

Valstybės investicinis kapitalas UAB

**FINANCIAL STATEMENTS
PREPARED ACCORDING TO THE INTERNATIONAL FINANCIAL
REPORTING STANDARDS ADOPTED FOR APPLICATION
IN THE EUROPEAN UNION**

16th April 2025

TABLE OF CONTENT

INDEPENDENT AUDITOR'S REPORT	3
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF COMPREHENSIVE INCOME	7
STATEMENT OF CHANGES IN EQUITY	8
CASH FLOW STATEMENT	9
NOTES TO THE FINANCIAL STATEMENTS.....	10-22
MANAGEMENT REPORT.....	23-54

INDEPENDENT AUDITOR'S REPORT

To the shareholder of Valstybės Investicinis Kapitalas UAB:

Report on the Audit of the Separate and the Consolidated Financial Statements

Opinion

We have audited the accompanying financial statements of Valstybės Investicinis Kapitalas UAB (hereafter – „the Company“), which comprise the statement of financial position of the Company as at 31 December 2024, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying Company's financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. We did not identify any key audit matters during the audit of Valstybės Investicinis Kapitalas UAB.

Other matter

The Company's financial statements for the year ended 31 December 2023 were audited by another auditor, who expressed an unqualified opinion on those financial statements on 9 April 2024.

Other information

The other information comprises the information included in the Company's management report, including the requirements for the information on corporate governance matters and remuneration, but does not include the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

- The financial information presented in the Company's management report, including the requirements for the information on corporate governance matters and remuneration, is consistent with the financial statements; and
- The Company's management report, including the requirements for the information on corporate governance matters and remuneration, has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Under the decision of the Management Board on 21 January 2025 we were elected for the first time to audit the Company's financial statements. The total uninterrupted term of appointment is 1 year.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the audit report for the financial statements presented to the Company and its Management Board.

We confirm that to the best of our knowledge and belief, services provided to the Company are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council. During the audit period, we did not provide services other than the audit of financial statements.

The audit engagement partner on the audit resulting in this independent auditor's report is Romanas Skrebnevskis.

Conclusion on the compliance of the financial statements format with the European Single Electronic Reporting Requirements

The Company's management has adopted a single electronic reporting format for the Company's financial statements in order to comply with the requirements of Article 3 of Commission Delegated Regulation (EU) 2019/815 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards establishing a single electronic reporting format (hereinafter referred to as the ESEF Regulation). According to these requirements, the Company's financial statements must be presented in XHTML format. We confirm that the single electronic reporting format for the financial statements for the year ended 31 December 2024 complies with the ESEF Regulation in this respect.

Auditor Romanas Skrebnevskis
Auditor's Certificate No. 000471

ROSK Consulting UAB
Company's audit certificate No. 001514

Vilnius, Lietuva
16 April 2025

The auditor's electronic signature is used herein to sign only the Independent Auditor's Report.

STATEMENT OF FINANCIAL POSITION

ASSETS	Notes	31/12/2024	31/12/2023
Non-current assets			
Other non-current assets		-	27 210
Shares of associated companies	3.1	459 375	-
Financial assets at fair value the change in which is recognised in profit or loss	3.2	187 815 781	198 410 147
Deferred income tax assets		4 929	4 929
Total non-current assets		188 280 085	198 442 286
Current assets			
Deferred charges		33 703	43 491
Cash and cash equivalents	3.3	20 118 450	1 772 664
Total current assets		20 152 153	1 816 155
TOTAL ASSETS		208 432 238	200 258 441
EQUITY AND LIABILITIES			
Equity			
Authorised capital	3.4	101 200 000	101 200 000
Retained earnings (loss)		6 811 857	(1 324 007)
Total equity		108 011 857	99 875 993
Non-current liabilities			
Issued bonds	3.5	24 970 849	99 870 819
Total non-current liabilities		24 970 849	99 870 819
Current liabilities			
Issued bonds	3.5	74 944 118	491 205
Amounts payable to employees	3.6	5 586	13 384
Other amounts payable and accrued expenses	3.7	8 623	7 040
Total current liabilities		75 449 532	511 629
Total liabilities		100 420 381	100 382 448
TOTAL EQUITY AND LIABILITIES		208 432 238	200 258 441

The notes provided below form an integral part of these financial statements.

These financial statements were authorised on 16 April 2025 by:

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Vaidas Dakariūnas
Managing Director

Inga Čėsniienė
Authorised person of Nordgain UAB

STATEMENT OF COMPREHENSIVE INCOME

OPERATING INCOME	Notes	Financial year ended on 31/12/2024	Financial year ended on 31/12/2023
Sales		-	-
(Cost) of sales		-	-
Other income (resold)		-	-
GROSS PROFIT		-	-
Operating (expenses)	3.8	(289 348)	(183 343)
Interest expenses	3.9	(1 001 112)	(995 321)
OPERATING (LOSS)		(1 290 460)	(1 178 664)
Other income from financial activities		20 690	-
Change in the value of financial assets accounted at their fair value, a change of which is recognised as profit or loss	3.10	9 405 634	19 987 719
PROFIT BEFORE TAXES		8 135 864	18 809 055
Income tax profit (expenses)	3.11	-	-
NET PROFIT	3.12	8 135 864	18 809 055
OTHER COMPREHENSIVE INCOME		-	-
Basic and diluted earnings per share (EUR per share)	3.13	0,80	1,859

The notes provided below form an integral part of these financial statements.

These financial statements were authorised on 16 April 2025 by:

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Vaidas Daktariūnas
Managing Director

Inga Čėsniene
Authorised person of Nordgain UAB

STATEMENT OF CHANGES IN EQUITY

	Authorised capital	Retained earnings (loss)	Total
Balance on 31 December 2022	101 200 000	(20 133 062)	81 066 938
Net profit (loss)	-	18 809 055	18 809 055
Balance on 31 December 2023	101 200 000	(1 324 007)	99 875 993
Net profit (loss)	-	8 135 864	8 135 864
Balance on 31 December 2024	101 200 000	6 811 857	108 011 857

The notes provided below form an integral part of these financial statements.

These financial statements were authorised on 16 April 2025 by:

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Vaidas Daktariūnas
Managing Director

Inga Čėsniėnė
Authorised person of Nordgain UAB

CASH FLOW STATEMENT

	Notes	Financial year ended on 31/12/2024	Financial year ended on 31/12/2023
Cash flows from operating activities			
Revenue of reporting period		-	-
Other revenue		-	-
Payments of reporting period		(346 529)	(247 160)
Wage payments		(82 173)	(53 315)
Paid taxes		(75 688)	(66 366)
Payments to suppliers		(143 461)	(64 980)
Expenses related to issue of bonds		(20 000)	(20 000)
Wage payments		(25 207)	(42 499)
Paid taxes		(346 529)	(247 160)
Net cash flows from operating activities		(346 529)	(247 160)
Investment acquisition	3.1	(459 375)	-
Received interest		20 690	-
Net cash flows from investing activity		(438 685)	-
Cash flows from financing activities			
Investment return	3.2	20 000 000	1 500 000
Bonds interest paid		(869 000)	(869 000)
Net cash flows from financing activities		19 131 000	631 000
Effect of foreign exchange difference on the balance of cash and cash equivalents		-	-
Net increase (decrease) in cash flows		18 345 786	383 840
Cash and cash equivalents at beginning of the period		1 772 664	1 388 824
Cash and cash equivalents at the end of the period	3.3	20 118 450	1 772 664

These financial statements were authorised on 16 April 2025 by:

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Vaidas Daktariūnas
Managing Director

Inga Čėsnienė
Authorised person of Nordgain UAB

NOTES TO THE FINANCIAL STATEMENTS

1. General information

Valstybės investicinis kapitalas UAB (hereinafter referred to as the Company or Enterprise) is a limited liability company registered in the Republic of Lithuania. Its business seat is at:

**Gedimino pr. 38,
Vilnius,
Republic of Lithuania**

The business purpose of the Company is to help the Lithuanian economy to recover from the consequences of COVID-19 coronavirus in accordance with the provisions laid down in the Activity description of the Measure 'Business Aid Fund' approved by the Minister of Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic of Lithuania, by financing the measures of business aid and capital market development from the funds attracted by the state and capital market measures.

The Company was registered on 26 August 2020. On 31 December 2024 and 31 December 2023, the Republic of Lithuania owns 100% of the authorised capital of the company, code 111105555.

The registered authorised capital of the Company is EUR 101 200 000, consisting of 10 120 000 ordinary registered shares of the par value of EUR 10 each. The authorised capital did not change during both periods. On 31 December 2024 and 31 December 2023, all shares were fully paid.

On 31 December 2024 and on 31 December 2023, the average yearly number of the Company's employees was 1.

Financial year of the Company coincides with a calendar year.

2. BASIS FOR PREPARATION OF FINANCIAL STATEMENTS

The main accounting policies applied during preparation of the Company's financial statements for the financial year that ended on 31 December 2024 are as follows:

2.1. Confirmation of Compliance

The Company prepared its financial statements according to the International Financial Reporting Standards (IFRS) applicable in the European Union (hereinafter referred to as the EU).

2.2. Basis for presentation of financial statements

Financial statements were prepared on the basis of the historical cost, except for revaluation of certain financial instruments, which in the end of every reporting period are evaluated at their revalued or fair value, as explained further down in the accounting policy.

Financial year of the Company starts on 1 January and finishes on 31 December.

Financial reports were prepared in Euro (EUR).

The below-described accounting policy was consistently applied to all periods provided in the present financial reports, unless otherwise stated.

2.3. Equity

Equity consists of the paid share of the authorised capital, retained profit (loss).

Subscribed authorised capital is accounted and disclosed in the financial statements at its full value, irrespective of the paid-up amount. Unpaid shares are accounted and disclosed in the financial statements for the contra account (item) of the authorised capital.

If a decision is made to increase or reduce the authorised capital, the increase or reduction is registered in accounting when amendments to the articles of association of the company are registered following the procedure established by legal acts.

2.4. Expense recognition

Expenses are recognised based on accrual and comparison principles in the reporting period when revenue associated with these expenses is earned, regardless of the timing of payment for these expenses.

At present, expenses of the company consist of salary and labour related taxes, vacation payments, accounting service expenses, insurance expenses, board members' remunerations, recruitment and deferred income tax expenses.

2.5. Profit tax and deferred profit tax

Profit tax expenses consist of the expenses of the profit tax and deferred profit tax of the current year. Income tax is assessed in accordance with the requirements laid down in the tax laws of the Republic of Lithuania.

2.5.1. Current year tax

Current year income tax is paid on the basis of taxable profit. Taxed income is different from the income presented in the income (loss) and other general income statement because of taxable or accountable income or expenses of the next year and income or expenses which were never taxed or accounted. Company's liability regarding current year's income tax is assessed according to the income tax tariff that was effective on the day of preparation of the report of financial position. Standard income tax tariff applicable to companies of the Republic of Lithuania for the year that ended on 31 December 2024 is 15 per cent (on 31 December 2023 – 15 per cent).

2.5.2. Deferred tax

Deferred tax is recognised as the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases. Deferred tax liabilities are recognised jointly for all temporary differences. Deferred tax asset is recognised at the amount that is likely to reduce the taxable income in the future through realisation of temporary differences. The above-mentioned deferred assets and liabilities are not recognised, if temporary differences are related to prestige or initial recognition of assets or liabilities (of others than during business merger), at the moment of a rise (transactions) of which no impact is made on taxable or financial income.

Deferred tax assets are subject to revision on the closing day of every reporting period and are reduced if the Company does not expect to have sufficient taxed profit for such assets realisation down to the amount expected to reduce the taxed profit in the future.

Deferred tax assets and liabilities are evaluated according to the effective tax rate to be applied in the year in which the temporary differences are planned to be covered or paid, based on the tax rates (and tax laws) which are or will be approved before the end of the reporting period. Deferred tax assets and liabilities reflect taxation consequences expected by the Company for the end of the reporting period in order to pay or cover its assets or liabilities.

2.5.3. Current year's and deferred tax for the period

Tax for the current year and deferred tax are accounted as expenses in profit or losses.

Deferred income assets are accounted in the report on financial position when the management expects planned taxable income to be received in the nearest future, that will be sufficient for realisation of assets. If some deferred tax assets are likely not to be realised, then the deferred tax amount concerned is not recognised in financial statements.

2.6. Financial measures

Financial assets and financial liabilities are evaluated at their fair value during initial recognition. Transaction expenses that are directly related to acquisition and spending of financial assets (except for financial assets and financial liabilities, changes in the fair value of which are recognised through income or losses) during the initial recognition are added to or deducted from the fair value of financial assets or financial liabilities, accordingly. Transaction expenses that are directly related to financial assets or financial liabilities, presented at their fair value through income or losses, are recognised at once in the income or losses.

Financial measure is any agreement resulting in financial assets for one company and financial liability of equity measure for the other.

Recognition and recognition cancellation in the report of financial position

The Company recognises financial assets or financial liabilities in its report on financial position at the time and only when it becomes a party to the contractual terms of a measure.

Purchase or sale of financial assets are recognised by the Company or their recognition is cancelled on the day of concluding a transaction. Recognition of financial assets is cancelled by the Company in the report on financial position at the time and only when:

- the validity term of contractual rights to cash flows from financial assets expires; or
- the Company transfers its financial assets to the other party.

The Company stops recognising financial liability (or a part of the financial liability) in the report of financial position at the time and only when the obligation concerned is cancelled, i.e., when the duty laid down in the agreement:

- is fulfilled; or
- revoked; or
- expires.

Financial assets are divided by the Company into the following categories:

- measured at the amortised cost,
- measured at their fair value, any change of which is recognised as profit or loss.

The Company attributes debt financial assets to an appropriate category depending the business model of financial assets management and contractual properties of cash flows for appropriate financial assets. Business model applied to the group of financial assets is determined considering how all groups of financial assets are managed in joint pursuit of specific business goal of the Company.

Company's investments into equity securities when the Company has no control over or significant impact on the company into which it invested are accounted at the fair value, any changes in the value of which are recognised as income or losses.

The Company attributes cash and cash equivalents to the assets evaluated at the amortised cost.

The Company evaluates all financial liabilities at the amortised cost.

The Company attributes trade liabilities, bonds, borrowed amounts to the financial liabilities evaluated at the amortised cost.

