

05	1. LITEXPO governance and ownership structure
05	1.1 General information about LITEXPO
06	1.2 Corporate governance structure
12	1.3 LITEXPO's business (operating) model
13	2. Information on the auditing entity
15	3. LITEXPO's operations and managed infrastructure
15	3.1 LITEXPO activities
19	Infrastructure managed by LITEXPO
20	4. LITEXPO strategy and its implementation
23	5. LITEXPO 2023 Activity Overview
23	5.1 Highlights of the reporting period and the post-reporting period
25	5.2 Overview of activities
30	6. 2023 financial results, investments and dividends
30	6.1. Financial results
39	6.2. Investments in the 2024 Strategy
39	6.3 Dividend policy
40	7. LITEXPO personnel management and remuneration policy
40	7.1 LITEXPO personnel management
46	7.2 Information on remuneration policies
49	8. LITEXPO Social Responsibility Policy
52	9. Risk factors and risk management
57	10. Targets to be achieved in 2024
62	11. Compliance with transparency guidelines

## A WORD FROM THE COMPANY DIRECTOR

The last few years have been truly exceptional for the Lithuanian Exhibition and Congress Centre "Litexpo" hereinafter - LITEXPO), from cancellations and non-performance of activities during the CO-VID-19 pandemic to the organisation of the NATO Summit, one of the most important events in the history of LITEXPO. Operating in a highly dynamic environment, LITEXPO has learnt to react flexibly to changing situations, to take quick decisions, thus ensuring not only the continuity of its operations but also the implementation of new projects.

Despite the fact that the market situation in 2023 was not favourable for LITEXPO's operations (rising inflation, rising bank interest rates, increased prices of energy resources and services, unstable geopolitical situation, etc.), this year was a particularly important one. LITEXPO was given the opportunity to contribute to the organisation of the NATO Summit in July 2023, which was exceptional not only for Lithuania, but also in its uniqueness, scope and responsibilities for LITEXPO as an event organiser. LITEXPO is proud that, although it had various challenges, it successfully met them all. This opportunity has contributed to increasing LITEXPO's visibility in Lithuania, Europe and the world, and has once again demonstrated that LITEXPO is capable of implementing the requirements of events of this scale, has the knowledge and competence to ensure their impeccable quality, and is an example to other exhibition centres and infrastructure managers. This event has motivated and inspired the LITEXPO team, encouraging them to face the coming year with ambitious goals and the belief that the company is capable of implementing the most challenging projects.

In 2023, LITEXPO followed the directions set out in the Strategy and pursued the objectives set out in the Strategy, paying particular attention to updating the themes of the exhibitions to ensure that they meet the expectations and needs of participants. In order to achieve this goal, the LITEXPO team devoted more time to the analysis of the content of exhibitions and the increase of their value creation, and sought to ensure that all exhibitions would involve business exchanges, bring together business and state institutions, and promote dialogue between the parties, and look for cooperation and joint long-term agreements. Also, in order to ensure the growth of the exhibition business and to respond to market trends, a search for

new exhibition themes, which, once refined and subject to detailed cost-benefit analyses, are expected to be implemented and transformed into fruitful projects in the next few .

In pursuit of the above-mentioned goals, in 2023 LITEXPO's Exhibition Organisation and Sales Departments attracted 15 new exhibition partners (e.g. the Lithuanian Association of Career Specialists, the Nordic Council of Ministers, the Lithuanian Association of Responsible Business, the Ministry of the Environment of the Republic of Lithuania, etc.), which contributed to the visibility of the exhibition, to the creation and updating of the content of the exhibition, and also helped to raise awareness among state institutions, business and the public of the issues and problems raised in the exhibition. It is thanks to these partners that the exhibitions are flexible and timely in responding to the expectations and interests of stakeholders. Therefore, in the strategic period, LITEXPO is committed to maintain long-term cooperation with existing partners, to demonstrate that the value created by exhibitions is still relevant and will continue to be relevant, to invest in creating value for partners, to look for opportunities to attract more of them, and to encourage their involvement in the development of exhibition content and attracting exhibitors.

LITEXPO's Events Department in 2023 devoted a lot of attention and resources to the organisation of the NATO Summit, but in 2023 it successfully rented out the premises for 102 events (52 large-scale events took place, while 48 large-scale events took place in 2022), held 3 concerts, and submitted 5 applications for international events, which proves the team's ambitiousness, pro- professionalism, and the ability to efficiently manage and successfully implement several different projects simultaneously.

It should be noted that a versatile and spacious infrastructure is one of the main competitive advantages that LITEXPO continuously strengthens, targeting its communication, improving processes, developing sales strategies and bringing value propositions, Therefore, in the coming years, the Renovations Department will continue to actively pursue its event attraction activities, and will work purposefully to find strong event partners, attract events with new concepts, conclude long-term contracts with large conference organisers, and thus ensure the occupancy of the premises and increase LITEXPO's awareness.

LITEXPO is proud that 2023 was a special year, not only because of the successful organisation of the NATO Summit and other exhibitions and events, but also because LITEXPO was able to reach and exceed many of the financial targets set in the 2023 strategy, which shows that the goals and directions set by LITEXPO are exactly the ones that LITEXPO has been growing towards, and that LITEXPO can now be even more ambitious and confident

to achieve your goals and believe you can achieve them.

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

Acting Director of the Lithuanian Exhibition and Congress Centre Litexpo UAB **Vladislav Teriošin**

# 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 a state-owned company "Lithuanian Exhibition Centre LITEXPO", and in 1995 as a closed joint stock company. In 2011, in order to become not only the leading exhibition organiser in the Baltic States, but also to attract international events and congresses, UAB Lithuanian Exhibition Centre LITEXPO was renamed UAB Lithuanian Exhibition and Congress Centre Litexpo.

With the change of the company's legal status, LITEXPO has undergone an exceptional development process from 1996 to 2018, which has led to the

Thanks to their efforts, the jnone has become the largest exhibition and conference centre in the Baltic States: 3 new exhibition halls have been built, an independently functioning conference centre has been built, 4 halls have been refurbished, the first chambers have been renovated, and a parking lot has been built on a 1.6 ha plot of land. LITEXPO is now 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 subsidiaries:

#### STATE-OWNED SUBSIDIARY

**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>

The share capital of the subsidiary 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 LITEXPO shares and owns 3 977 296 shares;
  - The remaining 41 173 shares, or 1.03%, are held by 37 fi rms.
- It is that LITEXPO's buildings were registered in the Register of Legal Entities in 2023,

:

**UAB "Litexpo infrastruktūra"**  
 LITEXPO owns 100% of the shares  
 In the Register of Legal Entities of the Republic of Lithuania  
 jregis- truota 2015-11-25  
 Authorised capital 2500 Eur  
 Contact:info@litexpo.lt No website

The said authorised capital and the aforementioned distribution of shares are therefore effective from the date of registration. Until 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 and held 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) - a company established in 2016 and suspended its operations as of 1 June. As the company is inactive, it is expected to be liquidated in 2024.

As the company has not started operating, it has no income, no assets, no debts and no expenses.

At the end of 2022, the subsidiary Litexpo events UAB (company code 304143867, registered office address Laisvės pr. 5, Vilnius) was reorganised by merging it into LITEXPO (hereinafter referred to as Litexpo events). Since 2015, the company has been organising conferences and other events in the premises owned by LITEXPO and third parties.

1 January 2018, the activities of this company were transferred to LITEXPO, i.e. LITEXPO has established a Conference and Events Department, which will be renamed to the Events Department in September 2021 to ensure the continuity of the company's activities.

In February 2020, the subsidiary UAB Ovantis, which provided catering services for LITEXPO events and events organised by LITEXPO, was reorganised by merger. Currently, catering services during LITEXPO exhibitions and events are provided by the subsidiary UAB Benerta, which in 2022 won the tender for catering premises organised by LITEXPO.

It is planned that in 2024 LITEXPO will not have any subsidiaries and will be operated by only one company - LITEXPO.

## 1.2. THE GOVERNANCE STRUCTURE OF THE COMPANY

LITEXPO's management structure includes:

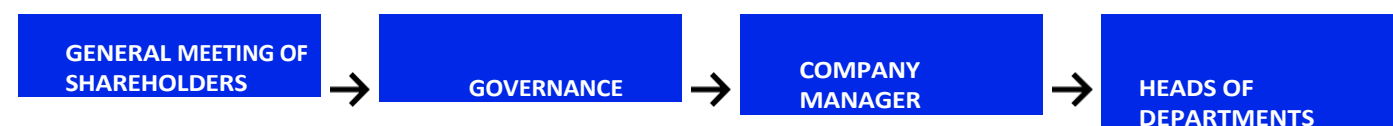


Table 1. LITEXPO management structure

The LITEXPO Management Board shall be appointed by a decision of the General Meeting of Shareholders for a four-year term of office. The LITEXPO Board shall consist of 5 members, four of whom shall be independent, elected in accordance with the Resolution of the Government of the Republic of Lithuania No. 631 of 17 June 2015 "On the Election of Candidates to the Board of a State-owned Company or a Municipal Company and the Election of Candidates to the Collegiate Supervisory Board of a State-owned Company or a Municipal Company by the General Shareholders' Meeting

The Board of Directors shall be appointed in accordance with the procedure set out in the "Approval of the selection procedure for the selection of the Board of Directors or the governing body", one of whom shall be delegated from the Ministry of Economy and Innovation of the Republic of Lithuania, taking into account the competencies required to perform the functions assigned to the Board.

The term of office of the current LITEXPO Management Board starts in 2022 19, ending January 2026.

### GENERAL MEETING OF SHAREHOLDERS

98.97% of LITEXPO shares are owned by the State, represented by the Ministry of Economy and Innovation of the Republic of Lithuania, while the remaining 1.03% of shares are owned by 37 natural persons.

### GOVERNANCE

5 members have been appointed for a 4-year term of office by decisions of the General Meetings of 19 January 2022 and 11 July 2022.

#### Mantas Dubauskas - Independent Board Member.

In 2016-2022 he worked as Director of the Communications of AB Lietuvos geležinkeliai, Director of Corporate Affairs, and in 2019-2022 as a member of the Board of LTG Link UAB. Prior to that, he worked as an advisor to the Minister of Energy, and before that he worked as a journalist and editor in various publications, and cooperated with foreign media. M. Dubauskas holds a Master's degree in Business Management from Vytautas Magnus University, and has completed the International Executive Management Business Administration (EMBA) programme at the BMI Executive Institute. Since October 2023, he has been the Director of the Winning Pro Reputation Agency.

#### Alexander Golod - Independent Board Member.

He has more than 20 years of experience in marketing and commercial roles in various Lithuanian and foreign companies. 2005 - 2015 at Microsoft Corporation, where from 2012 to 2015 he held the positions of Marketing Manager for the Baltics and Large Business Marketing Manager for Eastern Europe. Since 2017, he has been working for AB Telia Lietuva, where he has been the head of medium and large business sales for the last five years, and is currently an independent board member of the Lithuanian Red Cross Society and a board member of the Lithuanian Vendors Association. Mr Golod holds a Master's degree in Communication from Vilnius University and has completed the Professional Board Member Programme at the Baltic Institute of Corporate Governance (BICG).

#### Žilvinas Pakeltis - Independent Board Member.

From 2014 to 2020, he served as a member of the Board of Directors of AS Rigas Dzirnāvnīeks and Baltic Mill as Sales and Marketing Manager. Prior to that, he managed sales in the Central Asia region, the global product group and worked in sales and marketing in the Baltic States for the multinational company Tetra Pak. Currently Ž. Pakeltis is an independent member of the Board of the Innovation Agency, a member of the Board of IOCO Packaging, UAB, Chairman of the Board of PMC Training, UAB, and the CEO and Member of the Board of Heidelberg Mobile, UAB.

**Ramutė Ribinskienė - Independent Board Member. Chairperson of the Board.** She has more than 25 years of experience in the private and public sectors. In 2016-2019, she worked as the Director of the Finance Department of AB Vilniaus šilumos tinklai and as Interim General Manager, 2010-2013.

In 2007 she worked in the group of companies of AB Lietuvos Energija (now Ignitis), was a member of AB

"Director of the Finance and Administration Service and member of the Board of Directors of Lesto (now AB ESO). 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 "Lietuvos radijo ir televizijos centras" and a member of the Board of UAB "Kretingos vandenys". R. Rib- inskienė holds a Master's degree in Economic Cybernetics from Vilnius University.

**GOVERNANCE**

5 members have been appointed for a 4-year term of office by decisions of the General Meetings of 19 January 2022 and 11 July 2022.

**Rūta Steckienė is a member of the Board delegated by the Ministry of Economy and Innovation.**

She has more than 15 years of experience in the corporate law application and policy development, having worked in the corporate group of AB ŽIA valda (now AB Vertas Management) from 2006 to 2009, and in the Ministry of Economy and Innovation since 2009. 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 EU, she chaired the EU Council Working Group on Company Law. She is currently a member of the Board of the Ministry's Corporate Policy Department, Corporate Law Division. Ms Steckienė holds a Master's degree in Law from Mykolas Romeris University and a Master's degree in Law from the University of Savoie Mont Blanc (France).

The Board shall act in accordance with the Law on Joint-Stock Companies of the Republic of Lithuania and the Rules of Procedure of the Board.

In accordance with the new version of the Description of the Procedure for Payment of Remuneration to Members of Collegial Bodies of State-owned Enterprises and Municipal-owned Enterprises, approved by the Resolution of the Government of the Republic of Lithuania No. 1092 of 14 October 2015, which entered into force on 5 August 2022, the new version of the Description of the Procedure for Payment of Remuneration to Members of Collegial Bodies of State-Owned Enterprises and Municipal-owned Enterprises, approved by the Government of the Republic of Lithuania Resolution No. 1092 of 14 October 2015, was recognised as null void by the extraordinary general meeting of shareholders held on 13 October 2022. At the Extraordinary General Meeting of Shareholders on 19 January 2022, the Extraordinary General Meeting of 19 January 2022 approved the

"Description of the procedure for granting and paying remuneration to a member of the Board of Litexpo for his/her activities in the Board". At the Extraordinary General Meeting of Shareholders held on 22 December 2023, the renewed monthly remuneration of EUR 1,500 before tax was approved for a member of the LITEXPO Board from 1 January 2024 until the end of his term of office, and EUR 1,900 before tax during his term of office as Chairman of the Board. The civil legal relationship between the member of the Board and the Company shall be governed by a contract of service between the Company and the member of the Board.

**COMPANY MANAGER**

**Justinas Bortkevičius**, who previously served as the Director of Litexpo events UAB and the Executive Director of Visit Lithuania UAB, will hold the position of the Director until 14 July 2023. Bortkevičius graduated from Vilnius University with a Bachelor's and Master's in Business Management, and from the University of Birmingham, where he also studied International Tourism and Hotel Administration.

Following the expiry of Justinas Bortkevičius' term of office, **Jonas Sakalauskas**, who previously the Lithuanian National Opera and Ballet Theatre, Klaipėda State Music Theatre, and worked as an independent cultural events producer with 25 years of management experience, was appointed by decision of the Board of Directors of the Lithuanian National Opera and Ballet Theatre on 14 July 2023. He graduated from ISM - KTU with a Master's degree in Business Administration.

From 29 February 2024, **Jonas Sakalauskas** was dismissed from the position of Director of LITEXPO on 29 February 2024 and **Vladislav Teriošins**, Head of the LITEXPO Service Department, was appointed to the position of Director on an interim basis by the decision of the Board of Directors of LITEXPO on 1 March 2024.

**HEADS OF DEPARTMENTS**

LITEXPO is structured in 6 divisions:

**The Accounting Department** is headed by Chief Financial Officer Jurgita Leonickienė; the **Exhibition Organisation Department** is headed by Roberta Dudutė; the **Sales Department** is headed by Irma Leseckienė; **The Events Department** is headed by Eglė Gudauskienė; the **Service Department** is headed by Vladislav Teriošins; the **Marketing Department** is headed by Domantė Kriauciūnaitė.

Table 2. Governance structure

**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.);
- evaluate the Company's annual and interim financial, annual and interim reports, the auditor's report and financial audit reports, the Company's strategy, the annual budget presented and the results achieved, and analyse other information requested by the shareholder;
- analyse how the Company implements the principles and practices of good governance, and make suggestions 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 the continuity of the Company's operations.

**During the reporting period, 4 shareholders' meetings were held:**

- 6 April 2023 - Extraordinary General Meeting of Shareholders at which the audit firm UAB was elected "Audifina for the audit of the 2022 annual accounts;
- 28 April 2023 - Ordinary General Meeting of Shareholders to approve the audited consolidated set of financial statements and the distribution of profit (loss);
- 14 November 2023 - Extraordinary General Meeting of Shareholders at which the audit firm UAB was elected "Audifina to audit the annual financial statements for 2023 and approved the amendment to the contract between LITEXPO and AB Ąiaulių bankas;

- 22 December 2023 - Extraordinary General Meeting of Shareholders, at which a renewed monthly remuneration of 1,500 before tax was approved for a member of the LITEXPO Board from 1 January 2024 until the end of his term of office, and EUR 1,900 before for the Chairman of the Board. The proposal to increase the remuneration of the Member of the Board of Directors from 1 January was also approved. LITEXPO Director's remuneration shall be determined in accordance with the company's financial situation and in accordance with the procedure set out in sub-paragraphs 1.1 to 1.6 of the Resolution of the Government of the Republic of Lithuania No. 743 "On the amendment to the Resolution of the Government of the Republic of Lithuania No. 1341 of 23 August 2002 "On the remuneration of the managers of state-owned enterprises".

**The LITEXPO Board**, according to the current LITEXPO Statutes, consists of five members appointed by the LITEXPO shareholders for a term of four years.

**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 composition of the Board shall include at least three (3) independent members, their independence being determined in accordance with the Resolution of the Government of the Republic of Lithuania No. The aim is to ensure that the members of the Board have competences in accordance with the areas of responsibility and functions of the Board, as well as the competences of the Board members in accordance with the areas of responsibility and functions of the Board, and the requirements of the LITEXPO policy on the management of the interests of members of collegial bodies, managers and employees, as well as the requirements of other applicable legislation, as set out in the Guidelines on the selection of candidates to the Board of Directors of a State-owned company or a municipal company and the selection of candidates for the collegiate supervisory or management body elected by a General Meeting of Shareholders of a State-owned company or a general shareholders' meeting of the State-owned or a municipally-owned company and in LITEXPO's policy on management of interests of members, managers and employees, and the other requirements of other applicable legislation; whenever possible, seek to exclude the appointment of employees of the Company to the Board.

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 a

the principle of nomination, the principle of structure checking, the principle of publicity of 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 authority assigned to her;
- monitor the implementation of the Company's activities, its strategy, objectives and plans, documents approved by the Board and other decisions;
- 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, **25 Board meetings** were held and a strategy session was organised.

