



**ilte**

**SET OF ANNUAL  
CONSOLIDATED STATEMENTS,  
SET OF COMPANY'S ANNUAL  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S  
REPORT**

**For the period ended  
31 December 2024**

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# CONSOLIDATED MANAGEMENT REPORT

## 1. General Overview

### 1.1. CEO statement

2024 was a year of rapid growth, strategic transformations, and significant initiatives for ILTE. We enhanced market access to financing by not only providing substantial funding but also expanding the scope of financial instruments. We introduced a new brand to the public and undertook an internal transformation to ensure that the change was not only visual but also fundamental and qualitative, reshaping the organisational culture. To secure the company's sustainable and long-term growth, we dedicated the year to developing the ILTE 2025–2030 strategy. We enter the new year with clearly defined business priorities and ambitious goals.

Since September 2024, INVEGA has continued its operations under the new name – ILTE. The consolidation of four companies, the expansion of the financing portfolio, the diversification of business activities, and the transformation of the business model – accompanied by internal restructuring processes – led us to take this step. The new name symbolises not only the increased scale of operations but also provides renewed momentum for both the company and its employees.

In 2024, we continued to systematically enhance access to financing by developing new financial instruments in areas where market-based financing remains insufficient. To ensure a targeted approach, we conducted a study on Lithuanian businesses, which revealed that the financing gap for Lithuanian enterprises in 2023–2024 amounted to approximately EUR 5 billion or 6% of GDP. The largest financing gap arose due to companies' needs for modernisation, building renovations, equipment upgrades, and digitalisation.

This year, the majority of the financing provided by ILTE was allocated to projects investing in industrial modernisation, the implementation of renewable energy solutions, the application of advanced and digital technologies, industrial research and innovation activities, and agriculture.

In spring, we introduced the "Billion for Business" loan programme for Lithuanian companies aiming to invest in high value-added manufacturing, innovation, circular economy, and decarbonisation. Financing for innovative, higher-risk projects proved highly popular, and by the end of the year, the first loan agreements were signed, allocating more than EUR 65 million to biotechnology, timber, and infrastructure industry companies.

Considering the geopolitical situation in the region, additional funding was allocated to the "Billion for Business" initiative in autumn, directing EUR 250 million towards financing projects in the defence and security sectors. In total, nearly EUR 330 million in ILTE financing is available for this sector, with an additional EUR 80 million accessible in the form of venture capital. The resilience and strength of the economy are critical to national security. Sufficient financing would significantly strengthen the national economy, and ILTE's investments not only directly support the defence sector but also contribute to broader economic growth.

Over the year, we introduced a EUR 2.5 billion financing package to the market, with signed agreements exceeding EUR 450 million, total financing granted surpassing EUR 350 million, and the overall portfolio reaching EUR 1.4 billion. ILTE serves 11.500 clients, the majority of which (6.800) are small and medium-sized enterprises (SMEs).

In ILTE's portfolio, business financing accounts for EUR 777 million, financing for the agriculture and fisheries sector amounts to EUR 254 million, and EUR 334 million is allocated to public sector projects, including EUR 237 million for the modernisation of multi-apartment buildings.

To strengthen the investment environment, in 2024, we also focused on the development of the capital market. Together with the European Investment Fund, we will allocate nearly EUR 200 million to expand private debt funds in Lithuania. A partnership agreement has been signed to jointly implement the financial facility "Private Debt Funds." I am confident that this partnership will lay the foundation for the development of private debt as an alternative financing source in our country. Private debt funds will not only provide financing but also open new investment opportunities for pension funds, family investment offices, and other professional investors operating in Lithuania and the wider region.

As part of expanding alternative financing opportunities, in 2024, we also introduced individual guarantees for bond issuances. We expect this facility to be attractive not only to small businesses issuing bonds but also to investors, who will feel more secure when investing in such guaranteed bond issuances.

For its leadership in developing incentives for the public capital market, ILTE was awarded "Transformation of the Year" at the Nasdaq Baltic Market Awards.

One of ILTE's key priorities is to attract additional funding from financial institutions to finance Lithuanian business projects. In 2024, we secured more than EUR 387 million from financing partners. To further expand this amount, we initiated a securitisation project – ILTE plans to issue debt securities backed by the financial cash flows of the multi-apartment building modernisation portfolio.

Another priority for ILTE is preparing for the full-scale operation of the national development bank. Although we are an atypical bank and do not seek to compete, we will operate either directly or in collaboration with other financial market participants to promote sustainable national economic development, enhance economic resilience, and improve access to financing. Becoming a national development bank is important to us, as it will enable us to offer a broader and more diverse range of financing solutions.

Given the unique and complex nature of ILTE's activities, we conducted a comprehensive analysis of the financial sector, political landscape, and economic environment and developed the ILTE 2025–2030 strategy. Over the next 3–4 years, we aim to strengthen our balance sheet, attract significant capital from investors, and efficiently channel it into the national economy. ILTE is committed to significantly improving efficiency in digitalisation and process management, enhancing customer focus, attracting more expertise, and ensuring adherence to sustainability principles in its operations.

In 2024, we focused not only on our operational strategy but also on transforming our organisational culture: together with ILTE employees, we refined the core values that unite our team, initiated a corporate culture development project, and actively involved employees in the entire process. As part of the new strategy, we updated our mission and vision, as well as the company's core values: creative curiosity, measured courage, and unity in diversity. With our diverse experiences, we remain open to innovation, make responsible decisions, and build a unified organisation committed to fostering a strong and prosperous economy.

In 2024, we expanded our partnerships: we became members of the Anti-Money Laundering Competence Centre, signed an agreement with VILNIUS TECH for the training of highly qualified specialists and the development of a green finance ecosystem. We also joined the Capital Market Council and signed a cooperation agreement with the Defence Resources Agency under the Ministry of National Defence, strengthening the development of the defence and security industry in Lithuania.

We have started expanding client advisory services by organising meetings with entrepreneurs, farmers, and public sector representatives. After piloting temporary consultation offices in Kaunas and Vilnius, we will develop a customer service network concept. This year, we will provide services and consultations from our new office in Vilnius, while continuing active consultations in other Lithuanian cities.

In the future, we are prepared to provide approximately EUR 4 billion in financing to Lithuanian businesses through various instruments. These funds, in the form of loans, guarantees, and investments, will be directed towards renovation projects, innovation, manufacturing expansion, infrastructure, the defence sector, agriculture, and other strategic industries. In the coming years, these investments will make a significant contribution to national economic growth.

Let us build a strong, competitive, and future-ready Lithuania together!

Dainius Vilčinskas  
General Manager and Chairman of the Management Board

## 1.2. Key information about the Group:

On 30 August 2024, UAB Investicijų ir verslo garantijos (INVEGA) changed its name to UAB ILTE (hereinafter referred to as ILTE). Accordingly, for clarity and convenience, the new company name will be used throughout this document and in the prepared report sets, regardless of the period being referenced.

ILTE became the sole national development institution in Lithuania following the consolidation of four companies in 2023, bringing together expertise and expanding its capacity to drive sustainable economic growth in the country. During the consolidation, UAB Viešųjų investicijų plėtros agentūra (hereinafter VIPA), UAB Žemės ūkio paskolų garantijų fondas (hereinafter ŽŪPGF), and part of the operations of UAB Valstybės investicijų valdymo agentūra (hereinafter the VIVA) were merged into the former UAB Investicijų ir verslo garantijos (INVEGA). In 2024, the company officially changed its name to ILTE, and in the autumn of 2024, ILTE acquired the status of a national development bank (hereinafter the NDB), strengthening its role and enhancing its contribution to national economic development.

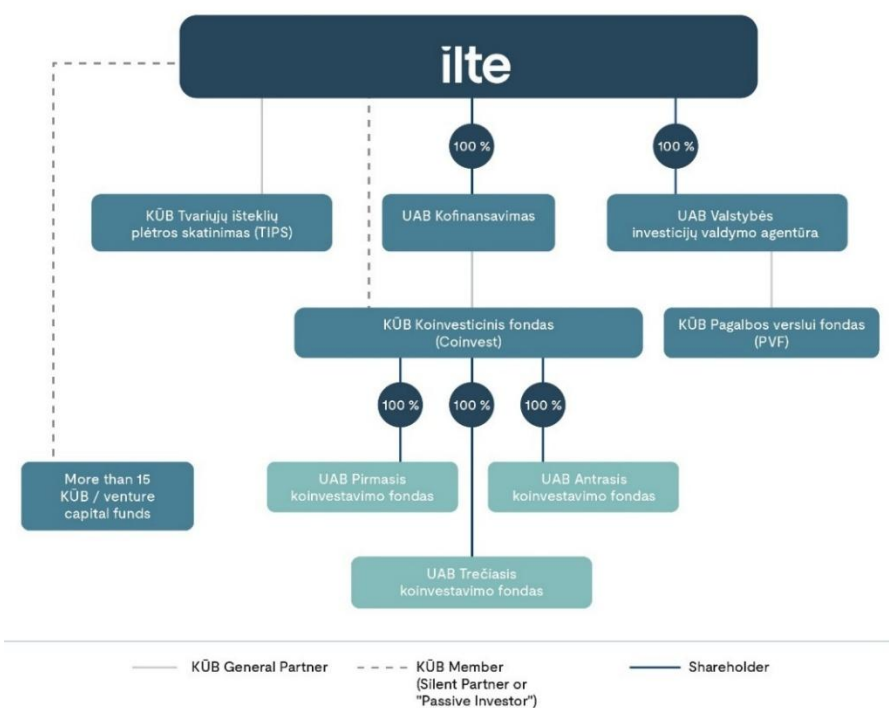
ILTE is a state-established NDB whose objectives, as set out in the Republic of Lithuania Law on National Development Bank (hereinafter the Law on NDB), are to carry out incentive financing activities in areas designated by the Government of the Republic of Lithuania (hereinafter the GRL), to ensure financially viable and efficient investments, and to contribute to the country's economic, social, and regional development. ILTE's core activities include conducting incentive financing operations, providing financial services, and implementing and managing financial and other types of financing instruments.

ILTE is a guarantee institution providing individual and portfolio guarantees in accordance with the Republic of Lithuania Law on State Debt, which are equivalent to state guarantees.

ILTE directly owns the subsidiary UAB Kofinansavimas, which primarily manages the venture capital fund KŪB Koinvesticinis fondas and its venture capital investments. For managing investments, UAB Kofinansavimas, KŪB Koinvesticinis fondas, and the sub-funds under its management have established subsidiary fund management companies: UAB Pirmasis investavimo fondas, UAB Antrasis investavimo fondas, and UAB Trečiasis investavimo fondas. UAB Kofinansavimas and its managed entities operate under the single brand name Coinvest Capital. With respect to UAB Kofinansavimas, ILTE acts as the sole shareholder. With respect to KŪB Koinvesticinis fondas, ILTE acts as the sole limited partner, while UAB Kofinansavimas serves as the sole general partner.

ILTE also directly owns the subsidiary VIVA, whose primary function is management of the investments of the limited partnership limited by shares of the fund KŪB Pagalbos verslui fondas.

Structure of the ILTE Group and related entities



ILTE and its subsidiaries' information

	UAB ILTE	UAB Kofinansavimas	UAB Valstybės investicijų valdymo agentūra (VIVA)
Authorised capital:	203 438 066 EUR	50 000 EUR	1 000 000 EUR
Date of incorporation (registration):	2001 11 29	2016 07 18	2020 08 27
Number of legal entity:	110084026	304295647	305612545
VAT payer code	non VAT payer	non VAT payer	non VAT payer
Period of operation:	Unlimited	Unlimited	Unlimited
Registered office address:	Konstitucijos pr. 7, LT-09308 Vilnius As of 1 February 2025, the registered address: Ukmergės g. 124, LT-08100 Vilnius, Lithuania	Vilniaus g. 33, LT-01402 Vilnius, As of 1 February 2025, the registered address: Palangos g. 4-101, (Talent Garden Vilnius) LT-01402 Vilnius, Lithuania	Lukiškių g. 2, LT-01108 Vilnius. As of 1 February 2025, the registered address: Ukmergės g. 124, LT-08100 Vilnius, Lithuania
Legal form:	Private limited company	Private limited company	Private limited company
The law under which the Company operates:	Law of the Republic of Lithuania	Law of the Republic of Lithuania	Law of the Republic of Lithuania
Company register:	Register of Legal Entities, maintained by the State Enterprise Centre of Registers.	Register of Legal Entities, maintained by the State Enterprise Centre of Registers.	Register of Legal Entities, maintained by the State Enterprise Centre of Registers.
Articles of Association:	Articles of Association approved on 12 July 2024. (Edition registered in the Register of Legal Entities on 30 August 2024.)	Articles of Association approved on 22 November 2018. (Version registered in the Register of Legal Entities on 29 November 2018.)	Articles of Association were approved on 25 July 2024. (version registered in the Register of Legal Entities on 28 August 2024)
Shareholder, representative, and shareholding details	Republic of Lithuania, company code 111105555; The institution exercising shareholder rights and obligations – Ministry of Finance of the Republic of Lithuania, company code 288601650 Shareholding – 100%	UAB ILTE, company code 110084026  Shareholding – 100%	UAB ILTE, company code 110084026  Shareholding – 100%
Telephone number:	+370 521 07510	+370 686 86725	+370 618 19062
E-mail address:	info@ilte.lt	info@coinvest.lt	info@viva.lt
Website:	www.ilte.lt	www.coinvest.lt	www.viva.lt
Branches	No branches or representative offices	No branches or representative offices	No branches or representative offices

The Ministry of Finance of the Republic of Lithuania (hereinafter the FM) exercises the rights and obligations of the General Meeting of Shareholders and is the sole shareholder of ILTE.

During the reporting period, ILTE did not acquire any of its own shares. ILTE's subsidiaries had also not acquired any of their own shares.

Key ILTE operational indicators for 2024





### 1.3. Key Events (2024)

#### JANUARY:

- The Ministry of the Economy and Innovation of the Republic of Lithuania (hereinafter the MEI), the Ministry of Finance (FM), and ILTE signed an agreement to supplement the Innovation Promotion Fund (hereinafter the IPF) with resources from the 2021–2027 European Union (hereinafter the EU) structural funds and the state budget. The IPF was supplemented with more than EUR 452 million, of which EUR 286 million came from EU structural funds. The majority of IPF funds are earmarked for investments in the modernisation of business processes, automation of production processes, implementation of digitalisation technologies, and deployment of technologies promoting the production of sustainable products.
- ILTE's Strategic Plan 2024 has been approved.
- 3 Credit Committees have been approved to examine issues and take decisions within the scope of their respective competences.

#### FEBRUARY:

- ILTE's 2023 sustainability report was approved. This report was prepared for the first time in accordance with international Global Reporting Initiative (GRI) standards.
- ILTE CEO Dainius Vilčinskis was elected as a member of the Supervisory Board of the Three Seas Initiative Investment Fund.

#### MARCH:

- Legal entities were invited to submit applications for the financial facility "Renewable Energy Sources (RES) for Legal Entities." EUR 549 million from the Economic Recovery and Resilience Facility and EUR 22.6 million from the state budget were allocated to this instrument.
- ILTE hosted a meeting of the Network of European Financial Institutions for Small and Medium-Sized Enterprises (NEFI) in Vilnius.
- ILTE's Audit and Risk Management Committee (hereinafter the ARMC) was established and commenced operations.

#### APRIL:

- By MEI Order No. 4-198, ILTE's special obligations were updated.
- At the presentation of the 2024 Lithuanian Reputation Index survey, ILTE was awarded in the "Public Sector Online Reputation of the Year" category.
- ILTE announced a call for applications for loans to finance energy communities. EUR 206.6 million in state budget funds was allocated to this facility.
- During the Three Seas Initiative event held in Vilnius, ILTE, together with representatives of Poland's national Bank Gospodarstwa Krajowego (BGK), the Romanian Ministry of Finance, the Hungarian Export-Import Bank, and Slovenia's national bank Slovenska izvozna in razvojna banka (SID), signed a letter of intent to cooperate in developing the second Three Seas Initiative Investment Fund (3JIIF II), aimed at financing infrastructure projects that enhance regional connectivity.
- The venture capital fund Coinvest Capital, managed by ILTE's subsidiary, sold all its shares in its first investment – the company Gusania, producer of CHAZZ crisps – securing the maximum return in accordance with the fund's mandate rules.
- ILTE invited businesses to apply for loans under the Pokytis incentive financial facility. Nearly EUR 50 million has been allocated for company digitalisation projects in the Central and Western Lithuania regions, while EUR 99 million has been designated for businesses operating in the capital region. This financing aims to accelerate the modernisation of Lithuania's industrial sector and enhance business competitiveness and labour productivity. The facility is co-financed by EU structural funds.
- The Green Finance Institute (hereinafter the GFI) established the Sustainable Finance Forum (hereinafter the SFF). The purpose of this advisory body is to create a permanent stakeholder collaboration platform for discussing Lithuania's most pressing sustainable (green) finance issues, identifying existing problems, and seeking solutions. By the end of 2024, 96 organisations with 146 members had already joined this forum.

- The incentive financial facility “A Billion for Business” was launched, enabling businesses to access up to EUR 250 million in loans for investments in environmentally friendly technologies, circular economy initiatives, decarbonisation, energy efficiency, low-waste, advanced, innovative, digital technologies, the expansion of high value-added production capacities (including biotechnology), as well as the defence and security industries. The instrument is financed by the Economic Recovery and Resilience Facility.
- A call for applications for loans to young farmers was announced. Under Lithuania's 2023–2027 Agricultural and Rural Development Strategic Plan, the facility “Loans for Young Farmers' Establishment” is being implemented from the Rural Development Financial Instruments Fund, with an allocation of EUR 19.94 million.
- A call for applications for shared risk loans for farmers was announced. Under the Lithuanian Rural Development Programme 2014–2020, the financial facility “Shared Risk Loans” is being implemented with an allocation of EUR 12.16 million.

#### MAY:

- ILTE approved financing for construction works for the first three apartment buildings in Lithuania to be renovated using panel (modular) technology. The total loan value granted by ILTE for the pilot projects will exceed EUR 4 million.
- On 23 May, the conference “The Future of the Apartment Building Modernisation Fund” took place in Vilnius. During the event, ILTE, along with experts from the public and private sectors and representatives of the European Commission, shared insights.
- The Law on Defence and Security Industry of the Republic of Lithuania was adopted, stipulating that the national development institution (hereinafter the NDA) implements incentive financing activities in the defence and security industry and provides grants and/or subsidies to support the implementation of incentive financial instruments in the defence and security sector.
- Coinvest Capital, together with a group of seven accredited business angels and a business angel syndicate 2NGLS, consisting of 41 private investors, invested in the Lithuanian defence and dual-use defence technology company Unmanned Defence Systems (UDS). The EUR 3.2 million investment will be used to expand drone production and enhance the integration of drone swarms with battlefield management systems.

#### JUNE:

- ILTE, together with Attīstības finanšu institūcija Altum AS (Altum), announced a call for applications to become the manager of the new venture capital instrument Baltic Capital Market Acceleration Fund (BCMAF). The selected fund manager, together with private market participants, will invest in small and medium-sized enterprises (hereinafter the SMEs), small mid-cap and innovative mid-cap commercially viable companies operating in Lithuania, Latvia, and EU countries. Up to EUR 50 million has been allocated for the implementation of BCMAF.
- On 13 June, Minister of Finance Gintarė Skaistė signed an order removing Saulius Galatiltis from the position of ILTE Supervisory Board member as of 14 June 2024. He had also been serving in the ARMC, which reports to the Supervisory Board. Upon ceasing to hold office as a Supervisory Board member, he automatically ceased his role in the ARMC as well.
- On 17 June, following the decision of the Government of Lithuania on 29 May, the Ministry of Finance decided to increase ILTE's authorised capital by EUR 149.999.990.40 (to EUR 203 438 066), and on 9 July 2024, a new version of ILTE's Articles of Association was approved.

#### JULY:

- ILTE signed a membership agreement with the Anti-Money Laundering Competence Centre.
- ILTE started providing individual guarantees for bond issuances.
- A shareholder decision was made to change the company name and amend ILTE's Articles of Association (former company name UAB Investicijų ir verslo garantijos (INVEGA), was changed to UAB ILTE).

- The Ministry of Finance, acting as ILTE's shareholder, prepared and submitted a document outlining the state's strategic objectives and expectations for the ILTE group of companies.

#### AUGUST:

- An additional EUR 16.95 million was allocated to the Startuok facility. Following the revision of loan conditions for young businesses, applicants can benefit from higher interest rate discounts and a 20% grant. New sustainability requirements are also being introduced for funded projects.
- ILTE announced a call for owners and managers of cultural heritage properties to apply for loans under the Paveldas programme. Loan funds can be used to renovate all properties listed in the National Register of Cultural Heritage, including manors, castles, architectural and cultural ensembles, and others.
- An additional EUR 108 million was allocated to ILTE's financial facility Perspektyva. At the same time, loan conditions were updated, by increasing the maximum loan amount and grant size, while also introducing sustainability requirements.
- An additional EUR 250 million was allocated for financing companies operating in the defence and security sectors under the financial loan facility "A Billion for Business."
- Pursuant to Order No 1K-238 of 12 July 2024 of the Minister of Finance of the Republic of Lithuania "On the change of the name of the private limited liability company Investicijų ir verslo garantijos and the amendment of Order No 1K-245 of 4 July 2022 of the Minister of Finance "On the approval of the Articles of Association of the private limited liability company Investicijų ir verslo garantijos", the name of the private limited liability company UAB Investicijų ir verslo garantijos was officially changed on 30 August 2024. Following the registration of the changes in the Register of Legal Entities, the company continues its operations under the name UAB ILTE.
- A total of EUR 12.4 million from the European Regional Development Fund and national co-financing funds was allocated to the venture capital facility Co-Investment Fund for investments in SMEs.
- To improve access to financing for agricultural clients, a call for applications was announced in August, inviting farmers to apply for investment loans, including those for sustainable agricultural holdings. Under Lithuania's 2023–2027 Agricultural and Rural Development Strategic Plan, the facility "Investment Loans (Including Sustainable Investments) for Agricultural Holdings" is being implemented from the Rural Development Financial Facilities Fund. EUR 35 million from the European Agricultural Fund for Rural Development (EAFRD) and the Republic of Lithuania's national co-financing funds has been allocated to the measure.

#### SEPTEMBER:

- On 9 September, ILTE introduced a new brand to the market.
- ILTE opened a temporary consultation office in Kaunas.
- ILTE maintained a high A+ rating in the good governance index published by the Governance Coordination Centre.
- Coinvest Capital and Baltic Sandbox Ventures invested EUR 825.000 in the Lithuanian-founded dual-use aeronautics company Airvolve, which is developing an innovative tactical aircraft. Several other accredited business angels also participated in the investment.

#### OCTOBER:

- ILTE signed an agreement with VILNIUS TECH to actively collaborate in training highly qualified specialists, expanding the green finance ecosystem, and enhancing public and private sector competencies in sustainability.
- ILTE, together with the Ministry of Finance, signed an agreement to supplement the Multi-Apartment Modernisation Fund with state budget funds. An additional EUR 30 million was allocated for multi-apartment modernisation. To ensure uninterrupted project financing, the Government of Lithuania provided the national development institution ILTE with a 10-year loan.
- The Ministry of Finance announced a candidate selection process for the position of an independent member of ILTE's Supervisory Board.

- ILTE joined the Capital Markets Council.
- An additional EUR 108 million in funding was allocated for ILTE's Perspektyva loans. At the same time, the maximum loan amount and grant size were increased, and sustainability requirements were introduced.
- At Lithuania's largest startup ecosystem event, "Startup Fair. Pulse 2024," the top-performing Lithuanian startups – BrachyDOSE, CBRX, Freya Cultivation Systems, KaiSense, Ligence Heart and Psylink – received an invitation from partners LitBAN, Coinvest Capital and Baltic Sandbox Ventures to negotiate a record EUR 5.6 million investment.
- The European Business Angels Network (EBAN) recognised Coinvest Capital's co-investment model, which applies profit-sharing in successful cases, as a best practice and included it in seven policy recommendations for EU decision-makers.
- ILTE became a member of the Baltic Institute of Corporate Governance association.

#### NOVEMBER:

- A partnership agreement was signed with the European Investment Fund (EIF) to jointly implement the financial facility "Private Debt Funds." ILTE will allocate nearly EUR 96 million to this initiative.
- ILTE presented the results of a Lithuanian business survey: It is estimated that the financing gap for Lithuanian businesses in 2023–2024 amounted to approximately EUR 5 billion, or 6% of GDP. The largest financing shortfall was in investments for modernisation, efficiency improvement, and digitalisation.
- An additional EUR 80 million in funding was allocated for ILTE's Pokytis loans. Two new financing streams became available for businesses in central and western Lithuania.
- On 12 November, the Law on NDB was adopted. It grants ILTE the status of a national development bank (NDB).
- On 13 November, an updated participant agreement for the KŪB Koinvesticinis fondas was signed, according to which the committed capital for the fund was increased to EUR 44.3 million, and the investment geography was expanded while maintaining the criteria for investment benefits to Lithuania.

#### DECEMBER:

- ILTE and the Defence Resources Agency (DRA) under the Ministry of National Defence signed a cooperation agreement, which aims to exchange information and expert assistance to promote the development of the defence and security industry in Lithuania.
- ILTE and the public institution Invest in Lithuania signed a cooperation agreement.
- The Ministry of Economy and Innovation increased the amount allocated for ILTE's Startuok facility to EUR 55 million. An additional EUR 2.4 million was allocated to support the initiation of new activities or the expansion of existing activities for small and medium-sized enterprises (SMEs) in the Central and Western Lithuania region.
- The venture capital fund Coinvest Capital, managed by UAB Kofinansavimas, sold its shares in Contribee and recovered all the invested capital.
- The Coinvest Capital fund announced an international selection for three independent members of its investment committee, considering the need for new expertise after expanding the fund's operational mandate.
- The Coinvest Capital fund became a full member of the Lithuanian Venture Capital and Private Equity Association.

#### 1.4. Events after the reporting period (2025)

#### JANUARY

- By Order No 1K-15 of 31 January 2025 of the Minister of Finance of the Republic of Lithuania "On the Appointment of a Member of the Supervisory Board of UAB ILTE", a decision was taken to appoint Eugenijus Preikša, an independent member of the Supervisory Board of UAB ILTE, to serve until the expiry of the term of office of the current Supervisory Board.
- ILTE's 2025–2030 Strategic Activity Plan was approved, outlining the long-term strategic directions for ILTE's operations.

**FEBRUARY**

- ILTE became a member of the Lithuanian Responsible Business Association (LRBA).
- For its leadership in developing incentives for the public capital market, ILTE was awarded "Transformation of the Year" at the Nasdaq Baltic Market Awards.

## 2. Operational review and results

### 2.1. Operating model

ILTE is a national development bank established by the Government of Lithuania, tasked with promoting financial activities and contributing to the country's economic growth, resilience, and the achievement of national strategic goals.