During the initial recognition of bonds, expenses related to bonds distribution and any discount arising during distribution are recognised at the acquisition cost of bonds and recognised in the income (loss) statement within the bond term (until their redemption) by applying the calculated interest rate.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in transit and cash in bank, demand deposits and other current highly liquid investments of maximum three months maturity (from the acquisition day) that can be easily converted into the known cash amounts and which are subject to insignificant risk of fluctuations in value.

Cash and cash equivalents in the statements of cash flows comprise of cash on hand, short-term bank deposits, other current highly liquid investments.

2.7. Payments to employees

Short-term payments to employees are recognised as current expenses during the period of service provision by employees. Payments include salaries, wages, social insurance benefits, bonuses, paid leave, etc. There are no long-term benefits for employees.

2.8. Evaluation at the fair value

Most accounting principles and revelations of the Company require establishment of the fair value of financial and non-financial assets and liabilities. The fair value is a price, at which on the day of valuation the asset would be sold, or a liability would be transferred under an orderly transaction concluded between market participants on the main market, and if none exists – on the most favourable market accessible by the Company on the day of valuation. The fair value of a liability shows the effect of risk of its default. Fair values are established according to quoted market prices, analyses of discounted cash flows, and option price models, whichever applies.

When establishing the fair value of an asset or liability, the Company refers to available market data, whenever possible. Fair values are presented in the below-stated three hierarchical levels of fair value, based on variables applied in the valuation methods:

1st level: prices quoted on the active markets of the same asset or liability (unadjusted).

2nd level: other variables, except for the quoted asset or liability prices included into the 1st level, which are monitored directly (i.e., same as prices) or indirectly (i.e., derived from prices).

3rd level: asset or liability variables not based on monitored market data (not monitored variables).

If variables used to establish the fair value of an asset or liability can be attributed to different hierarchical levels of the fair value, the hierarchical level of the fair value, to which the total fair value established is attributed, must be determined on the basis of the lowest level variable relevant for establishing the total fair value.

The Company recognises amounts moved between the hierarchical levels of fair value in the end of the reporting period, in which the change took place.

2.9. Related parties

Parties recognised related to the Company include shareholders, Board members, their family members and companies having direct or indirect (via intermediary) control of the Company or under control separately or together with the other party, which is recognised as related party, provided that the latter relationship entitles one of the parties to control the other party or make significant impact on the other party when making financial and management decisions.

2.10. Contingencies

Contingent liabilities are not recognised in financial statements, except for contingent liabilities in business mergers. Contingent liabilities are disclosed in the financial statements unless the probability that these liabilities will cause the outflow of economic resources is remote.

Contingent assets are not recognized in the financial statements, but they are disclosed in the financial statement when it is likely that economic benefits will flow to the entity.

2.11. Post-balance sheet events

Events after the reporting period, which provide additional information about the Company's situation on the day of preparation of the report on financial position (adjusting events) are reflected in the financial statements. Post-reporting events, other than adjusting events, occurring after the balance sheet date are disclosed in the notes when their impact is significant.

2.12. Important accounting estimates and management's decisions

The Company conducted the analysis and made the conclusion that it does not have control of Pagalbos verslui fondas (limited partnership, hereinafter referred to as the Fund) and does not make significant impact on the Fund. During the reporting period, the Company had no power to manage the Fund, held no voting rights granted by equity measures, had no possibility to manage important activity directly or through other economic entities. The Company is entitled to variable return, however it cannot make direct decisions on the amount of a variable return or period, when it has to be paid.

The Company's investment into the Fund is evaluated at the fair value determined on the basis of the net assets of the Fund. All investments by the Fund are evaluated at the fair value, the carrying amount of current amounts receivable and payable and of cash and cash equivalents of the Fund is very close to their fair value, therefore the net assets of the Fund are also evaluated at the fair value.

2.13. Initial application of the amendments to the new effective standards during the reporting period

Application of new and revised International Financial Reporting Standards (IFRSs)

(a) New and/or amended standards and interpretations effective from 1 January 2024:

The following standards, amendments to the existing standards and interpretations issued by the International Accounting Standards Board (IASB) and adopted by the European Union (further – EU) are effective for the current period and were adopted by the Company:

- Amendments to IFRS 16 "Leases": Lease liability in a sale and leaseback (effective for annual periods beginning on or after 1 January 2024).
- Amendments of IAS 1 "Presentation of Financial Statements": Classification of Liabilities as Current and Non-Current Date; Classification of Liabilities as Current and Non-Current – Deferral of the

Effective Date; Non-Current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024);

- Amendments to IAS 7 "Statement of Cash Flows" and IFRS 7 "Financial Instruments": Disclosures: Supplier Finance Arrangements (effective for annual periods beginning on or after 1 January 2024).
- The application of these standards, amendments and interpretations did not have a material impact on the Company's financial statements.

(b) Standards, amendments and interpretations to existing standards issued by IASB, adopted by EU, but not yet effective:

At the date of authorisation of these financial statements, the Company has not early adopted the following new and revised IFRS standards, amendments and interpretations that have been issued but are not yet effective:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (effective for annual periods beginning on or after 1 January 2025).

The management of the Company does not expect that the adoption of these standards, amendments and interpretations listed above will have a material impact on the financial statements of the Company in future periods.

(c) Standards, amendments and interpretations to existing standards that are not yet effective and have not been endorsed by EU:

IFRSs currently endorsed by EU are not significantly different from the standards, endorsed by IASB, except the standards, amendments and interpretations that were not endorsed by EU (the effective dates are applicable to IFRS to full extent). These standards, amendments and interpretations are listed below:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective for annual periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS – Volume 11 (effective for annual periods beginning on or after 1 January 2026).
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (effective for annual periods beginning on or after 1 January 2026).

The management of the Company does not expect that the adoption of these standards, amendments and interpretations listed above will have a material impact on the financial statements of the Company in future periods.

2.14. Management of financial risks and capital

Any type of investment is inseparable from risk. Investments into the Fund involve long-term risk. The main types of risks encountered by the Company in its daily activities include credit risk, operational risk, liquidity risk, and market risk, risk of price fluctuations of securities. Optimal and balanced risk management serves as the basis for effective assurance of the Company's activity stability.

Credit risk. It is a risk of the other party's inability to fulfil its obligations to the Company. The Company applies measures ensure transactions are concluded with trustworthy clients and the amount of transactions does not exceed the credit risk limits at all times. The Company has not issued guarantees for other parties' obligations. Credit risk is insignificant for the Company. The Company's maximum credit risk is equal to all of its financial assets – EUR 188,275,156.

Liquidity risk. It is a risk of incapability to fulfil own payment obligations in time. The Company manages the liquidity risk by reserving sufficient quantity of cash and cash equivalents, securing financing, fulfilment of planned obligations. Before the next financial year, the Company makes the Company's budget for the next year, while necessary amount or cash or cash equivalents needed to cover the Company's liabilities is called by the Company (as investment repayment) from the Fund before the new financial year starts.

The Company seeks to ensure sufficient cash and cash equivalent flows to meet its obligations. The table presents liabilities by payment terms on an undiscounted basis

31 December 2024	Less than 1 year	1 - 2 years	2 - 5 years	Total
Cash and cash equivalents	20 118 450			20 118 450
Financial assets	187 815 781			187 815 781
Trade debts	(2 741)			(2 741)
Bonds and bonds interest	(75 756 203)	(726 072)	(25 686 928)	(102 169 203)
Other current liabilities	(11 469)			(11 469)
Total assets	207 934 231	-	-	207 934 231
Total liabilities	(75 772 694)	(726 072)	(25 686 928)	(102 183 413)
Net risk	132 161 537	(726 072)	(25 686 928)	105 750 817

31 December 2023	Less than 1 year	1 - 2 years	2 - 5 years	Total
Cash and cash equivalents	1 772 664	-	-	1 772 664
Financial assets	198 410 147	-	-	198 410 147
Trade debts	(2 721)	-	-	(2 721)
Bonds and bonds interest	(874 647)	(75 780 455)	(26 413 000)	(103 068 101)
Other current liabilities	(17 703)	-	-	(17 703)
Total assets	200 182 811	-	-	200 182 811
Total liabilities	(895 071)	(75 780 455)	(26 413 000)	(103 088 525)
Net risk	199 287 741	(75 780 455)	(26 413 000)	97 094 286

Market risk. It is a risk of incurring losses by the Company because of fluctuation of market variables. The Company had no financial instruments aimed at managing the risk of interest rate fluctuations, as the Company has no financial instruments with variable interest rate. The Company invests all its financial means available into Limited partnership Pagalbos verslui fondas and EPSO-G Invest UAB. Since all the operations by the Company are in Euro, and open positions of foreign currency are insignificant, the market risk is irrelevant for the Company.

Fair value of financial assets and financial liabilities

Fair value is defined as the amount, for which assets or services can be exchanged or for which mutual obligation between unrelated parties can be offset, which intend to buy or sell assets or offset their mutual obligation. Fair value of financial assets and financial liabilities is based on quoted market prices, models of discounted cash flows, or option price models, whichever the circumstances are. In other words, fair value is a price, at which on the day of valuation the asset would be sold or a liability would be transferred under an orderly transaction concluded between market participants on the main market, and if none exists – on the most favourable market accessible by the Company on the day of valuation. Where applicable, fair value is established according to the published price on the active market, by applying the models of discounted cash flow value and option valuation. When establishing the fair value of assets or liabilities, the Company refers to monitored market data, wherever possible. Fair values are attributed to different levels of fair value according to the variables applied in valuation methods:

- 1st level: prices quoted on the active markets of the same asset or liability (unadjusted).
- 2nd level: other variables, except for the quoted asset or liability prices included into the 1st level, which are monitored directly (i.e., same as prices) or indirectly (i.e., derived from prices).
- 3rd level: asset or liability variables not based on monitored market data (not monitored variables).

Company's investment into the Fund and issued bonds belongs to the 3rd level hierarchy.

If variables used to establish the fair value of an asset or liability can be attributed to different hierarchical levels of the fair value, the hierarchical level of the fair value, to which the total fair value established is attributed, must be determined on the basis of the lowest level variable relevant for establishing the total fair value.

The Company recognises amounts moved between the hierarchical levels of fair value in the end of the reporting period, in which the change took place.

Amortised cost of assets and liabilities recorded in the report on financial position on 31 December 2024 does not differ from the accounting values of assets and liabilities.

Fair value of bonds is established according to the market price of the same or similar bond market or coupon at that time applied for the same term bonds. The Company based its evaluation on the Government's securities coupons. On 31 December 2024, the fair value of the Company's bonds was approximately EUR 0.65 million smaller than the accounted value (31 December 2023 – EUR 3.9 million).

The Fund conducted fair value sensitivity analysis of the bonds and issued loans exposed to changing discount rate. Change of 1% of the discount rate upwards and downwards results in the change of the fair portfolio value accordingly: +2,502 EUR 24 million and EUR – 2,434 million. The Table provides information about the changes in the fair value following the changes in the discount rate by separate types of financial assets.

Financial assets (continued)

Change in the discount rate	-2%	-1,0%	0%	+1%	+2%
Fair value of loans	5 074 467	4 989 944	4 907 341	4 826 608	4 747 696
<i>Change in the fair value of loans</i>	<i>- 167 126</i>	<i>- 82 603</i>	<i>-</i>	<i>80 733</i>	<i>159 645</i>
Fair value of bonds	116 143 564	113 570 581	111 068 060	108 633 721	106 265 373
<i>Change in the fair value of bonds</i>	<i>- 5 075 504</i>	<i>- 2 502 521</i>	<i>-</i>	<i>2 434 339</i>	<i>4 802 687</i>
Fair value of the portfolio	121 050 905	118 477 922	115 975 401	113 541 062	111 172 714
<i>Change in the fair value of the portfolio</i>	<i>- 5 075 504</i>	<i>- 2 502 521</i>	<i>-</i>	<i>2 434 339</i>	<i>4 802 687</i>

Capital management

The key goal of capital management is to ensure the Company sustains its appropriate capital structure, as required by laws (look below).

The Company's capital consists of the authorised capital, share premiums, reserve, and retained earnings. The Company's capital can be financed from shareholder's contributions and liabilities (in this case, by bonds).

The ratio between liabilities and capital (D/E) on 31/12/2024 was 0.930 (31/12/2023 - 1.005).

The Company manages and modifies the structure of its capital considering changes in economic conditions and specific risk of its business. To maintain or modify the capital structure, the Company can issue new shares. According to the Companies Law of the Republic of Lithuania, the equity capital of the Company must account for minimum 50% of its authorised capital. In 2024 and on 31 December 2023, the Company observed the above-mentioned requirement of the law. In case of discrepancies, the management would exert necessary actions stipulated in the Law on Joint Stock Companies of the Republic of Lithuania.

3. NOTES

3.1. Shares of associated companies

Shares of associated companies on 31 December:

	Year ending on 31/12/2024	Year ending on 31/12/2023
UAB „EPSO - G Invest“	459 375	-
Total	459 375	-

The Company's board decided to invest into EPSO-G Invest UAB. The Company acquired 49% of the newly-issued shares of EPSO-G Invest UAB, the emission value of which is EUR 18,375,000. In 2024, EUR 459,375 was paid.

3.2. Financial assets at fair value the change in which is recognised as profit or loss

According to the Members' Agreement of 6 October 2020, including all subsequent amendments and supplements (hereinafter referred to as the Agreement), the Company undertook an obligation to invest up to EUR 250,000,000 (two hundred fifty million Euro) into Limited partnership Pagalbos verslui fondas. The Company's investment obligation includes all transfers under Payment calls and transfer amount may not exceed the investment obligation amount at any time.

The Company invested EUR 7 000 000 into Limited partnership Pagalbos verslui fondas under the call, the money was transferred on 26 November 2020. The above-mentioned investment was revalued in the end of 2020, its value decreased to EUR 2,875,183 and amounted to EUR 4,124,817 on 31 December 2020. During 2021, the amount of EUR 143,000,000 was invested at the payment call into Limited partnership Pagalbos verslui fondas, EUR 11,000,000 was transferred on 22 March 2021, EUR 82,000,000 was transferred on 25 March 2021, EUR 30,000,000 – on 4 October 2021, EUR 20,000,000 – on 6 December 2021. The value of the investment of EUR 143,000,000 was reduced in the end of the year by the amount of EUR 4,860,624 and amounted to EUR 142,264,193 on 31/12/2021. In the period from 1 January 2022 until 31 December 2022, the amount of EUR 50,000,000 was invested into Limited partnership Pagalbos verslui fondas at the payment call, EUR 25,000,000 of which was transferred on 10 March 2022, EUR 25,000,000 – on 8 July 2022. On 28 December 2022, the limited partner's share of EUR 1,000,000 was repaid to the Fund. On 27 December 2023, the limited partner's share of EUR 1,500,000 was repaid to the Fund. On 28 December 2024, the limited partner's share of EUR 20,000,000 was repaid to the Fund.