- **The main issues addressed** : Updating and approving LITEXPO's strategy; Proposals to the shareholder on the letter of expectations; Setting of the CEO's strategic objectives and review of the performance in 2022; Evaluation of the performance of the Board's members; Approval of the Board's work plan for 2023; Approval of the remuneration policy for LITEXPO's CEO; Analysis of the benefits of the cost of the planned investments.

Review of the investments and approval of the investment plan; approval of the updated Rules of Procedure of the Board; selection of the new LITEXPO CEO; review of the financial situation and performance of LITEXPO; review of the refinancing options for LITEXPO's existing loan; and approval of the Board's performance improvement plan; Election and appointment of a new LITEXPO Director; Review of new initiatives to increase LITEXPO's profitability; Analysis of ongoing activities and search for actions to improve them; Consultations on the NATO event; Review of the conclusion of the Public Procurement Authority and review of LITEXPO's procurement activities; 2024-2026 Coordination of the Strategic Action Plan; Preparation and approval of the budget for 2024; Review of the results of the employee engagement survey; Approval of the updated LITEXPO organisational governance structure. The Board also continuously cooperated with the shareholder to keep informed about the company's activities, financial situation and emerging risks.

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

### Board decisions taken in 2023:

QUARTER 2023	DECISIONS
Q1 2023	<ul style="list-style-type: none"> <li>- LITEXPO Strategy 2023-2026 is approved;</li> <li>- The objectives for the LITEXPO CEO for have been approved;</li> <li>- The Board's work plan for 2023 is approved;</li> <li>- LITEXPO's remuneration policy for the Director of LITEXPO is approved;</li> <li>- Planned investments are confirmed;</li> <li>- Decisions are taken to convene extraordinary and ordinary general meetings of shareholders;</li> <li>- Discussions on the implementation of the NATO event, the challenges ahead, and an overview of the organisational process were held.</li> </ul>

Q2 2023	<ul style="list-style-type: none"> <li>- The updated Rules of Procedure of the Board are approved;</li> <li>- The objectives of the LITEXPO Director for 2022 are assessed;</li> <li>- The Board's performance improvement plan is approved;</li> <li>- The job description of the Director of LITEXPO is approved;</li> <li>- The audited financial statements of LITEXPO for 2022 were approved and it was decided to submit them to the Ordinary General Meeting of Shareholders for approval;</li> <li>- LITEXPO's loan refinancing options were assessed;</li> <li>- Discussions take place on the implementation of the NATO event.</li> </ul>
Q3 2023	<ul style="list-style-type: none"> <li>- A decision is adopted on the removal of the Director of LITEXPO and appointment of a new Director;</li> <li>- A decision is taken to convene an extraordinary general meeting of shareholders;</li> <li>- A decision is taken to amend the terms of LITEXPO's existing loan;</li> <li>- Discussions take place on the implementation of the NATO event.</li> </ul>
Q4 2023	<ul style="list-style-type: none"> <li>- Alignment of the Strategic Action Plan 2024-2026;</li> <li>- Decisions were taken on the conclusion of the LITEXPO agreement with AB "Giaulių bankas".</li> <li>- Consideration and adoption of the 2024 budget;</li> <li>- LITEXPO's new organisational management structure is approved;</li> <li>- A decision is taken to convene an extraordinary general meeting of shareholders.</li> </ul>

Table 3. Board Decisions taken in 2023

### LITEXPO Director:

- organise and control the implementation of the Company's business strategy;
- organise the Company's activities, submit 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><b>STRATEGIC PARTNERS</b></p> <ul style="list-style-type: none"> <li>Content partners (associations, think tanks, expert organisations, self-management);</li> <li>Infrastructure maintenance (cleaning, security, etc.);</li> <li>Advertising creative and production companies, media planning agencies;</li> <li>Exhibition stand builders;</li> <li>Companies offering IT solutions;</li> <li>Video and audio partners.</li> </ul>	<p><b>MAIN ACTIVITIES</b></p> <ul style="list-style-type: none"> <li>Rooms for hire for events;</li> <li>Organising and discussing exhibitions, fairs and other events;</li> <li>Project management;</li> <li>Creating relevant content;</li> <li>Content development for exhibitions/fairs.</li> </ul>	<p><b>VALUE PROPOSITION</b></p> <ul style="list-style-type: none"> <li>Convenient, versatile infrastructure;</li> <li>Presentation of topical issues;</li> <li>Business contacts relevant to the sector</li> <li>Facilities, all possibilities for business meetings;</li> <li>Long-standing market player, reliable partner;</li> <li>Targeted visitor traffic;</li> <li>Integrated solutions (yoking, servicing, etc.)</li> <li>Advertising.</li> </ul> <p><b>Services:</b></p> <ul style="list-style-type: none"> <li>Rental of rooms adapted for various events;</li> <li>Renting advertising space and additional advertising opportunities;</li> <li>Security, installation and other support services.</li> </ul>	<p><b>CUSTOMER RELATIONS</b></p> <p>Individual attention is paid to each client.</p>	<p><b>CUSTOMER SEGMENTS</b></p> <ul style="list-style-type: none"> <li>Lithuanian business communities;</li> <li>Foreign business companies;</li> <li>Public companies, institutions;</li> <li>Ac-cial associations;</li> <li>Users;</li> <li>Non-profit organisations.</li> </ul>
<p><b>BOXES</b></p> <ul style="list-style-type: none"> <li>Wages;</li> <li>Advertising costs;</li> <li>Organisational costs for exhibitions and conferences;</li> <li>Operating costs;</li> <li>Administrative costs.</li> </ul>		<p><b>REVENUE STRUCTURE</b></p> <ul style="list-style-type: none"> <li>income from premises;</li> <li>income from advertising space;</li> <li>Revenue from organisation of exhibitions and other events;</li> <li>Revenue from the sale of tickets for events organised by LITEXPO;</li> <li>Parking spaces for rent;</li> <li>Other activities (renting of equipment, etc.)</li> </ul>	<p><b>CANALS</b></p> <p><b>For participants, potential tenants:</b> direct sales or through intermediaries (partners, associations, etc.);</p> <p><b>Communication:</b> media networks; Social networks; Newsletters; Radio and TV; Press; Outdoor advertising; Direct communication.</p>	

### 2. INFORMATION ON THE FIRM THAT CARRIED OUT THE AUDIT

Audifina UAB (company code 125921757) was engaged to audit the 2023 financial statements,

registered office address A. Juozapavičiaus g. 6, Vilnius). Annual cost of audit services EUR 9680,00.

#### Information on LITEXPO audit firms for 2019-2023

YEAR	COMPANY NAME
2019	UAB THESAURUS AUDITAS
2020	UAB THESAURUS AUDITAS
2021	UAB THESAURUS AUDITAS
2022	UAB "AUDIFINA"
2023	UAB "AUDIFINA"

Table 5. Audited companies

A new audit team will be selected to audit the 2024 financial statements.

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

Paragraph 14 of the Guidelines on Transparency of 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 the Inter- national

accounting standards (IAS). Ben- droves does not comply with this provision. The Company maintains its accounts and prepares its financial statements in accordance with the Lithuanian Financial Reporting Standards. The company is classified as a medium-sized company, does not operate on international markets and its securities are not traded on a regulated market. The Company's management has assessed the benefits, costs and short- and long-term effects of applying the provisions of IAS on the Company's financial performance.

THE POTENTIAL BENEFITS OF ITS APPLICATION	POSSIBLE CUSTOMISATION	UPDATE THIS YEAR
INTERNATIONAL COMPARABILITY	Ability to compare the company's financial performance with that of foreign companies in the same sector for analysis purposes	Medium
	Increased chances of attracting a foreign investor	Low
	Increased access to foreign financial markets for borrowing	Medium
	Facilitating investment decisions when planning investments abroad	Low

6 Table 1. Decisions on the benefits of applying IAS provisions

There are currently 25 Lithuanian Financial Reporting Standards (LFAS) and 17 International Financial Reporting Standards (IFRS) in force. Which international standards to apply depends on the company's business model. The transition to LFAS/IFRS must be made:

- Identification of the LFAS/TFAS related to the activities of the enterprise;
- 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;
- assessing 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) report, related explanatory notes, including comparative information).

Considering that the cost of the transition could amount to more than EUR 30 000, which would consist of: advisory services for the transition to IAS (transition plan for the

(e.g. preparation of new accounting policies, other specific advisory services); adaptation of the accounting software, increase in maintenance costs; training of staff for the transition to IAS; valuation of assets at market value (annually); increase in the cost of the independent audit; etc.

The analysis showed that the potential benefits of adopting 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 increase in the accounting workload and the need for additional accounting staff, the need for annual asset valuation services, .). The transition to IAS may also 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 costs for fixed assets, labour-related provisioning costs and consequent losses, which would reduce the ability to pay dividends).

The costs of LITEXPO's transition to IASs would exceed the benefits of adopting IASs, and therefore it is not appropriate for LITEXPO to transition to IASs at this time. In particular, LITEXPO is exposed to financial risks and is obliged to meet its financial obligations to its customers, clients and bank.

## 3. LITEXPO OPERATIONS AND MANAGED INFRASTRUCTURE

### 3.1. LITEXPO ACTIVITIES

#### LITEXPO's main areas of activity:

- organising exhibitions, fairs and other events
- conference, exhibition hall and equipment rental and co-ordination;
- servicing, installation and other related services for exhibitions, conferences and other events.

#### Organising exhibitions, fairs and other events

LITEXPO has many years of experience in the organisation of exhibitions and provides the highest quality exhibition organisation services in Lithuania. The exhibitions organised by LITEXPO are well-known in Lithuania, and most of them are also well-known in neighbouring countries. They are positively evaluated by exhibitors and visitors and receive considerable media attention. Some of LITEXPO's exhibitions are international, i.e. the number of foreign exhibitors is 15 per cent or more.

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

LITEXPO exhibitions are organised by 10 professional teams of experts who organise about 15 specialised exhibitions a year, attracting about 1200 participants: 85% of the exhibitors are Lithuanian companies, 15% foreign companies. The exhibitions attract around 120,000 visitors a year. The revenue from exhibition activities accounts for 55-60% of LITEXPO's total consolidated operating income. The other part of the income is generated from the rental of premises, service activities and the rental of exhibition facilities and catering infrastructure.

Of all the marketing activities chosen by small and medium-sized enterprises to present their products, participation in exhibitions, contacts and trade fairs is still one of the most important and most impactful instruments. Participants in exhibitions and trade fairs can achieve a number of objectives necessary for business development: expanding contacts, fostering communication, raising awareness, and collectively solving problems of relevance to a particular business sector,

negotiating trade agreements, finding partners, researching and selecting the most suitable markets for exports. Exhibitions and trade fairs are the ideal place to look at markets, compare prices and conditions of sale, test products and discuss their applications.

LITEXPO's specialised exhibitions have a clearly defined theme covering a specific business sector and are aimed at a defined target audience - the business segment or the final consumer (the public). It is at the showcases, where sectoral news and issues are presented, that contacts are made, success stories are launched, competitiveness is promoted and markets are expanded.

The essence and purpose of the exhibitions is to bring together various business and state institutions, to involve the public in business and state projects, and to promote business exchanges and cooperation, and the war in Ukraine has made it really difficult for LITEXPO to achieve this goal. Due to the rising prices of energy resources (electricity, heating, etc.), the disruption of supply chains and other negative , participation in exhibitions has become a non-option for businesses (especially foreign ones), and those participating have reduced their exhibition space and invested less in their preparations for participation, which has negatively affected the quality of exhibitions. For example, the largest exhibitions, PELENE and RESTA, saw a reduction in the number of exhibitors due to the outbreak of the war in Ukraine, while Belarusian and Russian companies were banned from exhibiting, which led to a significant reduction in the number of visitors.

In order to ensure the growth of exhibitions and to compensate for the impact of the changed circumstances, LITEXPO is looking for opportunities to adapt the exhibitions to the needs of the market, to create content relevant to business, the state and the society, and,

for exhibitions to contribute to the country's economic recovery and growth. LITEXPO, having assessed the needs of the countries interested in exhibitions and the current situation, will organise physical exhibitions in a format that is familiar to all and that is familiar to all in the period 2024-2026, as this is the type of exhibitions that exhibitors and visitors are interested in, and physical exhibitions are the most profitable for LITEXPO (the company generates most of its income from the rental of exhibition space and ticket sales).

During the strategic period, LITEXPO will pay special attention to the analysis of market needs, which will help to create a relevant content, to answer questions and problems, and at the same time to contribute to their solution. In order to have the most accurate information on market needs, LITEXPO will conduct surveys of exhibitors and visitors, and will cooperate with associations representing specific business sectors and state institutions. The dynamic market situation has shown that LITEXPO exhibitions need to be adaptable, able to effectively transform and adapt to market changes, to be relevant, to create added value and to be needed by stakeholders. In order to this, it is important not only to constantly analyse the market situation, to continuously cooperate with companies and state institutions, but also to have strong local partners that would help to respond to the latest market trends, and therefore, during the strategic period, the aim will be to attract new exhibition partners (both from the business and the state side), with whom LITEXPO would be able to renew the tour of the existing shows in a timely manner, and to create new ones. These LITEXPO directions/objectives are discussed in more detail in the Internal Action Analysis section of the Strategy.

[In its latest the global exhibition business association UFI survey of exhibition centres and organisers<sup>\(1\)</sup>](#), has identified a number of aspects that will have the greatest impact on the way exhibitions are organised over the next five years:

and pointed to changing customer expectations as the most important one, which only reinforced LITEXPO's belief that the company has to react quickly to market needs and stay one step ahead. The review also noted that the availability of skilled staff and digitisation have a significant impact on the operation and development of exhibitions, which shows that LITEXPO's chosen directions, goals and expectations are in the right, but that it is crucial to stay focused and have a clear plan of action and risk assessment in place in order to implement them.

LITEXPO will continue to reorient exhibitions from the current B2C (*business-to-consumer*) segment to the B2B (*business-to-business*) segment, and the exhibitions will provide business with more favourable conditions to conduct business exchanges, to reach out to relevant contacts, to collaborate and to establish partnerships.

It should be noted that LITEXPO will seek to attract the attention of state institutions and the public, and will try to convince them of the importance and necessity of participating in exhibitions, as all of the above-mentioned objectives of the exhibition organisation activity will be achieved more quickly and efficiently if they are attracted, invested in and co-operate. It is at exhibitions that public institutions and people can raise issues of national importance, discuss with business and the public emerging problems and solutions, evaluate the technological inventions developed by businesses and their applicability to the modernisation objectives of the State, and contribute to the promotion of co-operation between the State, the public and the business community. It is at exhibitions that better conditions are created for the public authorities, society and business to meet.

## Rental of conference and exhibition halls and equipment and attracting international events

Renting of premises for conferences and various events is one of the main activities of LITEXPO, which has a great potential to grow and expand. LITEXPO sells and rents space for various types of events - conferences, congresses, forums, exhibitions, fairs, concerts, filming, product presentations, 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 museums and business events.

In its activities, the LITEXPO Events Department team is in constant contact with event organisers, sharing information on the content and format of events, the needs and expectations of its clients, as well as following ICCA (International Congress and Convention Association) news on trends in the format and content of events, and taking part in the events and meetings organised by the Event Industry Association (RIA) and the Lithuanian Conferences and Events Association (LCEA), which allows it to respond to the needs of the market in a timely manner. In order to remain flexible, the Events Department will keep an eye on trends, best practices and respond promptly to market needs and expectations.

In addition, LITEXPO, operating in a dynamic environment, needs to have alternative sources of income, to adapt to the needs of its clients and to offer what is relevant and necessary at the time, thus ensuring that the available premises are used efficiently. LITEXPO has repeatedly demonstrated its ability to respond flexibly to the needs of the market, renting space film and commercials, providing accommodation participants of the Song and Dance Festival, for car and other equipment presentations, etc. LITEXPO will continue to monitor the market, respond promptly to clients' expectations, and thus ensure the efficient use of its infrastructure and the provision of steady and additional income.

One of the main activities of LITEXPO is attracting inter-national conferences. When assessing the competitiveness of Vilnius City in the field of conference tourism with other European cities, the possibilities of Vilnius City to host larger international conferences are not great.

The main weaknesses of Vilnius city in the field of conference tourism are the following: poorly developed air tourism to Lithuania, poor quality public transport in the neighbourhood itself, lack of public sector subsidies, as well as low flexibility in offering dates for the organisation of events due to the fact that the grid is filled with exhibitions and other annual events. In order to solve these problems, LITEXPO regularly cooperates with the Vilnius City Municipality's tourism centre "Go Vilnius", uses its membership in the international organisation ICCA, and actively contributes to the promotion of Vilnius in order to show that it is an attractive city for organising international events.

LITEXPO submits about 10 applications per year to attract international conferences (5 applications in 2023, a lower number than in previous years, as the NATO Summit was the main focus of attention and time). In order to increase this number, in the strategic period, the search for new partners will be carried out, opportunities for cooperation with state institutions will be sought, and the involvement of the main shareholder will be promoted by communicating LITEXPO's activities, its importance and the offered. LITEXPO will also have more staff working on these activities - currently there is one staff member and it is planned that there will be at least two staff members in the strategic period, which will enable LITEXPO to prepare more quality proposals for attracting international events and will open up more opportunities to win tenders.

While LITEXPO has carried out some infrastructure repairs in preparation for the NATO Summit in 2023 / improvements, but today there is still a need to modernise some of the equipment and furniture in order to fully meet the expectations and needs of the clients, therefore, in the strategic period 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, LITEXPO hosts 150 events a year, organised by various third countries, with over 110,000 visitors.

<sup>(1)</sup> The UFI survey of the World Association of the Exhibition Industry can be found at the following link: [https://www.ufi.org/wp-content/uploads/2023/07/31st\\_UFI\\_Global\\_Barometer\\_July\\_2023.pdf?fbclid=IwAR2NH8\\_hdA\\_RjLgPMQYgXSKp-1hg2DQ02Jaa7Ci9fuRnI9czis-4nUcFio](https://www.ufi.org/wp-content/uploads/2023/07/31st_UFI_Global_Barometer_July_2023.pdf?fbclid=IwAR2NH8_hdA_RjLgPMQYgXSKp-1hg2DQ02Jaa7Ci9fuRnI9czis-4nUcFio)



## Catering and other related services for exhibitions, conferences and other events

LITEXPO, in order to retain existing clients and attract new ones, continuously improves and efficiencies the processes that are directly related to the quality of services provided to clients. After each event, customer feedback and recommendations are evaluated and action is taken to ensure that the factors that cause customer dissatisfaction do not recur. In order to implement this goal, LITEXPO has adopted the Customer Service Standard, which defines the responsibilities of the departments in the implementation of this standard, establishes the rules of customer service, and defines the principles and procedures of the staff members' behaviour towards the customers. LITEXPO intends to improve the standard in the future in order to maximally adapt to the needs of customers.