ILTE is the result of the reform of Lithuania's national development institutions. This process began with the implementation of the first significant change in 2023, when the consolidation of four national development institutions (INVEGA, VIPOS, ŽŪPGF, and part of VIVOS activities) took place, after which ILTE became the sole national development institution in Lithuania, initially operating under the INVEGA name. The second major step took place in 2024, when the company officially changed its name to ILTE. The name change was driven by a significant organizational transformation – expansion of the client and service portfolio and an increase in the spectrum of direct lending instruments, aiming for a more active role in collaborating with clients and financing partners. The third significant change occurred in the autumn of 2024, when the company acquired the status of a national development bank. The consolidation and status change allowed the integration of different institutions' competencies, significantly expanding ILTE's client base and areas of activity.

Today, ILTE is an important strategic partner for both state institutions and the business, agriculture, public sector communities, and even residents. By providing financing directly, through its subsidiaries and financial intermediaries, ILTE aims to ensure the accessibility of financing to clients, as well as promoting investments in sustainable, high value-added projects and helping attract private capital for the country's business, agricultural, and public sector needs.

To enhance financing opportunities for the business, agriculture, and public sectors, ILTE provides financing directly or through financing partners (financial intermediaries). In implementing indirect financial instruments, ILTE collaborates with more than 100 national financing partners – banks, credit unions, crowdfunding platforms, and other financial market participants.

Directly provided ILTE financing: Services provided indirectly (through financing partners)	
<ul style="list-style-type: none"> <li>• Loans</li> <li>• Individual guarantees</li> <li>• Venture capital investments</li> <li>• Compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Loans</li> <li>• Portfolio guarantees</li> <li>• Investing through venture capital funds</li> </ul>






In 2024, ILTE created financing opportunities worth EUR 2.5 billion – through new and enhanced financial instruments, this financing became accessible to the country's residents, businesses, agriculture, and the public sector.

The majority of ILTE financing is provided in the form of loans and guarantees. ILTE works with more than 11 500 active clients and manages nearly 100 financial instruments at various stages of implementation.

Through its activities, ILTE helps attract additional funds from the market (either directly or through financial intermediaries). In 2024, preparations began for an important new type of private funds attraction method – a securitisation project. It is planned to issue securities based on a portfolio of multi-apartment building modernisation loans and, over the next few years, attract at least EUR 650 million through securitisation and other methods to finance new multi-apartment building modernisation loans.

In 2023, the Law on National Development Institutions of the Republic of Lithuania was amended, granting ILTE new functions in the green finance sector, which led to the establishment of the Green Finance Institute (GFI). This structural division of ILTE is directly subordinated to the CEO and independent from the activities of other ILTE divisions. The main objectives of the institute include strengthening public-private sector partnerships, consulting on green finance issues, and providing expert and technical assistance to companies and institutions.

## ILTE'S authorised capital

ILTE is a state-established and controlled private limited liability company. All ILTE shares are owned by the state, and since 15 April 2022, they have been held in trust by the Ministry of Finance (FM). FM performs the functions of the company's general shareholder meeting, the provision of guarantees under the State Debt Law, supervision of activities, and implements the rights of the sole shareholder.

ILTE's authorised capital consists of 702 431 ordinary registered shares, each with a nominal value of EUR 289.62. ILTE has not issued any other equity or debt securities, except for the company's ordinary registered shares, the nominal value of which corresponds to the size of the authorised capital.

Amount of ILTE's paid-up authorised capital – EUR 203 438 066. All shares of the Company are paid in full. During the reporting period and at the date of the preparation of this annual consolidated report, no restrictions or limitations were applied to ILTE's shares.

## Income model

ILTE and the funds it manages finance the facilities and activities through the use of state budget funds, funds returned to managed financial facilities, private funds raised, EU structural funds, and other funds.

ILTE, managing fund-of-funds and administering general grant measures from national budget funds, compensates eligible expenses or pays a management fee.

ILTE provides individual guarantees with a guarantee fee for the provision of individual guarantees. If the individual guarantee provisions do not specify a particular pricing structure, it is determined by the ILTE Management Board, which approves the pricing structure for the guarantee fee and its application rules.

### 2.2. Main activities

The nature of ILTE's main activities (objects of activity) is specified in the Resolution of the GRL No 887 of 11 July 2001 "On the activities of the private limited liability company Investicijų ir verslo garantijos", which regulates the areas and nature of ILTE's activities and sets out the essential requirements and limitations for the activities carried out.

Through its activities, ILTE provides financing directly or through financial intermediaries to SMEs, large business enterprises, agriculture, and the public sector. ILTE also provides financing to residents for multi-apartment building modernisation projects – this is the only financial instrument dedicated to residents.

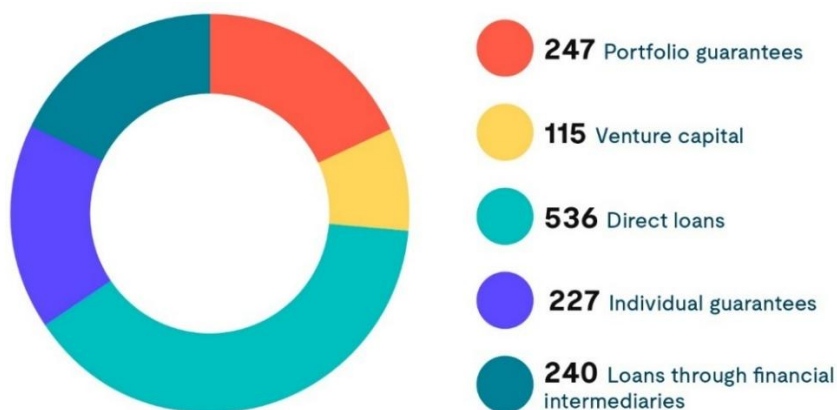
As an NDB, ILTE can contribute even more actively to the implementation of Lithuania's strategic goals. ILTE implements financial and other forms of facilities that promote the country's economic growth, innovation, sustainability, energy efficiency, agricultural restructuring, competitiveness strengthening, and contribute to infrastructure development and renewal. Alongside its regular activities, ILTE's contribution to financing the defence and security industry sector has been increasing recently.

The main financial instruments that ILTE offers its clients are:

- Portfolio and individual guarantees;
- Loans provided through financial intermediaries;
- Direct loans;
- Venture capital through financial intermediaries;
- Direct venture capital investments;
- Compensations.

The portfolio managed by ILTE and its group of companies amounted to EUR 1.4 billion at the end of 2024.

ILTE's portfolio by product, in millions of EUR, at the end of 2024



ILTE's main activities:

- Individual and portfolio guarantees;
- Granting or lending loans in any other form, either directly or through financial intermediaries;
- Implementing venture capital investment instruments directly or through intermediaries;
- Management of holding funds, funds of funds, special funds and implementation of financial incentive measures;
- Provision of grants, including conditional grants, and/or subsidies, including reimbursable subsidies, when linked to a financial instrument, financial service or incentive financial instrument;
- Performance the functions of an intermediate body in the field of the management and control system for the 2014-2020 EU Structural Funds;
- Implementation of incentive financial instruments, projects and programmes in the field of development cooperation;
- Implementation of social impact investment promotion measures that meet social needs, expecting not so much a financial return as a social benefit;
- Conducting assessments and reviews of the need for incentive funding;
- Grants for projects co-financed by the EU Structural Funds under the 2014-2020 Operational Programme for Investment in EU Funds, approved by the EC Implementing Decision of 8 September 2014, approving certain elements of the "Operational Programme for the Investment of European Union Funds 2014-2020", that the initiative would provide support to Lithuania the objective of investing in growth and jobs, the European Regional Development Fund, the Cohesion Fund, the European Social Fund and the specific allocation for Youth Employment (the EC notified the above decision by document C(2014) 6397), the provision of grants to municipalities for the financing of their own contribution, in accordance with the procedure laid down by the Minister of Finance for the allocation and reimbursement of grants to municipalities;
- Performing the functions of the National Development Authority as set out in Article 6(1) of the Law on National Bank.

More information about the offered financial instruments is available on the [ILTE website](#).

The NDB law sets out specific functions for ILTE in the green finance sector, which are carried out by the Green Finance Institute (GFI) according to its competence:

- Providing proposals and expert (technical and methodological) assistance to state and municipal institutions and agencies in the field of sustainable (green) finance and regarding necessary decisions to improve the investment environment and financing accessibility for project-implementing entities;
- Developing the sustainable labelling ecosystem;
- Initiating and providing proposals for research related to sustainable (green) finance, conducting education and awareness activities;
- Coordinating public and private sector cooperation in the field of sustainable (green) finance;
- Promoting Lithuania's name in the field of sustainable (green) finance.



### 2.3. Stakeholders

Stakeholders are individuals or organisations (or groups of them) that can directly or indirectly affect ILTE's activities, the achievement of its goals, or are affected by ILTE's activities.

In its activities, ILTE aims to meet stakeholder expectations, create a transparent, close, and constructive dialogue with all stakeholders, and ensure fair accountability.

ILTE assesses the needs, expectations, and impact of stakeholders on its activities or the relevant aspects of its operations. In order to meet the needs and expectations of relevant stakeholders, ILTE plans certain cooperation and monitoring actions.

The experience of all ILTE clients largely depends on the alignment of the services provided with the needs and expectations of the target groups. The consolidation of the NDAs has increased the target audience of ILTE's partners and customers.

Stakeholders	Stakeholder engagement and collaboration methods in 2024.
<p><b>External stakeholders</b></p> <ul style="list-style-type: none"> <li>• Potential clients:               <ul style="list-style-type: none"> <li>• Business enterprises;</li> <li>• Public sector entities;</li> <li>• Agricultural entities;</li> <li>• Residents;</li> </ul> </li> <li>• Existing clients;</li> <li>• Banks, other financial institutions, financial intermediaries through which the funds of financial instruments reach the ultimate beneficiaries;</li> <li>• Companies or institutions operating in the market that are directly affected by ILTE's activities (for example, construction companies, goods, and service providers);</li> <li>• Government authorities that regulate and supervise ILTE's activities;</li> <li>• State institutions that shape the environment of business, public sector activities, regulate the activities of sectoral institutions;</li> <li>• EU institutions creating the legal environment in which ILTE carries out its activities;</li> <li>• State registry and database managers providing or receiving data from ILTE (State Enterprise Centre of Registers, State Tax Inspectorate, Social Security Fund, Competition Council, etc.);</li> <li>• Local municipalities, their owned companies, and institutions;</li> <li>• International financial institutions (EIB, EBRD, EIF, etc.), Lithuanian financial market participants;</li> <li>• Media;</li> <li>• The general public;</li> <li>• Entities representing shareholder interests, state budget allocation managers financing the ILTE-managed fund-of-funds and financial instruments;</li> <li>• Investors who have invested in funds managed by subsidiaries or jointly invest with these funds in target companies, investment projects;</li> <li>• International and Lithuanian associations of which ILTE or its subsidiaries are members (AECM, LT VCA, LITBAN, etc.);</li> <li>• NDBs and other NDAs from the Baltic States and other countries (Altum, Kredex, etc.);</li> <li>• Other state agencies/organizations working with financing solutions (Innovation Agency, Invest Lithuania, CPVA, etc.);</li> </ul>	<ul style="list-style-type: none"> <li>• Articles, newsletters, social media communications are being prepared;</li> <li>• Events are organized, with involvement through presentations or discussions at third-party events;</li> <li>• Public discussions of the conditions for the financial instruments to be implemented, their adjustments based on received feedback before the implementation begins;</li> <li>• Meetings with representatives of associations, providing information, joint events;</li> <li>• Regular customer surveys are conducted. In 2024, the customer satisfaction index was 9.05; NPS 83.20;</li> <li>• Market research and analyses are conducted;</li> <li>• Information on public procurements is published, with a strong emphasis on evaluating suppliers' social and environmental criteria;</li> <li>• Collaboration with various institutions takes place;</li> <li>• ILTE experts participate in various working groups;</li> <li>• Good governance practices are upheld (received the highest "A+" rating in the Lithuanian State-Owned Enterprises Governance Index);</li> <li>• Temporary customer advisory offices in Kaunas and Vilnius;</li> <li>• Meetings with representatives of the shareholder, budget allocation managers, and representatives of banks and other financing partners.</li> <li>• Interim reports and annual consolidated financial statements regarding ILTE's results are published.</li> </ul>
<p><b>Internal stakeholders</b></p> <ul style="list-style-type: none"> <li>• Members of the ILTE Supervisory Board;</li> <li>• Members of the Management Board;</li> <li>• Members of the Audit and Risk Management Committee;</li> <li>• Managers and employees of subsidiary companies;</li> <li>• Members of investment committees of funds managed by subsidiary companies;</li> <li>• Heads of ILTE structural divisions;</li> <li>• ILTE employees.</li> </ul>	<ul style="list-style-type: none"> <li>• Information about the activities, news, and initiatives of the corporate group is shared on the ILTE intranet, through newsletters, and during presentations by managers;</li> <li>• Dialogue with the employee council was maintained;</li> <li>• An employee engagement survey was conducted;</li> <li>• Informational and team-building events for employees were organized;</li> <li>• Policies were updated: Equal opportunities, Violence and harassment prevention;</li> <li>• The activity of value ambassadors was initiated, involving employees and management in discussions about the organization's culture in various formats.</li> </ul>

## 2.4. Operating environment

In 2024, economic trends in Lithuania became more favourable. With the European Central Bank reducing interest rates and businesses returning to previous levels of activity, the overall business environment in the country gained more stability. On the other hand, the more complex economic situation in Europe is forcing businesses to think about strengthening their competitiveness. This is also reflected in the results of a study conducted by ILTE, which found that both in business and agriculture, the greatest financing shortage is felt in investments for modernisation, digitization, and efficiency improvement. On behalf of ILTE, a representative survey of Lithuanian businesses was conducted by Spinter tyrimai. The survey was carried out in August 2024, with 411 companies from across Lithuania participating. The survey was conducted based on the adapted FI Compass methodology.

The situation in the country's financial sector has not significantly changed. There remains a high concentration in the credit market and low activity in the capital markets. This, along with business habits, leads to a large portion of businesses preferring to finance themselves, while the credit-to-GDP ratio in Lithuania remains one of the lowest compared to other EU countries.

Following the national and EU-level elections, political priorities and future financing directions are beginning to become clear, and ILTE will need to contribute to their implementation in the coming years.

## 2.5. Analysis of results and performance indicators

By increasing the accessibility of financing, ILTE introduced a record package of over 2.5 billion EUR worth of financial instruments to the market in 2024.

Business is the largest client segment for ILTE, so it is crucial to assess its financing trends. The research showed that last year, financing for working capital remained the most relevant for business companies, as evidenced by the growing guarantee portfolio. Moreover, considering the long-term needs of the business segment, ILTE offered financing solutions for business modernisation, building, and equipment renewal, and digitisation projects.

In 2024, the largest portion of financing offered by ILTE to the market was allocated to projects aimed at investing in industrial modernisation ("A Billion for Business," 1.25 billion EUR), energy efficiency (AEI loans to legal entities, 572 million EUR), the implementation of advanced, innovative, and digital technologies (Pokytis loans, 149 million EUR), industrial research, pilot, applied, and innovative activities (Perspektyva loans, 150 million EUR), typical production-purpose buildings (loans for the construction of typical production-purpose buildings, 13 million EUR).

### Financial and other instruments managed and/or Implemented by ILTE

During the reporting period, ILTE managed the Funds financed by the EU Structural Funds 2014-2020, EU Funds 2021-2027, the Economic Recovery and Resilience Facility funds, state budget funds and funds of business and other entities that have returned and/or will return to the Funds (hereinafter the returned funds).

After the consolidation of NDAs, ILTE manages 16 funds established to promote the availability of financing in various areas and also participates in the Three Seas Investment Fund. The financial and compensatory measures implemented and/or administered through the Funds, as well as the separate (non-Fund) financial and compensatory instruments and their abbreviations used in the graphs presented in the following set of annual consolidated accounts, are presented in section 7.1. *Facilities implemented and administered by ILTE.*

In 2024, ILTE continued its successful implementation of incentive finance facilities and looked for ways to quickly and efficiently help businesses facing today's economic challenges. After the consolidation of NDAs, ILTE took over the activities of the merged NPJs and continued to successfully provide financing for residential building renovation, public infrastructure, agriculture, business promotion, and other areas.

In 2024, by creating new instruments and supplementing existing ones, ILTE created financing opportunities worth 2.5 billion EUR. By the end of 2024, the newly created or supplemented financial instruments added more than 5 million EUR to ILTE's portfolio. The implementation of financial instruments is accelerating, and significant results in provided financing are expected in 2025 and subsequent years. Financing expansion is presented in the table.

Financing expansion

Increasing the availability of ILTE financing to the market/economy	Area of activities	2024
		FACT, EUR million
<b>TOTAL</b>		<b>2 528.55</b>
• Promoting entrepreneurship 3, VSF3	Business	29.00
• Loans for investment in the processing of agricultural products, IŽÜPPF	Agriculture	10.00
• Startuok (supplement)	Business	19.80
• Perspektyva (supplement)	Business	108.00
• Pokytis (Transformation)	Business	50.30
• Pokytis (Skaitmena VVL)	Business	49.50
• Pokytis(Digital capital)	Business	99.00
• Pokytis(Short value chains)	Business	32.60
• Heritage	Public	5.50
• Public building renovation	Public	23.80
• Loans for energy communities	Public	185.98
• RES development in legal entities (producing consumers), AEI_JA	Public	531.90
• Co-investment fund (supplement), CO-supplement	Business	12.42
• Development funds III, PF III	Business	48.00
• Loans for investment (including sustainable investment) in agricultural holdings	Agriculture	36.75
• A Billion for Business	Business	1 100.00
• Baltic Capital Market Acceleration Fund	Business	50.00
• Early Stage and Development Fund III	Business	40.00
• Private debt funds	Business	96.00

In 2024, ILTE provided financing worth 350 million EUR. The majority of financing – over 220 million EUR – was provided in the form of individual and portfolio guarantees, resulting in 328 million EUR in financing paid out by intermediary funds to clients. A further EUR 100 million of funding reached customers through direct lending and financial intermediaries. Due to the large-scale financial instruments already being implemented by ILTE, such as “A Billion for Business” and the Multi-apartment House Modernisation Fund, it is expected that financing volumes will increase to 550 million EUR by 2025.

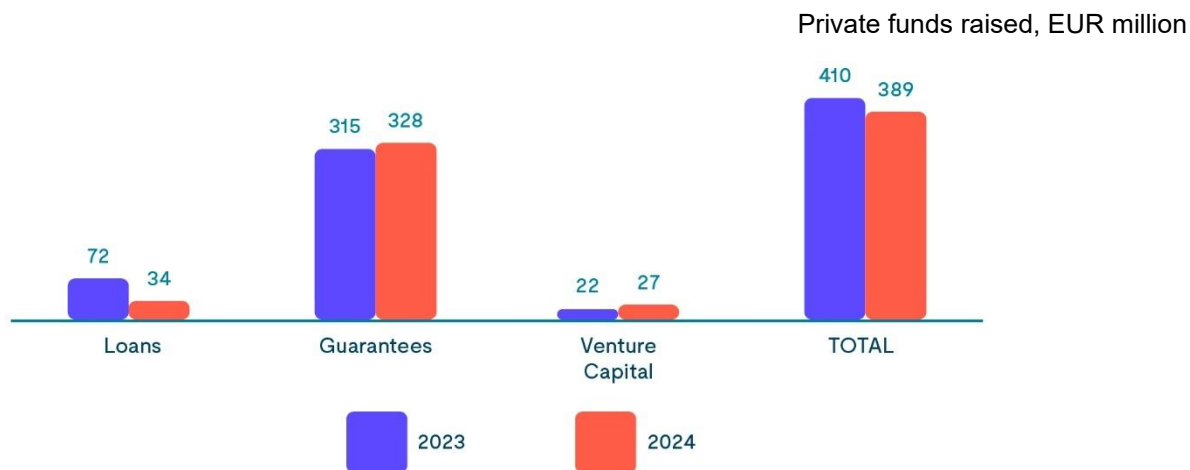
Key performance indicators, million EUR\*



\*Loans – the amount of the part of the loans financed by the funds allocated to the instruments; Guarantees – the amount of the portion of transactions guaranteed by the facilities; Venture capital – the amount of fund investments reaching clients; Global grants – the sum of positive decisions taken.

### Raising private finance through financial instruments

Financial instruments not only ensure the return of funds when the funds used for the financial instruments return and can be reused to finance new investments and projects, but also help to attract private funds from various sources (financial institutions, private legal and natural persons, etc.), which increase the scale of investment. The amount of private funds attracted in 2024 is shown in the chart below.



### Loan facilities

In 2024, loans were issued to businesses, the public sector, and agriculture.

The financing provided through loan instruments decreased when comparing 2023 and 2024 due to several factors:

Loans through financial intermediaries:

- At the end of 2023 and in 2024, the implementation of numerous financial instruments, such as Alternatyva and Preferential Loans during the Russian Aggression against Ukraine (Ukrainian loans), was completed, as well as the completion of the Municipal Public Building Renovation (SPF), Entrepreneurship Promotion 2014–2020 (VSF2), and Shared Risk Loans (PRP for business). The largest difference in disbursed funds between 2023 and 2024 was attributed to Alternatyva and the Ukrainian Agricultural Loans (~67 million EUR difference).
- In 2024, new facilities were launched, including Entrepreneurship Promotion 3, Investments in Agricultural Processing, and Loans for Investments, including Sustainable Investments, in Agricultural Holdings. These facilities did not yet gain momentum in 2024, and no payments were made to loan recipients.

Direct loans:

- In 2023, the 2014–2020 EU funds programming period was completed, meaning the remaining EU fund financing was paid out to clients. In 2024, many new facilities were launched, funded by EU funds, the EGADP (RRF), and national budget funds. Decisions were made under these facilities, and financing agreements were concluded, with payments to clients expected in 2025 and beyond.

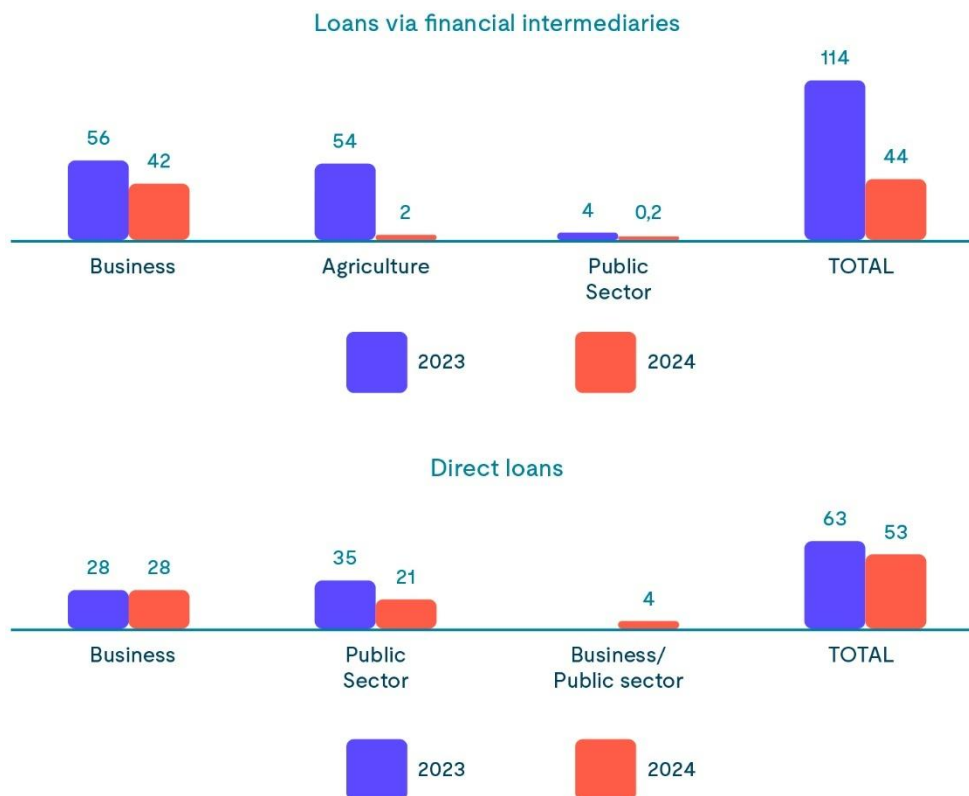
The results of the implementation of the loan facilities and a comparison with previous periods are presented below.

Execution of loan finance instruments, EUR million

Loan financial instruments	The funds* of the Fund reach its final beneficiaries, EUR million	
	2023	2024
<b>LOANS THROUGH FINANCIAL INTERMEDIARIES</b>	<b>113.81</b>	<b>44.62</b>
<i>Open-end credit fund 2, AKF2</i>	2.55	0.28
<i>Open-end credit fund 3, AKF3</i>	1.94	10.20
<i>Alternatyva</i>	39.50	25.02
<i>Crowdfunding loans Avietė</i>	8.39	6.85
<i>Loans for the establishment of young farmers</i>	-	0.17
<i>Loans to provide liquidity to undertakings active in the production, processing and marketing of agricultural and fishery products in response to Russian aggression against Ukraine</i>	52.99	-
<i>Investments (including sustainable) in agricultural holdings, IŽŪV</i>	-	0.78
<i>Loans for cultural heritage preservation, funded by the European Regional Development Fund, KPF</i>	0.11	-
<i>Risk-sharing loans, PRP for business</i>	2.59	-
<i>Shared risk loans for agriculture, PRP ŽŪ</i>	0.95	1.22
<i>Loans for the modernisation of municipal buildings, funded by the European Regional Development Fund, SPF</i>	4.22	0.16
<i>Entrepreneurship promotion 2014–2020, VSF2</i>	0.58	-0.06
<b>DIRECT LOANS</b>	<b>63.73</b>	<b>53.47</b>
<i>Direct loans to businesses affected by the actions of third parties, 3ŠALYS</i>	1.22	0.00
<i>Direct loans for renewable energy projects, AEI IF</i>	-	12.90
<i>Renewable energy development in legal entities, AEI JA</i>	-	3.94
<i>Fund for the modernisation of multi-apartment buildings, DNMF</i>	0.04	6.32
<i>Loans issued on the basis of ILTE capital (AEI)</i>	1.88	0.00
<i>Loans issued on the basis of ILTE capital (research institutions)</i>	0.08	1.26
<i>Loans issued on the basis of ILTE capital (water supply)</i>	0.36	-
<i>Direct loans to businesses affected by the war, KARO</i>	13.29	0.27
<i>Installation of buildings for typical production purposes in free economic zones, industrial parks and other industrial areas, LEZ</i>	4.88	10.92
<i>Billion for Business, MLRD</i>	-	3.01
<i>Incentive financial instrument Perspektyva</i>	4.01	5.46
<i>Incentive financial facility Pokytis</i>	-	0.01
<i>Business Assistance Fund, PVF</i>	0.61	-
<i>Direct loans – Startuok</i>	9.13	6.33
<i>Limited partnership TIPS</i>	7.59	3.06
<i>Water Management Fund</i>	14.70	-
<i>Public building renovation (2021–2027)</i>	5.95	-
<b>TOTAL</b>	<b>177.54</b>	<b>98.10</b>

\*The amount of contracts awarded under the Fund, EUR million

Loan financial instrument disbursements to clients, EUR million



**Guarantee facilities**

During the reporting period, individual guarantees were provided to businesses, the public sector, and agriculture, as well as portfolio guarantees for businesses, the attractiveness of which grew in 2023–2024.