Despite it is stated in the Company's accounting policy that investments are revalued once a year – in the end of a year, however, following the receipt of unaudited quarterly reports of Limited partnership Pagalbos verslui fondas, because of significant change in the value, it was decided to revalue the investments every quarter, once financial statements are received.

The investment was revaluated for the end of 2024 according to the audited annual financial statements of Limited partnership Pagalbos verslui fondas. Its value increased during the reporting year by EUR 9,405,634 and amounted to EUR 187,815,781 on 31/12/2024.

The Company's has the right to withdraw from the activity of Limited partnership Pagalbos verslui fondas following the rules described in the agreement. When withdrawing, accounts are settled with the Company following the below-mentioned principles: (a) if the Fund is under liquidation, accounts are settled with the Company following the rules laid down in Paragraph 12 of the Agreement – upon sale of the assets, payment of the Fund's taxes and fees, money is transferred; (b) if the Company's rights and duties regarding the Fund are taken over by the other person, the Company's withdrawal conditions (including return of Called liabilities) are discussed in a separate agreement between the Company, full member and taking-over person (new Limited partner); (c) if the Company withdraws from the Fund without transferring its rights and duties to a third party, accounts are settled with the Company regarding the Called liabilities following the rules laid down in Paragraph 12 of the Agreement – assets are sold, Fund's taxes and fees are paid, money is transferred (while Uncalled liabilities of the Company expire).

3.3. Cash and cash equivalents

Cash and equivalents consisted of the following:

	Year ending on 31/12/2024	Year ending on 31/12/2023
Cash at bank	20 118 450	1 772 664
Total	20 118 450	1 772 664

3.4. Authorised capital

According to the Agreement of Association of 7 August 2020, the Shareholders contributed EUR 100,200,000 to form the authorised capital. All shares of the Company are ordinary registered non-material shares, and their number is 10,020,000.

On 17 March 2021, the increase of the authorised capital was registered, and 100,000 ordinary registered non-material shares were additionally issued. On the reporting day, the registered authorised capital of the Company was EUR 101,200,200, consisting of 10,120,000 ordinary registered shares of par value EUR 10 each. All shares were fully paid up.

3.5. Issued bonds

In 2021, 1 series 2 parts of bonds were issued for the total value of EUR 50,000,000 (ISIN code LT0000405664) (the decisions of the Company's Board were adopted on 9 July 2021, No. 25, 15 September 2021, No. 27, 25 November 2021, No. 30 and 31, accordingly).

In 2022, 2 series 1 part bonds were issued for the value of EUR 25,000,000 (ISIN code LT0000406258), (the decisions of the Company's Board were adopted on 1 March 2022, No. 3 and No. 4), and 3 series 1 part bonds – for the value of EUR 25,000,000 (ISIN code LT0000406613) (the decisions of the Company's Board were adopted on 28 June 2022, No. 7, No. 8, and No. 9). No bonds were issued in 2023.

Bond maturity dates: LT0000405664: 25 September 2025; LT0000406258: 8 March 2025; LT0000406613: 30 June 2027. Bonds interest rates: LT0000405664- 0%; LT0000406258 - 0.65 %; LT0000406613- 2.826%. Bonds issue terms and conditions stipulate the Company's right to redeem the Bonds earlier, i.e., one year precisely before the Bonds maturity date. Bonds early redemption dates: LT0000405664: 22 September 2024; LT0000406258: 8 March 2024; LT0000406613: 30 June 2026.

	Year ending on 31/12/2024	Year ending on 31/12/2023
Issued bonds (non-current liabilities)	25 000 000	100 000 000
Bonds issue expenses	(29 151)	(129 181)
Total	24 970 849	99 870 819

	Year ending on 31/12/2024	Year ending on 31/12/2023
Issued bonds (current liabilities)	75 491 205	491 205
Bonds issue expenses	(55 882)	-
Total	75 435 323	491 205

3.6. Amounts payable to employees

Amounts payable on 31 December:

	Year ending on 31/12/2024	Year ending on 31/12/2023
Taxes due	1 557	(2)
Wages payable	2 579	-
Vacation reserve accruals	450	13 386
Other amounts payable to employees	1 000	-
Total	5 586	13 384

3.7. Other amounts payable and accrued expenses

Amounts payable on 31 December:

	Year ending on 31/12/2024	Year ending on 31/12/2023
Remunerations payable to the members of the Board	3 497	2 731
Taxes payable on the remuneration to the members of the Board	1 926	1 587
Short-term trade payables to suppliers	2 741	2 721
Other amounts payables	459	-
Total	8 623	7 040

3.8. Operating expenses

Operating expenses on 31 December consisted:

	Year ending on 31/12/2024	Year ending on 31/12/2023
Wages and related taxes	(135 981)	(98 778)
Expenses of Board members' remuneration	(40 581)	(52 109)
Accounting expenses	(15 536)	(15 536)
Legal assistance expenses	(38 963)	(594)
Consulting expenses	(34 516)	-
Expenses of IT services and licences	(2 810)	-
Audit expenses	(7 260)	(7 260)

Bank fee expenses	(148)	(112)
Other administrative expenses	(13 553)	(8 955)
Total	(289 348)	(183 343)

3.9. Interest expenses

Interest expenses on 31 December consisted:

	Year ending on 31/12/2024	Year ending on 31/12/2023
Bonds interest expenses	(1 001 112)	(995 321)
Total	(1 001 112)	(995 321)

3.10. Change in the value of financial assets accounted at their fair value, a change of which is recognised as profit or (loss).

Increase in the value of financial assets accounted at their fair value, a change of which is recognised as profit or loss, for the year ending on 31 December 2024:

	Year ending on 31/12/2024	Year ending on 31/12/2023
Increase (decrease) in the value of non-current financial assets	9 405 634	19 987 719
Total	9 405 634	19 987 719

3.11. Profit (loss) distribution project

On 31 December 2024, the Company's profit was EUR 8,135,864. The Company's retained earnings as of December 31, 2024 are EUR 6,811,856. It will be proposed to transfer the entire distributable profit of EUR 6,811,856 to the statutory reserve.

3.12. Income tax and deferred income tax

Income tax for the year ending on 31 December:

	Year ending on 31/12/2024	Year ending on 31/12/2023
Taxable income	20 690	
Total expenses:	(1 290 460)	(1 178 664)
Authorised deductions	(1 290 460)	(1 178 664)
Unauthorised deductions	-	5
Profit (loss)	(1 269 770)	(1 178 659)

Recognised deferred income tax asset from transferrable losses	-	-
Unrecognised deferred income tax asset from transferrable losses	203 163	176 799
Income tax	-	-

In 2024, the Company operated at a profit. Income tax is assessed in accordance with the requirements laid down in the Lithuanian tax laws. On 31 December 2024, the standard income tax tariff in Lithuania was 15 per cent (on 31 December 2023 – 15 per cent). Deferred income tax asset is sold, if the Company expects profit generation in the future. In 2020, the recognized income tax asset shown on the balance sheet will be written off in the post-reporting period because it will not be used. During 2021-2024, deferred income tax asset is not recognised as following receipt of dividends by the Company from Limited Partnership Pagalbos Verslui Fondas, the income will be tax exempt. The Company does not expect generation of income from other sources in the future.

3.13. Basic and diluted earnings (loss) per share

Basic earnings (loss) per share are calculated by dividing the net income (loss) of the period by the weighted average of the number of ordinary shares issued during the period concerned. The weighted average of shares in 2024 was 10,120,000 shares.

Earnings (loss) per share:

	2024	2023
	January – December	January – December
Net profit (loss)	8 135 864	18 809 055
Weighted average number of issued ordinary shares	10 120 000	10 120 000
Basic and diluted earnings (loss) per share	0,8039	1,8586

3.14. Transactions with related parties

The key managerial staff of the Company consists of the director general and board members. The Fund is considered as other related parties.

In 2024, the Company had one transaction with an related party: the investment repayment of EUR 20 000 000 was made in December 2024.

Salary for the main managers

	2024	2023
Remunerations and other short-term payments to employees	145 859	92 857
Remunerations to the Board's members	40 581	52 109
Total	186 440	144 966

3.15. Segment information

The company operates in one segment.

3.16. Rights and obligations not disclosed in the Statement of Financial Position

The Republic of Lithuania guaranteed for the bonds issued by the Company up to EUR 150,000,000. The Company acquired 49% of the newly issued shares of EPSO-G Invest UAB, the emission value of which is EUR 18.4 million. A commitment to invest another EUR 52.7 million was undertaken, making the total maximum investment into the project of up to EUR 71.1 million. In 2024, EUR 459,375 was paid.

3.17. Events after the date of the Statement of Financial Position

No events that would impact the present financial reports or should be additionally revealed took place in the period from the end of the financial year till the day of the approval of the present financial statements.

On behalf of Valstybės investicinis kapitalas UAB

Chief Financier

Vaidas Daktariūnas
Managing Director

Inga Čėsniėnė
Authorised person of Nordgain UAB

VALSTYBĖS INVESTICINIS KAPITALAS UAB MANAGEMENT REPORT FOR 2024

Assessment of the compliance of the annual statement of 2024 of the Company with the provisions of the business transparency guidelines of state-managed companies, management code of companies listed by NASDAQ Vilnius AB, and the Law on Financial Statements of Entities or of Groups of Entities (or the Law on State and Municipal Companies) and of other good accountability practices.

DESCRIPTION AND PURPOSES OF THE COMPANY'S ACTIVITIES

General information

Valstybės investicinis kapitalas UAB (hereinafter referred to as the **VIK or the Company**) is a limited liability company registered in the Republic of Lithuania. The Company was registered on 26 August 2020.

The Company is registered at the address: Gedimino ave. 38, Vilnius.

The tax payer's code of the Company – 305611945.

Electronic mail address: info@vika.lt.

Shareholder: The State

Institution representing the state: Ministry of Finance of the RoL

Share owned by the state: 100%

The Company has no branches or representative offices.

Manager's Address

We are a state investment company investing into the Lithuanian economic development and strategic fields through management companies, funds, or other financial instruments. Our purpose is to promote capital and financial markets in attracting institutional investors' funds and investing them in a sustainable manner. Limited partnership Pagalbos verslui fondas and EPSO-G Invest UAB serve as the platforms for investments into economic recovery, defence and security project development.

Based on the thorough analysis of investment opportunities and the approval of the general meeting of shareholders, the Company's Board adopted the decision on 9 December 2024 to invest into an ammunition plant planned to be developed in Lithuania by a Germany-registered defence industry company Rheinmetall AG indirectly, via EPSO-G Invest UAB company founded specifically for this purpose. The Company acquired 49% of the newly issued shares of EPSO-G Invest UAB, the emission value of which is EUR 18.4 million. A commitment to invest another EUR 52.7 million was undertaken, making the total maximum investment into the project of up to EUR 71.1 million.

Valstybės investicinis kapitalas UAB (VIK) was founded to help Lithuanian business to overcome pandemic caused challenges.

The Company made the total investment of EUR 200 million in Limited partnership Pagalbos verslui fondas and the latter amount of the investment was determined by the real demand of Lithuanian businesses.

All bonds of the value of EUR 100 million issued by VIK are listed on the stock exchange of Nasdaq Vilnius AB and can participate in the operations of the monetary policy of the European Central Bank.

Limited partnership Pagalbos verslui fondas finished the period of active investment and VIK is not currently making any investment into Limited partnership Pagalbos verslui fondas. In 2024, the investment of EUR 20 million and in February 2025, the investment of EUR 26 million paid back to the Company (the total investment of EUR 48.5 million returned to VIK).



It must be noted that VIK is fulfilling its obligations to the investors in a proper manner, i.e., in March and June 2024, interest was paid for the issued securities, and on 10 March 2025, the emission of EUR 25 million worth bonds was redeemed according to the emission terms and conditions. In September 2025, the Company still has EUR 50 million of bonds to redeem.

VIK activity description and activity model

The Minister of Finance of the Republic of Lithuania passed the Order No. 1K-371 on 21 November 2024 updating the goals aspired by the government and the expectations for Valstybės investicinis kapitalas UAB.

The activity of the Company will continue focusing on the long-term strengthening and modernisation of the Lithuanian economy. The key goals of the Company remain the same, such as: successful finalisation of participation in the founded Limited partnership Pagalbos verslui fondas, which helped the economy to recover from the COVID-19 pandemic consequences, redemption of the bonds with the state guarantee issued for the latter purpose, further contribution to the Lithuanian capital market development, private capital attraction to important projects and investment into strategically significant fields for the national economy. VIK activity model will be based on earmarked investments pursuing not only financial return but also contributing to achievement of national strategic goals established in the important state documents, such as the National Energy Independence Strategy and National Energy and Climate Plan.

When building the investment portfolio and choosing activity directions, the Company focuses on and prioritises investments that strengthen national defence and security.

Company's investment into strategic defence industry project. In November 2024, the Company received an invitation to consider its potential participation in the implementation of the investment of Germany-registered defence industry company Rheinmetall AG (hereinafter – RhM) into an ammunition plant to be constructed in Lithuania (hereinafter – the Project).

The Government of the Republic of Lithuania adopted the Resolution No. 573 on 10 July 2024 recognising the large-scale project Lithuanian Centre of Excellence for Ammunition as securing urgent needs of the national defence and security. It must be noted that the Project investor is German capital company Rheinmetall AG, while state-controlled companies EPSO-G UAB and Giraitė Ammunition Plant AB, together with VIK, are invited to the Project. VIK must contribute to the Project with its investments and adhere to all the conditions and principles of the Project implementation. The Protocol further stipulates redemption of the investments of Valstybės investicinis kapitalas UAB by Giraitė Ammunition Plant AB upon finalisation of the Project and further assurance of implementation of the obligations stipulated in the Project agreements.

Based on the thorough analysis of investment opportunities and the approval of the general meeting of shareholders, the Company's Board decided to invest into the Project indirectly, via EPSO-G Invest UAB company founded specifically for this purpose.

It must be noted that at the request of the German partners, all investments are made into the capital of a newly founded company to enable capitalisation of the new company to attract borrowed money for potential development and additional investments in the future.

- The Company acquired 49% of the newly issued shares of EPSO-G Invest UAB, the emission value of which is EUR 18,375,000;
- a commitment to make an extra investment of EUR 52,675,000 was made;
- total maximum investment amount into the Project is up to EUR 71,050,000.

