

LITEXPO LITHUANIAN EXHIBITION AND CONGRESS CENTRE

ANNUAL REPORT
FOR THE YEAR ENDING 31 DECEMBER 2022

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A WORD FROM THE COMPANY DIRECTOR

Just like the years 2020-2021, when the COVID-19 pandemic shackled LITEXPO and forced it to rethink its strategy and goals several, the year 2022 was not without its challenges; LITEXPO was operating in an exceptionally dynamic market environment, often questioning how to ensure the continuity of its activities, looking for solutions to ensure that its activities were not only relevant, but also profitable.

At the beginning of 2022, LITEXPO, like other Lithuanian and global companies, faced new challenges. With Russia's war in Ukraine, the world's supply chains have disrupted, inflation and energy prices have risen, governments' priorities have changed, and greater investment in national security and restoring global stability has become a key objective. As a result, the demand for companies to participate in exhibitions (especially from foreign countries), to organise events and conferences has significantly decreased, LITEXPO's exhibitions have lost their relevance, the occupancy rate of the premises has decreased in comparison with the previous years, and the maintenance fees for the infrastructure have become unaffordable, which is why, in order to remain solvent, LITEXPO has sought the shareholder's help and support, and has looked for unconventional solutions, which would help it to ensure the continuity of its activities and ensure growth.

For these reasons, LITEXPO has been forced to continuously review its business processes and strengthen risk management in the years 2020-2022, but also to look for answers on how and what the company will live in the near . This period was particularly challenging for LITEXPO, because the company, like many other businesses, expected that the COVID-19 pandemic, which started in 2020, and the restrictions imposed by it, would end in 2021 and that operations would continue as normal, but this expectation did not come true, and it had to adapt to a new reality, look for new exhibition and event themes, partners, and opportunities in order to ensure continuity of operations and the company's solvency.

The events of 2021-2022 have shown that LITEXPO, faced with the risk of non-performance when exhibitions and events cannot be organised, has no plan of action to take to ensure the continuity of its activities. It has also become clear that it is important for LITEXPO to be able to create hybrid exhibitions (especially for B2B exhibitions) and to have the necessary tools to do so, as well as to have an effective strategy for attracting business and public institutions (including state-owned companies) to exhibitions, and to pay more attention to the organisation of B2B exhibitions, as such exhibitions create more added value for the state and business. In addition to the above, LITEXPO must have an up-to-date and relevant risk management plan, and the team must be able and ready to effectively transform exhibitions to not only the performance of its core business but also its relevance. LITEXPO can also carry out additional activities in addition to its core business (exhibitions and events) (e.g. warehousing, renting office space, filming, etc.), thus securing a steady income even if the exhibition and events activities cannot be carried out.

The war in Ukraine has prompted even more attention to be paid to the themes of the exhibitions, to update them in a way that meets the needs and expectations of their participants, to make them not only a promotional channel, but also a place for discussion, analysis and solutions to the problems affecting the business sector. LITEXPO must also be a place where cooperation and business exchanges take place. Almost all business sectors have been affected in recent years, so in addition to the above-mentioned objectives, it is particularly important for the exhibitors to be able to present their products and services to the local and international market, and for the exhibition to be a place where new contacts are made, and where opportunities for the creation/reestablishment of supply chains are discovered. It is at LITEXPO that business and public authorities must meet, dialogue must take place, and opportunities for cooperation and joint long-term agreements must be sought.

In order to ensure the continuity of operations and to meet the expectations of shareholders, the LITEXPO team in 2022 paid special attention not only to effective risk management, process optimisation, and the formation of new project teams, but also set strategic goals for the coming years and assumed responsibilities for their implementation.

Although 2022 was certainly a challenging year, with frequent doubts about the continuity of operations, the Company was able to achieve the financial targets set out in the 2022 Strategy, which shows that the objectives and directions set by the Company are exactly those that LITEXPO is growing towards and that it can be even more ambitious and confident in achieving them. Even in the face of operational and financial risks, LITEXPO managed to organise 13 international exhibitions in 2022, with 842 events, and 127 different events with 105 430 visitors.

LITEXPO can also be proud and happy that on 15 June 2022, a very important and significant for LITEXPO Resolution of the Government of the Republic of Lithuania No. 632 "On the organisation of the North Atlantic Treaty Organisation Summit in Lithuania in 2023" was adopted, which stipulated that:

- The working sessions of the North Atlantic Treaty Organisation Summit will be organised at LITEXPO indoors and outdoors.
- The Ministry of Foreign Affairs of the Republic of Lithuania and LITEXPO, jointly or separately, will take all necessary steps to ensure the timely preparation and adaptation of LITEXPO's premises and external areas for the NATO Summit in accordance with NATO and all other applicable requirements. This Resolution assigns to LITEXPO important responsibilities, the proper fulfilment and implementation of which will contribute to LITEXPO's further development, awareness and competence growth, as well as to the company's business continuity and solvency. In order to implement this project, a contract for the lease of LITEXPO premises was signed on 23 June 2022 and a contract for the adaptation of the exterior of the premises was signed on 1 August 2022. On 9 November 2022, the date of the North Atlantic Treaty Organisation Summit in Vilnius was officially confirmed as 12-13 July 2023.

In the second half of the year, LITEXPO took other important decisions and implemented significant projects:

- In the second half of 2022, LITEXPO decided to abandon its catering activities and them to a catering company.
- On November 2022, the subsidiary Litexpo events UAB was reorganised and merged into LITEXPO.
- 23 November 2022 The Government of the Republic of Lithuania, by Resolution No 1156, determined that the financial assets (cash) belonging to the State - EUR 1,999,999.5 - would be transferred as an additional contribution to the increase of LITEXPO's authorised capital from the appropriations allocated to the Ministry of Economy and Innovation. In view of the above, by decision of the General Meeting of Shareholders, LITEXPO's authorised capital was increased by this amount in January 2023.

LITEXPO will continue to increase efficiency and transparency, invest in modern technologies, improve employee motivation and be ready to boldly take on challenges and implement significant projects.

Justinas Bortkevičius, Director of Lithuanian Exhibition and Congress Centre LITEXPO, UAB

1. LITEXPO GOVERNANCE AND OWNERSHIP STRUCTURE

1.1. GENERAL INFORMATION ABOUT LITEXPO

The history of LITEXPO dates back to 1960, when the Lithuanian People's Farm Achievement Exhibition was launched, and in 1990 it was re-registered as the state enterprise Lithuanian Exhibition Centre LITEXPO, and in 1995 - as a closed joint stock company. In 2011, in order to become a leader in the organisation of exhibitions in the Baltic States, as well as to attract international events and congresses, UAB Lithuanian Exhibition Centre LITEXPO was renamed UAB Lithuanian Exhibition and Congress Centre LITEXPO.

Following the change of the company's legal status, LITEXPO underwent exceptional development processes from 1996 to 2018, which made it the largest exhibition and conference centre in the Baltic States: 3 new exhibition halls were built, an independently functioning conference centre was built, 4 halls were renovated, the first hall was reconstructed, and a parking lot was built on 1.6 hectares of land. LITEXPO is currently not only the largest but also the most modern exhibition and conference centre in the Baltic States, a member of the global exhibition business association UFI since 2006, and a member of the International Congress and Convention Association (ICCA) since .

LITEXPO AND ITS :

State-owned UAB Lithuanian Exhibition and Congress Centre

"Litexpo"

Company code: 120080713

Registered in the Register of Legal Entities of the Republic of Lithuania on 05-12-1990

Authorised capital 11 653 560,10 Eur

Contact:info@litexpo.lt Website

<http://litexpo.lt>

:

UAB "Litexpo infrastruktūra"

LITEXPO owns 100 percent of shares in the Register of Legal Entities of the Republic of Lithuania Registered in the Register of Legal Entities of the Republic of Lithuania on 25-11-2015 Authorised capital 2500 Eur

Contact:info@litexpo.lt No website

- The authorised capital of the parent company LITEXPO amounts to EUR 11,653,560.10, divided into 4,018,469 shares and is distributed as follows: the State, represented by the Ministry of Economy and Innovation of the Republic of Lithuania, is the owner of 98.97% of the shares of LITEXPO and owns 3,977,296 shares. The remaining 41 173 shares or 1.03% are owned by 37 natural persons. It is noted that LITEXPO's Articles of Association were registered in the Register of Legal Entities in 2023, so the above-mentioned authorised capital and distribution of shares entered into force in January 2023. The State, represented by the Ministry of Economy and Innovation of the Republic of Lithuania, owned 98.76% of the shares of LITEXPO, which amounted to 3 287 641 shares. The remaining 41,173 shares or 1.24% were held by 37 natural persons.

- Subsidiary UAB Litexpo infrastruktūra company code 304142021, registered office address (Laisvės pr. 5, Vilnius) is a company established in 2016 and suspended from 1 June 2017. As the company is no longer active, it is expected to be liquidated in 2023.

As the company had not started business, it had no income, no assets, no debts and no costs.

LITEXPO's Annual Report is prepared in accordance with the provisions of 14 July 2010. 1052 of the Government of the Republic of Lithuania "On Approval of the Guidelines for Ensuring Transparency in the Activities of State-Owned Enterprises and Appointment of the Coordinating Authority" and is published publicly on the Company's website at <https://www.litexpo.lt/korporatyvine-informacija/veiklos-ataskaitos-auditing-consults/>

At the end of 2022, the subsidiary UAB Litexpo events company code 304143867, registered office address Laisvės pr. 5, Vilnius) was reorganised by merger with LITEXPO. Since 2015, this company had been organising conferences and other events in the premises of LITEXPO and third parties. On 1 January 2018, the activities of this company were transferred to LITEXPO, i.e. LITEXPO established the Events Department, which ensures the continuity of the activities of the company and, therefore, there was no longer a need to have a separate company, and therefore it was decided to reorganise it.

1.2. GOVERNANCE STRUCTURE OF THE COMPANY

LITEXPO's management structure includes:

General Meeting of Shareholders
The Board
Company Manager
Heads of Department

Table 1. LITEXPO management structure

The LITEXPO Management Board shall be appointed by a decision of the General Meeting of Shareholders for a term of four years. The LITEXPO Board consists of 5 members - four of them are independent, elected in accordance with the procedure set out in the Resolution of the Government of the Republic of Lithuania No. 631 of 17 June 2015 "On the Approval of the Description of the Selection of Candidates to the Board of a State Enterprise or a Municipal Enterprise and the Selection of Candidates to the Collegial Supervisory or Governing Body Elected by the General Meeting of Shareholders of a State-owned or a Municipal-owned Company" (hereinafter referred to as "the Resolution"), and one is a delegate from the Ministry of Economy and Innovation of the Republic of Lithuania, with respect to the competences necessary for the performance of the functions assigned to the Board.

The term of office of the current LITEXPO Board of Directors starts on **19 January** .

The governance structure is set out in the table below:

General Meeting of Shareholders	The State, represented by the Ministry of Economy and Innovation of the Republic of Lithuania, is the owner of 98.97% of LITEXPO shares, owning 3 977 296 shares. The remaining 41 173 shares or 1.03% owned by 37 natural persons.
The Board Four independent directors elected by decision of the General Meeting of Shareholders on 19 January 2022	Mantas Dubauskas - Independent Board Member. From 2016 to 2022 he worked as Director of the Communications Department of AB Lietuvos geležinkeliai, Director of Corporate Affairs, 2019- In 2022, as a member of the Board of LTG Link UAB. Prior to that, he was

<p>LITEXPO Board members - Mantas Dubauskas, Aleksandras Golod, Žilvinas Pakeltis and Ramutė Ribinskienė.</p> <p>Elected by the decision of the General Meeting of Shareholders of 11 July 2022 - Rūta Steckienė.</p> <p>R. Ribinskienė is elected President of the Board.</p>	<p>Adviser to the Minister of Energy, before which he worked as a journalist and editor in various publications, and as a collaborator with foreign media. M. Dubauskas holds a Master's in Business Management from Vytautas Magnus University, and has completed the International Executive Management Business Administration (EMBA) programme at BMI Executive Institute.</p> <p>Alexander Golod - Independent Board Member. Since 2017, he has been working at Telia Lietuva AB, where he has been the Head of Mid and Large Business Sales the last four years. Prior to that A. Golod has worked for various Lithuanian and foreign companies, such as 'Director of Marketing for the Baltic States at Microsoft and Head of Large Business Marketing for Eastern Europe at Microsoft Corporation.</p> <p>Žilvinas Pakeltis - Independent Board Member. From 2014 to 2020 he was a member of the Board of AS Rigas Dzirnāvnīeks and Sales and Marketing Manager of Baltic Mill. Prior to that, he managed sales in the Central Asia region, global product group and worked in sales and marketing in the Baltic States for the multinational Tetra Pak. Currently, Ž. Pakeltis is an independent member of the Board of Innovations Agency.</p> <p>Ramutė Ribinskienė - Independent Board Member. Chairperson of the Board. With more than 25 years of experience in the private and public sectors. In 2016-2019, she was Director of the Finance Department of AB Vilniaus šilumos tinklai and Interim CEO, in 2010-2013 she worked for the Lietuvos energija Group of companies, was Director of the Finance and Administration Office of AB Lesto (now AB ESO) and Member of the Board. Prior to that, she was Finance Director at Merko Group for 11 years. Currently, Ms Ribinskienė is the Chairman of the Audit Committee of AB LRT Centras and a member of the Supervisory Board of UAB Utenos šilumos tinklai. R. Ribinskienė holds a Master's degree in Economic Cybernetics from Vilnius University.</p> <p>Rūta Steckienė is a member of the Board delegated by the Ministry of Economy and Innovation of the Republic of Lithuania. She has more than 15 years of experience in the field of corporate law and policy making. From 2006 to 2009 she worked in the group of companies of AB ŽIA valda (now AB Vertas Management) and since 2009 in the Ministry of Economy and Innovation. From 2012 to 2014, Ms Steckienė worked as a Company Law Attaché at the Permanent Representation of Lithuania to the EU. During the Lithuanian Presidency of the Council of the EU, she chaired the EU Council Working Group on Company Law. She is currently an advisor to the Corporate Law Division of the Corporate Policy Department of the Ministry. Ms Steckienė holds a Master's degree in Law from Mykolas Romeris University and a Master's degree in Law from the University of Savoy Mont Blanc (France).</p>
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	The Board operates under Lithuanian Republic of Joint Stock Companies law and the Board's rules of procedure.
Director Appointed by decision of the Board on 25 2018.	Justinas Bortkevičius - Director, having previously held the positions of Director of UAB Litexpo events and Executive Director of UAB Visit Lithuania, J. Bortkevičius graduated from Vilnius University with a Bachelor's and Master's Degree in Business Management, and from the University of Birmingham, where he studied International Tourism and Hotel Management administration.
Heads of Department	LITEXPO is structured in 6 divisions: The Accounting Department , headed by Chief Financial Officer Jurgita Leonickienė. The Exhibition Organising Department is headed by Jolanta Beniulienė. The Sales Department is headed by Mantas Kazlauskas. Events to the Events Department and Marketing Department Head of Eglė Gudauskienė. The Service Department is headed by Kazimieras Arlauskas.

Table 2. LITEXPO management structure

The Ministry of Economy and Innovation of the Republic of Lithuania (98.97 per cent) and 37 natural persons (1.03 per cent) exercise the rights and obligations of LITEXPO shareholders.

The shareholders of LITEXPO shall exercise their rights in accordance with the Law on Joint-Stock Companies of the Republic of Lithuania.

LITEXPO shareholders:

- take decisions on strategic issues.
- Approves key operational guidelines (remuneration guidelines for collegiate bodies, dividend policy, etc.).
- assess the Company's annual and interim financial statements, annual and interim reports, auditor's report and financial audit reports, the Company's strategy, the annual budget presented and the results achieved, as well as analyse any other information requested by shareholders.
- analyse how the Company implements the principles and practices of good governance, and make proposals and recommendations for its improvement.
- sets expectations, direction and financial performance targets
- analyse the Company's financial performance, the implementation of the risk management plan and provide recommendations and advice to ensure timely risk management and business continuity.

5 shareholders' meetings were held during the reporting period:

- 19 January 2022 - Extraordinary General Meeting of Shareholders, during which LITEXPO's management was elected and a new schedule of remuneration for the independent members of the Board was approved.
- 29 April 2022 - Ordinary General Meeting of Shareholders to approve the audited consolidated financial statements and the distribution of profit/loss.
- 11 July 2022 - Extraordinary General Meeting of Shareholders, which approved the drafting of the conditions for the reorganisation of the subsidiary UAB Litexpo events by merger and the amendment of the Articles of Association, as well as the election of the fifth member of the Board of Directors until the expiry of the term of office of the current Board - Rūta Steckienė, Advisor to the Corporate Law Division of the Corporate Policy Department of the Ministry of Economy and Innovation of the Republic of Lithuania.

- 13 October 2022 - Extraordinary General Meeting of Shareholders, at which it was decided to change the existing remuneration arrangements for the Board of Directors and to fix the monthly remuneration of the Board of Directors and the Chairman until the end of the Board's term of office.
- 16 December 2022 - Extraordinary General Meeting of Shareholders, at which it was decided to increase the Company's authorised capital by an additional shareholder contribution.

According to the current version of the LITEXPO Articles of Association, **the LITEXPO Board** consists of five members appointed by the LITEXPO shareholders for a four-year term of office.

The selection of the members of the Board of Directors of the Company is carried out in accordance with the procedure established by the Government of the Republic of Lithuania. When selecting the members of the Board, it shall be ensured that the Board consists of at least three (3) independent members, their independence being determined in accordance with the Resolution No. 631 approved by the Government of the Republic of Lithuania on June 17, 2015, and the criteria set out in the Selection of Candidates for the Board of Directors of a State-owned or municipal company and candidates for the selection of candidates for the collegial supervisory or management body elected by the General Meeting of Shareholders of a State-owned or municipally-owned company and the policy on management of the interests of the members of the collegial bodies of the Company and its managers and employees, as well as the requirements of any other applicable legislation, and to seek to ensure that the members of the Board possess competencies in relation to the areas of responsibilities and functions of the Board, and to ensure that, wherever possible, the Board is not composed of the employees of the Company.

The selection of the Board is carried out in accordance with the principles of transparent and professional selection, including: the principle of continuity, the principle of clear qualifications, the principle of a broad search, the principle of candidate-orientation, the principle of confidentiality, the principle of regular communication, the principle of verification of the structure, and the principle of publicity of the results.

Each year, the Board members carry out an evaluation of their performance.

LITEXPO Board:

- is responsible for the organisational and systemic development and management of the Company within the scope and extent of her/his assigned responsibilities;
- monitoring the implementation of the Company's activities, its strategy, objectives and plans, documents and other decisions approved by the Board;
- Overseeing and controlling the management of the Company's strategic projects;
- performs supervisory functions as provided for in the Law on Joint-Stock Companies of the Republic of Lithuania.

During the reporting period, **17 Board meetings** were held and a strategy session was organised.

The main issues addressed were: Updating and approving LITEXPO's strategy, setting the CEO's strategic objectives and reviewing the performance in 2021, drawing up and approving the budget for 2022, drawing up and approving the Board's meeting plan for 2022, reviewing the LITEXPO Group's audited financial statements for 2021 and the audited financial statements for 2021. Decision on the reorganisation of LITEXPO's subsidiary Litexpo events UAB and the liquidation of Litexpo Infrastructure UAB; reviewing the LITEXPO financial risk management plan and ensuring its implementation; drafting, approving and announcing the tender conditions for the catering premises lease tender for the selection of an external caterer; approving the new organisational management structure of LITEXPO; financial risk management; initiating the increase of the authorised capital of LITEXPO; planning the 2023 NATO event and risk management. The Board also continuously cooperated with the shareholder to inform about the company's difficult financial situation and emerging risks, and to make requests and suggestions to stabilise the company's activities and situation.

Information on attendance at Board meetings and the remuneration policy for Board members is provided in Chapter 7, Paragraph 7.2.

