividends (share of the State)	36
INFORMATION ABOUT EMPLOYEES	31 DEC 2020
Number of employees	22
Average monthly salary of a manager (gross, EUR)	7,175
INSTITUTION REPRESENTING THE STATE	OWNED SHARES
Ministry of Finance of the Republic of Lithuania	100.00%
MANAGEMENT (1 JUL 2021)	
General Director	Dainius Vilčinskas
Chairman of the Board of Directors	Normantas Marius Dvareckas*
Members of the Board of Directors	Agnė Daukšienė* Andrius Sokolovskis* Aurimas Martišauskas* Virginijus Doveika*
Chairman of the Supervisory Board	Valdas Vitkauskas*
Members of the Supervisory Board	Giedrius Dusevičius* Aušra Vičkauskienė Algirdas Neciunskas

*Independent member

Structure of costs in 2020



Structure of liabilities in 2020



UAB Lietuvos monetų kalykla

www.kalykla.lt



LIETUVOS MONETŲ KALKLA

Production of circulation and collector coins of the Republic of Lithuania and foreign countries, State decorations, orders and medals, etc.

MAJOR EVENTS:

• In 2020, a business feasibility study was commissioned by the Company, the aim of which was to find out the future potential and opportunities of the Company and to anticipate the solutions needed to achieve the planned results.

During the reporting period, the Company minted 75 collector and commemorative coins of different names (73 in 2019). The Bank of Lithuania has produced a 5-euro "Vilties" coin dedicated to the fight against the COVID-19 virus. The largest and heaviest collector coin produced in the Company to date, diameter –100 mm, weight – 1 kg was produced for the customer from abroad.

During the previous reporting period, the Company earned EUR 5.4 million, i.e. 21.4% more revenue than in 2019. In 2020, the Company managed to significantly (424.9%) increase the sales of mint coins in the European Union, which accounted for almost half of the total sales revenue (EUR 2.1 million). This was mainly due to the winning of new public procurement of circulation coins (cost optimization) and orders of the Bank of Lithuania.

In 2020, the Company managed to reduce the net loss more than 4 times to EUR 150.3 thousand (in 2019 the loss amounted to EUR 662.0 thousand). This was mainly due to a one-fifth increase in turnover and process restructuring and increased efficiency initiated by the Company (the number of employees was reduced from 52 to 48, even with a smaller number of employees, the Company created more added value). During the reporting period, the Company's costs changed insignificantly and amounted to EUR 5.5 million (EUR 5.3 million in 2019). According to the Company, in 2020 costs accounted for 102.0% of turnover, while in 2019 they accounted for 120.0%. Thus, as sales increased, the Company's costs decreased and operating efficiency was achieved by about 18.0% due to direct cost savings, more profitable orders sold and better optimized operations.

There were no significant changes in the structure of the Company's balance sheet. Current assets grew by 4.6%, mainly due to an 11.9% increase in inventories of precious metal raw materials for projects planned in early 2020.

Compared to the previous period, in 2020 current liabilities increased by 49.4% and amounted to EUR 658.4 thousand. At the end of 2020, the changes were due to the reclassification of long-term liabilities of EUR 222.8 thousand to short-term debts to credit institutions. The Company also received permission from the State Tax Inspectorate and the State Social Insurance Fund to defer the payment of contributions and taxes due to the impact related to the spread of the Covid-19 virus. As a result, employment liabilities increased by EUR 64.6 thousand and other payables increased by EUR 140.6 thousand.

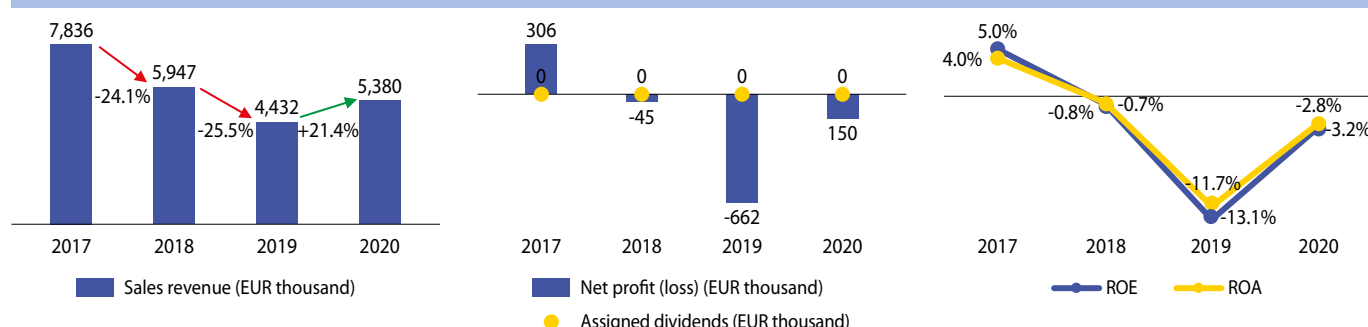
Higher turnover and increased operational efficiency significantly increased EBITDA, which amounted to EUR 83.3 thousand at the end of the year, while at the end of 2019 it was negative and amounted to EUR -544.1 thousand. The improving results are also reflected in the financial return indicators: return on equity increased by 9.9 p. p. to -3.2%, while return on assets increased by 8.9 p. p. to -2.8%.

During the reporting period, the Company invested EUR 12.2 thousand of its own funds in non-current assets – almost all of them were used for the renewal of equipment, communication and personal computer systems. In 2019, EUR 10.1 thousand were allocated for investments.

- ↑ The net loss decreased by 77.3% and amounted to EUR 150.3 thousand
- ↑ Sales revenue increased by 21.4% and reached at EUR 5.4 million
- ↑ Current liabilities increased by 49.4% and amounted to EUR 658.4 thousand

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	4,432	5,380	+21.4%
Cost of goods sold	4,587	4,885	+6.5%
Gross profit (loss)	-156	495	-
Cost of sales	0	0	-
General and administrative expenses	652	645	-1.0%
Results of other activities	3	3	+13.8%
Net financial items	-13	-3	+80.8%
Profit (loss) before taxes	-818	-150	+81.7%
Corporation tax	-156	1	-
Net profit (loss)	-662	-150	+77.3%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	3,257	3,038	-6.7%
Current assets	2,089	2,185	+4.6%
Cash and cash equivalents	64	151	+136.8%
Deferred charges and accrued income	33	17	-48.0%
Total assets	5,379	5,240	-2.6%
Equity	4,715	4,565	-3.2%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	663	658	-0.8%
Amounts payable after one year and other non-current liabilities	223	0	-
Financial liabilities	223	0	-
Amounts payable within one year and other current liabilities	441	658	+49.4%
Financial liabilities	94	223	+136.3%
Accrued expenses and deferred income	1	17	+2,766.7%
Total equity and liabilities	5,379	5,240	-2.6%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-11.7%	-2.8%	+8.9 p. p.
ROE	-13.1%	-3.2%	+9.9 p. p.
D/E	6.7%	4.9%	-1.8 p. p.
EBITDA	-544	83	-
EBITDA margin	-12.3%	1.5%	-
Net profit margin	-14.9%	-2.8%	+12.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	52	48	-7.7%
Average monthly salary of a manager (gross, EUR)	3,569	5,617	+57.4%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Bank of Lithuania	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Evaldas Stralkus		
Chairperson of the Board	Eglė Gruodienė*		
Members of the Board of Directors	Aldona Jakutienė* Kristina Mažeikytė* Dainius Grikinis Vaidas Cibas		

*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.

The main activities of the Company were focused on the performance of functions delegated by the State, for which the Company cannot earn a profit, and the expenses incurred for their performance are reimbursed from the State budget, which amounted to EUR 1.4 million during the reporting period and were not included in the financial statements.

During the reporting year, the Company earned EUR 949.3 thousand of revenue from commercial activities, i.e. 17.2% more than in 2019. 99.2 % of the revenue was earned from GIS services (State border mapping, services provided to the National Land Service, National Paying Agency, etc.), while the rest is earned from retail trade in cartographic products in the Map Store.

The Company's operating costs decreased by 10.4% to EUR 619.1 thousand. Due to lower labour costs, the cost of sales decreased by 91.3% and amounted to EUR 5.5 thousand. The increase in revenue and the decrease in operating costs resulted in an increase in net profit by 176.7% to EUR 281.1 thousand. The Company's EBITDA ratio also increased by 96.9% to EUR 352.0 thousand.

The allocated profit contribution to the State budget for 2020 amounted to EUR 226.1 thousand, i.e. 55.6% more than the down payment for 2019.

The value of assets managed by the Company at the end of 2020 amounted to EUR 5.7 million and, compared to 2019, increased by 192.0%. The increase was due to an increase in inventories from EUR 60.4 thousand to EUR 3.9 million. In 2020, information systems for EU-funded projects (Topography and Engineering Infrastructure Information Systems (TEIS) and INSPIRE-2) were created, which resulted in project-related costs. They are recorded in the outstanding production invoice until the project work is completed and intangible assets are created.

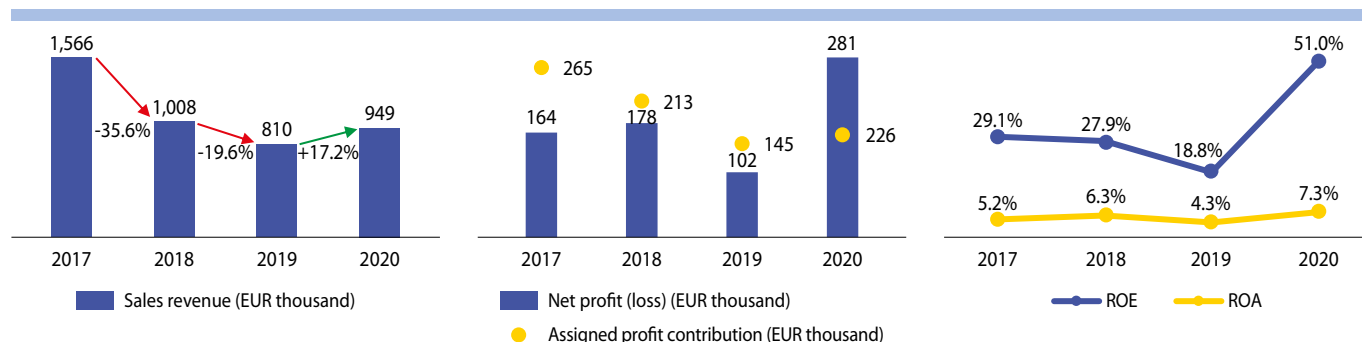
The Company had no long-term liabilities, while short-term liabilities increased 5.3 times and amounted to EUR 1.0 million. The increase in liabilities was mainly due to an increase of EUR 0.7 million in debt to suppliers.

Growth in net profit led to an increase in return on equity (ROE) of 32.2 p. p. to 51.0%. Return on assets (ROA) also increased by 3.0 p. p. Higher earned sales revenue and general and administrative costs, which remained at a similar level, contributed to the growth of the operating profit margin by 20.1 p. p. to 34.8%.

During 2020, the amount of subsidies and grants increased 3.2 times to EUR 4.1 million. This amount increased due to the EUR 3.0 million grant received and not used from the EU Structural Funds to finance ongoing projects.

- ↑ Sales revenue increased by 17.2%
- ↑ Adjusted net profit grew by 176.7%
- ↑ The value of assets under management increased by 192.0%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	810	949	+17.2%
Cost of goods sold	63	6	-91.3%
Gross profit (loss)	747	944	+26.3%
Cost of sales	14	0	-
General and administrative expenses	614	614	-0.1%
Results of other activities	0	0	-
Net financial items	0	0	-
Profit (loss) before taxes	119	330	+177.2%
Corporation tax	19	50	+169.0%
Net profit (loss)	100	280	+178.8%
Adjusted net profit (loss)	102	281	+176.7%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	1,360	1,191	-12.4%
Current assets	600	4,549	+658.5%
Cash and cash equivalents	522	676	+29.3%
Deferred charges and accrued income	7	0	-95.7%
Total assets	1,966	5,741	+192.0%
Equity	484	618	+27.8%
Grants and subsidies	1,293	4,117	+218.3%
Provisions	0	0	-
Amounts payable and other liabilities	190	1,006	+430.9%
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	190	1,006	+430.9%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,966	5,741	+192.0%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	4.3%	7.3%	+3.0 p. p.
ROE	18.8%	51.0%	+32.2 p. p.
D/E	0.0%	0.0%	-
EBITDA	179	352	+96.9%
EBITDA margin	22.0%	37.0%	+15.0 p. p.
Net profit margin	12.4%	29.5%	+17.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	145	226	+55.6%
Property tax	1	1	-
Total contributions and non-standard taxes to the State	147	228	+55.1%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	84	80	-4.8%
Average monthly salary of executives (gross, EUR)	3,220	3,455	+7.3%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director Žilvinas Stankevičius			



AB Detonas

www.detonas.eu



Blasting and drilling works

MAJOR EVENTS:

- **In July**, a license No. 001437 Manufacture of weapons, weapon accessories, ammunition and parts thereof was received;
- **In November**, one of the Company's largest investment projects, Ammonium Nitrate Emulsion Explosive Production Line, was completed with a project value of EUR 1.5 million;
- **In December**, the first contract for the export of explosives was signed.

In 2020, 1,527.0 thousand m3 of dolomite rock was blasted, i.e. 70.7% more than in 2019. The amount of blown limestone rocks decreased by 23.6% to 575.2 thousand m3. Also in 2020, 1,343.5 thousand kg of explosives were produced, i.e. 55.4% more than in 2019.

The Company's sales revenue amounted to EUR 2.8 million, i.e. 32.4% more than in 2019. Revenue growth was positively impacted by higher orders received for drilling and blasting services due to increased market demand for dolomite chippings.

During the reporting year, the Company's costs increased by 20.4% and amounted to EUR 2.5 million, of which 66.8% were cost of sales, which increased by 10.1% due to higher volumes of work performed. The rest amount consisted of general and administrative costs, which increased by 48.2% to EUR 0.8 million. The growth was determined by the expenses incurred during the implementation of the investment project and higher provisions for unused leave, bonuses and pensions. EBITDA increased by 87.0% and amounted to EUR 556.0 thousand. At the end of the year, the Company's net profit amounted to EUR 362.8 thousand and, compared to 2019, increased 4.3 times.

The value of assets under management at the end of 2020 amounted to EUR 4.4 million, i.e. 11.8% more than at the end of 2019. The increase in the value of assets was mainly due to the introduction of emulsion explosives production technology and a EUR 0.4 million increase in cash in the account.

During 2020, the Company's liabilities increased by 38.1% to EUR 859.1 thousand. Financial debts amounted to EUR 510.0 thousand, i.e. 108.2% more than in 2019. The increase in these liabilities was caused by a loan of EUR 350.0 thousand granted by AB SEB bankas for an investment project. The debt-to-equity ratio D/E rose by 7.1 p. p. to 14.6%.

The profitable activities of the Company allowed to earn higher returns as well. Return on assets (ROA) increased by 6.7 p. p. to 8.8%, and return on equity (ROE) more than quadrupled to 10.7%.

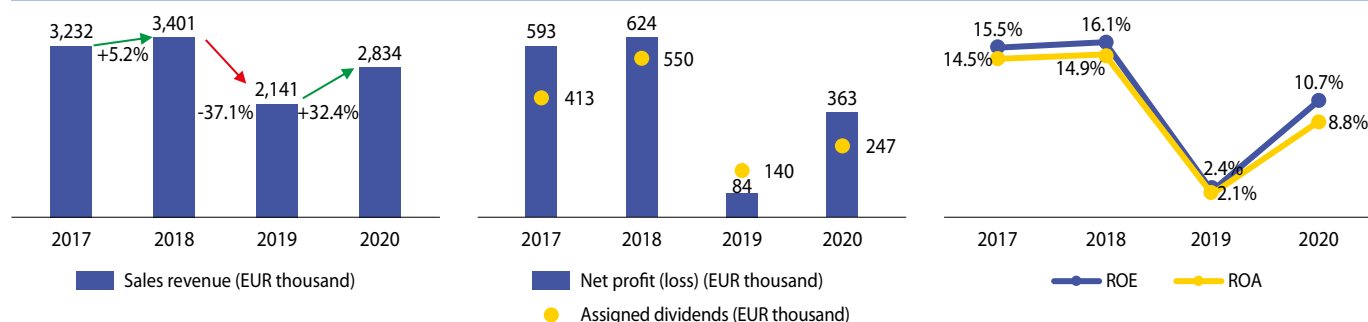
During 2020, the Company invested EUR 450.1 thousand, i.e. 12.7% less than in 2019. Most of the investment was intended for an investment project, i.e. for the completion of works of emulsion explosives production technology. The total value of the project was EUR 1.5 million, of which 44.3% were borrowed funds. Investments of EUR 3.9 thousand were also made in the creation of a new Company website.

At the end of the year, the Company had 50 employees, i.e. 12.3% less than at the end of 2019. The change was determined by the optimization of the number of employees in the Company in recent years, in preparation for the transition to automated explosives production and work at quarries.

- ↑ Sales revenue increased by 32.4%
- ↑ Net profit increased 4.3 times to EUR 362.8 thousand
- ↑ The value of assets under management increased by 11.8%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	2,141	2,834	+32.4%
Cost of goods sold	1,539	1,695	+10.1%
Gross profit (loss)	602	1,139	+89.3%
Cost of sales	1	1	+9.1%
General and administrative expenses	567	841	+48.2%
Results of other activities	67	61	-8.4%
Net financial items	-7	-11	-58.6%
Profit (loss) before taxes	93	346	+274.0%
Corporation tax	8	-17	-
Net profit (loss)	84	363	+330.4%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	3,211	3,293	+2.6%
Current assets	676	1,026	+51.8%
Cash and cash equivalents	205	608	+197.1%
Deferred charges and accrued income	11	39	+240.7%
Total assets	3,898	4,358	+11.8%
Equity	3,276	3,499	+6.8%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	622	859	+38.1%
Amounts payable after one year and other non-current liabilities	197	395	+100.7%
Financial liabilities	185	377	+103.7%
Amounts payable within one year and other current liabilities	425	464	+9.2%
Financial liabilities	60	134	+122.8%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	3,898	4,358	+11.8%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	2.1%	8.8%	+6.7 p. p.
ROE	2.4%	10.7%	+8.3 p. p.
D/E	7.5%	14.6%	+7.1 p. p.
EBITDA	297	556	+87.0%
EBITDA margin	13.9%	19.6%	+5.7 p. p.
Net profit margin	3.9%	12.8%	+8.9 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	140	247	+76.1%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	57	50	-12.3%
Average monthly salary of a manager (gross, EUR)	4,361	4,356	-0.1%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Transport and Communications of the Republic of Lithuania	100%		
MANAGEMENT (1 JUL 2021)			
General Director	Vaidas Zubavičius		
Chairman of the Board of Directors	Mantas Šukevičius*		
Members of the Board of Directors	Arvydas Darulis* Liutauras Slajus		

*Independent member



AB VIAMATIKA

(until 8 July 2021 known as AB Problematika)

www.viamatika.lt

Testing and analysis of construction materials and product quality of buildings belonging to the group of communications. Technical supervision of the construction of transport infrastructure structures and performance of the duties of an engineer according to FIDIC, certification of construction products, performance of cadastral measurements and other engineering and technological activities.