Considering the geopolitical situation, investment into defence and security strengthening is among the central interests of the state of the Republic of Lithuania, therefore successful implementation of the Project is an integral part of the Government's strategy of the Republic of Lithuania.

The purpose of the Project is to enhance defence capacities of the Republic of Lithuania and to contribute to regional security by manufacturing 155 mm artillery ammunition. The location of the plant construction is Baisiogala, Radviliškis District. The total preliminary value of the project is from EUR 260 million to EUR 300 million.

Considering the former expectations of the Government from VIK's activity, attraction of funds from private investors, to make adequate preparations for investment into the ammunition plant to be developed in Lithuania, the approved EUR 400 million debt security (hereinafter - DS) programme with the unconditional state guarantee is planned to be updated. Fitch Ratings international rating agency gave the A rating for the above-mentioned programme. Securities of the bond programme when needed are issued in lots. It should be noted that DS distributed by VIK do not certify any rights to objects or commodities that are immovable by nature, or any rights or duties to acquire or transfer such securities.

Valstybės investicinis kapitalas UAB issued DS in total for EUR 100 million during the period of its operation.

All bonds distributed by the company are included into the Debt securities list of Nasdaq Baltics from 3 September 2021. The state guarantee was issued to secure obligations of the bonds.

DS distribution process of VIK is standard and complies with the practice currently applied on the market. VIK contracts legal and financial service providers for DS emission distribution services. Luminor Bank AS Lithuanian Branch, being the organiser of DS distribution, undertook an obligation to act as an intermediary in DS distribution process from its beginning till the end, i.e., undertook an obligation to provide all services related to DS issue and its offer to third parties, including preparation for DS issue, DS issue organisation, DS offer for investors, coordination of DS issue in the process of obtaining an external independent credit rating, etc.

It was agreed in writing that VIK will pay a remuneration to the organiser for intermediation in DS transactions as a per cent from the DS earnings, but only if VIK's DS are successfully distributed. If the organiser fails in distributing VIK DS issue, i.e., providing the main service of intermediation in DS transactions, the organiser will receive no remuneration from VIK.

The main activity of VIK comprises the following:

- management of assets owned by the state that were transferred to VIK;
- financing of legal persons of any form or entities of any other form of activity intended to implement the goals of VIK's activity and/or participation in their activity, including establishment of legal persons of any form or entities of any other activity form;
- issue of bonds;
- attraction of private investments.

On the reporting day, the registered authorised capital of the Company was EUR 101,200,000, consisting of 10,120,000 ordinary registered shares of par value of EUR 10 each.

According to the Agreement of Association of 7 August 2020, the shareholder contributed EUR 100,200,000 to form the authorised capital. All shares of the Company were ordinary registered non-material shares, and their number was 10,020,000.

On 30 December 2020, the amount of EUR 1,000,000 was received from the shareholder for increasing the authorised capital.

On 17 March 2021, the increase of the authorised capital was registered and 100,000 ordinary registered non-material shares were additionally issued.

All shares were fully paid up.

Financial year of the Company coincides with a calendar year.

The Company prepared its financial statements according to the International Financial Reporting Standards (IFRS) applicable in the European Union (hereinafter referred to as the EU).

Description of the activity during the reporting period

On 8 March 2024, the interest of the Securities issue LT0000406258 was paid.

On 1 July 2024, the interest of the Securities issue LT0000406613 was paid.

On 21 November 2024, the Company's shareholder the Ministry of Finance updated the company's articles of association and the goals and expectations aspired by the state from the Company.

On 25 November 2024, the Company's shareholder the Ministry of Finance decided to appoint a new board.

On 13 December 2024, the Company signed the share subscription agreement and the shareholders' agreement of EPSO-G Invest UAB and agreed on participation in the capital of EPSO-G Invest UAB and Rheinmetall Defence Lietuva UAB in order to invest into Rheinmetall Defence Lietuva UAB and to achieve successful development of the artillery ammunition plant construction and ammunition trade business.

On 16 December 2024, the Company made its first payment of EUR 459,375 for the acquired shares of EPSO-G Invest UAB under the EPSO-G Invest UAB shareholders' agreement.

On 20 December 2024, the Company received EUR 20 million from the Fund, as the limited partner's repayment of the investment into the Fund.

Significant events after the end of the financial year

No events that would impact the present financial reports or should be additionally revealed took place in the period from the end of the financial year till the day of the approval of the present financial statements.

On 27 January 2025, the Company's Board appointed Vaidas Daktariūnas to the office of Managing Director of Valstybės investicinis kapitalas UAB from 27 January 2025.

On 25 February 2025, the Company made its second payment of EUR 17,915,625 for the acquired shares of EPSO-G Invest UAB under the EPSO-G Invest UAB shareholders' agreement.

On 25 February 2025, the Company received EUR 26million from the Fund, as the limited partner's repayment of the investment into the Fund.

On 10 March 2025, the Company completed the successful redemption of the bonds emission of EUR 25,000,000, ISIN code LT0000406258, according to the emission terms and conditions. The bonds were issued on 8 March 2022 with 0.65% annual interest rate. All liabilities to investors were completed in time and full extent.

STRATEGY AND ITS IMPLEMENTATION

The strategic directions, mission, vision, and goals of the Company

The main activity goals of VIK include capital market development, attraction of private investments and investment into strategically important fields for the Lithuanian economy. Notwithstanding the Company's ongoing activity related to the assistance to the Lithuanian economy in recovering from the COVID-19 pandemic consequences, in particular, its pursuit of successful finalisation of its participation in Limited partnership Pagalbos verslui fondas (hereinafter – the Fund), and redemption of the bonds issued for the latter purpose with the state guarantee, the focus of its activity is broader and oriented towards long-term strategic needs of the state.

VIK cooperates with private limited liability company Valstybės investicijų valdymo agentūra, and through their jointly established Fund helped the Lithuanian economy to recover from the consequences of the pandemic (COVID-19), by financing the measures helping businesses and developing the capital market from the funds attracted through the state and capital market instruments. For this purpose, if it was needed, VIK would have tried to attract up to EUR 400 million from private investors and invest it.

The updated letter of the Ministry of Finance of the Republic of Lithuania regarding the state (shareholder of VIK) expectations names the strategic investment fields to be prioritised by the Company:

- Strengthening of the defence and security industry;
- Transformation of the Green Deal and Digital Economy;
- Energy decarbonisation and climate neutrality.

Besides, the Company must actively search for opportunities to invest into fields contributing to achievement of the goals and implementation of the objectives set in the National Energy Independence Strategy, National Energy and Climate Plan, and other strategic documents of the government.

It must be noted that the specific purpose of the activity of VIK determines definition of the mission, strategy and vision of VIK in the letter of shareholder's expectations rather than in separate documents and coincides with the established purposes of activity of VIK.

Coherence

The Company's position is to ensure maximum reflection of the matters of coherence and sustainability in daily activities. The activity specifics of the Company determine the fact that the company has not acquired any property, does not rent or uses the company's office, vehicles, or other equipment on any other grounds, and has no other direct expenses that would affect the environment, therefore, conducting an analysis of the main environmental, social and economic effects is inexpedient. Furthermore, the company promotes and aspires compliance of green procurements through public procurements carried out via CPO LT.

Information on the Company's research and development activities

The Company has not carried out any research and development activities.

Business plans and forecasts of the Company

The Company plans to proceed with the activity oriented to financing of important projects for the Lithuanian economy, capital market development, and financial stability assurance. Based on the achievements and considering the dynamic economic and geopolitical environment, the Company plans the following main business directions and forecasts for the future periods.

- Successful stage of Pagalbos verslui fondas and further development of the capital market

The Company participates as a successful partner of limited partnership Pagalbos verslui fondas, into which the Company invested EUR 200 million. The stage was equally financed from the authorised capital of the Company and bond emissions with the state guarantee. Upon completion of this stage, the Company will continue its active participation on the capital market, enhancing trust among institutional investors, increasing its awareness and issuing new bond emissions to finance strategic goals.

- Preparation for financing defence projects

To ensure smooth financing of the strategic investment into the ammunition plant, the Company renews the medium-term bond programme of EUR 400 million.

Bond emission of EUR 25-50 million is planned for autumn 2025, earmarked for the Rheinmetall Defence Lietuva project. The latter emission will not exceed the state guarantee limit of EUR 54,5 million for defence projects in 2025 established for the Company (out of the total borrowing limit of EUR 89,5 million). It should be noted that the Company's investment in the share capital of Rheinmetall Defence Lietuva and the construction of the artillery ammunition plant may result in a financial loss until the full-scale production operation. Financing defence projects through the issuance of bonds will require 3-4 years of interest costs until the planned dividends start to be paid.

- Investment into energy transformation

In 2025, the borrowing limit of EUR 35 million was established for the Company for financing investment projects in the field of Renewable energy resources (out of the total limit of EUR 89,5 million). It must be noted that state guarantee would not be granted for attracting the latter funds.

- Maintaining financial stability and market position

The strategic goal of the Company is to sustain the high credit rating of A granted by international rating agency Fitch Ratings to the bond programme. The rating linked to the rating of the Republic of Lithuania because of the state guarantee plays an important role in attracting investors under favourable conditions. The Company will continue cooperating with the rating agency and observe strict financial discipline.

Compliance of the achieved operating results with the set targets

In 2024, the Company successfully paid interests for bonds, the set targets were reached.

Considering the national security and defence needs and geopolitical situation, the Company made a significant step by joining the efforts to strengthen the Lithuanian defence industry. With the shareholders' approval, the decision was made to invest indirectly, through specially founded EPSO-G Invest UAB, into an artillery ammunition plant planned to be constructed in Lithuania by German company Rheinmetall AG. The project is expected not only to enhance the Lithuanian defence capacities but also to generate financial return. Dividend payment is planned from 2030.

ANALYSIS OF FINANCIAL AND PERFORMANCE RESULTS

Income

In 2024 and 2023, the Company had no sales. The construction of the activity model of the Company is such that apart from receipt of investments with return the Company plans no additional incomes in the nearest future.

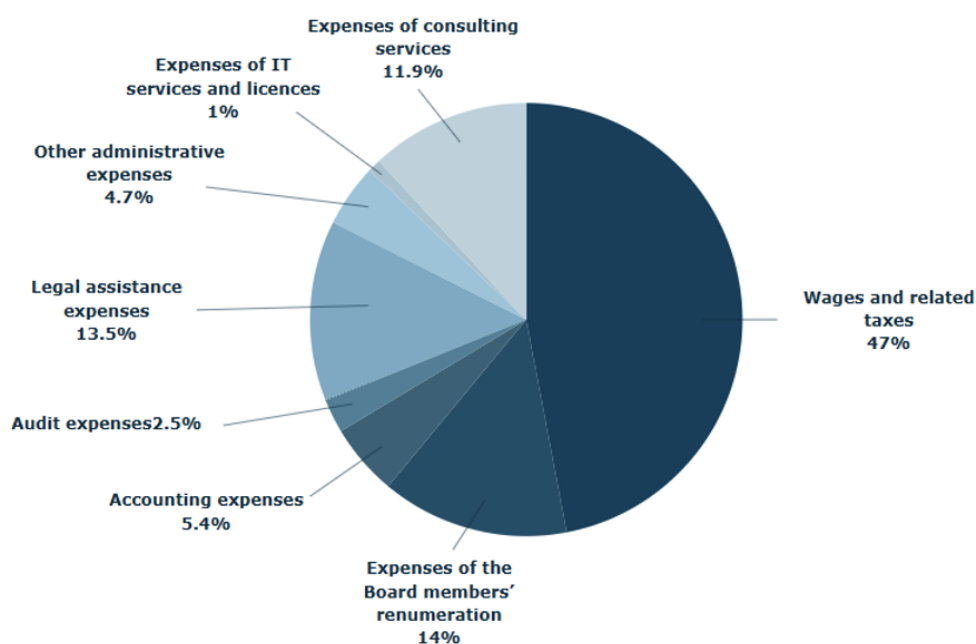
Expenses

The Company's operating expenses, other expenses and interest expenses on 31 December 2024 were EUR 1,290,460. In 2024, the increase in the value of the Investment into Limited partnership Pagalbos verslui fondas was made – EUR 9,405,634 according to the audited financial statements of Limited partnership Pagalbos verslui fondas.

It is stated in the financial statements of Limited partnership Pagalbos verslui fondas that when estimating the positions of the investment portfolio at the fair value, the data of individual credit risk assessment of appropriate segments of financial markets and internal companies were observed.

Structure of the operating expenses in 2024

Picture 1. Structure of the operating expenses in 2024



Wages and related expenses account for the major share of the operating expenses in 2024.

Increase in operating expenses is observed in 2024, which is mainly impacted by the rise in salary and related labour expenses.

Table 2. Groups of the Company's expenses and their change

	2024	2023	Change %
Operating and other expenses	(289 348)	(183 343)	58%

Activity result of the Company

The net profit of the Company in 2024 was EUR 8,136 million (in 2023 the Company's net profit was EUR 18,809 million). The main reason for the net profit decrease was smaller rise in the value of the non-current financial assets than in the previous reporting period.

Profit (loss) per one share

Ordinary income (loss) per share is calculated by dividing the net income (loss) of the period by the weighted average of the number of ordinary shares issued during the period concerned. The weighted average of shares in 2024 was 10,120,000 shares.

Income (loss) per share:

	2024	2023
Net profit (loss)	8 135 864	18 809 055
Weighted average of issued ordinary shares	10 120 000	10 120 000
Ordinary income (loss) per share	0,804	1,859

Table 3 Balance groups of the Company and their changes

Balance sheet analysis	31/12/2024	31/12/2023	Change in EUR	Change %
Non-current assets	188 280 085	198 442 286	-10 162 201	-5%
Current assets	20 152 153	1 816 155	18 335 998	1010%
TOTAL ASSETS	208 432 238	200 258 441	8 173 797	4%
Total equity	108 011 856	99 875 993	8 135 863	8%
Fixed liabilities	99 932 190	99 870 819	61 371	0%
Current liabilities	488 192	511 629	-23 437	-5%
TOTAL LIABILITIES	100 420 382	100 382 448	37 934	0%

Minor decrease in the value of the non-currents assets and increase in the current assets are observed in 2024, caused by the repayment of the investments of EUR 20,000,000 on 20/12/2024.

On 31 December 2024, the Company had EUR 20,118,450 on its bank account.