Board decisions taken in 2022:

Quarter 2022	Solutions:
1st quarter 2022	<ul style="list-style-type: none"> - The President of the Board is elected. - A decision is taken to convene an Ordinary General Meeting of Shareholders.
2nd quarter 2022	<ul style="list-style-type: none"> - The 2022 Board meeting plan is approved. - LITEXPO Strategy 2022-2025 is approved. - The set of audited financial statements of LITEXPO and LITEXPO Group for was approved and it was decided to submit it for approval to the Ordinary General Meeting of Shareholders. - The decision to initiate the reorganisation of UAB "Litexpo events" and the liquidation of UAB "Litexpo infrastruktūra" was approved. - The initiative of LITEXPO's shareholder (the Ministry of Economy and Innovation of the Republic of Lithuania) to increase LITEXPO's authorised capital is analysed. - The objectives for the LITEXPO CEO for 2022 have been approved. - The decision to put the rental of the catering facilities out to tender and to choose an external caterer was approved. - Long-term (or other) use of electric vehicle charging stations is approved for a lease term of up to a specific option submitted), by launching a call for tenders for electric vehicle companies.
3rd quarter 2022	<ul style="list-style-type: none"> - The signing of a NATO Event Cooperation Agreement with the Ministry of Foreign Affairs of the Republic of Lithuania was approved. - By decision of the Board, 24 August 2022 LITEXPO signed an agreement with AB Šiaulių bankas for an additional account credit in the amount of EUR 1 million. The purpose of the credit facility is to provide working capital for the financing of preparations for the NATO event. The credit facility is granted until 1 February 2023. - The decision on the reorganisation of UAB Litexpo events and liquidation of UAB Litexpo infrastruktūra was approved. Approval of the prepared plans of UAB Litexpo events and UAB Lithuanian Exhibition and Congress Centre The terms of reorganisation of "Litexpo" and the updated LITEXPO Statutes. - The Head of LITEXPO is authorised to sign a contract with the company that has won the tender for the lease of premises, which will provide catering services at LITEXPO premises. - The updated version of the Lithuanian Exhibition and Congress Centre UAB is approved "Description of the procedure for the lease and sale of Litexpo property. - LITEXPO's new organisational management is approved.
Fourth quarter 2022	<ul style="list-style-type: none"> - Approval was given to put out to tender the lease of 250.08 sqm (175.08 sqm for administration and 75 sqm for storage) and the lease of 10 car parking spaces. - Consideration and adoption of the 2023 budget.

Table 3. Board decisions taken in 2022

LITEXPO Director:

- organise and control the implementation of the Company's business strategy;
- organises the Company's activities, submits proposals and conclusions to the LITEXPO Management Board regarding the organisation of the Company's activities and its development;
- ensure proper compliance with the Law on Joint Stock Companies of the Republic of Lithuania and the procedures and guidelines approved by the Board of Directors of the Company.

1.3. LITEXPO BUSINESS (OPERATING) MODEL

<p>STRATEGIC PARTNERS</p> <ul style="list-style-type: none"> - Content partners (associations, ministries, expert organisations, municipalities) - Infrastructure maintenance (cleaning, security, etc.) - Advertising creative and production companies, media planning agencies - Exhibition stand builders - IT solution providers (hybrid exhibition platform, e-event studio, etc.) - Video and audio partners. 	<p>MAIN ACTIVITIES</p> <ul style="list-style-type: none"> - Room rental for events - Organising and servicing exhibitions, fairs and other events - Project management - Creating relevant content 	<p>VALUE PROPOSITION</p> <ul style="list-style-type: none"> - Convenient, versatile infrastructure - Presentation of topical issues - A database of business contacts relevant to the sector, with all the possibilities to organise business meetings - Long-standing market player, reliable partner - Targeted visitor traffic - Integrated solutions (installation, maintenance, etc.) - Advertising. <p>Services:</p> <ul style="list-style-type: none"> - Hire of rooms for various events - Renting advertising space and additional advertising opportunities - Security, installation and other services 	<p>CUSTOMER CONTACT</p> <p>Individual attention is paid to each client.</p>	<p>CUSTOMER SEGMENTS</p> <ul style="list-style-type: none"> -Lithuanian businesses -Foreign businesses -State-owned enterprises, institutions - Branch associations - Users -Non-profit organisations
	<p>RESOURCES</p> <ul style="list-style-type: none"> - Competent, motivated staff - Adapted, universal infrastructure - Services and equipment provided by partners 		<p>CANALS</p> <p><i>For exhibitors, potential premises for tenants:</i> direct sales or through intermediaries (partners, associations, etc.)</p> <p>Communication</p> <p>Media networks Social networks Newsletters Direct communication</p>	
<p>BOXES</p> <ul style="list-style-type: none"> - Wages - Advertising costs - Organisational costs for exhibitions and conferences - Operating costs - Administrative costs 			<p>REVENUE STRUCTURE</p> <ul style="list-style-type: none"> - Rental income from premises - Income from rental of advertising space - Revenue from the organisation of exhibitions and other events - Ticketing revenue - Parking spaces for rent - Other activities (equipment rental, etc.) 	

4 Table 1. LITEXPO business model. Based on Business Model Canvas Theory

2. INFORMATION ON THE FIRM THAT CARRIED OUT THE AUDIT

Audifina UAB (company code 125921757, registered office at A. Juozapavičiaus g. 6, Vilnius) was selected to audit the 2022 financial statements. The annual cost of the audit services is EUR 7500,00.

Information on LITEXPO auditing companies for 2014-2022

YEAR	COMPANY NAME
2014	UAB INDEPENDENT AUDIT
2015-2017	UAB THESAURUS AUDIT
2018	UAB GRANT THORTON BALTIC
2019	UAB THESAURUS AUDIT
2020	UAB THESAURUS AUDIT
2021	UAB THESAURUS AUDIT
2022	UAB AUDIFINA

5 Table 1. Companies audited

A new audit firm will be selected to audit the 2023 financial statements.

Audifina UAB provides consultancy and analytical services to LITEXPO, which have been assessed as not violating the principles of independence and objectivity.

Paragraph 14 of the Transparency Guidelines for State-Owned Enterprises specifies that the accounts of a State-Owned Enterprise should be maintained in such a way as to ensure that the financial statements are prepared in accordance with International Accounting Standards (IAS). The Company does not comply with this provision. The Company maintains its accounts and prepares its financial statements in accordance with Lithuanian Financial Reporting Standards. The Company is classified as a medium-sized enterprise, does not operate on international markets and its securities are not traded on a regulated market. The Company's management has evaluated the benefits, costs and short- and long-term impact of applying the provisions of IASs on the Company's financial performance in 2022.

Potential IAS applications benefits	Possible customisation	Current relevance
International comparability	Available at Compare companies financial indicators for with addition same the performance of foreign companies in the sector for analytical purposes	Medium
	Increased opportunities to attract foreign investment Investor	Low
	Increased access to foreign borrowing financial markets	Medium
	Easier investing solutions Admission planning investment Abroad	Low

There are currently 25 Lithuanian Financial Reporting Standards (LFRS) and 17 International Financial Reporting Standards (IFRS). Which international standards to apply depends on the company's business model. For the transition to LFAS/IFRS, the following must be done:

- Identification of the LFAS/IFRS relevant to the company's operations;
- Developing accounting policies in accordance with LFAS/IFRS;
- choice of exceptions;
- the recognition of assets and liabilities required to be recognised in accordance with LFAS/IFRS;
- derecognition of assets and liabilities where recognition is not permitted by LFAS/IFRS;
- Reclassification of items in accordance with LFAS/IFRS requirements;
- assessment of potential risks;
- Assessing the impact of the transition to LFAS/TFAS;
- preparation of financial statements in accordance with LFAS/IFRS (statement of financial position, statement of comprehensive income, cash flow statement, statement of changes in equity, related notes, including comparative information).

Considering that the transition costs could be more than EUR 30 thousand, which would include: advisory services for the transition to IAS (preparation of a transition plan, preparation of new accounting policies, other specific advisory services); adaptation of accounting software, increase in maintenance costs; training of staff in the transition to IAS, valuation of the assets at their market value (annually), increase in the cost of the independent audit etc.

The analysis showed that the potential benefits of applying IAS are low due to the international comparability of financial ratios, and that the costs of implementing and applying IAS are disproportionately high for the Company (due to the need for consultancy services and customisation of the accounting software, the increased accounting workload and the need for additional accounting staff, the need for annual valuation of the assets, etc). In , the transition to IAS may have a negative impact on the Company's financial results (there is a risk that in the year of transition to IAS the Company would incur revaluation of non-current assets, costs for the establishment of provisions to labour relations and consequent losses, which would reduce the ability to pay dividends).

The members of the Board and the shareholder agree that the costs of LITEXPO's transition to IASs would outweigh the benefits of adopting IASs, and therefore it is not appropriate for the Company to transition to IASs at this time. In particular, LITEXPO is exposed to financial risks and has to meet its financial obligations to its employees, customers and bank.

3. LITEXPO OPERATIONS AND MANAGED INFRASTRUCTURE

3.1. LITEXPO ACTIVITIES

LITEXPO's main areas of activity:

- organising exhibitions, fairs and other events
- rental of conference and exhibition halls and equipment, organisation and coordination of conferences
- catering and other related services for exhibitions, conferences and other events

ORGANISING EXHIBITIONS, FAIRS AND OTHER EVENTS

LITEXPO has many years of experience in organising exhibitions and provides the highest quality exhibition organisation services in Lithuania. LITEXPO's exhibitions **are well-known in Lithuania and neighbouring , are positively evaluated by participants and visitors, and attract media attention.** Most LITEXPO exhibitions are international, i.e. the number of foreign companies participating in them is 10% or more. Among the strong and well-developed LITEXPO brands are such exhibitions as VILNIUS BOOK FAIR, RESTA, ADVENTUR, CAREER&STUDIES, PELENE.

Among the strong and well-developed LITEXPO brands are such exhibitions as VILNIUS BOOK FAIR, RESTA, ADVENTUR, STUDIJS, PELENĖ.

LITEXPO exhibitions are organised by professional project teams, which organise about 20 specialised exhibitions per year, attracting about 3000 participants: 90% of the exhibitors are Lithuanian companies, 10% foreign companies. About 350,000 attend the exhibitions. The revenue from exhibition activities accounts for 50-60% of LITEXPO's total operating income. The other part of the income comes from renting premises, organising and servicing conferences and events.

Organising exhibitions is a dynamic, flexible and creative activity. Direct communication with clients and partners, the search for new topics in response to market developments and the creation of relevant content make exhibitions relevant and meaningful for business.

Exhibitions create a unique environment for companies to meet live and for business value to grow, raise societal or systemic issues, even dictate trends. The content of an exhibition takes into account the strategic objectives set at national level for a given area. Accordingly, the themes of each exhibition aim to reflect these objectives. The exhibitions organised by LITEXPO cover many sectors of the country's economy and attract a flow of targeted visitors.

Of all the marketing activities chosen by SMEs to showcase their products, participation in exhibitions, contacts and trade fairs is still one of the most significant and impactful. Participants in exhibitions and trade fairs can achieve a number of objectives essential for business development: expanding contacts, fostering communication, raising awareness, collectively solving problems of relevance to a particular business sector, concluding trade agreements, finding partners, exploring and selecting the most suitable markets for export. Exhibitions and trade fairs are the ideal place to explore markets, compare prices and terms of sale, test products and discuss their applications.

LITEXPO's specialised exhibitions have a clearly defined theme covering a specific sector of the economy and are oriented towards a defined target audience - either a business segment or the end consumer (the public). It is at exhibitions where sectoral news and developments are presented that contacts are made, success stories are launched, competitiveness is fostered and markets are expanded.

With the outbreak of the COVID-19 pandemic, LITEXPO, like many other exhibition centres around the world, had to cancel most of the exhibitions for various business sectors, exhibitors were unable to participate, business exchanges were not possible, and opportunities for cooperation and business contacts were limited.

In the absence of physical exhibitions, LITEXPO did not have other alternative during the pandemic period 2020-2021 that would allow exhibitors to obtain the value and benefits generated by exhibitions - the Company had not developed hybrid solutions to allow exhibitions and their events to be streamed remotely, had not created a

adequate conditions for businesses to meet and present their products or services, as a result of which LITEXPO's core activity - organising exhibitions - could not be carried out. In 2021, the Company invested in hybrid exhibition solutions, started cooperation with the developers of such exhibition technologies and took active steps to ensure that the environment created by them would be maximally adapted to the specifics of LITEXPO exhibitions and would meet the expectations of LITEXPO and its customers. Thus, LITEXPO welcomed 2022 prepared for various scenarios of organising exhibitions, but, like many other businesses, it did not suspect that war would break out in Ukraine and that it would affect the global economy, change not only businesses', but also countries' priorities and directions, and that it would have a significant impact on all business sectors, economic situation and stability.

Since, as it has been many times, the essence and purpose of exhibitions is to bring together various business sectors, state institutions, to involve the public in business and state processes, thus promoting business exchanges and cooperation, the war in Ukraine has made it even more difficult for LITEXPO to achieve this goal than before. Due to increased prices of energy resources (electricity, heating, etc.), disrupted supply chains and other negative factors, companies (especially foreign ones) consider exhibitions to be not the first choice and refuse to participate in them, and the participating companies reduce the exhibition space and invest less in the preparation for participation, which negatively affects the quality of exhibitions. For example, the largest exhibitions "Cinderella" and "RESTA" have seen a reduction in the number of exhibitors due to the outbreak of the war in Ukraine, well as the absence of Belarusian and Russian companies, and a significant drop in the number of visitors.

In order to ensure the growth of exhibitions and to compensate for the impact of the above-mentioned circumstances, in 2022 LITEXPO held strategy sessions, organised active discussions among the Company's departments and prepared a Strategic Action Plan, whereby it committed itself to look for opportunities to adapt the existing exhibitions to the needs of the market, to create content of relevance to the business community, the state and the society, and to strive to make the exhibitions contribute to the country's economic recovery and growth. LITEXPO, having assessed the needs of the parties interested in exhibitions and the current situation, envisaged in the Strategic Operational Document and undertook to organise physical exhibitions in a familiar and familiar format, as such exhibitions are of interest to exhibitors and visitors, and physical exhibitions are the most profitable ones for LITEXPO (the Company's biggest income comes from the rental of exhibition space and ticket sales).

Looking at hybrid exhibitions (i.e. the possibility for exhibitors to participate remotely in physically held exhibitions, to stream events *online*), it can be seen that B2C (business-to-consumer) exhibitors (e.g. It was relevant and necessary during the COVID-19 pandemic, when events could not be physically held, when all the conditions are in place to participate physically in an exhibition, this is the most acceptable and the one that creates the most added value (it noted that it is at such exhibitions that active physical sales take place).

Nevertheless, LITEXPO sees an opportunity to successfully integrate hybridity into B2C-oriented exhibitions and thus create more added value for exhibitors and visitors. Considering the needs of exhibitors and the current trends in digitalisation, there is no doubt that webcasting and in-hall streaming of events during exhibitions, distribution and sales of event recordings after the show, and consequently a wider dissemination of the exhibition content, could be a significant added value for exhibitors and visitors. This would increase the awareness and visibility of exhibitors, the exhibition and the LITEXPO brands.

Meanwhile, for B2B (business-to-business) oriented exhibitions, the hybrid exhibition format is relevant, especially when it comes to attracting foreign exhibitors and investors (Hosted Buyers) to exhibitions. The hybrid exhibition format is an opportunity for businesses to effectively, with only a small financial

the cost of networking with other business and government . For B2B exhibitions, the hybrid exhibition format is expected to create the most added value.

LITEXPO 2023-2026 plans to focus on the analysis of market needs, as the exhibitions are specialised and designed for specific business sectors, thus creating content relevant to them and aiming to respond to the issues and problems they face, while contributing to their solution. In order to have the most accurate information on market needs, LITEXPO conducts surveys of exhibitors and visitors, cooperates with associations representing specific business sectors and state institutions, and plans to do so in the coming year. Also, the dynamic market situation has shown that LITEXPO exhibitions need to be flexible, able to effectively transform and adapt to market changes, thus being relevant, creating added value and needed by . To ensure this, it is important not to continuously analyse the market situation, to continuously cooperate with companies and state institutions, but also to have strong content partners to keep up with market trends, LITEXPO will make efforts to attract new exhibition partners (from the business side and the state side), with which LITEXPO will be able to timely update the content of existing exhibitions and create new ones.

LITEXPO also intends to continue to follow the direction of reorienting exhibitions from the currently prevailing B2C (business-to-consumer) to B2B (business-to-business) segment, and to facilitate business-to-business exchanges, contacts, collaborations, and partnerships.

RENTING CONFERENCE AND EXHIBITION HALLS AND EQUIPMENT AND ATTRACTING INTERNATIONAL EVENTS

Rental of premises for conferences and other events is one of the main activities of LITEXPO, which has the potential to grow and expand. LITEXPO is actively selling and renting space for various types of events - conferences, exhibitions, trainings, concerts, filming, product launches, etc. In order to attract international events, conferences or congresses, LITEXPO submits applications for competitions every year, tries to establish useful contacts, participates in contact fairs, hosts information on event platforms and is a member of various associations of event organisers (e.g. International Congress and Convention Association (ICCA), the Lithuanian Conference and Event Association).

In 2020-2021, these activities, as well as the organisation of exhibitions, were affected by the COVID-19 pandemic: due to the restrictions imposed on events, most of the planned events were cancelled or postponed to the following year. LITEXPO will not generate more than EUR 1.5 million of planned income from this activity in 2020-2021. As with the organisation of exhibitions, this activity has been negatively affected by the outbreak of war in Ukraine. In order to maximise support for Ukraine, some companies have allocated their budgets to support Ukraine instead of the planned private events (festivals, team events, etc.), and due to the turbulent situation in the region, exhibitors from neighbouring countries have refused to attend events (e.g. the Amber trip, the Dog Show, the Wine Days, etc.), and participants from Russia and Belarus have also stopped attending events. Some event organisers and participants reduced their budgets for planned events due to the difficult financial situation.

In 2020-2021, as the demand for remote events grew, LITEXPO and its partner introduced a completely new event alternative to the Lithuanian market - an e-conference studio in LITEXPO premises, where hybrid conferences (both with spectators and virtually) were organised. The studio was equipped with professional video and audio equipment, a high-resolution LED screen, and various lighting solutions to create a modern and professional environment. Although it seemed that this

has the potential to grow, with a steady increase in events from 2020 to 2021, but by 2022 the situation has changed and the demand for this studio has significantly decreased, so it has been dismantled and the LITEXPO hall is being used for events, presentations and presentations during exhibitions. This only confirmed once again that the environment in which LITEXPO operates is exceptionally dynamic, and the Company has to react and adapt quickly to market needs, while at the same time maintaining continuity of operations and stable revenues. In its activities, LITEXPO's Events Department is in constant contact with event organisers, sharing information on the content and format of events, customer needs and expectations, as well as following ICCA (International Congress and Convention Association) news on trends in the format and content of events, and participating in ICCA-organised events and meetings, which allows the Company to respond to market needs in a timely manner and to have the flexibility to adapt to them quickly. To maintain this advantage, it will keep an eye on event trends, collaborate with event organisers and share best practices.

In addition, LITEXPO, operating in such a dynamic environment, needs to have alternative sources of income, adapt to the needs of its clients and offer what is relevant and necessary at the time, thus ensuring that the available premises are used efficiently. For this reason, LITEXPO constantly monitors the market needs and responds flexibly to them, for example, when it sees that there is a need in the market, it offers infrastructure adapted to different formats, for example, when the Lithuanian State Symphony Orchestra Hall was being reconstructed, LITEXPO offered infrastructure adapted to this type of events (symphony concerts and performances were held at LITEXPO), and also, taking into account the market needs, offered premises and infrastructure (parking lots) adapted to slalom, cycling competitions and other types of events. LITEXPO plans to continue to monitor the market and respond flexibly to customer expectations, thus ensuring efficient use of the infrastructure and steady income.