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

In order to establish itself on the international market and to 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 in other countries, LITEXPO develops new service packages (e.g. advertising space), constantly reviews pricing, and seeks 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 properly performed and high quality service, LITEXPO ensures that all the services required by the client in connection with their event and/or participation in the exhibition can be ordered directly from LITEXPO. Ben- drovė offers clients to purchase installation, cleaning, cloakroom, security and other services, ensuring that the client receives a complex offer.

In order to ensure quality service, LITEXPO will strive to create more sustainable exhibitions, invest more in the energy of the existing infrastructure, and encourage exhibitors and visitors to choose more sustainable ways of travelling (according to the [UFI report, the](#) number of exhibitors' and visitors' journeys by airplanes and other polluting means of transport to and from exhibitions, have the greatest impact on CO2 emissions), and will focus on reducing waste after exhibitions and events (reducing bag waste, plastic and paper used at exhibitions), educating exhibitors and visitors about sustainability, its goals and how they can be achieved. Furthermore, the latest [UFI review](#)<sup>2</sup> points out that it is sustainability and the adoption and enactment of related legislation that will have a significant impact on exhibition centres and exhibition organisers over the next five , and LITEXPO must be ready to implement them.

It should also be noted that in June 2025 the Accessibility Directive (*Accessibi- lity Act*) will come into force, which requires market participants to ensure the accessibility of services and products for persons with disabilities, therefore, during the strategic period LITEXPO will assess the requirements of the Directive and will carry out preparatory work in order to ensure that the specified relevant requirements will be implemented in a timely manner.

## 3.2. LITEXPO MANAGED INFRASTRUCTURE

Currently LITEXPO has 5 exhibition pavilions and 15 conference halls - a total of 18,500 sq. m. of indoor space and 15,100 sq. m. of outdoor exhibition space. LITEXPO's largest conference hall can accommodate up to 1,800 people at a time when conference chairs are arranged theatre-style. LITEXPO's second largest conference hall can accommodate up to 1,600 people. These are the two largest conference halls in Lithuania, equipped with modern conference and lighting equipment and easily transformable into smaller halls.

During the reconstruction of the first hall, LITEXPO built a new separate conference centre. It is equipped with 3 conference halls, which can be easily transformed into 5 conference rooms. The total area of this new conference centre is 427 square metres and can accommodate 400 .

LITEXPO has enough furniture and equipment to host large international events. Up to 5,000 conference participants can be accommodated at a . The partitions can be used to provide up to 1,000 square metres of additional acoustic-insulated conference space, with suitable furniture and equipment. LITEXPO's infrastructure also includes two cafés, a restaurant, 1,115 parking spaces for cars (some of the parking spaces are equipped with charging stations for electric cars), spacious storage rooms, information and service centres, audio-visual equipment, wireless internet connection, and administrative premises.

Although LITEXPO has a sufficiently developed outdoor and indoor infrastructure, the existing facilities do not guarantee the achievement of the strategic objectives. The Company's buildings, computer and software equipment, conference halls and furniture require continuous renovation. There is not only a need, but also a necessity to implement new modern IT solutions, such as, for example, investing in a platform that makes it easier to attract B2B exhibition participants, helps to create convenient conditions for them to meet other participants (regardless of whether they are physically present at the exhibition), to hold discussions and thus achieve the objectives of participation in the exhibition, as well as to modernize LITEXPO's website, and to acquire an event and event information management system capable of collecting and processing information about the visitors attending the events, and so on.

LI- TEXPO is constantly looking for ways to reduce the costs of maintaining its infrastructure. In order to achieve this goal, LITEXPO modernised the lighting system in Hall 5. During the strategic period, it is planned to upgrade the lighting systems of 3-4 halls, reconstruct the roofs of 3-4 pavilions and make other investments that would help to reduce costs. It should be noted that LITEXPO is currently unable to participate in many programmes due to its legal status (SOE, large company), therefore, during the strategic period, the Company will apply to the responsible state institutions to enable it to participate in such programmes.

<sup>(1)</sup> The UFI survey of the World Association of the Exhibition Industry can be found at the following link: [https://www.ufi.org/wp-content/uploads/2023/07/31st\\_UFI\\_Global\\_Barometer\\_July\\_2023.pdf?fbclid=IwAR2NH8\\_hdA\\_RjLgPMQYgXSkp-1hg2DQ02Jaa7C9fuRnI9czis-4nUcFio](https://www.ufi.org/wp-content/uploads/2023/07/31st_UFI_Global_Barometer_July_2023.pdf?fbclid=IwAR2NH8_hdA_RjLgPMQYgXSkp-1hg2DQ02Jaa7C9fuRnI9czis-4nUcFio)

## 4. LITEXPO STRATEGY AND ITS IMPLEMENTATION

<b>MISSION</b>	Organise events that promote business exchanges and engage the public, and be a socially responsible and innovative leader that delivers long-term returns to the shareholder.
<b>VISION</b>	A technologically advanced, versatile, new-format exhibition and event venue for business collaboration and partnership development.
<b>VALUES</b>	mission, vision and all our activities are based on the core values of professionalism, innovation and teamwork.

### STRATEGIC ORIENTATIONS

#### Axis I

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

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

#### II Direction

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

The company is focused on developing new exhibitions and increasing the number of exhibitors, as well as on ensuring growth and greater innovation in exhibitions.

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

In order to ensure the growth of operations and to meet the expectations of shareholders, the LITEXPO team in 2023 paid special attention not only to effective risk management and process optimisation, but also to the formation of new project teams.

#### III Direction

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

The company is committed to organising new events of interest to business and the public and to internationalisation and visibility.

#### IV Direction

**Creating a unified organisational culture and corporate image.**

The company's goal is to increase staff motivation and the number of social initiatives uniting employees, thus improving LITEXPO's image on the market.

but also set strategic goals for the coming year and took on the responsibilities to live up to 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, viable, attract and retain the best employees, be financially stable, and create economic value for shareholders and the state as a whole.

After the implementation of the main objectives set for the strategic period 2024-2026, LITEXPO's revenue at the end of the strategic period () will reach EUR 7.3 million,

Profit before income tax (EBT) of EUR 338 thousand, EBITDA of EUR 1.5 million, return on equity (ROE) of 3.3%.

Here is an overview of LITEXPO's strategic objectives:

STRATEGIC OBJECTIVE	MEASUREMENT INDICATORS	INDICATOR VALUES	
		Achieved result-tate 2023	Actual result-tate 2023
<b>DIRECTIVE I:</b>			
<b>Improving the efficiency of the Company's operations to achieve sustainable growth and long-term shareholder value</b>			
<b>1. Ensuring long-term returns and growth in company value</b>	1.1. Return on Equity (ROE), per cent	7,4%	9%
	1.2. Sales revenue, million EUR	5 927 599	6 364 459
	1.3 Earnings before interest, tax, depreciation and amortisation (EBITDA), thousand EUR	1 686 791	1 294 694
	1.4. Net profit, EUR million	543 142	657 041
	1.5. Net profit margin, (%)	9,2%	10%
	1.6. Reduced energy input costs, (%)	2%	0%
<b>2. Reducing energy resources</b>	1.7. Electricity generated by LITEXPO, (% of total electricity consumption)	An investment in a solar power plant of up to 470 kW	Investment deferred
<b>DIRECTIVE II:</b>			
<b>Creating opportunities for business exchanges and increasing the number of B2B meetings</b>			
<b>1. Ensuring the growth of exhibitions and increasing their innovativeness</b>	1.1. Number of exhibitions with an exhibition area more than 4000 square metres, pcs.	6	6
	1.2 Customer satisfaction rate, pcs.	12	6
<b>2. Developing new exhibition themes and increasing the number of participants</b>	2.1. Number of exhibitions on new themes	2	2
	2.2 Maintaining the loyalty of existing exhibitors, % compared to last year exhibitions held during the year.	70	81
	2.3 Number of new exhibitors ( <i>first-time exhibitors or exhibitors who have not participated in the previous two exhibitions</i> ) per year, pcs.	20	33
	2.4. Number of new foreign exhibitors at each exhibition, no.	8	9
	2.5 Growth in the number of visitors to exhibitions compared to the previous year, % ( <i>measured in total number of visitors per year</i> )	3%	11%

STRATEGIC OBJECTIVE	MEASUREMENT INDICATORS	INDICATOR VALUES	
		Achieved result-tate 2023	Actual result tate 2023
<b>Axis III:</b>			
<b>Expanding your business by creating and exploiting new opportunities</b>			
<b>1. Organising new events relevant to business and society</b>	1.1. Number of new concept events, pcs. <i>(only those events separate from exhibitions and not conference events are counted type, e.g. events in an outdoor pavilion)</i>	20	11
	1.2. New events organised outside LITEXPO, attracting exhibitions	3	1
	1.3 Number of events per year in the outdoor pavilion <i>(comment: the pavilion that will remain after the NATO event)</i>	3	The outdoor pavilion was built in a non-stationary and LITEXPO is not left.
<b>2. Increasing internationalisation and visibility</b>	2.1. Bids (BIDs) submitted and awarded for Number of international events attracted	15/2	5/0
	2.2 Number of international events, pcs.	20	17
<b>DIRECTIVE IV:</b>			
<b>Creating a unified organisational culture and corporate image</b>			
<b>1. Improving staff motivation</b>	1.1. Staff turnover reduction indicator (%)	15	15
	1.2 Percentage of employees with a positive view of the working environment	89	58
<b>2. Social initiatives for LITEXPO employees increasing the number of</b>	2.1 Number of new social responsibility projects/initiatives, pcs.	6	6

7 Table 1. Implementation of strategic indicators

The targets to be achieved in 2024 are described in Chapter 10 of this report.

## 5. LITEXPO 2023 OPERATIONAL REVIEW

### 5.1. THE MAIN POINTS OF THE REPORTING PERIOD AND POST-PERIOD EVENTS

#### Highlights of the reporting period

<b>Q1 2023</b>	<ul style="list-style-type: none"> <li>- The LITEXPO Board approved the LITEXPO Strategy 2023-2026;</li> <li>- The LITEXPO Board has approved the budget for 2023;</li> <li>- Organised exhibitions ( LITEXPO and not LITEXPO organised): "Adventur, Karjera&amp;Studijos, Vilniaus Book Fair, Tech Fair, Dog and Cat Show, Baltic Jewellery Show Amber Trip.</li> </ul>
<b>Q2 2023</b>	<ul style="list-style-type: none"> <li>- <b>6 April 2023</b> - Extraordinary General Meeting of Shareholders at which the audit firm Audifina UAB was appointed to audit 2022 annual financial statements;</li> <li>- <b>28 April 2023</b> - Ordinary General Meeting of Shareholders to approve the audited consolidated set of financial statements and the distribution of profit (loss);</li> <li>- The job description of the Director of LITEXPO is approved;</li> <li>- LITEXPO premises hosted the following major exhibitions and events (LITEXPO and non-LITEXPO organised): 'Cinderella', 'Resta', 'Furniture and Design Solutions', 'Motivated at Work', 'Wine Days', 'Login', and a concert by the music group 'jauti' - album launch.</li> </ul>
<b>Q3 2023</b>	<ul style="list-style-type: none"> <li>- <b>In July 2023</b>, working sessions of the NATO Summit are held;</li> <li>- The Board adopted decisions on the dismissal of LITEXPO Director Justinas Bortkevičius and appointment of a new Director Jonas Sakalauskas;</li> <li>- The Board of Directors has decided to refinance LITEXPO's existing loan;</li> <li>- The following major exhibitions and events took place in LITEXPO premises (LITEXPO and non-LITEXPO events are indicated): the Baltic Tattoo Convention, the Cyber Security Conference, the HR Week, Life Sciences Baltics, the Tech Fair, Supernamai.</li> </ul>

Q4 2023

- The Board of Directors adopted decisions on the conclusion of the LITEXPO agreement with AB "Giauilių bankas";
- **On November 2023**, the Extraordinary General Meeting of Shareholders was held, during which the audit firm UAB "Audifina" was elected to audit the annual financial statements for 2023, and the amendment to the credit agreement between LITEXPO and AB "Giauilių bankas" was approved.
- **On 28 November**, the new organisational structure of LITEXPO was approved by a decision of the Board;
- **On 22 December 2023**, an Extraordinary General Meeting of Shareholders was held at which a renewed monthly remuneration of EUR 1,500 before tax was approved for a member of the LIT-EXPO Board of Directors from 1 January 2024 until the end of his term of office, and EUR 1,900 before for the duration of his term of office as Chair of the Board. The proposal to increase the remuneration of the Board of Directors to EUR 50,000 as from 1 January was also approved. LITEXPO Director's remuneration shall be determined in accordance with the financial situation of the company and in accordance with the procedure laid down in sub-paragraphs 1.1 to 1.6 of the Government Resolution No 743 "On the amendment to the Government Resolution No 1341 of 23 August 2002 "On the remuneration of the directors of state-owned enterprises"";
- Coordination of the LITEXPO Strategic Action Plan 2024-2026 and preparation for approval;
- Consideration and adoption of the LITEXPO budget for 2024;
- Organised exhibitions/events (LITEXPO and ):  
"Agile Tour Vilnius, ArtVilnius, Comic Con Baltics, Health Exhibition, Baltic Days of Dentistry, Evento, Transport Innovation Forum, Sustainable Future, LiMa Day Lithuania, J. Statkevičius Collection Presentation, Vilnius Christmas Fair, Kunai Exhibition, concerts by Vaidas Baumila and Alina Orlova.

8 Table 1. Highlights of the reporting period

## Key events up to the date of the report

Q1 2024

- LITEXPO Strategy 2024-2026 is approved;
- LITEXPO hosted the following exhibitions: Adventur and Vilnius Book Fair;
- **On 29 February 2024**, pursuant to the decision of the Minutes of the Board of Directors' Meeting of 27 February 2024, No VP-102, the employment contract of the Company's Chief Executive Officer Jonas Sakalauskas was terminated. As of 1 March 2024, Vladislav Teriošin, Head of the Service Department, was appointed to the of the Director of Litexpo on a temporary basis until a permanent Head of the Company is elected.

9 Table 1. Key events up to the date of the report

## 5.2. OVERVIEW OF ACTIVITIES

### EXHIBITION ORGANISATION ACTIVITIES

In 2023, special attention was paid to updating the themes of the exhibitions, strengthening existing partnerships and attracting new ones, as well as looking for new ideas and trends to create more the exhibitions and to promote cooperation between stakeholders.

The exhibition season kicked off in January 2023 with **ADVENTUR**, the main theme of which was "Let's live the journey", encouraging people to celebrate life and embark on long-awaited journeys, no longer postponing them to the future. The exhibition invited people to share their travel experiences, introduce new ways and forms of travelling, and hosted a Geography Knowledge Contest for schoolchildren, "Get to know Lithuania and the world", in which more than a thousand schoolchildren from all over Lithuania participated.

**The 23rd VILNIUS BOOK FAIR** in February was the most successful exhibition of the first half of 2023, reaching the planned financial expectations and maintaining sustainable partnerships. The main theme of the exhibition was "700 Lines for Freedom", which aimed to remind us that we are all for freedom. The exhibition focused heavily on Ukrainian authors, Ukrainian literature and the literature of the European freedom struggle. The organisers of the fair invited visitors and guests to participate in serious political and ethical discussions with renowned Lithuanian and foreign writers, political scientists, historians and experts.

The March **KARJERA&STUDIES** exhibition, the highlight of which was the "Teachers' Room", a space for teachers, school, school career specialists and those considering becoming teachers, where various seminars and trainings were held. Visitors to the exhibition were able to learn about the perspectives and opportunities of EduTech, the Employment Service presented information on retraining opportunities and funding, and the Lithuanian Association of Career Professionals provided career counselling and one-to-one appointments with experts. The exhibition also featured presentations on sustainable career choices, and business representatives, including representatives from the telecommunications and

computer games companies, arguing why it is worth starting a career change while still a student, or perhaps changing the direction of the career you have started.

**The 30th edition of the PELENE exhibition** took place in April and packed with events, seminars and competitions. During the exhibition, the 13th Open Competition of Lithuanian Cosmeticians and Cosmetologists, the 1st Open Competition of Lithuanian Cosmeticians and Cosmetologists Massage Competition were held, and the newest products, services and beauty trends were presented. During the exhibition, a unique performance on ice by Monika Dirsyte was presented.

**RESTA** had several important highlights: energy sustainability of buildings, digital construction, vocational guidance and proposals for the reconstruction of Ukraine. The exhibition paid special attention to the reconstruction of Ukraine and organised an exclusive competition "Lithuanian Product for the Reconstruction of Ukraine", which aimed to encourage Lithuanian manufacturers to develop, produce and supply products that can help the reconstruction of Ukraine. In 2024, we have a new thematic focus on green transformation in building construction, which will be developed together with our partners, the Lithuanian Green Building Council and the National Passive House Association. The exhibition will also focus on the topic of panel renovation, which will be presented by the Environmental Project Management Agency, the West Wood Group and other panel manufacturers. It has also been said for several years that the exhibition lacks greenery and landscaping topics, so in 2024, the exhibition will feature professionals in this field, landscape architects, who will give a full series of presentations.

On 17 May, the **MOTIVA- TED@WORK** conference and exhibition took place in cooperation with the strategic partner, the Association of Personnel Management Professionals (APMPA). The main focus of the event was a conference with strong content for professionals. The conference included a small exhibition where service providers offered products and services for creating a motivating environment and a comfortable workplace, attracting and retaining employees, or

organisations to improve or develop a personalised benefits system. As this conference/exhibition was received, it is planned to organise it again in the future.

The **HEALTHY PARADE** in October welcomed with the slogan "Your direction for longevity", which invited people to think about health and the prevention of health problems in a broader way - about physical, emotional and social well-being, and the factors that affect human health. Together with specialists, effective principles of healthy lifestyles were explored, and knowledge on wellness was improved. Next year, it is planned to add several new medical fields to the existing ones: gynaecology and ophthalmology. A new sub-topic on holistic therapies is also planned.

October also saw the largest international exhibition and conference in the Baltic States, **BALTIC DAYS OF DENTISTRY**, which invited to present news, share experiences and deepen professional knowledge and competences. The exhibition, organised every second year, focuses on dentistry and related novelties, innovations and topicalities. The highlight of the exhibition is the International Scientific Conference "Baltic Sea Region Dental Days", by the Lithuanian Chamber of Dentists.

In November, a new exhibition **EVENTO** took place, organised together with our partner išteku.lt. More than 300 exhibitors helped to plan both small celebrations, weddings and large corporate events. During the fair, a conference of event experts was held "Evento'23". More than 100 industry professionals shared trends, tips and the most common mistakes in holiday planning. They also presented the technological tools that help events not only stand out but also attract participants. In 2024, the exhibition will be held, but only as a venue rental and j-ranging and service, i.e. it will be transferred to Events Division.