MAJOR EVENTS:

- **In March**, the Company, which became strategic enterprise in 2019, was transferred/returned from VĮ Turto bankas to the Ministry of Transport and Communications of the Republic of Lithuania;
- **In April**, the Company was successfully re-certified for compliance with ISO14001, ISO9001 and ISO17065 standards;
- **In August**, the Company joined the Lithuanian Association for Quality Management and Innovations;
- **In November**, the Company was recognised as the winner of the Vilnius – Klaipėda electrification supervision tender organised by AB Lietuvos geležinkeliai.

The Company's sales revenue rose 5.0% to EUR 5.7 million. Revenues from laboratory services, which account for the largest increase – as much as 81.8% – increased by EUR 0.6 million. In 2020, the volumes of laboratory services were 30.0% higher, but revenue growth was limited by competition in the market and prices for services were reduced by 20.0-30.0%. Revenues from maintenance services, which accounted for 16.1%, decreased by EUR 0.3 million due to competition in the market and reductions in service fees. In 2020, additional appropriations for State and local roads had a positive impact on the growth of work volumes and revenues.

In the reporting year, the Company's costs amounted to EUR 4.1 million, i.e. 1.3% more than in 2019. Personnel costs accounted for 60.0% of the Company's total costs, an increase of 5.0%. Property maintenance and utility costs also increased due to the higher volume of work performed. Higher earned revenue and managed costs resulted in a **26.0% increase in net profit to EUR 1.5 million**.

In the reporting year, the Company's distributable profit amounted to EUR 1.7 million, of which 99.1% was allocated for dividend payment. By comparison, dividends of EUR 0.6 million were paid for 2019.

During 2020, the Company's liabilities decreased by 13.9% and amounted to EUR 1.6 million. Financial debt, which accounted for 60.3% of total liabilities, decreased by EUR 0.2 million. The decrease in liabilities resulted in a negative change in the debt-to-equity ratio D/E of 5.3 p. p. to 14.4%.

Long-term financial liabilities increased 15 times and amounted to EUR 641.0 thousand. This growth was driven by the credit line and short-term loans taken in 2019. Part of this loan was repaid between 2019 and 2020, and the rest was converted into a long-term loan.

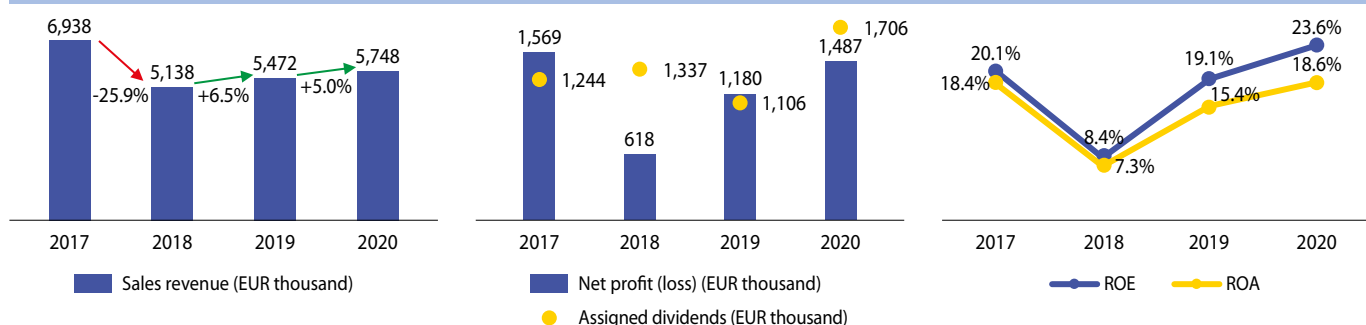
EBITDA increased by 14.9% in 2020 and amounted to EUR 2.2 million. The increase in net profit allowed the Company to improve its return ratios: **return on equity increased by 4.5% to 23.6%**, and return on assets increased by 3.2 p. p. to 18.6%.

Investments in non-current assets in the reporting year amounted to EUR 202.0 thousand, i.e. 3 times more than in 2019. The investment program was renewed in 2020 – the largest investment was allocated for the renewal of worn-out equipment.

- ↑ Sales revenue increased by 5.0%
- ↑ Net profit increased by more than a quarter.
- ↓ Liabilities dropped by 13.9%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		5,472	5,748	+5.0%
Cost of goods sold		2,495	2,639	+5.8%
Gross profit (loss)		2,977	3,108	+4.4%
Cost of sales		665	499	-24.9%
General and administrative expenses		902	974	+8.1%
Results of other activities		9	162	+1,663.9%
Net financial items		-21	-28	-33.3%
Profit (loss) before taxes		1,399	1,769	+26.5%
Corporation tax		219	283	+28.8%
Net profit (loss)		1,180	1,487	+26.0%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		6,061	5,767	-4.9%
Current assets		1,823	2,262	+24.0%
Cash and cash equivalents		1,393	1,789	+28.4%
Deferred charges and accrued income		35	47	+37.1%
Total assets		7,919	8,076	+2.0%
Equity		6,112	6,493	+6.2%
Grants and subsidies		0	0	-
Provisions		0	0	-
Amounts payable and other liabilities		1,807	1,555	-13.9%
Amounts payable after one year and other non-current liabilities		42	668	+1,490.8%
Financial liabilities		42	641	+1,425.0%
Amounts payable within one year and other current liabilities		1,765	887	-49.8%
Financial liabilities		1,163	297	-74.5%
Accrued expenses and deferred income		0	28	-
Total equity and liabilities		7,919	8,076	+2.0%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		15.4%	18.6%	+3.2 p. p.
ROE		19.1%	23.6%	+4.5 p. p.
D/E		19.7%	14.4%	-5.3 p. p.
EBITDA		1,945	2,234	+14.9%
EBITDA margin		35.5%	38.9%	+3.4 p. p.
Net profit margin		21.6%	25.9%	+4.3 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		1,106	1,706	+54.3%
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		92	84	-8.7%
Average monthly salary of a manager (gross, EUR)		5,183	5,268	+1.6%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Transport and Communications of the Republic of Lithuania			100%	
MANAGEMENT (1 JUL 2021)				
General Director			Artūras Palekas	
Chairman of the Board of Directors			Arvydas Darulis*	
Members of the Board of Directors			Rolandas Oginskas* Janina Laskauskienė	

*Independent member



AB Giraitės ginkluotės gamykla

www.ggg-ammo.lt



Production and sale of new and modern different-calibre ammunition.

MAJOR EVENTS:

• On 11 February 2020, the Company introduced a new product for the civilian market – 223 Rem GGG FMJ 62 gr ammunition, which is analogous to NATO ammunition in terms of its characteristics.

During the reporting period, the sales volumes of the Company increased by 35% in unit terms. Civilian ammunition sales in 2020 accounted for 60% of total ammunition sales.

In 2020, the Company earned EUR 9.2 million in revenue, i.e. 16.1% more than in 2019, when revenue amounted to EUR 7.9 million. The growth was driven by higher sales of ammunition, which in turn affected the change in cost, which increased as much as sales revenue.

In 2020, the Company earned a net profit of EUR 532.9 thousand, which is 82.6% more than in 2019, when the profit amounted to EUR 291.9 thousand. The positive change in net profit was mainly due to higher sales volumes and lower interest expenses (in September 2020, a new agreement on the terms of debt repayment was signed with the Ministry of Finance of the Republic of Lithuania, in which the amount of the set annual interest rate was reduced from 5.1% to 2.89%).

Despite the increase in the Company's profit, the amount of dividends paid to the State almost doubled, i.e. 44.5%, and for 2020, EUR 55.5 thousand of dividends are planned to be added to the State budget. The share of profit allocated to the Company's dividends was reduced to 10% by the shareholder's decision, thus enabling the Company to make significant investments in the future, which were approved in 2019 (thus ensuring indirect State support). In 2020, the Company did not carry out significant investment projects, but made only supportive investments for EUR 51.5 thousand.

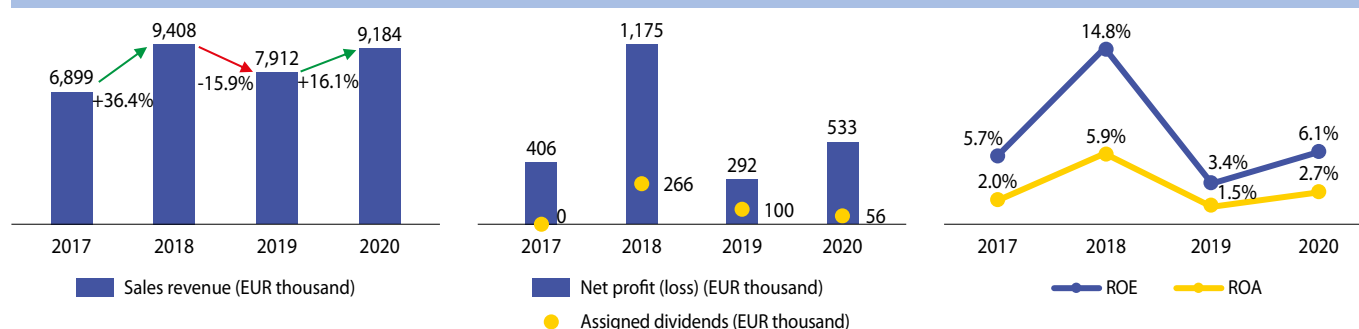
During the reporting period, the Company's long-term liabilities decreased by 5.5% due to the repayment of part of the debt to the Ministry of Finance of the Republic of Lithuania according to the debt repayment schedule.

The better results of the Company are also reflected in the financial return indicators: return on equity increased by 2.7 p. p. and amounted to 6.1%, return on assets increased by 1.2 p. p. to 2.7%.

- ↑ Net profit increased by 82.6% and amounted to EUR 532.9 thousand
- ↑ Sales revenue increased by 16.1%
- ↓ Dividends paid decreased by 44.5%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	7,912	9,184	+16.1%
Cost of goods sold	6,121	7,104	+16.1%
Gross profit (loss)	1,792	2,080	+16.1%
Cost of sales	100	82	-18.3%
General and administrative expenses	803	873	+8.7%
Results of other activities	3	6	+140.0%
Net financial items	-542	-498	+8.2%
Profit (loss) before taxes	349	634	+81.7%
Corporation tax	57	101	+77.0%
Net profit (loss)	292	533	+82.6%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	12,800	12,518	-2.2%
Current assets	7,189	7,300	+1.5%
Cash and cash equivalents	2,426	3,285	+35.4%
Deferred charges and accrued income	16	15	-6.9%
Total assets	20,004	19,833	-0.9%
Equity	8,555	8,988	+5.1%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	11,449	10,845	-5.3%
Amounts payable after one year and other non-current liabilities	9,936	9,386	-5.5%
Financial liabilities	9,936	9,386	-5.5%
Amounts payable within one year and other current liabilities	1,513	1,459	-3.6%
Financial liabilities	837	874	+4.5%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	20,004	19,833	-0.9%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.5%	2.7%	+1.2 p. p.
ROE	3.4%	6.1%	+2.7 p. p.
D/E	+125.9%	+114.2%	-11.7 p. p.
EBITDA	1,228	1,526	+24.3%
EBITDA margin	15.5%	16.6%	+1.1 p. p.
Net profit margin	3.7%	5.8%	+2.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	100	56	-44.5%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	77	91	+18.2%
Average monthly salary of a manager (gross, EUR)	4,362	4,021	-7.8%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Finance of the Republic of Lithuania	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Aleksandras Nikonovas		
Chairman of the Board of Directors	Vyngantas Sliesoraitis*		
Members of the Board of Directors	Remigijus Staras* Eimundas Mačiulis* Laima Kalinauskienė Asta Sinkevičienė		

*Independent member



UAB Investicijų ir verslo garantijos

www.invega.lt



Provision of guarantees, provision and administration of soft loans, implementation of risk capital investment measures, implementation of compensatory measures, 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 for the administration of compensatory measures; functions of holding funds, Innovation Promotion Fund and/or individual financial engineering, incentive financial instruments and financial instruments manager. It should be noted that all activities of the Company and its subsidiary are the fulfilment of special obligations.

SVARBI:

- In March**, the Government of the Republic of Lithuania increased the limit of available guarantees to EUR 588.5 million;
- In April**, direct business lending was initiated – the Accounts Payable Loan instrument (ASAP) worth EUR 12 million was launched;
- In July**, new Lending and Customer Service departments were established;
- In December**, an agreement on the establishment and financing of the Defence Investment Fund worth EUR 15 million was signed with the Ministry of National Defence of the Republic of Lithuania;
- In December**, an agreement on the establishment and financing of the Innovation Promotion Fund worth EUR 21 million was signed with the Ministry of Economy and Innovation of the Republic of Lithuania and the Ministry of Finance of the Republic of Lithuania.

In 2020, the emergency management measures were launched which significantly increased the scope of the Company's activities. During the year, a total of more than EUR 600 million was invested in Lithuanian business, which is almost five times more than in 2019, when the amount of investments amounted to almost EUR 127 million. The largest amount of funds was used for loan instruments – almost EUR 300 million, which is EUR 280 million more than in 2019. Guarantees were issued amounting to almost EUR 218 million (EUR 134 million more than in 2019). In 2020, the Company attracted EUR 276 million of private funds, i.e. EUR 141 million more than in 2019.

The assets of the Funds and individual financial instruments managed by the Company increased from EUR 291.3 million to EUR 918.4 million. The Company's investment portfolio of measures implemented increased by EUR 375 million and amounted to almost EUR 642 million at the end of the year.

Sales revenue increased by 34.2% to EUR 4.9 million, of which 78.0% was the reimbursement of expenses for fund management and administration of global grant instruments. By comparison, cost compensation in 2020 amounted to EUR 3.8 million, i.e. EUR 1.5 million more than in 2019. Proceeds from the guarantees provided amounted to EUR 1.07 million, i.e. 18.3% less than in 2019. The decrease in this type of revenue was due to the changed pricing of individual guarantees: the guarantee fee was reduced and linked to the amount and term of the guarantee.

In 2020, the Company's expenses amounted to EUR 4.5 million, i.e. 91.1% more than in 2019. Costs related to personnel maintenance accounted for 67.0% of total expenses, which increased by 63.6% in the reporting year. The change was mainly due to the increase in the number of employees from 43 to 98 throughout the year. Growth was also affected by an increase in the provision for guarantee benefits (EUR 0.4 million), while in 2019 the change in the provision for guarantee benefits was negative and amounted to EUR 0.2 million. EBITDA decreased by 54.3% to EUR 0.6 million. Net profit for the reporting year was equal to EUR 0.4 million and, compared to 2019, decreased by 68.2%.

During 2020, the value of the Company's balance sheet assets increased by 64.8% to EUR 34.4 million. The Company's cash and cash equivalents increased by EUR 12.0 million. The increase was mainly due to the EUR 9.3 million of the compensation measure "Partial rent compensation for the companies most affected by COVID-19" held in a bank account.

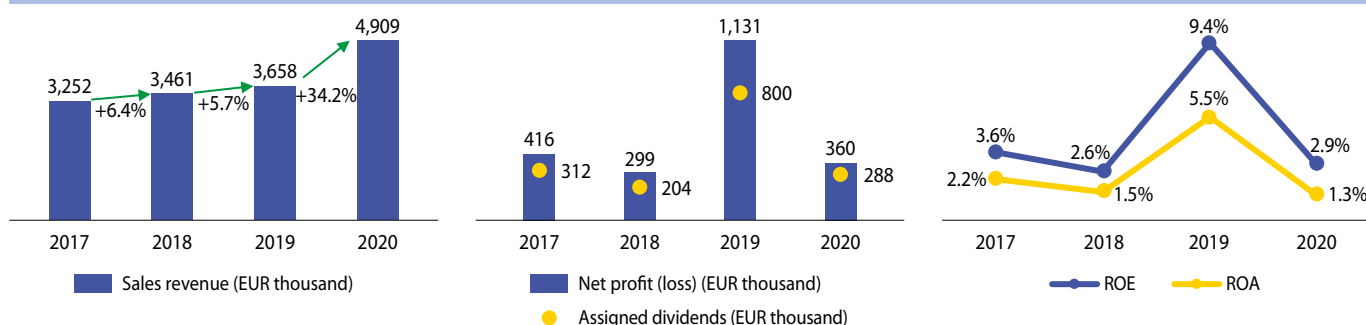
The Company's liabilities increased from EUR 3.2 million to EUR 13.6 million during the reporting year. The change was due to higher advances of EUR 9.8 million received for the implementation of compensatory measures.

The lower net profit earned had a negative impact on the dynamics of return indicators. Return on equity (ROE) decreased by 6.5 p. p. to 2.9% and return on assets (ROA) shrank by 4.2 p. p. to 1.3%. It should be noted that the Government of the Republic of Lithuania does not set a target return on capital for the Company, as the purpose of the Company's activities is not to make a profit, but to properly implement the functions delegated to it.

- ↑ Value of balance sheet assets increased by 64.8%
- ↑ Liabilities increased 4.3 times
- ↓ Net profit decreased 68.2%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		3,658	4,909	+34.2%
Cost of goods sold		0	0	-
Gross profit (loss)		3,658	4,909	+34.2%
Cost of sales		-232	366	-
General and administrative expenses		2,581	4,124	+59.8%
Results of other activities		1	0	-
Net financial items		26	30	+15.8%
Profit (loss) before taxes		1,336	450	-66.3%
Corporation tax		205	90	-56.1%
Net profit (loss)		1,131	360	-68.2%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		13,157	9,491	-27.9%
Current assets		7,713	24,914	+223.0%
Cash and cash equivalents		1,733	13,710	+691.2%
Deferred charges and accrued income		0	0	-
Total assets		20,870	34,404	+64.8%
Equity		12,502	12,062	-3.5%
Grants and subsidies		29	10	-66.7%
Provisions		5,149	8,737	+69.7%
Amounts payable and other liabilities		3,190	13,596	+326.2%
Amounts payable after one year and other non-current liabilities		1,399	1,256	-10.2%
Financial liabilities		0	0	-
Amounts payable within one year and other current liabilities		1,791	12,340	+588.9%
Financial liabilities		0	0	-
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		20,870	34,404	+64.8%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		5.5%	1.3%	-4.2 p. p.
ROE		9.4%	2.9%	-6.5 p. p.
D/E		0.0%	0.0%	-
EBITDA		1,334	610	-54.3%
EBITDA margin		36.5%	12.4%	-24.1 p. p.
Net profit margin		30.9%	7.3%	-23.6 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		800	288	-64.0%
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		43	94	+118.6%
Average monthly salary of a manager (gross, EUR)		4,744	5,228	+10.2%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Economy and Innovation of the Republic of Lithuania			100%	
MANAGEMENT (1 JUL 2021)				
General Director			Kęstutis Motiejūnas	
Chairman of the Board of Directors			Alditas Saulius *	
Members of the Board of Directors			Viktorija Trimbel * Vytenis Labanauskas * Irma Patapienė Tomas Urban	
Chairman of the Supervisory Board			Arūnas Čiulada*	
Members of the Supervisory Board			Laura Garbenčiūtė-Bakienė* Mantas Šukevičius* Laura Baškytė Osvaldas Šmitas	

*Independent member



UAB Kofinansavimas

The Company met with more than 100 companies during the reporting period and examined more than 14 business ideas. Through the subsidiaries of KUB Koinvesticinis fondas, together with 40 new investors, investments were made into 9 companies. At the level of financial instruments (companies), a total of EUR 0.75 million of private funds was raised and EUR 1.65 million of funds for risk capital measures were used.