One of the main areas of focus for the Conference Organising Unit is attracting international conferences. In terms of Vilnius' competitiveness with other European cities in the field of conference tourism, the potential of Vilnius to host larger international conferences is not high. The main weaknesses of Vilnius in the area of conference tourism are the following: poorly developed air tourism to Lithuania, poor quality public transport in the capital itself, lack of public sector subsidies, and low flexibility in offering dates for events. In order to solve these problems, LITEXPO continuously cooperates with the Vilnius City Municipality, takes advantage of its membership in the international organisation ICCA, and actively contributes to the promotion of Vilnius, thus aiming to show that it is an attractive city for the organisation of international congresses.

LITEXPO submits around 10 applications per year to attract international conferences (9 applications submitted in 2022). In order to increase this number, LITEXPO has planned to search for new partners in the strategic period, to find opportunities for cooperation with state institutions, and especially to promote the involvement of the main shareholder in the communication of LITEXPO's activities, its significance and the opportunities offered. Also, starting from autumn 2023 (after the implementation of the NATO Summit), the Events Department will have more staff working on this activity - currently there is one staff member, and it is planned that there will be at least three staff members, which will allow LITEXPO to prepare more quality proposals for attracting international events, open up opportunities for winning tenders, and also make LITEXPO more visible and well-known at the international level, which will consequently increase its competitiveness in the market.

It should be that LITEXPO, in order to be a modern and competitive conference centre in Europe, renovated the premises of the first pavilion in 2018, which became one of the most modern spaces in the Baltic States. It has installed modern audio, video and lighting solutions, upgraded furniture and adapted the premises to have real possibilities to attract international conferences and organise large

events. LITEXPO will continue to invest in the renewal and modernisation of the infrastructure, thus ensuring that the conference and congress centre will remain a competitive and attractive conference tourism facility.

On average, the LITEXPO Conference Centre hosts 1,500 different events per year, over 300,000 visitors.

CATERING AND OTHER RELATED SERVICES FOR EXHIBITIONS, CONFERENCES AND OTHER EVENTS

LITEXPO, in order to retain existing clients and attract new ones, constantly improves and streamlines processes that are directly related to the quality of services provided to clients. After each event, feedback and recommendations are evaluated and actions are taken to ensure that the factors leading to customer dissatisfaction do not recur. In order to achieve this goal, LITEXPO has approved the Customer Service Standard, which defines the responsibilities of the departments in the implementation of this standard, specifies the rules of customer service, and sets out the principles and procedures for the behaviour of customer service staff towards customers. LITEXPO intends to improve the standard in the future in order to maximally adapt to the needs of customers.

LITEXPO pays great attention to quality and customer satisfaction surveys in order to evaluate and improve the customer experience at events. After each exhibition, participants are asked to share their impressions, best practices, provide feedback on the exhibition or other event, and evaluate the quality of service. LITEXPO consistently evaluates and summarises the information received and makes decisions eliminate factors that reduce customer satisfaction.

In order to establish itself on the international market and attract as many foreign exhibitors as possible to its exhibitions, LITEXPO constantly analyses the best practices of the largest foreign exhibition centres, cooperates and consults with their managers. Based on its experience and the examples of exhibition centres from other countries, LITEXPO develops new service packages (e.g. rental of advertising space), constantly reviews pricing, searches for technological solutions to improve organisational processes and make them more efficient, thus ensuring continuous improvement and growth of its activities.

In order to adapt to the market needs and to ensure that the clients receive a fully fulfilled, high-quality service, LITEXPO ensures that all the services required by the client in connection with the event or participation in the exhibition can be ordered directly from LITEXPO. LITEXPO offers catering, cleaning, cloakroom, security and other services, ensuring that the client receives a comprehensive offer.

In addition to ensuring quality service, LITEXPO will continue to strive to create more sustainable exhibitions, invest more in the energy of its existing infrastructure, and encourage exhibitors and visitors to choose more sustainable ways of travelling to exhibitions (according to the UFI public report, exhibitors' and visitors' travel to and from exhibitions by airplanes and other more polluting means of transport has the highest impact on CO2 emissions), will focus on reducing waste after the exhibition (reducing food waste, reducing plastics and paper used at exhibitions), will educate exhibitors and visitors on sustainability, its goals and how they can be achieved together.

3.2. LITEXPO MANAGED INFRASTRUCTURE

LITEXPO currently has 5 exhibition pavilions and 15 conference halls - a total of 18,500 square metres of indoor space and 15,100 square metres of outdoor exhibition space. LITEXPO's largest conference hall can accommodate up to 2,500 people at a time with theatre-style conference chairs. LITEXPO's second conference hall can accommodate up to 1800 people. These are the two largest LITEXPO conference halls in Lithuania, equipped with state-of-the-art conference and lighting equipment and easily transformable into smaller halls. These halls can be used for exhibitions and various types of entertainment events.

During the reconstruction of the first hall, LITEXPO built a new, separate conference centre. The 3 conference halls can be easily transformed into 5 smaller halls. The total area of this new conference centre is 427 sqm and can accommodate 400 seats.

LITEXPO has enough furniture and equipment to host large international events. It can accommodate up to 5,000 conference participants at a time. The partitions can additionally provide up to 1000 sqm of separate isolated acoustic conference spaces, equipped with suitable furniture and equipment. LITEXPO's infrastructure also includes two cafés, a restaurant, 1,115 parking spaces, spacious storage rooms, information and service centres, audio-visual equipment, telephone and wireless Internet connections, and administrative premises.

Over the past year LITEXPO has invested in and upgraded the registration system for exhibitors, now exhibitors can conveniently register, independently select the desired exhibition space, set up their stand and order additional services. The system can also be rented out to other exhibition organisers to generate additional income.

LITEXPO has also introduced a project management standard and uses a tool for its implementation - the Teamwork system, which complements the company's existing systems and makes project management more organised, tasks are assigned according to the SMART principle, and work is more efficient and faster.

Although LITEXPO has a sufficiently developed outdoor and indoor infrastructure, the existing facilities do not ensure the achievement of the strategic objectives. The Company's buildings, the computer and software used, and the conference halls require continuous renovation. There is not a need, but also a necessity to implement new modern IT solutions, such as investing in a B2Match platform (or other tool with similar functionalities), which makes it easier for the Company to attract B2B exhibitors, making it easier for them to meet other exhibitors (regardless of whether they are physically present at the exhibition), It is also important to modernise the LITEXPO , update the exhibitor registration system, purchase an event and information management system capable of collecting and processing information on visitors attending events, monitor in real time the occupancy of event halls during exhibitions, etc.

With the high costs of maintaining the infrastructure, LITEXPO is constantly looking for opportunities to introduce alternative energy sources and find new innovative solutions to reduce the costs of maintaining the company.

4. LITEXPO STRATEGY AND ITS IMPLEMENTATION

LITEXPO MISSION

Organise events that promote business exchange and engage the public, and be a socially responsible and innovative leader that delivers long-term shareholder returns.

VISION

A technologically advanced, versatile, new-format exhibition and event venue for business collaboration and partnership development.

VALUES

Our mission, vision and all our activities are based on the core values of professionalism, innovation and teamwork.

STRATEGIC ORIENTATIONS

- **DIRECTION I: Improving the efficiency of the Company's operations to achieve sustainable growth and long-term shareholder value.**

The company is committed to delivering long-term returns and growth in corporate value by increasing the number of events it organises, investing in infrastructure improvements and introducing innovative solutions to streamline operational processes.

- **DIRECTION II: Creating opportunities for business-to-business (B2B) exchanges and increasing the number of business-to-business (B2B) meetings.**

The company is working hard to develop new exhibitions and increase the number of exhibitors, as well as ensure the growth of exhibitions and to be more innovative.

- **III DIRECTION 1: Business development by creating and exploiting new opportunities.**

The company is committed to organising new events of relevance to business and society and to promoting increasing internationalisation and visibility.

- **IV DIRECTION 4: Building a cohesive organisational culture.**

The company aims to increase staff motivation and the number of social initiatives that bring employees together.

The implementation of LITEXPO's strategic directions is based on specific actions envisaged in the strategy, taking into account the formulated strategic goals, objectives, measures and indicators of their achievement.

Although 2022 was certainly a challenging year, with frequent doubts about the continuity of operations, the Company was able to achieve the financial targets set out in the 2022 Strategy, which shows that the objectives and directions set by the Company are exactly those that LITEXPO is growing towards and can be more confident in setting even more ambitious targets and in the achievement of them. In order to ensure the continuity of operations and to meet the expectations of shareholders, LITEXPO's team of employees in 2022 paid special attention not only to effective risk management, optimisation of processes, formation of new project teams, but also set strategic goals for the coming year and assumed responsibilities to achieve them.

Adherence to the directions set out by LITEXPO and the achievement of the set objectives will be a guarantee for the company to remain competitive and promising, to attract and retain the best employees, to be financially stable, and to create economic value for shareholders and the entire country.

After the implementation of the main goals set for the strategic period 2023-2026, LITEXPO's revenue will reach EUR 6.9 million, 2019 it was EUR 6.06 . Due to the COVID-19 pandemic and the war in Ukraine and the financial consequences of these factors, the company's activity is expected to stabilise and reach the 2019 financial results in .

At the end of the strategic period (2026), EBITDA will amount to almost EUR 524 thousand, EBITDA will amount to EUR 1.6 million and the return on equity (ROE) will be 5.4%.

Here is an LITEXPO's strategic objectives:

Strategic objective	Measuring indicators	Indicator values	
		Target result 2022	Actual result 2022
DIRECTION I: Improving the efficiency of the Company's operations to achieve sustainable growth and long-term shareholder value.			
1. Ensuring long-term returns and growth in company value	1.1. Return on Equity (ROE), per cent	-41,9%	-15%
	1.2 Earnings before interest, tax, depreciation and amortisation (EBITDA), thous. Eur	-677 484	32 281
	1.3. Annual financial financial debt to equity ratio	≤1,6	1,13
	1.4. Net profit margin (%)	-50,4%	-19%
2. Reducing energy resources	1.5. Reduced Energy resource costs, (%)	10%	22,21%
STRAND II: Creating opportunities for business-to-business (B2B) exchanges and increasing the number of B2B meetings			
1. Ensuring the growth of exhibitions and increasing their innovativeness	Number of exhibitions with an exhibition space of more than 4000 sqm, units	6	6
2. Developing new exhibition themes and increasing the number of participants	2.1. Number of exhibitions on new themes	1	2
	2.2 Maintaining the loyalty of existing exhibitors, as a percentage of the previous year's exhibitions.	70	69
	2.3.New new participants (first time participants or for non-participants in the two previous exhibitions), sc.	20%.	31%.
	2.4. Number of new foreign exhibitors at each exhibition, see.	5%.	10%.
Axis III: Business development through the creation and exploitation of new opportunities			
1. Organising new events relevant to business and society	1.1. Number of new concept events, pcs. <i>(only those events separate from exhibitions and not conference events are counted) type, i.e. events in an outdoor pavilion)</i>	25	24

	1.2. New No LITEXPO organised by attracti ng exhibitions	2	3
2. Internationalisation and awareness-raising	2.1 Number of bids (BIDs) submitted and won to attract international events	10/2	9/4
	2.2. International Number of international events, pcs.	25	27
LEVEL IV: Creating a unified organisational culture and corporate image			
1. Improving staff motivation	1.1. Staff Staff turnover reduction rate (%)	15	31
	1.2 Percentage of employees with a positive view of the working environment	86	81
2. LITEXPO social initiatives that bring workers together Increasing the number of	2.1 Number of new social responsibility projects/initiatives, pcs.	4	6

7 Table 1. Implementation of strategic indicators

The targets to be achieved in 2023 are described in Chapter 10 of this report.

5. LITEXPO 2022 OPERATIONAL REVIEW

5.1. KEY ACCOUNTING AND POST-ACCOUNTING DEVELOPMENTS EVENTS

Highlights of the reporting period

1st quarter 2022	<ul style="list-style-type: none"> - By the decision of the General Meeting of Shareholders on 19 January 2022, four independent members of the LITEXPO Board were elected - Mantas Dubauskas, Aleksandras Golod, Žilvinas Pakeltis and Ramutė Ribinskienė. - LITEXPO Board approved LITEXPO 2022-2025 strategy - LITEXPO Board approves 2022 budget - Organised exhibitions (LITEXPO and non-LITEXPO): 'Adventur 2022', 'Career and Studies 2022', 'Vilnius Book Fair', 'Woman's Vision 2022', Dog and Cat Show and Baltic Jewellery Exhibition "Ambertrip".
Q2 2022	<ul style="list-style-type: none"> - The Ordinary General Meeting of Shareholders was convened and approved the 2021 set of audited financial statements of LITEXPO and LITEXPO Group for 2021. - A decision was taken to initiate the reorganisation of LITEXPO's subsidiary UAB "Litexpo events" by merging it into LITEXPO. - The LITEXPO Management Board has decided to change the remuneration policy of the LITEXPO CEO. - The following major exhibitions and events took place at LITEXPO premises (LITEXPO and non-LITEXPO events are indicated): "Furniture and Design Solutions 2022", "Cinderella, Resta 2022, Wine Days 2022, TechFair, HELSO Electricity, "Comic Con Baltics", "LOGIN. - On 15 June 2022, a very important and significant step for LITEXPO was adopted

	<p>Resolution of the Government of the Republic of Lithuania, No 632, "On the organisation of the North Atlantic Treaty Organisation Summit in Lithuania in 2023", which stipulated that:</p> <ul style="list-style-type: none"> • The working sessions of the North Atlantic Treaty Organisation Summit will be organised at LITEXPO indoors and outdoors. • The Ministry of Foreign Affairs of the Republic of Lithuania and LITEXPO, jointly or separately, will take all necessary steps to ensure the timely preparation and adaptation of LITEXPO's premises and external areas for the NATO Summit in accordance with NATO and all other applicable requirements. <p>-On 23 June 2022, an agreement was signed with the Lithuanian Foreign Ministry of Foreign Affairs on the rental of premises for the working sessions of the North Atlantic Treaty Organisation Summit in summer 2023.</p>
Q3 2022	<ul style="list-style-type: none"> - By decision of the Board, 24 August 2022 LITEXPO signed an agreement with AB Šiaulių bankas for an additional account credit in the amount of EUR 1 million. The purpose of the credit facility is to provide working capital for the financing of preparations for the NATO event. The credit facility is granted until 1 February 2023. - On 27 September 2022, the new organisational management structure of LITEXPO was approved by a decision of the Board. - The updated description of the procedure for the lease and sale of the property of the Lithuanian Exhibition and Congress Centre Litexpo UAB is approved by the decision of the Board of Directors. - Rūta Steckienė is elected as a member of the Board of Directors by the decision of the General Meeting of Shareholders of 11 July 2022.
Q4 2022	<ul style="list-style-type: none"> - Facilities rental and catering services contract signed with UAB "Benerta". - The subsidiary UAB Litexpo events was reorganised by merger. - 23 November 2022 The Government of the Republic of Lithuania, by Resolution No 1156, determined that the financial assets (cash) belonging to the State - EUR 1,999,999.5 - would be transferred as an additional contribution to the increase of LITEXPO's authorised capital from the appropriations allocated to the Ministry of Economy and Innovation. In regard, by decision of the General Meeting of Shareholders, in 2023 <p>In January 2009, LITEXPO's authorised capital was increased by the same amount. Part of this amount will be available for investments in energy efficiency.</p> <ul style="list-style-type: none"> - The Extraordinary General Meeting of 13 October 2022 changed the existing remuneration arrangements for the Board of Directors to a fixed monthly remuneration for the remainder of the term of office. - Organised exhibitions/events, (LITEXPO and non-LITEXPO organised): "BALTTECHNIKA", "International Dog and Cat Show"; Contemporary Art Fair "ArtVilnius'2022", "BE HEALTHY", "Parenthood code".

8 Table 1. Highlights of the reporting period

Key events up to the date of the report

1st quarter 2023	<ul style="list-style-type: none"> - 30 January 2023 The updated Articles of Association of LITEXPO have been registered in the Register of Legal Entities, where the authorised capital of LITEXPO has been increased from EUR 9,653,560.60 to EUR 11,653,560.10. - LITEXPO hosted the following exhibitions: the 10th Anniversary International Tourism and Active ADVENTUR leisure exhibition and Vilnius Book Fair.
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	- LITEXPO Strategy 2023-2026 approved.
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9 Table 1. Key events up to the date of the report

5.2. OVERVIEW OF

ACTIVITIES EXHIBITION ORGANISATION ACTIVITIES

During the pandemic, the organisation of exhibitions was put on hold, leading to a weakening of long-term partnerships for some exhibitions, weaker content, and a decline in interest and activity among exhibitors and visitors. The attempts to organise exhibitions virtually during the pandemic did not work and did not bring any benefits to the market participants; therefore, LITEXPO was actively looking for other alternatives and opportunities to organise exhibitions throughout 2022, while ensuring their growth and relevance for participants and visitors.

The post-pandemic revitalisation of the exhibition activity started in January 2022 with ADVENTUR. The result of the exhibition did not meet the planned financial expectations as the number of exhibitors and visitors was lower than expected. The main reason for this was the reduced activity and willingness of tourism companies to participate in the exhibition, the fact that companies refused to participate in the exhibition for reasons of economy or chose significantly smaller stands than in previous years, and that they did not purchase additional services from LITEXPO (e.g. cleaning, advertising, etc.).

The Vilnius Book Fair in February was the most successful exhibition of the first half of 2022, achieving the planned financial expectations and maintaining sustainable partnerships.

The March exhibitions SCHOOL and CAREER & STUDIES suffered from a loss of partnerships. The Ministry of Education and Science of the Republic of Lithuania refused to support the participation of Lithuanian higher education and vocational education institutions in the exhibitions, and the National Education Agency refused to cooperate in the organisation of the MOKYKLA exhibition one month before the exhibition. The unsustainable partnerships affected the quality of the exhibitions, but did not prevent the implementation of the exhibitions and allowed to achieve relatively good financial results.

The war in Ukraine, which broke out on 24 February 2022, has brought a lot of instability to the market. The sanctions imposed on Russia and Belarus have affected the supply chains of goods, which is directly reflected in exhibitions such as PELENE, RESTA, FURNITURE and DESIGN SOLUTIONS. The beauty industry and the construction sector have been affected by the consequences of the war in Ukraine, which has led to a reduction in the number of international exhibitors at exhibitions, and to the refusal of some local exhibitors with products from Ukraine, Russia or Belarus to participate in exhibitions. The sense of insecurity created by the war also had a negative impact on the decision of companies to invest in exhibiting.

On 17 May, the MOTIVATED@WORK conference and exhibition took place in cooperation with the strategic partner, the Association of Personnel Management Professionals (PVPA). The focus of this event was on a strong content conference for professionals. In addition to the conference, a small exhibition was organised where service providers offered products and services to create a motivating environment and a comfortable workplace, to attract and retain employees, and to improve or create a system of personalised benefits for the organisation. Due to the interest shown in this conference/exhibition, it is planned to organise it again in the future.

In planning the exhibitions for the second half of 2022, a better performance was expected compared to the first half of the year, as businesses were expected to adapt to the prolonged war in Ukraine, the threat of a growing

A pandemic wave can also be successfully managed. However, the negative impact on the exhibition business was shaped by new circumstances, such as the sharp rise in the price of energy resources in the autumn, rising inflation, and rising service prices.