During 2024, the Company acquired the shares of EPSO-G UAB for EUR 459,375, which were accounted in the balance sheet of 2024 at their acquisition cost.

Table 4 Main financial indicators of the Company

Main financial indicators	31/12/2024	31/12/2023
Income	-	-
Operating expenses (-)	(1 290 460)	(1 178 664)
Other incomes from financial activities	20 690	
Financial assets at fair value the change in which is recognised in profit or loss	9 405 634	19 987 719
Net profit (loss)	8 135 864	18 809 055
Liquidity indicators		
Current ratio	41,28	3,55
Critical liquidity ratio	41,28	3,55
Absolute cash liquidity ratio	41,21	3,46
Working capital	19 663 961	1 304 526
Profitability ratios		
Net profit ratio	-	-
Asset turnover ratio	-	-
Return on assets ROA %	3.98%	9.86%
Return on equity ROE %	7.83%	20.79%
Debt-to-equity ratio	92.97%	100.51%

All financial data provided in this report were calculated according to the International Financial Reporting Standards (IFRS), adopted for application in the EU, unless otherwise stated.

Income tax

Income tax is assessed in accordance with the requirements laid down in the Lithuanian tax laws. On 31 December 2024, the standard income tax tariff in Lithuania was 15 per cent. Deferred income tax asset is sold, if the Company expects profit generation in the future. Deferred income tax assets of 31 December 2024 is not recognised. On 31 December 2023, deferred income tax asset is not recognised as following receipt of dividends by the Company from Limited Partnership Pagalbos verslui fondas, the income will be tax exempt.

The net result of the Company in 2024 was profit of EUR 8,135,864. the retained profit of the Company on 31 December 2024 was EUR 6,811,856. The total distributable profit of EUR 6,811,856 will be suggested to be transferred to the required reserve.

RISK FACTORS

Key risk factors and their management policy

The Company's activity must comply with Commission Decision No. C(2020) 3534 (final) of 26 May 2020 'State Aid SA.57008(2020/N) – Lithuania COVID-19: Aid Fund for Business' (as subsequently amended and supplemented) (hereinafter referred to as the Aid Scheme) and the provisions of the Description of Activities of the Measure 'Aid Fund for Business' approved by the Minister of the Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic of Lithuania (as subsequently amended and supplemented). Such specifics of the activity of the Company determines limited need for risk management policy. On the other hand, general risk management controls are implemented in the company.

Credit risk. It is a risk of the other party's inability to fulfil its obligations to the Company. The Company applies measures ensure transactions are concluded with trustworthy clients and the amount of transactions does not exceed the credit risk limits at all times. The Company has not issued guarantees

for other parties' obligations. The company encounters the risk of the other party's inability to fulfil its obligations to the Company.

Liquidity risk. It is a risk of incapability to fulfil own payment obligations in time. The Company manages the liquidity risk by reserving sufficient quantity of cash and cash equivalents, securing financing, fulfilment of planned obligations.

Market risk. It is a risk of incurring losses by the Company because of fluctuation of market variables. The Company had no financial instruments aimed at managing the risk of interest rate fluctuations, as the Company has no financial instruments with variable interest rate. The Company invests all its financial means available into Limited partnership Pagalbos verslui fondas and EPSO-G Invest UAB. Since all the operations by the Company are in Euro, and open positions of foreign currency are insignificant, the market risk is irrelevant for the Company.

INVESTMENT PROJECTS

Main investment projects under implementation and implemented.

During 2020, the Company invested EUR 7 million into Limited partnership Pagalbos verslui fondas at the call.

During 2021, the Company invested EUR 143 000 000 into Limited partnership Pagalbos verslui fondas at the calls.

During 2022, the Company invested EUR 50 000 000 into Limited partnership Pagalbos verslui fondas at the calls.

According to the Members' Agreement of 6 October 2020, including all subsequent amendments and supplements, the Company invested EUR 200,000,000 in total into Limited partnership Pagalbos verslui fondas.

On 16 December 2024, the Company made its first payment of EUR 459,375 for the acquired shares of EPSO-G Invest UAB under the EPSO-G Invest UAB shareholders' agreement.

On 25 February 2025, the Company made its second payment of EUR 17,915,625 for the acquired shares of EPSO-G Invest UAB under the EPSO-G Invest UAB shareholders' agreement.

The Company acquired 49% of the newly issued shares of EPSO-G Invest UAB in total, and the limit for the total maximum investment amount into the project is EUR 71,1 million,

Planned investment projects

According to the updated programme of EUR 400 million, the Company plans issuing bonds to attract additional funds, should the Company assume additional obligations. The Company is analysing potential financing of other important projects.

Investment policy

The specifics of the Company's activity determine limited need for investment policy. The Company's activity is based on the Commission Decision No. C(2020) 3534 (final) of 26 May 2020 'State Aid SA.57008(2020/N) – Lithuania COVID-19: Aid Fund for Business' (as subsequently amended and supplemented) (hereinafter referred to as the Aid Scheme) and the provisions of the Description of Activities of the Measure 'Aid Fund for Business' approved by the Minister of the Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic of Lithuania (as subsequently amended and supplemented)

On 8 December 2022, the board adopted the decision (minutes No. 12 of the meeting) approving the policy of investment of free funds into Limited liability company Valstybės investicinis kapitalas. It established the possibility of investing free funds of the Company into the following financial instruments:

- Term deposits in the banks of the European Union Member States, Switzerland, and European Economic Area Member States or their branches, including in the Bank of Lithuania;
- Government's debt securities;
- Debt securities of commercial banks;
- Investment units of investment funds of money market

The purpose of the Company's investments according to the policy of investment of free funds is temporary investment of free funds of the Company until the need for their use in implementation of the Company's projects or repayment to the owners of the bonds issued by the Company, shareholders or creditors of the Company arises; and when implementing the latter purpose, free funds of the Company must be invested according to the following sequence of priorities:

- Security of investments – the priority goal of investment is to ensure security of invested money, i.e., guarantee that a part of invested money would always be recovered.
- Liquidity assurance – money must be managed to provide the Company with a possibility to carry out its usual activity and fulfil its obligations.
- Maximisation of the return on investments – money must be managed to ensure receipt of maximum possible return on investment following the principles for assurance of investment security and liquidity.

The Company has not made any investment according to the policy of investment of free funds in 2024.

MANAGEMENT STRUCTURE, MANAGEMENT AND SUPERVISION BODIES OF THE COMPANY

Main shareholders of the Company, their rights

The Government of the Republic of Lithuania adopted the resolution on 13 April 2022 to transfer all 10,120,000 ordinary registered non-material shares owned by the state and managed by trust by the Ministry of the Economy and Innovation of the Republic of Lithuania, which grant 100% votes at the general meeting of shareholders of VIK, to the Ministry of Finance of the Republic of Lithuania to manage, use and dispose by trust. The Company has not acquired and does not hold any shares of its own.

The rights and duties of the shareholders of VIK are established by the Joint Stock Companies Law and other laws of the Republic of Lithuania.

Rights granted by VIK's shares are exercised following the procedure established by the Joint Stock Companies Law, other laws, and legal acts, and Articles of Association of the Company.

On 31 December 2024, 100% of the Company's authorised capital was owned by the Republic of Lithuania, company code 111105555.

Governing bodies of the Company (structure)

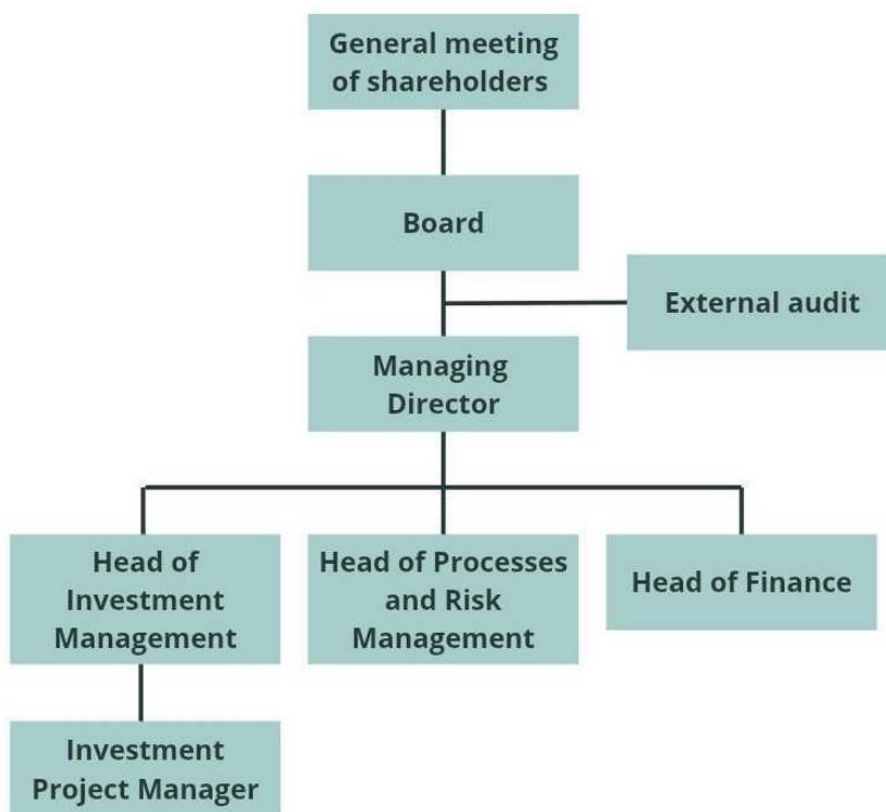
VIK has the following governing bodies:

- general meeting of shareholders
- board - collegial governing body of the company;
- head of the company – Managing Director – one-person governing body of the company;
- no supervisory board is formed in the company.

The management of the Company consists of the Managing Director and board members. Parties recognised related to the Company include shareholders, Board members, their family members and companies having direct or indirect (via intermediary) control of the Company or under control separately or together with the other party, which is recognised as related party, provided that the latter relationship entitles one of the parties to control the other party or make significant impact on the other party when making financial and management decisions.

The Company has its management structures and jobs approved, and updated on November 2024 (see Picture 2 below).

Picture 2. Management structure of the Company



General meeting of shareholders and its activity

Competences of the general meeting of shareholders, the procedure of its convocation, decision-making are the same as established in the Joint Stock Companies Law, except for the cases stipulated in Article 23 of the Articles of Association. If all shares of VIK are owned by the same person, his/her written resolutions are equivalent to resolutions of the general meeting of shareholders. The general meeting of shareholders has the following additional competence:

- To establish the remuneration for board and committee (if any) members for work following the procedure applicable in the board and appropriate committees:
- to adopt decisions on signing agreements with members of the board and committees (if any) and establishment of their conditions, including the maximum remuneration for members and chair of the board and appropriate committees;
- to set the goals for the board and audit committee (if any) and the procedure of accountability for their performance to the general meeting of shareholders.

Rights of the general meeting of shareholders are exercised by and the manager of all VIK shares is the Ministry of Finance. The general meeting of shareholders discussed and adopted the decisions on election of audit company for 2024-2025, approval of the collection of financial statements, and profit (loss) distribution, amendment to the articles of association, board appointment.

The Board of the Company and its activity

Members of the Board are elected by the general meeting of shareholders for 4 years. The procedure of election and recall of the Board and its individual members coincides with the procedure established in the Joint Stock Companies Law. The Board consists of 3 members, two of whom are independent members. Competences and decision-making procedure of the Board are the same as established in the Joint Stock Companies Law.

The Board also has the following additional competence:

- to consider and approve the policy of investment of temporary free funds,
- to give approval to VIK's head to conclude a transaction of the value over EUR 50,000 (fifty thousand Euro), excluding VAT,
- to consider and adopt decisions on implementation of appropriate resolutions of the general meeting of shareholders;
- to consider and adopt decision on the issue of VIK's bonds, as stipulated in Article 55(4) of the Joint Stock Companies Law,
- to establish indicators applicable to assessment of the performance of VIK's head and their planned values, which determine the variable value of monthly salary of VIK's head.

No committees have been formed in the Company. Performance of the Audit committee's functions stipulated in legal acts is delegated to the Board.

Independent Board members are elected through public competition in accordance with the provisions of the Description of recruitment to collegial supervisory or governing body of state or municipal enterprise, state- or municipality-controlled company or its affiliate approved by the Resolution No. 631 of the Government of the Republic of Lithuania of 17 June 2015, a candidate to the office of representatives of the Ministry of Finance – through public recruitment. Board members must meet the general, special, and if applicable, independence requirements established by the Law on the Management, Use and Disposal of State and Municipal Assets.

Candidates are appointed as Board members, upon review of the information about the candidates to the Board members' offices established by legal acts provided by the Special Investigation Service. In case of resignation or recall of a member of the Board, a new Board member is elected till the end of the current term of office following the same procedure as for the new board. During the reporting period, the Board of the Company was formed (elected) by the Decision No. 1K-375 of the Minister of Finance of 25 November 2024.

Board of Valstybės investicinis kapitalas, UAB	
Jolanta Diaukštienė	Chair, independent member. Head of HR of the law firm Norkus & Partners COBALT, legal entity code 305964660.
Mindaugas Kekys	Independent member. Head of Finance and Asset Management Group, AB Via Lietuva, legal entity code 188710638
Edmundas Kiškis	Board member representing the Ministry of Finance. Head of the Borrowing and Investment Division of State Treasury Department, legal entity code 288601650.
Šarūnas Ruzgys	Chair, independent member (until 26/08/2024). Head of Administration and Chairman of the Board, Finora Bank, UAB, legal entity code 305156796
Jonas Bložė	Independent member (until 26/08/2024). Partner, Attorney-at-law, law firm ZETA LAW, legal entity code 300085249.
Marius Alubeckas	Board member representing the Ministry of Finance (until 26/08/2024). Chief Specialist of the Financial Instruments Division of Investment Department, legal entity code 288601650.

Description of the Board's activity during the reporting period

The Company's Board held 10 meetings during 2024. The meetings were actively attended by the Board members, where they adopted decisions regarding investment matters, Company's organisational

matters, operational budget and other operational matters of the Company. One member of the Board withdrew from one meeting of the Board because of a potential conflict of interests. Detailed information about participation of the Board members in the meetings is provided in the Table.

Table 5. Statistics of the Board's meetings

	Live and remote, number	Written procedure, number	TOTAL, number
Jolanta Diaukštienė (Chair, independent member)	5	0	5
Mindaugas Kekys (independent member)	6	0	6
Edmundas Kiškis (Board member representing the Ministry of Finance)	6	0	6
Šarūnas Ruzgys (Chair, independent member)	3	1	4
Jonas Bložė (independent member)	3	1	4
Marius Alubeckas (Board member representing the Ministry of Finance)	3	1	4

The Board adopted the following most important decisions:

Board's meeting minutes No. 1 of 14 February 2024.