The total revenue of the Company consists of compensation of management expenses incurred by the Fund, in 2020 their amount amounted to EUR 161.4 thousand.

During 2020, the Company incurred expenses of EUR 159.2 thousand, which was 0.3% lower than in 2019. Staff maintenance (3 employees) accounted for 73% of the total costs, premises costs amounted to 3%, audit costs – 3%, publicity – 3%, etc. The net profit of the Company is symbolic – EUR 2.2 thousand.

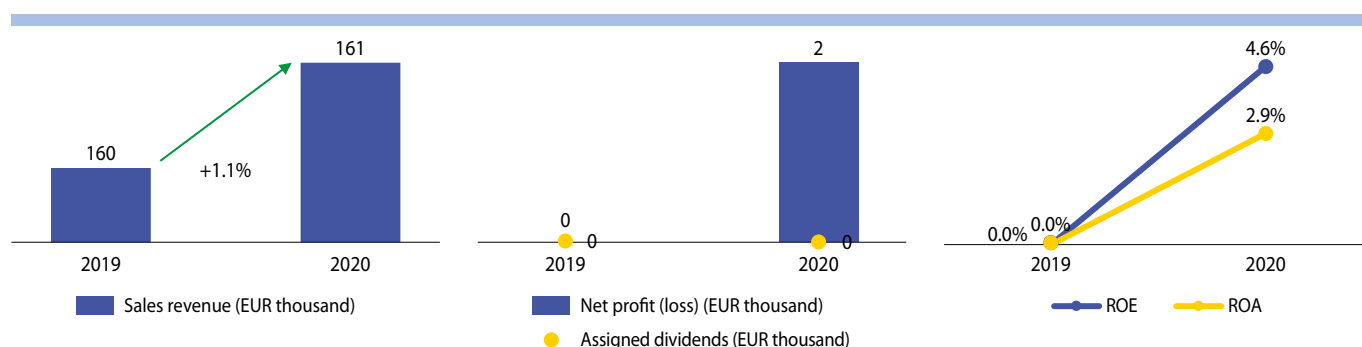
The Company's assets amounted to EUR 82.2 thousand and a significant part of them (63%) were funds in banks.

The Company had no financial liabilities.

After earning a minimum profit of EUR 2.2 thousand in 2020, the return on assets (ROA) increased and reached 2.9%, the return on equity (ROE) – 4.6%.

It should be noted that the purpose of the Company's activities is not to make a profit, but to implement the functions delegated to it – financial instruments, i.e. the proper implementation of the establishment and management of the venture capital fund Koinvesticinis Fondas and the provision of investment and financial advice related to these investments.

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	160	161	+1.1%
Cost of goods sold	160	159	-0.3%
Gross profit (loss)	0	2	-
Cost of sales	0	0	-
General and administrative expenses	0	0	-
Results of other activities	0	0	-
Net financial items	0	0	-
Profit (loss) before taxes	0	2	-
Corporation tax	0	0	-
Net profit (loss)	0	2	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	2	1	-20.0%
Current assets	68	81	+18.4%
Cash and cash equivalents	14	52	+279.6%
Deferred charges and accrued income	0	0	-
Total assets	70	82	+17.6%
Equity	46	49	+4.5%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	6	10	+53.1%
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	6	10	+53.1%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	17	24	+39.0%
Total equity and liabilities	70	82	+17.4%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	0.0%	2.9%	+2.9 p. p.
ROE	0.0%	4.6%	+4.6 p. p.
D/E	0.0%	0.0%	-
EBITDA	0	3	-
EBITDA margin	0.0%	2.0%	+2.0 p. p.
Net profit margin	0.0%	1.4%	+1.4 p. p.
RETURN TO SHAREHOLDERS (EUR THOUSAND)	2019	2020	CHANGE
Assigned dividends	0	0	-
INFORMATION ABOUT EMPLOYEES	2019	2020	CHANGE
Number of employees	2	3	+50.0%
Average monthly salary of executives (gross, EUR)	3,054	3,290	+7.7%
SHAREHOLDERS	OWNED SHARES		
UAB Investicijų ir verslo garantijos	100.0%		
MANAGEMENT (1 JUL 2021)			
General Director	Viktorija Vaitkevičienė		



UAB Töksika

www.toksika.lt



Collection and management of hazardous waste

MAJOR EVENTS:

- **In March**, according to the order of the Government of the Republic of Lithuania and the Alytus City Emergency Situations Commission, the maintenance of the Alytus tire recycling UAB Ekologistika fire site was completed;
- **In August**, on the initiative of UAB Töksika, the project "Hazardous Waste Management in Lithuania" was completed. The European Commission decided to declare the project completed and to pay the remaining project funding to Lithuania;
- **In August**, a new technical regulation was approved, which allowed Šiauliai branch to apply the flocculation method to water waste management;
- **In October**, the Company was issued a license to provide disinfection services for premises where COVID-19 may be present.

During the reporting period, the Company's sales revenue grew by as much as 75.0% and amounted to EUR 8.6 million at the end of the period. The main reasons for the significant revenue growth were EUR 2.4 million in revenue from the management of hazardous waste at the Alytus tire fire site. It was also influenced by a significant increase in the volume of waste collection, medical waste with COVID-19 infection collected from other Lithuanian production companies during the pandemic. Increased volumes of medical waste had an impact on the increase in the price of waste reception by 22.7%, i.e. up to EUR 346 per tonne. In the structure of the Company's sales revenue, revenue from waste acceptance in 2020 amounted to EUR 8.4 million (97.8%), while other operating revenue amounted to EUR 0.2 million or 2.2% of total sales revenue.

During 2020, the Company collected the largest amount of waste in its entire history – 24.2 thousand tonnes of hazardous waste (HW), i.e. 44.0% more than in 2019. Such results were determined by a 23.6% increase in the volume of ordinary activities and an almost 7-fold increase in the collection of hazardous waste to 7.1 thousand tonnes due to a fire at the tire recycling company UAB Ekologistika at the Alytus fire site. During the reporting period, the Company's HW handling volumes increased by 29.7% to 25.4 thousand tonnes. The Company disposed of 4.4% less waste than it accepted, while in 2019 it was 3.4% more disposed of than accepted.

Increased operating volumes and revenues, respectively, increased the Company's operating costs, which increased by 48.1% to EUR 6.9 million. Most of the costs (28.8%) were related to salaries and social security expenses, which increased by 32.3% to EUR 2.0 million due to the increase in the average salary and the variable part paid to employees related to labour productivity and the Company's performance. The improving results of the Company are reflected in the adjusted net profit and EBITDA results, which increased approximately 8 times to EUR 1.6 million and about 2.5 times to EUR 2.3 million, respectively.

In 2020, the Company's distributable profit amounted to EUR 1.5 million of which the major part (60.0% or EUR 880.4 thousand) was allocated for dividends. It is worth mentioning that the Company has paid dividends for the first time in the last 4 years. The Company allocated the remaining part of the distributable profit to other reserves (EUR 414.0 thousand), to statutory reserves (EUR 146.7 thousand) and to annual payments, employee bonuses and other purposes (EUR 26.1 thousand).

The Company's assets grew by 3.6% in 2020 and amounted to EUR 27.4 million. The majority (85.8%) of assets under management consists of non-current assets, which decreased by 4.4% to EUR 23.6 million over the year due to the depreciation of the hazardous waste incineration plant, which had a book value of EUR 17.8 million at the end of 2020. However, the growth of the Company's assets was determined by profitable activities, which increased the working capital held in banks almost 13 times to EUR 2.2 million, which led to the growth of current assets by 120.3% to EUR 3.8 million.

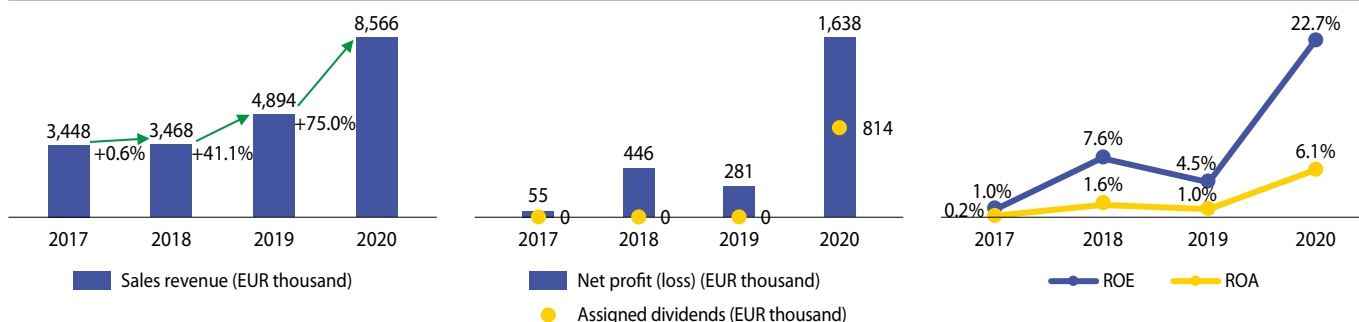
Debts to credit institutions amounted to EUR 0.4 million at the end of the reporting period, compared to EUR 0.8 million at the end of 2019. Their significant decrease was due to the repayment of long-term loans completed in 2020, which were taken in 2013 for the implementation of infrastructure development projects. The decrease in financial debt had a positive effect on the Company's D/E ratio, which decreased by 8.2 p. p. to 5.3%.

The positive results of the Company are reflected in the financial return indicators: return on assets increased by 5.1 p. p. to 6.1%, and return on equity increased by 18.2 p. p. and reached 22.7%. The Company's net profitability grew by 13.4 p. p. to 19.1%, while EBITDA margin increased by 10.0% to 26.4%.

- ↑ Sales revenue grew by 75.0% and reached EUR 8.6 million
- ↑ Net profit increased almost 6 times up to EUR 1.6 million
- ↑ Current assets have more than doubled

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	4,894	8,566	+75.0%
Cost of goods sold	2,853	4,273	+49.8%
Gross profit (loss)	2,042	4,293	+110.3%
Cost of sales	0	0	-
General and administrative expenses	1,820	2,647	+45.5%
Results of other activities	15	44	+190.2%
Net financial items	38	-53	-
Profit (loss) before taxes	275	1,638	+495.0%
Corporation tax	-5	0	-
Net profit (loss)	281	1,638	+483.6%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	24,649	23,556	-4.4%
Current assets	1,724	3,798	+120.3%
Cash and cash equivalents	172	2,206	+1,183.4%
Deferred charges and accrued income	131	92	-30.1%
Total assets	26,504	27,446	+3.6%
Equity	6,406	8,045	+25.6%
Grants and subsidies	17,405	16,179	-7.0%
Provisions	1,016	1,557	+53.3%
Amounts payable and other liabilities	1,674	1,653	-1.2%
Amounts payable after one year and other non-current liabilities	237	164	-31.1%
Financial liabilities	237	164	-31.1%
Amounts payable within one year and other current liabilities	1,436	1,489	+3.7%
Financial liabilities	627	260	-58.5%
Accrued expenses and deferred income	3	13	+296.9%
Total equity and liabilities	26,504	27,446	+3.6%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.0%	6.1%	+5.1 p. p.
ROE	4.5%	22.7%	+18.2 p. p.
D/E	13.5%	5.3%	-8.2 p. p.
EBITDA	802	2,261	+182.1%
EBITDA margin	16.4%	26.4%	+10.0 p. p.
Net profit margin	5.7%	19.1%	+13.4 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	0	814	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	64	69	+7.8%
Average monthly salary of a manager (gross, EUR)	4,877	6,019	+23.4%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Economy and Innovation of the Republic of Lithuania	92.51%		
Other shareholders	7.49%		
MANAGEMENT (1 JUL 2021)			
General Director	Arūnas Dirvinskas		
Chairman of the Board of Directors	Dangirutis Janušas*		
Members of the Board of Directors	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

MAJOR EVENTS:

• **In February**, the subsidiary UAB OVANTIS was reorganised and merged with LITEXPO;

• **In April**, for the first time in the Company's history, a virtual RESTA exhibition was organised;

• **In May**, the organisational structure of the Company was updated.

During the reporting period, the Company owned 5 exhibition pavilions and 15 conference halls, which amounted to 18.5 thousand m² of indoor area and 15.1 thousand m² of outdoor exhibition area. **Due to the COVID-19 pandemic, the Company was able to organise only 8 exhibitions in which 1,347 companies participated, compared to 3,024 a year ago.** Also, during the reporting period, 86 events took place in the infrastructure managed by the Company, which attracted 38.4 thousand visitors. In 2020, the Company served about 40.0 thousand people by providing catering services.

As a result of the COVID-19 pandemic, the Company lost a significant portion of its revenue, which decreased from EUR 6.1 million (in 2019) to EUR 2.2 million (in 2020). The 63.1% decrease in revenue was mainly due to event restrictions and quarantine in the country. The major part (49.8%) of the Company's turnover was accounted for by the revenue from the organisation of exhibitions, which decreased by as much as 63.4% to EUR 1.1 million.

For the above reasons, the Company's operating expenses decreased by 37.4% to EUR 3.3 million. Wage costs accounted for the largest share of expenses (36.0%), which decreased by 26.7% to EUR 1.2 million, mainly due to a 16.2% decrease to 62 employees. The faster decrease in sales revenue than expenses **resulted in a decrease of the Company's net profit by 62.5 p. p. to -52.6%, which is reflected in the Company's net result, which amounted to a loss of EUR 1.2 million.** A corresponding change was also recorded in the EBITDA result, which amounted to EUR 0.2 million in 2020, compared to EUR 1.6 million a year ago.

In 2020, the value of assets managed by the Company decreased by 7.6% to EUR 18.2 million. As much as 99.0% or EUR 18.0 million of the total assets managed by the Company were non-current assets, of which EUR 17.0 million were the value of managed buildings and structures. The value of current assets decreased by 80.4% to EUR 145.3 thousand during the reporting period, mainly due to a decrease in current assets in the bank account by 91.6% to EUR 44.5 thousand.

The Company's liabilities in 2020 decreased by 2.6% to EUR 5.8 million. The major part (82.6% or EUR 4.8 million) of liabilities consisted of short-term financial debts to AB SEB bankas, which in 2019 were classified as long-term liabilities, however, less than 1 year before the maturity of the credit debt, they were transferred to short-term financial debts. **The Company's financial debt to equity ratio increased by 4.5 p. p. to 44.5%, due to a 10.3% decrease to EUR 10.7 million in the book value of equity.**

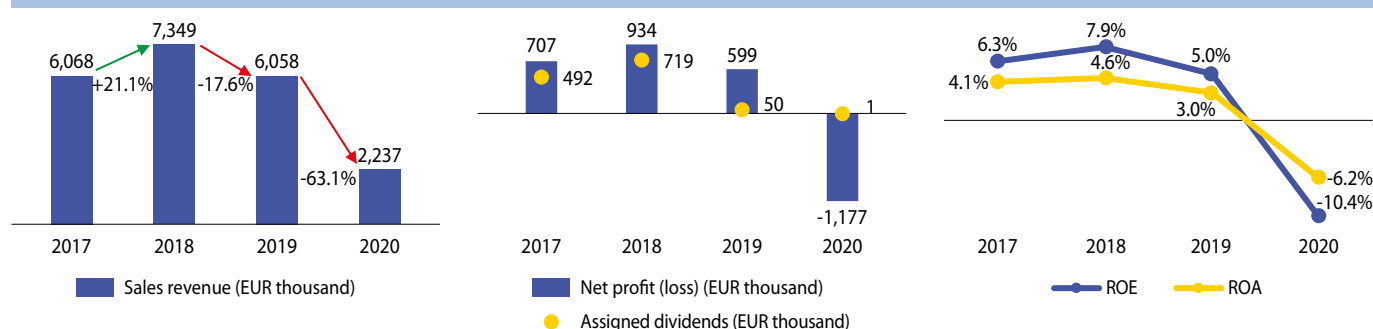
The high net loss resulted in a negative change in the Company's financial return: the return on assets (ROA) decreased by 9.2 p. p. to -6.2%, and the **return on equity (ROE) decreased by 15.4 p. p. to -10.4%.**

The Company's investments in non-current assets in 2020 were more than 6 times lower than in 2019, which amounted to EUR 60.8 thousand. The majority (80.6%) of investments were made for outdoor and indoor lighting systems.

- ↓ Sales revenue decreased by 63.1%
- ↓ Net loss amounted to EUR 1.2 million
- ↓ Value of assets under management decreased by 7.6%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	6,058	2,237	-63.1%
Cost of goods sold	4,191	2,682	-36.0%
Gross profit (loss)	1,867	-446	-
Cost of sales	46	50	+6.9%
General and administrative expenses	1,088	604	-44.5%
Results of other activities	6	6	-1.7%
Net financial items	-52	-84	-60.3%
Profit (loss) before taxes	687	-1,177	-
Corporation tax	88	0	-
Net profit (loss)	599	-1,177	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	18,867	17,997	-4.6%
Current assets	740	145	-80.4%
Cash and cash equivalents	497	45	-91.0%
Deferred charges and accrued income	62	31	-48.9%
Total assets	19,668	18,174	-7.6%
Equity	11,937	10,703	-10.3%
Grants and subsidies	1,775	1,706	-3.9%
Provisions	0	0	-
Amounts payable and other liabilities	5,915	5,759	-2.6%
Amounts payable after one year and other non-current liabilities	4,169	55	-98.7%
Financial liabilities	4,169	0	-
Amounts payable within one year and other current liabilities	1,746	5,704	+226.7%
Financial liabilities	603	4,758	+689.5%
Accrued expenses and deferred income	42	6	-84.9%
Total equity and liabilities	19,668	18,174	-7.6%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	3.0%	-6.2%	-9.2 p. p.
ROE	5.0%	-10.4%	-15.4 p. p.
D/E	40.0%	44.5%	+4.5 p. p.
EBITDA	1,628	-244	-
EBITDA margin	26.9%	-10.9%	-37.8 p. p.
Net profit margin	9.9%	-52.6%	-62.5 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	50	1	-98.4%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	74	62	-16.2%
Average monthly salary of a manager (gross, EUR)	2,751	4,393	+59.7%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Economy and Innovation of the Republic of Lithuania			98.76%
Natural persons			1.24%
MANAGEMENT (1 JUL 2021)			
General Director	Justinas Bortkevičius		
Chairperson of the Board	Giedrė Kaminskaitė-Salters *		
Members of the Board of Directors	Juras Vėželis* Vytautas Dobilas* Lidija Bajarūnienė Rūta Jovaišienė		

*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:

- **In May**, a decision was made to reduce the authorized capital in order to pay out the company's funds to the shareholders;
- **In October**, the reassessment of the Company's shareholding due to the initiated privatization procedure was completed;
- **In 2020**, in compliance with the expectations set for the Company to abandon non-operational buildings, 3 buildings with the value of EUR 782.7 thousand were sold

During the course of its business in the reference period, the Company undertook 272.4 thousand metrological verifications, which was 32.5% more than a year ago. The number of calibration services also grew and reached 28.1 thousand – 36.1% more than in 2019. The company also performed 1.3 thousand test, i.e. 58.7% more than in 2019, and 2 units fewer conformity assessments, of which 22 were carried out in 2020.