The reduction in financing volumes for individual guarantees was influenced by the launch of the Portfolio Guarantees 3 facility at the end of 2022. Also, in mid-2024, the conditions for individual guarantees were changed due to the amended *De Minimis* Regulation, under which losses in the event of a guarantee claim are shared proportionally between financial institutions and ILTE. This essentially changed the attractiveness of individual guarantees for financial institutions.

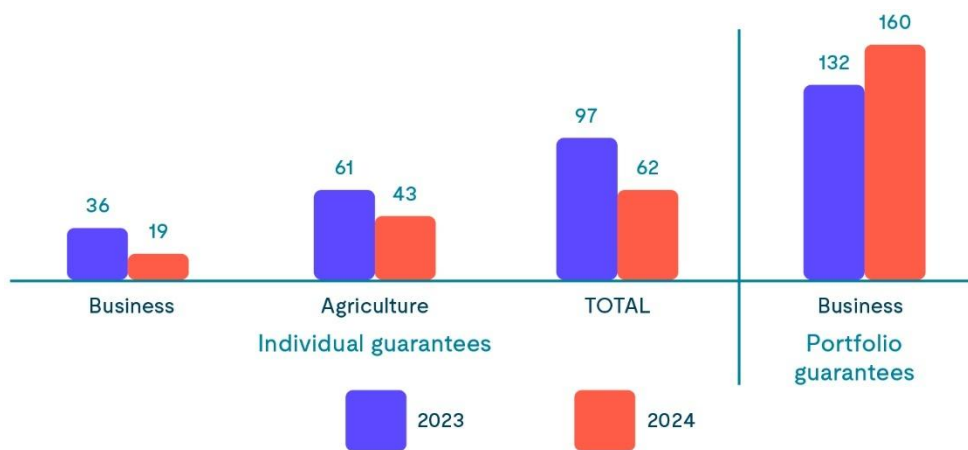
A list of the financial instruments under the guarantees, their performance and a comparison with previous periods is presented below.

Indicators of the financial instruments implementing guarantees

Guarantee financial instruments	Guarantees provided*, million EUR	
	2023	2024
<b>INDIVIDUAL GUARANTEES</b>	<b>96.56</b>	<b>62.21</b>
<i>Export credit guarantees, EKG</i>	0.73	0.89
<i>Guarantee Fund 3, GIF3</i>	4.56	3.06
<i>Individual loan and financial lease guarantees, GIF3 loans and leases</i>	30.28	14.99
<i>Guarantees for start-ups, GPV</i>	0.30	0.00
<i>Individual guarantees for agricultural entities, IG ŽŪ</i>	59.84	43.27
<i>Individual guarantees for agricultural entities during the Russian aggression against Ukraine, IG ŽŪ UKR</i>	0.87	-
<b>PORTFOLIO GUARANTEES</b>	<b>132.14</b>	<b>159.53</b>
<i>Portfolio guarantees 3, PG3</i>	118.09	159.53
<i>Portfolio guarantees for factoring transactions, PGF</i>	1.45	-
<i>Portfolio guarantees for factoring transactions 2, PGF2</i>	8.67	-
<i>Portfolio guarantees for leasing transactions, PGL</i>	3.21	-
<i>Portfolio guarantees for leasing transactions 2, PGL2</i>	0.00	-
<i>Portfolio guarantees for loans, PGP</i>	0.73	-
<b>TOTAL</b>	<b>228.70</b>	<b>221.74</b>

\*Amount of the portion of the loans guaranteed by the facilities.

Execution of financial guarantee instruments, EUR million



Venture capital instruments

During the reporting period, venture capital instruments were implemented, and investments were made.

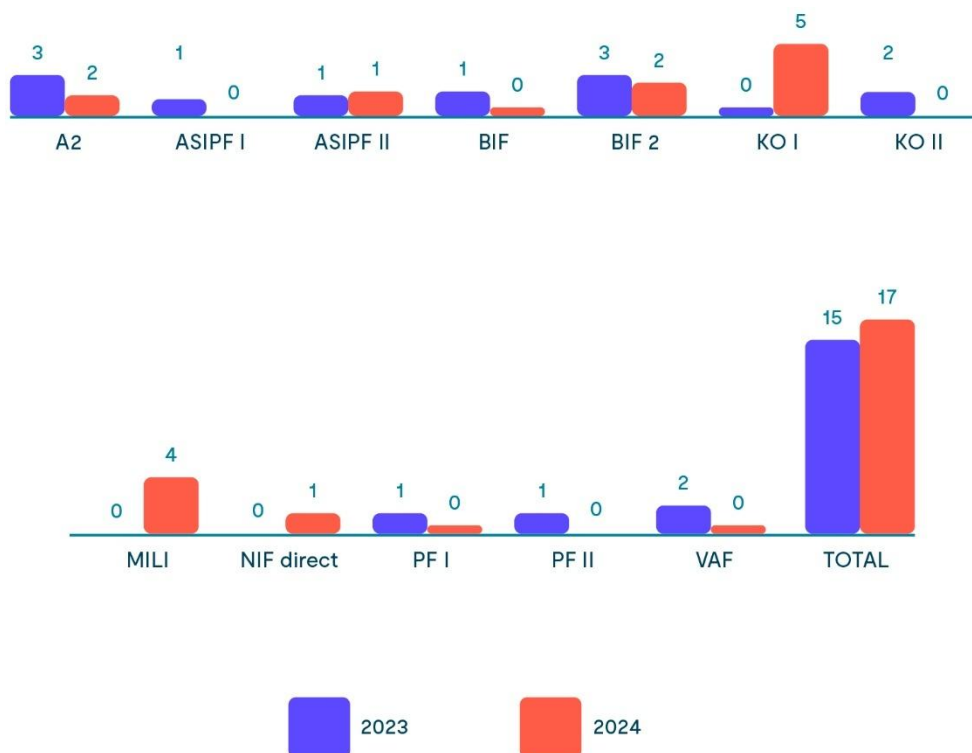
In 2024, under the Development Funds III facility, contracts were signed with two additional funds – Raft Capital Baltic Equity Fund and Iron Wolf Capital Fund II.

The results of the implementation of venture capital measures and comparison with previous periods are presented below.

Indicators of venture capital financial instruments implemented

Venture capital financial instruments	Fund investments reaching the final beneficiaries, EUR million	
	2023	2024
Akceleratorius 2, <b>A2</b>	3.21	1.79
Accelerator Fund, <b>AF</b>	0.35	-
Early Stage and Development Fund I, <b>ASIPF I</b>	0.62	-
Early Stage and Development Fund II, <b>ASIPF II</b>	0.94	1.29
Participation in the Baltic Innovation Fund, <b>BIF</b>	1.48	0.38
Participation in the Baltic Innovation Fund 2, <b>BIF2</b>	2.64	2.11
Co-investment Fund, <b>KO I</b>	0.32	4.86
Co-investment Fund II, <b>KO II</b>	1.60	-
MILInvest, <b>MILI</b>	-	3.59
Participation in the NATO Innovation Fund (indirect), <b>NIF indirect</b>	-	0.28
Participation in the NATO Innovation Fund (direct), <b>NIF direct</b>	-	1.03
Development Fund I, <b>PF I</b>	0.94	0.24
Development Fund II, <b>PF II</b>	0.74	0.00
Development Funds III, <b>PF III</b>	-	0.48
A fund co-investing with business angels, <b>VAF</b>	1.72	0.45
<b>TOTAL</b>	<b>14.57</b>	<b>16.51</b>

Execution of venture capital financial instruments, EUR million





### Compensatory financial instruments

Alongside financial instruments, ILTE also implements compensation (subsidy) instruments, providing non-repayable financing, usually in small amounts and through simplified procedures. In this case, applications for financing are submitted directly to ILTE. ILTE performs the evaluation of applications, contract signing, decisions on financing provision, disbursement of funds to clients, and other necessary actions.

During the reporting period, ILTE continued to implement these compensatory instruments:

- Interest compensation for small and medium-sized enterprises (the title of the facility until 13 May 2020 is "Partial Interest Compensation");
- Promoting the listing of securities on the stock exchange;
- Reimbursement of interest on working capital loans and factoring agreements (ŽŮ);
- Reimbursement of interest on loans and leases for investments (ŽŮ);
- Reimbursement of the guarantee premium (ŽŮ);
- Interest compensation for storm and hail victims (ŽŮ) (until 31 May 2024).

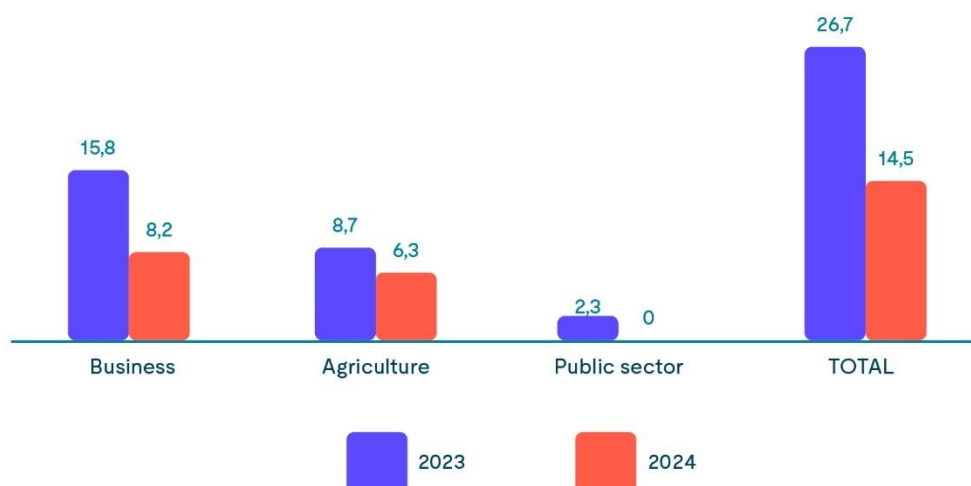
On 9 January 2024, the terms of the Interest Compensation for Small and Medium-Sized Enterprises facility were updated, which led to a decrease in demand for the instrument. From 1 March 2025, the Interest Compensation for Small and Medium-Sized Enterprises facility will be suspended. For applications submitted from 1 February 2024, up to 40% of paid interest on investment loans and financial lease (leasing) transactions will be compensated.

The results of the implementation of compensatory instruments and a comparison with previous periods are presented below.

Implementation of compensatory financial instruments, EUR million

Compensations	Contracts were signed, EUR million	
	2023	2024
<i>Promotion of the listing of securities on the stock exchange, EXCHANGE</i>	0.1	0.05
<i>Grants to municipalities (SD)</i>	0.02	-
<i>Interest compensation for small and medium-sized enterprises, DPK</i>	15.65	8.18
<i>Compensation of interest paid on loans for working capital replenishment and/or purchase of biological assets and under factoring agreements for working capital replenishment, (Interest compensation TRT)</i>	0.68	0.69
<i>Reimbursement of interest paid on investment credits and leases (DPK ŽŮ investments)</i>	6.19	4.43
<i>Interest compensation for storm and hail victims (DPK ŽŮ natural disaster)</i>	-	0.12
<i>Reimbursement of guarantee premiums for guarantees granted for investment loans (GJK ŽŮ investments)</i>	0.51	0.12
<i>Compensation of guarantee contributions for guarantees provided for leasing (GKK ŽŮ leasing)</i>	1.28	0.95
<i>Climate change funds for SPF buildings (GS)</i>	0.88	-
<i>Climate change funds for public buildings (GS)</i>	1.41	-
<b>TOTAL</b>	<b>26.71</b>	<b>14.53</b>

Implementation of compensatory instruments, EUR million



**Green Finance Institute**

The GFI is a knowledge and competence centre within ILTE, actively consulting public and private sector institutions on green (sustainable) finance issues, helping them prepare for changes related to the implementation of EU sustainability requirements in order to achieve the EU green course objectives. The GFI aims to promote the development and expansion of the green (sustainable) finance ecosystem in Lithuania by coordinating public and private sector collaboration in the green (sustainable) finance field.

The main achievements and activities completed during the reporting period were:

- Signing of a financing agreement for the establishment and operationalisation of the Green Finance Competence and Knowledge Centre under the Economic Recovery and Resilience Enhancement Instrument of the New Generation Lithuania plan with the Central Project Management Agency (CPMA) and the submission of the first activity reports.
- Inaugural event for the establishment of a permanent collaboration platform, the Sustainable Finance Forum, and the initiation of working groups.
- Relevant information on regulation related to green finance, frequently asked questions and answers, communication activities, and practical advice and consultations provided to public and private sector entities on how to prepare for changes related to the implementation of sustainability requirements was prepared and published on the ILTE website.

More about the GFI and the results achieved can be found in the Sustainability Report, section 6.6 Social Area.

**Analysis of financial and operational performance**

All financial data presented in the management and financial reports of the Group are calculated in accordance with International Financial Reporting Standards (IFRS), as adopted for use in the EU, unless stated otherwise.

**Group operating revenue**

Group operating revenue for 2024, compared to 2023, increased by 82% (+14.83 million EUR) and amounted to 32.93 million EUR. The main reasons for the positive revenue change were:

1. Fund management fee income increased (+14.10 million EUR), amounting to 21.52 million EUR in 2024. The reasons for the increase were: 1) Funding amounts allocated for instruments increased, and new instruments were launched; 2) from the beginning of 2024, a management fee model was applied in two business sector-targeted funds-of-funds instead of cost reimbursement.
2. Cost reimbursement amounts for managing funds-of-funds, where reimbursement for management is based on incurred costs, grew slightly (+0.62 million EUR). The increase was driven by the implementation of new financial instruments in the respective funds-of-funds.
3. Guarantee provision activities and other revenues listed below remained at the same level or showed very minor changes in EUR values.

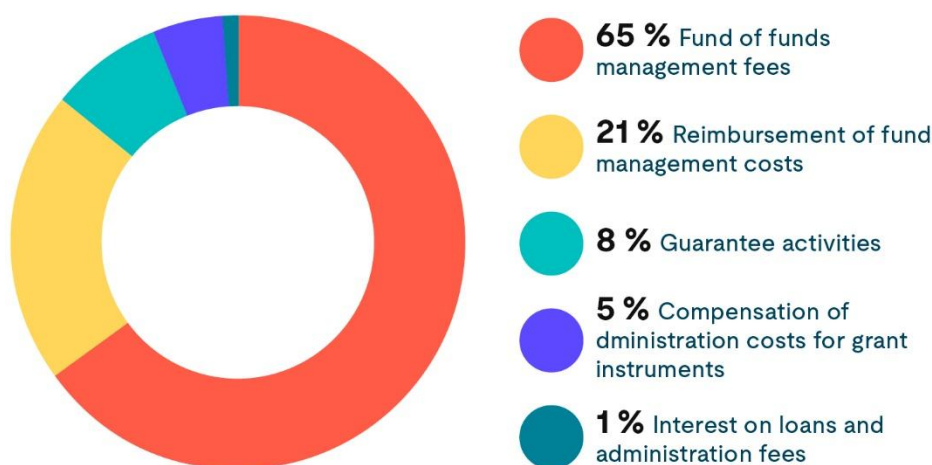
Operating revenue by nature of activity, EUR million

	2024		2023		Δ, EUR million	Δ,%
	Value	%	Value	%		
Fund of funds management fees	21.52	65%	7.42	41%	14.1	190%
Reimbursement of fund management costs	6.81	21%	6.19	34%	0.62	10%
Guarantee activities	2.68	8%	2.69	15%	-0.01	0%
Compensation of administration costs for grant instruments	1.52	5%	1.54	9%	-0.02	-1%
Interest on loans and administration fees	0.33	1%	0.24	1%	0.09	38%
Other income	0.07	0%	0.02	0%	0.05	250%
<b>Total income</b>	<b>32.93</b>	<b>100%</b>	<b>18.1</b>	<b>100%</b>	<b>14.83</b>	<b>82%</b>

The main sources of the Group's revenue are fund-of-fund management fees and compensation of fund-of-fund management costs: respectively, in 2024, they accounted for 65% and 21% of total operating revenue (2023: 41% and 34%).

Starting from 2024 and in the upcoming 2025–2028 period, the Group plans to gradually phase out the compensation of fund-of-fund management costs and shift to applying management fees. The Group's pricing model (financing mechanism) must enable the Group to earn a return that meets the prudence criteria (not just covering incurred costs).

Structure of Group revenue



Group provisions for guarantee payouts and loan value changes costs

Change in provisions for payment guarantees. **During 2024, the group incurred 4.82 million EUR (+10.83 million EUR compared to 2023)** in provisions for guarantee payout costs.

Key figures and reasons for changes:

- Provisions for agricultural enterprises (considering over-guaranteeing) amounted to 5.17 million EUR in 2024; the decrease in the EURIBOR rate had an impact on the reduction of new rates, which led to a decrease in provisions, but the main reason for the overall increase in provisions, despite the reduction in rates, was the recognition of some higher-risk clients as insolvent;

- Provisions for business decreased during the reporting period (considering over-guaranteeing), and the cost change was positive, amounting to 0.31 million EUR; the decrease in the EURIBOR rate led to a more favourable outlook, but the most significant factor for the reduction in provisions was the decrease in the medium probability of default (PD) from 6.3% to 5.2% over the period;
- Payouts made for guarantees amounted to 0.04 million EUR.

Change in the value of loans. At the end of the reporting period, the outstanding balance of loans disbursed but not yet repaid amounted to 6.19 million EUR. During the reporting period, the depreciation of loan amounts based on the expected credit loss amounted to 0.09 million EUR in costs. The depreciation of loans in the KÜB TIPS during the reporting period amounted to 0.87 million EUR due to an increase in "Stage 3" due to delays. The total loan value change was 0.96 million EUR.

	2024	2023	Δ	Δ,%
Change in provision for guarantee claims	-4.82	6.01	-10.83	-180%
Change in the value of loans and investments	-0.96	-0.08	-0.88	1 100%
<b>TOTAL COSTS</b>	<b>-5.78</b>	<b>5.92</b>	<b>-11.7</b>	<b>-198%</b>

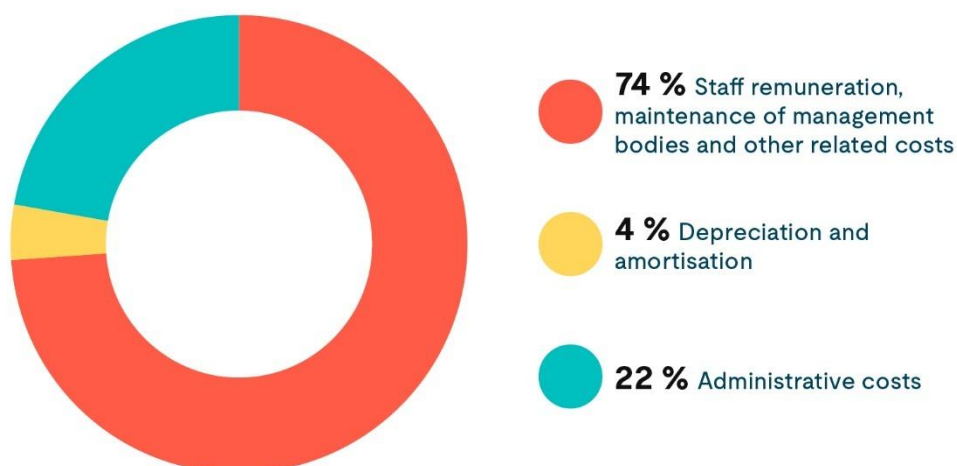
### Group operating (OPEX) costs

In 2024, the Group's OPEX amounted to 21.15 million EUR, which was an increase of 37% (+5.75 million EUR) compared to 2023. The main reasons for the increase in OPEX are the planned expansion of the organisation due to increased operational volumes and the strengthening of additional competencies. The number of employees increased from 259 employees on 31 December 2023 to 330 employees on 31 December 2024. This change directly influenced the increase in both wage costs (+3.39 million EUR) and administrative (workplace maintenance) costs (+2.16 million EUR).

Operating costs, EUR million

	2024		2023		Δ, EUR million	Δ,%
Staff remuneration, maintenance of management bodies and other related costs	-15.51	74%	-12.12	78%	-3.39	28%
Depreciation and amortisation	-0.91	4%	-0.71	5%	-0.2	28%
Administrative costs	-4.73	22%	-2.57	17%	-2.16	84%
<b>Total OPEX costs</b>	<b>-21.15</b>	<b>100%</b>	<b>-15.4</b>	<b>100%</b>	<b>-5.75</b>	<b>37%</b>

2024 Group OPEX structure



## Group financial and investment activity result

The financial and investment activity result significantly increased (+2.85 million EUR).

Financial and investment income from the temporary investment of free own funds increased (+2.93 million EUR). The Rules for the Investment of FM Funds and the ILTE Temporary Investment Policy for Free Funds approved by the Management Board (Minutes No. 053, 11 December 2024) define the directions for the ILTE Group's temporary investment of free funds. ILTE Group invests temporarily available funds according to the interest rate environment and the requirements for the duration of the investments, and, therefore, usually chooses to invest in Lithuanian and EU government securities with a maturity of 2 to 5 years, debt securities of international organisations, commercial banks operating in Lithuania, commercial bank deposits of up to 12 months, and in the balances held with a Bank of Lithuania. In 2024, the Group earned 3.54 million EUR from the temporary investment of free funds, which was an increase of +2.93 million EUR compared to 2023; the main reasons were: 1) In 2024, ILTE's authorised capital was significantly increased (+150 million EUR), and temporarily free capital funds were invested, 2) Additionally, the investment portfolio saw an increase in investments made during the interest rate rise period, and lower-yield investments were redeemed.

The financial and investment activity costs increased due to the application of IFRS 9 to funds and deposit balances in banks, with a 0.05 million EUR depreciation formed by the end of 2024.

	2024	2023	Δ	Δ,%
Income from financing and investing activities	3.54	0.61	2.93	480.33%
Cost of financing and investing activities	-0.13	-0.05	-0.08	160%
<b>Results of financing and investing activities (1-2)</b>	<b>3.41</b>	<b>0.56</b>	<b>2.85</b>	<b>508,93%</b>

## Net profit

Net profit for 2024 amounted to 7.68 million EUR, – an increase of 0.01 million EUR compared to 2023, when the net profit was 7.67 million EUR. ILTE's revenue increased significantly, OPEX costs grew moderately, but the costs of provisions for guarantee payouts and loan depreciation increased significantly (+11.7 million EUR), which resulted in net profit remaining almost unchanged.

## Statement of financial position

Assets. As of 31 December 2024, the total value of assets amounted to 252.51 million EUR (+177% compared to 31 December 2023). The most significant growth was in the financial assets and cash position due to the paid-in capital increase amounting to +150 million EUR on 28 June 2024, which was deposited into the bank account. Temporarily free funds were invested in short-term deposits and government securities of EU member states.

Equity. The change in equity was mainly driven by the increase in authorised capital (+150 million EUR) and the earned profit of 7.68 million EUR in 2024.

## Liabilities

Other liabilities as of 31 December 2024 amounted to 14.94 million EUR. The 3.30 million EUR increase is due to received advances for fund-of-fund management and the increase in the accrued amounts for employee holidays and variable salary components.

Financial statements, EUR million

	2024 12 31	2023 12 31	Δ	Δ,%
Loans granted and investments in the 3J Fund	20.31	20.83	-0.52	-2.50%
Financial assets and cash	216.43	50.92	165.51	325.04%
Tangible and intangible assets, assets held under right-of-use	0.54	1.4	-0.86	-61.43%
Investments in associates	1.13	2	-0.87	-43.50%
Other assets	14.1	15.94	-1.84	-11.54%
<b>Total assets</b>	<b>252.51</b>	<b>91.09</b>	<b>161.42</b>	<b>177.21%</b>
Equity	214.85	57.74	157.11	272.10%
Provisions	22.75	21.71	1.04	4.79%
Other liabilities	14.91	11.64	3.27	28.09%
<b>Total equity and liabilities</b>	<b>252.51</b>	<b>91.09</b>	<b>161.42</b>	<b>177.21%</b>

3-year summary and key financial indicators

ILTE's performance

Dynamics of key financial indicators

The most important financial ratios	GROUP			ILTE		
	2022	2023	2024	2022	2023	2024
Fund management fees EUR million	-	7.42	21.52	-	6.29	21.30
Compensation of fund management costs, EUR million	4.56	6.19	6.81	4.35	5.96	6.53
Income from guarantees granted, EUR million	1.19	2.69	2.68	1.19	2.69	2.68
Compensation of administration costs for grant facilities, EUR million	1.23	1.54	1.52	1.23	1.54	1.52
Other income, EUR million	0	0.26	0.40	0	0.26	0.40
<b>Total operating income, EUR million</b>	<b>6.98</b>	<b>18.1</b>	<b>32.93</b>	<b>6.77</b>	<b>16.74</b>	<b>32.43</b>
Changes in the value of provisions and loans, EUR million	0.08	5.92	-5.78	0.08	5.92	-5.78
OPEX costs, EUR million	-6.1	-15.4	-21.15	-5.89	-14.04	-20.63
<b>Operating profit, EUR million</b>	<b>0.96</b>	<b>8.62</b>	<b>6.00</b>	<b>0.96</b>	<b>8.62</b>	<b>6.02</b>
<b>Results of financing and investing activities (1-2)</b>	<b>0.04</b>	<b>0.56</b>	<b>3.41</b>	<b>0.04</b>	<b>0.55</b>	<b>3.39</b>
<b>Net profit, EUR million</b>	<b>0.84</b>	<b>7.67</b>	<b>7.68</b>	<b>0.84</b>	<b>7.67</b>	<b>7.68</b>
Operating profit margin <sup>8</sup> ,%	13.75	47.62	18.22	14.18	51.49	18.56
Expenditure-to-income ratio (CIR) <sup>1</sup> ,%	87.39	85.08	64.23	87.00	83.87	63.61
Number of employees	118	259	330	115	255	324
Fixed assets, EUR million	11.14	47.28	98.86	11.19	48.41	100
Current assets, EUR million	17.67	43.81	153.65	17.58	42.53	152.32

The most important financial ratios	GROUP			ILTE		
	2022	2023	2024	2022	2023	2024
<b>Total assets, EUR million</b>	<b>28.81</b>	<b>91.09</b>	<b>252.51</b>	<b>28.77</b>	<b>90.94</b>	<b>252.32</b>
Equity, EUR million	12.86	57.74	214.85	12.86	57.74	214.85
Subsidiaries, EUR million	-	0.13	0.01	-	0.13	0.01
Non-current liabilities, EUR million	1.05	5.41	5.22	1.05	5.41	5.22
Current liabilities, EUR million	14.9	27.81	32.43	14.85	27.65	32.24
<b>Total equity and total liabilities, EUR million</b>	<b>28.81</b>	<b>91.09</b>	<b>252.51</b>	<b>28.77</b>	<b>90.94</b>	<b>252.32</b>
Average return on equity (ROE) <sup>2</sup> ,%	6.61	21.72	5.64	6.61	21.72	5.64
Average return on assets (ROA) <sup>3</sup> ,%	2.91	12.79	4.47	2.92	12.81	4.48
Gross liquidity, ratio <sup>4</sup>	1.19	1.47	4.74	1.18	1.43	4.72
Quick coverage ratio <sup>5</sup>	1.19	1.58	4.74	1.18	1.54	4.72
Debt to equity ratio <sup>6</sup>	1.19	0.58	0.18	1.24	0.57	0.17
Equity to assets ratio <sup>7</sup> ,%	44.07	63.39	85.09	44.15	63.5	85.15

<sup>1</sup> Cost-income ratio (CIR) is calculated by adding depreciation and amortisation costs and other expenses to administrative expenses, divided by operating income. CIR is an indicator of operational efficiency.