At the above-mentioned meeting, the Board decided to approve the activity purposes of the Head of the Company for 2024 and the Company's budget for 2024, and the variable remuneration component of the Head of the Company for 2023.

Board's meeting minutes No. 2 of 29 March 2024.

At the above-mentioned meeting, the Board decided to approve the sequence of submitted offers regarding the issue of the Company's debt securities, by inviting the bank at the top of the list to sign an agreement.

Board's resolution No. 3 of 9 April 2024.

The Board adopted the above-mentioned resolution approving the management report for 2023 and submitting the management report for 2023 to the sole shareholder of the Company for familiarisation and the financial statements for 2023, prepared according to the International Financial Accounting Standards applicable in the European Union, together with the independent auditor's report and profit (loss) distribution draft for approval.

On 26 July 2024, the Board adopted the resolution No. 4 approving the amendments to the agreements of the members and activity signed on 6 October 2020 regarding the activity of Limited partnership Pagalbos verslui fondas and between the Company and Valstybės investicijų valdymo agentūra UAB (code 305612545).

Board's meeting minutes No. 5 of 26 November 2024.

The decision was adopted at the meeting to elect Jolanta Diaukštienė as the chair of the Board of Valstybės investicijų valdymo agentūra UAB.

Board's meeting minutes No. 6 of 29 November 2024.

The Board decided to update the governing structure and employees' positions of Valstybės investicijų valdymo agentūra UAB at the meeting.

Board's meeting minutes No. 7 of 5 December 2024.

The Board decided to recall Managing Director of Valstybės investicijų valdymo agentūra UAB Robertas Vyšniauskas from 6 December 2024.

Board's meeting minutes No. 8 of 5 December 2024.

At the meeting, the Board decided to appoint Vaidas Daktariūnas to the office of Acting Managing Director of Valstybės investicijų valdymo agentūra UAB from 7 December 2024.

Board's meeting minutes No. 13 of 11 December 2024.

At the meeting, it was decided to approve EPSO-G Invest UAB share subscription agreement, shareholders' agreement and to assign the Director of the Company to draft and sign the above-mentioned agreements.

Head of the Company, his/her qualification, other held positions and salary

The year 2024 faced changes in the Company's management. From 7 December 2024, Vaidas Daktariūnas was appointed as Acting Managing Director of the Company.

The new head has 15 years' experience in the field of incentive financing. His competences include development and implementation of financial instruments, project financing in the sectors of renewable energy resources, energy efficiency, agriculture, digital transformation and strategic project management. He actively participated in the Scale Up initiative of the European Bank of Investment and the European Commission as an expert contributing to enhancement of financial instruments intended for investing into energy efficiency and renewable energy.

His previous professional experience embraces various positions in the National Development Bank, LTG Digital at Information Technology Centre of LTG Group, National promotional institutions. Currently, Vaidas Daktariūnas is the Director of non-profit organization VŠĮ "Vienetai ir dvejetai", legal entity code 301693667.

The office of the Managing Director was held by Robertas Vyšniauskas until 6 December 2024.

Robertas Vyšniauskas now is an independent Board member (chair of the Board) and a member of the Audit Committee of EPSO-G, UAB and Vilniaus vystymo kompanija, UAB, independent member of the supervisory board (chair of the supervisory board) and a member of the Audit and Remuneration and Appointment Committees of KN Energies AB.

Gross salary of the Managing Director for 2024 and compensation for unused vacation and severance compensation amount to EUR 95 861,03. The variable remuneration component for 2023 amounted to EUR 22,139.50, for 2024 – EUR 22,373.11.

The gross salary for the new Managing Director for 2024 was EUR 4,485.12.

DIVIDENDS POLICY

The Company has not paid dividends. The letter of expectations of VIK's shareholder sets forth the goal for the company's activity to be non-detrimental (ROE>0). The return on equity (ROE) of the Company must be positive at the end of the investment cycle and return of all investments, while the interim target must be positive cash flow.

The procedure of payment of dividends and profit contributions applicable to the Company is regulated by the Resolution of the Government of the Republic of Lithuania No. 665 of 6 June 2012 On the approval of the description of the procedure of exercising property and non-property rights by the state in state-owned companies.

AUDIT

Auditor of annual financial statements

Audit is conducted on the basis of the Agreement on public procurement of services with ROSK consulting UAB signed on 6 March 2025, No. 20250306-1.

Signing of the Agreement from the Company's signed was represented by Managing Director Vaidas Daktariūnas.

Audit remuneration for 2024 and 2025 is EUR 15,000 (excl. VAT).

Object of procurement – inspection of the yearly financial statements of Valstybės investicinis kapitalas UAB prepared following the International Financial Reporting Standards adopted for application in the European Union (IFRS), of the audit conducted according to the International Auditing Standards (IAS),

and of the annual report for 2024 and 2025, and expression of the opinion, if the financial data contained in the annual report coincide with the data of the audited annual financial statements.

INFORMATION ABOUT AFFILIATES (ASSOCIATED COMPANIES)

The Company is related to the following companies:

- **Limited partnership Pagalbos verslui fondas. Status of the company:** Limited partnership.

About the Fund: The Fund was founded by implementing the European Commission's Decision No. C(2020) State Aid SA.57008(2020/N) – Lithuania COVID-19: Aid Fund for Business'. The government invests into this fund through Valstybės investicinis kapitalas UAB. According to the Resolution No. 512 of the Government of 6 May 2020, the fund is managed by Valstybės investicijų valdymo agentūra UAB (VIVA).

- **EPSO-G Invest UAB. Status of the company:** Shareholder.

About the Company: The only purpose of the activity of EPSO-G Invest UAB is investment into Rheinmetall Defence Lietuva UAB and management of the above-mentioned investment.

INFORMATION ABOUT ADHERENCE TO THE TRANSPARENCY GUIDELINES AND THE CODE OF MANAGEMENT

VIK adheres to the Resolution No. 1052 of the Government of the Republic of Lithuania of 14 July 2010 'On approval of the description of the guidelines for assurance of activity transparency of state-controlled companies' (hereinafter referred to as the Transparency Guidelines). VIK prepared the disclosure of adherence to the requirements and recommendations laid down in the Transparency Guidelines, which is enclosed as annex to this management report.

Implementation of the Transparency Guidelines is essentially ensured through information disclosed in the management report, information publication on the websites <https://www.vika.lt/> and <https://nasdaqbaltic.com/>, to provide interest holders with information in accessible and comprehensible form. Considering that the Company's activities are specific, and it employed one employee during the reporting period, the Company complies with all applicable legal requirements and fundamental ethical principles related to the prevention of corruption and bribery. The Company adheres to a zero-tolerance policy regarding any manifestations of corruption and bribery. When analysing non-financial performance results, we confirm that any direct or indirect offering, promising, or giving of bribes is strictly prohibited within the Company's activities. Emphasis is particularly placed on the prohibition against bribing foreign officials, should the need arise in the Company's activities to conclude international business transactions. Although due to the Company's size and the nature of its activities there is no need to implement complex internal control systems, compliance with these principles is ensured through direct management control, the responsibility of the CEO, and the obligation to act in accordance with laws and the highest ethical standards. The Company's commitment to transparency is also reflected in the disclosure of its adherence to the Transparency Guidelines.

INFORMATION ON REMUNERATION

On 31 December 2024 and on 31 December 2023, the average yearly number of the Company's employees was 1. The yearly wage bill in 2024 consisted of EUR 100,346.51 fixed and EUR 44,512.61 variable component; In 2023: EUR 73,798.34 fixed and EUR 19,058.70 variable component.

The average monthly salary (gross) of the employees by the position held (excluding variable part, severance compensation and unpaid vacation compensation):

Managing Director

2024 - EUR 6,214.75.

2023 - EUR 6,149.86.

2022 - EUR 5,294.08.

Policy of remuneration of the Company's head. On 8 December 2022, the board adopted the decision (minutes No. 12 of the meeting) approving the policy of remuneration of Limited liability company Valstybės investicinis kapitalas. The following is established in it:

- Remuneration of the Company's employee consists of the fixed part of remuneration and variable part. The fixed part of remuneration is reviewed on a yearly basis, considering the trends on the labour market.
- The fixed monthly part of the salary of the Company's head is established by the board's decision. Variable component of the monthly salary by the board's decision can be established in per cent for the financial year or quarter, having assessed the fulfilment of the tasks of the employee and achievement of the Company's performance assessment indicators for establishment of the variable part of the employee's monthly salary for previous financial year or previous quarter, accordingly.
- Monthly variable part of the remuneration of the Company's head may not exceed 50% of the monthly fixed amount of remuneration established for the head.
- When calculating the average salary of an employee, the variable part of salary is added to the period, for which it was calculated, disregarding the date of estimation and disbursement.

Factual remuneration of the Board's members during the current year

On 25 November 2024, the Minister of Finance of the Republic of Lithuania passed the Order No. 1K-375 On Formation of the Board of Valstybės investicinis kapitalas UAB, in which the salary for the members of the newly appointed Board is established. Salary for Board's members is established according to the signed Agreements on Board members' activity between the Managing Director representing the Company and Board members.

Monthly salary of the members of the Company's Board of the first term of office: (i) for an independent member of the Board – 1/4 of the average monthly salary of the head of the Company in 2021, i.e., EUR 1,524.22 (one thousand five hundred twenty four Euro 22 cent) before taxes; (ii) for a civil servant holding the position of a member of the Company's Board – 1/8 of the average monthly salary of the head of the Company in 2021, i.e., EUR 762.11 (seven hundred sixty two Euro 11 cent) before taxes; (ii) for the chair of the Company's Board – 1/3 of the average monthly salary of the head of the Company in 2021, i.e., EUR 2,032.29 (two thousand thirty two Euro and 29 cent) before taxes is fixed from 5 August 2022.

The salary for the Board members of the new term of office fixed according to the Order of the Minister of Finance No. 1K-375 is as follows: (i) for an independent member of the Board – 1/4 of the average monthly salary of the head of the Company in 2023, i.e., EUR 1,935.40 (one thousand nine hundred thirty five Euro 40 cent) before taxes; (ii) for a civil servant holding the position of a member of the Company's Board – 1/8 of the average monthly salary of the head of the Company in 2023, i.e., EUR 967.70 (nine hundred sixty seven Euro 70 cent) before taxes; (ii) for the chair of the Company's Board – 1/3 of the average monthly salary of the head of the Company in 2023, i.e., EUR 2 580.54 (two thousand five hundred eighty Euro and 54 cent) before taxes.

Estimated salary to the Board members of the Company for 2024 was EUR 40,580.92.

ANNEX I TO THE MANAGEMENT REPORT

Provisions of the code of management of companies listed on Nasdaq Vilnius approved by the Board of Nasdaq Vilnius AB at the meeting on 15 January 2019 (Minutes No. 19-63), and information about (non)-compliance with them in VIK's activities.

PRINCIPLES/RECOMMENDATIONS	Yes/No/Irrelevant	Explanations:
1. PRINCIPLE: GENERAL MEETING OF SHAREHOLDERS, EQUITABLE TREATMENT OF SHAREHOLDERS, AND SHAREHOLDERS' RIGHTS The corporate governance framework should ensure the equitable treatment of all shareholders. The corporate governance framework should protect the rights of shareholders.		
1.1. All shareholders should be provided with equal opportunity to access the information and/or documents established and to participate in the decision-making process where significant corporate matters are discussed.	Irrelevant	Irrelevant at the moment, as all shares are owned by a single shareholder – the state of the Republic of Lithuania.
1.2. It is recommended that the company's capital should consist only of the shares that grant the same rights to voting, ownership, dividend and other rights to all of their holders.	Yes	
1.3. It is recommended that investors should have access to the information concerning the rights attached to the shares of the new issue or those issued earlier in advance, i.e. before they purchase shares.	Irrelevant	No new share distribution for new shareholders / investors is in progress or planned.
1.4. Exclusive transactions that are particularly important to the company, such as transfer of all or almost all assets of the company which in principle would mean the transfer of the company, should be subject to approval of the general meeting of shareholders.	Yes	
1.5. Procedures for convening and conducting a general meeting of shareholders should provide shareholders with equal opportunities to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The chosen venue, date and time of the general meeting of shareholders should not prevent active participation of shareholders at the general meeting. In the notice of the general meeting of shareholders being convened, the company should specify the last day on which the proposed draft decisions should be submitted at the latest.	Yes	
1.6. With a view to ensure the right of shareholders living abroad to access the information, it is recommended, where possible, that documents prepared for the general meeting of shareholders in advance should be announced publicly not only in Lithuanian language but also in English and/or other foreign languages in advance. It is recommended that the minutes of the general meeting of shareholders	Irrelevant	Irrelevant at the moment, as all shares are owned by a single shareholder – the state of the Republic of Lithuania.