The company's sales revenue in the reporting period was 0.4% higher than in 2019 and amounted to EUR 3.5 million. The main part of the revenue came from metrological inspection (67.0%) and calibration (27.0%). It should be noted that the Company's other operating income was 6 times higher than last year and amounted to EUR 790.3 thousand. The main reason for the growth was the sale of the buildings in Palanga, Klaipėda and Šiauliai.

In 2020, the Company's operating expenses amounted to EUR 3.4 million, i.e. 10.4% more than in 2019. This change was mainly due to the wage costs of the employees who accounted for the largest share of operating costs (64.8% or EUR 2.2 million), which were 14.2% higher than the previous year, due to a change in the methodology used to calculate the variable part of the employees' remuneration. The increase in costs, which was higher than the increase in revenue, led to a decrease in the Company's net profit by 48.4% to EUR 211.2 thousand. EBITDA decreased accordingly, falling by 36.8% to EUR 481.5 thousand.

The Company's dividend policy was not affected by the lower financial results. The Company has declared a dividend of EUR 432.4 thousand for the 2020 results, which is 40.9% higher than for the results of 2019.

In 2020, the Company's assets decreased by 22.7% to EUR 5.5 million. The majority (62.9%) of the Company's assets consisted of non-current assets, which decreased by 15.9% over the year to EUR 3.5 million due to the sale of surplus assets. The Company's cash and cash equivalents decreased by 37.8% and amounted to 80.8% or EUR 1.6 million of total current assets, which decreased by 32.4% to EUR 2.0 million due to payments to the shareholder in connection with the reduction of the authorized capital.

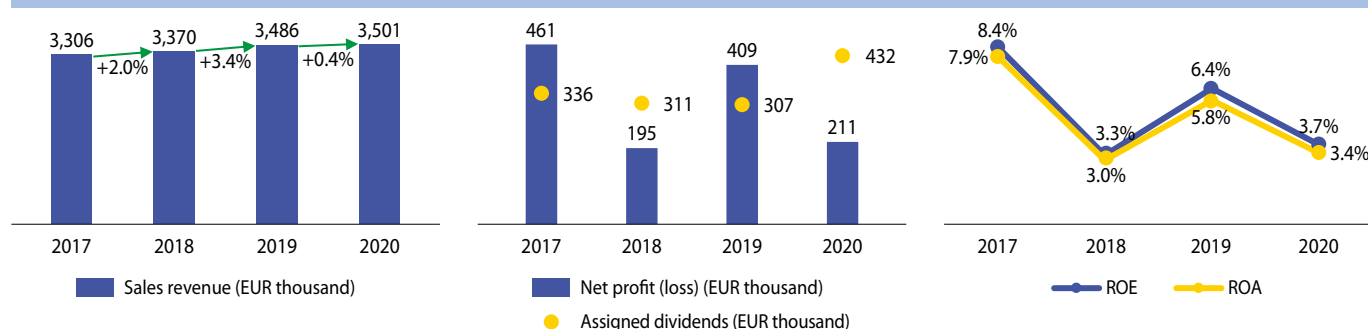
The decrease in the Company's net profit had a negative impact on financial profitability ratios, with the return on assets decreasing by 2.5 percentage points to 3.4% and the return on equity decreasing by 2.7 percentage points to 3.7%. A negative change was also reflected in both operating and net profitability ratios, which decreased by 8.8 percentage points to 3.2% and by 5.7 percentage points to 6.0%.

During the reporting period, the Company invested EUR 365.0 thousand in non-current assets, i.e. 10.3% more compared to the previous year. The Company invested the major part (58.4%) in tangible assets, i.e. the renewal of reference, calibration and computer equipment. The rest was devoted to upgrading IT, modernizing self-service website and digitizing metrology documentation.

- ↓ Net profit decreased by 48.8%
- ↓ The value of assets under management has declined by 22.7%
- ↑ Liabilities increased by 42.9%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		3,486	3,501	+0.4%
Cost of goods sold		2,206	2,396	+8.6%
Gross profit (loss)		1,280	1,105	-13.6%
Cost of sales		0	0	-
General and administrative expenses		864	995	+15.1%
Results of other activities		64	90	+39.6%
Net financial items		0	1	+80.0%
Profit (loss) before taxes		480	201	-58.2%
Corporation tax		71	-10	-
Net profit (loss)		409	211	-48.4%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		4,109	3,458	-15.9%
Current assets		2,948	1,993	-32.4%
Cash and cash equivalents		2,588	1,610	-37.8%
Deferred charges and accrued income		45	43	-4.1%
Total assets		7,102	5,493	-22.7%
Equity		6,445	4,848	-24.8%
Grants and subsidies		0	0	-
Provisions		359	218	-39.4%
Amounts payable and other liabilities		297	424	+42.9%
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		297	424	+42.9%
Financial liabilities		0	0	-
Accrued expenses and deferred income		3	4	+76.0%
Total equity and liabilities		7,102	5,493	-22.7%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		5.8%	3.4%	-2.4 p. p.
ROE		6.4%	3.7%	-2.7 p. p.
D/E		0.0%	0.0%	
EBITDA		762	482	-36.8%
EBITDA margin		21.8%	13.8%	-8.0 p. p.
Net profit margin		11.7%	6.0%	-5.7 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Assigned dividends (share of the State)		307	432	+40.9%
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		123	104	-15.4%
Average monthly salary of a manager (gross, EUR)		3,161	3,374	+6.7%
INSTITUTION REPRESENTING THE STATE		OWNED SHARES		
VĮ Turto bankas		100.0%		
MANAGEMENT (1 JUL 2021)				
General Director			Acting: Evelina Lesutyte	
Chairperson of the Board			Kęstutis Motiejūnas*	
Members of the Board of Directors			Laimis Jančiūnas	

*Independent member



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 2020, the Company's intake of grain and rapeseed amounted to 122.4 thousand tonnes, i.e. 17.0% or 17.8 thousand tonnes more than during the previous year. The amount of purchased grain in the reporting period amounted to 56.4 thousand tonnes, while 40.0 thousand tonnes were purchased in 2019. In 2020, the amount of grain sold increased by 3.3% to 39.3 thousand tonnes.

The increase in business volumes resulted in a slight increase in sales revenue of 1.1% to EUR 9.1 million, which was a record for the entire period of the Company's operations. The major part (85.7%) of the turnover was accounted for by grain sales revenue, which, compared to 2019, increased by 0.6% to EUR 7.8 million. The growth was also affected by a 28.2% to EUR 0.6 million increase in grain reception and handling revenue, which accounted for 6.6% of the Company's total turnover.

During the reporting period, the Company's operating expenses decreased by 2.8% compared to the previous year to EUR 8.7 million. The cost of selling grain, which accounted for 76.9% of total expenses, decreased by 5.7% to EUR 6.7 million due to the efficient conduct of grain trading. There was a significant increase of 19.6% to EUR 0.6 million in wage costs due to higher employee salaries. Record revenue and lower expenses resulted in a 3.5-fold increase in net profit to EUR 0.4 million, with net profitability reaching 4.3% and was 3.1 p. p. higher than in 2019. The Company's EBITDA increased by 68.3% to EUR 0.9 million during the reporting period.

Dividends allocated by the Company to the State for the results of 2020 amounted to EUR 218.8 thousand, while the amount of dividends allocated for the results of 2019 was EUR 152.0 thousand.

In 2020, the value of assets managed by the Company changed insignificantly – it decreased by 1.7% to EUR 9.6 million. Non-current assets, which accounted for 36.1% of total assets, grew by 7.8% to EUR 3.5 million. There were major changes in the structure of current assets, which accounted for 63.8% of total assets: the value of reserves increased almost 3 times to EUR 4.2 million, receivables decreased by 83.7% to EUR 0.8 million in one year, and the Company's turnover funds in bank accounts increased as much as 22.5 times to EUR 1.1 million. These reasons led to a decrease in current assets of 6.3% to EUR 6.1 million.

The Company's liabilities, which consisted only of short-term debt, decreased by 9.2% in 2020 to EUR 3.5 million. The major part (65.9%) of all liabilities was accounted for by short-term financial debt to AB SEB bankas, which decreased by 18.6% to EUR 2.3 million over the year.

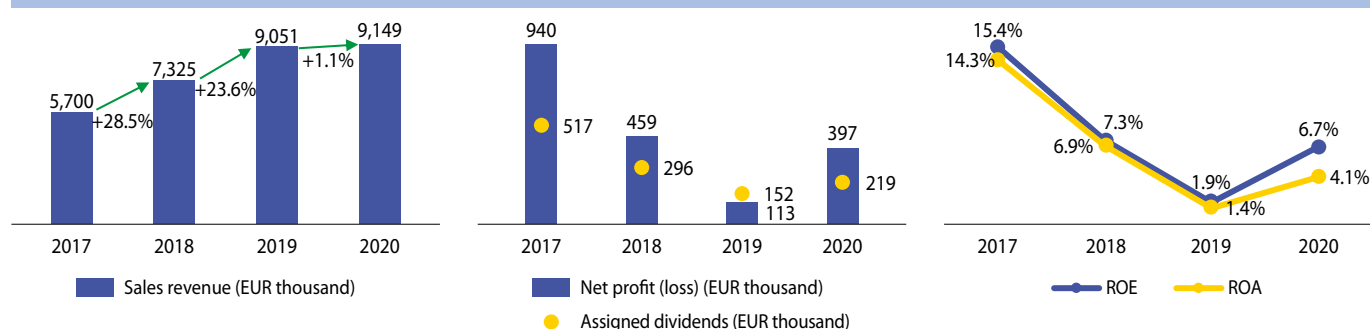
The Company's improving financial results are also positively reflected in the financial return indicators: return on assets grew by 2.7 p. p. to 4.1%, while return on equity grew by 4.8 p. p. and reached 6.7% at the end of the year.

In 2020, the Company invested EUR 664.9 thousand in non-current assets, i.e. 3.5 times more than in 2019. Investments increased due to the fact that some projects (such as the design and implementation of technological equipment management program, repair of critical hull joints and roofing, renovation of grain dryer service room, etc.) started in 2019 and were completed in 2020.

- ↑ Net profit grew by 3.5%
- ↑ Cash and cash equivalents increased 22 times
- ↓ Financial liabilities fell by 18.6%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		9,051	9,149	+1.1%
Cost of goods sold		8,350	8,121	-2.7%
Gross profit (loss)		701	1,028	+46.8%
Cost of sales		2	7	+351.6%
General and administrative expenses		605	579	-4.4%
Results of other activities		64	62	-3.1%
Net financial items		-8	-39	-405.1%
Profit (loss) before taxes		151	466	+209.4%
Corporation tax		38	69	+81.8%
Net profit (loss)		113	397	+252.2%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		3,213	3,463	+7.8%
Current assets		6,528	6,113	-6.3%
Cash and cash equivalents		49	1,090	+2,147.2%
Deferred charges and accrued income		10	12	+19.4%
Total assets		9,750	9,588	-1.7%
Equity		5,807	5,987	+3.1%
Grants and subsidies		40	30	-25.3%
Provisions		92	110	+20.5%
Amounts payable and other liabilities		3,812	3,460	-9.2%
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		3,812	3,460	-9.2%
Financial liabilities		2,799	2,279	-18.6%
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		9,750	9,588	-1.7%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		1.4%	4.1%	+2.7 p. p.
ROE		1.9%	6.7%	+4.8 p. p.
D/E		48.2%	38.1%	-10.1 p. p.
EBITDA		537	904	+68.3%
EBITDA margin		5.9%	9.9%	+4.0 p. p.
Net profit margin		1.2%	4.3%	+3.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		152	219	44.0%
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		38	38	-
Average monthly salary of a manager (gross, EUR)		4,152	4,263	+2.7%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Agriculture of the Republic of Lithuania			70.10%	
UAB Agrokoncerno grūdai			25.10%	
Other shareholders			4.80%	
MANAGEMENT (1 JUL 2021)				
General Director			L. e. p. Mantas Butas	
Chairman of the Board of Directors			Jurij Kornijenko	
Members of the Board of Directors			Jonas Lisauskas Tomas Urbonas Arnoldas Saldys* Gedvidas Belickas*	

*Independent member



AB Lietuvos veislininkystė

www.veislita.lt



Selection of breeding bulls, rearing, and sperm bank

During 2020, the Company sold 217.5 thousand doses of bull semen (in 2019, 218.4 thousand doses were sold). The average sales price per 1 dose increased and in 2020 amounted to EUR 7.49, compared to 2019, the price increased by EUR 0.92 or 14.0%. During the reporting year, the production of bull semen was limited by the situation due to COVID-19, therefore its accumulation was only 72.6 doses, while in 2019 it was 175.2 doses. Also, during 2020, 32 breeding bulls were purchased, a total of 53 at the end of the year.

During the reporting period, the Company's revenue continued to grow moderately – the Company earned EUR 1.8 million in revenue, i.e. 9.7% or EUR 188.8 thousand more than in the previous period. The largest relative weight in the structure of sales revenue (86.0%) was accounted for by revenue from the sale of bull semen, which, compared to 2019, increased by EUR 193.4 thousand. The Company also receives support from the breeding program for the evaluation of young bulls kept in Lithuania – this revenue makes up 1.0% of the total revenue received.

The Company's costs increased by 9.8% or EUR 155.6 thousand compared to the same period last year and amounted to EUR 1.7 million at the end of the year. The increase in costs was mainly due to a 10.6% increase in cost of sales and a 9.7% increase in general administrative costs due to the repair of the cattle shed, as well as due to changes in the payment procedure for managers.

Higher sales revenue also had a positive impact on the Company's net profit, which increased by 9.2% or EUR 11.5 thousand during the year and amounted to EUR 136.9 thousand at the end of the reporting period. Due to the better results of the Company's operations, the return to the State increased by 11.7% – dividends of EUR 99.6 thousand were allocated for 2020.

Both current assets and current liabilities increased for the same reason: in 2020, 10,387 doses of sexed bull semen were sold to companies and farmers with an increasing need for the number of heifers, i.e. 2,910 doses or 38.9% more compared to 2019. Sexed bull semen is imported from abroad and its cost is 4 – 4.5 times higher. Due to the increased demand for sexed semen, there has been an increase in purchases, balances of purchased semen and debts to foreign suppliers, with which the payment deadline is postponed for a period of 2 to 3 months.

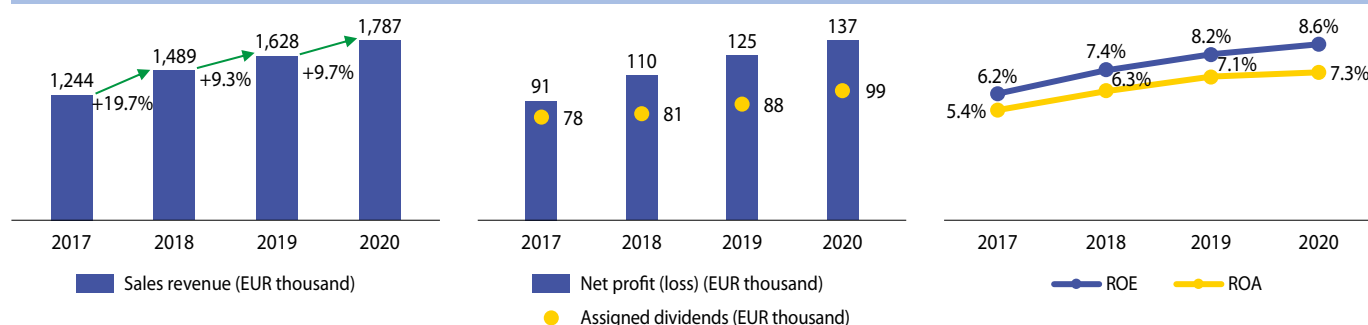
The positive performance of the Company, although insignificant, is also reflected in the financial return indicators. Return on equity increased by 0.5 p. p. to 8.6% at the end of the reporting period. Return on assets also grew by 0.2 p. p. to 7.3%.

In 2020, the Company invested EUR 13.7 thousand in the purchase of a vehicle required for customer service (EUR 5.6 thousand) and repair of freight vehicles (EUR 8.0 thousand).

- ↑ The Company earned 9.7% more sales revenue
- ↑ Net profit grew by 9.2% and reached EUR 136.9 thousand
- ↑ Dividends paid increased by 11.7% to EUR 98.6 thousand

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	1,628	1,787	+9.7%
Cost of goods sold	771	853	+10.6%
Gross profit (loss)	858	934	+9.0%
Cost of sales	1	0	-20.0%
General and administrative expenses	805	883	+9.7%
Results of other activities	90	100	+11.0%
Net financial items	-4	1	-
Profit (loss) before taxes	139	152	+9.6%
Corporation tax	14	15	+14.1%
Net profit (loss)	125	137	+9.2%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	225	198	-11.8%
Current assets	1,587	1,750	+10.3%
Cash and cash equivalents	371	462	+24.6%
Deferred charges and accrued income	5	3	-44.9%
Total assets	1,817	1,951	+7.4%
Equity	1,560	1,607	+3.1%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	257	344	+33.7%
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	257	344	+33.7%
Financial liabilities	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,817	1,951	+7.4%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	7.1%	7.3%	+0.2 p. p.
ROE	8.2%	8.6%	+0.4 p. p.
D/E	0.0%	0.0%	-
EBITDA	175	178	+1.4%
EBITDA margin	10.8%	10.0%	-0.8 p. p.
Net profit margin	7.7%	7.7%	0.0 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	88	99	+11.7%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	37	36	-2.7%
Average monthly salary of a manager (gross, EUR)	3,971	3,810	-4.1%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
State-owned interest	98.95%		
Other shareholders	+1.05%		
MANAGEMENT (1 JUL 2021)			
General Director	Gediminas Valiulis		
Chairman of the Board of Directors	Evaldas Pranckevičius		
Members of the Board of Directors	Romanas Kančauskas* Vladislovas Vaišvila* Vita Jurgilienė Modestas Vaznėvičius		

*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 927 units more pigs than in the previous year and had 2,490 pigs in total. In order to achieve one of the main goals (to adjust and manage the selection process in pig breeding), the Company raised 436 pigs by controlled fattening, compared to 265 pigs a year ago. The number of fattened pigs increased from 966 in 2020 to 1,192. **21 pigs were purchased for the conservation of genetic resources.**

In implementing the strategic goals, the Company also controlled 45.9 thousand breeding pigs, determined the lean-meat content of 2.1 thousand pigs by ultrasound, assessed 30 breeding pigs, realised 295.8 tonnes of carcass meat or its production and 53.2 tonnes of offal, carried out the assessment of 14 boars and 244 sows according to offspring fattening and meat characteristics and realised the sperm of 5,382 boars.