<sup>2</sup> Return on average equity (ROE) is calculated by dividing the annual net profit for the relevant period by the average equity at the beginning and end of the period. ROE is the rate of return on equity.

<sup>3</sup> Return on average assets (ROA) is calculated by dividing the annual net profit for the relevant period by the average assets at the beginning and end of the period. ROA is a measure of return on assets.

<sup>4</sup> The current liquidity ratio is calculated by dividing current assets by current liabilities. It shows the ability of an enterprise to cover its current liabilities with its current assets.

<sup>5</sup> Immediate coverage ratio is calculated as: (Current assets – Inventories) / Current liabilities.

<sup>6</sup> Debt-to-equity ratio is calculated as the ratio of total liabilities to equity.

<sup>7</sup> Equity ratio compares the amount of equity capital to the assets of the whole company. This ratio shows what portion of the assets is financed by the company's own funds.

<sup>8</sup> Operating profit margin is calculated as the ratio of operating profit to revenue.

**Overview of results.** In 2024, compared to 2023 and 2022, the CIR ratio improved due to the Group's shift from cost compensation for fund-of-fund management to a management fee model and efficient resource management. This transition will enable the Group to earn an appropriate return (not just cover incurred costs), from which the Group could finance investments and expansion. The operating profit margin decreased by 29.40 percentage points, with the main reason being significant provisions and impairment costs for receivables in 2024, whereas, during the corresponding period in 2023, there was a recovery of expenses.

In 2024, ILTE allocated 150 million EUR from the Economic and Resilience Recovery Fund to increase its authorised capital. Therefore, with the company's operations remaining profitable but a significant increase in paid-up authorised capital, ILTE's return on equity (ROE) for 2024 was 5.64%.

The return on assets (ROA) decreased to 4.47% (–8.32% compared to the corresponding period in 2023) due to the receipt of 150 million EUR in authorised capital payment at the end of the first half of 2024, which caused the Group's asset position to increase by +177% compared to the asset position at the end of 2023.

As at 31 December 2024, the coefficients of general and emergency coverage remained high, the current assets of the ILTE Group exceed current liabilities, therefore, the Group is able to meet short-term liabilities. The Group's solvency position remained sound. The equity-to-asset ratio increased to 85.09%.

#### Results of the subsidiary UAB Kofinansavimas

ILTE has delegated part of the risk capital management services to its subsidiary UAB Kofinansavimas. The risk capital management services provided by the company are essentially part of ILTE's fund-of-fund and financial instrument management services. The services provided by UAB Kofinansavimas for the management of venture capital instruments are specific and not every entity can manage this type of venture capital instruments, but only those entities that have been selected by the regulatory framework as a participant in the relevant scheme. UAB Kofinansavimas does not set the price for risk capital management services – it is compensated only for the actual costs incurred in managing risk capital instruments.

GRI 201-1

Dynamics of key financial indicators of UAB Kofinansavimas

The most important financial ratios	2022	2023	2024
Reimbursable management services, EUR million	0.21	0.23	0.28
Operating costs, EUR million	(0.21)	(0.23)	(0.28)
<b>CIR ratio</b>	<b>1.00</b>	<b>1.00</b>	<b>1.00</b>
Net profit, EUR million	(0.00)	(0.00)	(0.00)
<b>Net profit margin,%</b>	<b>(0.00)</b>	<b>(0.00)</b>	<b>(0.00)</b>
Total assets, EUR million	0.09	0.09	0.22
Total equity, EUR million	0.05	0.05	0.05
<b>Average return on equity, ROE,%</b>	<b>(0.12)</b>	<b>(0.21)</b>	<b>(1.63)</b>
<b>Average return on assets, ROA,%</b>	<b>(0.06)</b>	<b>(0.11)</b>	<b>(0.36)</b>
<b>Equity to asset ratio,%</b>	<b>51.47</b>	<b>51.47</b>	<b>21.79</b>

Overview of results. In 2024, there are no significant changes compared to 2022-2023. The operating profit margin of the company, given the nature of the company's operations and revenue, should generally be close to 0%.

Performance of the subsidiary VIVA

In 2024, ILTE's subsidiary VIVA focused on the administration of incentive finance instruments through the management of the PVF. VIVA acts as a full limited partner. VIVA receives all of its revenue from the management fee of the PVF, the amount of which is regulated by the EC Decision on the Fund's instruments and, consequently, by the Fund's Operational Schedule (Order No 4-837/1K-319 of the Minister of Economy and Innovation of the Republic of Lithuania and the Minister of Finance of the Republic of Lithuania "On the adoption of the operational description of the facility Pagalbos verslui fondas").

Dynamics of VIVA's key financial indicators

The most important financial ratios	2022	2023	2024
Management fee income, EUR million	2.38	1.74	1.718
Income from other and financial activities, EUR million	-	0.01	0.014
Operating costs, EUR million	(2.00)	(1.74)	(1.731)
<b>CIR ratio</b>	<b>0.84</b>	<b>0.99</b>	<b>0.99</b>
Net profit, EUR million	0.32	0.00	0.001
<b>Net profit margin,%</b>	<b>13.45</b>	<b>0.21</b>	<b>0.06</b>
Total assets, EUR million	2.03	1.65	1.22
Total equity, EUR million	1.48	1.10	1.10
<b>Average return on equity, ROE,%</b>	<b>21.68</b>	<b>0.33</b>	<b>0.1</b>
<b>Average return on assets, ROA,%</b>	<b>15.79</b>	<b>0.22</b>	<b>0.08</b>
<b>Equity to asset ratio,%</b>	<b>72.91</b>	<b>66.67</b>	<b>90.16</b>

Overview of results. Revenue decreased due to the end of the PVF investment period on 30 June 2022 and the annual contributions (the refundable part of the contributions allocated for investments) paid to the PVF's commanditaire, UAB Valstybės investicinis kapitalas, in accordance with the participants' agreement concluded on 6 October 2020, with subsequent amendments, which affected the size of the PVF-managed portfolio and the management fee income received by VIVA. The services required for PVF management are purchased by VIVA from ILTE under the management services agreement concluded with ILTE on 22 June 2023. A fee is paid for the services provided as stipulated in the agreement. The majority of VIVA's costs consisted of the fee paid to ILTE for the services provided for PVF management. It is aimed that VIVA's costs do not exceed revenue, and net profit is ≥0 EUR.

GRI 201-1



## 2.6. Most significant acquisitions and investments

ILTE carries out the procurement of goods and services in accordance with the Law on Public Procurement, the Small Value Procurement Procedures approved by Order No 1S-97 of the Director of the Public Procurement Service of 28 June 2017, other legislation, methodologies and guidelines governing the conduct of public procurement, and ILTE's own internal procedures governing procurement and contract administration.

ILTE carried out public procurements in 2024:

- 15 simplified and international procurements, procurement contracts signed for 9 585 462 EUR, VAT included;
- 43 small value procurements, public procurement contracts concluded for 1 393 869.51 EUR, VAT included;
- 7 procurements from the CPO.LT catalogue of the central contracting authority for a value of EUR 368 947.31 including VAT;
- 790 small value procurements, verbal public procurement contracts concluded for a total value of EUR 602 661.49 including VAT.

It should be noted that the term of some of the concluded public procurement contracts is 24–36 months, and the contract value is indicated for the entire duration of the contract, including extensions.

During the reporting period, ILTE completed publicly announced simplified and international public procurements and signed contracts:

- DNMF IS development services with the external customer portal and integrations contract for 260 150 EUR, VAT included (36-month contract);
- Travel organisation services provision contract for 300 000 EUR, VAT included (24-month contract);
- Voluntary Occupational Health Insurance Service Agreement for 1 200 000 EUR incl. VAT;
- Application acceptance and administration information systems development and maintenance services contract. for 363 000 EUR, VAT included (36-month contract);
- Integrated communication services provision contract for 1 452 000 EUR, VAT included (24-month contract);
- Security incident detection and management license agreement; for 302 500 EUR, VAT included (36-month contract);
- Legal services provision agreement; for 847 000 EUR, VAT included (36-month contract);
- Event organisation services provision agreement; for 1 815 000 EUR, VAT included (24-month contract);
- Contract for the provision of cleaning services for 187 550 EUR, VAT included (36-month contract);
- Training administration services contract for 1 815 000 EUR, VAT included (36-month contract);
- Laptop contract for 199 650 EUR, VAT included (24-month contract);
- Service contract for the planning and implementation of information dissemination in the media and other channels for 141 570 EUR, VAT included;
- Service contract for the audit of financial statements, management expenditure and eligibility of funds used for 702 042 EUR, VAT included (24-month contract).

ILTE, aiming to ensure smooth operations and high service quality, plans to acquire various goods and services for different periods, including the lease of necessary office equipment services. Over the next 36 months, it is planned to purchase coffee and coffee machine operation goods, as well as obtain project and task management system (e.g., Jira or equivalent) licenses, acquire personnel data management and administration software with maintenance services, IT cloud resources, PEP (Politically Exposed Persons) screening and international sanctions checking services, integrated communication services for GFI, ILTE website development and maintenance services, and team-building event services.

Over the next 12 months, it is planned to acquire laptops, mobile phones, liability insurance services related to insured individuals (directors' liability insurance), and access to credit risk assessment platform services. For a 25-month period, it is planned to lease customer service (call centre) software and hardware and obtain liquidity and treasury management model development consultations.

In addition, over the next 13 months, it is planned to acquire services for the development of the DNSH (Taxonomy) compliance with Lithuanian legal acts assessment guide, sustainability report preparation tool development services, security operations centre services, ESG criteria assessment methodologies and guidelines for different sectors, CES and NPS methodology development services, and financial process automation and efficiency consulting services (RPA in financial processes / analysis section).

It is planned to acquire infrastructure equipment, dual significance assessment services, and national taxonomy sustainability labelling need analysis services. For a 7-month period, it is planned to acquire process and project management implementation consulting services and state and/or municipality expenditure greening feasibility study and evaluation methodology development services. Also, for a 4-month period, it is planned to acquire market research and survey services, as well as consulting services on human resources management.

These initiatives will help ILTE strengthen its infrastructure, optimise processes, and ensure high service quality, contributing to the achievement of the company's strategic goals.

## 3. Strategy and its implementation

### 3.1. Mission, vision, and values

#### Mission

We are creating financing opportunities for the competitiveness and progress of the Lithuanian economy.

Our goal is to increase the accessibility of financing in Lithuania and provide funding solutions for initiatives that enhance the country's competitiveness, promote innovation and sustainability, and help strengthen the country's sovereignty. We aim to make the most of our financial expertise to create more financing opportunities for business, agriculture, and the public sector in Lithuania. Our financial solutions also promote financial and capital markets.

#### Vision

Strategic Investments and Competence Centre – strong, economically sustainable, and advanced for Lithuania.

As a competence centre, we systematically assess the financing gaps in Lithuania's economic sectors and offer targeted solutions. We are a reliable partner for the state, clients, and the financial market – we connect funding sources and partners with our clients: Lithuanian business, agriculture, and the public sector. We create financing solutions based on European and national strategic priorities, while also ensuring that they are relevant to clients and the financial market. In implementing this vision, we will create next-generation innovative financial instruments and use funds rationally, significantly contributing to a more favourable investment environment.

#### Valuables

- Creative curiosity
- Measured courage
- Unity in diversity

After the consolidation process, the need arose to focus on creating a shared organisational culture. Each former organisation had its own strengths and characteristics. During the reporting period, all employees were involved in the process of creating the shared organisational culture, to ensure that all past experiences were heard. We also identified emerging cultural challenges and assessed the potential impact they could have on the implementation of the organisation's strategy. Based on the identified strengths and cultural challenges, ILTE's values were created. Nearly 200 ILTE employees were involved in this process in various ways – they participated in surveys and discussion groups.

### 3.2. Shareholder expectations

The institution exercising ILTE's shareholder rights, the Ministry of Finance (MF), has developed the State's objectives and shareholder expectations (Order No 1K-260 of the Minister of Finance of the Republic of Lithuania of 30 July 2024) for the activities of ILTE and its subsidiaries.

The Shareholder's Expectations Letter submitted by ILTE highlights the areas of activity and the essential precision and expectations:

#### Customer needs satisfaction and operational efficiency

- High operational standards: it is expected that ILTE will apply the best business practices, the practices of European national development institutions, and the public sector in its operations, while also creating and implementing a customer-oriented business model. Governance solutions should ensure the efficiency of operational processes, decision-making independence, speed, quality, and innovation.
- Risk management based on best practices: the expectation is that the organisation will rely on a three-line risk management model, which integrates the roles of risk owners, risk managers, and internal and external audit functions. This model will help ensure adherence to the principles of prudence, transparency, and efficiency.
- Social responsibility, sustainability principles, and high employee engagement: ILTE should strengthen dialogue with social partners, maintain a values-based organisational culture, and actively enhance

employee motivation and professional growth opportunities. It is also expected to reduce the environmental impact of the organisation's activities and encourage clients to adhere to sustainability principles.

#### Qualitative leap in services

- Increasing access to financing: is expected that ILTE will increase the accessibility of financing for Lithuanian businesses, ensuring more favourable conditions for the development of the country's financial and capital markets.
- Creation of an investment environment: to increase the leverage effect of financial instruments, the organisation will prioritise capital market instruments and innovative financial instruments. These instruments should provide new opportunities for funding recipients. ILTE should also objectively assess opportunities for attracting private funds, including access to global financial markets, and, based on these assessments, make decisions on the most effective funding sources.
- Collaboration with partners and expert assistance: the expectation is that the organisation will provide proposals and expert assistance to improve the investment environment and promote the accessibility of financing. ILTE should actively promote digitalisation and green course financing practices in the Lithuanian financial sector and collaborate with companies and other project implementers.

#### Attraction of investment

- Solutions for financing gaps: the goal is to regularly assess and update the financing gaps in Lithuania's economic sectors. It is expected that ILTE will be able to offer the most suitable financial instruments to reduce these gaps.
- New funding sources: ILTE will actively reduce the shortage of financing supply in the market by diversifying funding sources, attracting private investments, and promoting the development of capital markets. It is expected that the company will be able to attract additional financing without affecting the national debt. The goal is also set that ILTE will become a leading knowledge and competence centre for sustainable (green) finance in the Baltic region in the near future.
- Synergy: The goal is set that ILTE will continue to develop financial instruments in the sectors of the Lithuanian economy where market financing is insufficient and which generate financial returns in investment projects. Existing instruments should be coordinated by leveraging their interconnection and synergy, while new instruments should be developed in collaboration with financial market participants and stakeholders.

The letter with expectations is published on the [ILTE website](#).

### 3.3. Specific obligations

Special obligations are understood as functions of a state-controlled enterprise that it is obliged to perform by law or by the resolutions of the GRL in order to ensure the implementation of specific social, strategic and political objectives of the state. Special obligations are considered to be the functions or relevant activities performed by the company for which state budget allocations are designated or whose implementation is financed by EU and/or other fund resources, or when the implementation costs are covered by revenues from other activities conducted by the company, or when the performance of the relevant function is a public administration function.

Notably, ILTE and its group of companies are largely engaged in the fulfilment of their specific obligations, while their commercial activities are insignificant.

The implementation of ILTE's activities is entrusted by Government Resolution No. 887 of 11 July 2001 "On the Activity of the Closed Joint Stock Company 'Investment and Business Guarantees'", Government Resolution No. 1046 of 17 October 2018 "On the Assignment to Carry Out the Activity of the National Development Institution" and other legal acts. ILTE's activities are financed from the state budget, the European Union, international financial institutions, and/or other resources. The Law on NDB (Article 13) grants ILTE the right to use its own capital, managed incentive financial instruments, and funds of funds to achieve NDB objectives, implement tasks, and perform functions.

ILTE's special obligations are as follows:

- Provision of guarantees by the state-established guarantee institution.
- provision of grants, including conditional grants, and/or subsidies, including reimbursable subsidies, where they relate to a financial instrument, financial service or incentive financial instrument, and the performance

of the functions of an intermediate body in the field of the administration of the management and control system for the 2014-2020 EU Structural Funds;

- Management of controlling funds, funds-of-funds, special funds, and the implementation of individual financial engineering, incentive financial instruments, and financial instruments.
- Activities of the Green Finance Institute.

The legal acts entrusting ILTE with the performance of special obligations and the institutions and legal acts regulating pricing are published on the [ILTE website](#).

### **Guarantee activities of a guarantee institution established by the State**

The guarantee function of the guarantee institution set up by the State includes the provision of individual guarantees, except for those provided under guarantee instruments implemented by holding funds or funds of funds: Provision of portfolio loan guarantees, portfolio leasing guarantees, export credit guarantees, and guarantees for the fulfilment of obligations by tour operators. Guarantees provided under the guarantee instruments implemented by the controlling funds or funds-of-funds are classified as another special obligation "Management of controlling funds, funds-of-funds, special funds, and the implementation of individual financial engineering, incentive financial instruments, and financial instruments". For individual guarantees to be provided on preferential terms and have a promotional nature, a part of the guarantee payments made in fulfilling obligations under provided guarantees is compensated or financed from state budget allocations (the compensated part ranges from 80% to 100%). In the case of individual guarantees to promote investments in the agricultural sector, borrowers are subsidised from the state budget for a part of the guarantee compensation payable.

### **Provision of grants, including conditional grants, and/or subsidies, including reimbursable subsidies, where they relate to a financial instrument, financial service or incentive financial instrument, and the performance of the functions of an intermediate body in the field of the administration of the management and control system for the 2014-2020 EU Structural Funds**

The function involves the provision of financial support in the form of grants or subsidies to SMBs, other entities operating in state-supported sectors or beneficiaries meeting the established criteria. The function covers the entire process of providing and administering funding, including, but not limited to, the evaluation of applications, decision-making, calculation of the amount of compensation or other funding, disbursement of funds to final beneficiaries, monitoring of indicators, sample checks and other functions of the implementing authority and/or global grants manager.

### **Management of controlling funds, funds-of-funds, special funds, and the implementation of individual financial engineering, incentive financial instruments, and financial instruments**

This function involves the establishment and management of controlling funds, funds-of-funds, special funds (hereinafter in this section, the Funds or the Fund), and performing the functions of the Fund manager for the managed Funds.

The manager of the relevant Fund performs the following functions:

- Performing the actions of the Foundation's establishment and regulation of its activities;
- develops the instruments financed by the Fund and ensures their implementation in accordance with the Fund's investment strategy and plan;
- Reviewing the Fund's investment strategy and plan;
- Selecting, negotiating and signing contracts with managers of facility (financial intermediaries) financed by the Fund;
- Managing the portfolio of facility financed by the Fund;
- Performing monitoring and control of the activities of the managers (financial intermediaries) of the measures financed by the Fund.

The functions of the manager of a financial engineering instrument, incentive financial instrument or financial facility (hereinafter referred to in this chapter as the Facility or the Facility) are:

- Implement the facility in accordance with the facility's agreed investment strategy;
- Review the facility's investment strategy;
- Assess applications submitted by the final beneficiaries (final beneficiaries) of the facility, and takes decisions on their eligibility and funding;

- Monitor the implementation of projects financed by the facility, monitoring the expected results and collecting information;
- Perform portfolio management of projects financed by the facility.

This special obligation also includes guarantee provision activities when funds from controlling funds, funds-of-funds, special funds, or individual financial engineering, incentive financial instruments are used for guarantee provision activities and/or the fulfilment of obligations under provided guarantees.

### Activities of the Green Finance Institute

The establishment of the Green Finance Institute (GFI) as the first knowledge and competence centre in Lithuania and the Baltic States, advising both private and public sector institutions on green (sustainable) finance matters, helping to prepare for changes related to the implementation of EU sustainability requirements to achieve green course goals, and actions dedicated to the development of green finance (for which the GFI is primarily responsible), are outlined in the 2023–2026 [Lithuanian Green Finance Action Plan](#), Functions – in the [Law on NDB](#). The expectations of the shareholder are reflected in the shareholder expectations letter.

The NDB law sets out specific functions for ILTE in the green finance sector, which are carried out by the Green Finance Institute (GFI) according to its competence:

- Providing proposals and expert (technical and methodological) assistance to state and municipal institutions and agencies in the field of sustainable (green) finance and regarding necessary decisions to improve the investment environment and financing accessibility for project-implementing entities;
- Developing the sustainable labelling ecosystem;
- Initiating and providing proposals for research related to sustainable (green) finance, conducting education and awareness activities;
- Coordinating cooperation between the public and private sectors in the field of sustainable (green) finance.
- Promoting Lithuania's name in the field of sustainable (green) finance.

The GFI performs activities based on the expectations set by ILTE's shareholder:

- Become the leading knowledge and competence centre in the field of sustainable (green) finance in the Baltic States region. In response to this expectation, the GFI plans to develop cooperation with public sector entities in the Baltic region, sharing best practices, sustainability initiatives, and implementing joint projects, including organising international conferences.
- Take an active role in promoting financial literacy among Lithuanian business entities. In order to meet this expectation, the GFI implements various measures that not only provide knowledge about sustainable financial solutions but also encourage companies to make responsible, long-term decisions.

### Results of ILTE's activities and special obligations

ILTE primarily executes special obligations, with commercial activities being insignificant, so the evaluation indicators for the implementation of special obligations coincide with the general performance evaluation indicators of the company and the target values for them. Assessment indicators and target needs are set for specific areas of activity and/or specific implementation measures.

As of 1 January 2016, holding funds, funds of funds, the Innovation Incentive Fund and/or separate financial engineering, incentive financial instruments, where a fund of funds is not established, are treated as separate public sector entities, all economic transactions and events are recorded in the respective entity's accounting records, and the annual financial statements and notes are prepared in accordance with the requirements of the Public Sector Accounting and Financial Reporting Standards and published on the ILTE webpage.

In accordance with the provisions of the IFRS, the assets and liabilities of holding funds and funds of funds are not assets and liabilities of the ILTE and are therefore disclosed for disclosure purposes and include only the ILTE assets and liabilities, income and expenses as manager.