after the signing thereof and/or adopted decisions should be made available publicly not only in Lithuanian language but also in English and/or other foreign languages. It is recommended that this information should be placed on the website of the company. Such documents may be published to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.		
1.7. Shareholders who are entitled to vote should be furnished with the opportunity to vote at the general meeting of shareholders both in person and in absentia. Shareholders should not be prevented from voting in writing in advance by completing the general voting ballot.	Irrelevant	Irrelevant at the moment, as all shares are owned by a single shareholder – the state of the Republic of Lithuania.
1.8. With a view to increasing the shareholders' opportunities to participate effectively at general meetings of shareholders, it is recommended that companies should apply modern technologies on a wider scale and thus provide shareholders with the conditions to participate and vote in general meetings of shareholders via electronic means of communication. In such cases the security of transmitted information must be ensured and it must be possible to identify the participating and voting person.	Irrelevant	Irrelevant at the moment, as all shares are owned by a single shareholder – the state of the Republic of Lithuania.
1.9. It is recommended that the notice on the draft decisions of the general meeting of shareholders being convened should specify new candidatures of members of the collegial body, their proposed remuneration and the proposed audit company if these issues are included into the agenda of the general meeting of shareholders. Where it is proposed to elect a new member of the collegial body, it is recommended that the information about his/her educational background, work experience and other managerial positions held (or proposed) should be provided.	Irrelevant	Irrelevant at the moment, as all shares are owned by a single shareholder – the state of the Republic of Lithuania.
1.10. Members of the company's collegial management body, heads of the administration or other competent persons related to the company who can provide information related to the agenda of the general meeting of shareholders should take part in the general meeting of shareholders. Proposed candidates to member of the collegial body should also participate in the general meeting of shareholders in case the election of new members is included into the agenda of the general meeting of shareholders.	Yes	
2. PRINCIPLE: SUPERVISORY BOARD		
2.1. FUNCTIONS AND LIABILITY OF THE SUPERVISORY BOARD		
The supervisory board of the company should ensure representation of the interests of the company and its shareholders, accountability of this body to the shareholders and objective monitoring of the company's operations and its management bodies as well as constantly provide recommendations to the management bodies of the company. The supervisory board should ensure the integrity and transparency of the company's financial accounting and control system.		
2.1.1. Members of the supervisory board should act in good faith, with care and responsibility for the benefit and in the interests of the company and its shareholders and represent their interests, having	Irrelevant	

regard to the interests of employees and public welfare.		
2.1.2. Where decisions of the supervisory board may have a different effect on the interests of the company's shareholders, the supervisory board should treat all shareholders impartially and fairly. It should ensure that shareholders are properly informed about the company's strategy, risk management and control, and resolution of conflicts of interest.	Irrelevant	
2.1.3. The supervisory board should be impartial in passing decisions that are significant for the company's operations and strategy. Members of the supervisory board should act and pass decisions without an external influence from the persons who elected them.	Irrelevant	
2.1.4. Members of the supervisory board should clearly voice their objections in case they believe that a decision of the supervisory board is against the interests of the company. Independent members of the supervisory board should: a) maintain independence of their analysis and decision-making; b) not seek or accept any unjustified privileges that might compromise their independence.	Irrelevant	
2.1.5. The supervisory board should oversee that the company's tax planning strategies are designed and implemented in accordance with the legal acts in order to avoid faulty practice that is not related to the long-term interests of the company and its shareholders, which may give rise to reputational, legal or other risks.	Irrelevant	
2.1.6. The company should ensure that the supervisory board is provided with sufficient resources (including financial ones) to discharge their duties, including the right to obtain all the necessary information or to seek independent professional advice from external legal, accounting or other experts on matters pertaining to the competence of the supervisory board and its committees.	Irrelevant	
2.2. FORMATION OF THE SUPERVISORY BOARD The procedure of the formation of the supervisory board should ensure proper resolution of conflicts of interest and effective and fair corporate governance.		
2.2.1. The members of the supervisory board elected by the general meeting of shareholders should collectively ensure the diversity of qualifications, professional experience and competences and seek for gender equality. With a view to maintain a proper balance between the qualifications of the members of the supervisory board, it should be ensured that members of the supervisory board, as a whole, should have diverse knowledge, opinions and experience to duly perform their tasks.	Irrelevant	
2.2.2. Members of the supervisory board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience.	Irrelevant	
2.2.3. Chair of the supervisory board should be a person whose current or past positions constituted no obstacle to carry out impartial activities. A former manager or management board member of the company should not be immediately appointed as chair	Irrelevant	

of the supervisory board either. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.		
2.2.4. Each member should devote sufficient time and attention to perform his duties as a member of the supervisory board. Each member of the supervisory board should undertake to limit his other professional obligations (particularly the managing positions in other companies) so that they would not interfere with the proper performance of the duties of a member of the supervisory board. Should a member of the supervisory board attend less than a half of the meetings of the supervisory board throughout the financial year of the company, the shareholders of the company should be notified thereof.	Irrelevant	
2.2.5. When it is proposed to appoint a member of the supervisory board, it should be announced which members of the supervisory board are deemed to be independent. The supervisory board may decide that, despite the fact that a particular member meets all the criteria of independence, he/she cannot be considered independent due to special personal or company-related circumstances.	Irrelevant	
2.2.6. The amount of remuneration to members of the supervisory board for their activity and participation in meetings of the supervisory board should be approved by the general meeting of shareholders.	Irrelevant	
2.2.7. Every year the supervisory board should carry out an assessment of its activities. It should include evaluation of the structure of the supervisory board, its work organisation and ability to act as a group, evaluation of the competence and work efficiency of each member of the supervisory board, and evaluation whether the supervisory board has achieved its objectives. The supervisory board should, at least once a year, make public respective information about its internal structure and working procedures.	Irrelevant	
3. PRINCIPLE: BOARD		
3.1. FUNCTIONS AND LIABILITY OF THE BOARD		
The management board should ensure the implementation of the company's strategy and good corporate governance with due regard to the interests of its shareholders, employees and other interest groups.		
3.1.1. The management board should ensure the implementation of the company's strategy approved by the supervisory board if the latter has been formed at the company. In such cases where the supervisory board is not formed, the management board is also responsible for the approval of the company's strategy.	Yes	
3.1.2. As a collegial management body of the company, the management board performs the functions assigned to it by the Law and in the articles of association of the company, and in such cases where the supervisory board is not formed in the company, it performs inter alia the supervisory functions established in the Law. By performing the functions assigned to it, the management board should take into account the needs	Yes	

of the company's shareholders, employees and other interest groups by respectively striving to achieve sustainable business development.		
3.1.3. The management board should ensure compliance with the laws and the internal policy of the company applicable to the company or a group of companies to which this company belongs. It should also establish the respective risk management and control measures aimed at ensuring regular and direct liability of managers.	Yes	
3.1.4. Moreover, the management board should ensure that the measures included into the OECD Good Practice Guidance on Internal Controls, Ethics and Compliance are applied at the company in order to ensure adherence to the applicable laws, rules and standards.	Yes	
3.1.5. When appointing the manager of the company, the management board should take into account the appropriate balance between the candidate's qualifications, experience and competence.	Yes	
3.2. FORMATION OF THE MANAGEMENT BOARD		
3.2.1. The members of the management board elected by the supervisory board or, if the supervisory board is not formed, by the general meeting of shareholders should collectively ensure the required diversity of qualifications, professional experience and competences and seek for gender equality With a view to maintain a proper balance in terms of the current qualifications possessed by the members of the management board, it should be ensured that the members of the management board would have, as a whole, diverse knowledge, opinions and experience to duly perform their tasks.	Yes	
3.2.2. Names and surnames of the candidates to become members of the management board, information on their educational background, qualifications, professional experience, current positions, other important professional obligations and potential conflicts of interest should be disclosed without violating the requirements of the legal acts regulating the handling of personal data at the meeting of the supervisory board in which the management board or individual members of the management board are elected. In the event that the supervisory board is not formed, the information specified in this paragraph should be submitted to the general meeting of shareholders. The management board should, on yearly basis, collect data provided in this paragraph on its members and disclose it in the company's management report.	Yes	
3.2.3. All new members of the management board should be familiarised with their duties and the structure and operations of the company.	Yes	
3.2.4. Members of the management board should be appointed for a specific term, subject to individual re-election for a new term in office in order to ensure necessary development of professional experience and	Yes	

sufficiently frequent reconfirmation of their status		
3.2.5. Chair of the management board should be a person whose current or past positions constitute no obstacle to carry out impartial activity. Where the supervisory board is not formed, the former manager of the company should not be immediately appointed as chair of the management board. Where the company decides to depart from these recommendations, it should provide information on the measures taken to ensure impartiality of the supervision.	Yes	
3.2.6. Each member of the management board should devote sufficient time and attention to perform his duties as a member of the supervisory board. Should a member of the management board attend less than a half of the meetings of the management board throughout the financial year of the company, the supervisory board of the company or, if the supervisory board is not formed at the company, the general meeting of shareholders should be notified thereof.	Yes	
3.2.7. In the event that the management board is elected in the cases established by the Law where the supervisory board is not formed at the company, and some of its members will be independent, it should be announced which members of the management board are deemed as independent. The management board may decide that, despite the fact that a particular member meets all the criteria of independence established by the Law, he/she cannot be considered independent due to special personal or company-related circumstances.	Yes	
3.2.8. The general meeting of shareholders of the company should approve the amount of remuneration to the members of the management board for their activity and participation in the meetings of the management board.	Yes	
3.2.9. The members of the management board should act in good faith, with care and responsibility for the benefit and the interests of the company and its shareholders with due regard to other stakeholders. When adopting decisions, they should not act in their personal interest; they should be subject to no-compete agreements and they should not use the business information or opportunities related to the company's operations in violation of the company's interests.	Yes	
3.2.10. Every year the management board should carry out an assessment of its activities. It should include evaluation of the structure of the management board, its work organisation and ability to act as a group, evaluation of the competence and work efficiency of each member of the management board, and evaluation whether the management board has achieved its objectives. Every year the management board, at least once a year, make public respective information about its internal structure and working procedures in observance of the legal acts regulating the processing of personal data.	Yes	

4. PRINCIPLE: Rules of procedure of the supervisory board and the management board of the company The rules of procedure of the supervisory board, if it is formed at the company, and of the management board should ensure efficient operation and decision-making of these bodies and promote active cooperation between the company's management bodies.		
<p>4.1. The management board and the supervisory board, if the latter is formed at the company, should act in close cooperation in order to attain benefit for the company and its shareholders. Good corporate governance requires an open discussion between the management board and the supervisory board. The management board should regularly and, where necessary, immediately inform the supervisory board about any matters significant for the company that are related to planning, business development, risk management and control, and compliance with the obligations at the company. The management board should inform the supervisory board about any derogations in its business development from the previously formulated plans and objectives by specifying the reasons for this.</p>	Yes	
<p>4.2. It is recommended that meetings of the company's collegial bodies should be held at the respective intervals, according to the pre-approved schedule. Each company is free to decide how often meetings of the collegial bodies should be convened but it is recommended that these meetings should be convened at such intervals that uninterrupted resolution of essential corporate governance issues would be ensured. Meetings of the company's collegial bodies should be convened at least once per quarter.</p>	Yes	
<p>4.3. Members of a collegial body should be notified of the meeting being convened in advance so that they would have sufficient time for proper preparation for the issues to be considered at the meeting and a fruitful discussion could be held and appropriate decisions could be adopted. Along with the notice of the meeting being convened all materials relevant to the issues on the agenda of the meeting should be submitted to the members of the collegial body. The agenda of the meeting should not be changed or supplemented during the meeting, unless all members of the collegial body present at the meeting agree with such change or supplement to the agenda, or certain issues that are important to the company require immediate resolution.</p>	Yes	
<p>4.4. In order to coordinate the activities of the company's collegial bodies and ensure effective decision-making process, the chairs of the company's collegial supervision and management bodies should mutually agree on the dates and agendas of the meetings and close cooperate in resolving other matters related to corporate governance. Meetings of the company's supervisory board should be open to members of the management board, particularly in such cases where issues concerning the removal of the management board members, their responsibility or remuneration are discussed.</p>	Yes	

5. PRINCIPLE: NOMINATION, REMUNERATION AND AUDIT COMMITTEES		
5.1. PURPOSE AND FORMATION OF COMMITTEES		
<p>The committees formed at the company should increase the work efficiency of the supervisory board or, where the supervisory board is not formed, of the management board which performs the supervisory functions by ensuring that decisions are based on due consideration and help organise its work in such a way that the decisions it takes would be free of material conflicts of interest. Committees should exercise independent judgment and integrity when performing their functions and provide the collegial body with recommendations concerning the decisions of the collegial body.</p>		
5.1.1. Taking due account of the company-related circumstances and the chosen corporate governance structure, the supervisory board of the company or, in cases where the supervisory board is not formed, the management board which performs the supervisory functions, establishes committees. It is recommended that the collegial body should form the nomination, remuneration and audit committees.	Irrelevant	
5.1.2. Companies may decide to set up fewer than three committees. In such case companies should explain in detail why they have chosen the alternative approach, and how the chosen approach corresponds with the objectives set for the three different committees.	Irrelevant	
5.1.3. In the cases established by the legal acts the functions assigned to the committees formed at companies may be performed by the collegial body itself. In such case the provisions of this Code pertaining to the committees (particularly those related to their role, operation and transparency) should apply, where relevant, to the collegial body as a whole.	Yes	
5.1.4. Committees established by the collegial body should normally be composed of at least three members. Subject to the requirements of the legal acts, committees could be comprised only of two members as well. Members of each committee should be selected on the basis of their competences by giving priority to independent members of the collegial body. The chair of the management board should not serve as the chair of committees.	Yes	
5.1.5. The authority of each committee formed should be determined by the collegial body itself. Committees should perform their duties according to the authority delegated to them and regularly inform the collegial body about their activities and performance on a regular basis. The authority of each committee defining its role and specifying its rights and duties should be made public at least once a year (as part of the information disclosed by the company on its governance structure and practice on an annual basis). In compliance with the legal acts regulating the processing of personal data, companies should also include in their management reports the statements of the existing committees on their composition, the number of meetings and attendance over the year as well as the main directions of their activities and performance.	Irrelevant	
5.1.6. With a view to ensure the independence and impartiality of the committees, the members of the collegial body who are not members of the committees	Irrelevant	

should normally have a right to participate in the meetings of the committee only if invited by the committee. A committee may invite or request that certain employees of the company or experts would participate in the meeting. Chair of each committee should have the possibility to maintain direct communication with the shareholders. Cases where such practice is to be applied should be specified in the rules regulating the activities of the committee.		
5.2. NOMINATION COMMITTEE		
5.2.1. The key functions of the nomination committee should be the following: 1) to select candidates to fill vacancies in the membership of supervisory and management bodies and the administration and recommend the collegial body to approve them The nomination committee should evaluate the balance of skills, knowledge and experience in the management body, prepare a description of the functions and capabilities required to assume a particular position and assess the time commitment expected;	Irrelevant	
2) assess, on a regular basis, the structure, size and composition of the supervisory and management bodies as well as the skills, knowledge and activity of its members, and provide the collegial body with recommendations on how the required changes should be sought; ; 4) devote the attention necessary to ensure succession planning.		
5.2.2. When dealing with issues related to members of the collegial body who have employment relationships with the company and the heads of the administration, the manager of the company should be consulted by granting him/her the right to submit proposals to the Nomination Committee.	Irrelevant	
5.3. REMUNERATION COMMITTEE		
5.3.1. The key functions of the remuneration committee should be the following: 1) submit to the collegial body proposals on the remuneration policy applied to members of the supervisory and management bodies and the heads of the administration for approval. Such policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as conditions which would allow the company to recover the amounts or suspend the payments by specifying the circumstances under which it would be expedient to do so; 2) submit to the collegial body proposals regarding individual remuneration for members of the collegial bodies and the heads of the administration in order to ensure that they would be consistent with the company's remuneration policy and the evaluation of the performance of the persons concerned; 3) review, on a regular basis, the remuneration policy and its implementation.	Irrelevant	The functions of the remuneration committee are performed by the management board.
5.4. AUDIT COMMITTEE		
5.4.1. The key functions of the audit committee are defined in the legal acts regulating the activities of the	Irrelevant	The functions of the remuneration