The conference-exhibition: the **code of parenthood "The future - a link with children"** was held in November with the aim of contributing to the solution and prevention of social problems in society. The themes of the conference and exhibition were designed to provide parents and teachers with an insight into the basic needs of children and to look at the situations that lead to negative emotions in families and to propose preventive measures to avoid them. Various presentations were given by psychologists, social workers and representatives of organisations providing emotional support to children and adolescents.

A new exhibition, **T VARI ATEITIS**, was also held in November, aiming to bring together businesses, organisations and institutions and to grow over the years into one of the largest sustainability events in Lithuania, and to co-create a more sustainable future. The exhibition showcased sustainable packaging solutions in the design and product field, organised presentations of existing sustainable alternatives and best practices, and hosted a variety of sustainability workshops and discussions. The exhibition also included a practical business conference "Sustainability Roadmap" for Lithuanian businesses developing or seeking a sustainability roadmap.

On 13 - 15 October, the contemporary art fair **ART VILNIUS'23** and the specialised event for architects, interior designers and new builders **ARCHZO- NA** took place. "The theme of ArtVilnius'23 is performativity. The organisers of the fair invited us to approach the concept of formativity openly and creatively, to speak boldly about it and to discuss the broadest interpretations associated with this phenomenon. The fair was attended by 70 art galleries and institutions and 300 artists from 18 countries. The 2023 Art Fair programme included the popular Young Collector's stand, the National Opera and Ballet Theatre, the Scanorama European Film Forum, and the presence of publishing institutions important to the art market.

## EXHIBITION STATISTICS FOR 2023

PARODOS	NUMBER OF PARTICIPANTS	FOREIGN PARTICIPANTS	NUMBER OF VISITORS	PLOTAS (GVM GROSS)	NUMBER OF EVENTS
ADVENTUR	128	23	9100	2279 sq. m.	35
VILNIUS BOOK FAIR	284	2	52700	2857 sq. m.	531
CAREER&- STUDIES	103	0	13500	7471 sq. m.	99
MOUSE	193	15	8008	2370 sq. m.	19
FURNITURE AND DESIGN SPRENDIMAI (war with RESTA)	52	3	19280	1826.5 sq. m.	2
RESTA (war with FURNITURE AND DESIGN SPRENDIMAI)	264	42	19280	30500 sq. m.	19
MOTIVATED@ WORK	41	3	900	3560 sq. m.	35
PARENTING CODE "The future - connecting with children"	24	0	923	311 sq. m.	22
HEALTH PARADE (in conjunction with BALTIC DAYS OF DENTISTRY)	77	14	3140	4300 sq. m.	34
BALTIC DAYS OF DENTISTRY (car-you with the HEALTH PARADE)	77	14	3140	4300 sq. m.	34
THE TRAVELING ATEITIS	34	0	4000	327 sq. m.	27

10 Table 1. Exhibition statistics for 2023

## CATERING ACTIVITIES DURING EXHIBITIONS

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 more efficient provision of catering services, to reduce administrative work in organising public procurement for the purchase of food products and services related to catering activities, and 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 winning company (UAB Benerta), which was given the responsibility to ensure the supply of catering during exhibitions and events.

According to the partner's data, the café will serve more than 25,000 customers in 2023.

The biggest events served in 2023 were the Vilnius Book Fair (over 3800 visitors), "Career&Studies" (more than 1200 visitors), "Cinderella" (more than 900 visitors).

In order to ensure quality customer service, LI-TEXPO sets high quality standards for its catering service partner, continuously cooperates with the partner and seeks opportunities and ways to the expectations of exhibitors and visitors. Catering is an important part of the organisation of exhibitions, as it is in the cafés and restaurants that both exhibitors and visitors come not only to eat, but also to relax, socialise and meet future partners, and therefore must be carried out in a professional manner and to the highest quality standards.

## THE ACTIVITY OF RENTING PREMISES TO THIRD PARTIES

LITEXPO devoted a lot of time and attention in the first half of 2023 to the organisation of the NATO Summit, which took place on 11-12 July 2023. It was one of the most important and largest events in LITEXPO's history. A total of 24,000 square metres of space was built for the NATO Summit, including temporary pavilions in the outdoor area, existing spaces were redesigned and rebuilt from the ground up. The entire LITEXPO infrastructure was adapted to meet the strictest NATO requirements: ventilation, IT systems, security, etc. - the adaptation of part of the premises infrastructure started already 2 May 2023, which resulted in the absence of rental for 3 months. Although the LITEXPO team had various challenges, they all managed to cope with them successfully, the biggest ones being the preparation time and security requirements. LITEXPO had only a year to prepare for an event of this scale and importance, which, considering the scale and scope, is a very short time. Thanks to this event, the LITEXPO team gained even more competences and knowledge on how to organise events of a similar level, as well as more motivation and self-confidence for the staff.

Other major events in 2023 include Comic Con Baltics, Baltic Tattoo Convention and Wine Days, "Amber Trip, Supernamai, international dog and cat shows and the Login conference. Agreements were also reached to continue cooperation with the organisers of major exhibitions and events by reserving their events for 2024, 2025 and 2026.

The most important agreement concluded in 2023 is for 2024 The International Anti-Corruption Conference (IACC), the world's largest anti-corruption conference, will take place on 18-21 June and has been organised in a different region of the world every two years since . The theme of the conference is Confronting Global Threats while Preserving Transparency. The IACC welcomes around 2,000 national leaders, civil society and private sector representatives from more than 140 countries around the world

In 2023, LITEXPO hosted 103 events covering 813,824 sqm and attended by 128,055 participants and spectators.

## International events/conferences were held at LITEXPO premises:

- NOD Baltic Conference;
- Santa Monica Networks Conference;
- AGILE Conference;
- Transport Innovation Forum;
- International dog and cat shows;
- International Baltic Jewellery Exhibition "Amber Trip"
- HELSO Electricity - International Exhibition for Electrical Engineering Experts
- The largest wine exhibition in the Baltic States "Wine Days"
- LOGIN, the largest innovation festival in the Baltics;
- Comic Con Baltics, the largest popular culture event in the Baltics
- EcomExpo, the largest international event for e-commerce professionals in the Baltic States;
- The largest event of its kind in the Baltic States "Baltic Tattoo Convention";
- Opening and closing events of the European Association of Hotel and Tourism Schools (AEHT) International Conference;
- 18th Scientific and Annual Conference of the European Society of Coloproctology (ESCP);
- First international conference on EU investment opportunities in Lithuania EU+U;
- International Life Sciences Forum in the Baltic States "Life Sciences Baltics;
- NATO summit.

## Number of visitors to LITEXPO events organised by third country organisers in 2023:

MONTH	NUMBER OF VISITORS IN 2023
January	2190
February	4730
March	16240
April	8800
May	10210
June	10
July	5000
August	6730
September	15350
October	33965
November	8540
December	16290
<b>Total:</b>	<b>128055</b>

11 Table 1. Number of visitors in 2023

In November and December 2023, LITEXPO space was mainly rented out annual and private events, traditionally to organisers of exhibitions and concerts that take place in December each year: the annual LIMA Day Lie- tuva event for marketing professionals, the Christmas Fair, and the International Dog and Cat Show, all of which were in 2023. 3 concerts were organised (6 April 2023, a concert by the band "feel", which attracted 3,500 spectators, and concerts by Alina Orlova and Vaidas Baumila on 31 December). The car parks have also been used on several occasions for events such as car presentations, plant fairs, filming of videos and commercials, etc.

In 2024, LITEXPO will continue to actively promote events, look for new event formats and strive to further adapt the existing versatile and spacious infras- tructure for rental.

## 6. 2023 FINANCIAL RESULTS, INVESTMENTS AND DIVIDEND POLICY

### 6.1. FINANCIAL RESULTS

#### Comparison of key financial indicators for 2021-2023

FINANCIAL INDICATORS	2023 YEAR	2022 YEAR	2021 YEAR	CHANGE, 2022-2023		CHANGE, 2021-2023	
				+/-	%	+/-	%
Sales revenue, EUR	6 364 459	4 207 315	1 241 825	2 157 144	51%	5 122 634	413%
Gross profit, Eur	1 938 266	244 356	(832 184)	1 693 910	693%	2 770 450	333%
Gross profit margin, percent.	30%	6%	-67%	25%		97%	
Cost of sales, EUR	62 590	9 686	7 084	52 904	546%	55 506	784%
General and administrative costs, EUR	347 812	884 343	1 784 278	(536 531)	-61%	(1 436 466)	-81%
Results of other activities, EUR	2 031	6 345	757	(4 314)	-68%	1 274	168%
EBITDA, EUR	1 294 694	32 281	(748 768)	1 262 413	3911%	2 043 462	273%
EBITDA margin, per cent	20%	1%	-60%	20%		80%	
Financial and investment operating revenue, EUR	1 304	26	2	1 278	4915%	1 302	65100%
Financial and investment operating expenses, EUR	422 787	285 500	108 873	137 287	48%	313 914	288%
Profit (loss) before Corporate income tax EBT, EUR	1 108 412	(928 802)	(2 731 660)	2 037 214	219%	3 840 072	141%
EBT margin, per cent	17%	-22%	-220%	39%		237%	
Net profit (loss), Eur	657 041	(783 026)	(2 481 633)	1 440 067	184%	3 138 674	126%
Net profit margin, %	10%	-19%	-200%	29%		210%	
Assets, EUR	15 008 397	15 277 466	14 173 145	(269 069)	-2%	835 252	6%
Return on assets (ROA), %.	4%	-5%	-17%	10%		21%	
Asset turnover	0,42	0,28	0,09	0,15	54%	0,33	371%

FINANCIAL INDICATORS	2023 YEAR	2022 YEAR	2021 YEAR	CHANGE, 2022-2023		CHANGE, 2021-2023	
				+/-	%	+/-	%
Shareholders' equity, EUR	7 487 982	4 830 942	5 614 131	2 657 040	55%	1 873 851	33%
Return on equity (ROE), %	9%	-16%	-36%	25%		45%	
Ownership ratio	0,50	0,32	0,40	0,18	58%	0,10	26%
Long-term commitments, Eur	4 586 372	5 643 746	5 846 518	(1 057 374)	-19%	(1 260 146)	-22%
Current liabilities, EUR	1 393 576	3 192 843	1 044 370	(1 799 267)	-56%	349 206	33%
Financial debt to equity ratio	0,64	1,13	0,10	-0,49	-43%	0,54	537%
Gross debt ratio	0,40	0,58	0,49	-0,18	-31%	-0,09	-19%
Gross coverage ratio	1,31	0,57	0,12	0,74	130%	1,19	990%
Immediate coverage ratio	1,22	0,55	0,11	0,66	120%	1,11	1006%
Debt-to-equity ratio	0,80	1,83	1,23	-1,03	-56%	-0,43	-35%
Debt to EBITDA ratio	4,62	273,74	-9	-269	-98%	13,62	151%
Annual number of posts, pcs.	59	50	67	9	18%	(8)	-12%

12 Table 1. Comparison of key financial indicators for 2021-2023

Sales revenue from LITEXPO activities increased for the second consecutive year, from EUR 4.21 million (2022) to 6.36

million (in 2023), representing 51% of the increase in revenue in the last reporting year.

#### LITEXPO SALES REVENUE, , MLN. EUR.

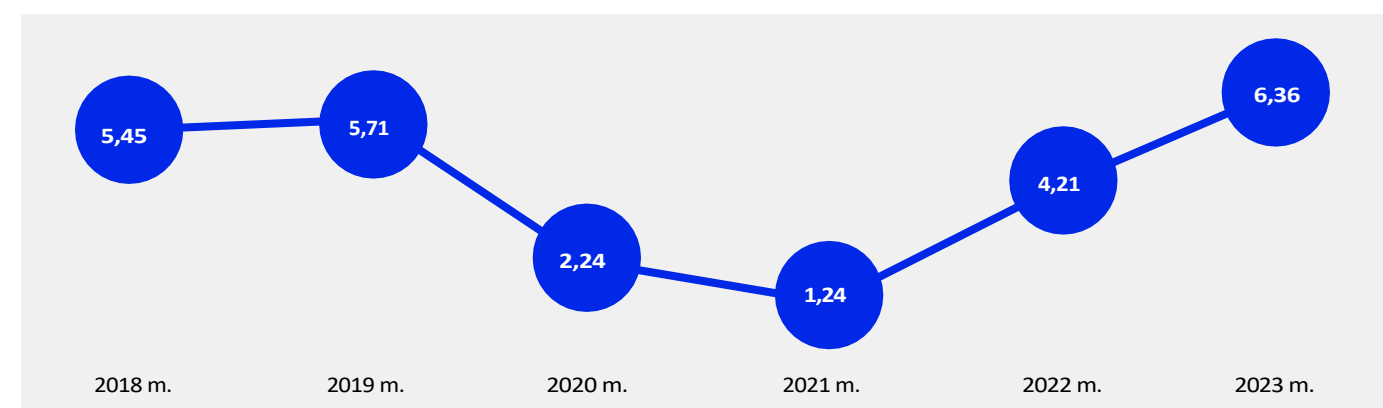


Chart 1. LITEXPO sales revenue 2018-2023

In 2023, the largest share of revenues, accounting for 93% of the total sales revenues, will be generated by the following activities carried out by LITEXPO: exhibition organisation revenues 44%,

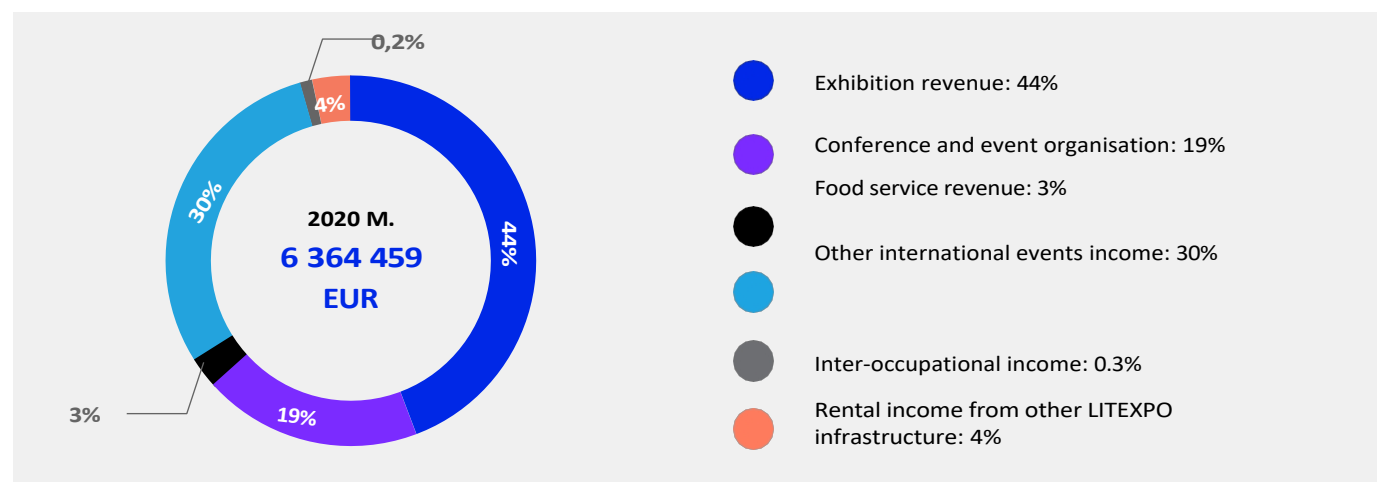
conference and events revenue 19%. A more detailed comparison of sales revenues in 2023 and 2022 is given in the following tables.

## Revenue structure

REVENUE STRUCTURE	2023 M.	PAYMENT, %
Revenue from the organisation of exhibitions	2 822 177	44%
Revenue from conferences and events	1 205 599	19%
Food service revenue	166 772	3%
Revenue from other international events	1 920 197	30%
Revenue from inter-occupational activities	16 799	0,3%
Rental income from other LITEXPO infrastructure	232 915	4%
<b>Total sales revenue:</b>	<b>6 364 459</b>	

13 Table 1. Structure of sales revenue

### LITEXPO GROUP REVENUE STRUCTURE IN 2023



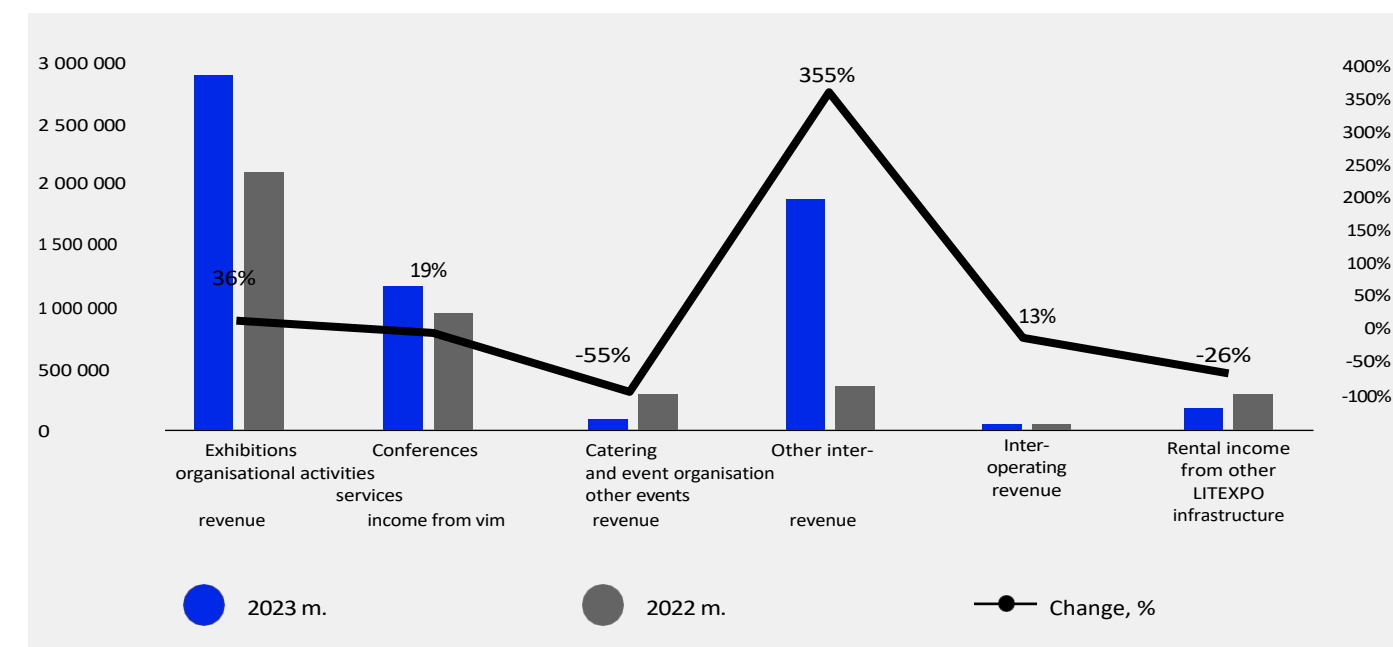
Graph 2. LITEXPO's revenue structure in 2023

Comparing 2023 and 2022, we see the biggest increase from other international events. Also, revenues from the organisation of exhibitions and conferences and events increased by 36% and 19% respectively, with a less increase

has been evident from inter-agency activities. The decrease in revenue was observed from renting infrastructure and catering services.