BALTTECHNIKA, which took place on 19-21 October, returned to LITEXPO after a pandemic 2-year hiatus. Due to a disruption in the exhibition organisation cycle, the exhibition was moved from May to October. The biggest advantage of this exhibition is the sustainable partnership with the Lithuanian Engineering Industry and Technology Association LINPRA. Other partners well-known in the market, such as the AHK German-Baltic Chamber of Commerce, the Infobalt Association, the Vilnius Chamber of Industry and Trade, the Innovation Agency and the Ministry of Economy and Innovation of the Republic of Lithuania, are also integrated into the organisation of the content of the exhibition. In cooperation with LINPRA and these partners, a strong professional content of the exhibition was created and conference INDUSTRY 4.0. For the first time in the history of the exhibition, a new sub-theme was introduced - Innovation Island. For the first time, the exhibition was open to the general public - visitors who could access the exhibition by purchasing a ticket and students by pre-registration. This proved to be a successful solution, with around 5000 visitors and around 2000 students interested in technology. B2B exchanges also took place during the exhibition, which added even more value to the exhibition. As in previous BALTTECHNIKA exhibitions, the main visitors were professionals, who were able to attend the exhibition free of charge upon pre-registration. This is the only autumn exhibition that has not been significantly affected by the war, inflation and price hikes.

The TASTE VILNIUS exhibition, which took place from 3 to 5 November, was strongly affected by the negative developments in the energy sector. A wave of hospitality sector bankruptcies in the autumn led to the cancellation of the planned Baltic Gastronomy Forum. The exhibition failed to attract the planned number of exhibitors, and the registered exhibitors reduced their rental space and saved money by avoiding the purchase of additional services. The number of visitors was also not high. All things considered, it was decided not to organise the exhibition in autumn 2023 and to return to the subject only in autumn 2024, when the hospitality sector is expected to recover.

NEW TOPIC. On 11-12 November, the exhibition-conference THE CODE OF PARENTHOOD was organised. The idea to organise an exhibition on this topic was inspired by the exhibition "Children's Country", which disappeared long before the pandemic. A new concept for the exhibition was created, and a partner Renata Cikanaitė with the brand "Parents in Touch" was found who could create quality content. The content is the axis of this exhibition, and the exhibition is only a complementary element to the content. The newly developed model will be applied in 2023.

NEW TOPIC. From 25 to 27 November, an exhibition on a new theme - BE HEALTHY - was organised healthy living. The relevance of the theme has become particularly clear after the pandemic, when people have turned to themselves and started to take more interest in healthy lifestyles, their mental health and disease prevention. An identity for the exhibition was created, a name was devised and partners were identified. Partnerships with sectoral associate structures were developed and renowned leaders in the field of medicine were attracted to the exhibition. In terms of the future potential of the theme and the opportunity to develop the health theme, the exhibition is seen as having a high potential for growth.

On 7 - 9 , the contemporary art fair ArtVilnius'22 and ARCHZONA took place. These exhibitions are organised by the partners in close cooperation with LITEXPO. "The theme of ArtVilnius'22 is ecology, with a special focus on the genres of installation and sculpture, and the guest of the fair is Ukraine. "70 art galleries and institutions and 320 artists from 18 countries participated in ArtVilnius'22. In the project area, visitors could get acquainted with exhibitions of world-famous artists, collections of museums and art foundations, and exhibitions of institutions. The fair featured an international sculpture competition,

The Trail, an exhibition of installations and performances featuring 29 individual artists' projects. An international jury of art professionals and visitors chose the best galleries, artists and works. Discussions, lectures and presentations on various art topics took place in the interactive LRT studio. Visitors took part in guided tours of the fair led by art historians.

2022 EXHIBITION STATISTICS

Exhibitions	Number of participants.	Participants	Number of visitors	Area (gross sqm)	Number of events.
Adventur	80	14	3256	6691	24
Vilnius Book Fair	290	3	33000	18500	471
Careers and studies	80	21	11600 (total number of two exhibitions with SCHOOL)	7471	58
School	48	1	11600 (total number of two exhibitions with CAREERS and STUDIES)	3602	37
Cinderella	97	-	4360	1160	12
Furniture and design solutions	45	2	18000 (in conjunction with the exhibition RESTA)	3000	-
Resta	300 (together with the exhibition "Furniture and design decisions")	24	18000 (together with the exhibition "Furniture and design decisions")	15000	19
Motivated@Work	53	3	720	2835	1 conference
Baltechnics	91	25	5000	2910	24
Taste Vilnius	79	15	3840	2400	23
Paternity code	52	2	1111	5960	42
Stay healthy	72	1	1800	2500	41

10 Table 1. 2022 exhibition statistics

EVENT ORGANISATION ACTIVITIES

LITEXPO's Events Department was ready to be active in 2022, organising more events, renting more event space and attracting more participants than in 2021 (in 2021, due to the ongoing pandemic, event activities were only carried out for a few months, with 96 events, 192,586 square metres of event space and 17,053 visitors). However, due to the continuing pandemic and the war in Ukraine, event activities were not fully operational in the first quarter.

In 2022, 98 events took place, covering 373,593 square metres and attracting 92,252 visitors.

International events/conferences have been organised at LITEXPO premises:

- Helso Electricity;
- LOGIN;
- Comic Con Baltics;;
- Ecomexpo, the e-commerce exchange fair;
- NEET Idea Film Festival (Erasmus+ film programme);
- Baltic Fire Forum;
- HR Conference;
- Ecomexpo, the e-commerce exchange fair;
- NOD Baltic;
- Santa Monica Networks;
- AGILE Conference;
- Transport Innovation Forum.

Number of visitors to events organised by the LITEXPO Events Department in :

Month	Visitors in 2022 Number
January	453
February	783
March	4.685
April	1.630
May	36.640
June	10.450
July	360
August	2.590
September	10.110
October	7.458
November	2.846
December	14.220
Total	92.252

11 Table 1. Number of visitors in 2022

Despite the factors of 2022 - the ongoing pandemic, the war in Ukraine and the increase in electricity tariffs - the Events Division managed to achieve the income foreseen in the Events Division's annual budget in the second half of the year. The main factors for this were the recovery of the private events market, the organisation of live conferences and the attraction of new organisers and types of events.

During the first quarter of 2022, 15 planned events were cancelled due to the COVID-19 pandemic, event restriction rules, international flight restrictions and the war in Ukraine, but 5 events were postponed to autumn 2022 and spring 2023. In the second quarter of 2022, the events market stabilised, with all planned annual events taking place and several new concept events organised.

One of the biggest and most important events was the Baltic Student Conference on 17-19 June

the Gaudeamus 2022 song and dance festival, LITEXPO was the accommodation place for the participants of this event (3 380 students lived in LITEXPO premises). In July and August 2022, LITEXPO Hall 4 became a filming site - several international commercials were filmed there, and the outdoor area was used by the companies Siemens and Bloomingdale to present their exhibition buses to customers. In the last days of the summer, the Garden Style conference and a private event by Narbutas took place.

It is also important to mention that LITEXPO Events Department paid special attention to the organisation of the NATO Summit, which will be one of the biggest LITEXPO events in recent years, both in terms of its size and importance, as well as revenue. LITEXPO actively cooperated with the Ministry of Foreign Affairs of the Republic of Lithuania and NATO Headquarters on the technical details of the NATO Summit to be held in summer 2023 and the terms of the lease of the LITEXPO premises, and the contract for the adaptation of the external space of the premises was signed already on 23 June 2022 and on 1 August 2022.

In September-October 2022, a wide range of conferences took place, the largest of which were: the HR Week Lithuania conference for HR managers, the Baltic Fire Forum fire safety conference, the Ecomexpo conference-exhibition for e-commerce specialists, the TechMugè employers' fair, held for the second time in a year, and the Transport and Innovation Forum, while on 16-17 September, the Supernamai exhibition was held for the first time in the Avia Solution Group Arena, which had been held for the past 10 years.

In November and December 2022, LITEXPO premises were mainly rented out to organisers of annual and private events, Christmas fairs, the traditional annual December exhibitions and concerts: the annual marketing specialists' event "LIMA Day Lietuva", the Lithuanian sports awards "LTeam", 6 private events, the Christmas fair, the international dog show, the group "8 kambarys" and the concerts by the performers Gabrielius Vagelis and Vaida Baumila.

CATERING ACTIVITIES

LITEXPO's catering activities in 2022 until 2 November were carried out by the Catering Department, whose results were directly dependent on the activity and volume of events and exhibitions taking place at LITEXPO. At the beginning of the year, several large private events were cancelled due to the COVID-19 pandemic, which had a significant impact on the underperformance of the planned quarterly budget. Continued distance rules for events and the outbreak of the war in Ukraine affected the purchasing habits of visitors in cafeterias, with conference organisers ordering catering for only a part of the conference participants. Budgets for private events have been reduced due to the allocation of part of the funds to Ukraine, and concepts have been changed to include coffee breaks only, with no catered lunches provided.

Between January and October 2022, the Catering Department served 75,186 visitors during events and conferences. 24,554 visitors were catered for during exhibitions.

Peak events to be served January to October 2022:

- During the Vilnius Book Fair (24-27), 9,827 visitors purchased catering services.
- During ArtVilnius (10.07-09), catering services were provided to 4,005 visitors.
- Comic Con Baltics, which took place from 20-22 May, welcomed 3,018 visitors.
- A contract has been awarded for the provision of catering services to participants in the Gaudeamus song and dance festival

during the rehearsals in Kalnų Park and at the accommodation. 12.294 portions were prepared for the participants

In 2022, the LITEXPO Management Board decided to abandon the catering business and outsource it to an external supplier. This decision was taken in order to ensure a more efficient provision of catering services, to reduce administrative work in organising public procurement of food products and services related to catering activities, to reduce the workload of personnel and accounting in managing the recruitment of fixed-term employees. November 2022 LITEXPO leased the premises and equipment for catering activities to the successful company (UAB "Benerta), which has been given responsibility for catering exhibitions and events.

6. 2022 FINANCIAL RESULTS, INVESTMENTS AND DIVIDENDS POLITICS

6.1. FINANCIAL RESULTS

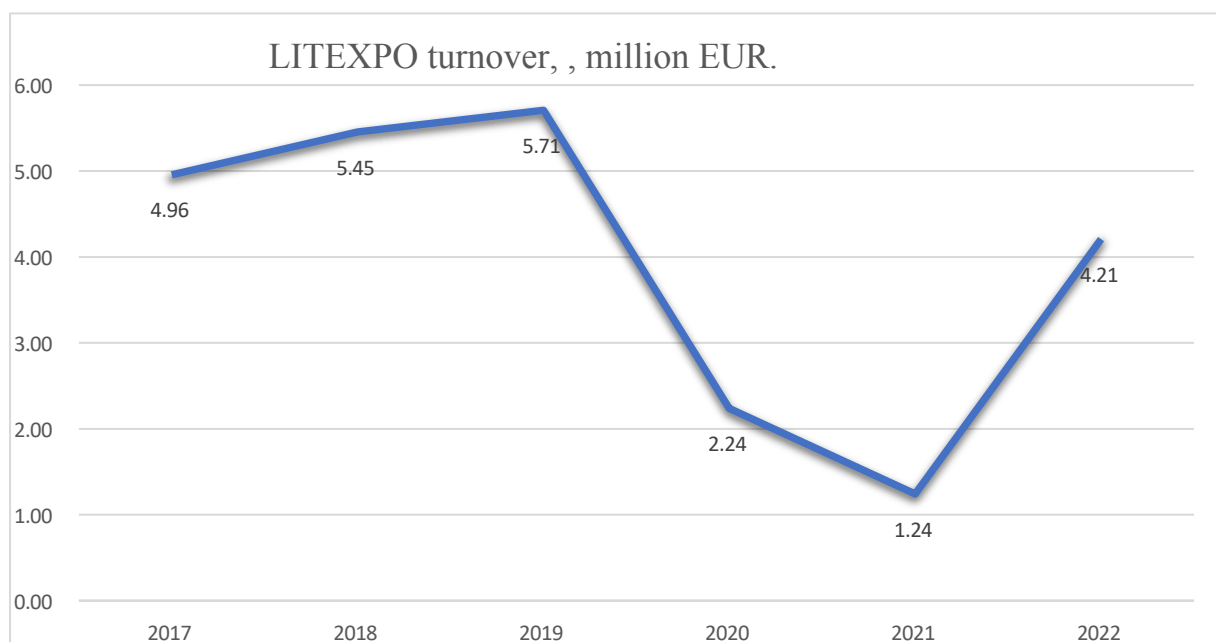
Comparison of key financial indicators for 2020-2022

Financial indicators	Year 2022	Year 2021	2020	Change 2021-2022		Change 2020-2021	
				+/-	%	+/-	%
Sales revenue, EUR	4.207.315	1.241.825	2.236.527	2.965.490	239%	(994.702)	-44%
Gross profit, Eur	244.356	(832.184)	(445.713)	1.076.540	129%	(386.471)	-87%
<i>Gross profit margin, %</i>	6%	-67%	-20%	73%		-47%	
Cost of sales, EUR	9.686	7.084	49.482	2.602	37%	(42.398)	-86%
General and administrative expenses, EUR	884.343	1.784.278	3.371.021	(899.935)	-50%	(1.586.743)	-47%
Results of other activities, EUR	6.345	757	5.926	5.588	738%	(5.169)	-87%
EBITDA, EUR	32.281	(748.768)	(228.272)	781.049	104%	(520.496)	-228%
<i>EBITDA margin, per cent</i>	1%	-60%	-10%	61%		-50%	
Income from financial and investment activities, EUR	26	2	20.411	24	1200%	(20.409)	-100%
Financial and investment operating expenses, EUR	285.500	108.873	84.166	176.627	162%	24.707	29%
Profit (loss) before income tax EBT, EUR	(928.802)	(2.731.660)	(3.924.045)	1.802.858	66%	1.192.385	30%
<i>EBT margin, per cent</i>	-22%	-220%	-175%	198%		-45%	
Net profit (loss), EUR	(783.026)	(2.481.633)	(3.752.935)	1.698.607	68%	1.271.302	34%
<i>Net profit margin, %</i>	-19%	-200%	-168%	181%		-32%	
Assets, EUR	15.277.466	14.173.145	15.567.504	1.104.321	8%	(1.394.359)	-9%
<i>Return on assets (ROA), %</i>	-5%	-17%	-21%	12%		4%	
<i>Asset turnover</i>	0,28	0,09	0,14	0,19	211%	-0,05	-36%
Shareholders' equity, EUR	4.830.942	5.614.131	8.096.566	(783.189)	-14%	(2.482.435)	-31%

<i>Return on equity (ROE), %</i>	-15%	-36%	-38%	21%		2%	
<i>Ownership ratio</i>	0,32	0,40	0,52	-0,08	-20%	-0,12	-23%
Non-current liabilities, EUR	5.643.746	5.846.518	54.695	(202.772)	-3%	5.791.823	10589%
Current liabilities, EUR	3.192.843	1.044.370	5.703.729	2.148.473	206%	(4.659.359)	-82%
<i>Financial debt to equity ratio</i>	1,13	1,01	0,59	0,12	12%	0,42	71%
<i>Gross debt ratio</i>	0,58	0,49	0,37	0,09	18%	0,12	32%
<i>Gross coverage ratio</i>	0,57	0,12	0,02	0,45	375%	0,10	500%
<i>Immediate coverage ratio</i>	0,55	0,11	0,02	0,44	400%	0,09	450%
<i>Debt-to-equity ratio</i>	1,83	1,23	0,71	0,60	49%	0,52	73%
<i>Debt to EBITDA ratio</i>	274	-9	-25	283	3075%	16	64%
Annual number of posts, pcs.	50	67	60	-17	-25%	7	12%

12 Table 1. Comparison of key financial indicators for 2020-2022

LITEXPO's operations continued more successfully after the end of the COVID-19 pandemic restrictions and sales revenues increased from EUR 1.24 million (2021) to EUR 4.21 million (2022).

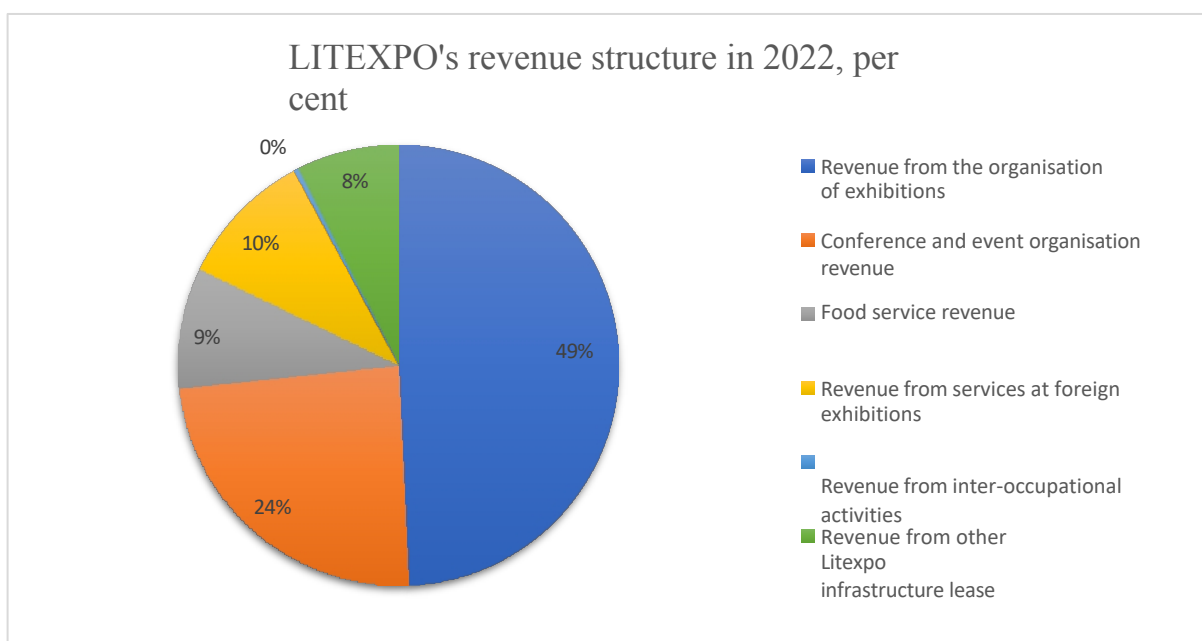


Graph 1. LITEXPO turnover 2017-2022

The distribution of revenues in 2022 has evolved, with exhibition revenues increasing to the most significant revenue category, accounting for almost half of all revenues, conference and event revenues accounting for about a quarter of all revenues, and inter-organizational revenues accounting for a small share of revenues. A more detailed comparison of sales revenues for 2022 and 2021 is presented in the following tables.

Structure of sales revenue		
	2022 m.	%
Revenue from the organisation of exhibitions	2.072.356	49%
Revenue from conferences and events	1.013.196	24%
Food service revenue	371.373	9%
Revenue from services at foreign exhibitions	422.441	10%
Revenue from inter-occupational activities	14.803	0%
Rental income from other Litexpo infrastructure	313.146	7%
Total sales revenue:	4.207.315	

13 Table 1. Structure of sales revenue



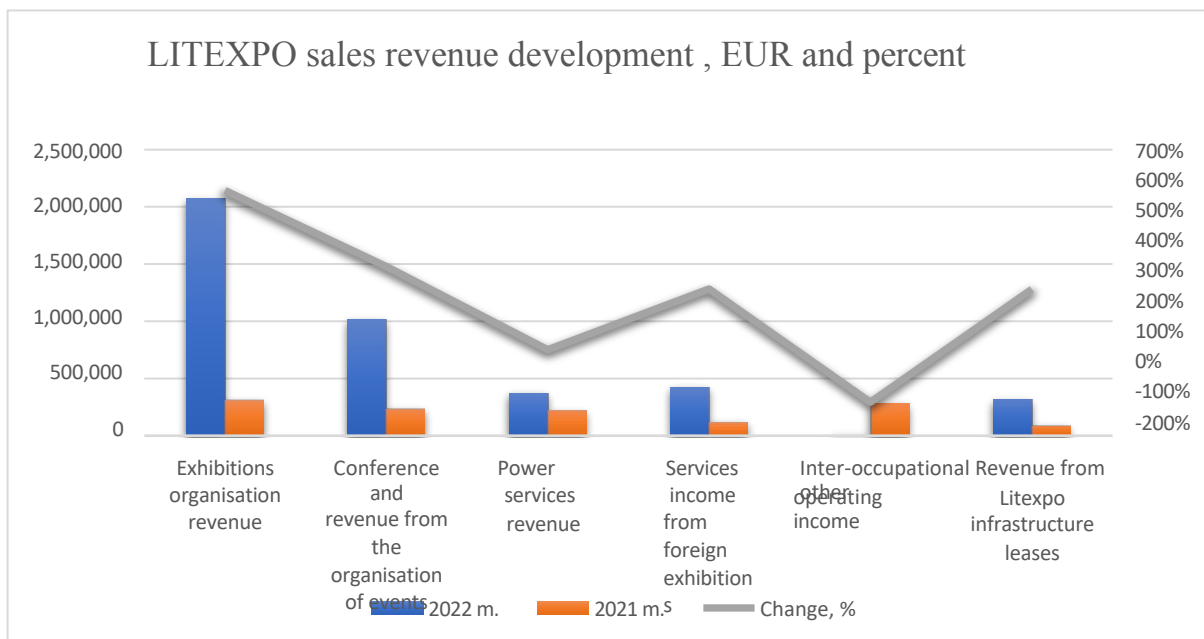
2 timetable. LITEXPO revenue structure in 2022

Comparing 2022 and , there is a significant increase in total sales revenue and only inter-trade revenue has decreased significantly.