audit committee.		committee are performed by the management board.
5.4.2. All members of the committee should be provided with detailed information on specific issues of the company's accounting system, finances and operations. The heads of the company's administration should inform the audit committee about the methods of accounting for significant and unusual transactions where the accounting may be subject to different approaches.	Irrelevant	
5.4.3. The audit committee should decide whether the participation of the chair of the management board, the manager of the company, the chief finance officer (or senior employees responsible for finance and accounting), the internal and external auditors in its meetings is required (and, if required, when). The committee should be entitled, when needed, to meet the relevant persons without members of the management bodies present.	Irrelevant	
5.4.4. The audit committee should be informed about the internal auditor's work programme and should be furnished with internal audit reports or periodic summaries. The audit committee should also be informed about the work programme of external auditors and should receive from the audit firm a report describing all relationships between the independent audit firm and the company and its group.	Irrelevant	
5.4.5. The audit committee should examine whether the company complies with the applicable provisions regulating the possibility of lodging a complaint or reporting anonymously his/her suspicions of potential violations committed at the company and should also ensure that there is a procedure in place for proportionate and independent investigation of such issues and appropriate follow-up actions.	Irrelevant	
5.4.6. The audit committee should submit to the supervisory board or, where the supervisory board is not formed, to the management board its activity report at least once in every six months, at the time that annual and half-yearly reports are approved.	Irrelevant	
6. PRINCIPLE: PREVENTION AND DISCLOSURE OF CONFLICTS OF INTEREST The corporate governance framework should encourage members of the company's supervisory and management bodies to avoid conflicts of interest and ensure a transparent and effective mechanism of disclosure of conflicts of interest related to members of the supervisory and management bodies.		
Any member of the company's supervisory and management body should avoid a situation where his/her personal interests are or may be in conflict with the company's interests. In case such a situation did occur, a member of the company's supervisory or management body should, within a reasonable period of time, notify other members of the same body or the body of the company which elected him/her or the company's shareholders of such situation of a conflict of interest, indicate the nature of interests and, where possible, their value.	Yes	

7. PRINCIPLE: REMUNERATION POLICY OF THE COMPANY

The remuneration policy and the procedure for review and disclosure of such policy established the company should prevent potential conflicts of interest and abuse in determining remuneration of members of the collegial bodies and heads of the administration, in addition it should ensure the publicity and transparency of the company's remuneration policy and its long-term strategy.

7.1. The company should approve and post the remuneration policy on the website of the company; such policy should be reviewed on a regular basis and be consistent with the company's long-term strategy.	Yes	
7.2. The remuneration policy should include all forms of remuneration, including the fixed-rate remuneration, performance-based remuneration, financial incentive schemes, pension arrangements and termination payments as well as the conditions specifying the cases where the company can recover the disbursed amounts or suspend the payments.	Yes	
7.3. With a view to avoid potential conflicts of interest, the remuneration policy should provide that members of the collegial bodies which perform the supervisory functions should not receive remuneration based on the company's performance.	Yes	
7.4. The remuneration policy should provide sufficient information on the policy regarding termination payments. Termination payments should not exceed a fixed amount or a fixed number of annual wages and in general should not be higher than the non-variable component of remuneration for two years or the equivalent thereof. Termination payments should not be paid if the contract is terminated due to inadequate performance.	Irrelevant	
7.5. In the event that the financial incentive scheme is applied at the company, the remuneration policy should contain sufficient information about the retention of shares after the award thereof. Where remuneration is based on the award of shares, shares should not be vested at least for three years after the award thereof. After vesting, members of the collegial bodies and heads of the administration should retain a certain number of shares until the end of their term in office, subject to the need to compensate for any costs related to the acquisition of shares.	Irrelevant	
7.6. The company should publish information about the implementation of the remuneration policy on its website, with a key focus on the remuneration policy in respect of the collegial bodies and managers in the next and, where relevant, subsequent financial years. It should also contain a review of how the remuneration policy was implemented during the previous financial year. The information of such nature should not include any details having a commercial value. Particular attention should be paid on the major changes in the company's remuneration policy, compared to the previous financial year.	Yes	
7.7. It is recommended that the remuneration policy or any major change of the policy should be included on the agenda of the general meeting of shareholders. The schemes under which members and employees of a collegial body receive remuneration in shares or share	Yes	

options should be approved by the general meeting of shareholders.		
8. PRINCIPLE: ROLE OF STAKEHOLDERS IN CORPORATE GOVERNANCE The corporate governance framework should recognise the rights of stakeholders entrenched in the laws or mutual agreements and encourage active cooperation between companies and stakeholders in creating the company value, jobs and financial sustainability. In the context of this principle the concept “stakeholders” includes investors, employees, creditors, suppliers, clients, local community and other persons having certain interests in the company concerned.		
8.1. The corporate governance framework should ensure that the rights and lawful interests of stakeholders are protected.	Yes	
8.2. The corporate governance framework should create conditions for stakeholders to participate in corporate governance in the manner prescribed by law. Examples of participation by stakeholders in corporate governance include the participation of employees or their representatives in the adoption of decisions that are important for the company, consultations with employees or their representatives on corporate governance and other important matters, participation of employees in the company's authorised capital, involvement of creditors in corporate governance in the cases of the company's insolvency, etc.	No	
8.3. Where stakeholders participate in the corporate governance process, they should have access to relevant information.	Yes	
8.4. Stakeholders should be provided with the possibility of reporting confidentially any illegal or unethical practices to the collegial body performing the supervisory function.	Yes	
9. PRINCIPLE: DISCLOSURE OF INFORMATION The corporate governance framework should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.		
9.1. In accordance with the company's procedure on confidential information and commercial secrets and the legal acts regulating the processing of personal data, the information publicly disclosed by the company should include but not be limited to the following: 9.1.1. operating and financial results of the company; 9.1.2. objectives and non-financial information of the company; 9.1.3. persons holding a stake in the company or controlling it directly and/or indirectly and/or together with related persons as well as the structure of the group of companies and their relationships by specifying the final beneficiary; 9.1.4. members of the company's supervisory and management bodies who are deemed independent, the manager of the company, the shares or votes held by them at the company, participation in corporate governance of other companies, their competence and remuneration; 9.1.5. reports of the existing committees on their composition, number of meetings and attendance of members during the last year as well as the main directions and results of their activities; 9.1.6. potential key risk factors, the company's risk management and supervision policy; 9.1.7. the	Yes	

company's transactions with related parties; 9.1.8. main issues related to employees and other stakeholders (for instance, human resource policy, participation of employees in corporate governance, award of the company's shares or share options as incentives, relationships with creditors, suppliers, local community, etc.); 9.1.9. structure and strategy of corporate governance; 9.1.10. initiatives and measures of social responsibility policy and anti-corruption fight, significant current or planned investment projects. This list is deemed minimum and companies are encouraged not to restrict themselves to the disclosure of information included into this list. This principle of the Code does not exempt companies from their obligation to disclose information as provided for in the applicable legal acts.		
9.2. When disclosing the information specified in paragraph 9.1.1 of recommendation 9.1, it is recommended that the company which is a parent company in respect of other companies should disclose information about the consolidated results of the whole group of companies.	Yes	
9.3. When disclosing the information specified in paragraph 9.1.4 of recommendation 9.1, it is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed, as provided for in greater detail in Principle 7.	Yes	
9.4. Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	Yes	
10. PRINCIPLE: SELECTION OF THE COMPANY'S AUDIT FIRM The company's audit firm selection mechanism should ensure the independence of the report and opinion of the audit firm.		
10.1. With a view to obtain an objective opinion on the company's financial condition and financial results, the company's annual financial statements and the financial information provided in its management report should be audited by an independent audit firm.	Yes	
10.2. It is recommended that the audit firm would be proposed to the general meeting of shareholders by the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company.	Yes	
10.3. In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this publicly. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of	Yes	

the company when considering which audit firm should be proposed to the general meeting of shareholders.		
--	--	--

II. ANNEX TO THE MANAGEMENT REPORT

VIK adheres to the Resolution No. 1052 of the Government of the Republic of Lithuania of 14 July 2010 'On approval of the description of the guidelines for assurance of activity transparency of state-controlled companies' (hereinafter referred to as the Transparency Guidelines).

PRINCIPLES/RECOMMENDATIONS	Yes/No/Irrelevant
General Requirements	
Information should ensure the timely and accurate disclosure of all material corporate issues, including the financial situation, operations and governance of the company.	Yes
Information should be disclosed in such manner that no shareholders or investors are discriminated in terms of the method of receipt and scope of information. Information should be disclosed to all parties concerned at the same time.	Yes
It is recommended to publish notices about material events before or after the trading session of Vilnius Stock Exchange to provide all shareholders and investors of the Company with equal opportunities to access the information and make appropriate investment decisions.	Yes
It is recommended to publish the company's management report, the collection of financial statements and other periodical reports prepared by the company on the company's website, placement of the company's notices about material events and dynamics of the prices of the company's shares on the stock exchange is also recommended.	Yes
Modes of information dissemination should ensure unbiased, timely and cost-effective access to the information for information users, and in the cases established by the legislation – free access. Use of information technologies is recommended for spreading information at the larger scale, for example, publishing information on the company's website. It is recommended to publish and place information on the company's website not only in Lithuanian but also in the English language, if possible and needed – in other languages as well.	Yes
In the event that the audit firm has received remuneration from the company for the non-audit services provided, the company should disclose this to its shareholders. This information should also be available to the supervisory board or, if the supervisory board is not formed at the company, by the management board of the company when considering which audit firm should be proposed to the general meeting of shareholders.	Yes
The company's activity and financial results are disclosed.	Yes
The holding company discloses consolidated results.	Irrelevant
Persons owning or controlling the package of the company's shares are disclosed.	Yes
Members of the company's supervisory and management boards, the head of the company, and their remunerations are disclosed. It is recommended that the information on the professional experience and qualifications of members of the company's supervisory and management bodies and the manager of the company as well as potential conflicts of interest which could affect their decisions should be provided. It is further recommended that the remuneration or other income of members of the company's supervisory and management bodies and the manager of the company should be disclosed.	Yes
Potential predicted material risk factors are disclosed.	Yes
Transactions of the company and associated persons, also transactions concluded	Yes

outside the course of the usual activity of the company are disclosed.	
Main matters concerning the employees and other stakeholders are disclosed. Disclosure of information about the relations of the company and stakeholders, such as, employees, creditors, suppliers, local community, including the corporate policy regarding human resources, programmes of involvement of employees in the company's share capital, etc. is recommended.	Yes
The structure and strategy of the company's management are disclosed.	Yes
Material information about the governance procedure effective in the Company.	Yes
Powers of every committee defining its role and naming its rights and duties.	Irrelevant
Minutes of the general meetings of shareholders (in Lithuanian and English and/or other foreign languages) are published. Such documents may be published on the company's website of public access to the extent that their public disclosure is not detrimental to the company or the company's commercial secrets are not revealed.	Not applicable, as VIK has only one shareholder.
Report of the remuneration policy is published	Yes
Report on compliance by the company with the Code of Corporate Governance of the companies listed on NASDAQ QMX Vilnius is published.	Yes
Transparency guidelines stipulate publishing of information on Internet	
Goals and objectives of the company set by the shareholder:	Yes
Financial results;	Yes
Operating results;	Yes
Present number of the staff;	Yes
Yearly wage bill;	Yes
Monthly salary of the managers and their deputies;	Yes
Purchases and investments made, in progress and planned during the financial year;	Yes
Transparency guidelines stipulate publishing of information on Internet	
Accounting is kept according to the International Financial Accounting Standards.	Yes
Collection of annual financial statements is audited according to the international standards of auditing.	Yes
Management report is published on the website by 30 April.	Yes
The management report contains the following:	
Activity strategy and goals (financial and non-financial), unless it constitutes a commercial secret of the state-governed company (if activity strategy and goals of a state-governed company contains information considered as commercial secret, a shortened activity strategy and goals excluding the above-mentioned information is published (presented);	Yes
Compliance of the achieved operating results with the activity goals of the state-governed company;	Yes
Main events with material importance for the activity of a state-governed company that took place during the reporting period;	Yes
Information about the market of services provided or products manufactured, unless it is a commercial secret;	Yes

Main clients and their main groups, unless it is a commercial secret. If state-governed companies disclose information about segments, the main clients are presented by separate segments;	Yes
Investments during the reporting period, major investment projects in progress or planned;	Yes
Total yearly wage bill, average monthly salary by positions and/or divisions;	Yes
Social, environmental initiatives and policy under implementation;	Irrelevant
Information about adherence to the Transparency guidelines: it is specified how they are implemented, which clauses are disregarded and why;	Yes
Main financial indicators describing the activity (profitability, liquidity, asset effectiveness), their dynamics during 3 years;	Published from the day the Company was incorporated
Management bodies;	
Information about the audit of annual financial statements completed (the entity that conducted the audit, remuneration for auditing); other significant information affecting the activity of the state-governed company came to light prior to the publication of the management report;	Yes
Information and reports that a listed company must disclose according to the Law on Financial Reporting of the Republic of Lithuania and the Code of Corporate Governance of the companies listed on NASDAQ OMX Vilnius	Yes
Dividends policy;	Irrelevant
Information about the progress of implementation of the activity strategy and goals (financial and non-financial). https://www.vika.lt/	Yes
By 30 April, information about special liabilities under implementation, conclusions by an independent auditor on yearly financial statements are published on the website.	Irrelevant
A shareholder is provided with the following together with the management report:	
Information about the salary of the managers in the last year	Yes
to determine the variable element of the managers' monthly performance result indicators, implementation of the above-mentioned indicators, variable part of the managers' monthly salary fixed (in Euro and the percentage of the fixed part of the managers' monthly salary) and paid variable part of monthly salary (in Euro and the percentage of the fixed part of the managers' monthly salary).	Yes
Interim report	
State-governed companies of the category I or II prepare an interim report for 6 months, which is published on the website by 31 August. Interim report briefly present the most significant information about the indicators characterising the activity of the state-governed company and their changes compared to the previous periods.	Yes
A collection of 6 months' interim financial statements is prepared and published on Internet by 31 August.	Yes