CHANGES IN SALES REVENUE	2023 M., EUR	2022 M., EUR	PAYMENT, %
Revenue from the organisation of exhibitions	2 822 177	2 072 356	36%
Revenue from conferences and events	1 205 599	1 013 196	19%
Food service revenue	166 772	371 373	-55%
Revenue from other international events	1 920 197	422 441	355%
Revenue from inter-occupational activities	16 799	14 803	13%
Revenue from other LITEXPO infrastructure leases	232 915	313 146	-26%

### LITEXPO SALES REVENUE CHANGES , EUR AND PER CENT



3 timetable. Changes in revenue by activity

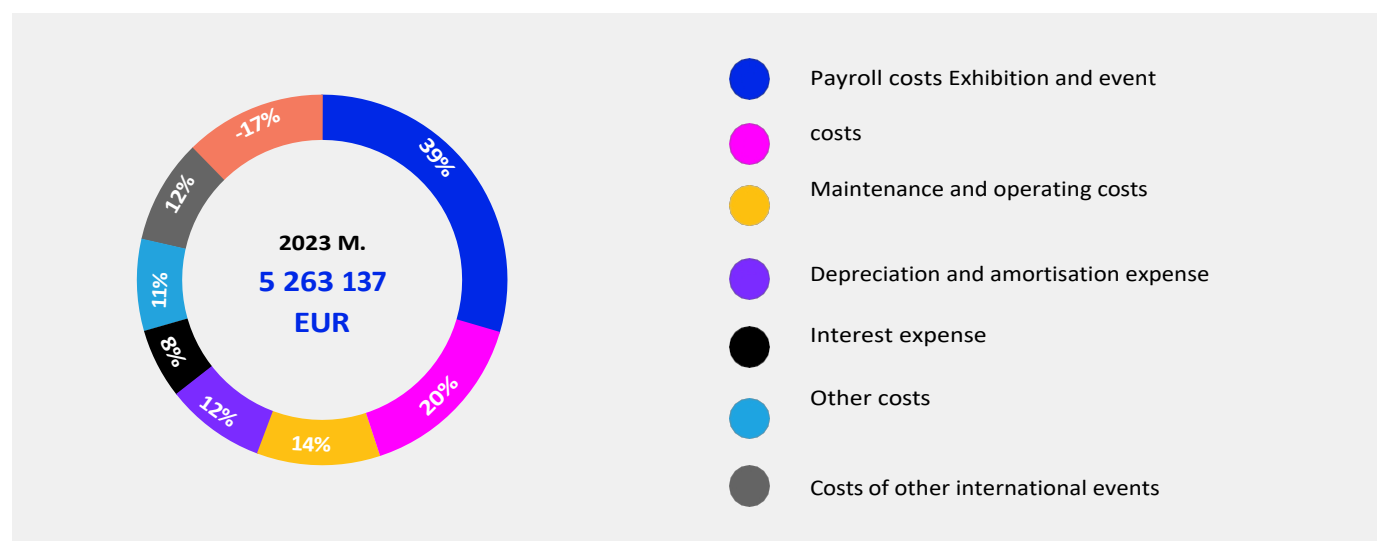


In 2023, the largest share of costs was costs - almost EUR 2.08 million or 39%, while Exhibitions and events costs - almost €1.07 million or 20%.

COST STRUCTURE IN 2023	2023 M., EUR	PROC. FROM ALL COST
Wage costs	2 076 802	39%
Exhibitions and events costs	1 072 170	20%
Maintenance and operating costs	744 597	14%
Depreciation and amortisation costs	632 955	12%
Interest expense	422 787	8%
Other costs	567 919	11%
Costs of other international events	615 367	12%
Asset impairment charges	(869 460)	-17%
<b>Total costs:</b>	<b>5 263 137</b>	<b>100%</b>

15 Table 1. Structure of the cost of sales in 2023

LITEXPO COST STRUCTURE IN , %



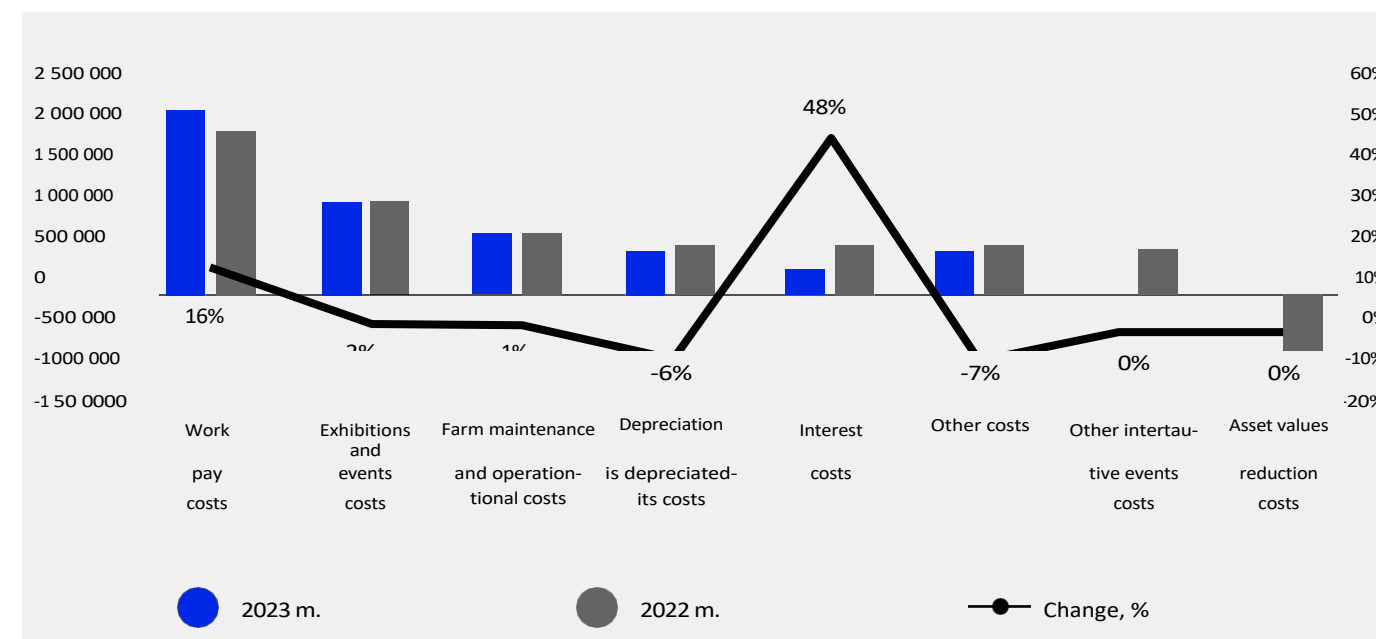
4 timetable. LITEXPO cost structure in 2023

In 2023, LITEXPO's costs increased by 2%. The most significant increase of 48% is the increase in interest costs due to the increase in EURIBOR. Payroll costs increased by 16%. The decrease in costs was seen in depreciation and amortisation and other costs.

COST DEVELOPMENTS IN 2023	2023 M., EUR	2022 M., EUR	PAYMENT, %
Wage costs	2 076 802	1 784 382	16%
Exhibitions and events costs	1 072 170	1 046 180	2%
Maintenance and operating costs	744 597	737 723	1%
Depreciation and amortisation costs	632 955	675 583	-6%
Interest expense	422 787	285 500	48%
Other costs	567 919	613 120	-7%
Costs of other international events	615 367		
Asset impairment charges	(869 460)		
<b>Total costs:</b>	<b>5 263 137</b>	<b>5 142 488</b>	<b>2%</b>

16 Table 1. Changes in costs

LITEXPO COST CHANGES 2022-2023, EUR AND PERCENT

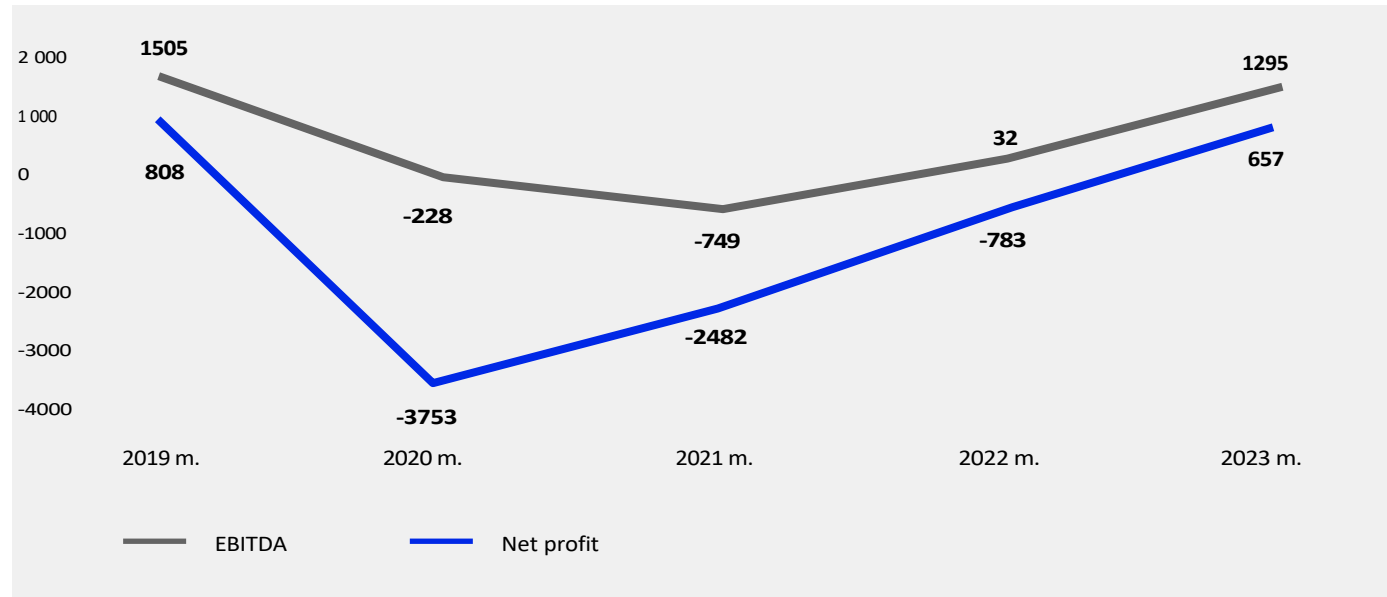


5 timetable. LITEXPO cost changes 2022-2023

In 2023, LITEXPO's earnings before interest, tax, depreciation and amortisation (EBITDA) increased to

EUR 1.295 million. Net profit after three years became positive and increased by 84% from 2022.

**COMPARISON OF OPERATING RESULTS , THOUS. EUR.**

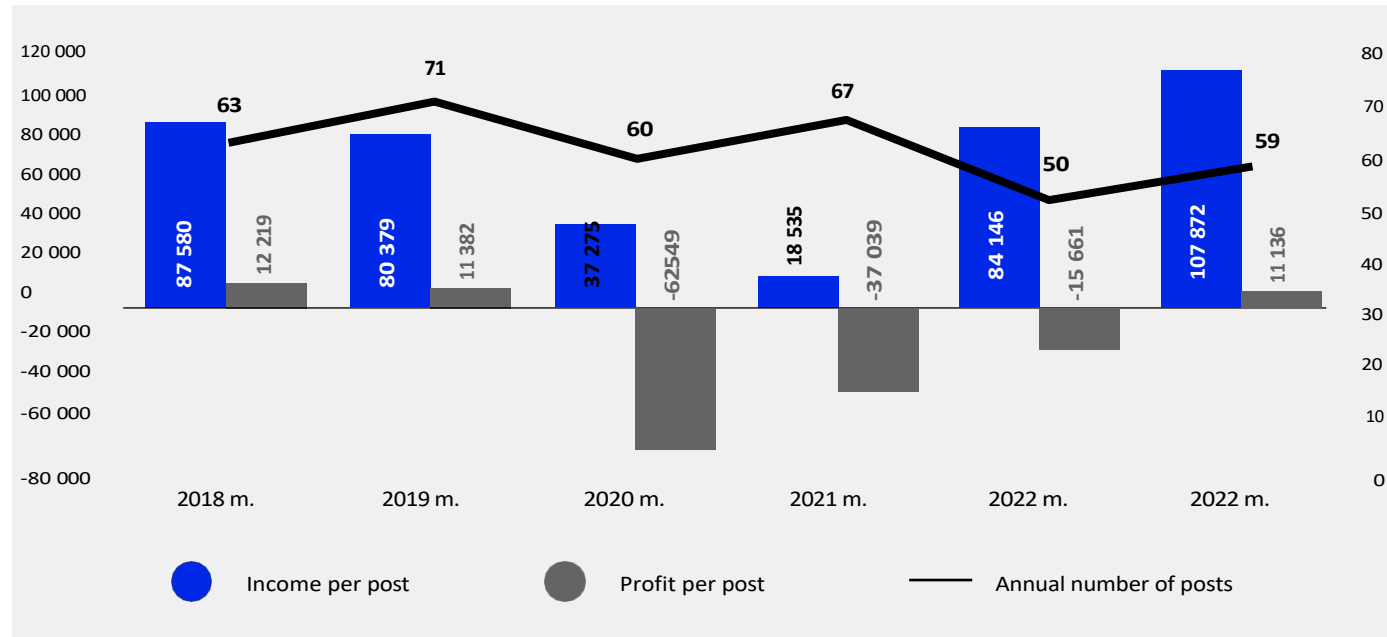


6 timetable. Comparison of performance between 2019 and 2023

In 2023, the revenue per full-time employee increased to almost €108,000 (21%), as did the profit per employee (71%).

It is important to note that these indicators have increased, even though the number of posts has increased by 9.

**REVENUE/PROFIT/LOSS PER POST, EUR**

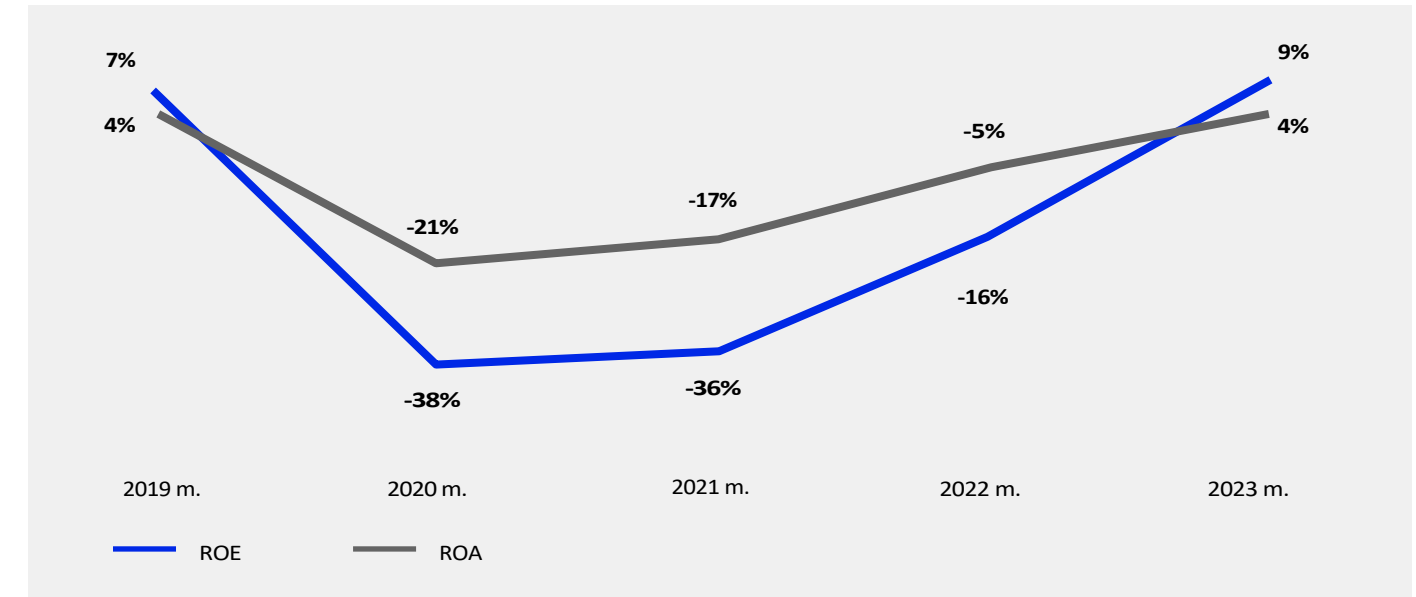


7 timetable. Revenue and profit/loss per post

Return on equity (ROE) and return on assets (ROA) turn positive after three years

generating a profit for the company.

**ROE VS. ROA COMPARISON , %**

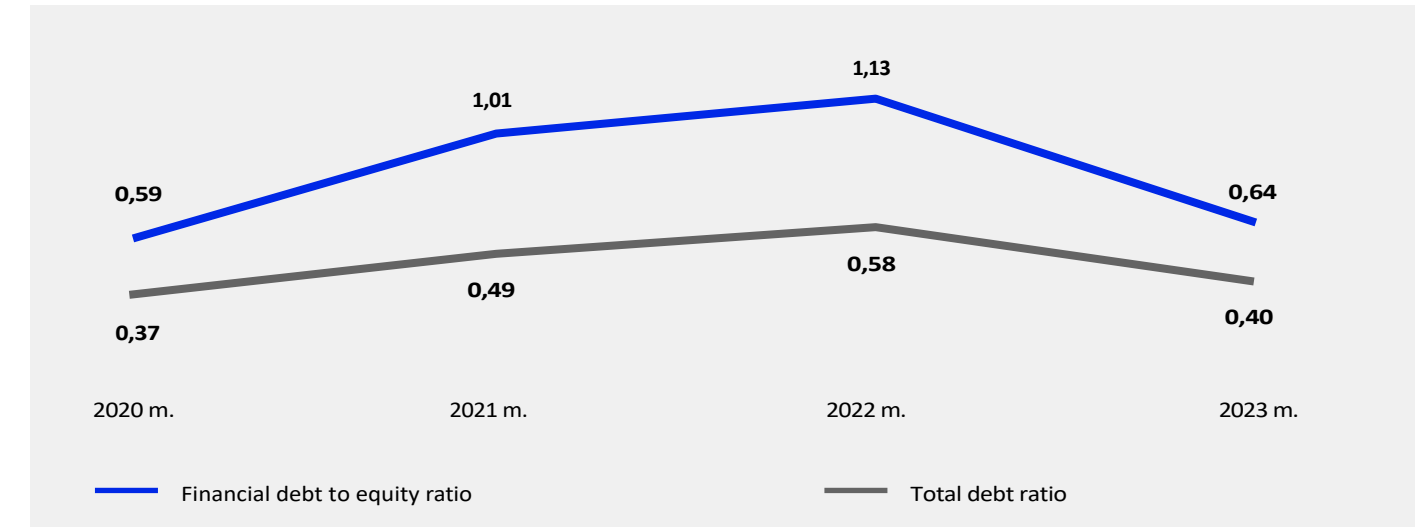


Graph 8. Comparison of ROE and ROA for 2019-2023

Both the financial debt-to-equity ratio and the gross debt ratio have been declining in 2023, driven by declining debt. As the values of these ratios are

are quite far from 1 and are not relatively small, it can be said that LITEXPO manages its debt efficiently and does not face any liquidity problems.