Changes in sales revenue	2022 m.	2021 m.	Change, %
Revenue from the organisation of exhibitions	2.072.356	308.629	571%
Revenue from conferences and events	1.013.196	234.228	333%
Food service revenue	371.373	217.889	70%
Revenue from services at foreign exhibitions	422.441	116.888	261%
Revenue from inter-occupational activities	14.803	277.366	-95%

Rental income from other Litexpo infrastructure	313.146	86.825	261%
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14 Table 1. Changes in sales revenue



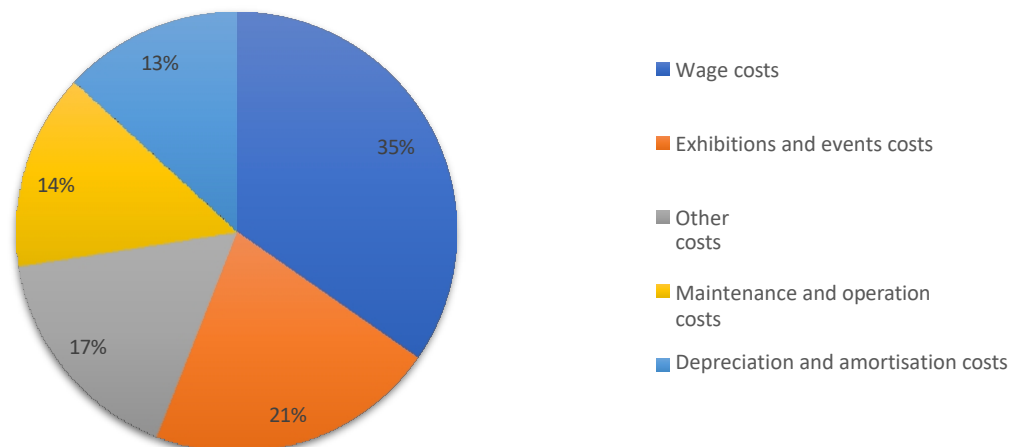
3 timetable. LITEXPO sales revenue developments 2021-2022

In 2022, the largest cost component was wages and salaries, which accounted for almost EUR 1.8 million or 35 per cent, and exhibitions and events, which accounted for almost EUR 1.1 million or 21 per cent.

Cost structure in 2022		
	2022 m.	Percentage of total costs
Wage costs	1.784.382	35%
Exhibitions and events costs	1.092.371	21%
Maintenance and operating costs	737.722	14%
Depreciation and amortisation costs	675.583	13%
Other costs	852.430	17%
Total costs:	5.142.488	

15 Table 1. Cost of sales structure in 2022

LITEXPO's cost structure in 2022, per cent

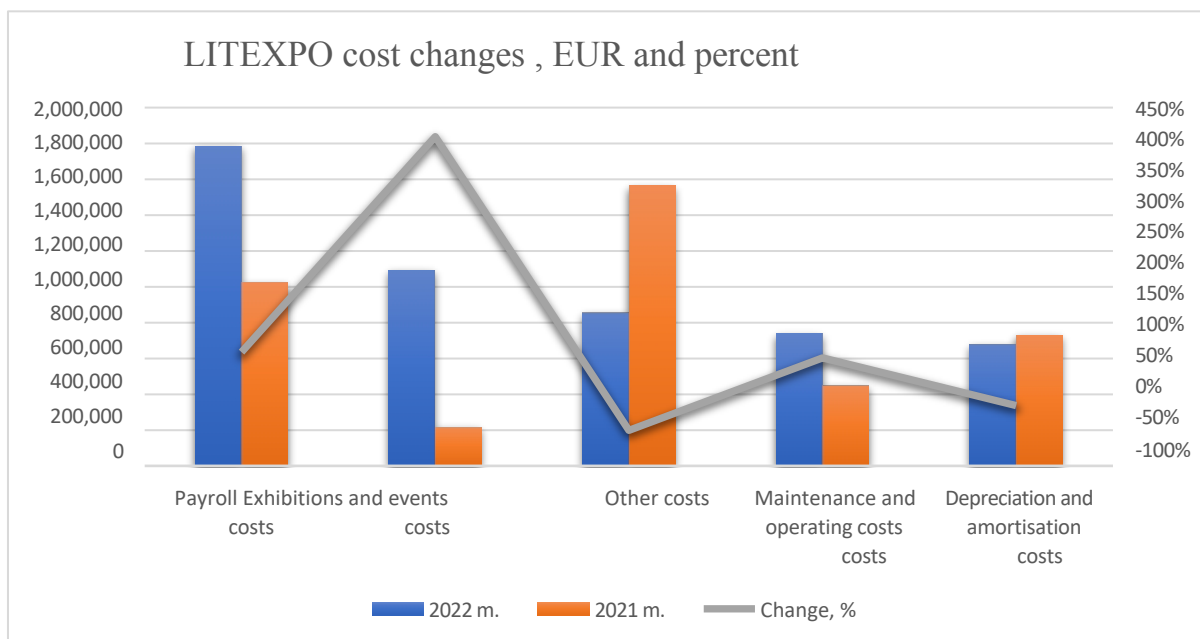


4 timetable. LITEXPO cost structure in 2022

In 2022, operating costs increased by 29%. The largest increases are in wages and salaries and in exhibitions and events. Maintenance and operating costs also increased, while other costs decreased. The increase in exhibitions and events costs correlates with a significant increase in sales revenue.

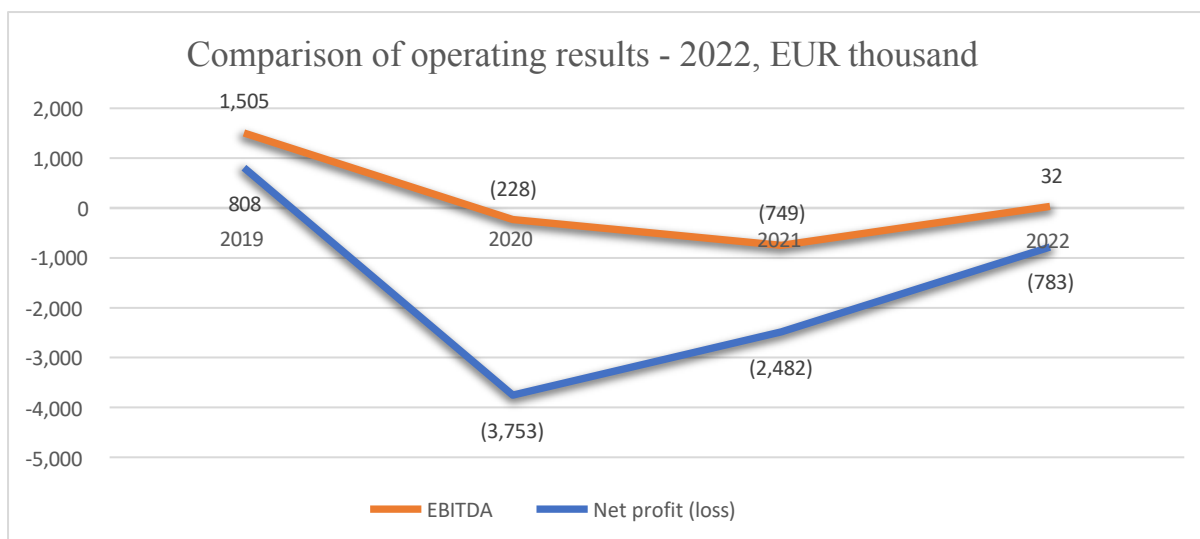
Changes in costs	2022 m.	2021 m.	Change, %
Wage costs	1.784.382	1.022.326	75%
Exhibitions and events costs	1.092.371	216.157	405%
Maintenance and operating costs	737.722	444.849	66%
Depreciation and amortisation costs	675.583	728.238	-7%
Other costs	852.430	1.563.934	-45%
Total	5.142.488	3.975.504	29%

16 Table 1. Changes in costs



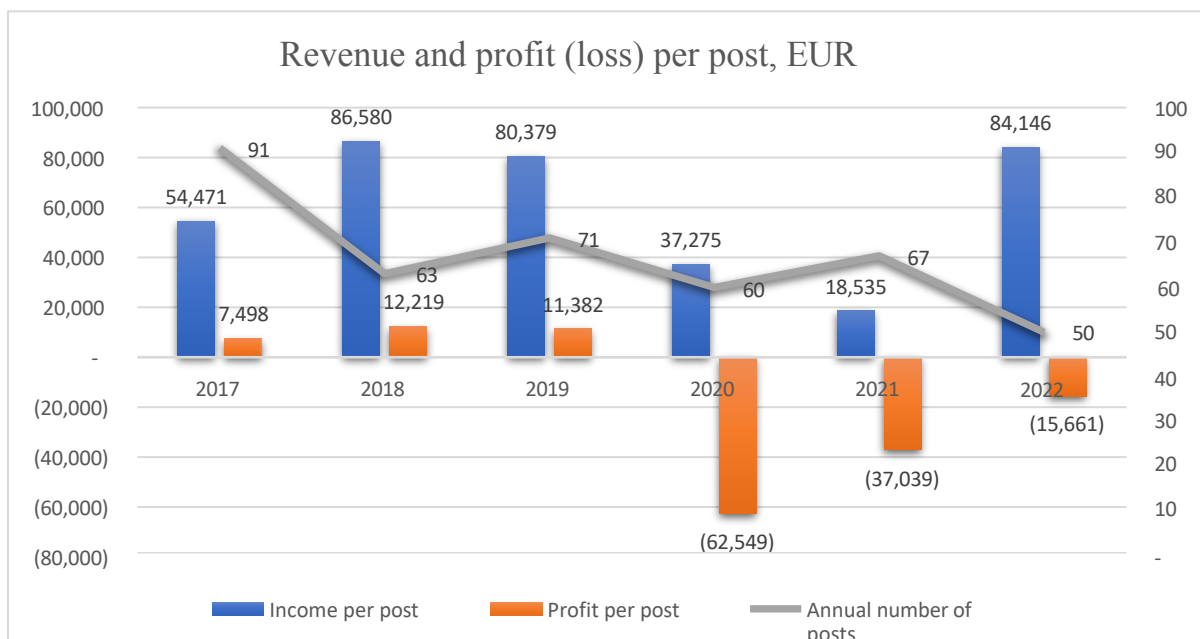
5 timetable. LITEXPO cost changes 2021-2022

In 2022, LITEXPO's earnings before interest, taxes, depreciation and amortisation (EBITDA) became positive after a 2-year break. Although the company is still loss-making in 2022, a positive trend is visible.



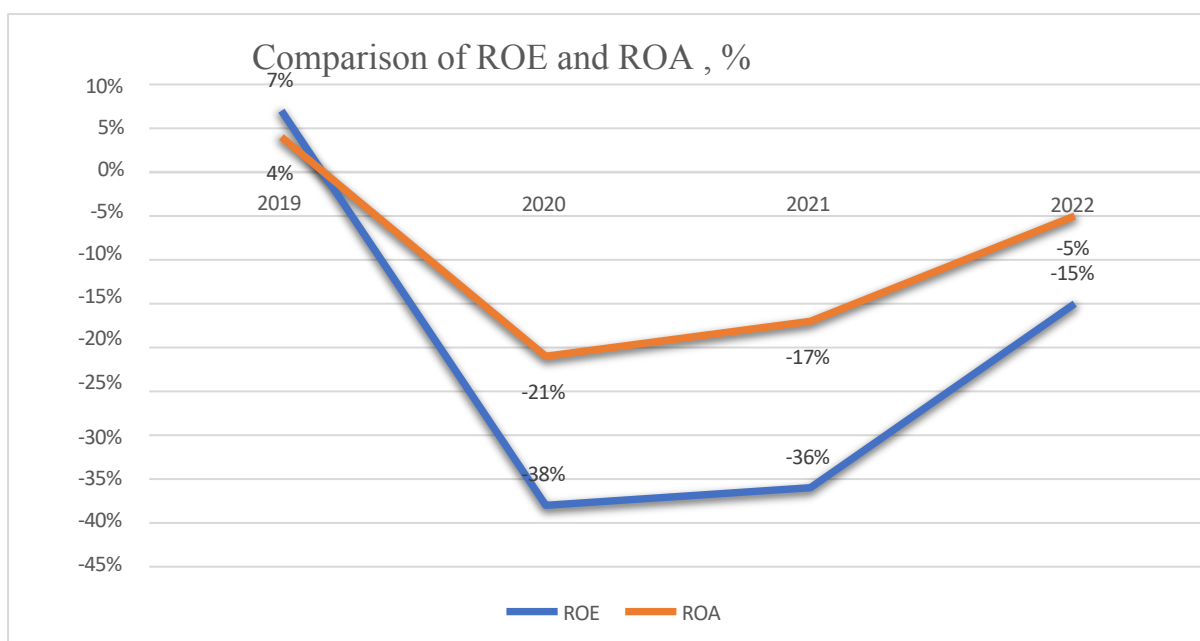
6 timetable. Comparison of performance in 2019-2022

In 2022, the revenue per full-time equivalent employee returned to the 2018-2019 level and exceeded the threshold of EUR 80,000 again. Although the number of FTEs is lower, the result per FTE remained negative (loss), but there is a positive trend with an improvement in the result per FTE.



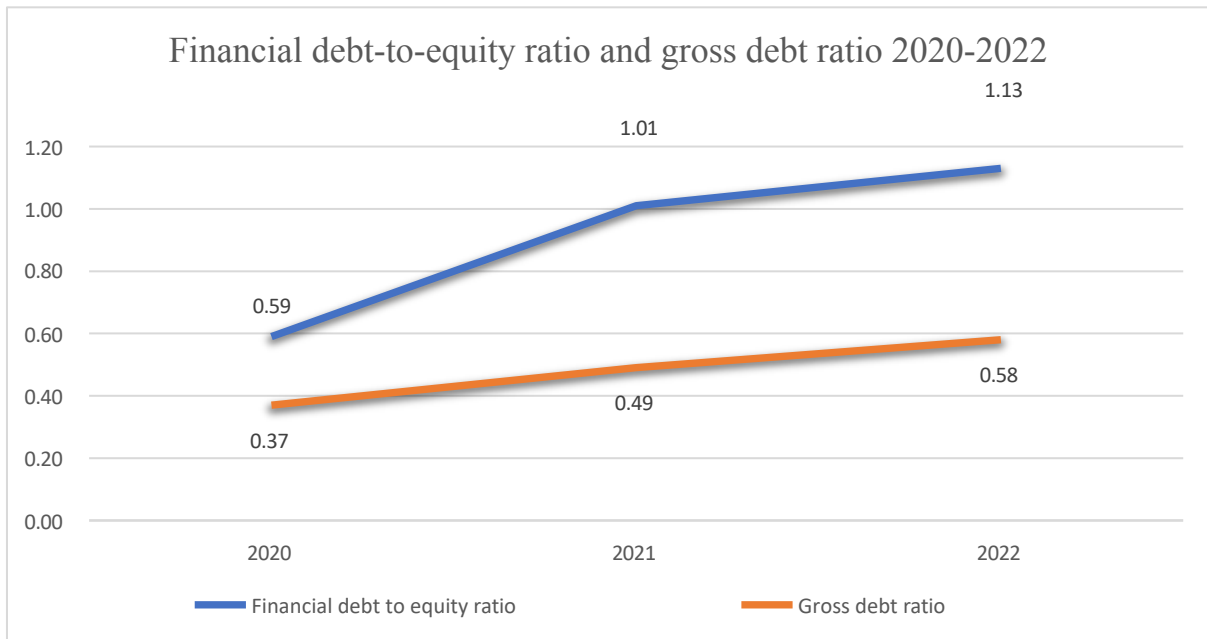
7 timetable. Revenue and profit/loss per post

As 2022 is a loss year for the company, both ROE and ROA remain negative.



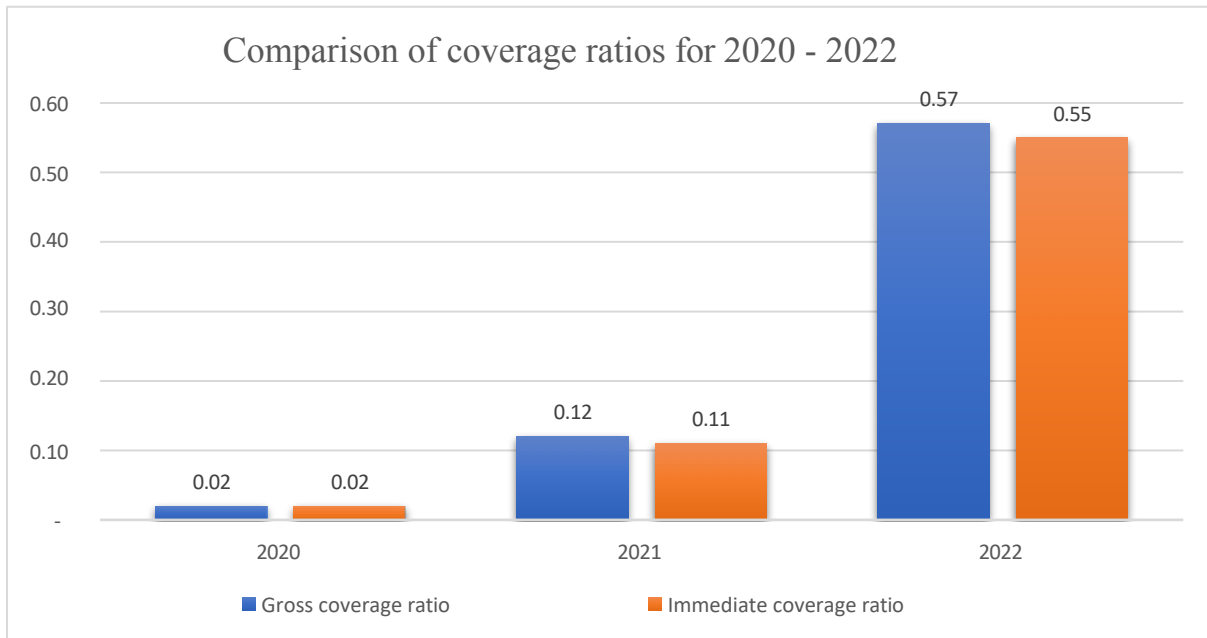
8 timetable. Comparison of ROE and ROA for 2019-2022

Both the financial debt-to-equity ratio and the gross debt ratio have increased year on year, driven by the company's increasing liabilities. From 2021 onwards, if the financial debt-to-equity ratio exceeds the threshold of 1,0, the company's equity will not be sufficient to cover its financial liabilities.