## Performance of the Group's specific obligations

Specific obligation	Purpose of the specific obligation	Source of financing for the specific obligation	Balance of the amount of funding allocated to the specific commitment 2024-12-31 (3) special obligation case) and/or allocated funding for 2024. (2) In the case of a special obligation, EUR million	The amount of funds managed under the special obligation.* 2024-12-31, EUR million	Balance sheet assets for special obligations 2024-12-31, EUR million	Revenue of the Specific obligation 2024 are reflected in the financial statements of the respective Fund of Funds, EUR million	Revenue of the Specific obligation Groups shown in 2024 2024-12-31 In the financial statements	Costs of implementing the specific obligation** 2024-12-31, EUR million	The costs of executing the special obligations are reflected in the Group's Financial Statements for 2024-12-31.	Note
1. Guarantee activities of a guarantee institution established by the State	Provision of financial services for business, provision of individual guarantees by the State-guaranteed guarantee institution	Guarantee compensation paid by economic entities, state budget funds of the Republic of Lithuania, INVEGA Fund, Entrepreneurship Promotion Fund	***	-	252.358	-	0.772	-	(0.531)	-
	Provision of financial services for agriculture, provision of individual guarantees by the State-guaranteed guarantee institution	Remuneration of the guarantee paid by economic entities, funds of the state budget of the Republic of Lithuania	1.062	146.245		-	1.907	-	(1.027)	-
	<b>TOTAL</b>		<b>1.062</b>	146.245		-	<b>2.679</b>	-	<b>(1.558)</b>	-
2. The provision of grants, including grants with conditions, and/or subsidies, including refundable subsidies related to financial facility, financial services, or incentive financial facility, and the performance of intermediary institution	Project No. 11.0.1-CPVA-V-201-01-0010 UAB Investicijų ir verslo garantijos – Administration of the Action Programme	Perform the functions assigned to UAB ILTE in the administration of EU fund investments.	-	-		-	-	-	(0.006)	-
	Compensation facility "Interest compensation for small and medium-sized enterprises".	Partial reimbursement and management of interest (via ILTE)	0.781	8.18	-	0.781	-	(0.678)	-	
	Interest compensation for agricultural sector entities	Partially compensate interest and administer it (Agricultural sector: COVID-19, for short-term and/or biological assets, investment and credit loans, fisheries)	0.159	5.23	-	0.159	-	(0.159)	-	

functions in the administration of the EU Structural Funds management and control system for the 2014–2020 period.	Reimbursement of guarantee premiums for operators in the agricultural sector	Reimbursement of guarantee premiums for operators in the agricultural sector (for lease purchases or investments)	Funds of the State Budget of the Republic of Lithuania.	0.159	1.07		-	0.159	-	(0.159)	-
	Climate change refund subsidy period.	Provision of a repayable grant to budgetary bodies implementing public building renovation projects without the right to borrow	Funds of the State Budget of the Republic of Lithuania.	-	-		-	0	-	(0.322)	-
	<b>TOTAL</b>			<b>1.099</b>	<b>14.480</b>	<b>252.647</b>	<b>-</b>	<b>1.099</b>	<b>-</b>	<b>(1.324)</b>	<b>-</b>
3. management of holding funds, funds of funds, special funds and implementation of individual financial engineering, incentive financial instruments and financial facilities	INVEGA Fund	To encourage the supply of credit to SMBs, to reduce the financial burden on SMBs due to lending in the short term and to promote the development of SMBs and the establishment of new SMBs in the long term. The Fund was financed by the Action programme for Economic Growth 2007-2013 (the AP) under Objective 3 "Improve SMEs' access to finance" of its Priority 2 "Improving business productivity and the business environment", and is being used for the same purposes once the funds have been returned. To achieve these objectives, the Fund finances loan funds providing loans to SMEs, guarantee funds guaranteeing loans and leasing transactions to business entities and export transactions, venture capital funds that invest in corporate capital, thus promoting the development of capital markets in Lithuania and helping micro, small or medium-sized enterprises to attract financing necessary for development. Incentive financial measures are implemented with the funds of the state budget of the Republic of Lithuania, the aim of which is to facilitate access to financing for businesses affected by the coronavirus (COVID-19) pandemic and thus preserve business continuity.	Repayments and/or repayments, funds of the State Budget of the Republic of Lithuania	795.266	498.400	843.634	(2.278)	4.304	2.031	(4.046)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/invegos-fondas/68">https://ilte.lt/veikla/veiklos-ataskaitos/invegos-fondas/68</a>
	Business financing fund financed by the European Regional Development Fund	Increase the country's entrepreneurial spirit, reduce unemployment and contribute to its economic growth. As part of the implementation of the Fund, Financial Instruments are being developed to encourage companies to invest in the acquisition and installation of new production technology lines, upgrading of existing production technology lines, installation of the company's internal utility networks, which are necessary for the installation of new production technological lines or upgrading of existing ones, introduction of modern and efficient technologies in	EU Structural Funds, returned and returning funds	170.081	114.056	197.498	3.501	1.489	(3.510)	(1.489)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/verslo-finansavimo-fondas/69">https://ilte.lt/veikla/veiklos-ataskaitos/verslo-finansavimo-fondas/69</a>



		the service sectors, as well as ensuring the functioning of these production and service delivery capacities, also, Financial instruments to facilitate access to sources of funding for companies carrying out or intending to carry out research and experimental development and innovation activities, support for financing models that meet the needs of SMEs is also being implemented, which would allow ensuring the availability of financial sources for business, with a special focus on new business.									
	Entrepreneurship Promotion Fund 2014-2020, financed by the European Social Fund	The activities of the Facility aim to promote entrepreneurship and self-employment. The Facility enables micro and small enterprises and individuals to start their own businesses, thereby facilitating SMEs' access to funding sources and providing resources necessary for business start-ups in the form of a preferential loan, helping to implement the business plan. Start-up finance is provided, which encourages people to explore and implement business ideas. The facility directly implements Objective 7.3.3 of Priority 7 of the Action programme Promoting quality employment and participation in the labour market – Increase labour demand by promoting entrepreneurship among the population, especially those facing difficulties in the labour market.	EU Structural Funds, returned and returning funds	32.129	3.780	32.868	0.271	0.372	(0.263)	(0.373)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/verslumo-skatinimo-fondas-2014-2020/70">https://ilte.lt/veikla/veiklos-ataskaitos/verslumo-skatinimo-fondas-2014-2020/70</a>
	Financial facility "Koinvesticinis fondas for communication"	The activities of the Financial facility are aimed at implementing a pilot venture capital financial instrument, the aim of which is to encourage the emergence of SMEs developing mobility services and products, intelligent transport systems (its) and innovative transport technologies that reduce CO2 emissions from transport. The financial instrument directly implements Objective 4.5.1 "Promote sustainable mobility and develop environmentally friendly transport to reduce carbon dioxide emissions" of Priority 4 of the Action programme "Promoting energy efficiency and the production and use of energy from renewable sources".	EU Structural Funds, returned and returning funds	0.627	0.600	0.808	0.025	0.021	(0.025)	(0.021)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/ko-investicinis-fondas-susisiekimui/73">https://ilte.lt/veikla/veiklos-ataskaitos/ko-investicinis-fondas-susisiekimui/73</a>
	Innovation Promotion Fund	Encourage investment in basic and/or applied research and/or experimental development and/or innovative activities and create the long-term preconditions for securing incentive	RL state budget funds, EU Economic Recovery and Resilience Facility funds	374.209	18.608	380.623	9.856	7.136	(9.856)	(2.204)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/inovaciju-skatinimo-fondas/72">https://ilte.lt/veikla/veiklos-ataskaitos/inovaciju-skatinimo-fondas/72</a>

		funding in these areas										
	Defence Innovation Fund	The aim of the Fund is to promote experimental development and innovative activities in the field of defence and security in Lithuania. The mission of the Fund is to provide state support by assuming primary risk by investing in emerging and promising micro, small and medium-sized enterprises in the field of defence and security.	Funds of the State Budget of the Republic of Lithuania.	12.051	3.593	12.194	2.015	0.093	(2.006)	(0.093)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/gynybos-investiciju-fondas/74">https://ilte.lt/veikla/veiklos-ataskaitos/gynybos-investiciju-fondas/74</a>	
	Rural development financial instruments fund	The aim of the Fund is to increase the accessibility of financial services to economic operators active in the fields of agriculture, production and processing of agricultural products and rural development and to contribute to the objectives of the Lithuanian Rural Development Programme 2014-2020, financed by the European Agricultural Fund for Rural Development and the state budget. To achieve this, the possibility of using financial instruments to provide support was envisaged. The investments are intended to contribute to the second and third priorities of the EU's rural development policy by investing in improving the competitiveness of agriculture and food, by providing financial support for the modernisation of the production/processing of agricultural products, for innovation, introduction of new technologies, for increasing labour productivity and for improving resource efficiency.	EU Structural Funds, Lithuanian State Budget Funds	27.709	3.124	21.991	0.073	0.102	(0.073)	(0.352)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/kaimo-pletros-programos-finansiniu-priemoniu-fondas/355#c-68/t-194">https://ilte.lt/veikla/veiklos-ataskaitos/kaimo-pletros-programos-finansiniu-priemoniu-fondas/355#c-68/t-194</a>	
	Loan Fund (data until the Fund's closure, i.e., until 30 September 2024)	The aim of the Fund is to increase the competitiveness of the agricultural and rural business sector, to accelerate the absorption of funds under the Lithuanian Rural Development Programme for 2007-2013 and to create more favourable financing opportunities for business development.	EU Structural Funds, returned and returning funds				0.092	0.045	(0.092)	(0.045)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/paskolu-fondas/353#c-66/t-192">https://ilte.lt/veikla/veiklos-ataskaitos/paskolu-fondas/353#c-66/t-192</a>	
	Žemės ūkio fondas agricultural fund	The aim of the Fund is to increase the availability of financial services to economic entities operating in the fields of agricultural activities, production of agricultural products, processing and rural development through the implementation of financial instruments, thus promoting economic development of the agricultural sector, increasing the	Funds of the State Budget of the Republic of Lithuania.	152.275	104.332	154.219	4.902	0.796	(4.902)	(0.621)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/zemes-ukio-fondas/354#c-67/t-193">https://ilte.lt/veikla/veiklos-ataskaitos/zemes-ukio-fondas/354#c-67/t-193</a>  <a href="https://ilte.lt/veikla/veiklos-ataskaitos/paskolu-fondas/353#c-66/t-192">https://ilte.lt/veikla/veiklos-ataskaitos/paskolu-fondas/353#c-66/t-192</a>	

		competitiveness of the agricultural and food sector, creating as favourable credit conditions as possible for economic entities facing a temporary shortage of funds, reducing the financial risk of the activities of economic entities.									
Multi-apartment building modernisation fund		The main objective of the financial instrument is to promote energy efficiency improvement by investing in the modernisation of multi-apartment buildings	EU Structural Funds, returned and returning funds, attracted funds	119.697	236.597	376.941	3.289	5.813	(4.239)	(4.559)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/daugiabuciu-namu-modernizavimo-fondas/293#c-58/t-145">https://ilte.lt/veikla/veiklos-ataskaitos/daugiabuciu-namu-modernizavimo-fondas/293#c-58/t-145</a>
Energy Efficiency Fund		The objective of the Fund of Funds is to improve energy efficiency by investing in the public sector.	EU structural funds	126.693	19.825	130.964	6.585	4.844	(6.585)	(1.249)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/energijos-efektyvumo-fondas/294#c-59/t-153">https://ilte.lt/veikla/veiklos-ataskaitos/energijos-efektyvumo-fondas/294#c-59/t-153</a>
Cultural Heritage Foundation		The main objective of the Foundation is to promote investments in cultural heritage objects in order to adapt them to the needs of the society, to preserve and reveal the valuable features of heritage objects, to adapt them to various uses, to increase the interest of the Lithuanian population in the cultural heritage, as well as to improve Lithuania's image as an attractive country for tourism in the markets of both Lithuania and abroad.	EU structural funds	4.125	1.769	4.196	0.027	0.082	(0.027)	(0.164)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/kulturos-paveldo-fondas/295#c-60/t-161">https://ilte.lt/veikla/veiklos-ataskaitos/kulturos-paveldo-fondas/295#c-60/t-161</a>
Municipal Building Fund		The main objective of the Fund is to promote the improvement of energy efficiency by investing in the modernisation of municipal public buildings.	EU structural funds, Funds of the State Budget of the Republic of Lithuania.	12.197	6.846	12.378	0.077	0.078	(0.077)	(0.307)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/savivaldybiu-pastatu-fondas/296#c-61/t-168">https://ilte.lt/veikla/veiklos-ataskaitos/savivaldybiu-pastatu-fondas/296#c-61/t-168</a>
Water Management Fund		The objectives of the Fund are to contribute to the development of drinking water supply and wastewater collection networks; contribute to increasing the number of users of drinking water supply and wastewater collection networks; contribute to the rehabilitation of dilapidated drinking water supply and wastewater collection networks; to seek to satisfy as much as possible the need for funds necessary for the development and reconstruction of drinking water supply and wastewater collection networks by attracting additional funding from various funding sources and other possible ways of ensuring the financing of the VF renewal programme.	EU structural funds, Funds of the State Budget of the Republic of Lithuania.	27.421	26.717	28.276	1.905	0.412	(1.905)	(0.442)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/vandentvarkos-fondas/297#c-62/t-175">https://ilte.lt/veikla/veiklos-ataskaitos/vandentvarkos-fondas/297#c-62/t-175</a>
Financial instrument Installation of buildings for typical production		The objective of the financial facility is to accelerate high value-added investments that will contribute to the economic, social and regional development of the country.	Funds of the State Budget of the Republic of Lithuania.	29.498	15.393	29.633	0.844	0.414	(0.844)	(0.208)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/finansiniu-priemoniu-veiklos-ataskaitos/298#c-63/t-180">https://ilte.lt/veikla/veiklos-ataskaitos/finansiniu-priemoniu-veiklos-ataskaitos/298#c-63/t-180</a>

	purposes in free economic zones, industrial parks and other industrial areas (FEZ)										
	Managing the Business Assistance Fund	The aim is to help medium and large companies operating in Lithuania facing the challenges posed by COVID-19 and to prepare for the economic recovery period after the COVID-19 pandemic.	****	****	****	1.646	1.742	1.499	(1.878)	(0.549)	Read more: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/finansiniu-priemoniu-veiklos-ataskaitos/298#c-63/t-180">https://ilte.lt/veikla/veiklos-ataskaitos/finansiniu-priemoniu-veiklos-ataskaitos/298#c-63/t-180</a>
	JESSICA Holding Fund	The aim is to renovate (modernise) dormitories built in accordance with the construction technical standards in force before 1993 in order to rational use of energy resources, improve the living conditions of students and pupils in dormitories.	Fund manager: EIB, funds allocated under the EC JESSICA initiative		15.239	17.126	0.490	0.329	(0.469)	(0.312)	
	<b>TOTAL</b>			<b>1 883.978</b>	<b>1 068.879</b>	<b>2 250.572</b>	<b>33.392</b>	<b>27.829</b>	<b>(37.094)</b>	<b>(17.034)</b>	
<b>4. GREEN FINANCE INSTITUTE</b>		The objective is to establish and operationalise the Green Finance Institute (GFI), which would coordinate public and private sector cooperation in the field of sustainable (green) finance and provide expert assistance to businesses and organisations in preparing for changes related to the implementation of EU sustainability requirements.	EGADP funds, Lithuanian State Budget funds	2.722	-	-	-	0.433	(0.590)	(0.590)	
<b>TOTAL SPECIAL LIABILITIES (1+2+3+4)</b>				<b>1 888.861</b>	<b>1 229.604</b>	<b>2 503.219</b>	<b>33.392</b>	<b>32.040</b>	<b>(37.684)</b>	<b>(20.506)</b>	

\* Amount of managed funds equal to the amount of loan, guarantee, venture capital instrument balances at the end of the reporting period and the value of positive decisions under compensatory instruments for the period

\*\*Income from the special commitment is not earned, management costs incurred are compensated

\*\*\* Guarantee payments are partially (from 80 to 100%) reimbursed from the INVEGA Fund and the Entrepreneurship Promotion Fund 2014–2020, funded from the European Social Fund, and implemented financial instruments. Funds allocated for these financial instruments are presented under the relevant fund or fund of funds.

\*\*\*\*ILTE and its subsidiary VIVA jointly manage the Business Assistance Fund. The Business Assistance Fund is a separate legal entity and accounting unit. The Business Assistance Fund keeps separate accounts. It is not part of the Group and its indicators are not consolidated, nor are they accounted for as a public sector accounting entity.

### 3.4. Strategic business planning

Due to the consolidation processes of national development institutions, the strategic directions and main goals of ILTE's 2024 activity plan remain essentially unchanged.

ILTE in a new composition began operations on 1 August 2023. As of today, VIPA, VIVA and ŽÜPGF services for business, public and agricultural, fisheries and aquaculture sectors are provided on a one-stop-shop basis – through ILTE, ensuring continuity in the performance of assigned activities and functions. After completing the company restructuring, work related to the consolidation process continues – establishing a common organisational structure, reviewing operational principles, and aligning internal processes and procedures. In 2023, the 2024 Strategic Activity Plan was prepared and approved by the ILTE Supervisory Board in January 2024. The Strategic Business Plan is available on the ILTE's website (<https://ilte.lt/doclib/mj8khwe9x34ubu2p828bwfcpryvp9jc4>).

One of the goals for 2024 is to successfully complete the internal consolidation of the company and prepare a long-term strategy for the consolidated company. Actions necessary to achieve these goals take into account strategic planning best practices and recommendations from the Governance Coordination Centre, as well as integrated experiences of consolidated companies to ensure the continuity of NDB's operations.

#### ILTE's 2024 strategic directions, goals, and objectives

Strategic directions	Purposes	Tasks
1. Increasing access to finance	1.1. Development of financing instruments	1.1.1. Increasing the availability of ILTE financing to the market/economy
	1.2. Fundraising	1.2.1. Raising funds at the level of financing instruments
	1.3. Implementation of the funds allocated to the financing facilities	1.3.1. Use of funds of loan facilities
		1.3.2. Use of guarantee funds
		1.3.3. Use of funds for venture capital facilities
2. Sound financial management of NDA	2.1. Non-loss-making ILTE activities (sustainable growth)	2.1.1. Maintaining a positive ROE 2.2.1. Payment of dividends to the shareholder (state)
	2.2. Financial stability	2.2.2. Adequacy ratio of provisions for guarantees provided directly
3. Developing a culture based on sustainability practices	3.1. Sustainability principles	3.1.1. Developing ILTE's sustainability strategy
		3.1.2. (S) Assessment of the level of employee involvement in the selection of the methodology applied in the market
		3.1.3. (G) High good governance index
4. Development of the green finance institute	4.1. Establishment of the green finance competence centre	4.1.1. Developing green finance institute strategy
	4.2. Green finance ecosystem development (expansion)	4.2.1. Establishment of a permanent platform (involving the public and private sectors)
5. Improvement of business processes	5.1. Strategic development and coordination of activities	5.1.1. Harmonisation of essential processes completed
		5.1.2. A long-term strategy for ILTE has been developed
	5.2. Automation of business processes	5.2.1. Preparation of the strategy for the development of the customer service information system
6. Building a customer-centric organisation	5.3. Managing ILTE acceptable risk levels	5.3.1. Identifying risk appetites
	6.1. High customer satisfaction with ILTE services	6.1.1. Maintain a high level of customer recommendation (Net Promoter Score, NPS)
	6.2. Raising awareness of ILTE activities and the administered financing instruments	6.2.1. Maintain a high level of awareness among businesses of the financial instruments administered by ILTE and their benefits

To properly implement the goals and objectives set in the strategic plan, annual activity plans are prepared, and their implementation is monitored by the ILTE Management Board after each reporting quarter. Continuous monitoring of the implementation of the strategic plan is carried out at the level of implementation of the facilities of the annual

plan, taking into account the established deadlines for the implementation of the measures and the targets. The 2024 activity plan and its execution results are presented in the table.

Assessment of the strategic plan's goal indicators for 2024

Strategic directions	Purposes	Tasks	Indicators, planned values			
			2022*	2023*	2024 Plan	2024 actual indicator
1. Increasing access to finance	1.1. Development of financing instruments	1.1.1. Increasing the availability of ILTE financing to the market/economy	Not measured	Not measured	1 203.1	2 528.55***
	1.2. Fundraising	1.2.1. Raising funds at the level of financing instruments	244	181 (current plan target)	234.6	388.73
	1.3. Implementation of the funds allocated to the financing facilities**	1.3.1. Use of funds of loan facilities	148	76 (current plan target)	173.5	98.09
		1.3.2. Use of guarantee funds	121	122 (current plan target)	168.8	221.74
		1.3.3. Use of funds for venture capital facilities	18	14 (current plan target)	10.4	16.51
2. Sound financial management of NDA	2.1. Non-loss-making ILTE activities (sustainable growth)	2.1.1. Maintaining a positive ROE	>0	>0	>0	5.90%
		2.2.1. Payment of dividends to the shareholder (state)	≥75–85% From distributable profit	≥75–85% From distributable profit	≥75–85% From distributable profit	75%
	2.2. Financial stability	2.2.2. Adequacy ratio of provisions for guarantees provided directly	<100%	<100%	<100%	0.4%
3. Developing a culture based on sustainability practices	3.1. Sustainability principles	3.1.1. Developing ILTE's sustainability strategy	Not measured	Not measured	Approved ILTE sustainability strategy	Achieved
		3.1.2. (S) Assessment of the level of employee involvement in the selection of the methodology applied in the market	81%	Not measured	Employee engagement indicator, measured according to a standardised methodology.	60%
		3.1.3. (G) High good governance index	≥A	≥A	≥A	A+
4. Development of the green finance institute	4.1. Establishment of the green finance competence centre	4.1.1. Developing green finance institute strategy	Not measured	Not measured	Long-term strategy for the Green Finance Institute has been prepared and approved.	Achieved
	4.2. Green finance ecosystem development (expansion)	4.2.1. Establishment of a permanent platform (involving the public and private sectors)	Not measured	Not measured	A permanently operating platform has been established, covering both the public and private sectors.	Achieved
5. Improvement of business processes	5.1. Strategic development and coordination of activities	5.1.1. Harmonisation of essential processes completed	Not measured	Not measured	100% harmonisation of key processes approved by the Management Board	Achieved
		5.1.2. A long-term strategy for ILTE has	Not measured	Not measured	ILTE long-term strategy	Achieved

		been developed			has been prepared.	
	5.2. Automation of business processes	5.2.1. Preparation of the strategy for the development of the customer service information system	Not measured	Not measured	Strategy for the development of the customer service information system has been prepared and approved.	Achieved (partially)
	5.3. Managing ILTE acceptable risk levels	5.3.1. Identifying risk appetites	Not measured	Not measured	Risk appetites have been defined	Achieved
6. Building a customer-centric organisation	6.1. High customer satisfaction with ILTE services	6.1.1. Maintain a high level of customer recommendation (Net Promoter Score, NPS)	≥80	≥80	≥80	83.2
	6.2. Raising awareness of ILTE activities and the administered financing instruments	6.2.1. Maintain a high level of awareness among businesses of the financial instruments administered by ILTE and their benefits	≥80%	≥80%	≥80%	89%

\*Due to the ongoing consolidation processes of national development institutions, ILTE's 2022–2025 strategic activity plan has been updated for the 2023–2025 period. In January 2024, ILTE confirmed the strategic plan for 2024. ILTE's strategic directions and goals essentially remain unchanged, but the list of indicators was adjusted, so the actual values for 2022 and 2023 are not available for all indicators.

\*\*Use of funds allocated for financial instruments excluding compensation.

\*\*\*Including the facility A Billion for Business.



Through consistent implementation of internal company consolidation activities, the long-term ILTE strategic plan for 2025–2030 was prepared in 2024. The main goals are to expand funding opportunities and create targeted long-term impacts on the Lithuanian economy, significantly increase ILTE's efficiency, and ensure the promotion of sustainability transformation in the Lithuanian economy.

ILTE's 2025–2030 Strategic Plan will be published on the ILTE website.

### 3.5. Strategic goals of subsidiaries

#### **UAB Kofinansavimas**

The strategy and objectives of UAB Kofinansavimas are broadly defined in the ILTE strategy and implemented through its managed venture capital fund, which is registered and operates as KŪB Koinvesticinis fondas (hereinafter in this section referred to as the Coinvest Capital fund or the fund).

The strategic direction of UAB Kofinansavimas is to increase access to business finance (reducing market failure).

Strategic objectives of UAB Kofinansavimas:

- Attracting private co-investor funds;
- Using of funds allocated for financial instruments.

2023 The Coinvest Capital fund management team has essentially been renewed, and on 22 May 2023, during a public event (event recordings are available on the [Fund's YouTube channel](#)), the updated fund strategy and tactics were presented. The fund's values were clarified – “we care, we are curious, we stay competent” (3C) and customer orientation – “fast and friendly to startup founders”.

The strategic priorities for the fund during the new management's tenure were also outlined:

- More internationalisation among co-investors and startup business development;
- “The Silent Investor – The Loud Voice of the Ecosystem,” actively contributing to the development and improvement of Lithuania's business angels and startup ecosystem, and
- Improving internal processes by standardising and digitising documents, collecting and sharing best practices and know-how.

#### **UAB Valstybės investicijų valdymo agentūra (VIVA)**

The main goal of VIVA was to provide assistance to large and medium-sized businesses facing financial difficulties, to help ensure the sustainability of large and medium-sized businesses' results, and to promote the activity of the capital market. PVF provided financial assistance to businesses through debt and investment instruments. Large and medium-sized businesses could apply for loans or receive investments by issuing plain bonds. PVF could also invest in systemic companies by purchasing company shares or using other hybrid financial instruments. After the end of the investment period of the PVF on 1 July 2022, VIVA only monitors and collects investments from the portfolio formed. During the investment period, 53 financing agreements were made for EUR 225 million. VIVA does not plan to expand its operations and only operates to properly manage the created project portfolio.

Following the transfer of part of VIVA's activities to ILTE, VIVA, as the PVF manager, on a contractual basis, engages ILTE and its employees to carry out VIVA's functions related to the management of the PVF investment portfolio.

In 2024, VIVA aimed to achieve these objectives and indicators.

Strategic trend	Strategic objective	Task	Indicators, their planned values, and weights		Comments	Responsible	2024 result	Comment
			2024	Weight, %				
1. Reliable PVF management	1.1. Management of overdue payments	1.1.1. Ensure that less than 15% of overdue payments in the portfolio are over 60 days late	≤15%	35%	Overdue contract amounts in EUR / Portfolio balance in EUR	VIVA Director	<b>2.36%</b>	As of 31 December 2024, the total amount of overdue payments for PVF clients with delays over 60 days was EUR 3.157.886. Delays occurred for clients who had been approved or were planned to have a restructuring case initiated. The indicator value was 2.36%.
	1.2. Positive return for PVF investors	1.2.1. Maintain an attractive net profit margin (ROA) for investors <sup>[1]</sup>	≥ fixed hurdle rate	35%	PVF net profit (excluding changes in fair value), divided by the average assets for the current year according to audited reports,%	VIVA Director	<b>4.56%</b>	Fixed hurdle rate value ≥ 2.69%. The actual calculated value of the indicator for 2024 was 4.56%, so the target is considered to be 100% achieved.
	1.3. Reliable risk management	1.3.1. Overall execution of risk indicator values plan,%	≥90%	20%	At the end of the reporting year, the average exceedance of the tolerable limits of risks included in the risk register was subtracted from 100%.	VIVA Director	<b>100%</b>	In 2024, the overall execution of the risk indicator values plan was 100%, and the target was achieved.
	1.4. Positive return for the VIVA shareholder	1.4.1. Maintain positive VIVA return on equity (ROE)	≥0	10%	The ratio of net profit to equity for the reporting year	VIVA Director	<b>0.1%</b>	As of 31 December 2024, the calculated VIVA return on equity (ROE): 0.1%. The target is 100% achieved.

### 3.6. Information on business plans, expansion, and forecasts

In January 2025, the ILTE 2025–2030 Strategic Business Plan was approved, outlining ILTE's long-term strategic directions. Their implementation will ensure long-term impact on the national economy by expanding financing accessibility, changing the business model, strengthening capital markets, and promoting innovation, sustainability, economic sovereignty, and security. In implementing the ILTE strategic direction "Expand financing opportunities and provide targeted long-term impact on the Lithuanian economy," ILTE will aim to diversify financing sources and increase the volume and accessibility of ILTE financing.

In 2025, ILTE will begin implementing a transformation project aimed at providing financing with both own and borrowed funds and progressively increasing this type of financing during the strategic period. This project will aim to significantly increase the amount of funds raised and accessible to clients, offer financial instruments by quickly responding to financing gaps in the market, use available funds efficiently, and thus contribute to significant Lithuanian strategic directions, such as substantially increasing funding for defence and security. The outcome of this project will mean that ILTE will become a strong, high-creditworthy financial institution that attracts funding through various instruments in the market, with effective, digitised information systems and a strong risk management system.

In 2025, ILTE will begin implementing or continue important strategic projects that will create conditions to attract private and institutional investor funds through market borrowing and the creation of new investment instruments.

Q2-Q3 2025 ILTE plans to implement a securities replacement transaction – it is planned to issue securities based on a portfolio of apartment building modernization loans, with preparations starting in mid-2024. To position itself as a reliable, high-creditworthy financial institution, ILTE intends to approach rating agencies for a credit rating. It is likely that this will require internal preparation at ILTE, which will take place in 2025, and the credit rating will be granted in 2026.

At the end of 2024, the GRL, followed by the Seimas, approved the allocation of EUR 150 million in the state budget for 2025–2027 to establish an infrastructure fund by ILTE. These funds will increase ILTE's authorised capital. In 2025, ILTE is analysing different alternatives for infrastructure investments and, once the most suitable option is chosen, will begin implementing the infrastructure investment financing model by the end of the year.

At the end of 2024, ILTE began analysing different ways to strengthen Lithuania's relations with the Lithuanian diaspora and offer the diaspora an investment instrument focused on the needs of the Lithuanian economy. In 2025, ILTE will continue its collaboration with institutions on diaspora initiatives.

In 2025, ILTE will continue to actively develop new financial instruments or modify/extend existing financial instruments in order to contribute to the strategic objectives set: increase the volume of funds reaching clients, promote the development of capital markets, and increase financing for priority sectors.