During 2020, the Company's revenue decreased by 4.3% to EUR 904.2 thousand, but this loss of revenue was offset by the EUR 41.9 thousand support received due to the impact of COVID-19 on the Company's operations. Due to this, the turnover of the Company has not changed significantly compared to the period of the previous year (in 2019 – EUR 945.2 thousand, in 2020, including the received support – EUR 946.1 thousand). **The largest share – 85.7% or EUR 658.8 thousand of the total sales revenue – was accounted for by the sales revenue of the carcass production.** A large part of the Company's revenue – EUR 115.3 thousand – consisted of grants received for control of pig productivity, which, compared to the previous reporting period, decreased by EUR 65.7 thousand and a subsidy of EUR 15.8 thousand for the conservation of genetic resources.

Respectively, due to the decrease in sales revenue, the cost of goods sold also decreased, therefore the cost of sales decreased by 9.3% to EUR 685.0 thousand.

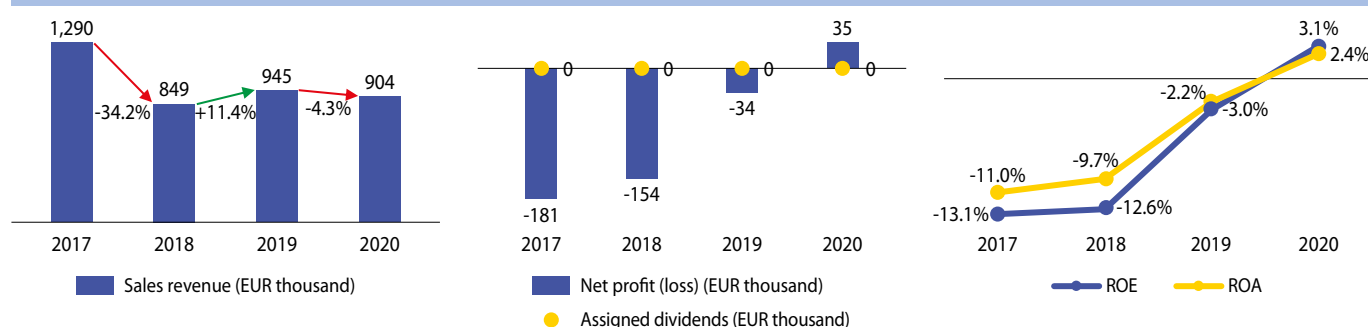
After a three-year break, in 2020 the Company was operating profitably once again and at the end of the reporting period a net profit of EUR 35.2 thousand was recorded. The improving results of the Company are also reflected in the financial return indicators. Return on equity (ROE) increased by 6.1 p. p. to 3.1% at the end of the reporting period. The return on assets (ROA) grew accordingly, increasing by 4.6 p. p. to 2.4%.

In 2020, EUR 1.4 thousand of own funds were allocated for investments in non-current assets, which were used for the purchase of a lawn mower, and another EUR 14.2 thousand were allocated from the project funds for the acquisition of non-current assets.

- ↑ Number of pigs reared increased by 927 pigs and reached 2,490 pigs
- ↑ Net profit grew by 204.8% and amounted to EUR 35.2 thousand
- ↓ Cost of sales decreased by 9.3% and amounted to EUR 685.0 thousand

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	945	904	-4.3%
Cost of goods sold	755	685	-9.3%
Gross profit (loss)	190	219	+15.2%
Cost of sales	45	44	-2.6%
General and administrative expenses	177	182	+2.8%
Results of other activities	-2	42	-
Net financial items	0	0	-
Profit (loss) before taxes	-34	35	-
Corporation tax	0	0	-
Net profit (loss)	-34	35	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	1,232	1,200	-2.6%
Current assets	242	293	+21.3%
Cash and cash equivalents	3	1	-70.0%
Deferred charges and accrued income	1	1	-
Total assets	1,474	1,494	+1.3%
Equity	1,111	1,146	+3.2%
Grants and subsidies	0	26	-
Provisions	0	0	-
Amounts payable and other liabilities	364	322	-11.5%
Amounts payable after one year and other non-current liabilities	0	150	-
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	364	172	-52.7%
Financial liabilities	0	60	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,474	1,494	+1.3%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-2.2%	2.4%	+4.6 p. p.
ROE	-3.0%	3.1%	+6.1 p. p.
D/E	0.0%	5.2%	+5.2 p. p.
EBITDA	16	82	+422.3%
EBITDA margin	1.7%	9.1%	+7.4 p. p.
Net profit margin	-3.6%	3.9%	+7.5 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	29	31	+6.9%
Average monthly salary of a manager (gross, EUR)	2,361	2,660	+12.6%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Agriculture of the Republic of Lithuania			98.95%
Other shareholders			+1.05%
MANAGEMENT (1 JUL 2021)			
General Director	Vilius Rektys		
Chairman of the Board of Directors	Arūnas Šileika		
Members of the Board of Directors	Edmundas Adomavičius * Irmantas Povilauskas * Evaldas Pranckevičius Darius Vilimas		

*Independent member



UAB Lietuvos žirgynas

www.lietuvszirgynas.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 reporting period, the Company assessed 28 stallions and 46 mares in performance tests comparing with 18 stallions and 34 mares evaluated in 2019. The number of assessments of horse gains increased by 10 and amounted 77. During 2020, the Company had 148 foals born (153 in 2019), 164 horses were sold (110 in 2019), 26 horses fell (17 in 2019) and 2 horses were purchased (1 in 2019). At the end of the reporting period, the Company had 856 horses with their book value totalling EUR 777.6 thousand, while at the end of 2019 the Company had 896 horses with a book value of EUR 797.4 thousand.

During 2020, the Company earned EUR 734.2 thousand in revenue, i.e. 10.7% more than in 2019. The main reason for the increase in sales revenue is the number of horses sold being 54 for an average sales price of EUR 1.7 thousand per horse, the revenue of which was 49.1% higher than in 2019 and amounted to EUR 279.2 thousand. A major part (37.4%) of the total sales revenue consists of direct payments from the National Paying Agency for agricultural land and livestock, which in the reporting year amounted to EUR 274.9 thousand and were 8.3% lower than in 2019.

The Company's cost of sales in 2020 increased by 55.2% compared to 2019 and amounted to EUR 629.6 thousand. The growth was due to an increase of 15.6% to EUR 1,212.4 thousand, an increase in expenses related to animal husbandry and crop production, and an increase of 65.1% to EUR 147.6 thousand in the cost of selling horses. Faster growth of expenses than revenue resulted in a lower net result of EUR 158.0 thousand than in 2019, which in 2020 amounted to EUR -150 thousand. **The net profit margin decreased by 21.6 p. p. to -20.4%, and EBITDA amounted to EUR -34.2 thousand.**

In 2020, the Company's assets grew by 19.7% to EUR 2,418.4 thousand. In the structure of the Company's assets, the largest part (52.4%) was accounted for by current assets, which increased by 43.1% to EUR 1,267.7 thousand over the year due to a more than 4.5-fold increase in working capital, which amounted to EUR 460.8 thousand. Non-current assets increased insignificantly during the reporting period – by 1.4% to EUR 1,145.5 thousand.

During the reporting period, the Company's liabilities more than doubled and amounted to EUR 932.6 thousand. The major part (54.3%) of the Company's total liabilities consisted of financial debts, which increased as much as 16 times during the year and amounted to EUR 506.8 thousand. This significant growth was mainly due to a loan received from UAB Žemės ūkio paskolų garantijų fondas, the value of which amounted to EUR 250.0 thousand, and a short-term loan received from SEB bankas, the value of which amounted to EUR 200.0 thousand.

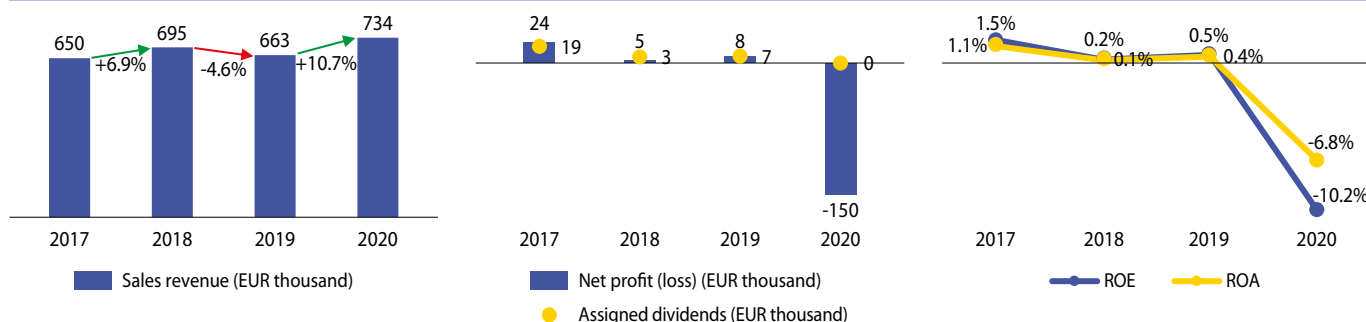
For the first time in the last four years, the net loss led to a trend of negative financial returns: **return on assets (ROA) fell by 7.1 p. p. to -6.8%, and return on equity (ROE) fell by 10.7 p. p. to -10.2%.** The significant increase in the cost of sales resulted in a decrease of the Company's gross profit by 24.6 p. p. to 14.2%. A significant increase in financial liabilities resulted in an increase in the Company's D/E ratio to 36.4%, while in 2019 the D/E ratio reached 2.0%.

In 2020, the Company invested EUR 128.2 thousand in non-current assets, compared to EUR 17.3 thousand a year ago. Most of the investments (58.5% or EUR 75.0 thousand) were made for the purchase of a Krone round baler. For the remaining amount, vehicles and other equipment and devices necessary for the operation were purchased.

- ↑ Sales revenue grew by 10.7%
- ↑ The value of assets under management increased by 19.7%
- ↑ Liabilities increased more than twofold

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		663	734	+10.7%
Cost of goods sold		406	630	+55.2%
Gross profit (loss)		257	105	-59.4%
Cost of sales		18	14	-21.3%
General and administrative expenses		222	233	+5.1%
Results of other activities		0	4	-
Net financial items		-9	-11	-17.1%
Profit (loss) before taxes		8	-150	
Corporation tax		0	0	-
Net profit (loss)		8	-150	-
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		1,130	1,146	+1.4%
Current assets		886	1,268	+43.1%
Cash and cash equivalents		99	461	+367.8%
Deferred charges and accrued income		4	5	+18.2%
Total assets		2,020	2,418	+19.7%
Equity		1,548	1,391	-10.2%
Grants and subsidies		62	95	+51.9%
Provisions		0	0	-
Amounts payable and other liabilities		409	933	+128.0%
Amounts payable after one year and other non-current liabilities		10	274	+2,615.8%
Financial liabilities		10	274	+2,615.8%
Amounts payable within one year and other current liabilities		399	658	+65.0%
Financial liabilities		21	233	+986.4%
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		2,020	2,418	+19.7%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		0.4%	-6.8%	-7.2 p. p.
ROE		0.5%	-10.2%	-10.7 p. p.
D/E		2.0%	36.4%	+34.4 p. p.
EBITDA		112	-34	
EBITDA margin		16.8%	-4.7%	-21.5 p. p.
Net profit margin		1.2%	-20.4%	-21.6 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		7	0	-100.0%
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		77	81	+5.2%
Average monthly salary of a manager (gross, EUR)		3,472	4,297	+23.8%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Agriculture of the Republic of Lithuania			89.61%	
Other shareholders			10.39%	
MANAGEMENT (1 JUL 2021)				
General Director			Felicija Klemickaitė	
Chairman of the Board of Directors			Andrius Burlėga	
Members of the Board of Directors			Vyngantas Katkevičius Ilona Daugėlaitė* Petras Jurkūvenas*	

*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

In 2020, the Company quarantined 2.2 thousand breeding cattle and collected 4.9 thousand cattle for foreign suppliers, while in 2019 1.2 thousand breeding cattle were quarantined and 5.0 thousand cattle were collected for foreign suppliers. During the reporting period, as in 2019, one national and international level breeding animal exhibition was organised, where presentations, discussions on the most relevant topics of breeding took place and the top ten breeding animal exhibits were selected.

During the reporting period, the Company's sales revenue was 56.3% lower than in 2019 and amounted to EUR 618.0 thousand. The most significant impact on the decrease was made by the sales revenue of cattle, which accounted for the largest share (58.9%) of the turnover, which decreased more than 3 times compared to the previous year and amounted to EUR 363.9 thousand.

In 2020, expenses of EUR 476.1 thousand were incurred to earn operating revenue, which, compared to 2019, decreased by 62.5%. The Company's general and administrative expenses in the reporting period increased by 16.4% to EUR 141.9 thousand, due to an increase in salaries and related expenses of 16.7% amounting to EUR 78.8 thousand. Despite the decrease in revenue and the increase in net profit by 0.7 p. p. to 2.3%, the Company earned a net profit of EUR 14.3 thousand in 2020, but it was 37.1 percent or EUR 8.4 thousand lower than the profit earned in 2019. EBITDA also decreased by 7.2% to EUR 119.8 thousand.

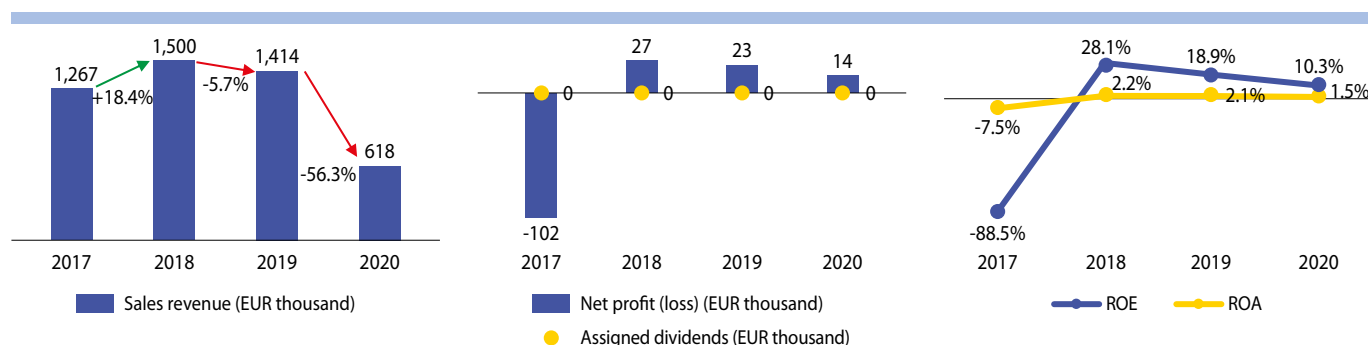
During 2020, the Company's assets decreased by 8.2% and amounted to EUR 942.6 thousand at the end of the period. As much as 87.8% of the Company's total assets consisted of non-current tangible assets, which decreased by 11.3% to EUR 828.1 thousand during the year due to depreciation. Current assets grew by 23.5% to EUR 113.9 thousand, but this did not have a significant impact on the total value of assets.

The decline in net profit resulted in poorer financial returns: the return on assets (ROA) decreased by 0.7 p. p. to 1.5%, and the decline in return on equity (ROE) was 8.6 p. p. to 10.3%.

During the reporting period, the Company's grants decreased by 12.0% and amounted to EUR 723.4 thousand at the end of the period. In 2020, the Company received EUR 100.5 thousand of State support, but used EUR 199.3 thousand, which resulted in a negative change. The Company used the largest amount of grants for the modernization of bull base and livestock exhibitions, auctions, quarantine bases (EUR 98.8 thousand) and for the exhibition Algirdiškis 2020 (EUR 85.0 thousand).

- ↓ Sales revenue decreased by 56.3%
- ↓ Net profit shrank by 37.1%
- ↓ The value of assets under management decreased by 8.2%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		1,414	618	-56.3%
Cost of goods sold		1,268	476	-62.5%
Gross profit (loss)		146	142	-2.8%
Cost of sales		0	0	-
General and administrative expenses		122	142	+16.4%
Results of other activities		0	16	-
Net financial items		0	0	-
Profit (loss) before taxes		24	15	-36.9%
Corporation tax		1	1	-33.3%
Net profit (loss)		23	14	-37.1%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		934	828	-11.3%
Current assets		92	114	+23.5%
Cash and cash equivalents		14	5	-68.3%
Deferred charges and accrued income		0	0	-
Total assets		1,026	943	-8.2%
Equity		132	146	+10.9%
Grants and subsidies		822	723	-12.0%
Provisions		0	0	-
Amounts payable and other liabilities		71	73	+2.3%
Amounts payable after one year and other non-current liabilities		3	0	-
Financial liabilities		0	0	-
Amounts payable within one year and other current liabilities		68	73	+6.8%
Financial liabilities		0	0	-
Accrued expenses and deferred income		2	1	-56.3%
Total equity and liabilities		1,026	943	-8.2%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		2.1%	1.5%	-0.6 p. p.
ROE		18.9%	10.3%	-8.6 p. p.
D/E		0.0%	0.0%	-
EBITDA		129	120	-7.2%
EBITDA margin		9.1%	19.4%	+10.3 p. p.
Net profit margin		1.6%	2.3%	+0.7 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		0	0	-
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		4	4	-
Average monthly salary of a manager (gross, EUR)		2,966	3,018	+1.7%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Agriculture of the Republic of Lithuania			97.90%	
Other shareholders			2.10%	
MANAGEMENT (1 JUL 2021)				
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

About 90.0% of the Company's total revenue came from contract works financed from the EU, the State and Šilutė district municipality budgets. During 2020, more than 15 agreements on contract works were fulfilled.

In 2020, the Company earned record revenues over the past four years, with sales reaching EUR 8.8 million. The main customer remained the Šilutė District Municipality Administration.

The Company's cost of sales grew more slowly than sales revenue, leading to an increase in gross profit margin of 6.7 p. p. to 13.6%. Stable operating costs also affected the growth of operating profit margin from 1.48% in 2019 to 9.4% in 2020. Proper cost management allowed the Company to earn a better end result – net profit amounted to EUR 707.6 thousand, while in 2019 it earned EUR 80.2 thousand.