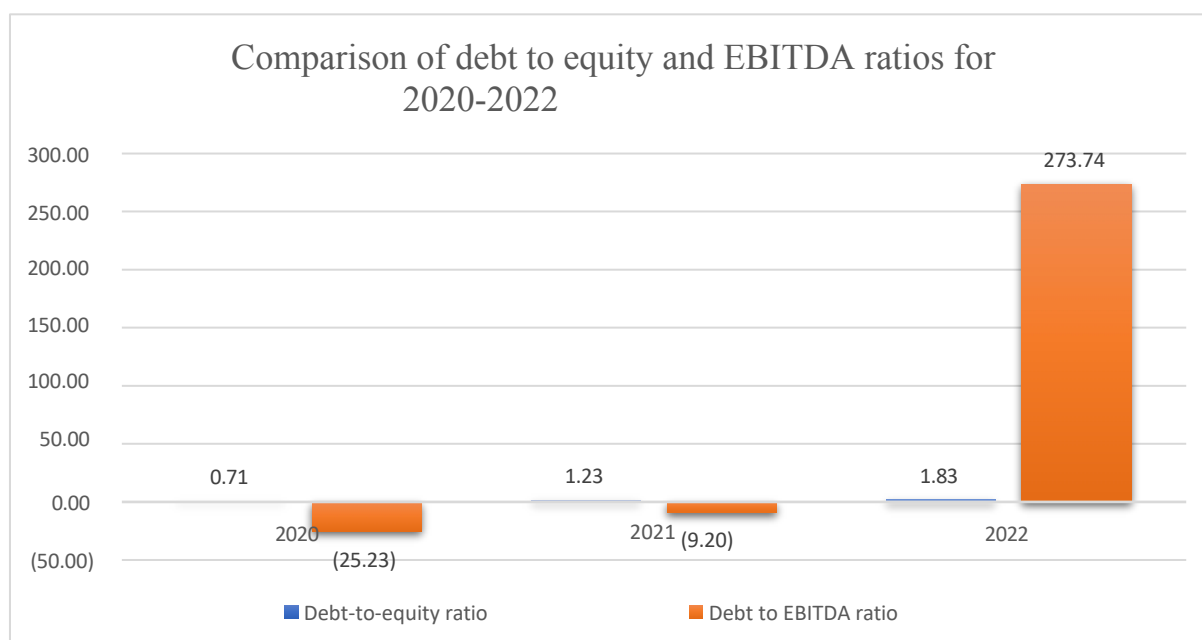
9 timetable. Financial debt-to-equity ratio and gross debt ratio for 2020-2022

Both coverage ratios have been rising for the last 3 years, with a significant increase above the 0.5 threshold in 2022. This indicates that the company would cover more than half of its current liabilities with current assets.



10 timetable. Coverage ratios

As a result of the losses in recent , the debt-to-equity ratio continued to increase and the debt-to-EBITDA ratio turned from negative to positive. In 2022, debt will exceed EBITDA 270 times.



11 timetable. Comparison of debt to equity and EBITDA ratios for 2020-2022

6.2. INVESTMENTS FOR 2021-2022

The financial risks caused by the COVID-19 pandemic and the war in Ukraine have changed the Company's plans and the Company has not been able to plan and execute the necessary investments in 2021-2022. In 2021, the Company invested EUR 21 thousand in tangible fixed assets. This amount included funds for the renewal of computer equipment and the installation of a fire alarm system in the fifth LITEXPO pavilion.

In 2022, the Company's investments were minimal, with EUR 7,000 spent on upgrading computer equipment.

6.3. DIVIDEND POLICY

LITEXPO pays dividends on the basis of the dividend of 14 January 1997. No 20 of the Resolution of the Government of the Republic of Lithuania "On Dividends on State-Owned Shares in Companies and Profit Contributions from State-Owned Enterprises" of the Republic of Lithuania, which stipulates that dividends should be allocated from 60 to 85 per cent of a company's distributable profit, depending on the return on equity at the end of the reporting period.

The company made a loss in 2021-2022. As at 31 December 2022, LITEXPO's balance sheet showed a loss of EUR 4.8 million, and the Company does not plan to pay dividends.

7. PERSONNEL MANAGEMENT AND REMUNERATION POLICY

7.1. PERSONNEL MANAGEMENT

LITEXPO's organisational management structure is approved by the decision of the Board of 27 September 2022 (Minutes No VP-68).

31 December 2022 LITEXPO had 59 employees (the total number of employees includes employees,

on maternity/paternity leave). 100% of staff working in managerial, administrative and executive positions have a university degree. For short-term work (servicing exhibitions and conferences, managing visitor flows, cloakroom security, cleanliness and tidiness, and individual projects), additional staff are recruited on fixed-term contracts or on a temporary basis.

Number of LITEXPO employees recruited during the year under fixed-term contracts to perform short-term work during events:

2022 m.	2021 m.	2020 m.
565 employees	232 employees	473 employees

17 Table 1. Number of staff per year on fixed-term contracts for short-term work during events

The contribution and initiatives of every employee are important to the company, which is why we develop LITEXPO's activities and improve our internal processes every year:

- staff performance appraisal interviews,
- regular discussions on staff , working conditions, development and career opportunities
- support from managers to help employees set personal goals,
- discussing with staff the problems and difficulties they face in achieving their objectives,
- constantly seeking the best solutions for employees and employers.

The company places particular emphasis on staff development. Employees are encouraged to participate in various training courses, seminars, conferences and other competency development and qualification programmes. Event and exhibition teams are encouraged to learn from the experience and new ideas of international exhibition and conference centres in other countries. In 2022, 216 hours of training were provided to staff (173 hours in 2021).

The company also places great emphasis the induction and adaptation of newcomers. It has established a new employee induction procedure and an adaptation process, with responsibilities for the line manager, the HR manager and the newcomer's friend. During 2022, 19 new recruits were taken on board.

The company continuously strives to ensure smooth cooperation between employees and unified information sharing. Meanwhile, the COVID-19 pandemic has prompted special attention to the emotional and psychological state of employees. In this context, the Company:

- Organised remote meetings between departments and all staff;
- Encouraged staff to take part in distance learning and to develop their professional competences;
- Retraining of 2 workers;
- Organising Surprise Mondays, Winter Wonder Month initiatives and summer community and teamwork training;
- Together with the management, they took part in strategy sessions and set strategic objectives and directions for the next four years;
- Stepped up internal communication and information dissemination tools;
- Workers with children or caring for disabled or elderly people were allowed to work from home without restriction;
- Revised and updated the remuneration policy;

- Updated the package of additional non-financial benefits.

The company continuously strives to ensure smooth cooperation between employees and unified information sharing. In order to maintain a positive environment and a constructive corporate culture, each employee must adhere to the Company's Code of Conduct, the Company's values, and work together to achieve the Company's strategic objectives. LITEXPO is guided by these fundamental **VALUES such as professionalism, innovativeness, teamwork**, through active dialogues with its employees.

The company conducts annual surveys on employee job satisfaction and engagement. The results of the 2022 surveys show that around 80% of employees are satisfied with their jobs, know how they can contribute to the Company's goals and have the opportunity to initiate change. However, there remains an excessive focus on financial performance and a lack of collaboration and partnership. To improve these indicators, training in project management, teamwork and effective leadership is provided. Periodic meetings with staff and working sessions with heads of departments. Managers are involved in the process of developing the Company's strategy and actively participate in setting the Company's direction and objectives. The Company encourages the sharing and openness of ideas and creates added and complementary benefits for employees.

The table below highlights the key indicators for 2022:

Indicator			Measuring units	2022 m.	
NUMBER OF EMPLOYEES					
Actual employees				Women	Men
All staff			Units.	53	
By gender			Units.	36	17
			%	67,9	32,1
By age	<23 m.	All staff	%	5,7	
		By gender		33,4	66,6
	25-36 m.	All staff		39,6	
		By gender		71,4	28,6
	37-56 m.	All staff		43,4	
		By gender		43,48	56,52
	>57 m.	All staff		11,3	
		By gender		33,4	66,6
Average age		All staff	m.	40,88	
		By gender		38,14	43,79
Breakdown of staff actually employed by level of post					
Top level manager			%	1,8	
Heads of Key Activity Units				7,5	
Heads of Supporting Activities Units				9,4	
Senior Specialists				26,4	
Senior Specialists, Specialists				26,4	
Service workers, skilled, unskilled workers				28,5	
Breakdown of actual employees by type of contract				Women	Men
Share of fixed-term workers in total			%	3,7	
Share of workers with fixed-term contracts by gender				100,0	0
Share of workers on permanent contracts in total				96,3	
Share of workers on permanent contracts by gender				66,6	33,4
SENIORITY, TURNOVER AND NEW STAFF					
Distribution of staff by seniority within the Group					

<1m.		%	37,7	
1-5 m.			24,5	
6-9 m.			13,2	
10-14 m.			13,5	
15-19 m.			1,8	
20-24 m.			0	
25-29 m.			5,6	
>30 m.			3,7	
Staff turnover in 2022			Women	Men
Total:		%	31,0	
By gender			83,4	16,6
By age	25-36 m.		60,0	100,0
	37-56 m.		40,0	0
	>57 m.	0	0	
New employees				
Total		Units.	18	
By gender		%	66,7	33,3
By age	<24 m.	%	33,4	
	25-36 m.		66,6	
	37-56 m.		0	
	>57 m.		0	
Taking parental leave				
Employees on parental leave		Units.	2	
Employees returning to work after parental leave			1	
STAFF EDUCATION AND TRAINING				
Distribution of staff by education				
Higher education (university, college)		%	100,0	
Secondary and vocational			0,0	
Primary and main			0,0	
Staff participation in training				

Total number of staff trained	Units.	45
Hours of training		
Number of training hours, total	Val.	216
OCCUPATIONAL SAFETY AND HEALTH		
Workers with reduced working capacity	Units.	1
Accidents (injuries) resulting in temporary loss of working capacity	Indicator	1

18 Table 1. Indicators for 2022

Safe workplaces, motivating work environment

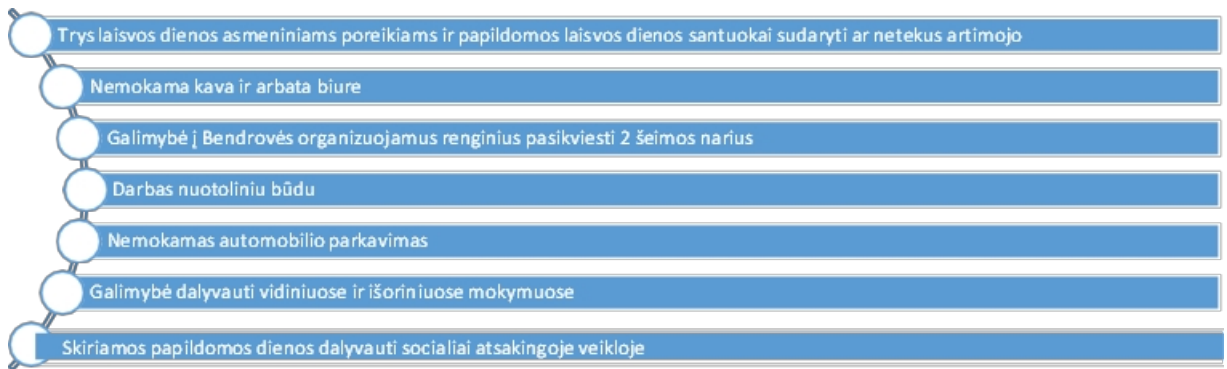
LITEXPO, in order to remain a socially responsible company, provides its employees with all social guarantees, security and continuous training. Every year, employees are given the opportunity to be vaccinated against influenza or other risk factors they are exposed to at work. Convenient facilities are provided for health check-ups at the workplace, blood tests and medical advice if required.

Special work clothes, footwear and other personal protective equipment are provided free of charge to staff in designated posts at regular intervals. Subject to the approval of the Social Needs Reserve Fund by the Company's General Meeting of Shareholders, material allowances shall be granted to employees, by separate order of the Director, in the event of the death of an employee's spouse, parents or children, and in other special cases.

As part of our commitment to employee health and , in 2022, the Company will:

- providing occupational safety and health training;
- paid for health screening for workers;
- paid for staff to have their eyesight screened;
- first aid training and practical application;
- organise health screening at a convenient for staff at their workplace;
- provided staff with all safety equipment.

In order to maintain a motivating working environment, the company has updated its package of additional non-financial benefits, including:



In addition, company celebrations and traditions such as the summer event, the end-of-year party, Santa Claus for employees' children, celebrating employees' birthdays and other initiatives help to maintain a motivating working environment.

In 2022, LITEXPO has paid special attention to Sustainability. Employees searched for socially responsible initiatives, took interest in the best practices of other companies, encouraged everyone to engage in social activities, organised training sessions and shared useful information. In order to promote social responsibility initiatives, LITEXPO gave employees the opportunity to volunteer a few days a year and to contribute to other organisations' socially responsible initiatives.

7.1. INFORMATION ON THE REMUNERATION POLICY

DIRECTOR'S REMUNERATION POLICY: The remuneration of the Company's Director is regulated by the "Remuneration Policy for the Director of the Lithuanian Exhibition and Congress Centre "Litexpo", UAB" approved by the Board of Directors.

A company director's remuneration consists :

- Fixed part - the salary set out in the contract of employment, paid monthly;
- An annual bonus paid for the successful achievement of the objectives set by the Board.

The annual objectives, for which a bonus is paid for successful achievement, are composed of financial and non-financial objectives:

- The bonus for financial targets is awarded after assessment of the following: EBITDA, net profit margin and ROE performance from the beginning of the year;
- The non-financial bonus is awarded for the successful achievement of non-financial objectives.

REMUNERATION OF COLLEGE MEMBERS OF THE MANAGEMENT BODIES: the LITEXPO maintenance and

members of the governing bodies are appointed for a four-year term. They have civil contracts detailing his/her responsibilities, duties, rights and functions.

Atsižvelgiant į tai, kad nuo 2022 m. rugpjūčio 5 d. įsigaliojo Atlygio valstybės valdomų įmonių ir savivaldybių valdomų įmonių kolegialių organų nariams mokėjimo tvarkos aprašo nauja redakcija, patvirtinta Lietuvos Respublikos Vyriausybės 2015 m. spalio 14 d. nutarimu Nr. 1092, 2022 m. spalio 13 d. neeilinio visuotinio akcininkų susirinkimo metu buvo pripažintas netekusiu galios 2022 m. sausio 19 d. the Extraordinary General Meeting of Shareholders approved the description of the procedure for granting and payment of remuneration to a member of the Board of the Lithuanian Exhibition and Congress Centre Litexpo for his/her activities in the Board and set the fixed monthly remuneration the members of the LITEXPO Board and the Chairman of the Board. The civil legal relations between a member of the Board and the Company shall be established between

in the service contract between the company and the board member. The remuneration payable to a member of the Management Board is EUR 1,125 per month before tax. In the event that he/she is also the Chairman of the Board, the remuneration shall be EUR 1 500 per month before tax.

Information on the work and benefits of members of the governing bodies:

Number of Board meetings held in 2022: 17

Number of remunerated members of collegiate bodies (persons): 5

Information on payments to individual members of management bodies:

Member's name, surname	31 December 2022
Ramutė Ribinsienė	EUR 15 176,13
Mantas Dubauskas	EUR 11 470,25
Alexander Golod	EUR 11 595,24
Žilvinas Paketis	EUR 11 601,19
Rūta Steckienė (from 11.07.2022)	EUR 2839,27

Table 19. Information on payments to individual members of management bodies

Information on the attendance of the members of the governing body in :

Member's name, surname	Meetings	Number of meetings, with attended by a member of the Board
Ramutė Ribinskienė		17
Mantas Dubauskas		17
Alexander Golod		17
Žilvinas Pakeltis		17
Rūta Steckienė (from 11.07.2022)		9

20 Table 1. Information on attendance of governing body members in 2022

EMPLOYEE REMUNERATION POLICY: LITEXPO has a reward management system in place, which is reviewed annually and updated as required. LITEXPO follows the principle of "responsible remuneration" and strives to manage the company's finances efficiently, ensuring the achievement of the company's strategic goals.

LITEXPO's Remuneration Policy defines the principles of determining the remuneration and fringe benefits of the Company's employees, the remuneration system and the guidelines for its implementation, in order to attract, retain and motivate competent and professional employees to achieve the Company's strategic goals, to encourage employees to achieve ambitious personal goals and to ensure effective management of the remuneration budget. The remuneration policy applies to all employees of the Company, except for the Company's Director, whose remuneration and the principles for determining it and the fringe benefits shall be determined by the Board.

LITEXPO STAFF REMUNERATION INCLUDES:

- **Basic salary (BA).** The amount of an employee's monthly salary set out in the employment contract.
- **Variable remuneration (VRS).** The part of the remuneration paid after the probationary period in addition to the staff member's basic salary (BA), based on the quantity, quality, achievement of objectives and performance.

- **Project-specific/quarterly bonus.** Part of the remuneration paid to an employee for exceeding agreed individual/team targets during a defined period / after project implementation, disbursed within the agreed accounting period / at the end of the project.
- **Supplement and bonus.** The part of the remuneration paid to a staff member in accordance with the procedure laid down by law for
- work in deviation from normal working conditions (overtime, work on rest days and public holidays), as well as payment for additional work carried out in accordance with a prior agreement approved by the Director of the Company.
- **Annual supplement.** The part of the salary paid to an employee for achieving annual targets or the Company's financial targets.
- **One-off bonus** for outstanding achievements. A portion of salary paid to an employee for outstanding contribution that has had a significant impact on the Company's performance.

The remuneration system is based on the structure of posts, with all posts divided into grades. The grades are grouped into the following categories, which are the basis for differentiating the components of the cash remuneration and fringe benefits:

HAY level	Category	Groups of posts falling within the category
19	A	Top level manager
15-18	B	Heads of Key Activity Units
13-14	C	Heads of supporting departments, chief and senior specialists, specialists
8-12	D	Service workers, skilled, unskilled workers

21 Table 1. LITEXPO job groups

Work that deviates from normal working conditions (overtime, night work, work on rest days and public holidays) shall be paid in accordance with the procedure laid down in the Labour Code of the Republic of Lithuania.

Non-financial remuneration is an indirect form of employee remuneration used by the Company to promote the efforts, engagement and loyalty of its employees, to enhance their well-being and to enrich the Company's performance. These include various Company events, employee competitions, congratulations on special occasions, flexible working arrangements, telecommuting, work tools, recognition and employee development.

The table below shows the average monthly salary (including salary and allowances) of LITEXPO staff for the period 2020-2022, net of taxes:

Title of post	2020 m.		2021 m.		2022 m.	
	Number of employees	Average salary	Number of employees	Average salary	Number of employees	Average salary
Top level Guide	1	4518	1	4505	1	5011
Key Activity Units manuals	7	2226	3	3008	4	3483

Supporting Heads of Operational Units	2	1854	6	2193	6	2928
Chief Specialists	9	1610	7	1811	7	2386
Senior Specialists, Specialists	20	1315	22	1585	21	2069
Service staff, skilled, unskilled Workers	20	1187	19	1163	19	1635

Table 21. LITEXPO employees' average monthly fixed (assigned) salary

LITEXPO CULTURE

LITEXPO values the contribution and initiatives of every employee in the development of LITEXPO's activities and improvement of internal processes.

Annual interviews are conducted annually for administrative staff. The staff member's performance, working conditions and development opportunities are discussed. Managers help staff to set individual goals. This is important in creating a positive environment and a constructive company culture where everyone is involved in achieving the company's strategic objectives.

LITEXPO's career opportunities depend on the professional himself, his initiative, foresight, the generation of new ideas and the ability to apply his knowledge to the company's activities and to achieve top results.

8. LITEXPO SOCIAL RESPONSIBILITY POLICY

LITEXPO is guided by the Code of Ethics and follows the principles of the United Nations Global and other socially responsible business guidelines. LITEXPO aims to create an atmosphere of mutual respect, trust and support. Social dialogue and partnership are encouraged.

Each year LITEXPO prepares and publishes on its website a Social Responsibility Report based on the Global Reporting Initiative (GRI) Standard Core Model (GRI Core)¹. The information disclosed in the report is based on the materiality principle and reflects LITEXPO's progress in implementing the principles of the United Nations Global Compact (UNGC) and LITEXPO's contribution to the United Nations Sustainable Development Goals (SDGs).