New measures are planned to be developed and/or launched in 2025 to:

- Promote investments that contribute to the sustainable use of resources, their restoration, reduction of environmental harm, improved animal welfare, and climate change mitigation;
- Promote acceleration activities and initial venture capital investments, the development and expansion of company products, with particular focus on the defence and security sector;
- Acquire part of the bond issues to encourage further capital market development;
- Increase energy efficiency in centralised heat and cooling supply (CHCS) systems and the use of renewable energy sources for heat and cooling production in the CHCS sector;
- Diversify and create alternatives for corporate financing through capital forms raised in the Baltic States;
- Encourage venture capital investments in very small, small, and medium-sized enterprises with growth and development potential;
- Facilitate access for companies to obtain alternative (non-bank) financing through loans or bond acquisitions from debt funds for companies;
- Create additional financial incentives for the borrowers of the Entrepreneurship Promotion Fund 3 in order to facilitate their establishment in the market at the initial stage of self-employment and encourage the creation of new jobs and the maintenance of existing ones.

In 2025, ILTE will continuously review the conditions of implemented instruments, initiate and/or carry out modifications to meet client needs and state priorities. It is also planned to supplement the financial instruments Startuok, Portfolio Guarantees 3, and Avietė with additional funds.

VIVA, as the PVF manager, is directly involved in the implementation of the PVF investment portfolio (loan repayment, securities redemption, and the expiration of provided financing terms) and the fulfilment of the PVF's obligations.

Coinvest Capital plans to continue new investments in startups that create value for Lithuania in 2025, focusing even more on the internationalisation of portfolio companies, attracting foreign co-investors and/or foreign investors to the subsequent funding stages of portfolio companies. To this end, it is expected that, by the second quarter of 2025, the updated independent investment committee of the fund, with international members, will begin its work. It is also planned to focus more on training portfolio company founders and investors with voting rights in the fund, in order to improve the quality of portfolio oversight and angel investor involvement.

### 3.7. Dividends and dividend policy

When paying dividends, ILTE follows the Government of the Republic of Lithuania (GRL) Resolution No. 665 of 6 June 2012 "On the Approval of the Procedure for the Implementation of the State's Property and Non-Property Rights in State-Owned Companies," as amended, and the portion of profit allocated for dividends depends on the company's return on equity for the reporting year. The amount of dividends due to the State is transferred to the state budget of the Republic of Lithuania.

At the end of 2024, ILTE allocated and paid 573 230 EUR in dividends to the state budget when distributing the results of 2023, and in 2023, 630 965 EUR in dividends when distributing the results of 2022.

## 4. Corporate governance report

### 4.1. Corporate governance model

The corporate governance structure and model of the group of companies are based on the best international and national practices.

The Law on NDB defines the key aspects of corporate governance. It stipulates that ILTE must have the following bodies: the general meeting of shareholders, the Supervisory Board, the Management Board, and a sole-person management body – the company's director. The law specifies that the procedure for the establishment and operation of the NDB governing bodies, their competence and functions, and responsibilities are defined by the Law on NDB, the Articles of Association of NDB, the Civil Code of the Republic of Lithuania, the Law on Financial Institutions, and the Law on Companies (hereinafter the LC), and it is also stated that the members of the Supervisory Board must not have any employment or essential relationships with the NDB. The Law on NDB establishes that the NDB, in order to manage risk, may establish a subsidiary (daughter) company to implement the incentive financial instrument, and it is also established that the NDB may be the founder and/or participant of other legal entities, may act as a true member of a joint venture, and/or involve financial intermediaries for carrying out activities.

The corporate governance system and structure of ILTE and its subsidiaries are further defined by the Corporate Governance Policy. The policy can be accessed on [ILTE's website](#).

The policy defines the competence of ILTE's governance and supervisory bodies in addressing ILTE and its subsidiaries' governance issues, establishes the decision-making procedure for the general meeting of shareholders of subsidiaries, and regulates the corporate governance system and structure of ILTE and its subsidiaries.

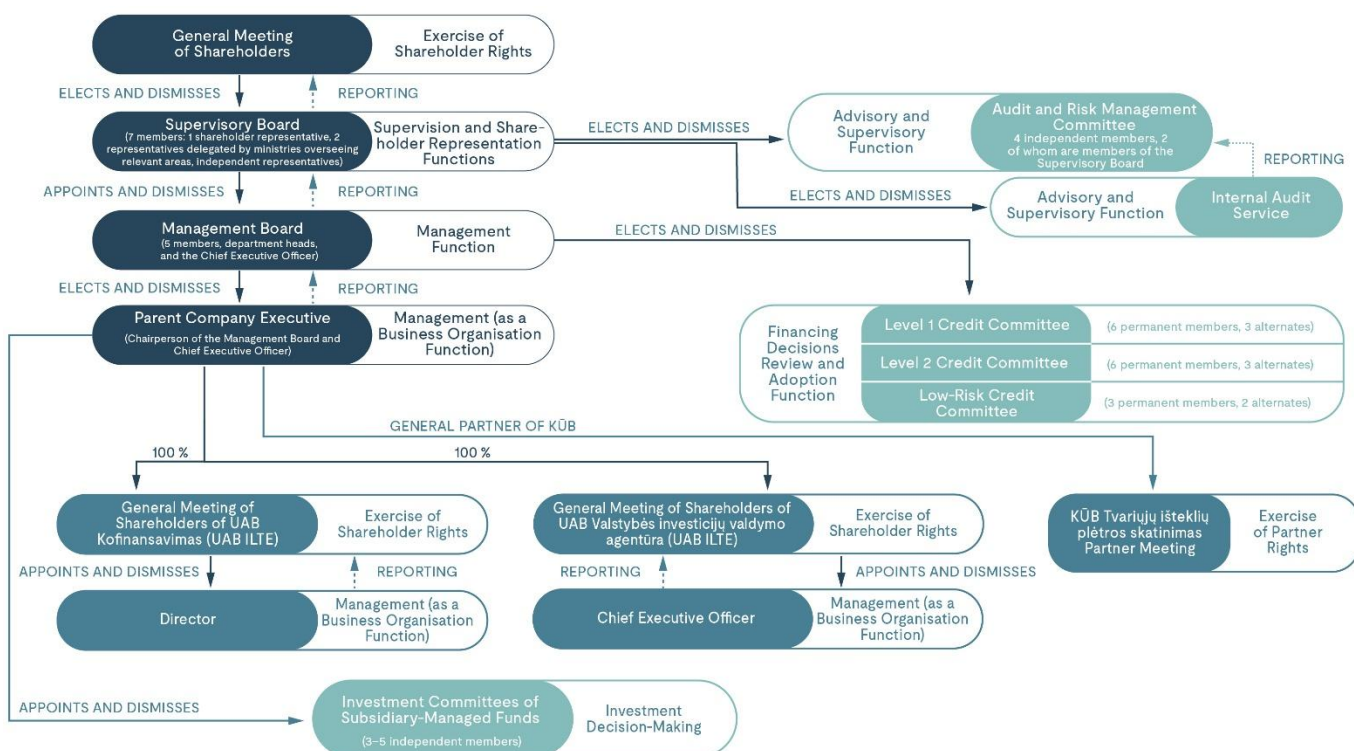
Corporate governance is implemented at the following levels:

- Exercising ILTE's rights as the sole shareholder of all shares;
- Exercising ILTE's rights as a shareholder in the subsidiaries, as the owner of all shares;
- ILTE's supervisory and management bodies and structural units in the direct exercise of their functions vis-à-vis ILTE and its subsidiaries;
- Establishing corporate governance principles and adopting corporate governance documents applicable to ILTE and its subsidiaries.

The corporate governance structure consists of:

- ILTE's bodies;
- Governing bodies of subsidiaries;
- Structural units of ILTE or employees in their respective positions who, in accordance with the procedure established in ILTE's internal documents, perform centralised functions in the scope of ILTE and its subsidiaries (financial and accounting management; internal audit; personal data protection; Performing the functions of maintenance of IT systems, etc.).

Corporate governance model



**ILTE's governance and supervisory bodies, committees, certain departments, and their main areas of competence.**

The **general meeting of shareholders** is the highest decision-making body of the company. It determines the governance structure of ILTE (the system of management and supervisory bodies, the composition requirements, the duration of their terms, areas of responsibility), approves ILTE's Articles of Association, prepares, submits, and updates a letter regarding the state's goals and expectations for the ILTE group.

The **Supervisory Board** is a collegial supervisory body, composed of representatives from ministries and independent members, elected by the general meeting of shareholders. The Supervisory Board approves the ILTE or ILTE group's operational strategy, supervises its implementation, and is responsible for overseeing the activities of the ILTE group.

The Supervisory Board has established an **Audit and Risk Management Committee**, which provides proposals and recommendations to the Supervisory Board in the areas of audit and risk management. The Audit and Risk Management Committee is responsible for monitoring the preparation process of the ILTE group's financial statements, internal control and risk management systems affecting the audited financial statements, and the effectiveness of internal audits. It oversees the functioning of management and internal control systems, key risk factors, and the status of the implementation of risk management measures.

The **Management Board** is a collegial management body responsible for implementing the main management functions within ILTE and the ILTE group of companies. The Management Board considers and makes strategic decisions on corporate governance and management issues, is responsible for the implementation of the goals and objectives set out in the ILTE operational strategy, and makes decisions on the most significant operational and management matters. The members of the Management Board are also the heads of the largest internal structural units – services – and are directly responsible for the assigned operational and accountability areas of these units and the organisation of their work.

The **CEO** of ILTE represents the company on all matters and, together with the Management Board, is responsible for the company's management. The CEO of ILTE manages the daily operations of the company and has the right to represent the company unilaterally. The CEO of ILTE is also responsible for corporate governance in the ILTE group's subsidiaries and their controlled affiliated companies.

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ILTE has established three permanently operating **Credit Committees**, which consider and make decisions regarding individual guarantees provided for client financing, directly granted loans, or lending in other forms. The Credit Committees operate and make decisions on behalf of ILTE based on the competence defined by the ILTE Management Board.

- ILTE has certain departments with functional independence:
- Functioning of ILTE's internal control system is analysed and evaluated by the independent **Internal Audit Department**.
- In accordance with Article 6(1)(7–11) of the Law on NDB, the **Green Finance Institute** performs the functions set out by the NDB.

A more detailed description of each collegial body and its members is provided in the following sections.

### Management Structure of the Parent Company

To achieve the goals and objectives set in the operational strategy, to organise daily operations, ensure the internal control system, and implement effective governance, the ILTE Management Board approves and, as necessary, modifies ILTE's organisational management structure.

ILTE's organisational management structure



\*Grants Department is closed from 1 March 2025 by resolution of UAB ILTE Management Board dated 14 November 2024

### Corporate Governance of Subsidiaries

The rights of the general meeting of shareholders in subsidiaries are exercised by ILTE, as the owner of all shares in the respective subsidiary. The Articles of Association of all subsidiaries specify that the competence of the general meeting of shareholders and the rights and obligations of shareholders are consistent with those set out in the LC, and they also specify additional competences not provided for in the LC.

When adopting corporate documents (strategies, policies), the ILTE management and supervisory bodies clearly indicate whether the respective corporate document applies to, or does not apply to, subsidiaries and their controlled affiliated companies. The list of corporate documents and the documents themselves can be accessed on the [ILTE website](#).

## VIVA management

VIVA is a private limited liability company established by the State and controlled by ILTE. All VIVA shares are owned by ILTE, which performs the functions of VIVA's general meeting of shareholders, supervises its activities and exercises the rights of the owner of all shares.

ILTE, together with its subsidiary VIVA, manages investments from the Business Assistance Fund, financed through the financial facility Business Support Fund.

The authorised capital of VIVA is 1 000 000 EUR, consisting of 10 000 ordinary shares, each with a nominal value of 100 EUR. All issued shares are fully paid. All issued shares are intangible ordinary registered shares.

VIVA governing bodies:

- General meeting of the shareholders;
- Company's chief executive officer – the CEO – the company's sole governing body.

VIVA does not have a Supervisory Board or the Management Board.

The VIVA Management Board operated until the end of its term. The Management Board was suspended as of 7 August 2024.

All VIVA shares are owned by ILTE, therefore written decisions made by ILTE's governing bodies on matters within the competence of the general meeting of shareholders are considered equivalent to decisions made by the general meeting of shareholders. Decisions on matters within the competence of the general meeting of shareholders of VIVA are made by the ILTE Management Board or the ILTE's CEO, as appropriate. The competence of ILTE's governing bodies in addressing matters assigned to the general meeting of shareholders of VIVA is regulated in ILTE's Corporate Governance Policy.

The Articles of Association of VIVA provide that the general meeting of shareholders has the competence set out in the LC, as well as the following additional competences:

- Approving the signing, amendment, and termination of contracts with Fund participants and for activities;
- Approving the Company's becoming a founder or participant in other legal entities;
- Approving decisions set out in Articles 34(4)(3), (4), (5), and (6) of the LC, as well as other transactions conducted on behalf of the Company where the transaction value exceeds 15 000 EUR;
- Considering and approving the Company's annual income and expenditure plan (annual budget);
- Considering and approving the possible maximum number of employees (number of posts) of the Company;
- Setting the Company's annual targets;
- Determining the remuneration and employment contract terms for the CEO of the Company;
- Adopting policies applicable to the Company and its parent company's corporate group, as well as other documents governing general operations;
- Appointing and dismissing members of the Fund Investment Committee, determining the remuneration paid to them, and the conditions of contracts entered into with members of the Fund Investment Committee, unless otherwise provided in the Fund Agreements.

During the reporting period, the General Meeting of Shareholders of VIVA considered and adopted the following resolutions:

- On setting the annual goals for 2024;
- On approving the 2024 budget presented by the Company;
- On approving the annual financial statements for 2023 and profit (loss) distribution;
- On approving changes to the contracts of the Fund managed by VIVA;
- On abolishing the VIVA Management Board and amending the Articles of Association;
- On paying the variable compensation portion to the members of the Management Board whose terms have ended;
- On electing the Investment Committee of the Business Assistance Fund managed by VIVA;
- On selecting the audit firm for the 2024 financial statement audit.



Until the end of the term of office of the VIVA Management Board, the VIVA Management Board also performed the functions of the Investment Committee of the Fund. Under the Fund's operation and participant agreements, the Fund Investment Committee must be composed of independent members and financial market professionals. The Investment Committee takes all investment and investment management decisions of the Fund independently, which are implemented by the VIVA Manager.

By decision of the owner of all VIVA shares on 9 August 2024, the Fund Investment Committee was established for a 2-year term. All previous members of the Investment Committee were re-elected to the Investment Committee.

As part of the consolidation of national development institutions and transferring some of VIVA's activities to the parent company ILTE, since August 2023, VIVA, together with ILTE, manages the Business Support Fund and its investments. ILTE and its staff, on the basis of an expert services contract signed with VIVA, provide services for the administration of the Fund's investment portfolio, evaluation of requests received from clients, processing of the data provided, preparation of the Fund's operational and financial reports, implementation of decisions taken by the Fund's Investment Committee, and implementation of risk management measures.

### Management of UAB Kofinansavimas

UAB Kofinansavimas is a private limited liability company (hereinafter referred to as the Company) established and controlled by ILTE. All shares are owned by ILTE, which performs the functions of the general meeting of shareholders of the Company, supervises the Company's activities and exercises the rights of the owner of all shares.

The Company's authorised capital consists of 5 000 ordinary registered shares with a nominal value of EUR 10 each. The paid-up authorised capital of the Company is 50 000 EUR. All shares of UAB Kofinansavimas are fully paid-up, and no restrictions or limitations apply.

Bodies of the Company:

- General meeting of the shareholders;
- Manager of the Company – the director – is a sole management body of the Company;

The Company does not have a supervisory board or a Management Board.

All shares of the Company belong to ILTE, so written decisions made by ILTE's governing bodies on matters within the competence of the general meeting of shareholders are considered equivalent to decisions made by the general meeting of shareholders.

Decisions on matters within the competence of the Company's general meeting of shareholders are made by the ILTE Management Board or the ILTE CEO, as appropriate. The competence of ILTE's governing bodies in addressing matters assigned to the Company's general meeting of shareholders is regulated in ILTE's Corporate Governance Policy.

The Company's Articles of Association provide that the General Meeting of Shareholders shall have the competences laid down in the LC and shall have the following additional competences:

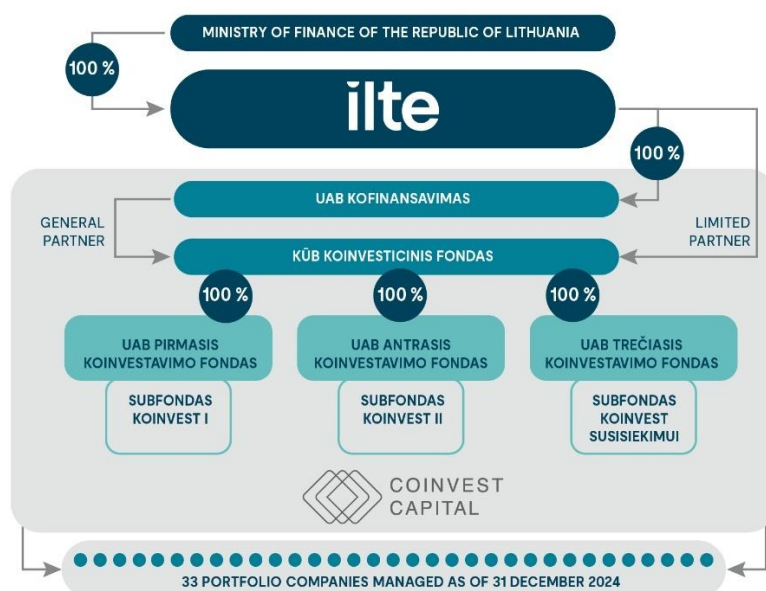
- To take decisions on matters relating to the Company's business which are not within the competence of the Company's CEO under the LC, other laws and the Articles of Association;
- To consider and approve the Company's business strategy and to analyse and evaluate information on the implementation of the Company's business strategy;
- To make decisions on the Company becoming a founder or participant of another legal entity;
- To make decisions, including those within the CEO's competence, which cannot be made by the CEO due to a potential conflict of interest or personal interest.
- To decide on the approval of a transaction proposed by the CEO of Company, where the value of the transaction exceeds 1/20 of the authorised capital of the Company, unless the resolution of the General Meeting of Shareholders on the conclusion of the relevant transactions provides otherwise.

During the reporting period, the Company's general meeting of shareholders considered and made decisions on:

- Approving the 2023 financial statement set and the distribution of profit (loss);
- Approving the Company's performance indicators for 2024;

- Approving the incentive for the members of the Fund Investment Committee based on the 2023 results;
- Approving the Company's annual budget for 2024;
- Electing the audit firm to perform the financial statement audit;
- Approving the variable compensation for the CEO based on the 2023 performance results.
- Regarding membership in the LITBAN association;
- Regarding membership in the Lithuanian Private Equity and Venture Capital Association;
- Regarding the selection of independent members of the Fund Investment Committee;
- Regarding amendments to the job description of the Company's director.

UAB Kofinansavimas operates as the manager and general partner of the venture capital fund KŪB Koinvesticinis fondas (hereinafter referred to as the Fund). The Fund is, in turn, the sole shareholder of the special purpose entities established for the investment and realisation of specific financial instruments (subfunds). The Fund, accordingly, as the sole 100% shareholder, controls the Fund's subsidiaries UAB Pirmasis koinvestavimo fondas, UAB Antrasis koinvestavimo fondas, and UAB Trečiasis koinvestavimo fondas. All these companies, including the Company, operate under the common brand of Coinvest Capital. ILTE acts as a limited partner in relation to the Fund. At the end of 2024, the Fund held shares in 33 startup companies (investments in 5 additional startups have already been realised).



The Fund has established an independent Fund Investment Committee, whose main functions are to make investment decisions to undertake and/or realise the Fund's investments in startups selected by the Company, as well as the accreditation of private investors who have the right to participate in the profit-sharing scheme in case of success. The Investment Committee consists of three independent members, financial market professionals. The Investment Committee independently makes all investment and investment management decisions for the Fund, which are implemented by the CEO of Coinvest Capital Fund management company with a team of specialists. ILTE and ILTE employees do not participate in the Fund's investment and investment management decisions.

The Company and ILTE have entered into an agreement regarding work for multiple employers, under which ILTE employees perform accounting and financial functions for the Company, its managed Fund, and the Fund's companies.

Coinvest Capital has been the most active venture capital fund in the market for the second consecutive year, according to Dealroom.

**TIPS management**

TIPS is an affiliate of ILTE as ILTE is a full member of TIPS and the limited partner of TIPS is EEEF.

The functions of a TIPS Full Member are defined in the TIPS Operational Agreement and the TIPS Participants Agreement. TIPS has no governing bodies and no permanent staff and its activities are carried out by ILTE staff authorised by the CEO of ILTE as required. As a loan-granting investment fund, the investment and investment management decisions of TIPS are taken by the TIPS Investment Committee, which is composed of representatives delegated by the Full Member (ILTE) and the Limited Partner Member EEEF.

The financial data of TIPS is not consolidated with ILTE's group financial data.

### Participation in the management of related companies

In implementing venture capital investment instruments funded by ILTE-managed fund-of-funds, these are carried out through selected financial intermediaries – venture capital fund managers. Separate venture capital funds, debt funds, and private equity funds are established for implementing venture capital instruments, into which ILTE invests funds from ILTE-managed fund-of-funds, and the management of these funds is entrusted to selected financial intermediaries. ILTE acts as a limited partner (investor) in these funds (venture capital funds, debt funds, private equity funds). ILTE does not participate in the management or operational control of these related companies (venture capital funds, debt funds, private equity funds), so the financial data of these related companies is not consolidated with ILTE's financial data.

### 4.2. Rights of shareholders and general meetings

The rights and functions of the general meeting of shareholders of ILTE are exercised, and the manager of all ILTE shares is FM. According to Clause 24 of ILTE's Articles of Association, the competence of the general meeting of shareholders, as well as the rights and obligations of shareholders, do not differ from those set out in the Law on Companies (LC), except for the additional competence provided in the Articles of Association.

Point 26 of ILTE's Articles of Association provides that the general meeting of shareholders has the following additional competence:

- Establishing the procedure for determining the remuneration of the members of the Supervisory Board for their activities on the Supervisory Board;
- Establishing the procedure for determining the remuneration of the members of the Management Board in the temporary absence of the Supervisory Board;
- Taking decisions on the conclusion of contracts with the members of the Supervisory Board and the setting of their terms, including the amount of the maximum remuneration for the members of the Supervisory Board and the Chairperson;
- Taking decisions on the conclusion of contracts with the members of the Management Board and their terms and conditions, including the maximum remuneration of the members of the Management Board and the Chairman in the temporary absence of the Supervisory Board;
- Setting out the objectives of the Supervisory Board and the procedure for reporting on its activities to the General Meeting of Shareholders;
- Taking decisions on the remuneration of the members of the Audit and Risk Management Committee.

The voting rights, property, and non-property rights granted by ILTE shares, as set out in the LC and ILTE's Articles of Association, have not been transferred or otherwise separated from the ownership of the shares.

The shareholder's rights were exercised in accordance with the provisions of LC and the procedure for the implementation of state property and non-property rights in state-owned enterprises, approved by the Resolution of the Council of Ministers of the Republic of Lithuania No.665 dated 6 June 2012.

In 2024, the state's objectives and shareholder expectations for ILTE and its subsidiaries were reviewed and submitted by ILTE. More about the shareholder's expectations can be found in section 3.2. *Shareholder's expectations*.

As the owner of all ILTE shares, the Lithuanian state, according to Article 29(7) of the LC, written decisions of institutions representing the state are equivalent to the decisions of the general meeting of shareholders.

During the reporting period, the general meeting of shareholders considered and made decisions regarding the election of the audit company for 2023–2024, approval of the 2023 financial statements and the distribution of profit (loss), increase of the authorised capital and amendments to the Articles of Association, recall of a Supervisory Board member, and the selection of an independent Supervisory Board member.

The Articles of Association of ILTE are the primary document followed by the group in its operations. The Articles of Association of ILTE and its subsidiaries are amended in accordance with the procedure established by LC. In 2024, ILTE's Articles of Association were amended several times.

The current version of ILTE's Articles of Association can be publicly accessed on [ILTE's website](#).

### 4.3. Message from the chair of the Supervisory Board

2024 was a year of intensive work and strategic decisions for ILTE, leading to sustainable growth. In responsibly fulfilling its oversight function, the Supervisory Board consistently monitored the implementation of ILTE's strategic goals, assessed decisions, analysed risks and financial indicators, thus ensuring transparency in operations and representing the interests of the shareholder.

One of the most prominent changes this year – the creation of a new ILTE brand – marks not only a visual renewal but also changes in the organisation's identity and positioning in the market. The new brand reflects ILTE's values, its aim to create innovations, and to be a proactive participant in the Lithuanian economy.

Another important step – ILTE became an NDB, which will expand ILTE's ability to offer a wider variety of financing solutions. This change will enable ILTE to react more flexibly and quickly to emerging financing needs in the market and focus on projects that create long-term value for the state.

The new brand and legal status, the rapidly growing financing portfolio, the expanding areas of activity and the changes in the operating model create the need for a new quality and strategy. The ILTE Strategy 2025–2030, adopted in 2024, provides a clear direction for ILTE's activities over the next five years.

Along with the new strategy, the Supervisory Board contributed to the refinement of ILTE's mission and vision and the clarification of the company's values. The objectives of ILTE include measurable and targeted impact on the Lithuanian economy, the ability to undertake innovative next-generation financing solutions, and the development of finance and capital markets. We aim for ILTE to become an attractive employer, emphasising the provision of high-quality services, maximum customer attention, and the importance of creating a sustainable financial ecosystem. We will strive to create a sustainable financial ecosystem, carefully assessing customer needs and ensuring high-quality, efficient, and digitised services.

During the reporting period, the Supervisory Board updated other important strategic documents, including the Risk Management, Conflict of Interest, and Remuneration policies. New models for process and project management were reviewed.

The Supervisory Board actively assessed financial results and risk management, supervised internal audits, and monitored the execution of strategic indicators. A Strategy for Financial Institutions was developed, and performance reports were regularly assessed. Attention was also given to ILTE's information technology infrastructure and cybersecurity to ensure reliable and secure data management.

All changes were implemented in accordance with sustainability principles, ensuring their integration into each stage of operations.

In pursuit of more effective management and collaboration with the shareholder, and following best governance practices, the Supervisory Board assessed its activities and competencies and developed an improvement plan.

I thank all ILTE Employees, Partners, and the Shareholder for their joint work and contributions to the achievement of these objectives. Together, we are creating a sustainable, innovative, and successful future!

Daina Kleponė  
Chair of the Supervisory Board

#### 4.4. Supervisory Board and its activities

The Supervisory Board is a collegial oversight body responsible for supervising ILTE's operations. The Supervisory Board is chaired by its Chairman. ILTE's Supervisory Board is appointed by the Minister of Finance of the Republic of Lithuania, who performs the functions of ILTE's general meeting of shareholders. The term of office of the Supervisory Board is four years.