In 2020, dividends of EUR 55.0 thousand were paid for 2019. Taking into account the excellent results of 2020, it is planned to pay over EUR 355.8 thousand in dividends to the shareholders.

The Company's assets grew by 31.9% in 2020 to EUR 2.5 million, mostly at the expense of working capital. Funds in banks accounted for more than 60% of total assets and amounted to EUR 1.5 million at the end of the reporting period. In 2020, the Company fully fulfilled its financial obligations and no longer had any at the end of the year.

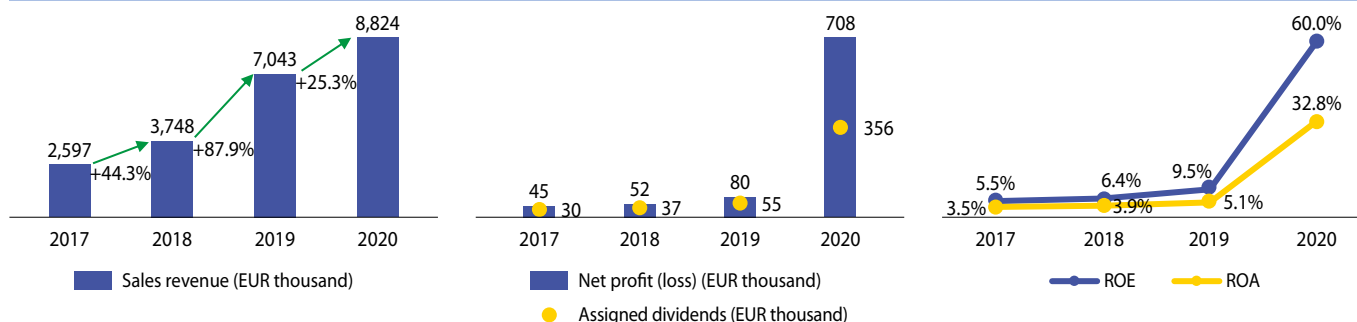
Significant growth in net profit led to jumps in return on assets (ROA) and return on equity (ROE): in 2020, they reached 32.8% and 60.0%, respectively.

During the reporting year, the Company made investments in non-current assets (mainly vehicles) for EUR 247.9 thousand.

- ↑ Sales revenue grew by 25.3% and reached EUR 8.8 million
- ↑ Net profit increased 9 times and amounted to EUR 707.8 thousand
- ↑ Return on equity (ROE) increased almost 6 times and reached 60.0%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		7,043	8,824	+25.3%
Cost of goods sold		6,556	7,622	+16.3%
Gross profit (loss)		487	1,203	+147.1%
Cost of sales		46	15	-66.8%
General and administrative expenses		336	359	+6.7%
Results of other activities		1	15	1,410.0%
Net financial items		-9	-7	+14.1%
Profit (loss) before taxes		97	836	+764.5%
Corporation tax		17	128	+678.2%
Net profit (loss)		80	708	+782.3%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		473	622	+31.7%
Current assets		1,347	1,800	+33.7%
Cash and cash equivalents		1,086	1,489	+37.1%
Deferred charges and accrued income		41	32	-22.0%
Total assets		1,860	2,454	+31.9%
Equity		859	1,499	+74.4%
Grants and subsidies		0	0	-
Provisions		0	0	-
Amounts payable and other liabilities		1,000	955	-4.5%
Amounts payable after one year and other non-current liabilities		121	0	-
Financial liabilities		121	0	-
Amounts payable within one year and other current liabilities		879	955	+8.6%
Financial liabilities		15	0	-
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		1,860	2,454	+32.0%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		5.1%	32.8%	+27.7 p. p.
ROE		9.5%	60.0%	+50.5 p. p.
D/E		15.8%	0.0%	-15.8 p. p.
EBITDA		208	953	+358.1%
EBITDA margin		3.0%	10.8%	+7.8 p. p.
Net profit margin		1.1%	8.0%	+6.9 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		55	356	+545.7%
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		88	89	+1.1%
Average monthly salary of a manager (gross, EUR)		3,459	3,573	+3.3%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Agriculture of the Republic of Lithuania			81.03%	
Other shareholders			18.97%	
MANAGEMENT (1 JUL 2021)				
General Director			Arūnas Jagminas	
Chairman of the Board of Directors			Linas Lapinskas	
Members of the Board of Directors			Simona Martinkė* Jonas Lisauskas 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:

• In February, during the General Meeting of Shareholders, Remigijus Sakalauskas was appointed as the new head of the Company.

In 2020, the Company purchased 149 units of cattle and sold 240 units of cattle in its operations, while a year ago it bought 270 units of cattle and sold 319 units of cattle. In total, the Company had 285 cattle in 2020 with a total weight of 105.8 thousand kg, which was 54 units and 25.8 thousand kg less than in 2019.

The decrease in the volume of activities resulted in a decrease of the Company's sales revenue by 15.5% to EUR 256.2 thousand. Revenue from sales of livestock products amounted to EUR 242.7 thousand and was 18.7% lower than in 2019.

During the reporting period, the Company's cost of sales, less grants related to revenue, amounted to EUR 286.2 thousand, while in 2019 it was 52.0% lower. In 2020, the Company incurred a loss of EUR 143.9 thousand due to high accumulated animal costs and the COVID-19 pandemic, which resulted in the closure of the Company for quarantine, which limited the Company's operations. The negative change was also recorded in the Company's EBITDA, which at the end of 2020 amounted to EUR -69.8 thousand.

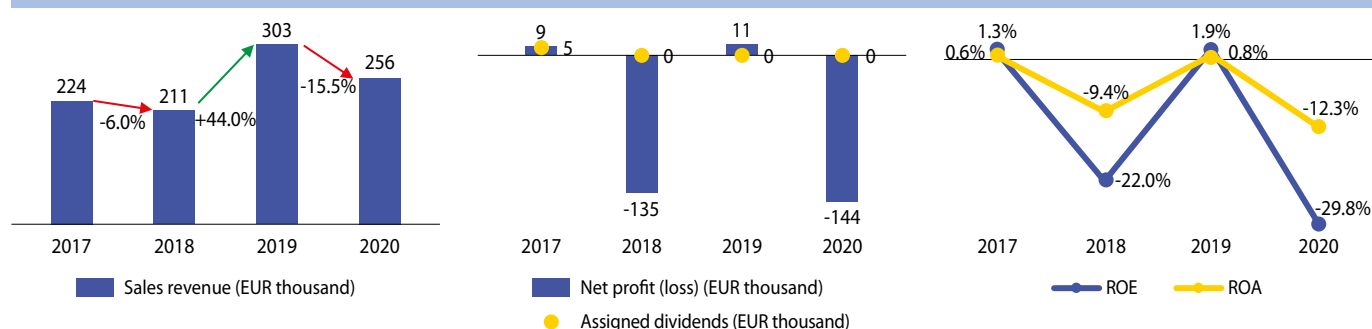
In 2020, the value of assets managed by the Company increased by 19.0% and amounted to EUR 1,048.6 thousand at the end of the period. The major part (52.4%) of the Company's assets consisted of non-current tangible assets, in the structure of which the value of buildings and structures amounted to EUR 402.3 thousand, compared to EUR 433.1 thousand a year ago. Current assets decreased by 26.2% to EUR 499.1 thousand during the reporting period, mainly due to a decrease in the value of inventories by 41.2% to EUR 340.8 thousand.

During the reporting period, the Company's liabilities decreased by 34.2% and amounted to EUR 190.9 thousand. In the structure of liabilities, the major part (87.0%) of all debts consisted of financial liabilities, which in 2020 decreased by 14.8% to EUR 166.2 thousand.

The deteriorating results of the Company are reflected in the financial return indicators: the return on assets decreased by 13.1 p. p. to -12.3%, and the return on equity decreased by as much as 31.7 p. p. to -29.8%. The Company's net profitability in the reporting year amounted to -56.2%, while in 2019 it was 3.5%.

- ↓ Sales revenue decreased by 15.5% to EUR 256.0 thousand
- ↓ Liabilities dropped by 34.2%
- ↓ The value of assets under management decreased by 19.0%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	303	256	-15.5%
Cost of goods sold	188	286	+52.0%
Gross profit (loss)	115	-30	-
Cost of sales	3	1	-61.7%
General and administrative expenses	99	110	+11.3%
Results of other activities	0	0	-85.5%
Net financial items	-3	-3	+5.4%
Profit (loss) before taxes	11	-144	-
Corporation tax	0	0	-
Net profit (loss)	11	-144	-
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	617	549	-11.0%
Current assets	677	499	-26.2%
Cash and cash equivalents	29	139	+373.6%
Deferred charges and accrued income	1	0	-60.3%
Total assets	1,295	1,049	-19.0%
Equity	555	411	-26.0%
Grants and subsidies	450	447	-0.6%
Provisions	0	0	-
Amounts payable and other liabilities	290	191	-34.2%
Amounts payable after one year and other non-current liabilities	139	6	-95.6%
Financial liabilities	139	6	-95.6%
Amounts payable within one year and other current liabilities	152	185	+21.8%
Financial liabilities	57	160	+183.2%
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	1,295	1,049	-19.0%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	0.8%	-12.3%	-13.1 p. p.
ROE	1.9%	-29.8%	-31.7 p. p.
D/E	35.2%	40.5%	+5.3 p. p.
EBITDA	95	-70	-
EBITDA margin	31.2%	-27.3%	-58.5 p. p.
Net profit margin	3.5%	-56.2%	-59.7 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	0	0	-
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	10	7	-30.0%
Average monthly salary of a manager (gross, EUR)	2,271	2,907	+28.0%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Agriculture of the Republic of Lithuania			96.50%
Other shareholders			3.50%
MANAGEMENT (1 JUL 2021)			
General Director			Remigijus Sakalauskas



UAB Žemės ūkio paskolų garantijų fondas

www.garfondas.lt



The Company provides guarantees to financial institutions, financial lease (leasing) companies and financiers of partial payment of monetary claim, administers State aid, the implementation of financial instruments and the indemnity of licensed warehouses

Special obligations: managing financial instruments; managing the indemnity fund of licensed warehouses; managing of reimbursement of part of interest and part of guarantee deposit

MAJOR EVENTS:

- In June, the Company started managing the financial instrument "Loans for climatic victims" and provided loans of EUR 2.1 million;
- In July, the Company was entrusted with the implementation of a financial incentive measure "Loans to provide liquidity to operators in the production, processing and marketing of agricultural and fishery products during the Covid-19 outbreak", which provided EUR 88 million in loans to operators through financial intermediaries

In 2020, the Company provided 286 guarantees for EUR 40.21 million for loans of EUR 54.6 million granted by financial institutions to operators in the fields of agriculture, food, rural development and fisheries and provided 286 guarantees for leasing services amounting to EUR 40.21 million. A quarter of the guarantees provided were for loans to set up or expand alternative businesses in rural areas. **The services provided by the Company in 2020 helped to create and save over 1.8 thousand jobs.**

The declaration of the nationwide state of emergency following the Covid-19 pandemic has restricted the ability of economic operators to borrow from financial institutions, thereby increasing the demand for guarantees. This resulted in a 73.3% increase in the Company's operating revenue from guarantee premiums, therefore in 2020 the Company earned a total of EUR 1.16 million in revenue.

The Company's cost of sales consisted of provisions for guarantee obligations, this item grew faster than sales revenue in 2020, which reduced the gross margin by 11.8 p. p., which amounted to 54.3% at the end of the year. Successful management of operating costs allowed the Company to earn an operating profit margin of 19.0% (for comparison – in 2019, operating profitability was negative and amounted to -13.0%). Accordingly, the Company's EBITDA growth was determined by more than three times higher net profit – it earned EUR 245 thousand.

The amount of dividends paid for 2019 amounted to EUR 89 thousand. The accumulated retained earnings in 2020 amounted to EUR 245 thousand, therefore, taking into account the earned ROE, it is planned to allocate 70.0% or EUR 179 thousand to dividends.

The Company's assets remained almost unchanged in 2020, i.e. amounted to EUR 20.9 million (in 2019, they amounted to EUR 20.3 million). The most significant part of non-current assets remains financial assets amounting to EUR 17 million. It consists of investments in securities of the Government of the Republic of Lithuania.

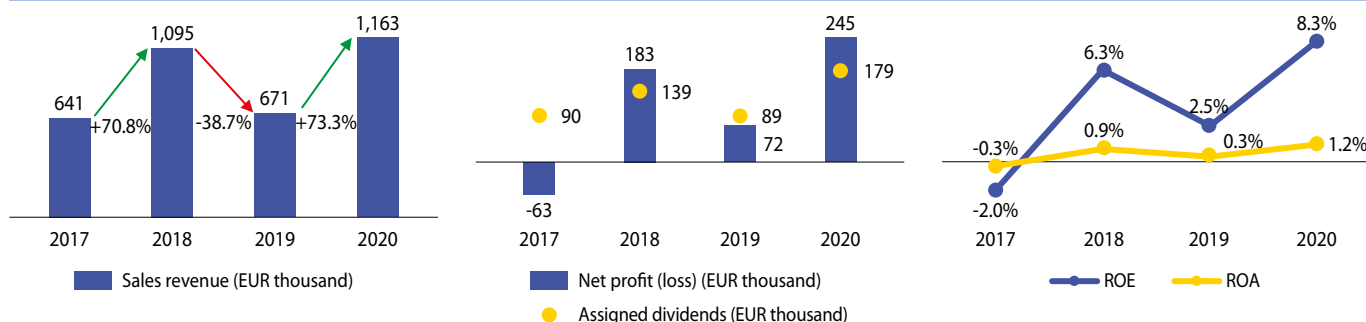
Significant growth in net profit led to a significant increase in ROE of 5.8 p. p. to 8.3%.

In 2020, the Company made minimal investments in the amount of EUR 32 thousand in non-current assets.

- ↑ Sales revenue grew by 73.3% and reached EUR 1.16 million
- ↑ Net profit more than tripled and amounted to EUR 245 thousand
- ↑ Return on equity increased significantly to 8.3%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	671	1,163	+73.3%
Cost of goods sold	228	532	+133.3%
Gross profit (loss)	443	631	+42.4%
Cost of sales	0	0	-
General and administrative expenses	530	412	-22.3%
Results of other activities	32	20	-37.7%
Net financial items	126	120	-4.6%
Profit (loss) before taxes	72	360	+402.0%
Corporation tax	0	115	-
Net profit (loss)	72	245	+241.8%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	16,724	17,251	+3.1%
Current assets	3,571	3,694	+3.4%
Cash and cash equivalents	208	982	+373.0%
Deferred charges and accrued income	3	10	+216.7%
Total assets	20,298	20,954	+3.2%
Equity	2,873	3,029	+5.4%
Grants and subsidies	8	16	+108.0%
Provisions	17,391	17,764	+2.1%
Amounts payable and other liabilities	23	140	+501.3%
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	23	140	+501.3%
Financial liabilities	0	0	-
Accrued expenses and deferred income	4	6	+82.9%
Total equity and liabilities	20,298	20,954	+3.2%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	0.3%	1.2%	+0.9 p. p.
ROE	2.5%	8.3%	+5.8 p. p.
D/E	0.0%	0.0%	-
EBITDA	-19	262	-
EBITDA margin	-2.9%	22.5%	+19.6 p. p.
Net profit margin	10.7%	21.1%	+10.4 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Awarded dividends (share of the State)	89	179	+101.3%
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	14	19	+35.7%
Average monthly salary of a manager (gross, EUR)	3,883	3,820	-1.6%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES
Ministry of Agriculture of the Republic of Lithuania			100.00%
MANAGEMENT (1 JUL 2021)			
General Director			L. e. p. Romalda Globienė
Chairman of the Board of Directors			Vygantas Katkevičius
Members of the Board of Directors			Snieguolė Valiulienė Saulius Jasius Alfredas Gustas
Chairman of the Supervisory Board			Virginija Žoštautienė
Members of the Supervisory Board			Dalius Darulis* Sigita Seemann-Ignatjeva* Lina Liubauskaitė

*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:

- On 27 October, the Board of the Company was appointed;
- On 1 November, the new organisational structure of the Company was approved;

- On 3 November, a new Risk Management System was approved.

During 2020, the Company carried out 3,258.5 thousand milk tests and examined the productivity of 1,592.7 thousand dairy animals. Compared to 2019, the number of milk tests decreased by 6.4% due to a decrease in milk producers selling milk. The Company's indicators for the period 2019 – 2020 were affected by the activities of the Animal Productivity Research and Calibration Laboratory of UAB Gyvulių produktyvumo kontrolė, which was connected to the company on 1 July 2019.

The Company's sales revenue in 2020 grew by 19.0% and amounted to EUR 6.3 million. The growth was mainly due to a 48.2% increase in the revenue from animal productivity research. In the reporting year, the animal productivity research revenue accounted for 49.2% in the revenue structure (in 2019 – 39.5%), while the revenue from the research of purchased milk amounted to 30.8% (in 2019 – 39.1%). The major part (70.0%) of the price of dairy animal research services is paid from the State budget, as breeding activities for dairy farms are subsidized by the State.

Cost of sales increased 17.1% to EUR 4.8 million, mainly due to a 35.2% increase in labour costs. The steady growth of sales revenue and costs enabled the Company to earn 25.8% higher gross profit (EUR 1.5 million), even an increase of 18.9% in operating expenses did not reduce the operating profit margin. On the contrary – it grew by 1.3% to 5.7%. Slightly increased losses from other activities reduced EBITDA by 3.5% and amounted to EUR 852.5 thousand at the end of 2020. The Company's net profit amounted to EUR 279.6 thousand and, compared to 2019, increased by 39.2%.

The amount of dividends allocated for 2020 was EUR 222.0 thousand or 70.0% of retained earnings, which is almost twice as much as in 2019 when the amount of EUR 131.6 thousand was allocated.

As a result of temporarily suspended investment projects, the Company's non-current assets decreased by 8.5% and amounted to EUR 3.3 million at the end of 2020. Meanwhile, current assets grew by 32.6%, mostly at the expense of funds in banks, and amounted to EUR 2.1 million at the end of the year.

The Company's liabilities amounted to EUR 1.3 million, i.e. 5.0% more than in 2019. Growth was driven by a 62.2% increase in non-financial long-term debt due to a 2.0-fold increase in employment-related liabilities. In 2020, the Company's financial liabilities under leasing agreements decreased by 37.6% and amounted to EUR 419.7 thousand at the end of the year. The Company made timely payments to financial institutions and had no overdue liabilities.

Timely financial liabilities reduced the debt-to-equity ratio by 6.7 p. p., reaching 10.2% at the end of 2020. Rising revenues and stable profit margins allowed the Company to earn a 1.4 p. p. higher return on equity on ROE, reaching 6.9% at the end of the reporting period. ROA also increased by 1.1 p. p. to 5.3%.