LITEXPO's activities are guided by the Guiding Principles of Sustainability, which underline LITEXPO's commitment to the Ten Principles of the Global Compact (UNGC):

1. We support and respect internationally recognised human rights;
2. We commit ourselves not to be complicit in human rights violations;
3. We guarantee freedom of , including trade union membership, and recognise workers' right to collective bargaining;

⁽¹⁾ The Social Responsibility Report and the Policy can be found at: [//www.litexpo.lt/korporatyvine-informacion/action-documents/](http://www.litexpo.lt/korporatyvine-informacion/action-documents/)

4. We do not use compulsory or forced labour and aim to contribute to its eradication in an environment we can influence it;
5. We do not exploit child labour and try to contribute to its destruction in an environment where we can influence ;
6. We do not discriminate and strive to contribute to the elimination of discrimination at work and in our professional activities, in environments where we can have an impact;
7. We take preventive measures to protect the environment;
8. We are taking initiatives to increase environmental responsibility where we can have an impact;
9. We promote the development and widespread adoption of environmentally friendly technologies;
10. We do not tolerate corruption and fight all forms of it, including bribery, graft and influence peddling.

For more information on LITEXPO's initiatives and commitments in the field of social and sustainability, please refer to the LITEXPO [Social Responsibility Report and Policy](#).

LITEXPO attracts and retains employees to ensure equal opportunities and long-term employment relationships. The competence, skills, performance and achievements of employees are important to the company and discrimination on the basis of age, race, nationality, gender, origin, religion, disability, marital status, beliefs, union membership or political opinions is not tolerated. LITEXPO does not tolerate any violation of human rights, is in favour of a fair and transparent wage policy, respects the right of employees to rest and does not tolerate any form of harassment or violence. LITEXPO opposes all forms of discrimination and forced child labour.

LITEXPO actively participates in social activities and social projects. Every year, a spring civic action is organised - "Darom", during which the office employees clean up the Lazdynai territory around LITEXPO.

For many years, he has participated in the Young Colleague's Week project organised by Junior Achievement of Lithuania. It provides students with the opportunity to learn more about the professions available in the company and to help them decide on their career choices. Weeks of vocational guidance and experiential visits are organised for secondary school pupils. The company is also actively involved in projects run by the Lithuanian Employment Service.

LITEXPO invites and gladly accepts students from higher education institutions and specialised training centres for internships, and applies various forms of cooperation with Lithuanian educational institutions.

The principles of social responsibility are implemented in accordance with the relevant LITEXPO policies and other applicable internal documents:

- Anti-corruption policy
- Code of Ethics
- Remuneration policy
- Policy on the acceptance, receipt, provision and treatment of gifts
- Equal opportunities policy and implementation procedures
- Customer service standard
- Personal data processing policy
- Description of procedures for the lease and sale of assets

In the economic field

Anti-corruption activities. The Company consistently complies with the anti-corruption laws and LITEXPO

a corruption prevention policy that enshrines the Company's zero tolerance approach to corruption. The policy applies to all employees, contractors, suppliers, consultants and other intermediaries. In the first half of 2022, the Company updated its Prevention of Corruption Policy.

LITEXPO also follows the following guidelines to ensure comprehensive prevention of corruption in the company A "Gift Acceptance, Receipt, Giving and Handling Policy", which clearly and unambiguously states which gifts are acceptable/unacceptable, and which are consistent with business objectives.

Staff are continuously educated about the importance of fighting corruption, encouraged to take an interest in the damage caused by corruption and to recognise its manifestations. All new employees are obliged to familiarize themselves with LITEXPO's Corruption Prevention Policy and other related procedures.

Periodically, at least once a year, LITEXPO organises internal trainings for its employees on corruption prevention, introduces the procedures in force in the company, presents the best practices of other companies, conducts discussions and shares ideas on what initiatives could be applied in LITEXPO.

The following procedures govern the prevention of corruption in the Company:

- Anti-corruption policy;
- Description of the procedure for submitting and examining reports to the Lithuanian Exhibition and Congress Centre "Litexpo", UAB;
- Procedures for declaring and disqualifying private interests and list of persons required to declare private interests;
- Code of Ethics;
- Supplier Code of Conduct;
- Policy on accepting, receiving, giving and handling gifts.

Purchases. In planning and executing procurement, the Company, irrespective of the value of the procurement, shall be guided by the Public Procurement Law of the Republic of Lithuania and the Company's "Procedure for Organisation of Public Procurement". The Company's Procurement Plan is one of the most important documents to be followed by all employees. In order to establish a clear and unalterable procurement plan, all employees are encouraged to plan their purchases in advance and to spend the Company's funds in a rational manner, thereby ensuring the implementation of the principles of efficiency and economy.

LITEXPO publishes draft technical specifications for all procurements, except for low-value procurements, by means of the Central Public Procurement Information System (CVP IS), and additionally informs about their publication on its websites, provides reports on procurement procedures and information on ongoing procurements.

Customer relations. In order to ensure a high customer satisfaction rate, LITEXPO evaluates customer feedback after each exhibition, conducts surveys, and seeks to establish a customer satisfaction index. Satisfaction indices of exhibitors and visitors are measured separately to assess the most pressing and recurring problems and to ensure that they do not recur at future exhibitions.

The company is constantly installing, updating and searching for advanced technological solutions, which would make it easier and more convenient for clients and visitors to communicate with LITEXPO representatives, to quickly place an order for services of interest, to monitor the process of its execution and the result. The company strives for quality relations with its clients, both in terms of providing services, fulfilling clients' needs, and in order to meet and achieve LITEXPO's vision, mission and goals. 22 June 2022 The Company updated the Regulation on Participation in Exhibitions, Fairs and Conferences, which secured and clarified the rights and obligations of the Company, event participants and third parties, as well as the financial obligations of event participants towards the Company.

In the social field

Employee relations. The Company opposes any violation of human rights, implements a fair and transparent remuneration policy, complies with the normative legal acts regulating the conditions of payment for overtime work and the duration of working hours, complies with the Equal Opportunities Policy, which clearly states that LITEXPO does not tolerate any discrimination, humiliation, harassment, violence, or insults to employees or other persons encountered in the course of business.

LITEXPO employees are encouraged to avoid circumstances and situations where their private interests could conflict with the interests of the Company. The Company shall take all lawful measures of control and shall expect its employees to make sound, rational decisions in the performance of their duties at all times and not to seek personal gain.

Environment. LITEXPO is a socially responsible company that values environmental protection. Since the main environmental impact of LITEXPO's activities is the consumption of electricity, in order to reduce it, the Company educates its employees about the importance of environmental protection, provides information about possible ways to save electricity, participates in various social initiatives and projects. Every month LITEXPO assesses and analyses electricity consumption and looks for ways to reduce costs. The possibility of installing solar power plants is being considered, which would help to save even more costs in the future. A decision has not yet been taken because of the high investment costs.

For many years now, the company's employees working in the office have been invited to take part in LITEXPO's spring citizenship campaign "Darom" and encouraged to volunteer (e.g. at homeless animal shelters or other organisations).

LITEXPO prepares a Social Responsibility Report, which identifies the company's work and achievements in social responsibility activities related to market behaviour, environmental protection, relations with employees and society. The report describes the Company's corporate social responsibility orientations, actions and progress.

The report is available on the LITEXPO website at: https://www.litexpo.lt/wp-content/uploads/2022/04/SOCIALINES-ATSAKOMYBES-REPORT-UZ-2020-MI_SG-002.pdf

9. RISK FACTORS AND THEIR MANAGEMENT

The Company follows a risk management policy to ensure risk management and control. To achieve these objectives, the Company has appointed a responsible person who monitors the identification, assessment and management of risks relevant to the Company's activities, controls the implementation of the risk management process, assesses the effectiveness of internal control procedures and the adequacy of risk management measures, the state of implementation, and analyses the financial feasibility of implementing risk management measures. The person performing these functions shall monitor and compile risk registers, analyse their data, make proposals, as well as draw up a risk management plan and inform the Company's Director and the Board of Directors of the results of its implementation.

By implementing the risk management policy, LITEXPO aims to ensure the successful achievement of its strategic objectives, protect the Company's image, guarantee the smooth execution of projects, the provision of quality services, and the provision of correct and reasonable information to the Company's management, Board and shareholders. The aim is to ensure the stability of LITEXPO's operations and to ensure that the Company's employees, shareholders, customers and stakeholders are not harmed.

and the public interest.

In order to ensure that key risks are timely and properly identified, managed and disclosed, LITEXPO reviews risk control measures at least quarterly, organises meetings with department heads and employees to seek solutions for their implementation and other preventive measures.

LITEXPO categorises all risks by type:

- financial risks,
- legal risks,
- procurement risks,
- staff risks,
- information/data security (IT) and infrastructure risks,
- marketing risks,
- risks for individual activities (exhibitions, conferences/events).

Each risk is assigned to a category, e.g. financial, reputational, quality, legal, ., and a risk level (tolerance threshold) is set to assess the impact of the risk, whether it can be accepted, and the damage its occurrence will cause to the company's results.

LITEXPO is also assessing which risks require more attention and which risks may result not only in financial losses but also in disruption of the entire business.

Based on the Company's historical data and practices, the assessment of market conditions determines the probability of occurrence of potential risks and, accordingly, determines the most effective preventive measures, focusing on the risks that are most likely to occur.

For each risk, responsible staff are assigned to monitor the management of each risk, assessing the potential for the occurrence of the relevant risk in their departments' activities and ensuring that decisions are taken on a risk-benefit basis. Employees shall inform the person responsible for controlling the Company's risks and taking measures to prevent them of any indication that a risk is likely to occur, who shall promptly assess the information provided and, in conjunction with the Chief Executive Officer of the Company, take a decision on the application of proportionate prevention measures.

Key risk factors

Financial risk factors:

The liquidity risk of the financing may manifest itself in the Company's inability to meet its current obligations in a proper and timely manner. The Company manages this risk by planning its cash flow requirements in advance and by ensuring that always has sufficient funds, committed credit agreements and overdrafts to support the normal operations of the Group.

Measures to be taken: Investing in highly liquid financial instruments and limiting short-term investments to at least 5% of the company's total financial resources.

Working capital failure risk. Insufficient working capital increases the Company's profitability but reduces the Company's liquidity. This is due to price dispersion between short-term and long-term assets. Current assets are more expensive than non-current assets.

Decision measures: 1) Daily monitoring and control of receivables and payables; 2) Stricter conditions on payment terms and delays for services.

Credit rating risk. Decisions taken by the Company's shareholder or governing bodies or deteriorating financial performance of the Company will result in a downgrade of the Company's credit rating or a loss of its investment grade credit rating.

Measures of resolution: the Company engages regularly with the shareholder to discuss future projections and to seek solutions to improve financial performance. Transactions include credit risk mitigation measures, such as the ability to terminate investments early if the company's financial performance deteriorates materially. Performance bonds, guarantees and collateral are also required to ensure proper performance of contractual obligations.

The energy price risk is particularly acute at the moment, as the outbreak of the war in Ukraine has led to a several-fold increase in electricity and gas prices, and the cost of maintaining LITEXPO's infrastructure has risen accordingly. LITEXPO has to assess, when negotiating with its clients, whether a particular event will be more financially beneficial for LITEXPO or whether it is better to cancel it and thus save on electricity costs.

Decision measures: The company will invest in the period 2023-2026 in the installation of solar power plants on the roofs of buildings, upgrading lighting systems, reconstructing the roofs of 3-4 pavilions and making investments that will help reduce costs, as well as in the efficient use of the premises in terms of their energy consumption, and in the search for ways to save energy costs (e.g. reduction of lighting, heating, etc).

Interest rate risk is the risk that the interest rate on LITEXPO's existing loans and credit facilities will change unfavourably.

Decision tools: The aim of the debt commitment is to have a fixed interest rate on long-term liabilities. If, for objective reasons, interest rate fixation is not possible and the amount of the commitment is significant, LITEXPO seeks to use interest rate derivatives - interest rate , interest rate , interest rate collar and interest rate swaption - for interest rate management.

Lender relationship risk. LITEXPO's actions would result in its inability to borrow on favourable terms and would increase the cost of borrowing, which would prevent LITEXPO from fully executing its investment plans.

Measures to address the risk: Relationship risks with banks and other lenders are managed by building sustainable business relationships based on trust and mutual respect. This is achieved through comprehensive relationship management with banks and other lenders, covering both credit and other services provided.

Staff risk factors:

Staff retention risk. This risk may manifest itself in employees deciding to change jobs or leave the Company for a variety of reasons: disproportionate workload, uncompetitive remuneration, mismatch of expectations of additional motivational measures or misalignment of the Company's values. Retention risks are managed by means of a continuously reviewed package of financial and non-financial benefits (e.g. the decision to renew health insurance for employees from 2023). The wage bill is also continuously updated in line with market conditions, inflation and other indicators. Each employee's workload is assessed individually during meetings with line managers and values are presented during the job interview.

The risk of planning for employee succession is managed by ensuring that, when an employee leaves and is replaced

if a competent new staff member is not found, another staff member would be trained to carry out his/her duties on a temporary basis. The turnover rate in 2022 is 31%, compared 22% in 2021. 37.7% of the Company's employees have less than one year of service. In recent years, it has been evident that the exhibitions and events activity is not stable, influenced by ongoing political factors, and heavily influenced by the COVID-19 pandemic, which prevented exhibitions from being organised, and therefore potential employees may have found such a workplace to be unsafe and unstable, which is one of the factors leading to a high employee turnover rate. This makes it difficult to maintain continuity, to ensure a high quality of service and to motivate the other staff involved. For these reasons, staff recruitment lasted between 1 and 3 months. In order to mitigate this risk, a plan is being prepared to strengthen the employer's image and to actively communicate the added values, the working environment and the specificities. Cooperation agreements are signed with Lithuanian higher education institutions to attract students and investment is made in employees to equip them with the necessary competences to do the job.

The risk of occupational safety violations in the Company may arise from the setting up and preparation of exhibition stands and the setting up of premises for organising events. To avoid this risk, all employees, contractors, exhibitors and event organisers are made aware of the workplace safety/working procedures, employees are trained in the use of work equipment and at least semi-annual safety training is provided. The Company continuously monitors compliance with workplace safety rules and, where necessary, disciplines violators.

Data security and infrastructure risk factors

Data security risks. The General Data Protection Regulation (GDPR) obliges us to ensure data security. LITEXPO must implement appropriate security measures in its data processing operations.

Decision Measures: To prevent the risk of data breaches, the Company has adopted a Personal Data Processing Policy and an Employee Personal Data Retention Policy, which defines the principles, requirements and measures for data processing. In order to ensure compliance with the requirements set out therein, external consultants are consulted, state-of-the-art anti-virus software is implemented to ensure data protection, and sanctions are applied in the event of a breach. To ensure data security, data activity records are regularly reviewed and updated, responsible persons are assigned and security systems are updated. Data processing agreements are also compulsorily concluded with all suppliers who have access to LITEXPO data.

In order to implement the provisions of the General Data Protection Regulation, LITEXPO has appointed a Data Protection Officer who monitors compliance with the provisions of the General Data Protection Regulation, provides opinions, advises on data security issues and performs other functions as specified in the General Data Protection Regulation. In order to implement the requirements of the acts regulating the security policy for information systems, LITEXPO has appointed Security Commissioners who coordinate the implementation of the security policy, organise and perform risk and compliance assessments, coordinate the investigation of cyber incidents and e-information security incidents, and performs other functions as specified by the acts.

Legal/regulatory risk factors:

The risk of legal regulation is most significantly affected by changes in the Labour Code of the Republic of Lithuania, the Law on Public Procurement of the Republic of Lithuania, resolutions adopted by the Government of the Republic of Lithuania that affect LITEXPO's operations and processes, as well as by new international legal acts (e.g.

Implementation of the Accessibility Directive² in Lithuania and its application from 2025), including in the context of stricter requirements for the protection of personal data.

It should be noted that LITEXPO, as a commercial, profit-seeking organisation, is subject to the Public Procurement Law of the Republic of Lithuania, which creates unequal conditions for competing on the market; therefore, changes in the Law, tightening of its norms, may have a significant impact on the company's competitiveness in the market.

Risk factors with the greatest impact on financial performance (revenue/profit) and their management

Risks	Description of the risk	Anticipated risk management measures
Insufficient number of participants and visitors per year	These risks have a direct impact on income	<p>manage the risks:</p> <ul style="list-style-type: none"> a) intensify marketing activities, analyse the effectiveness of advertising (set benchmarks for the Head of Marketing) b) developing and implementing a hybrid exhibition solution to make exhibitions more accessible and affordable for exhibitors and visitors. b) Growing direct sales (a separate sales unit has been created); c) Improving the competence and motivation of sales managers (ongoing sales training, introduction of a control system and a new employee motivation system); d) Increasing the number of specialised events for each exhibition (evaluation indicator set for the project manager); e) allocation of a larger, separate advertising budget for attracting foreign exhibitors and visitors (rules are being developed to attract targeted specialist visitors and bring them to specialised exhibitions held at Litexpo); f) A daily search for other opportunities to add value to the exhibition and thus attract potential exhibitors and visitors (idea bank).
<p>Increase in market prices for materials, energy costs</p> <p>Increase in the market price of works</p>	These factors have a direct impact on the achievement of profitability targets	<p>Energy costs will be reduced by introducing resource efficiency and conservation measures (energy audit).</p> <p>LITEXPO is making changes to the market for the price of works</p> <p>A project management standard has been introduced in the company's operations, eliminating the administration of non-core activities,</p>

² Availability Directive (Accessibility act) available at link: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32019L0882>

Labour shortages		productivity calculations and total time attendance for some positions, such as installers and event administrators. There is also more investment in retaining existing staff, attracting new staff, periodic review of salaries and other motivational measures.
Interest rate, cost of capital increase	This risk factor may affect the implementation of investment projects to a lesser extent	The Company currently enjoys favourable conditions in the bank lending market, but also has a number of principles in place to mitigate this risk. The company has a large number of real estate assets, a stable financial position and a low leverage ratio, and is therefore able to obtain the lowest interest rate in the competitive banking finance sector. The company's budget and strategic planning takes into account market forecasts and analyses.

Investment increase in the value of projects	The acquisition of fixed assets during the implementation of a project may significantly increase the value of the investment and may not be consistent with the sources of financing foreseen in the budget and investment plan	All investment projects are prepared in accordance with the Public Procurement Law. Technical specifications are accurately described, procurement is organised responsibly, internal process controls are ensured and negotiations with suppliers are conducted. Suppliers are selected on the basis of their reliability, experience, performance, etc. Risk mitigation is also envisaged through early market price surveys, monitoring and analysing market trends and developments.
Financial and economic benefits of the investment are lower than expected	Investments may yield lower returns than expected the projections, i.e. the payback period may be significantly longer	To these risks, it is envisaged to calculate a minimum and maximum payback period for each investment project, and to base the benefits of each project only on specific financial calculations and an assessment of its real potential

Table 22. Risks to the achievement of key financial indicators (revenue and profit)

The main risk factors facing the company in 2022 are:

Financial risks / Personnel risks / Risks for all activities

The COVID-19 pandemic, which started in 2020, has changed the lives of many people and businesses in Lithuania and around the world, strict security and hygiene requirements, border controls, restrictions on gatherings and many other requirements that make it difficult to carry out normal activities. Due to the restrictions on events for 2020-2021, the cancellation of exhibitions and events, as well as the outbreak of the war in Ukraine and the resulting consequences, LITEXPO was faced with **financial risks**, had to borrow from the bank, save costs efficiently and continuously look for ways to save costs. In addition, in 2022, the Company was exposed to a new risk - **increased energy costs (Energy Price Risk)**, the cost of electricity consumption was significantly higher than in the previous year, which worsened the Company's financial situation when it already appeared,

that the company's activities could be stabilised and generate income, LITEXPO should have been even more careful in assessing the financial viability of a particular event, forecasting the energy costs of a particular event, and assessing whether it was really worthwhile to organise the event or financially viable.