**FINANCIAL DEBT/EQUITY RATIO AND GROSS DEBT RATIO 2020-2023**

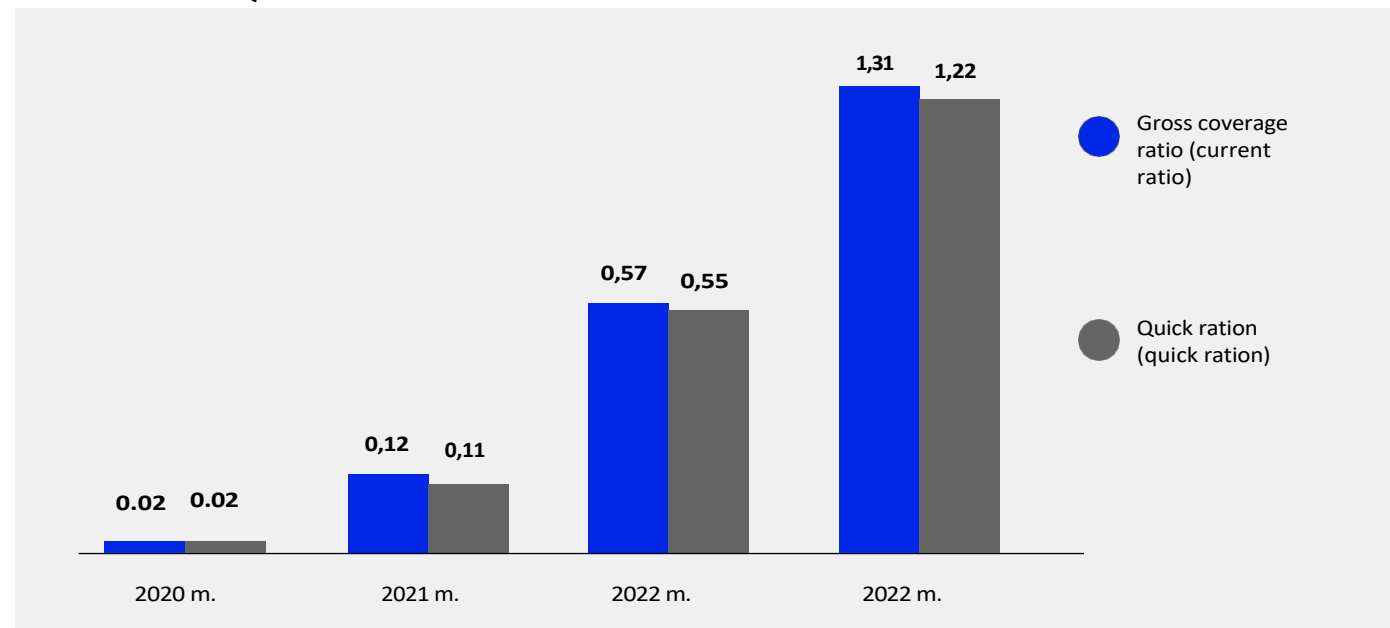


Graph 9. Financial debt-to-equity ratio and gross debt ratio 2020-2023

Both liquidity ratios have been rising over the last four months, and in 2023, both ratios have increased significantly and will exceed the unity threshold. This shows that the money would cover all

short-term liabilities using short-term assets and means that LITEXPO should not face a liquidity problem in the near future.

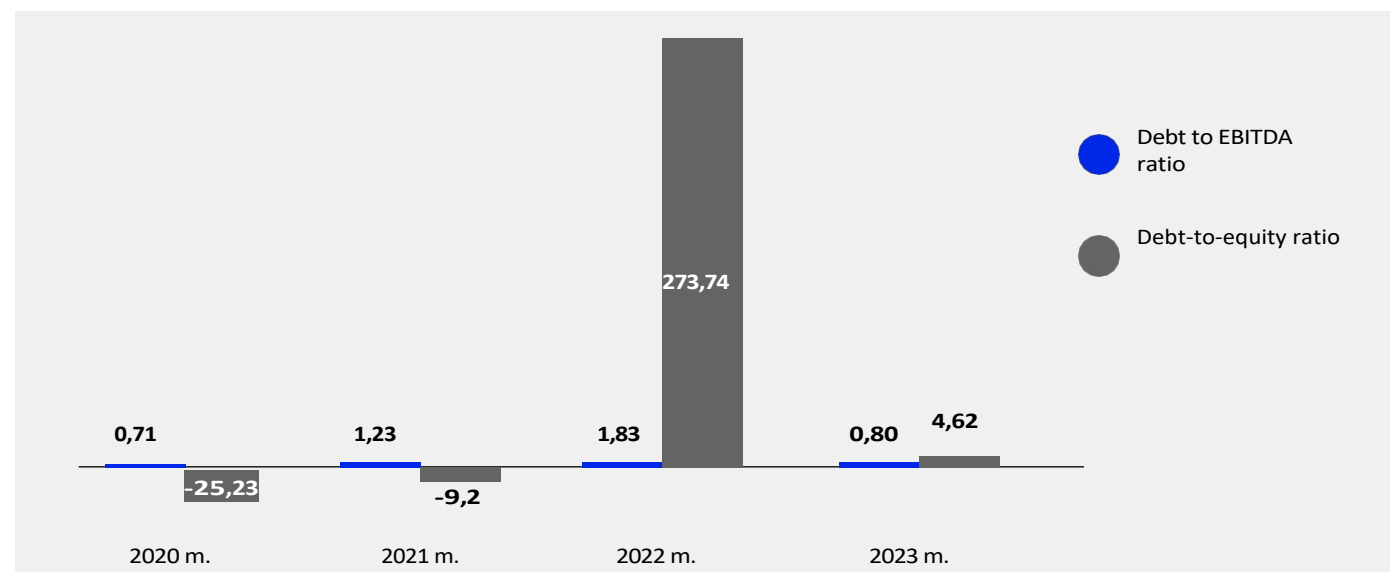
#### COMPARISON OF LIQUIDITY RATIOS FOR 2020-2023



The increase in the debt/EBITDA ratio is due to two factors: a decrease in the debt level by EUR 2,856 million and a more profitable 2023. The debt-to-equity ratio reached 0.80 in 2023. The ratio shows how much debt there is per EUR of equity. One could

The indicator is somewhat high, but is expected to improve by . The capital structure and leverage ratios can therefore be considered appropriate.

#### AND EBITDA COMPARISON 2020-2023



Graph 11. Comparison of debt to equity and EBITDA ratios for 2020-2023

## 6.2. INVESTMENTS IN 2023

In 2023, LITEXPO invested EUR 256 thousand in fixed assets, of which EUR 202 thousand was spent on building renovation, EUR 34 thousand on computer equipment renovation, EUR 9 thousand on heating/ventilation system, EUR 9 thousand on furniture and EUR 2 thousand on .

Information on the investments foreseen in the 2024 strategy is presented in Chapter 10.

## 6.3. DIVIDEND POLICY

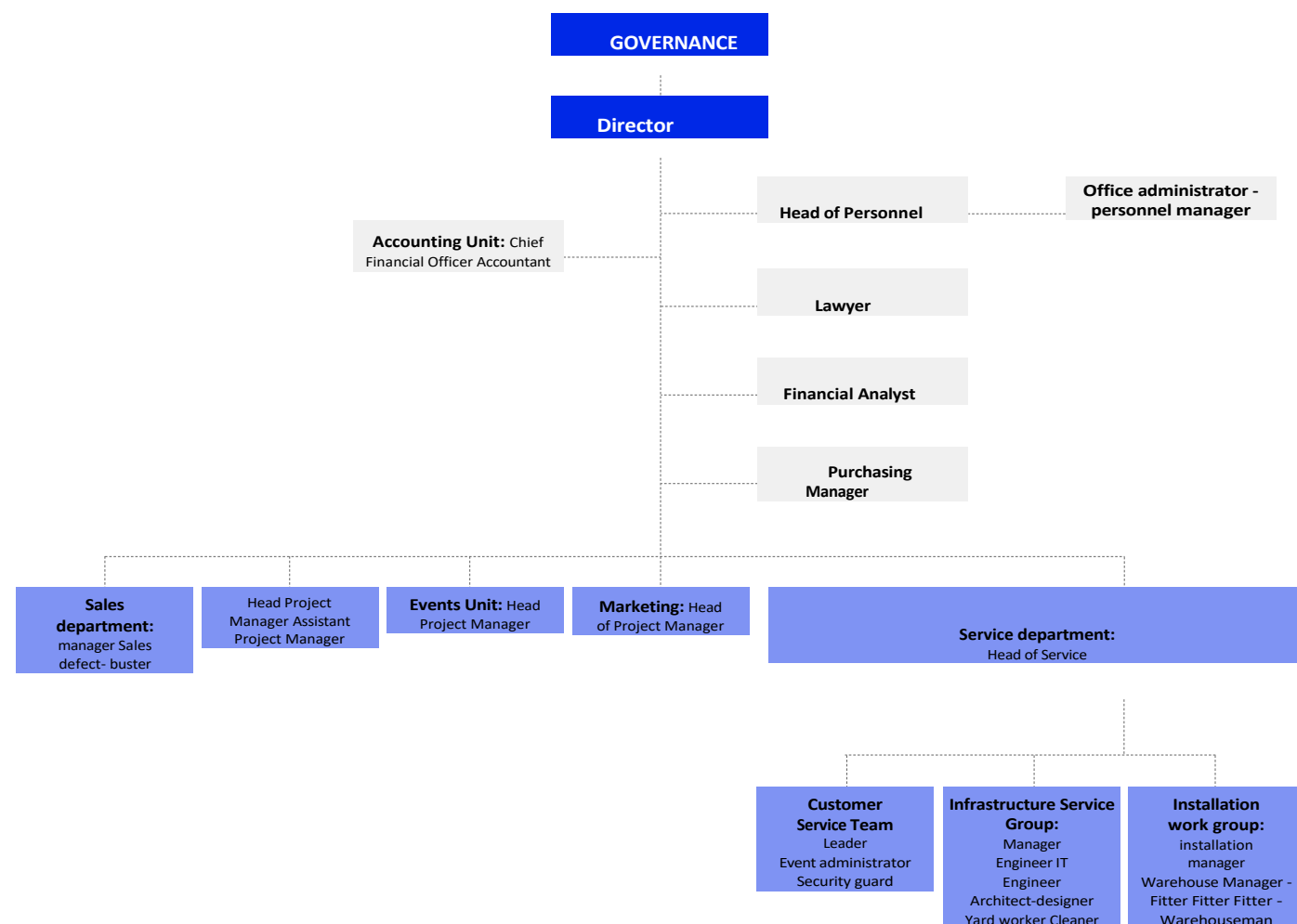
LITEXPO pays dividends on the basis of the June 2012 6 d. Resolution of the Government of the Republic of Lithuania "On the Approval of the Description of the Procedure for the Implementation of the State Property and Non-Property Rights in State-Owned Enterprises", No 665, which stipulates that dividends should be allocated between 60% and 85% of the company's distributable profit, depending on the return on equity at the end of the reporting period.

The company made a loss for the years 2020-2022. As at 31 December 2022, LITEXPO's balance sheet loss amounted to EUR 4.8 million. In 2023, the Company earned a net profit of EUR 657 041, but the total retained earnings (loss) ratio remained negative, and therefore the Company does not plan to pay dividends.

# 7. STAFF MANAGEMENT AND REMUNERATION POLICY

## 7.1. PERSONNEL MANAGEMENT

LITEXPO's organisational governance structure is approved by a decision of the Board of Directors on 28 November 2023 (see below).



As of 31 December 2023, LITEXPO employed 59 employees (the total number of employees includes employees on maternity/paternity leave). 100% of employees in managerial, administrative and executive positions have a university degree. Additional staff are recruited on fixed-term contracts or on temporary hiring for short-term work (servicing exhibitions and events, managing visitor flows, providing cloakroom and security services, ensuring cleanliness and order, and servicing individual occasions).

The contribution and initiative of every employee is important to the company, which is why the development of LITEXPO's activities and the improvement of environmental processes are carried out every year:

- staff performance appraisal interviews;
- regular discussions on staff , working conditions, development and career opportunities
- support from managers to help staff set as- artistic 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 pays particular attention to employee development. Employees are encouraged to participate in various training courses, seminars, conferences and other competence development and qualification improvement programmes. The teams in the Events and Exhibitions Departments are encouraged to draw on the experience and new ideas of other major international exhibition and conference centres. During 2023 183 hours of training for staff in 2010.

The company also places great emphasis on the induction and adaptation of newcomers. It has established a new employee induction procedure and an adaptation process, and has identified the responsibilities of the line manager, the HR manager and the newcomer's friend.

The company continuously strives to ensure smooth communication between employees and unified information sharing. The COVID-19 pandemic has prompted special attention to the emotional and psychological state of employees. In this context, the Company will, in 2023,:

- Organised meetings for all departments and all staff;
- Encouraged staff to take part in various training courses to improve their professional competences;

- Organising Surprise Mondays and summer training in socialising and teamwork;
- Together with the management, they took part in strategy sessions and set strategic goals 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 the remuneration policy.

In order to maintain a positive environment and a constructive culture, every employee must be guided by the Code of Ethics and the values of the Company, while striving to achieve the Company's strategic objectives. We strive to build on these foundational **VALUES of professionalism, innovation, tradition, through active dialogues with our employees.**

LITEXPO employees are encouraged to participate in various professional training and general competence development programmes, to gain experience and new ideas from other countries' inter- national exhibition and conference centres. Before the pandemic, every year about 10 employees travelled to Europe on business trips, the aim of which was to see the exhibitions organised abroad, to bring back ideas, to present them to the team, and to put the best ones into practice in LITEXPO. In 2023, employees went on 19 business trips, 10 of which were in Lithuania, the others in Munich, Istanbul, Tallinn, Barcelona, Frankfurt and London.

LITEXPO has a unified remuneration management system in place, which is reviewed annually and updated as required. It is one of the main means of communicating the company's strategy, goals and values to employees.

In order to achieve efficiency, the company uses new, modern systems and tailored to its exhibition organisation activities. The company has installed the EXPODOC system for exhibitor registration, the *Te- amwork* platform is used to implement the project management standard for teams, and the *Scoro* project planning and management system is being used by the events and sales departments. The company also has a document management system.

The table below highlights the key indicators for 2023:

RODICLE		MATAVIMO VNT.	31/12/2023 (INCLUSIVE)	
<b>NUMBER OF EMPLOYEES</b>				
<b>ACTUAL EMPLOYEES</b>			<b>MOTHER</b>	<b>CHOICES</b>
All staff		Units.	59	
By gender		Units.	34	25
		%	57,6	42,4
By age	<23 m.	All staff	8,5	
		By gender	80,0	20,0
	25-36 m.	All staff	39,0	
		By gender	73,9	26,1
	37-56 m.	All staff	39,0	
		By gender	47,8	52,2
	>57 m.	All staff	13,6	
		By gender	25,0	75,0
Average age		All staff	40,36	
		By gender	36,12	45,72
<b>THE BREAKDOWN OF STAFF ACTUALLY EMPLOYED BY LEVEL OF POST</b>				
Top level manager		%	1,7	
Heads of Key Activity Units			5,1	
<b>THE BREAKDOWN OF STAFF ACTUALLY EMPLOYED BY LEVEL OF POST</b>				
Heads of Supporting Activities Units		%	10,2	
Senior Specialists			11,9	
Senior Specialists, Specialists			45,8	
Service workers, skilled, unskilled workers			25,4	

RODICLE		MATAVIMO VNT.	31/12/2023 (INCLUSIVE)		
<b>BREAKDOWN OF ACTUAL EMPLOYEES BY TYPE OF CONTRACT</b>			<b>MOTHER</b>	<b>CHOICES</b>	
Share of workers on fixed-term contracts out of Total		%	3,38		
Share of workers on fixed-term contracts by sex			100,0	0	
Share of workers on permanent contracts total			96,22		
Share of workers on permanent contracts by sex			56,14	43,86	
<b>SENIORITY, TURNOVER AND NEW STAFF</b>					
<b>ALLOCATION OF STAFF ACCORDING TO SENIORITY IN THE GROUP</b>					
<1m.		%	33,9		
1-5 m.			25,4		
6-9 m.			14,2		
10-14 m.			13,5		
15-19 m.			2		
20-24 m.			1		
25-29 m.			6		
>30 m.			4		
<b>STAFF TURNOVER IN 2023</b>			<b>MOTHER</b>	<b>CHOICES</b>	
Total:			pcs.	17	
By gender		%	50	50	
<b>NEW STAFF</b>					
Total:		pcs.	20		
By gender		%	65	35	

RODICLE		MATAVIMO VNT.	31/12/2023 (INCLUSIVE)
By age	<24 m.	%	15
	25-36 m.		30
	37-56 m.		50
	>57 m.		5
<b>TAKING PARENTAL LEAVE</b>			
Workers who have taken advantage of parental leave		Units.	2
Workers returning to work after parental leave			0
<b>STAFF EDUCATION AND TRAINING</b>			
<b>ALLOCATION OF STAFF ACCORDING TO EDUCATIONAL BACKGROUND</b>			
Higher education (university, college)		%	100,0
Secondary and vocational			0,0
Primary and main			0,0
<b>STAFF PARTICIPATION IN TRAINING</b>			
Total number of staff trained		Units.	47
<b>TRAINING HOURS</b>			
Number of training hours, total		Val.	307
<b>OCCUPATIONAL SAFETY AND HEALTH</b>			
Workers with reduced mobility		Units.	0
Accidents (injuries) resulting in temporary loss of working capacity		Indicator	0

17 Table 1. Indicators for 2023

## Safe workplaces, motivating work environment

LITEXPO, in order to remain a socially responsible company, ensures that its employees have all the social guarantees, self-efficacy, and continuous training. Every year, LITEXPO premises provide opportunities for employees to be vaccinated against influenza or other risk factors they are exposed to at work, provide comfortable conditions for health check-ups at the workplace, and, if necessary, blood tests can be carried out and medical consultations provided.

At the outbreak of the COVID-19 pandemic, all staff were provided with home-based working facilities, all the equipment they needed for their work, the programmes they needed to install and the quality of their working equipment. Staff were encouraged to work from the office in 2023, thus ensuring seamless inter-team collaboration.