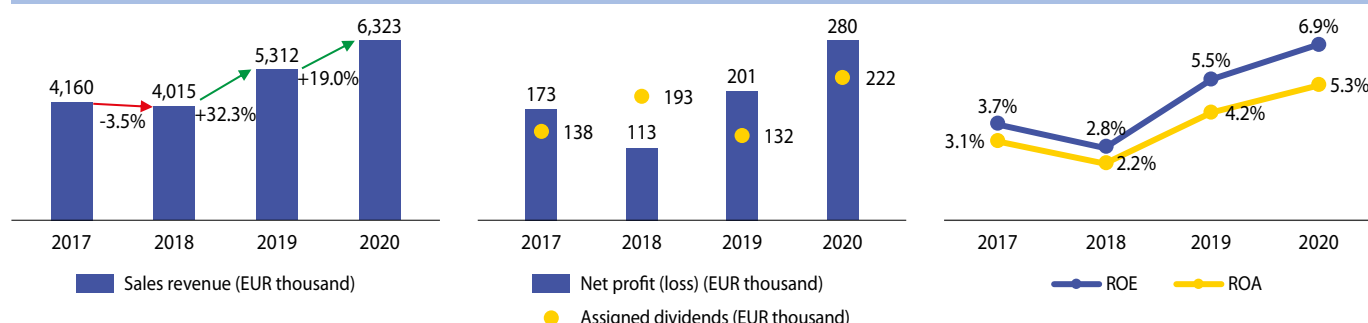
Due to the Covid-19 pandemic, the Company suspended part of the planned investment projects, moving them to 2021. During the reporting period, purchases of non-current assets were made for EUR 164.0 thousand, which included 2 vehicles for sampling, 2 official cars for the needs of the Animal Productivity Research Division and various software and office equipment.

During 2020, the number of employees of the Company decreased by 10.5% to 280 employees. Most of animal productivity research assistants work part-time, and the Company strives to provide opportunities for employees to work full-time, which results in a declining number of employees.

- ↑ Sales revenue grew by 19.0% and reached EUR 6.3 million
- ↑ Net profit increased by 39.2% to EUR 280 thousand
- ↑ Almost 70.0% more dividends were allocated

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	5,312	6,323	+19.0%
Cost of goods sold	4,106	4,806	+17.1%
Gross profit (loss)	1,206	1,517	+25.8%
Cost of sales	0	0	-
General and administrative expenses	974	1,158	+18.9%
Results of other activities	3	-9	-
Net financial items	-25	-15	+39.4%
Profit (loss) before taxes	210	335	+59.6%
Corporation tax	9	56	+506.5%
Net profit (loss)	201	280	+39.2%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	3,589	3,284	-8.5%
Current assets	1,587	2,104	+32.6%
Cash and cash equivalents	801	1,400	+74.8%
Deferred charges and accrued income	11	8	-28.0%
Total assets	5,187	5,396	+4.0%
Equity	3,985	4,133	+3.7%
Grants and subsidies	0	0	-
Provisions	0	0	-
Amounts payable and other liabilities	1,195	1,255	+5.0%
Amounts payable after one year and other non-current liabilities	432	236	-45.3%
<i>Financial liabilities</i>	420	228	-45.6%
Amounts payable within one year and other current liabilities	763	1,018	+33.5%
<i>Financial liabilities</i>	253	192	-24.3%
Accrued expenses and deferred income	6	8	+36.1%
Total equity and liabilities	5,187	5,396	+4.0%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	4.2%	5.3%	+1.1 p. p.
ROE	5.5%	6.9%	+1.4 p. p.
D/E	16.9%	10.2%	-6.7 p. p.
EBITDA	884	853	-3.5%
EBITDA margin	16.6%	13.5%	-3.1 p. p.
Net profit margin	3.8%	4.4%	+0.6 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Awarded dividends (share of the State)	132	222	+68.7%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	313	280	-10.5%
Average monthly salary of a manager (gross, EUR)	2,897	3,115	+7.5%
INSTITUTION REPRESENTING THE STATE	OWNED SHARES		
Ministry of Agriculture of the Republic of Lithuania	100.00%		
MANAGEMENT (1 JUL 2021)			
General Director	Laima Urbšienė		
Chairman of the Board of Directors	Not appointed		
Members of the Board of Directors	Andrius Burlėga Artūras Palekas* Rūta Pupkaitė-Jurgutienė Rolandas Stankevičius*		

*Independent member



VĮ Valstybės žemės fondas

www.vzf.lt



Land use planning, territorial planning, real estate cadastral measurement, surveying, forest management, 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

MAJOR EVENTS:

- **In June**, the arrangement of the State land fund archive and its transfer to the Vilnius regional state archive was completed;
- **In December**, the implementation of the State-owned land reclamation infrastructure restoration measure was successfully completed by organising repair and/or reconstruction works of land reclamation systems and structures, applying preventive measures in 2017 in municipalities affected by long-term rains.

Almost EUR 4 million were collected in the State and municipal budgets for the state land plots sold and leased at auctions. The Company has concluded long-term 68 commercial service agreements with the National Land Service under the Ministry of Agriculture, 98 with district and city municipalities and 43 with other legal entities.

In 2020, the Company's revenue amounted to EUR 2.6 million, all of which was earned from commercial work. The largest share of them was other commercial contract work which amounted to 76.2%, as well as land reform and land management projects and the preparation of plans for similar land plots amounting to 12.9%. The decrease in revenue during the reporting year is explained by intensifying competition and a significant decrease in service prices in the market.

The Company's net profit decreased by 6.3% and amounted to EUR 65.4 thousand. Although both the cost and operating expenses decreased, in 2020 the Company earned less from other operating revenue (in 2019 – EUR 64.1 thousand, and in 2020 – only EUR 12.1 thousand).

A profit contribution of 75.0% was allocated from the distributable profit to the State budget, i.e. EUR 31.1 thousand.

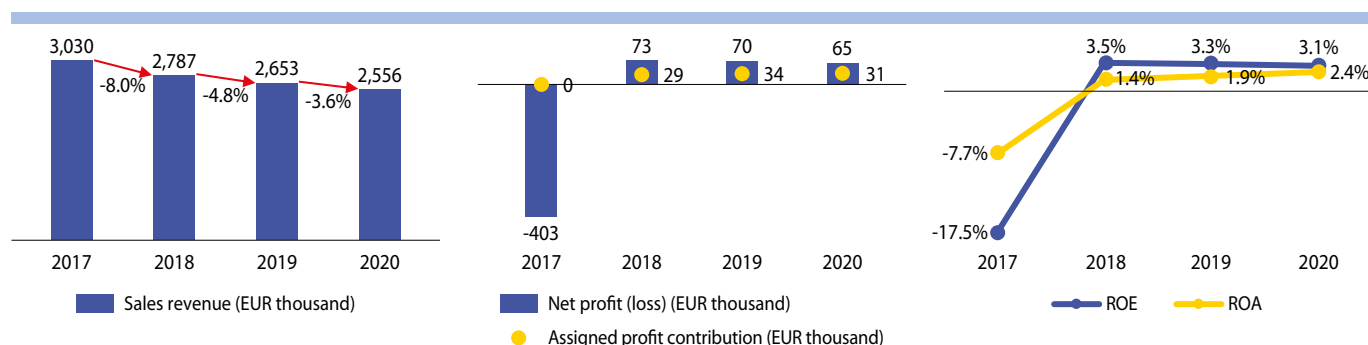
The Company's assets changed insignificantly – by 2.4%. Tangible non-current assets (EUR 1.3 million) and funds in banks (EUR 1.3 million) remained the main asset items. The Company had no financial liabilities during the reporting period.

The decrease in net profit had a corresponding negative effect on the return on equity, resulting in a decrease in adjusted ROE of 0.2 p. p. to 3.1% during the reporting year.

In 2020, the Company acquired new geodetic equipment: GNSS receivers and tacheometers, as well as updated the software necessary for the Company's operations. A total of EUR 72.4 thousand was invested.

- ↓ Sales revenue fell by 3.6% and amounted to EUR 2.6 million
- ↓ Adjusted net profit decreased by 6.3% and amounted to EUR 65.4 thousand
- ↓ Return on equity (ROE) reached 3.1%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)	2019	2020	CHANGE
Sales revenue	2,653	2,556	-3.6%
Cost of goods sold	2,353	2,224	-5.5%
Gross profit (loss)	300	333	+10.9%
Cost of sales	0	0	-
General and administrative expenses	321	305	-5.0%
Results of other activities	32	16	-52.0%
Net financial items	32	-3	-
Profit (loss) before taxes	44	40	-7.8%
Corporation tax	7	8	+14.9%
Net profit (loss)	37	32	-11.9%
Adjusted net profit (loss)	70	65	-6.3%
BALANCE SHEET (EUR THOUSAND)	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	1,304	1,320	+1.2%
Current assets	1,483	1,394	-6.0%
Cash and cash equivalents	1,214	1,279	+5.4%
Deferred charges and accrued income	10	17	+74.2%
Total assets	2,797	2,731	-2.4%
Equity	2,089	2,088	-0.1%
Grants and subsidies	407	407	-0.0%
Provisions	0	0	-
Amounts payable and other liabilities	223	179	-19.8%
Amounts payable after one year and other non-current liabilities	2	1	-45.5%
Financial liabilities	0	0	-
Amounts payable within one year and other current liabilities	221	178	-19.6%
Financial liabilities	0	0	-
Accrued expenses and deferred income	78	57	-26.7%
Total equity and liabilities	2,797	2,731	-2.4%
RATIOS	31 DEC 2019	31 DEC 2020	CHANGE
ROA	1.9%	2.4%	+0.5 p. p.
ROE	3.3%	3.1%	-0.2 p. p.
D/E	0.0%	0.0%	-
EBITDA	73	97	32.2%
EBITDA margin	2.8%	3.8%	+1.0 p. p.
Net profit margin	1.4%	1.3%	-0.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)	2019	2020	CHANGE
Assigned profit contribution	34	31	-7.4%
Property tax	39	39	-
Total contributions and non-standard taxes to the State	72	70	-3.5%
INFORMATION ABOUT EMPLOYEES	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	216	207	-4.2%
Average monthly salary of a manager (gross, EUR)	3,579	3,179	-11.2%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
Director	Lina Zinkevičienė		



VĮ Žemės ūkio informacijos ir kaimo verslo centras

www.vic.lt



Creates and administers registers and information systems, performs functions and implements tasks related to the implementation of strategic economic development provisions of the Republic of Lithuania, administration of EU and national support for agriculture and rural development, temporary administration of support for farmers. Part of the registers and information systems are components of the Lithuanian Integrated Administration and Control System for Agriculture (IACS), the data of which are used in the administration of direct payments and other support.

Special obligations: managing of the livestock register; managing of the pets register; managing of the register of feed business operators; managing of the register of farm holdings; managing of the register of agriculture and rural business; of the Republic of Lithuania; managing of the register of tractors, self-propelled and agricultural machinery and their trailers; managing of the application acceptance information system; managing of the information system for direct payments for milk; managing of the Lithuanian agricultural and food market information system; managing of the livestock breeding information system; development and management of the spatial data set of control land plots; managing of the phytosanitary register of the Republic of Lithuania; managing of recognition and cooperative societies (cooperatives) as agricultural cooperative societies (cooperatives)

MAJOR EVENTS:

- In July**, the Company has completed the project "Development of an open data platform enabling efficient re-use of public sector information for business and its management tools";

- In December**, a new structure of the Company was approved.

In 2020, the Company provided 10 different administrative services to agricultural entities (issuance of a cattle passport, issuance of a livestock register certificate, etc.), 14 different e-services (submission of data on controlled cattle, ordering of animal marking means, etc.). The largest source of financing for activities remained the State budget of the Republic of Lithuania – EUR 5.3 million or 74.3% of all financing sources.

During the reporting year, the Company's revenue decreased by EUR 79.7 thousand and amounted to EUR 674.2 thousand. Their main sources are revenue from the issuance of a cattle passport and the distribution of forms, which the Company transfers to municipal administrations or companies in accordance with the legal acts of the Republic of Lithuania. Due to the declining number of cattle keepers every year, this number of issuance of documents is also decreasing.

The increase in general and administrative expenses, by more than a third to EUR 1,197 thousand, is related to the Company's staff wages (salary increases, bonuses for increased workload, additional agreements for additional functions) and the implementation of IT solutions in the Company. The increase in expenses was also influenced by additional temporary functions – assistance to the victims of the COVID-19 pandemic. The Company covered the costs of performing the activities and performing short-term tasks and other non-funded tasks with funds received from ordinary activities.

The cost of sales grew disproportionately, i.e. was 13.7% higher than in 2019. A significant 37.5% jump in operating expenses more than doubled operating losses: in 2020, this amounted to EUR 764.8 thousand, while in 2019 – EUR 330.6 thousand.

Operating at a loss, the Company did not make a profit contribution to the budget. It also had no financial obligations.

The Company's assets declined by 4.7% to EUR 3.2 million at the end of the year. Long-term tangible assets remain the most significant part of assets – 63.0%.

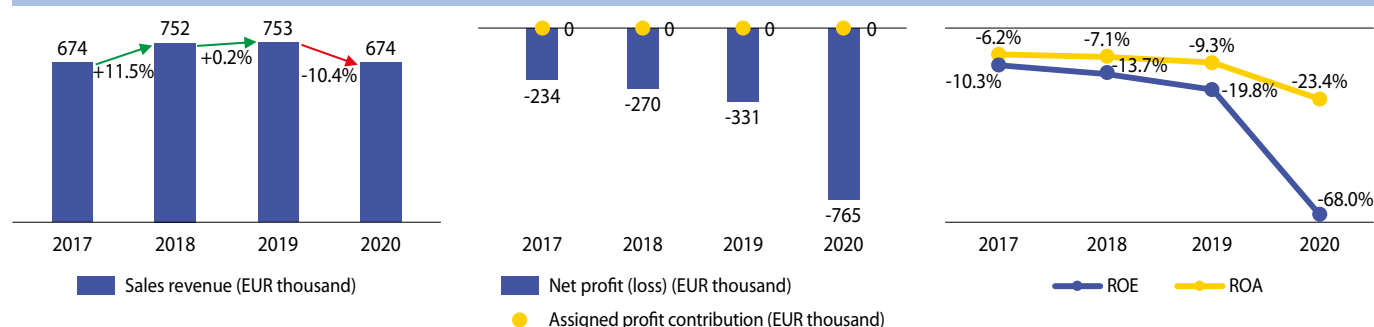
Decreased revenue and rising expenses resulted in both negative EBITDA profitability and ROE: these financial ratios in 2020 were -99.3% and -68.0%, respectively. However, in 2020 the Company acquired non-current assets for EUR 545.8 thousand, of which:

the Company allocated EUR 121.2 thousand for the acquisition of software;
EUR 395.0 thousand for computer equipment;
EUR 29.6 thousand for the Global Positioning System (GPS).

- ↓ Sales revenue decreased 10.4% to EUR 674.2 million
- ↓ Net loss more than doubled and amounted to EUR -765 thousand
- ↑ Amount of grants awarded increased by 34% and amounted to EUR 1.9 million

PROFIT (LOSS) STATEMENT (EUR THOUSAND)			
	2019	2020	CHANGE
Sales revenue	753	674	-10.4%
Cost of goods sold	213	242	+13.7%
Gross profit (loss)	540	432	-20.0%
Cost of sales	0	0	-
General and administrative expenses	870	1,197	+37.5%
Results of other activities	0	0	-
Net financial items	0	0	-
Profit (loss) before taxes	-331	-765	-131.3%
Corporation tax	0	0	-
Net profit (loss)	-331	-765	-131.3%
Adjusted net profit (loss)	-331	-765	-131.3%
BALANCE SHEET (EUR THOUSAND)			
	31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets	2,278	2,237	-1.8%
Current assets	1,068	952	-10.8%
Cash and cash equivalents	772	508	-34.2%
Deferred charges and accrued income	0	0	-
Total assets	3,346	3,190	-4.7%
Equity	1,507	742	-50.7%
Grants and subsidies	1,395	1,868	+33.9%
Provisions	0	0	-
Amounts payable and other liabilities	444	579	+30.5%
Amounts payable after one year and other non-current liabilities	14	27	+99.3%
<i>Financial liabilities</i>	0	0	-
Amounts payable within one year and other current liabilities	430	552	+28.3%
<i>Financial liabilities</i>	0	0	-
Accrued expenses and deferred income	0	0	-
Total equity and liabilities	3,346	3,190	-4.7%
RATIOS			
	31 DEC 2019	31 DEC 2020	CHANGE
ROA	-9.3%	-23.4%	-14.1 p. p.
ROE	-19.8%	-68.0%	-48.2 p. p.
D/E	0.0%	0.0%	-
EBITDA	-177	-670	-279.5%
EBITDA margin	-23.4%	-99.3%	-75.9 p. p.
Net profit margin	-43.9%	-113.4%	-69.5 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)			
	2019	2020	CHANGE
Assigned profit contribution	0	0	-
Property tax	0	0	-
Total contributions and non-standard taxes to the State	0	0	-
INFORMATION ABOUT EMPLOYEES			
	31 DEC 2019	31 DEC 2020	CHANGE
Number of employees	202	202	-
Average monthly salary of a manager (gross, EUR)	3,153	3,216	+2.0%
INSTITUTION REPRESENTING THE STATE			
Ministry of Agriculture of the Republic of Lithuania			
MANAGEMENT (1 JUL 2021)			
General Director	Sigitas Puodžiukas		
Chairman of the Board of Directors	Paulius Martinkus*		
Members of the Board of Directors	Dalia Bubnelytė-Daktariūnienė Romas Bunevičius* Artūras Palekšas* Evaldas Pranckevičius		

*Independent member



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

In 2020, the volumes of plant production produced by the Company were almost twice as large: 4.5 thousand tonnes of grain (2.5 tonnes in 2019), 523.0 tonnes of rapeseed (256.0 tonnes in 2019) and 95.0 tonnes of peas (61.0 tonnes in 2019). Livestock production volumes remained at a similar level: 2.1 thousand tonnes of milk were produced (2.1 thousand tonnes in 2019), the volume of cattle raised decreased by 6.0 tonnes to 140 tonnes.

In 2020, 12.0% more revenue was received from crop production and 10.4% more revenue was received from animal husbandry. **As a result, total revenue for the reporting period increased by 8.0% to EUR 1.9 million.**

The Company's cost of sales increased by 6.6% to EUR 1.6 million. The growth was mainly due to a 19.9% increase in the costs of crop production. In the structure of the cost of sales, 63.4% is accounted for by livestock activities, the costs of which increased by 4.9% in 2020. A sufficiently stable cost level and a 3.5 percent decrease in operating expenses allowed to earn a 2.4 p. p. higher operating profit margin. **Net profit for the reporting year reached EUR 44.3 thousand.**

In 2020, the Company's distributable profit amounted to EUR 44.3 thousand, and dividends allocated to shareholders amounted to EUR 35.0 thousand. In 2019, the Company's distributable loss, amounting to EUR 166.4 thousand, was covered by a transfer from the reserve.