Personnel risk is an issue for the Company and ways to mitigate it are constantly being sought. Staff turnover was 31% in 2022 (23% in 2021 and 36% in 2020). This turnover rate is mainly due to the structural changes in LITEXPO (withdrawal of catering activities), without which the voluntary turnover rate would be 25%. The employee turnover rate is high and the Company will make efforts to it in the coming years. In recent years, it has been evident that the exhibition and event activities are not stable, influenced by ongoing political factors, and heavily influenced by the COVID-19 pandemic, which has prevented exhibitions from being organised, and it is therefore not surprising that employees may find such a workplace to be unsafe and unstable, and this is one of the factors that contribute to the high staff turnover rate. This makes it difficult to maintain continuity, to ensure a high quality of service and to motivate the other staff involved.

Risk for all activities / Insufficient number of participants and visitors per year. LITEXPO has made effort to ensure that all planned events and exhibitions will take place full throughout 2022, but due to the restrictions of the COVID-19 pandemic still in force, a large number of exhibitors and event organisers who had previously participated in the exhibitions have refused to participate in the exhibitions, to rent premises for the events, or to purchase other services. Visitors also avoided attending large events and gatherings, which reduced the relevance of the LITEXPO exhibitions and prevented the exhibitions from creating the value expected by the stakeholders - the exhibitors and their visitors. Also, the outbreak of the war in Ukraine was accompanied by an economic crisis, supply chains were disrupted, sanctions were imposed on Russia and Belarus, and energy costs increased, which resulted in exhibiting companies refusing to participate in the LITEXPO exhibitions for reasons of economy. In addition, LITEXPO exhibitions are no longer attended by companies and visitors from Russia and Belarus. All these reasons have led to a significant decrease in the number and relevance of the exhibitions, as well as a decrease in the occupancy rates of the premises, and consequently LITEXPO's financial results have not been as good as anticipated.

10. TARGETS TO BE ACHIEVED IN 2023

In 2023, LITEXPO will follow the strategic document for 2023-2026 and the following main strategic directions:

I. Improving the efficiency of the company's operations to achieve sustainable growth and long-term shareholder value.

II. Creating opportunities for business exchanges and increasing the number of business-to-business (B2B) meetings.

III. Growing your business by creating and exploiting new opportunities.

IV. Creating a unified organisational culture and corporate image.

LITEXPO's MISSION is to organise events that promote business exchanges and engage the public, to be a socially responsible and innovative leader, ensuring long-term returns for shareholders.

LITEXPO VISION - a technologically advanced, versatile, new-format exhibition and event venue for business cooperation and partnership development.

The achievement of its mission, vision and all its activities will be based on the following fundamental **VALUES**
How:

- **Professionalism**
- **Innovation**
- **Teamwork**

The implementation of LITEXPO's strategic directions is based on specific actions envisaged in the strategy, taking into account the formulated strategic goals, objectives, measures and indicators of their achievement.

During the strategic period, LITEXPO will innovate and continue to strive to be the place where business cooperation, contacts and long-term partnerships are established.

Adherence to the directions set by LITEXPO and the achievement of the set goals will be a guarantee for the company to remain competitive and promising, to attract and retain the best employees, to be financially stable, and to create economic value for the shareholders and the whole country.

After the implementation of the main goals set for the strategic period 2023-2026, LITEXPO's revenue will reach EUR 6.9 million, 2019 it was EUR 6.06 . Due to the COVID-19 pandemic and the war in Ukraine and the financial consequences of these factors, it is expected that the company's activity will stabilise and reach the 2019 financial results 2024. Profit before income tax (EBT) at the end of the strategic period (2026) will reach almost EUR 524 thousand, EBITDA will be EUR 1.6 million, and the return on equity (ROE) will be 5.4%.

Currently, the shareholder's letter of expectations and the objectives set out in it are unattainable due to the difficult financial situation of LITEXPO. The shareholder's letter of expectations proposes to the Board of Directors of the Company to set a target return on equity (ROE) of at least 6.4% in 2024 and a net profit margin of at least 11.1% in 2024, however, the Company expects to achieve a ROE of 7.4% in 2023, but to underperform in the following years, and to have a lower net profit margin throughout the entire strategic period. The Company has approached the shareholder for an update of the Letter of Expectations.

Also, the Government of the Republic of Lithuania on 18 May 2022. Resolution No 509 "On Approval of Target Key Financial Performance Indicators of State-Owned Enterprises for the Period 2022-2024" approved the target values for 2022-2024:

Profitability	Annual EBITDA	2022 - EUR (-0.7) million, ≥ EUR 0.3 million ≥ EUR 1.3 million
Optimal capital structure	Annual ratio of financial debt to equity	≤ 1.6 times in 2022, 2023-2024 threshold 0,6-1,4 times

It is planned that LITEXPO will achieve the indicators approved by the Government of the Republic of Lithuania during the strategic period.

LITEXPO 2023-2026 FINANCIAL TARGETS

	Forecast for 2023	Forecast for 2024	Forecast for 2025	Forecast for 2026
Profit and loss account indicators				
Revenue, Eur	5 927 599	6 235 000	6 400 000	6 900 000
Change in revenue compared to previous year Year-on-year, %.	40,7%	5,2%	2,6%	7,8%
Net income, EUR	2 682 126	2 366 000	2 462 537	2 723 923
Gryn. Income margin, per cent	45,2%	37,9%	38,5%	39,5%
EBITDA, EUR	1 686 791	1 320 898	1 365 180	1 571 698
EBITDA, per cent	28,5%	21,2%	21,3%	22,8%
Earnings before interest expense and income tax (EBIT), EUR	1 060 991	695 098	739 380	945 898
EBIT margin, per cent	17,9%	11,1%	11,6%	13,7%
Profit before income tax EBT	638 991	273 098	317 380	523 898
EBT margin, per cent	10,8%	4,4%	5,0%	7,6%
Net profit (loss), EUR	543 142	232 134	269 773	445 314
Net profit margin, %	9,2%	3,7%	4,2%	6,5%
Balance sheet indicators				
Shareholders' equity, EUR	7 374 084	7 606 218	7 875 991	8 321 305
Equity level (as a percentage of total assets), percent.	47,2%	49,3%	51,1%	53,5%
Return on equity (ROE), %	7,4%	3,1%	3,4%	5,4%
Fixed assets, EUR	13 798 977	13 745 177	13 319 377	12 893 577
Amount of investment, EUR	1 008 000	572 000	0	0
Financial debts (long-term liabilities), EUR	5 111 347	4 805 803	4 500 259	4 194 715
Financial debts (long-term and short-term liabilities), EUR	5 416 891	5 111 347	4 805 803	4 500 259
Total debt ratio, %	43,0%	41,2%	39,8%	37,9%

Financial debt ratio, %	73,5%	67,2%	61,0%	54,1%
Annual ratio of financial debt to equity capital, sometimes	0,73	0,67	0,61	0,54
The gross liquidity ratio	1,20	1,06	1,27	1,55
Asset turnover ratio	0,08	0,08	0,10	0,10

Table 23. LITEXPO 2023 - 2026 financial targets

INVESTMENTS 2023-2026

The following are planned for the period 2023-2026:

Investment period	Name	Amount, EUR	Description
Total investment in infrastructure:		1 131 000	
Infrastructure investment in 2023		968 000	
Infrastructure investment in 2024		163 000	
2023 m.	Solar power plant*	423 000	A rooftop solar power plant of up to 470 kW is being considered to generate up to 25% of the annual electricity consumption by itself. This would reduce the electricity costs incurred. Based on the prices of recently installed solar plants of similar capacity from the surveyed suppliers, the average cost of installing a 1 kW rooftop solar plant is around €900 with a payback period of 5 . Specific decisions will be taken after a cost-benefit analysis.
2023 m.	Changing the lighting	105 000	The lighting of the halls (Nos 3, 4) uses energy-intensive fluorescent and metal halide lamps, and the outdated and inefficient lighting control of halls 3 and 4, all of which contribute to the high energy consumption. In order to be efficient in terms of saving energy consumption and to be innovative and attractive, the lighting in the halls needs to be upgraded to LED technology and the lighting control needs to be upgraded and/or installed. The payback period is estimated at 5 years.
2023 m.	LITEXPO infrastructure repair works	300 000	Repairs to the first floor administration block of Pavilion 5 (painting of walls, replacement of lighting, replacement of doors and floor coverings, sanitary facilities) Replacement of carpeting in Hall 4, replacement of broken glass in Hall 3, the flooring in the Vestibulum of Pavilion 5, and other infrastructural works.
2023 m.	Replacement of the old logo (on buildings and inside)	40 000	It is planned to replace the old logos with the current one (which is already four years old), to replace the flags and the LITEXPO entrance signs, especially in publicly visible places, such as on the Central Hall, at the top of Hall 5, and at the entrances to all halls. The logo also needs to be changed in all indoor areas, halls and on doors.
2023-2024 m.	Reconstruction of the roof of pavilions 3 - 4	200 000	Roof reconstruction is planned for the renovation of the roofs of 3-4 halls. Currently the roof is water-permeable, which causes many problems during exhibitions and events.

2024 m.	Installation of sound insulation	63 000	During conferences in Room 5.1, there is sound from the corridor or from Room 5. In order to improve the quality of the conferencing services provided, it is planned to install sound insulation to ensure the simultaneous operation of halls 5.1, 5.2 and 5.3.
Total investment in technology solutions and marketing:		449 000	
Investment in technology solutions and marketing 2023		40 000	
Investment in technology solutions and marketing 2024		409 000	
2023 m.	Web page www.litexpo.lt update	40 000	Online at available at Update, creation of additional features for virtual broadcasts, additional promotional positions. It would enable to attract potential exhibitors and generate additional income of up to €30,000 per year.
2024 m.	Exhibitor Registration Platform	40 000	A new participant registration platform with more functionality, as the current one is constantly crashing and the developers are not the platform. A new platform, MapD or an alternative platform, is planned, which would not only allow participant registration but also additional sales within it. Participants would have the possibility to purchase additional functionalities for an additional fee, which would increase their visibility to visitors. Planned budget - EUR 30,000 and an additional EUR 10,000 for the costs of adapting the platform to Lithuania (Lithuanian language integration, integration with the accounting system). The upgrade of the platform is expected to could generate additional annual income of between 50.000 and EUR 100.000
2024 m.	Click stand system	50 000	The Octanorm (mewa) system is currently being used for exhibition structures, its construction has a long construction time and an outdated appearance, it should be renewed and be able to offer customers new construction technologies that would save time in construction/demolition and staff costs.
2024 m.	B2Match or other alternative application	182 000	B2B event software for business networking. Target audience - foreign investors, Hosted Buyer. The cost of 1 exhibition is calculated at EUR 4000, the cost of 26 exhibitions in 2 years. Implementation of B2B event software would help to attract additional business contacts.
2024 m.	Touch screen	20 000	At the entrance to Hall 5, during exhibitions, fairs and major events, a touch screen would be able to display all the stands and exhibitors, as well as the programme of events. This would be much more convenient for visitors and would reduce human resources in terms of information centre staff. For third-country events, such a display could be for rent. It could generate up to €7,000 extra income per year
2024 m.	LED display - information link	15 000	At the entrance to the LITEXPO territory, near the ticket office, you will find relevant information about tickets, events, halls, content and services.
2024 m.	LED display - promotional position	50 000	Advertising position on the façade of the Central Palace. Instead of the advertising position 8x7m. Estimate 25000 € per year.

2024 m.	Exhibition Management System	52 000	The Exhibition Management System (SCANTACT or alternative) is an event management system with the ability to quickly and efficiently collect customer data for event partners and exhibitors. The cost of 1 exhibition is calculated at 2000 EUR, with a projected cost of 26 exhibitions over 2 years. The implementation of the event management system would enable to offer additional services to the exhibitors and increase the quality of exhibition and event organisation services provided by LITEXPO,
Total investment needs:		1 580 000	

Table 24. Investments 2023-2026

* Specific decisions will be taken after a cost-benefit analysis

11. COMPLIANCE WITH TRANSPARENCY GUIDELINES

LITEXPO shall be guided by the following rules of 14 July 2010. 1052 of the Government Resolution No. 1052 "On the Approval of the Guidelines for Ensuring Transparency in the Activities of State-Owned Enterprises" (hereinafter - the Transparency Guidelines).

LITEXPO strives to ensure compliance with the Transparency Guidelines and constantly reviews the information published on LITEXPO's official website, updates and completes it.

The implementation of the Transparency Guidelines is mainly ensured through the information disclosed in the Annual Report and the disclosure of information on LITEXPO's website, in order to present the information in an accessible and clear format for interest holders.

Structured information on the implementation of the Transparency Guidelines:

I. Transparency Guidelines	
The website must publish the information:	
Name	Available from https://www.litexpo.lt/apie-mus/
Code and register where the data on the undertaking is collected and stored	Available from https://www.litexpo.lt/apie-mus/
Registered office (address)	Available from https://www.litexpo.lt/apie-mus/
Legal status if the State-owned enterprise is being reorganised, reorganised (specify the type of reorganisation), wound up, bankrupt or insolvent	Not applicable The company and its subsidiaries are not being restructured, reorganised, in liquidation, bankruptcy or receivership
For the State representing authorities Name and a link to its website	Available from https://www.litexpo.lt/apie-mus/
Operational objectives, vision and mission	Available from General Information About activities can be found at https://www.litexpo.lt/korporatyvine-informacija/strategy/ Company objectives, vision and mission

	https://www.litexpo.lt/korporatyvine-information/strategy/
Structure	Ongoing https://www.litexpo.lt/korporatyvine-information/litexpo-management/
Manager's data	Available at https://www.litexpo.lt/korporatyvine-information/litexpo-management/
Details of the chairman and members of the board if a board is established under the statutes	Available at https://www.litexpo.lt/korporatyvine-information/litexpo-management/
Details of the chairman and members of the Supervisory Board if a Supervisory Board is established under the statutes	Not applicable No Supervisory Board
Names of committees, their chairpersons and , if committees are set up	Not applicable No committees shall be set up
Sum of the nominal values of the shares owned by the State (to the nearest euro cent) and the share (percentage) in the authorised capital of the State-owned company	Available from https://www.litexpo.lt/apie-mus/
Special obligations shall be carried out, which shall be determined in accordance with the guidelines approved by the Minister of Economy and Innovation of the Republic of Lithuania: the purpose of the special obligation shall be specified, the state budget allocations for the current calendar year and the legal acts entrusting the state-owned enterprise with the execution of the special obligation shall be indicated, and the special obligation performance conditions and/or regulated pricing	Not applicable Specific obligations in default
Information on social responsibility initiatives and measures, major investment projects under way or planned	Ongoing https://www.litexpo.lt/korporatyvine-information/action-documents/
In order to ensure publicity regarding the professionalism of the members of the management and supervisory bodies and committees of state-owned enterprises, the following data shall be published for the persons referred to in sub-paragraphs 5.8 to 5.11 of the Description: name, surname, date of commencement of the current position, any other managerial positions held in other legal entities, education, qualifications, professional experience. If the description of the The person referred to in 5.9 to 5.11 is elected or appointed by as an independent member of , it is additionally shall be indicated next to its data	Available at https://www.litexpo.lt/korporatyvine-information/litexpo-management/
The following documents shall be published on the website of a State-owned enterprise	
Statutes	Ongoing https://www.litexpo.lt/korporatyvine-information/action-documents/
Letter from the representative body of the State on the definition of the State's objectives and expectations in a State-owned enterprise	Ongoing https://www.litexpo.lt/korporatyvine-information/strategy/

The business strategy or a summary thereof where the business strategy contains confidential information or information considered to be a commercial/industrial secret	Ongoing https://www.litexpo.lt/korporatyvine-information/strategy/
Remuneration policy, which includes setting the remuneration of the CEO of a state-owned enterprise and the remuneration of the members of the collegiate bodies and committees of a state-owned enterprise, described in more detail Corporate governance a setting out the Code;	Available at https://www.litexpo.lt/korporatyvine-information/work-pay/
Annual and interim reports of a state-owned company, annual and interim activity reports of a state-owned enterprise for a period of at least 5 years	Ongoing https://www.litexpo.lt/korporatyvine-information/performance-reports-audit-conclusions/
Sets of annual and interim financial statements for a period of at least 5 years and auditor's reports on the annual financial statements	Ongoing https://www.litexpo.lt/korporatyvine-information/performance-reports-audit-conclusions/
If the State-owned company is the parent company, its website must publish the structure of the group of companies as well as the data referred to in points 5.1 to 5.3 of the Description, the website addresses, the percentage of the parent company's their authorised capital, and the annual consolidated financial statements and consolidated annual reports	Ongoing https://www.litexpo.lt/apie-mus/ Documents published https://www.litexpo.lt/korporatyvine-information/performance-reports-audit-conclusions/
If a state-owned company is a participant in legal entities other than those referred to in point 8 of the Schedule, its internet website shall contain the information referred to in the Schedule of those legal entities the data referred to in points 5.1 to 5.3 and their website addresses	Not applicable The Company is not a participant in any other legal entity
Changes to or erroneous publication of paragraphs 5 and 6 of Description, The data, information and documents referred to in points 7.1 to 7.4 and points 8 and 9 shall be promptly amended and made available on the website	Available from
The set of annual financial statements of a state-owned enterprise, the annual report of a state-owned enterprise, the annual activity report of a state-owned enterprise, and the auditor's report on the annual financial statements of a state-owned enterprise shall be available on the website of the state-owned enterprise be published within 10 working days of the approval of the annual financial statements of the state-owned enterprise	Available from
The sets of interim financial statements of a State-owned enterprise, the interim reports of a State-owned enterprise and the interim activity reports of a State-owned enterprise must be published on the website of the State-owned enterprise no later than no later than 2 months after the end of the reporting period	Ongoing / Not applicable Interim financial statements are published on time. The company does not prepare interim reports
The documents referred to in point 7 shall be published in PDF format and shall be technically printable	Available from

The Annual Report and Accounts must disclose/fulfil other requirements:	
Accounting is carried out in accordance with International Financial Reporting Standards.	Not applicable (see section 2 of the report for reasons)
The set of annual accounts is audited in accordance with international auditing standards.	Available from
The annual report is published on the website 30 April.	Available from
The company's annual report announces:	
Operational strategy and objectives (financial and non-financial), provided that they are not a trade secret of the LGO (if the LGO's operational strategy and objectives contain information, shall be considered trade secrets, a summary of the business strategy and objectives without this information);	Available from
the consistency of the performance achieved with the SOE's objectives; the main events of material significance to the SOE's activities that occurred during the reporting period;	Available from
Information About available at services or the market for the products produced, provided that it is not a trade secret of the SGE;	Available from
investments during the reporting period, major investment projects under way or planned;	Available from
the total annual salary bill, the average monthly salary by function and/or department;	Available from
implementation of the remuneration policy;	Available from
social and environmental initiatives and policies;	Available from
information on compliance with the Transparency Guidelines, including how they are being implemented, which provisions are not being complied with and why;	Available from
key financial indicators (profitability, liquidity, asset utilisation efficiency) and evolution over 3 years;	Available from
governing bodies;	Available from
information on the audit of the annual accounts (the entity that carried out the audit, the audit fee);	Available from
information on the implementation of the operational strategy and objectives (financial and non-financial).	Available from
information on donations made by state-owned companies, as defined in the Law on Charity and Support of the Republic of Lithuania;	Available from

implementation of the risk management policy in a state-owned enterprise;	Available from
information on significant events that occurred during and after the financial year (before the annual report or the annual activity report) and that had a material impact on the activities of the state-owned enterprise;	Available from
a brief description of the business model of a state-owned enterprise;	Available from
implementation of the investment policy, investment projects under way and planned, and investments made during the year under review;	Available from

Table 25. Information on the implementation of the Transparency Guidelines

Director Justinas Bortkevičius