The Supervisory Board is formed, in accordance with Article 23 (1) of the Republic of Lithuania Law on the Management, Use and Disposal of State and Municipal Assets, from seven members of the Supervisory Board who comply with the general, special and, if applicable, independence requirements laid down in Article 23 (1) of the Law on the Management, Use and Disposal of State and Municipal Assets. The Supervisory Board consists of one representative each from FM, MEI, and AM, and four independent members.

In accordance with points 28 and 29 of ILTE's Articles of Association, the procedure for the election and dismissal of the Supervisory Board and its individual members, the competences and the decision-making procedure of the Supervisory Board do not differ from those laid down in the LC, except for the additional competences laid down in the Articles of Association.

The Articles of Association of ILTE and the decision of the General Shareholders' Meeting of ILTE establish additional competence for the Supervisory Board:

- Laying down the procedure for the appointment and remuneration of the members of the ILTE Management Board for their activities in the Management Board;
- Deciding on the conclusion of contracts with members of the Management Board and their terms and conditions, including the maximum level of remuneration for the members of the Management Board and the Chairperson;
- Establishing the procedure for ILTE's management bodies to be accountable to the Supervisory Board for their activities;
- Monitoring the effectiveness of internal control, risk management and internal audit systems;
- Deciding on the establishment of an Audit and Risk Management Committee;
- Deciding on the conclusion of contracts with members of the Audit and Risk Management Committee who are not members of the Supervisory Board and the determination of their terms and conditions, within the limits of the remuneration levels set by the General Meeting of Shareholders;
- Considering and deciding on proposals submitted by the Audit and Risk Management Committee on matters within the competence of the Supervisory Board;
- Approving the annual internal audit plan, its implementation reports, considering the internal audit recommendations and identified shortcomings, to approve the action plan for the implementation of the internal audit recommendations and elimination of the identified shortcomings;
- Establishing tasks, assignments to the audit service performing internal audit functions, the procedure for accountability to the Supervisory Board;
- Approving the regulations of the internal audit service and the staff regulations of the head of the internal audit service;
- Participating in the selection of the Head of the Internal Audit Department;
- Submitting a proposal to the Management Board regarding the possible nomination of the head of ILTE;
- Approving the corporate governance policy approved by the Management Board;
- Approving the decision of the Management Board to establish a new legal entity or to become a participant in such an entity (prior approval of the Supervisory Board is not required when the establishment of a new legal entity or becoming a participant in such an entity is provided for in ILTE's business strategy, in a resolution of the General Meeting of Shareholders or in the description or scheme of implementation of the relevant financial facility).
- to provide the general meeting of shareholders or the management body with the Supervisory Board's opinion and/or proposals on key issues of ILTE's operations, either on its initiative or at the request of the management bodies.

Members of the Supervisory Board are selected by public tender. The selection of candidates for election to the Supervisory Board is carried out in accordance with Description of the selection of candidates for appointment to a collegiate supervisory or management body of a State or municipal enterprise, a State or municipally-owned company or its subsidiary approved by Resolution No. 631 of the Government of the Republic of Lithuania of 17 June 2015

The invitation to participate in the selection process is published on ILTE's website, the FM website, and in the electronic publication of the State Enterprise Centre of Registers. Candidates for the members of the Supervisory Board are evaluated and selected by the selection committee formed by the institution performing the functions of the general meeting of shareholders (FM). The selection process for the independent members of the Supervisory Board is usually carried out with the participation and assistance of representatives of a recruitment agency providing executive or recruitment services. Once the selection process has been completed, information on the number of applicants and the successful candidates is published on ILTE's website.

Candidates for members of the Supervisory Board are appointed once their candidacies are approved by the institution overseeing ILTE's operations, the Bank of Lithuania, and upon reviewing the information provided by the Special Investigation Service (hereinafter the SIS) in accordance with the legal requirements regarding candidates for members of the Supervisory Board.

In the event of the resignation of a member of the Supervisory Board or the withdrawal of a member of the Supervisory Board, he is elected until the expiry of the term of office of the existing Supervisory Board, in the same manner as the new Supervisory Board.

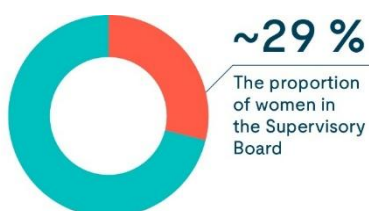
Following the withdrawal of Saulius Galatiltis from the Supervisory Board by Order No 1K-206 of the Minister of Finance of the Republic of Lithuania of 13 June 2024, the selection of the missing member of the Supervisory Board took place during the reporting period. The missing member of the Supervisory Board was selected after the reporting period. By Order No 1K-15 of 31 January 2025 of the Minister of Finance of the Republic of Lithuania "On Appointment of a Member of the Supervisory Board of UAB ILTE", a decision was taken to appoint Eugenijus Preikša to the Supervisory Board of ILTE until the end of the term of office of the current Supervisory Board.

During the reporting period, the Supervisory Board established (elected) by the Order of the Minister of Finance of the Republic of Lithuania of 7 April 2023 was functioning. Information is also provided about the Supervisory Board member, Eugenijus Preikšas, appointed in 2025.

Members of the Supervisory Board

ILTE Supervisory Board	
<b>Daina Kleponė</b>	President, independent member
<b>Aivaras Čičelis</b>	Vice-President, independent member
<b>Saulius Galatiltis</b> (until 13 June 2024)	Independent member
<b>Eugenijus Preikša</b> (from 1 February 2025)	Independent member
<b>Pascal Lagarde</b>	Independent member
<b>Povilas Kriaučeliūnas</b>	Delegated member, representing MEI
<b>Irma Patapienė</b>	Delegated member, representing the FM
<b>Aurimas Saladžius</b>	Delegated member, representing the AM

As part of the implementation of the good governance recommendations, the composition of the collegiate management and supervisory bodies includes independent members. Independent members are selected through a competitive process, in accordance with transparency requirements. Independent members make up the majority of ILTE's collegiate bodies. There are 4 independent members in the Supervisory Board out of 7 members.



Competence, education, and professional experience of the Supervisory Board members



**Daina Kleponė**

Chair of the Supervisory Board,  
Independent member

Has held the position since 7 April 2023.

**Education**

- Vilnius Gediminas Technical University – PhD in Economics;
- Baltic Management Institute – Business Management Master's Certificate, awarded by the Oslo Business School, Copenhagen Business School, Paris HEC, and Leuven University;
- Vytautas Magnus University – Master's in Business Management;
- Vilnius University – Bachelor's in Chemistry.

**Primary place of employment and position**

- Vilnius Gediminas Technical University Legal entity code 111950243, Saulėtekio al. 11, LT-10223 Vilnius, lecturer and researcher.

**Competence and professional experience**

- More than 21 years of successful management experience in leading positions in large Lithuanian and foreign business;
- More than 5 years of successful management of the export, entrepreneurship and start-up promotion agency Enterprise Lithuania;
- More than 7 years of experience in business development in foreign countries: Scandinavia, UK, Austria, Ireland, Belgium, Netherlands, India, Italy.



**Aivaras Čičelis**

Vice-President,  
independent member

Has held the position since 7 April 2023.

**Education**

- Vilnius University – Master's degree in Finance and Banking;
- Vilnius University –Bachelor of Economics.

Member of the Boards of Directors in various companies.

**Primary place of employment and position**

**Competence and professional experience**

- 26 years' experience in financial strategy and operational bank management;
- 20 years' experience as a senior executive;
- More than 14 years of experience as a member of the Management Board.

**Participation in other companies and organisations**

- Baltic Management Institute (BMI), Legal entity code 195005151, Member of the Board;
- UAB Švaros broliai, Legal entity code 122538045, Member of the [Management Board](#);
- UAB PRO BRO Car Wash Systems, Legal entity code 305736009, Member of the Board;
- UAB PRO BRO Group, Legal entity code 305723296, Member of the [Management Board](#);
- AB HISK, Legal entity code 147710353, member of the [Management Board](#).



**Saulius Galatiltis**  
Independent member

Served from 7 April 2023 to 13 June 2024.

**Education**

- Vytautas Magnus University – Master of Economics (banking and finance);
- Vytautas Magnus University – Bachelor of Business and Administration (macroeconomics).

**Primary place of employment and position**

- UAB Foxpay (legal entity code 302455836, Savanorių pr. 5, LT-03116 Vilnius), Chief Operating Officer (COO);
- UAB Bifinity, Legal entity code 305595206, Lvivo g. 25-104, LT-09320 Vilnius, Director (until October 2023) and Chairman of the Management Board (until October 2023).

**Competence and professional experience**

- Investment expert with 10 years of experience, responsible for the asset management of the Bank of Lithuania's financial assets;
- More than 9 years' experience as a senior executive.

**Participation in other companies and organisations**

- MB Algorithmic Edge, Legal entity code 303365249, Member;
- UAB Bifinity, Legal entity code 305595206, Member of the Management Board (until October 2023).



**Povilas Kriaučeliūnas**  
Delegate member, representing the Ministry of Economy and Innovation of the Republic of Lithuania

Has held the position since 7 April 2023.

**Education**

- Vilnius Gediminas Technical University – Master's degree in Business Management;
- Vilnius Gediminas Technical University – Bachelor's in Economics.

**Primary place of employment and position**

- Ministry of Economy and Innovation of the Republic of Lithuania Legal entity code 188621919, Gedimino pr. 38, LT-01104 Vilnius, Principal Specialist, EU Investment Coordination Department.

**Competence and professional experience**

- More than 8 years of experience in strategic planning, economic and investment promotion, EU structural assistance administration, management and control.

**Participation in other companies and organisations**

- Member of the Holding INVEGA Fund Member of the Supervisory Committee



**Pascal Lagarde**  
Independent member  
Has held the position since 7 April 2023.

**Education**

- Ecole Polytechnique (X 82); Ecole Nationale Supérieure des Techniques Avancées.

**Primary place of employment and position**

- Bpifrance, legal entity 320 252 48, France, Executive Director for International Affairs, Strategy, Studies and Development.

**Competence and professional experience**

More than 21 years of experience in financial institutions and venture capital management firms in various management positions.

**Participation in other companies and organisations**

Member of the Management Board of the European Investment Fund.





**Irma Patapienė**

Delegated member,  
represents the Ministry of Finance

Has held the position since 7 April 2023.

**Education**

- Kaunas University of Technology – Master's degree in Business Administration and Management (European Studies);
- Kaunas University of Technology – Bachelor's degree in Business Administration and Management.

**Primary place of employment and position**

- Ministry of Finance of the Republic of Lithuania Legal entity code 288601650, Lukiškių g. 2, LT-01108 Vilnius, Senior Adviser, Investment Department.

**Competence and professional experience**

- 20 years of experience in strategic planning and management, EU project administration;
- 15 years of experience in managing a structural unit.



**Aurimas Saladžius**

Delegated member, representing the  
Ministry of the Environment of the  
Republic of Lithuania

Has held the position since 7 April 2023.

**Education**

- Vilnius University – Master's in Public Policy and Administration.
- Vilnius University – Bachelor's in Political Science.

**Primary place of employment and position**

- Ministry of the Environment of the Republic of Lithuania, Legal entity code 188602370, Address: A. Jakšto g. 4, LT-01105 Vilnius, Head of the Sustainable Development and Strategic Change Group.

**Competence and professional experience**

- More than 8 years of experience in sustainability, implementing various environmental initiatives and projects;
- Has experience working in collegial governance or supervisory bodies, as well as in organisational management and strategy development.

**Participation in other companies and organisations**

- State Forest Enterprise, Legal entity code 132340880, Member of the Management Board.
- Since 2021, has chaired the United Nations Aarhus Convention Bureau.



**Eugenijus Preikša**

Independent member  
Has held the position since 1 February  
2025.

**Education**

- Stockholm University – Master's in Social Sciences (Banking);
- Vilnius University – Bachelor's in Economics (Banking and Finance).

**Primary place of employment and position**

- UAB European Merchant Bank, legal entity code 304559043, address: Vilnius, Gedimino pr. 35, LT-01110, member of the Management Board, Chief Risk Officer (CRO).

**Competence and professional experience**

- Extensive experience in the financial and banking sectors, holding top-level executive positions.
- Over 20 years of experience as Deputy Chairman of the Management Board, Deputy Head of Administration, and Chief Risk Officer at Swedbank, AB, Vilnius, with a focus on development and risk management.

**Participation in other companies and organisations**

- AB Lietuvos Geležinkeliai, Legal entity code 110053842, independent Member of the Management Board, Chairman of the Audit Committee.

## Overview of the activities of the Supervisory Board

The Supervisory Board organises its activities at the beginning of each year by drawing up an annual plan of the Supervisory Board's activities, which includes the dates of the Supervisory Board's pre-scheduled meetings as well as the main issues to be discussed. Pre-scheduled Supervisory Board meetings are typically held once a month, with additional meetings organised as needed.

During the reporting period, 17 meetings of the Supervisory Board took place, as well as several meetings with the shareholder's representatives. Members of the Supervisory Board actively participated in the meetings. Two members of the Supervisory Board recused themselves from several meetings of the Supervisory Board due to a potential conflict of interest, as they were dealing with issues related to their participation in the selection process for the Audit and Risk Management Committee.

Statistics of Supervisory Board meetings 2024

Members of the Supervisory Board	Member attended meetings / total meetings
<b>Daina Kleponė</b> (chairman, independent member)	17/17
<b>Aivaras Čičelis</b> (vice- chairman, independent member)	14*/17
<b>Saulius Galatilis</b> (until 13 June 2024) (independent member)	7*/10
<b>Pascal Lagarde</b> (independent member)	17/17
<b>Povilas Kriaučeliūnas</b> (delegated member, representing the MEI)	17/17
<b>Irma Patapienė</b> (delegated member, representing FM)	17/17
<b>Aurimas Saladžius</b> (delegated member, representing the AM)	17/17

\*The respective Supervisory Board members did not participate in several Supervisory Board meetings, where issues related to the formation of the Audit and Risk Management Committee were discussed, as they were involved in the selection process for the Audit and Risk Management Committee members.

83 questions were examined at the meetings of the Supervisory Board. During the reporting period, the following key topics assigned to the Supervisory Board's responsibilities and questions within its competence were discussed:

- Approval of ILTE's strategic action plan for 2024;
- Discussion of the 2024 ILTE budget;
- Review and approval of the 2024 internal audit plan;
- Approval of the annual ILTE report and the set of annual financial statements;
- Participation in the development sessions of ILTE's 2025–2030 operational strategy;
- Discussion of quarterly reports on risk management, internal audit, financial results, and strategic performance indicators;
- Quarterly review of the GFI performance reports, discussion of the GFI operational strategy;
- Discussion on the effective use of temporarily available funds and the review of the current procedure;
- Discussion and approval of the newly developed ILTE Risk Management Policy, approval of ILTE's risk tolerance indicators;
- Approval of the updated ILTE Interests Management Policy;
- Review and update of the Remuneration Policy.
- The company's process management model, as well as the project management structure of the company, were discussed with ILTE management;
- Attention was given to the Company's IT infrastructure and cybersecurity issues;
- In line with good governance practices, the Supervisory Board has undergone an assessment of its own performance and competences and a performance improvement plan has been prepared;

During the reporting period, the Supervisory Board also conducted the selection for the Audit and Risk Management Committee (ARMC), established the ARMC, approved and later updated the ARMC regulations, and discussed issues regarding cooperation between the Supervisory Board and the ARMC.

During the reporting period, regular meetings of the Supervisory Board members with shareholder representatives took place. During these meetings, issues related to ILTE's strategic objectives and the shareholder's expectations for ILTE's strategic operational areas were discussed.

No Supervisory Board was established in ILTE's subsidiaries. ILTE oversees the activities of its subsidiaries.

Independent members of the Supervisory Board are paid a monthly fee for their work on the Supervisory Board. The remuneration of the members of the Supervisory Board is paid in accordance with the Order of the Minister of Finance of the Republic of Lithuania No. 1K-137 of 7 April 2023 "On the establishment of the Supervisory Board of the private limited liability company Investicijų ir verslo garantijos.

Information regarding the remuneration of Supervisory Board members during the reporting period is provided in section of the Annual Consolidated Financial Statements: 5. *Remuneration report*.

**Post-reporting period**

- ILTE's 2025–2030 operational strategy was approved;
- Internal audit-related internal regulations were reviewed and updated;
- The Annual Internal Audit Plan was approved.

4.5. Audit and risk management committee and its activities

In compliance with the Republic of Lithuania Law on Audit of Financial Statements and Other Assurance Services) and the provisions of Section V of ILTE's Articles of Association, the Supervisory Board of ILTE set up the ARMC.

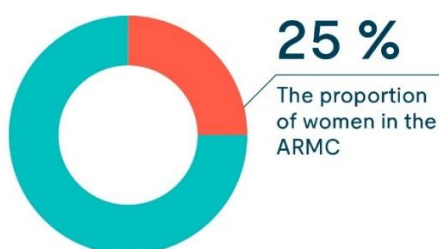
The ARMC addresses issues related to strengthening ILTE's internal control system and improving the operations of the internal audit service, ensures the independence of the internal audit service, participates in the selection process of external audit firms, provides recommendations to the Supervisory Board on risk management issues, and considers other issues as outlined in the ARMC regulations.

The ARMC is established following the Requirements for Audit Committees, the description of the company bodies forming the audit committees, and the composition of the audit committees, approved by Resolution of the GRL No 383 of 24 May 2017. Based on this, two independent committee members and two independent Supervisory Board members were elected to the ARMC through a public selection process. The chairperson of the ARMC was elected from among the independent committee members, with professional experience in the audit field.

ARMC composition and participation in meetings

Audit and Risk Management Committee		Member attended meetings / total meetings
<b>Laura Garbenčiūtė-Bakienė</b>	Chairperson, independent ARMC member	10/10
<b>Aivaras Čičelis</b>	ARMC member, independent Supervisory Board member	10/10
<b>Saulius Galatiltis</b> (until 13 June 2024)*	ARMC member, independent Supervisory Board member	3/3
<b>Laurynas Bukys</b>	Independent member of the ARMC	10/10

\*Following the dismissal from the Supervisory Board by Order No. 1K-206 of the Minister of Finance of the Republic of Lithuania, dated 13 June 2024, the powers of the ARMC member were also terminated.



Competence, education, and professional experience of the ARMC members



**Laura Garbenčiūtė-Bakienė**  
ARMC Chairperson,  
Independent member

In office since 6 March 2024.

**Education**

- International Internal Audit Institute – Internal audit leadership certificate; Risk management assurance certificate; internal auditor certificate;
- Member of the Association of Chartered Certified Accountants (ACCA, United Kingdom);
- Baltic Corporate Governance Institute – qualification as a professional member of the Management Board;
- Master's degree in Finance from Vilnius Gediminas Technical University;
- Bachelor's degree in Business Administration from Kaunas University of Technology.

**Primary place of employment and position**

- Director and shareholder of UAB Baltijos ekonomistas (company code 304917106, address: Gedimino pr. 20, LT01103 Vilnius)

**Competence and professional experience**

- Over 20 years of experience in managerial positions in Lithuanian, foreign, and international companies, including at least 4 years as a professional member of the Management Board;
- At least 4 years' experience as an independent member of the Supervisory Board, the Management Board, the Audit Committee or other committees of state and municipally controlled companies;
- More than 20 years of experience in auditing and internal auditing, over 5 years of experience in financial management and risk management.

**Participation in other companies and organisations**

- Member of the Management Board of UAB Okeo Payments (2021–2023);
- Independent member of the Management Board of UAB Plungės vandenys (2019–2023);
- Independent audit committee member of Lietuvos Oro Uostai State Enterprise (2019–2023);
- Chairwoman of the Audit and Risk Committee of Ignalina Nuclear Power Plant State Enterprise (since 2016);
- Independent member of the Audit Committee of AB Klaipėdos Nafta (since 2018–2022);
- Independent Member of the Supervisory Board of UAB Investicijų ir verslo garantijos (2018–2022);
- Supervisory Board Member of the Energy Efficiency Fund Ukraine (2019–2023);
- Independent member of the Audit Committee of Klaipėda State Seaport Authority (since 2023);
- Independent member of the Audit Committee of the State-Owned Asset Management Agency Turto Bankas; (since 2024);
- Member of the Management Board of the Association of Internal Auditors (2020–2024);



**Laurynas Bukys**  
Independent member

In office since 6 March 2024.

**Education**

- ICA international executive diploma in management, risk, and compliance;
- Bachelor's degree in Business Management and Administration from the International School of Law and Business.

**Competence and professional experience**

- Over 10 years of experience in risk management in international banking, working with global banks in risk, compliance, governance, and financial functions. Specialisation: Corporate risk management, third-party risk management, stress testing, ICAAP, control testing.

**Primary place of employment and position**

- UAB TransferGo UAB (company number: 304871705, address: Palangos g. 4, LT-01402 Vilnius. Company's Risk Management Head (since 2024)



**Aivaras Cičelis**  
Independent member

In office since 6 March 2024.

Information is provided in section 4.4. *Supervisory Board and its activities*



**Eugenijus Preikša**  
Independent member

Holds the position since 25 February 2025.

Information is provided in section 4.4. *Supervisory Board and its activities*

The ARMC started its activities on 6 March 2024. The ARMC was elected until the end of the ILTE Supervisory Board's term on 8 April 2027.

The ARMC performs functions in auditing, internal control, and risk management as set out in Article 58 of the Law on Financial Statement Audit and Other Assurance Services and in the ARMC regulations approved by the ILTE Supervisory Board.

The ARMC is a committee subordinate to the Supervisory Board. Decisions on issues considered by the ARMC are made by the Supervisory Board based on the ARMC's recommendations.

During the reporting period, 10 ARMC meetings were held. During these meetings, 50 issues were discussed.

The key issues considered by the ARMC were as follows:

- Preparation of the annual work (meeting) plan of the Audit and Risk Committee;
- Comments and suggestions on the Audit and Risk Committee's regulations;
- Overview of the risk management system, review of the Risk Management Policy and procedures, maturity level assessment, and review of the quarterly risk reports;
- Evaluation of the finance function and financial reporting process, accounting policies;
- Discussion of the internal audit service's functions;

- Discussion of the internal audit service's objectives for 2024;
- Periodic review of the internal audit service's quarterly reports;
- Periodic review of risk management overviews;
- Discussion of the Company's readiness to implement sustainability directive requirements;
- Discussion of the new draft Risk Management Policy and key risk indicators (KRIs) and risk appetite;
- Review of information regarding the AML/CFT prevention action plan, identification of politically exposed persons, effectiveness evaluation of sanctions violations, and the status of intermediary activity controls;
- Consideration of changes to the conflict of interest policy and the draft procedure for implementing the Conflict of Interest Management Policy;
- Discussion of the review and implementation of the whistleblowing channel practice;
- Discussion of the criteria for selecting external auditors;
- Discussion of the internal audit activity evaluation questionnaire;
- Discussion of proposed adjustments to the internal audit annual plan;
- Discussion of the credit risk management structure;
- Review of information regarding the Company's continuity plan;
- Consideration of preliminary results from the evaluation of the governance, risk management, and internal control systems of the subsidiary UAB Kofinansavimas;
- Discussion of the Company's 2024 external audit plan;
- Familiarisation with the cybersecurity audit report and the status of addressing identified gaps during the audit;
- Review of periodic reports on credit risk of financial instruments portfolios and overdue loan portfolios;
- Discussion of the qualification requirements for the 2025 planned consolidated financial statement audit, limited assurance services for sustainability reporting, and management expenses audit procurement;
- Discussion of the Company's sustainability strategy and dual materiality;
- Review of information regarding the Company's crediting process;
- Expectations regarding the content and scope of information the Company provides related to conflict of interest management, disclosures, and transactions with politically exposed persons;
- Self-assessment of the Audit and Risk Management Committee's activities;
- Preparation and approval of the Audit and Risk Management Committee's annual report;
- Discussion of the 2025 Audit and Risk Management Committee's work plan.

All ARMC members are compensated for their activities within the ARMC. The remuneration for ARMC members is paid in accordance with order No. 1K-402 of the Ministry of Finance of the Republic of Lithuania dated 13 December 2023, "On the determination of the remuneration for the members of the Audit and Risk Management Committee of the closed limited liability company Investicijų ir verslo garantijos," and the decision of the ILTE Supervisory Board No. 005 dated 6 March 2024 (regarding the remuneration for ARMC members who are not members of the Supervisory Board).

Detailed information about the remuneration paid during 2024 is provided in section of the management report: 5. *Remuneration report*.

### Post-reporting period

- There was a discussion with external auditors regarding the results of the annual financial statement audit.
- Proposals were discussed and submitted to the Supervisory Board regarding the review of the internal legal acts of the ILTE Internal Audit Service.
- The annual report of the Internal Audit Service was discussed, and proposals were submitted to the Supervisory Board regarding the annual evaluation of the head of the Internal Audit Service.
- The annual plan of the Internal Audit Service was considered, and recommendations were made to the Supervisory Board.

### 4.6. ILTE's Management Board and its activities

The Management Board is the collegiate governing body of ILTE. The Management Board is responsible for the implementation of the operational strategy and decides on the key management and operational issues of ILTE.

In accordance with clauses 33 and 36 of ILTE's Articles of Association, the procedure for the election and dismissal of the ILTE Management Board and its individual members, the competences and the decision-making procedures do not differ from those laid down in the LC, with the exception of the additional competence of the Management Board provided for in the Articles of Association of ILTE.

ILTE's Management Board performs the functions set out in the Law on Companies, as well as the following additional competences:

- Determines the competences of the ILTE CEO, Credit Committees, and authorised responsible persons to make decisions related to individual guarantees, directly provided loans, or other forms of lending;
- Considers and establishes the corporate governance policy, coordinating it with the Supervisory Board, as well as other corporate policies and approves the related documents (which do not need to be coordinated with the Supervisory Board);
- Approves the description of the procedures for investing ILTE's available financial resources;
- considers and establishes policies for organizing the internal control system, provisions for provisions, and other policies;
- Decides on the transfer of shares, contribution or participation in the capital of another legal entity;
- makes decisions on investments in the subsidiary's capital;
- Decides on the conclusion of transactions involving the acquisition of goods, services or works valued at more than EUR 50.000 excluding value added tax;
- Approves the credit risk assessment methodology;
- Considers and establishes conditions or requirements for evaluating and managing risks related to the provision of guarantees, directly provided loans, or other forms of lending;
- Decides on the participation of subsidiaries in associations or any other form of association of legal persons;
- In the light of the deficiencies and recommendations identified during the internal audit or external audit, together with the head of ILTE, prepares and submits to the Supervisory Board an action plan for the implementation of the internal audit recommendations and elimination of the identified deficiencies;
- Approves the rates of remuneration and the procedure for calculating remuneration for ILTE guarantees provided in accordance with the relevant guarantee regulations or rules;
- Makes decisions regarding the establishment and function assignment of Credit Committees and other committees subordinate to the Management Board;
- Considers and takes decisions in accordance with the relevant orders and/or decisions of the general meeting of shareholders or the Supervisory Board.