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 a social needs reserve fund by the General Meeting of Shareholders of the Ben- dership, material allowances may be granted to staff members by separate order of the Director in the event of the death of a staff member's spouse, parents or children, and in other special cases. All Ben- droves employees were also covered by voluntary health insurance.

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

Three days off for personal needs and additional days off for marriage or bereavement	Free coffee and tea in the office
Opportunity to invite 2 family members to events organised by the Company	Remote working
Free parking	Opportunity to participate in internal and external training
Extra days to participate in socially responsible activities	

a motivating working environment: a summer event, a year-end party, a Santa Claus show for employees' children, staff birthdays and other initiatives.

In 2023, LITEXPO employees focused on the area of Sustainability, looked for socially responsible initiatives, were interested in

shared good practices from other countries, encouraged everyone to get involved social activities, participated in various seminars/trainings and shared useful information with colleagues. In order to promote social responsibility initiatives, LI- TEXPO gave employees the opportunity to volunteer few days a year and to contribute to other organisations' socially responsible initiatives.

## 7.2. INFORMATION ON REMUNERATION POLICY

### Director remuneration policy:

The determination of the remuneration of a company's directors is governed by "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 :

- The fixed part - the salary set out in the contract of employment - is paid ;
- An annual paid for the successful achievement of objectives set by the Board.

### Staff remuneration policy:

LITEXPO has a reward management system in place, which is reviewed annually and updated as required. LI- TEXPO follows the principle of "responsible remuneration" and strives to ensure that the company's finances are managed efficiently and that the company's strategic goals are met.

LITEXPO's Remuneration Policy defines the principles for determining the remuneration and fringe benefits of the Company's employees, the remuneration system and the guidelines for its implementation in order to

### LITEXPO staff remuneration consists :

- **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 a probationary period on top of the staff member's basic salary (BA), based on the quantity, quality, achievement of objectives and performance of the work.
- **Project-specific/quarterly .** The part of the remuneration payable to an employee for exceeding agreed individual/team targets during the accounting implementation is paid at the end of the accounting period/project.
- **Bonuses and premiums.** Part of the salary paid to the employee in accordance with the procedure laid down by law.

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 based on an assessment of the of targets achieved: EBITDA, net profit margin and ROE, measured from the beginning of the year;
- The non-financial bonus is awarded for the successful achievement of non-financial objectives.

attracting, retaining and motivating competent and professional staff to achieve the Company's strategic objectives, encouraging staff to achieve ambitious personal goals and ensuring effective management of the payroll 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.

- **Annual Supplement.** The portion of remuneration paid to an employee for achieving annual targets or the Company's financial targets.
- **A one-off supplement for outstanding achievements.** A portion of remuneration paid to an employee for outstanding contributions that have 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 form the basis for differentiating the components of monetary remuneration and fringe benefits:

HAY LYGIS	CATEGORY	GROUPS OF POSTS IN 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

Work that deviates from normal working conditions (overtime, night work, rest days and public ) 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 commitment, engagement and loyalty of its employees, and to enrich the well-being of its employees and the Company's operations. These include the Company's various events, employee competitions, congratulatory

special occasions, flexible working arrangements, , work tools, recognition and staff development.

The table below shows the average monthly salary (including remuneration and allowances) of LITEXPO staff for the period 2021-2023, net of taxes:

JOB TITLE	2021 M.		2022 M.		2023 M.	
	NUMBER OF EMPLOYEES	AVERAGE WORKING FOREWORD-TIS	NUMBER OF EMPLOYEES	AVERAGE WORKING FOREWORD-TIS	NUMBER OF EMPLOYEES	AVERAGE WORKING FOREWORD-TIS
HEAD OF THE HIGHEST LEVEL	1	4505	1	5011	1	9656*
HEADS OF KEY ACTIVITY UNITS	3	3008	4	3483	4	4457
HEADS OF SUPPORT ACTIVITY UNITS	6	2193	6	2928	6	4592
SENIOR SPECIALISTS	7	1811	7	2386	7	2695
SENIOR SPECIALISTS, SPECIALISTS	22	1585	21	2069	26	2623
SERVICE WORKERS, SKILLED AND UNSKILLED WORKERS	19	1163	19	1635	15	2022

\* Change in the average salary of the top manager from 2022 onwards and payment of a bonus for 2023 results upon change of manager.

19 Table 1. LITEXPO employees' average monthly fixed (assigned) salary

## Remuneration for members of the collegiate management bodies:

Members of LITEXPO's supervisory and management bodies are appointed for a four-year term. They are subject to civil contracts detailing his/her responsibilities, duties, rights and functions.

Taking into account the fact that from 5 August 2022 the new version of the Description of the Procedure for Payment of Remuneration to Members of Collegial Bodies of State-Owned Enterprises and Municipal-Owned Enterprises approved by the Resolution of the Government of the Republic of Lithuania No. 1092 of 14 October 2015 was in force, the Extraordinary General Meeting of Shareholders of the Republic of Lithuania of 13 October 2022

was declared invalid by the Extraordinary General Meeting of 19 January 2022.

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 activity in the Board was approved at the time of the election, and the monthly fixed amount of remuneration for the members of the LITEXPO Board and the Chairman of the Board was set. The civil legal relations between a member of the Board and the Company shall be determined in the Board member's activity contract concluded between the Company and the member of the Board. At the Extraordinary General Meeting of Shareholders on 22 December 2023, the renewed monthly remuneration for a member of the LITEXPO Management Board was approved for the period from 1 January 2024 until the end of the member's term of office.

The amount of the salary is €1,500 before tax, and €1,900 before tax for the position of Chairman of the Board.

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

Number of Board meetings held in 2023: 25

Number of remunerated members of collegiate bodies  
Number of persons (persons): 4

### INFORMATION ON PAYMENTS TO INDIVIDUAL MEMBERS OF MANAGEMENT BODIES:

MEMBER'S NAME	31 December 2023
Ramutė Ribinskienė	EUR 18 000
Mantas Dubauskas	EUR 13 500
Alexander Golod	EUR 13 500
Žilvinas Pakeltis	EUR 13 500
Rūta Steckienė	EUR 13 500

20 Table 1. Information on payments to individual members of management bodies in 2023

### INFORMATION ON ATTENDANCE AT MEETINGS OF THE GOVERNING BODY:

MEMBER'S NAME	Number of meetings attended board member, sk.
Ramutė Ribinskienė	25
Mantas Dubauskas	23
Alexander Golod	25
Žilvinas Pakeltis	25
Rūta Steckienė	25

21 Table 1. Information on attendance of Governing Body members in 2023

## LITEXPO culture

The contribution and initiative of every employee in developing LITEXPO's activities and improving internal processes is important to the company.

Annual interviews are held annually with administrative staff to discuss performance, working conditions and development opportunities. Managers help employees to set individual goals. This is important

creating a positive environment and a constructive culture where everyone is involved in achieving the company's strategic goals.

LITEXPO's career opportunities depend on the specialist 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 POLITICS

LITEXPO is guided by the Code of Ethics and follows the principles of the United Nations Global Compact and other socially responsible business guidelines. LI- TEXPO 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)*<sup>3</sup>. The information in the report is based on the principle of materiality 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 (SDG)*.

LITEXPO's activities are guided by the Basic 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 pledge not to be the perpetrators of human rights violations;
3. We guarantee freedom of , including trade membership, and recognise workers' right to collective bargaining;

4. We do not use compulsory or forced labour and aim to contribute to its elimination in an environment where we can make a difference;
5. We do not exploit child labour and try to contribute to its destruction in an environment where we can make a difference;
6. We do not discriminate and we try to contribute to the elimination of discrimination at work and in our professional activities in an environment where we can make a difference;
7. We take preventive measures to protect the environment;
8. We are taking initiatives to increase environmental responsibility where we can make a difference;
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 LI- TEXPO Social Responsibility Report and Policy.

LITEXPO ensures equal opportunities and seeks long-term employment relationships by attracting and retaining employees. The competence, skills, performance and achievements of employees are important to the company and discrimination based on age, race, nationality, gender, origin, religion, disability, marital status, beliefs, union membership or political opinions is not tolerated. LITEXPO does not tolerate any

<sup>(3)</sup>The Social Responsibility Report and the Policy are available at: [//www.litexpo.lt/korporatyvine-informacija/veiklos-dokumentai/](http://www.litexpo.lt/korporatyvine-informacija/veiklos-dokumentai/)



human rights violations, favours fair and transparent pay policies, respects workers' right to rest and does not tolerate harassment or violence of any kind. LITEXPO opposes all forms of discrimination and forced child labour.

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

For many years, the Lithuanian Junior Achievement has participated in the Young Colleague Week project. It provides pupils with the opportunity to learn more about the professions available in the country and to help them make a decision in guiding their career choices, by organising vocational guidance and study visit weeks for secondary school pupils. The company is also actively involved in

## On the economic front.

**ANTI-CORRUPTION ACTIVITIES** - The Company consistently complies with the laws on prevention of corruption and LITEXPO's policy on prevention of corruption, which reinforces the Company's zero-tolerance stance towards corruption. The Policy applies to all employees, contractors, suppliers, consultants and other intermediaries. In the first half of 2022, the Company updated the Corruption Prevention Policy. The policy is due to be reviewed and updated as necessary in 2024.

Also, in order to ensure a comprehensive prevention of corruption in the company, LITEXPO follows the "Policy on Accepting, Giving and Handling Gifts", which clearly and unequivocally states which gifts are acceptable/unacceptable, and which are in line with the objectives of the business.

Staff are continuously educated about the importance of the fight against 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 anti-corruption policy and other related procedures.

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

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 training institutions.

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

- Anti-corruption policy;
- Code of Ethics;
- Remuneration policy;
- Policy on accepting, receiving, giving and handling gifts;
- Equal opportunities policy and implementation procedures;
- Customer service standard;
- Personal data processing policy;
- Description of procedures for the lease and sale of assets.

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 the coordination and disqualification of private interests and the 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 the 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 rationally in order to ensure that the principles of efficiency and economy are implemented.

LITEXPO shall publish draft technical specifications for all procurements, except for low-value procurements, by means of the Central Public Procurement Information System (CVP IS), and shall additionally inform its

website, reports on procurement procedures and provides information on ongoing procurements.

**RELATIONS.** In order to ensure a high customer satisfaction rate, LITEXPO evaluates customer feedback, conducts surveys after each exhibition and seeks to establish a customer satisfaction index. The satisfaction indices of exhibitors and visitors are measured separately, with the aim of assessing the most pressing, recurring problems and ensuring that they do not recur at future exhibitions.

The company is constantly introducing, updating and searching for advanced technological solutions that will help customers and lan-

## In the social field

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

LITEXPO employees are encouraged to avoid circumstances and situations where their private interests could conflict with the interests of Ben- ders. The Company takes all legitimate control measures and expects its employees to make sound, rational decisions at all times in the performance of their duties and not to seek personal gain.

**ENVIRONMENT:** LITEXPO is a socially responsible company that values the environment. As the main environmental impact of LITEXPO's activities is the consumption of electricity, in order to reduce it, the Company educates its

It would be easier and more convenient for the ky ky kytosams to communicate with LITEXPO representatives, to quickly make orders for the services of interest, to monitor the process of their execution and the result. The Company strives for quality relations with its clients, both in terms of providing services, meeting the needs of its clients, and in order to comply with and achieve the vision, mission and goals of LITEXPO. 22 June 2022 The Company updated the Regulation on Participation in Exhibitions, Fairs and Conferences, which ensured and clarified the rights and obligations of the Company, event participants and third parties, as well as the financial obligations of the event participants towards the Company.

consumers about the importance of environmental protection, provides information on ways to save electricity, and participates in various public initiatives and projects. Every month LITEXPO assesses and analyses electricity consumption and looks for ways to reduce costs.

For several years now, the company's employees working in the office have been invited to participate in the LITEXPO summer citizenship campaign "Darom" and encouraged to volunteer (e.g. at shelters for homeless animals or other organisations).

LITEXPO prepares a social responsibility report, which lists the company's work and achievements in social responsibility activities related to market behaviour, environmental protection, employee relations and public relations. The report describes the Company's corporate social responsibility orientations, actions and progress.

The Social Responsibility Report is published on the LITEXPO website<sup>4</sup>.

<sup>4</sup> LITEXPO Social Responsibility Report [https://www.litexpo.lt/wp-content/uploads/2023/05/SOCIALINES-ATSAKOMYBES-ATA-SAITA-UZ-2022-m\\_.pdf](https://www.litexpo.lt/wp-content/uploads/2023/05/SOCIALINES-ATSAKOMYBES-ATA-SAITA-UZ-2022-m_.pdf)

## 9. RISK FACTORS AND THEIR MANAGEMENT

The Company follows a risk management policy to ensure risk management and control. To implement these objectives, the Company has appointed a responsible officer who monitors the identification, assessment and management of risks relevant to the Company's activities, monitors the execution of the risk management process, assesses the effectiveness of the control procedures and the adequacy of the risk management measures, the state of implementation, and analyses the financial possibilities for the implementation of risk management measures. The staff member performing this function 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 a 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 accurate information to the Company's management, the Board of Directors and the shareholders. The aim is to ensure the stability of LITEXPO's operations and to ensure that the interests of employees, shareholders, customers, stakeholders and the public are not harmed.

In order to ensure that key risks are identified, managed and disclosed in a timely and appropriate manner, LITEXPO reviews the risk control measures at least quarterly, organises meetings with the heads of the departments, and the latter with the employees, to seek solutions for their implementation and the use of other prevention measures.

### LITEXPO categorises all risks by type:

- Financial risks;
- Legal risks;

- Procurement risks;
- Personnel risks;
- Information/data security (IT) and infrastructure risks;
- Marketing risks;
- Risk of individual activities (exhibitions, conferences/events).

Each risk is assigned to a category, i.e. financial, reputational, quality, legal, etc., and a level of risk (tolerance threshold) is set against which the impact of the risk is assessed, whether it can be accepted, and the damage that its expression would cause to the results of the company.

LITEXPO is also assessing which risks require more 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 potential probability of occurrence of a risk and, accordingly, the most effective preventive measures are determined, and greater attention is paid to the risks with the most realistic probability.

For each risk, there are dedicated staff members who assess the potential for the risk to occur in their departments to ensure that decisions are taken on a basis. Employees shall inform the person responsible for the control of the Ben- ders' risks and the application of measures to prevent them of any indication that a risk may be likely to occur, who shall promptly assess the information provided and, in conjunction with the Chief Executive Officer of the Company, decide on the application of proportionate prevention measures.

## Key risk factors

### Financial risk factors

**Liquidity risk in relation to the funding of operations** may arise from the Company's inability to meet its current obligations in an adequate and timely manner.

**Commitments.** The Company manages this risk by planning its cash flow requirements in advance and by ensuring that the Company always has sufficient funds, signed credit agreements and overdrafts in place to ensure the normal operations of the Group.

*The :* investing in highly liquid financial instruments and limiting short-term investments to a minimum of 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 the disproportion between the prices of short- and long-term assets. Current assets are more expensive than fixed assets.

*Decision measures:* (1) daily monitoring and control of receivables and payables; (2) stricter conditions on payment terms and delays in the payment of services.

**Credit rating risk.** Decisions taken by the Company's shareholder or governing bodies or the Company's deteriorating financial performance will result in the Company's credit rating being downgraded or the Company losing its investment grade.

*Decision tools:* the company is in regular contact with the shareholder, discussing future projections and seeking 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 significantly. Performance bonds, guarantees and collateral are also required to ensure the proper performance of contractual obligations.

**Energy price risks** are particularly acute at the moment, especially in the context of the ongoing war in Ukraine, where electricity and gas

fees have increased several times, and the costs of maintaining LITEXPO infrastructure have increased . LITEXPO, de-

When dealing with clients, you need to assess whether a particular event at LITEXPO will be more financially beneficial or whether it is better to opt out and thus save on electricity costs. *Measures to be taken:* the company will invest in the modernisation of lighting systems in the strategic period, and will make investments that will help to reduce costs, well as to ensure that the premises are used efficiently in terms of their energy consumption, and will look 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:* when taking on debt obligations, the aim is to ensure that long-term liabilities carry a fixed interest rate. If, for objective reasons, interest rate fixation is not possible and the commitment is significant, LITEXPO seeks to use interest rate derivative products for interest rate management: interest rate , interest rate , interest rate collar and interest rate .

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

*Solution measures:* The risk of relationships with banks and other borrowers is managed by building sustainable business relationships based on trust and mutual respect. This is done 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 be manifested by employees deciding to change jobs or to leave the Company for a variety of reasons, such as: uncompetitive workload, uncompetitive pay, mismatch of expectations due to additional motivational measures, or mismatch of the Company's values. Employee retention risk is managed by the following measures: a regular review of financial and non-financial benefits. The wage bill is also continuously updated in line with the market situation, inflation and other indicators. The workload of each staff member is evaluated

individually during meetings with line managers, and values are already presented during job interviews.

**The risk of planning for staff succession** is managed by ensuring that if a staff member leaves and there is no competent new staff member to take his/her place, the next staff member is trained to perform his/her functions on a temporary basis. In 2023, the staff turnover rate was 15%, compared 31% in 2022. In recent years, it has been evident that exhibitions and events have not been stable, influenced by ongoing political factors, and significantly affected by the COVID-19 pandemic, which prevented exhibitions from taking place, and therefore potential employees have a

the location may have proved unsafe and unstable, which is of the factors that led to the high staff turnover rate. This made it difficult to maintain continuity of operations, to ensure a high quality of service and to motivate the other staff members working there. For these reasons, staff turnover lasted between 1 and 3 months. In order to reduce this risk, a plan is being prepared to strengthen the employer's image, to actively communicate added values, the working environment, the specifics of the work, as well as to sign cooperation agreements with Lithuanian higher education institutions to attract students and invest in employees to they have the necessary competences to do the job.

**The risk of occupational safety violations in the Company** may arise when setting up and preparing exhibition stands, or when setting up premises events. To avoid this risk, all employees, contractors, exhibitors and event organisers are familiarised with the rules of workplace conduct/safety, employees are trained in the use of work equipment, and occupational safety training is carried out at least semi- annually. The company continuously monitors compliance with workplace safety rules and, where , disciplines violators.

## Data security and infrastructure risk factors:

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

*Decision measures:* to prevent the risk of data breaches The Company has adopted a policy on the processing of personal data and a policy on the retention of employees' personal data, which defines the principles, requirements and measures for data processing. In order to ensure compliance with the requirements set out in the policy, external consultants are consulted, state-of-the-art antivirus software is implemented to ensure data protection, and sanctions are applied in the event of a breach. To ensure data security, data activity logs are regularly reviewed and updated, and responsible persons are assigned

people, updating security systems. 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, LITEXPO has appointed security jgeneralists who coordinate the implementation of the security policy, organise and carry out risk and compliance assessments, coordinate the investigation of cyber incidents and electronic information security incidents, and carry out other functions as prescribed by the legislation.