The Company's assets grew by 3.8% to EUR 3.6 million, largely due to investments made. 54.0% of total assets consisted of non-current tangible assets, which grew by 4.3%. The value of financial assets increased by EUR 137.7 thousand due to the debt repayment agreement signed in October 2020 with AB Kiaulių veislininkystė. The value of current assets decreased by 8.2%, the change was due to a 67.6% decrease in receivables within one year.

During the reporting year, the Company's liabilities increased by 41.8% to EUR 544.1 thousand. Non-financial debt accounted for the largest share (67.6%), growing by 20.5%. The Company's financial liabilities more than doubled during the reporting year due to the newly concluded leasing agreement for the purchase of agricultural machinery and amounted to EUR 176.4 thousand.

The debt-to-equity ratio, although growing by 3.7 p. p., remained low at 6.8%. The Company's return on equity rose by 1.6 p. p. to 1.7%, while the return on assets rose by 1.2 p. p. to 1.3%.

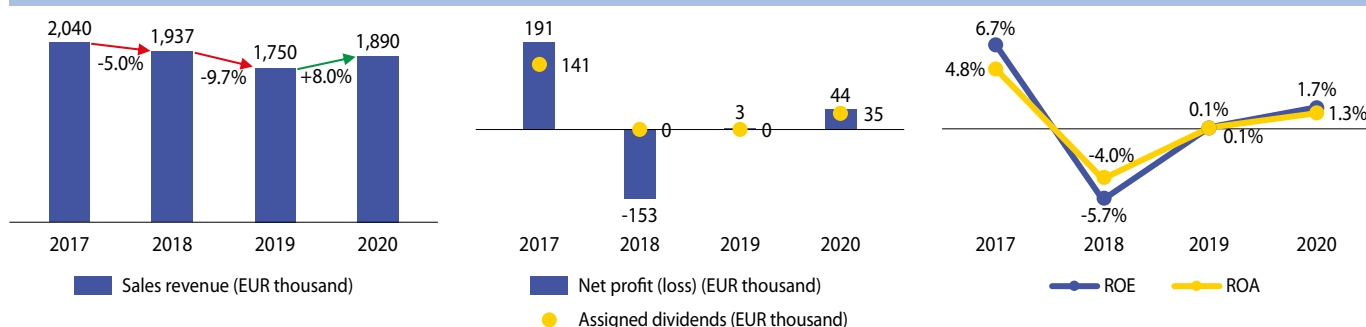
In 2020, the Company partially renewed its non-current assets, investing a total of EUR 285.5 thousand. For comparison, in 2019 investments amounted to only EUR 15.0 thousand. The largest investment was made in agricultural machinery in the amount of EUR 225.0 thousand by concluding a new leasing agreement with a financial institution.

The Company invested EUR 60.5 thousand of its own funds in the acquisition of agricultural land and the renewal of the agricultural machinery fleet.

- ↑ Sales revenue grew by 8.0% and reached EUR 1.9 million
- ↑ Non-current assets increased by 10.1% to EUR 2.55 million
- ↑ Debt-to-equity ratio D/E increased 3.7 p. p. to 6.8%

PROFIT (LOSS) STATEMENT (EUR THOUSAND)		2019	2020	CHANGE
Sales revenue		1,750	1,890	+8.0%
Cost of goods sold		1,532	1,633	+6.6%
Gross profit (loss)		218	256	+17.6%
Cost of sales		0	0	-
General and administrative expenses		206	199	-3.5%
Results of other activities		1	5	+800.0%
Net financial items		-9	-19	-105.4%
Profit (loss) before taxes		3	44	+1,165.7%
Corporation tax		0	0	-
Net profit (loss)		3	44	+1,165.7%
BALANCE SHEET (EUR THOUSAND)		31 DEC 2019	31 DEC 2020	CHANGE
Non-current assets		2,315	2,550	+10.1%
Current assets		1,143	1,050	-8.2%
Cash and cash equivalents		67	110	+63.9%
Deferred charges and accrued income		9	0	-
Total assets		3,468	3,600	+3.8%
Equity		2,554	2,598	+1.7%
Grants and subsidies		530	458	-13.6%
Provisions		0	0	-
Amounts payable and other liabilities		384	544	+41.8%
Amounts payable after one year and other non-current liabilities		5	139	+2,674.0%
Financial liabilities		5	139	+2,674.0%
Amounts payable within one year and other current liabilities		379	405	+7.0%
Financial liabilities		74	38	-48.8%
Accrued expenses and deferred income		0	0	-
Total equity and liabilities		3,468	3,600	+3.8%
RATIOS		31 DEC 2019	31 DEC 2020	CHANGE
ROA		0.1%	1.3%	+1.2 p. p.
ROE		0.1%	1.7%	+1.6 p. p.
D/E		3.1%	6.8%	+3.7 p. p.
EBITDA		216	197	-9.0%
EBITDA margin		12.3%	10.4%	-1.9 p. p.
Net profit margin		0.2%	2.3%	+2.1 p. p.
CONTRIBUTIONS TO THE STATE BUDGET (EUR THOUSAND)		2019	2020	CHANGE
Awarded dividends (share of the State)		0	35	-
INFORMATION ABOUT EMPLOYEES		31 DEC 2019	31 DEC 2020	CHANGE
Number of employees		71	67	-5.6%
Average monthly salary of a manager (gross, EUR)		2,090	2,495	+19.4%
INSTITUTION REPRESENTING THE STATE			OWNED SHARES	
Ministry of Agriculture of the Republic of Lithuania			100.00%	
MANAGEMENT (1 JUL 2021)				
General Director			Audrius Zalatoris	
Chairperson of the Board			Rūta Liaubienė*	
Members of the Board of Directors			Kostas Bauža Jolita Čičurkienė Ramūnas Antanaitis*	

*Independent member







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. 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 2020.
3. The SOE portfolio results include the consolidated financial results of **AB Ignitis grupė, UAB EPSO-G, AB Lietuvos geležinkeliai, AB Klaipėdos nafta, AB Lietuvos paštas, UAB Lietuvos parodų ir kongresų centras LITEXPO** and **UAB Investicijų ir verslo garantijos groups**.
4. 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 Šeduvos 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.
5. The report presents to 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 abovementioned 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.
6. 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.
7. The definition "Management Staff" includes the managers of first and second level (managerial positions).
8. The report uses names of the companies that were recorded before 1 July 2021. 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 VŠĮ Valdymo koordinavimo centras, 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 Interna-

tional Airport, Tallinn Airport Ltd, PostNord AB, Sveaskog AB, SJSC LATVIJAS GAISA SATIKSME, 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 2020 (EUR thousand)	Assets as at 31 DEC 2020 (EUR thousand)	Sales revenue in 2020 (EUR thousand)	EBITDA in 2020 (EUR thousand)	Net profit in 2020 (EUR thousand)
1	AB Ignitis grupė ² Group	73.1%	Ministry of Finance	Energy	Large	73,430	3,969,296	1,223,090	328,289	169,262
1.1	AB Ignitis gamyba	-	AB Ignitis grupė	Energy		51,192***	689,922	174,460	68,235	41,793
1.2	AB Energijos skirstymo operatorius	-	AB Ignitis grupė	Energy		55,467***	1,763,523	484,841	172,846	69,482
1.3	UAB Ignitis renewables	-	AB Ignitis grupė	Energy		6,655***	245,132	13,900	8,913	-133
1.4	UAB Ignitis	-	AB Ignitis grupė	Energy		40***	224,449	506,340	67,613	42,073
1.5	UAB NT Valdos	-	AB Ignitis grupė	Energy		0***	5,652	523	-442	-144
1.6	UAB Ignitis grupės paslaugų centras	-	AB Ignitis grupė	Energy		745***	21,828	27,529	5,177	931
1.7	UAB Energetikos paslaugų ir rangos organizacija	-	AB Ignitis grupė	Energy		0***	1,195	812	-373	-45
1.8	Tuuleenergia OU	-	AB Ignitis grupė	Energy		928***	26,684	3,837	1,914	928
1.9	UAB Elektroninių mokėjimų agentūra	-	AB Ignitis grupė	Energy		0***	1,130	757	212	74
1.10	UAB Vilniaus kogeneracinė jėgainė	-	AB Ignitis grupė	Energy		0***	302,052	0	-3,096	-2,803
1.11	UAB Kauno kogeneracinė jėgainė	-	AB Ignitis grupė	Energy		0***	160,123	7,098	2,176	-1,209
1.12	UAB Transporto valdymas	-	AB Ignitis grupė	Energy		1,316***	25,943	6,256	3,137	1,645
1.13	UAB Gamybos optimizavimas	-	AB Ignitis grupė	Energy		0***	570	593	24	-13
2	UAB EPSO-G Group	100.0%	Ministry of Energy	Energy	Large	777	787,532	270,520	74,893	40,085
2.1	Litgrid AB Group	-	UAB EPSO-G	Energy		16,129***	414,353	207,516	50,410	26,603
2.2	UAB TETAS	-	UAB EPSO-G	Energy		0***	11,926	25,793	2,199	854
2.3.	AB Amber Grid	-	UAB EPSO-G	Energy		0***	316,371	52,286	26,075	18,170
2.4	BALTPPOOL UAB	-	UAB EPSO-G	Energy		0***	45,953	1,132	273	182
2.5	UAB ENERGY CELLS	-	UAB EPSO-G	Energy		0***	0	0	0	0
3	AB Klaipėdos nafta	72.3%	Ministry of Energy	Energy	Large	5,454	651,694	80,114	45,868	33,958
3.1	UAB SGD logistika	-	AB Klaipėdos nafta	Energy		0***	4 043	0	-4	22
3.2	UAB SGD terminalas	-	AB Klaipėdos nafta	Energy		0***	6	0	-3	-3
4	VĮ Ignalinos atominė elektrinė ³	100.0%	Ministry of Energy	Energy	Large	0	530,865	234	37	-589
5	AB Lietuvos geležinkeliai Group	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	13,836	2,104,226	422,953	157,617	36,556
5.1	UAB Geležinkelio tiesimo centras	-	AB Lietuvos Geležinkeliai	Transport and Communications		0***	39,758	28,738	2,457	-416
5.2	UAB Rail Baltica statyba	-	AB Lietuvos Geležinkeliai	Transport and Communications		0***	2,393	49	-	-26
5.3	AB LTG CARGO	-	AB Lietuvos Geležinkeliai	Transport and Communications		0***	286,939	396,467	-	16,277
5.4	UAB LTG Link	-	AB Lietuvos Geležinkeliai	Transport and Communications		0***	155,155	13,678	-	-207
5.5	AB LTG Infra	-	AB Lietuvos Geležinkeliai	Transport and Communications		0***	1,548,599	222,607	-	27,566
5.6	UAB Saugos paslaugos	-	AB Lietuvos Geležinkeliai	Transport and Communications		0***	1,339	5,975	-	-396
5.7	UAB Vilniaus lokomotyvų remonto depas ¹	-	AB Lietuvos Geležinkeliai	Transport and Communications		956***	48,727	68,058	4 104	956
5.8	UAB Gelsauga	-	AB Lietuvos Geležinkeliai	Transport and Communications		0***	4 173	794	273	-81
6	AB Lietuvos paštas Group	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	0	114,884	112,061	8,601	1,583
6.1	UAB Lietuvos pašto finansinės paslaugos ¹	-	AB Lietuvos paštas	Transport and Communications		0***	0	0	0	0
6.2	UAB LP mokėjimų sprendimai ¹	-	AB Lietuvos paštas	Transport and Communications		0***	151	0	-5	-75
7	AB Lietuvos radijo ir televizijos centras	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	373	55,702	20,496	5,383	209
8	AB Smiltynės perkėla	99.0%	Ministry of Transport and Communications	Transport and Communications	Medium-sized	541	9,312	4,878	1,972	763
9	AB Kelių priežiūra	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	5,987	142,388	97,863	15,913	4,752
10	VĮ Oro navigacija	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	0	59,566	15,802	-1,499	-4,793
11	VĮ Klaipėdos valstybinio jūrų uosto direkcija	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	25,290	643,916	66,083	50,453	36,473
12	VĮ Lietuvos oro uostai	100.0%	Ministry of Transport and Communications	Transport and Communications	Large	0	196,030	22,717	-4,391	-9 357
13	VĮ Vidaus vandens kelių direkcija	100.0%	Ministry of Transport and Communications	Transport and Communications	Medium-sized	0	33,311	347	2	-623

No.	Enterprise	State-owned interest *	Accountability	Sector	Category**	Dividends (share of the State) in 2020 (EUR thousand)	Assets as at 31 DEC 2020 (EUR thousand)	Sales revenue in 2020 (EUR thousand)	EBITDA in 2020 (EUR thousand)	Net profit in 2020 (EUR thousand)
14	VĮ Lietuvos automobilių kelių direkcija ⁴	100.0%	Ministry of Transport and Communications	Transport and Communications		1,154	3,278,740	3,975	560	966
15	VĮ Valstybinių miškų urėdija	100.0%	Ministry of Environment	Forestry	Large	3,717	184,469	149,845	7,171	18,686
16	VĮ Statybų produkcijos sertifikavimo centras	100.0%	Ministry of Environment	Other	Small	164	1,444	1 079	191	147
17	UAB Būsto paskolų draudimas	100.0%	Ministry of Finance	Other	Small	0	14,132	412	1,598	1,733
18	VĮ Indėlių ir investicijų draudimas	100.0%	Ministry of Finance	Other	Small	0	16,121	739	18	64
19	VĮ Lietuvos prabavimo rūmai	100.0%	Ministry of Finance	Other	Small	259	1,928	604	154	106
20	VĮ Turto bankas	100.0%	Ministry of Finance	Other	Medium-sized	21	445,775	11,538	3,658	93
21	UAB Viešųjų investicijų plėtros agentūra	100.0%	Ministry of Finance	Other	Small	563	13,620	3,158	1,029	776
22	UAB Valstybės investicijų valdymo agentūra ⁵	100.0%	Ministry of Finance	Other		36	1,414	437	63	48
23	VĮ Mūsų amatai	100.0%	Prison Department	Other	Medium-sized	0	4,908	3,426	-597	-814
24	UAB Lietuvos kinas	100.0%	Ministry of Culture	Other	Micro	0	1,037	267	24	7
25	UAB Lietuvos monetų kalykla	100.0%	Bank of Lithuania	Other	Medium-sized	0	5,240	5,380	83	-150
26	VĮ distancinių tyrimų ir geoinformatikos centras Gis-Centras	100.0%	Ministry of Agriculture	Other	Small	226	5,741	949	352	281
27	AB Detonas	100.0%	Ministry of Transport and Communications	Other	Small	247	4,358	2,834	556	363
28	AB VIAMATIKA ⁶	100.0%	Ministry of Transport and Communications	Other	Medium-sized	1,706	8,076	5,748	2,234	1,487
29	VĮ Registrų centras	100.0%	Ministry of Economy and Innovation	Other	Large	9,634	55,837	48,288	15,619	11,222
30	AB Giraitės ginkluotės gamyba	100.0%	Ministry of Finance	Other	Medium-sized	56	19,833	9,184	1,526	533
31	UAB Investicijų ir verslo garantijos	100.0%	Ministry of Economy and Innovation	Other	Small	288	34,404	4,909	610	360
31.1	UAB Kofinansavimas	-	UAB Investicijų ir verslo garantijos	Other		0***	82	161	3	2
32	UAB Toksika	92.5%	Ministry of Economy and Innovation	Other	Medium-sized	814	27,446	8,566	2,261	1,638
33	UAB Lietuvos parodų ir kongresų centras LITEXPO	98.8%	Ministry of Economy and Innovation	Other	Medium-sized	1	18,174	2,237	-244	-1,177
33.1	UAB Litexpo events ¹	-	UAB Lietuvos parodų ir kongresų centras LITEXPO	Other		0***	0	0	0	0
34	UAB Projektų ekspertizė	100.0%	Ministry of Economy and Innovation	Other	Small	121	790	1,008	180	139
35	UAB Valstybės investicinis kapitalas ⁷	100.0%	Ministry of Economy and Innovation	Other		0	98,311	0	-32	-2,902
36	AB Vilniaus metrologijos centras	100.0%	VĮ Turto bankas	Other	Medium-sized	432	5,493	3,501	482	211
37	VĮ Regitra	100.0%	Ministry of the Interior	Other	Large	4,080	25,092	22,704	5,280	3,056
38	AB Jonavos grūdai	70.1%	Ministry of Agriculture	Other	Medium-sized	219	9,588	9,149	904	397
39	AB Lietuvos veislininkystė	99.0%	Ministry of Agriculture	Other	Small	99	1,951	1,787	178	137
40	AB Kiaulių veislininkystė	99.0%	Ministry of Agriculture	Other	Small	0	1,494	904	82	35
41	UAB Lietuvos žirgynas	89.6%	Ministry of Agriculture	Other	Small	0	2,418	734	-34	-150
42	UAB Panevėžio veislininkystė	97.9%	Ministry of Agriculture	Other	Small	0	943	618	120	14
43	UAB Genetiniai ištekčiai	100.0%	Ministry of Agriculture	Other	Small	35	3,600	1,890	197	44
44	UAB Šilutės polderiai	81.0%	Ministry of Agriculture	Other	Small	356	2,454	8,824	953	708
45	UAB Šilutės veislininkystė	96.5%	Ministry of Agriculture	Other	Micro	0	1,049	256	-70	-144
46	UAB Žemės ūkio paskolų garantijų fondas	100.0%	Ministry of Agriculture	Other	Small	179	20,954	1,163	262	245
47	UAB Pieno tyrimai	100.0%	Ministry of Agriculture	Other	Medium-sized	222	5,396	6,323	853	280
48	VĮ Valstybės žemės fondas	100.0%	Ministry of Agriculture	Other	Medium-sized	31	2,731	2,556	97	65
49	VĮ Žemės ūkio informacijos ir kaimo verslo centras	100.0%	Ministry of Agriculture	Other	Small	0	3,190	674	-670	-765

*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 Liquidated or inactive enterprises

² From 28 July 2020, UAB Ignitis grupė became AB Ignitis grupė. From 21 September 2020, the State-owned share of the enterprise decreased from 100.00% to 73.08%.

³ VĮ Ignalinos atominė elektrinė is at the closing stage (production was carried out until 31 December 2009).

⁴ On 20 July 2020, BĮ Lietuvos automobilių kelių direkcija was transformed into the VĮ Lietuvos automobilių kelių direkcija and included in the SOE portfolio.

⁵ On 27 July 2020, UAB Valstybės investicijų valdymo agentūra was established and included in the portfolio of SOEs.

⁶ Until 8 July 2021, the name of AB Viamatika was AB Problematika

⁷ On 28 July 2020, UAB Valstybės investicinis kapitalas was established and included in the portfolio of SOEs

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



VKC
Valdymo koordinavimo centras

STATE-OWNED ENTERPRISES IN LITHUANIA 2020/2021

For further information, please contact:
Governance Coordination Centre
Žalgirio str. 92, LT-09303 Vilnius, Lithuania
Phone: +370 620 73679, e-mail: info@governance.lt