## Legal/regulatory risk factors:

**The legal regulation risk** 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, the adoption of resolutions by the Supreme Council of Lithuania that have an impact on LITEXPO's activities and processes, as well as the adoption of new international legal acts (e.g. the implementation of the Accessibility Directive<sup>5</sup> in Lithuania and its application from ), including the emergence of stricter requirements to ensure personal data protection.

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 the company to compete on the market, and therefore, changes in the Law, as well as the tightening of its norms, may have a significant impact on the company's market competitiveness.

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

RISKS	RISK DESCRIPTIONS	ENVISAGED RISK MANAGEMENT MEASURES
Insufficient number of participants and visitors per year	These risks have a direct impact on incomes	<p><b>manage the risks:</b></p> <ul style="list-style-type: none"> <li>a) intensify marketing activities, analyse the effectiveness of advertising (set benchmarks for the Head of Marketing)</li> <li>b) Growing direct sales (a separate sales unit has been created);</li> <li>c) Improving the competence and motivation of sales managers (ongoing sales training, introduction of a control system, new employee motivation system);</li> <li>d) Increasing the number of specialised events for each exhibition organised (evaluation indicator set for the project manager);</li> <li>e) allocation of a larger, separate advertising budget for attracting foreign exhibitors and visitors (rules are being developed to attract targeted specialised visitors and bring them to specialised exhibitions held by LITEXPO);</li> <li>f) a daily search for other opportunities to add value to the exhibition and thereby attract potential exhibitors and visitors (youigtas idea bank);</li> <li>g) Market analysis, market research to identify prevailing trends, potential new exhibition/event themes and .</li> </ul>

<sup>(5)</sup> The Accessibility Directive (Accessibility act) can be found at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX-3A32019L0882>

RISKS	RISK DESCRIPTIONS	ENVISAGED RISK MANAGEMENT MEASURES
Increase in market prices for materials, energy costs	These factors have a direct impact on the achievement of profitability indicators	Energy costs will be reduced through resource efficiency and conservation measures (energy audit).  On the cost of labour, changes are being made to the company's operations, with the removal of administration of non-core activities, the introduction of a project management standard, the calculation of labour productivity, and the application of aggregate working time accounting for employees in production units.
Interest rate, cost of capital increase	This risk factor may affect the implementation of investment projects to a lesser extent	The company's financial situation is not , it has mortgaged all its real estate to banks, it has financial liabilities, and the terms of a new loan from the banks would be unfavourable, regardless of the size of the loan, and there is a tightening of lending conditions in 2023, and the European Central Bank's interest rate is high, which makes the situation even more difficult. LITEXPO does not plan to borrow from the bank in the strategic period, and will aim to streamline its business processes, create an exhibition tour- ning and conduct its operations from its own funds, and to meet its financial obligations in a timely and proper manner.
Increase in the value of investment projects	The value of the investment may increase significantly during the implementation of the project and the acquisition of fixed assets, and may not be in line with the sources of financing foreseen in the budget and investment plan	All investment projects are prepared in , in accordance with the public procurement law of the Republic of Lithuania. Technical specifications are accurately described, procurement is organised responsibly, internal control of processes is ensured and negotiations with suppliers are conducted. The selection of suppliers is based on 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 benefits than projected, i.e. the payback period may be considerably longer	To minimise this risk, it is envisaged to calculate minimum and maximum payback periods for each investment project, and to base the benefits of each only on specific financial calculations and an assessment of the real potential

### The main risk factors facing the EU in are:

In 2023, LITEXPO was exposed to various risks, but the most important ones were: interest rate increase risk, energy price risk and reputational risk.

#### RISK OF INCREASING RATE OF INCREASES: 2023

tightened lending conditions, the European Central Bank's interest rate increased, which contributed to LITEXPO's financial situation

made it extremely difficult and the Company was looking for ways to refinance its existing loan. It should be noted that LITEXPO has swapped all its real estate to banks, which has reduced LITEXPO's bargaining power vis-à-vis the banks, and , considering LITEXPO's operations and how it is affected by market conditions (e.g. quarantine restrictions, taxes, etc.), the Company may be seen as a riskier lender.

As in 2022 and 2023, the Company was faced with **HIGHER ENERGY COSTS (the price risk of energy outputs)**, electricity consumption costs were significantly higher than in previous years, which worsened the Company's financial situation, and LITEXPO had to assess even more carefully how financially advantageous a specific event would be, to forecast the energy costs of a specific event and to assess whether it should be organised or whether it would be worthwhile.

**REPUTATIONAL RISK** The company was exposed to the public procurement for the NATO Summit, i.e. public information media actively reported that LITEXPO did not conduct public in a transparent manner, violated the Public Procurement

the procurement law, abusing the power available to organise procurement and carry out events of this type and scale. The Public Procurement Office also stated in its conclusion that irregularities were found in the procurement for the NATO Summit, with violations of the principles of equality, non-discrimination and transparency. Since in 2023 LITEXPO had communication challenges that affected its image and caused public distrust in LITEXPO's transparency and activities (public procurement), it will be important in the strategic period to invest in positive communication, to have sufficient competence and knowledge to manage such crises, to understand what actions are needed to deal with them, to be prepared and to ensure a quick response.

## 10. TARGETS TO BE ACHIEVED IN 2024

In 2024, LITEXPO will be guided by the strategic document for 2024-2026 and will follow 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. Expanding your business by creating and exploiting new opportunities.**

**IV. Creating a unified organisational culture and corporate image.**

### MISSION

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

### VISION

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

We base the implementation of our mission, the pursuit of our vision and all our activities on the following fundamental VALUES:

- Professionalism;
- Innovative;
- Teamwork.

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

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

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

The LITEXPO's investment in 2026 will reach 7.2 million, while in 2019 it will be EUR 7.2 million.

in 2010 was EUR 6.06 million. The company is expected to achieve 2019 financial results in 2026 (with revenues already in ). Profit before income tax (EBT) at the end of the strategic period ( ) will amount to EUR 338 thousand, EBITDA will amount to EUR 1.5 million and return on equity (ROE) will be 3.3%.

The shareholder's letter of expectation stated that the Company should ensure that the key financial performance indicators long-term profitability, optimal capital structure, dividends) and specialised financial performance indicators approved by the Government of the Republic of Lithuania, a set of which is prepared and made publicly available annually by the Valuation Co-ordination Centre (VCC), are included in the Company's business strategy and achieved.

The Government of the Republic of Lithuania, by Resolution No 509 of 18 May 2022 "On Approval of the 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, 2023≥ €0.3 million, 2024≥ €1.3 million
Optimal capital structure	Annual ratio of financial debt to equity	2022≤ 1.6 times, 2023-2024 threshold 0,6-1,4 times

These indicators will be over the strategic period.

## LITEXPO 2024 - 2026 financial targets

	2019 M.	2020 M.	2021 M.	2022 M.	OPPORTUNITY 2023	OPPORTUNITY 2024	OPPORTUNITY 2025	OPPORTUNITY 2026
<b>PROFIT AND LOSS ACCOUNT INDICATORS</b>								
Revenue, Eur	6 058 482	2 262 865	1 243 844	4 213 687	6 364 459	6 355 844	6 950 844	7 250 844
EBITDA, EUR	1 621 667	-233 386	-747 877	32 282	1 294 694	1 305 826	1 459 677	1 522 677
EBITDA, per cent	26,8%	-10,3%	-60,1%	0,8%	20%	20,5%	21,0%	21,0%
Profit before profit EBT charge	686 790	-1 150 431	-5 523 754	-928 802	1 108 412	214 825	270 677	338 677
EBT margin, per cent	11,3%	-50,8%	-444,1%	-22,0%	17%	3,4%	3,9%	4,7%
Net profit (loss), EUR	599 163	-1 150 431	-5 102 617	-783 026	657 041	182 601	230 075	287 875
Net profit margin, %	9,9%	-50,8%	-410,2%	-18,6%	10%	2,9%	3,3%	4,0%
Administrative costs, per cent	13,5%	25,4%	45,9%	19,6%	18,9%	14,4%	14,0%	14,0%
<b>BALANCE SHEET INDICATORS</b>								
, Eur	11 937 020	8 100 272	5 613 967	4 830 942	7 487 982	8 098 638	8 328 713	8 616 589
Return on equity (ROE), %	5,0%	-14,2%	-90,9%	-16,2%	9%	2,3%	2,8%	3,3%
Total debt ratio, %	30,1%	37,0%	48,6%	57,8%	40%	36,7%	35,2%	33,5%

23 Table 1. LITEXPO 2024 - 2026 financial targets

## Investments in the 2024 Strategy

The 2024 strategy includes the following investments:

INVESTMENT PERIOD	TITLE	AMOUNT, EUR	DESCRIPTION
<b>TOTAL INFRASTRUCTURE INVESTMENT IN 2024:</b>		290 000	
July 2024	Changing the lighting	115 000	The lighting of the halls (Nos 3, 4) uses energy-consuming fluorescent and metal halide lamps and an outdated and inefficient lighting control for halls 3 and 4, all of which contribute to the high energy costs. In order to save energy costs and to be innovative and attractive, it is necessary to modernise the lighting of the halls with LED technology. their lighting and upgrading and/or installing lighting controls. Payback is expected within 5 years.
January/February 2024	Renovation of the conference hall	80 000	The existing conference equipment (video projectors, sound equipment and their control units) are morally and technologically outdated and cannot adequately meet the expectations of the clients. For the largest events, such equipment has to be sourced from external suppliers. In order to improve the quality of service to customers and to reduce the cost of hiring equipment, it is planned to purchase some of the equipment.
May 2024	Upgrading and modernising security, fire and CCTV systems	15 000	Some of the CCTV equipment (data loggers) is more than 10 years old and needs to be upgraded. The monitoring of the fire alarm system in Hall 5 needs to be carried out, as does the security post in Hall 3. We plan to upgrade the fire detectors in Hall 5.
March 2024	Purchase of carpet for Hall 4	65 000	Purchase of reusable (segmented) carpeting. At the moment the hall does not have a permanent carpet, so we are incurring additional costs for the installation of a disposable segmental carpet.
March 2024	Purchase of TV/LED screens	15 000	Renewal of rental equipment (12 units)
<b>Total investment in technology solutions and marketing:</b>		300 000	
September 2024	Updating the www.litexpo.lt website	40 000	Updating the website with additional features for virtual broadcasts, additional advertising positions. This could attract potential exhibitors and generate additional revenue of up to €30,000 per year.

September 2024	Exhibitor registration platform	210 000	A new participant registration platform with more functionality, as the current one is constantly crashing and the developers of the platform are not updating it. A new platform is planned that would allow not only participant registration but also additional sales within the platform. Participants would be able to purchase additional functionalities for an additional fee, which would increase their visibility to visitors. It is estimated that the upgrade of the platform could generate up to €50,000 of additional revenue per year.
July 2024	LED display - promotional position	50 000	Advertising position in Laisvės pr., Vilnius
<b>INVESTMENT NEEDS IN 2024</b>		<b>590 000</b>	

24 Table 1. Investments foreseen in the 2024 Strategy

# 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 Transparency in the Business Activities of State-Owned Enterprises" (hereinafter - Transparency Guidelines).

LITEXPO strives to ensure compliance with the Transparency Guidelines and regularly reviews the LITEXPO official website to ensure that the Transparency Guidelines are followed.

the information published on the website, updating and updating 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 provide information in a format that is accessible and clear to interest holders.

## Structured information on the implementation of the Transparency Guidelines:

I. TRANSPARENCY GUIDELINES	
The website must publish the information:	
Name	Available from <a href="https://www.litexpo.lt/apie-mus/">https://www.litexpo.lt/apie-mus/</a>
Code and register where data on the jmona is collected and stored	Available from <a href="https://www.litexpo.lt/apie-mus/">https://www.litexpo.lt/apie-mus/</a>
Registered office (address)	Available from <a href="https://www.litexpo.lt/apie-mus/">https://www.litexpo.lt/apie-mus/</a>
Legal status if the State-owned enterprise is being reorganised, reorganised (specify the type of reorganisation), liquidated, bankrupt or insolvent	Not applicable The Company and its subsidiaries are not being reconstructed, reorganised, liquidated, bankrupted or declared bankrupt
Name of the national authority and link to its website	Available from <a href="https://www.litexpo.lt/apie-mus/">https://www.litexpo.lt/apie-mus/</a>
Operational objectives, vision and mission	Available from For general information on activities, see <a href="https://www.litexpo.lt/korporatyvine-informacija/strategy/">https://www.litexpo.lt/korporatyvine-informacija/strategy/</a>  Corporate goals, vision and mission <a href="https://www.litexpo.lt/korporatyvine-informacija/strategy/">https://www.litexpo.lt/korporatyvine-informacija/strategy/</a>
Structure	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/lit-https://expo-management/">www.litexpo.lt/korporatyvine-informacija/lit- https://expo-management/</a>
Manager's data	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/lit-https://expo-management/">www.litexpo.lt/korporatyvine-informacija/lit- https://expo-management/</a>

Details of the chairman and members of the board if a board is established under the statutes	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/lit-https://expo-management/">www.litexpo.lt/korporatyvine-informacija/lit- https://expo-management/</a>
Details of the chairman and members of the Supervisory Board 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 (in euro to the nearest euro cent) and the share (percentage) in the authorised capital of the State-owned company	Available from <a href="https://www.litexpo.lt/apie-mus/">https://www.litexpo.lt/apie-mus/</a>
Special obligations shall be carried out in accordance with the guidelines approved by the Ministry of Economy and Innovation of the Republic of Lithuania: the purpose of the special obligation, the state budget allocations for its implementation in the current calendar year and the legal acts entrusting the state-owned enterprise with the execution of the special obligation shall be specified, the conditions for the execution of the special obligation shall be set and/or the price shall be regulated	Not applicable Non-compliance with specific obligations
Information on social responsibility initiatives and measures, major investment projects under way or planned	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/veik-https://los-documents/">www.litexpo.lt/korporatyvine-informacija/veik- https://los-documents/</a>
In order to ensure publicity regarding the professionalism of the management and supervisory bodies and committee members of state-owned enterprises, the following data shall be published for the persons referred to in points 5.8 to 5.11 of the Description: name, surname, date of commencement of the current position, any other management positions held in other legal entities, education, qualifications and professional experience. If the person referred to in points 5.9 to 5.11 is elected or appointed as an independent member, this shall be indicated in the space provided next to the person's details	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/lit-https://expo-management/">www.litexpo.lt/korporatyvine-informacija/lit- https://expo-management/</a>
The following documents shall be published on the website of the State-owned enterprise	
Statutes	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/veik-https://los-documents/">www.litexpo.lt/korporatyvine-informacija/veik- https://los-documents/</a>
Letter from the representative body of the State on the definition of the State's objectives and expectations in a State-owned enterprise	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/https://strategy/">www.litexpo.lt/korporatyvine-informacija/ https://strategy/</a>

Operational strategy or a summary thereof where the operational strategy contains confidential information or information considered to be a commercial/industrial secret	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/">www.litexpo.lt/korporatyvine-informacija/</a> <a href="https://strategy/">https://strategy/</a>
A document setting out the remuneration policy, which includes the determination of the remuneration of the chief executive of a state-owned company and the remuneration of members of collegiate bodies and committees within the state-owned company, as detailed in the Corporate Governance Code;	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/dar-https://bo-uzmokestis/">www.litexpo.lt/korporatyvine-informacija/dar-https://bo-uzmokestis/</a>
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	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/veik-https://los-reports-audit-conclusions/">www.litexpo.lt/korporatyvine-informacija/veik-https://los-reports-audit-conclusions/</a>
Compilations of annual and interim financial statements for a period of at least 5 years and auditor's reports on the annual financial statements	Available from <a href="http://www.litexpo.lt/korporatyvine-informacija/veik-https://los-reports-audit-conclusions/">www.litexpo.lt/korporatyvine-informacija/veik-https://los-reports-audit-conclusions/</a>
If the State-owned company is the parent company, the structure of the group of companies and the data referred to in points 5.1 to 5.3 of the Description, the website addresses, the percentage of the parent company's shareholding in the parent company's share capital, the annual consolidated financial statements and the consolidated annual reports shall be published on its website	Ongoing <a href="https://www.litexpo.lt/apie-mus/">https://www.litexpo.lt/apie-mus/</a> Documents published <a href="http://www.litexpo.lt/korporatyvine-informacija/veik-https://los-reports-audit-conclusions/">www.litexpo.lt/korporatyvine-informacija/veik-https://los-reports-audit-conclusions/</a>
If the State-owned company is a participant in legal entities other than those referred to in point 8 of the Description, the internet website of the State-owned company shall contain the data referred to in points 5.1 to 5.3 of the Description and the addresses of their websites	Not applicable The Company is not a participant in any other legal entity
Changes to or publication of incorrect 5 and 6 of the Description, The data, information and documents referred to in points 7.1 to 7.4, 8 and 9 shall be promptly updated and made available on the website	Available from
The set of annual financial statements of the state-owned enterprise, the annual report of the state-owned company, the annual activity report of the state-owned enterprise, as well as the auditor's opinion on the annual financial statements of the state-owned enterprise, shall be published on the website of the state-owned enterprise within 10 working days of the approval of the set of annual statements of the state-owned enterprise	Available from
The sets of interim financial statements of the State-owned enterprise, the interim reports of the State-owned company and the interim activity reports of the State-owned enterprise must be published on the website of the State-owned enterprise no later than 2 months after the end of the reporting period	Ongoing / Not applicable Interim financial statements are published in a timely manner. The Company does not prepare interim reports

The documents referred to in point 7 shall be published in PDF format and shall be technically downloadable and printable	Available from
<b>The Annual Report and Accounts must disclose/fulfil other requirements:</b>	
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 by 30 April.	Available from
<b>The company's annual report announces:</b>	
Operational strategy and objectives (financial and non-financial), if this is not a trade secret of the SFI (if the SFI' operational strategy and objectives contain information considered to be a trade secret, an abridged operational strategy and objectives without this information shall be indicated/provided);	Available from
The results achieved are in line with the objectives of the LEA;	Available from
The main events of material significance for the operation of the SOE that occurred during the reporting period;	Available from
Information on the market for the services provided or the products produced, provided that it is not a trade of the SGE;	Available from
Investments during the reporting period, major investment projects underway or planned;	Available from
Total annual salary bill, average monthly salary by function and/or unit;	Available from
Implementation of the remuneration policy;	Available from
Social and environmental initiatives and policies;	Available from
Information on compliance with the Transparency Guidelines: 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 their evolution over 3 years;	Available from
Governing bodies;	Available from
Information on the audit of the annual financial statements (the entity that carried out the audit, the fee for the );	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 risk management policies in state-owned enterprises;	Available from
Information on significant events that occurred during and after the financial year (prior to 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 during the year under review.	Available from

25 Table 1. Information on implementation of the Transparency Guidelines

Acting Director  
**Vladislav Terioshin**