The ILTE Supervisory Board elects the members of the Management Board through a public competition. The invitation to participate in the selection is published on the ILTE website, on the website of the Public Enterprise Management and Coordination Centre, and in the electronic publication of the Public Enterprise Registration Centre. Candidates for the members of the Management Board are evaluated by a selection committee formed by the Supervisory Board from among its members. A highest-level executive search agency was engaged to organise and conduct the selection. Following the selection, information about the number of candidates who participated in the selection and the candidates who won the selection is published on the ILTE website.

During the reporting period, ILTE had the Management Board where the members of the Management Board are also the company's employees who hold senior management positions under contracts of employment which run until the end of the term of office of the Management Board. Members of the Management Board elected to the board are assigned to hold the positions of heads of structural divisions – service heads – and the chair of the Management Board holds the position of the CEO of ILTE.

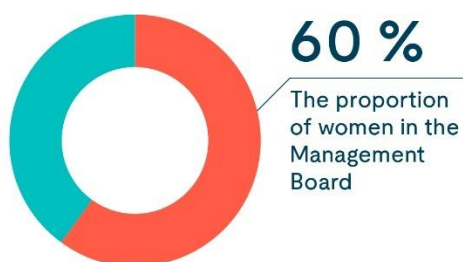
The Management Board is composed of 5 members elected by the Supervisory Board of ILTE for a term of 4 years.

Candidates for the membership are appointed when their nominations are approved by the Bank of Lithuania, and after reviewing the information about the candidates provided by the Special Investigation Service (SIS) in accordance with legal regulations. Upon the expiry of the mandate of a member of the Management Board, the employment contract for the performance of the duties of Head of Service shall also be terminated. In the event of the resignation or removal of a member of the Management Board, a new member of the Management Board is elected for the remainder of the term of office of the current Management Board, in the same manner as for the new Management Board.

Composition of ILTE's Management Board

ILTE members of the Management Board	
<b>Dainius Vilčinskas</b>	Chairman of the Management Board, ILTE CEO
<b>Lina Stragauskienė</b>	Member of the Management Board, Head of the Finance and Administration Service
<b>Jonas Kanapeckas</b>	Member of the Management Board, Head of Risk Management and Compliance
<b>Inga Beiliūnienė</b>	Member of the Management Board, Head of Operational Development
<b>Giedrė Gečiauskienė</b>	Member of the Management Board, Head of the Customer and Financing Solutions Service

The current Management Board ensures good gender representation. During the reporting period, women made up 60% of the total members of the Management Board (3 out of 5 members).



Considering the composition of the management (governing and supervisory bodies, including ARMC members) based on gender criteria, and eliminating cases where an individual participates in both the Board and ARMC activities, the proportion of women is 42.86% (i.e., 6 out of 14 members of the collegial bodies).

Considering the composition of the management (governing and supervisory bodies, including ARMC members) based on age criteria, all age groups are represented in the management:

Age from 25 to 3 years	Age from 40 to 50 years (inclusive)	Age over 51 years	Average age
3 out of 14 (21.5%)	8 out of 14 (57%)	3 out of 14 (21.5%)	46.35 m



Competence, education and professional experience of the members of the *Management Board*



**Dainius Vilčinskas**

Chairman of the Management Board

In office since 11 September 2023

**Education**

- Oxford University Business School – Private Markets Investment Programme;
- Certificate in Corporate Governance from the Baltic Institute of Corporate Governance;
- Vilnius Gediminas Technical University – Master of Business Administration; Vilnius Gediminas Technical University – Bachelor of Business Administration.

**Primary place of employment and position**

- UAB ILTE, Legal entity code 110084026, Ukmergės g. 124, LT-08100, Vilnius, chairman of the Management Board, director general

**Competence and professional experience**

- Over 14 years of managerial experience at Swedbank: Head of the Business Customer Segment, Head of Corporate Banking, Financing and Cash Management;
- Member of Swedbank's Baltic Management Board team, Member of the Supervisory Board of Swedbank Latvia, Member of the Management Board of Swedbank Lithuania;
- In 2020, participation in the establishment and management of the State Investment Management Agency (VIVA), a consolidated institution based on ILTE, whose purpose was to invest in medium and large enterprises affected by COVID-19;
- Experience in strategic business and financial management, corporate governance, capital markets, sustainable business development.

**Participation in other companies and organisations**

- MB Spontis Invest, legal entity code 306273083, member.



**Lina Stragauskienė**

Member of the Management Board,  
Head of Finance and Administration

In office since 11 September 2023

**Education**

- Vilnius University – Master's degree in Finance and Banking;
- Vilnius University – Bachelor of Economics.

**Primary place of employment and position**

- UAB ILTE, Legal entity code 110084026, Ukmergės g. 124, LT-08100 Vilnius, Member of the Management Board, Head of Finance and Administration.

**Competence and professional experience**

- More than 16 years of experience in Danske Bank's Lithuanian branch, where she was in charge of various areas related to corporate finance;
- For the past 5 years, has been a member of the company's management team, actively involved in the implementation of the company's strategic decisions, complex systems and business transformation projects.



**Jonas Kanapeckas**

member of the Management Board,  
Head of Risk Management and  
Compliance

In office since 11 September 2023

**Education**

- Vilnius University – Master of Mathematics

**Primary place of employment and position**

- UAB ILTE, Legal entity code 110084026, Ukmergės g. 124, LT-08100, Vilnius, Member of the Management Board, Head of Risk Management and Compliance.

**Competence and professional experience**

- More than 20 years of experience as an expert and in management positions in the Bank of Lithuania;
- Long-standing member of the Investment Committee of the Bank of Lithuania, the Eurosystem Market Operations and Risk Management Committees;
- Extensive experience in investment, monetary policy operations and risk management

**Participation in other companies and organisations**

- Senior management experience in closed-end investment companies for informed investors KŪB Verslo angelų fondas II, Legal entity code 304869519, Member of the Advisory Committee.



**Inga Beiliūnienė**

Member of the Management Board,  
Head of Operational Development

In office since 11 September 2023

**Education**

- Vilnius University – Master's in Business Administration
- Vilnius University – Bachelor's in International Economics;

**Primary place of employment and position**

- UAB ILTE, Legal entity code 110084026, Ukmergės g. 124, LT-08100, Vilnius, Member of the Management Board, Head of Operational Development.

**Competence and professional experience**

- 11 years of work experience at UAB ILTE (formerly UAB Investicijų ir verslo garantijos (INVEGA)), where she held the positions of Deputy Director and Director of Business Development.
- 13 years of experience in national and international financial institutions;
- Extensive experience in the design and implementation of a wide range of financial instruments for businesses of all sizes, experience in business development, strategic product planning, corporate product development and management.

**Participation in other companies and organisations**

- Deputy member of the Management Board of the European Association of Guarantee Institutions.
- Limited Partnership KŪB Verslo angelų fondas II, a closed-end investment company for informed investors, Legal entity code 304869519, Member of the Advisory Committee.
- Member of the Advisory Committee of Practica Venture Capital II, a closed-end investment company for informed investors.
- Member of the Advisory Committee of the NATO Innovation Fund.
- Member of the Advisory Committee of the venture capital fund Wise Guys Pre-seed Fund I.
- Member of the Advisory Committee of the venture capital fund 70 Ventures Accel.
- Member of the Baltic Innovation Fund Advisory Committee.
- Member of the Baltic Innovation Fund II Advisory Committee.
- Closed-end investment company for informed investors Member of the Advisory Committee of Opportunity Fund Limited Partnership.
- Member of Lietuvos Junior Achievement Management Board.



**Giedrė Gečiauskienė**

Member of the Management Board,  
Head of Customer and Financing  
Solutions

The post has been held since 25 October  
2023.

**Education**

- EMBA degree from the Baltic Management Institute;
- Chartered Financial Analyst (CFA) designation;
- Vilnius University – MSc in Economics;
- Vilnius University –Bachelor of Economics.

**Primary place of employment and position**

- UAB ILTE, Legal entity code 110084026, Ukmergės g. 124, LT- 08100, Vilnius, Member of the Management Board, Head of Client and Financing Solutions.

**Competence and professional experience**

- More than 21 years of experience in the financial sector, in financial asset and operations management;
- For the past 6 years, she has contributed to the development of Danske Bank's organisation in Lithuania, building and leading large international teams, responsible for risk management, optimisation and digitalisation of operational processes, and for delivering the highest quality of financial services to large corporate and institutional customers worldwide.

**Participation in other companies and organisations**

- UAB Būsto paskolų draudimas, legal entity code 110076079, member of the Management Board.

**Overview of Activities of the Management Board**

Meetings of the Management Board are convened and decisions are made in accordance with the LC and the Board's work regulations.

During the reporting period, 55 board meetings were held. Meetings of the Management Board are organised once a week.

Statistics of board meetings

Members of the Management Board	Member attended meetings / all meetings
<b>Dainius Vilčinskas</b> (Chairman of the Management Board)	52/55
<b>Lina Stragauskienė</b> (member of the Management Board)	54/55
<b>Jonas Kanapeckas</b> (member of the Management Board)	54/55
<b>Inga Beiliūnienė</b> (member of the Management Board)	50/55
<b>Giedrė Gečiauskienė</b> (member of the Management Board)	52/55

The Management Board considered 290 items during the reporting period. The main focus of the Management Board was on performing the functions assigned to the Management Board under the LC and addressing the issues within its competence. The most important of these were:

- Preparation of the draft ILTE Strategy 2025-2030;
- Approval of ILTE Group's consolidated interim 6-month report for 2024 and approval of the interim financial statement package;
- Development of a new organisational culture;
- Change of the company's trademark and legal entity name;
- Review of the company's operational processes;
- Development of the company's project management framework;
- Initiation of the securitisation project;
- Review of the Anti-Money Laundering and (or) Terrorist Financing Prevention Policy and approval of the action plan;
- Updated Anti-Corruption Policy;
- Review of the Business Continuity Plan;
- Amendment of the Risk Management Policy;

- Initiation of the update to the Remuneration Policy, approval of the process for recording overtime, additional work, and bonuses, and review of the employee learning procedures;
- Review of the Potential Measures Assessment and Measures Preparation (Change) Policy;
- Addressing issues related to the review of the customer service model, and approval of a new Customer Service Policy;
- Approval of the 2025–2026 Functional Sustainability Strategy.

During the reporting period, active cooperation was carried out with the Supervisory Board, with regular meetings held with the shareholder's (FM) representatives.

The remuneration of a member of the Management Board, who is also an employee holding a managerial position and overseeing a defined functional area within the Company, consists of the member's remuneration under the service agreement of the Management Board and the salary paid according to the employee's employment contract. Remuneration for the members of the Management Board is determined in accordance with the decision of the ILTE Supervisory Board dated 14 August 2023 (Minutes of Meeting No. 008). Detailed information about the remuneration is provided in section 5. *Remuneration report*.

### Post-reporting period

- The ILTE 2025 budget (income and expenditure estimate) was approved;
- The Violence and Harassment Prevention Policy and the Equal Opportunities, Inclusion, and Diversity Policy were reviewed and updated;
- The ILTE 2025–2030 operational strategy draft was approved and submitted to the Supervisory Board for approval;
- The company's Confidential Information List was reviewed and approved;
- The 2025–2030 GFI operational strategy was approved.

### 4.7. Credit committees and their activities

Credit committees are permanently operational, considering requests for individual guarantees, directly provided loans, or lending in other forms, and making proposals regarding them, as well as making decisions within the competence set by the ILTE Management Board.

By the decision of the Management Board, three credit committees have been established with different decision-making competences, depending on the client's overall credit risk limit and the nature of the decisions under consideration.

The Chairperson and members of the Committee are appointed and dismissed by the ILTE Management Board on the proposal of the CEO. ILTE employees are appointed members of the Committee. The chairman of the Committee may not be the head of ILTE.

Composition of the Credit Committees

Committee	Status of Committee members	Members of the Committee	Responsibilities of Committee members
Level 1 Credit Committee (L1)	Permanent member and chair of the committee	Jonas Kanapeckas	Head of Risk Management and Compliance
	Permanent member	Dainius Vilčinskas	General Manager
	Permanent member	Giedrė Gečiauskienė	Head of the Customer and Financing Solutions Service
	Permanent member	Aistė Stonkienė	Director of the Compliance Department
	Permanent member	Remigijus Znutas	Director of the Legal Department
	Permanent member	Aistė Čepulė	Director of Risk Management Department
	Substitute member	Eglė Toliūnaitė	Senior Legal Advisor, Product Legal Department
	Alternate member	Pavel Krupenič	Head of Financial Risk Management
	Alternate member	Liudas Sinkevičius	Head of Compliance Management Department
Level 2 Credit Committee (L2)	Permanent member and chair of the committee	Aistė Čepulė	Director of Risk Management Department
	Permanent member	Pavel Krupenič	Head of Financial Risk Management
	Permanent member	Eglė Toliūnaitė	Senior Legal Advisor, Product Legal Department
	Permanent member	Liudas Sinkevičius	Head of Compliance Management Department
	Permanent member	Giedrė Tirvaitė	Director of the Business Financing Department
	Permanent member	Antonina Stasjoniene	Director of the Customer Analysis Department
	Alternate member	Aleksandras Petručionis	Head of the Small and Medium Clients Department
	Alternate member	Rolandas Bareika	Head of the Large Clients Department
	Substitute member	Meida Smulkienė	Head of the Credit Analysis Department
Low-Risk Credit Committee (LR)	Permanent member and chair of the committee	Antonina Stasjoniene	Director of the Customer Analysis Department
	Permanent member	Asta Gladkauskienė	Director of the Public Sector Financing Department
	Permanent member	Jurgita Makūnaitė	Legal Advisor, Product Legal Department
	Substitute member	Giedrė Gečiauskienė	Head of the Customer and Financing Solutions Service
	Substitute member	Žaneta Maskaliovienė	Head of the Self-Government and Housing Financing Department

\*Alternate members participate in the activities of the credit committees if a permanent member cannot participate.

The Credit Committees examine applications for guarantees and direct lending, modification of the terms of granting, and payment of the guarantee premium, and take decisions or make proposals for decisions to the higher Credit Committee within the scope and limits of the Credit Committee's competence as defined by the Management Board; have the right to make proposals to improve the procedures for granting, administering, and monitoring the guarantees.

Statistics on the activities of the Credit Committees

Credit Committee	Activities of the Credit Committees in 2024	
	Number of meetings	Number of decisions
Credit Committee L1	50	99
Credit Committee L2	82	428
Credit Committee LR	57	636
<b>Total</b>	<b>189</b>	<b>1 163</b>

No remuneration is paid to credit committee members for their activities in the Credit Committees.

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#### 4.8. Head of the Parent Company

At the management level, the Parent Company is managed by the Chief Executive Officer of the Parent Company and the Management Board. According to ILTE's Articles of Association, the members of the Management Board are the Heads of Service and the Chairman of the Management Board is the Managing Director of ILTE (the CEO of the company).

The Chief Executive Officer of the parent company is the parent company's sole governing body, who organises and manages the day-to-day business of the parent company, acts on behalf of the parent company and has the sole authority to enter into transactions in the manner provided for in the Law on Companies and the parent company's Articles of Association.

The CEO of the parent company has the right to represent the company unilaterally and sign documents on behalf of the parent company. The competencies, election, and dismissal procedures, as well as the number of terms of the parent company's CEO, are specified in the LC and the parent company's Articles of Association.

In accordance with ILTE's Articles of Association, the Chairman of the Management Board, elected by the Management Board, is appointed as the Chief Executive Officer of the parent company. As the state-owned enterprise (SOE), the CEO of the parent company is subject to special requirements for employment under the LC, according to which the CEO's term is limited to a 5-year period, and the same person may be elected as the CEO for no more than two consecutive terms.

The main responsibilities of the CEO of the parent company are:

- Organising the company's operations and achieving its goals;
- Preparing the annual financial report set and the management report, and submitting the annual financial report set or the audited annual financial report set, where the company's annual financial reports are required to be audited by law, for approval at the General Meeting of Shareholders;
- Drafting the procedure for participation and voting at the General Meeting of Shareholders using electronic communication tools;
- Drafting the procedure and conditions for assessing transactions with related parties, concluded under normal market conditions as part of regular business operations;
- Drafting the remuneration policy proposal;
- Drafting the remuneration information proposal;
- Signing an agreement with the auditor or audit firm when the audit is mandatory by law, and signing an agreement with the auditor, audit firm, or independent sustainability reporting assurance service provider when the management report, under the Law on Corporate and Group Reporting, must include sustainability information;
- Providing information and documents to the General Meeting of Shareholders, the Supervisory Board, and the Management Board as specified by the LC or at their request;
- Submitting company documents and data to the legal entities' registry administrator;
- Publicly announcing the information specified by the LC in the source indicated in the Articles of Association.
- A report to shareholders, the Supervisory Board, and the Management Board regarding the most significant events affecting the company's operations;
- The fulfilment of obligations and duties to the company and/or the company's management as stipulated in the LC and other laws.

The CEO of ILTE directly oversees ILTE and the ILTE group's strategic planning, human resources management, external and internal communications, legal matters, sustainability, and GFI activities.

At the end of the reporting period, the CEO of the parent company was Dainius Vilčinskis. The term of office of the Chief Executive Officer and the Management Board of the Parent Company expires on 10 September 2027.

Information on the education, experience and place of employment of the Chief Executive Officer of the Parent Company is provided in section 4.6. *ILTE Management Board and its activities*, with detailed information about the remuneration during the reporting period provided in section 5. *Remuneration report*.

#### 4.9. Managers of ILTE subsidiaries and their activities

##### **UAB Kofinansavimas**

The Chief Executive Officer (Director) of UAB Kofinansavimas is elected and dismissed by the General Meeting of Shareholders. As of 21 February 2023, Viktorija Trimbel was elected as Director for a 5-year term of office.

The director of UAB Kofinansavimas is responsible for organising the daily operations of the company, entering into transactions on behalf of the company, and performing other functions assigned to the company's management under the ABĮ and other laws. The director also performs the functions of a member of the risk capital fund KŪB Koinvesticinis fondas managed by the company, operating under the Coinvest Capital brand, and executes decisions made by the Investment Committee regarding fund investments, management, and realisation.

The director of UAB Kofinansavimas also holds the position of the director of the intermediary companies established to finance and account for investments in the risk capital fund Coinvest Capital, specifically UAB Pirmasis koinvestavimo fondas, UAB Antrasis koinvestavimo fondas, and UAB Trečiasis koinvestavimo fondas.

##### **UAB Valstybės investicijų valdymo agentūra**

The director-general of VIVA is elected by the VIVA Management Board. Liudas Sinkevičius has been acting director general since 15 April 2023.

The director general of VIVA is the company's sole governing body and acts on behalf of the company and the Business Assistance Fund managed by the company.

The CEO of VIVA is responsible for organising the daily operations of the company, entering into transactions on behalf of the company and its managed fund, and performing other functions assigned to the company's management under the LC and other laws. The director general of VIVA also implements or organises and ensures the implementation of the decisions taken by the Investment Committee of the Company's managed Business Assistance Fund regarding the management and disposal of the Fund's investments.

#### 4.10. Information on the audit of the annual financial statements

The audit firm appointed to audit the ILTE and the group's consolidated financial statements is selected through a public tender process, in compliance with public procurement procedures, and in accordance with the LC, ILTE's audit firm is appointed by the body performing the functions of ILTE's General Meeting of Shareholders – the FM.

By decision of the Minister of Finance, the representative of the holder of all shares in ILTE, dated 8 January 2024, the audit firm for the audit of the Group's annual financial statements for 2023 and 2024 has been selected as the audit firm by the group of joint-venture entities UAB ROSK Consulting and UAB Mazars Lithuania Audit. Over two years, the cost of services provided by the audit firm for ILTE's individual and consolidated financial statement audits amounts to EUR 29 000 excluding VAT.

This group of audit companies will also carry out audits of the financial statements of the subsidiary Kofinansavimas and the venture capital fund managed by it – KŪB Koinvesticinis fondas, as well as verification of the management expenses of the fund, audits of the financial statements of TIPS, as well as audits of the financial statements of all funds managed by ILTE and funds, as well as verification of the management expenses of the funds.

VIVA, in accordance with the public procurement procedures, has selected the audit firm ROSK Consulting UAB for the audit of the 2024 set of financial statements and the audit firm has been appointed by the shareholder of ILTE in accordance with the LC. It has been determined that the annual remuneration for the financial statement audit services does not exceed EUR 4 300, excluding VAT.

Audit service agreement values in 2024

Name of the audit firm's services	Amount excluding VAT costs, EUR
ILTE's individual and consolidated financial statement audit	14 500
Audit of the funds of funds and the financial statements of funds managed by ILTE	112 600
Verification of eligibility of funds managed by ILTE and management expenditure of funds managed by ILTE	36 900
Audit of the use of state budget funds allocated to ILTE fund instruments	59 100
Audit of UAB Kofinansavimas financial statements	6 100
Audit of the financial statements of KŪB Koinvesticinis fondas	9 500
Verification of the eligibility of the management costs of KŪB Koinvesticinis fondas	12 000
Audit of TIPS financial statements	5 000
Audit of VIVA financial statements	4 300
Total	260 000

4.11. Internal control system and risk management

**Internal control system**

ILTE's internal control is designed and implemented in accordance with the principles and requirements of internal control elements set out in the Policy on the Design of the Internal Control System (hereinafter referred to as the 'Internal Control Policy') approved by the Decision of the Management Board of 25 August 2022 (Minutes of the Meeting No 033). Subject to the provisions of the Internal Control Policy, ILTE's internal controls are designed to identify and manage the highest risks faced by ILTE in its operations and to ensure that the following internal control objectives are achieved: ILTE's activities comply with the applicable laws, assets, information and other resources would be protected from loss, activities are implemented in accordance with the principle of sound financial management, financial operations are carried out and properly recorded, information about ILTE's financial and other activities is provided in a timely manner and are reliable, employees have the opportunity to identify, assess, monitor and control the risks that ILTE faces in the course of its activities.

The Policy is published on the [ILTE's website](#).

Each year, an assessment of internal control effectiveness is conducted, in accordance with the periodicity and procedure set out in the Internal Control Policy, which covers all internal control elements. The assessment evaluates ILTE's compliance with the established requirements, identifies operational deficiencies, assesses changes that have occurred, reviews and evaluates the results of internal and external audits and other assessments, and outlines actions and measures for internal control improvement.

An internal control assessment was carried out at the beginning of 2025 to determine the status of ILTE's internal control system, to identify areas for improvement and to identify opportunities and actions for improvement. The assessment was carried out by employees responsible for different areas of ILTE's operations, directly performing relevant internal control functions and having sufficient competence to assess the aspects under review. The assessment reviewed all 5 internal control elements: control environment, risk management and assessment, control activities, information and communication, and monitoring. Summarising the assessment results, it was concluded that ILTE's internal control system is in good condition. The internal control measures partially operate effectively and help ensure risk management, compliance with legal requirements, and the achievement of ILTE's strategic objectives. ILTE consistently applies risk assessment, prevention, and control measures, regularly monitors operations, and conducts audits.



However, the assessment identified aspects to be improved according to all internal control elements:

**Control environment** – after the consolidation of companies, not all responsibilities and control functions are clearly defined and coordinated between different departments, not all cases have clear and sufficient control measures in place, a need was identified to improve the infrastructure of information systems, the challenges arising from the hiring of new employees were identified, and in 2024, the consolidated ILTE strategy was essentially reviewed, including its implementation methods, which affected the evaluation of the control environment;

**Risk management and assessment** – control measures are not applied uniformly across all processes, a need was identified to enhance employees' competencies in risk management and to implement and apply technological tools, which means increasing the maturity level of risk management.

**Control activities** – the implementation of control measures varies between ILTE departments, requiring greater standardisation and clearer guidelines, faster implementation of audit recommendations received, integration of organisational changes into operations, and the introduction of automated control measures;

**Information and communication** – following the completion of the consolidation process, the need arose to review the scope of information collected and provided, the effectiveness of information channels, to communicate decisions and processes related to internal control more clearly, aiming for greater transparency and a shared understanding within the organisation;

**Monitoring** – the IT systems integration process is not yet fully completed, and the compatibility of different systems presents certain challenges that impact the effectiveness of control measures; the need to review monitoring processes has also been identified, adapting them to new risks and changes in strategy.

An action plan has been prepared to eliminate the identified deficiencies, outlining the relevant measures, specifying deadlines for the actions to be taken, and designating responsible persons.

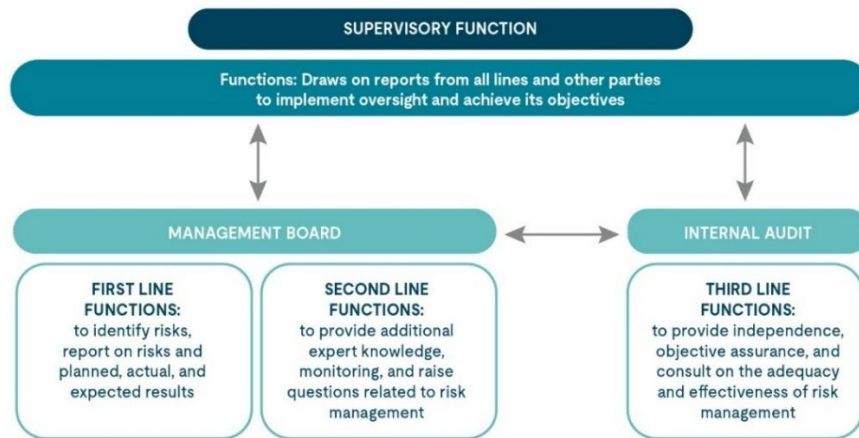
It should be noted that the internal audit also conducts an annual periodic evaluation of the internal control system at the management level and forms its independent conclusion. The results of the evaluations performed at two different levels, namely the periodic internal control evaluation at the expert level and the evaluation conducted by the Internal Audit Department at the management level, are compared, discussed, and deviations and their causes are analysed.

## Risk management

Risk management is an integral part of ILTE Group's operations. In pursuit of its strategic objectives, ILTE aims to reduce risks to an acceptable level by applying good risk management practices within the Company and by following the principles of COSO (Committee of Sponsoring Organisations of the Treadway Commission) and ISO 31000:2009 (Risk management – Principles and guidelines). In managing risks, the following objectives are pursued:

- Avoid or reduce, at least to the level of the risk appetite, the negative impact of potential threats on the achievement of the Company's strategic goals;
- Identify and provide timely information to the management of the Company and Group companies about potential risks, enabling analysis and preparation of appropriate response measures to reduce the negative impact on achieving the Company's goals;
- Reduce the sensitivity of Company's activities and dependence on possible negative future changes or events, minimising the potential costs and losses associated with unexpected situations for which no preparations have been made;
- Continuously monitor changes in risk factors and their potential impact both inside and outside the Company and to inform the ARMC, the Company's and/or Group companies' management and supervisory bodies in a timely and regular manner;
- Ensure that risk management is an integral part of all operational processes and the Company's culture.

The internal control and risk management system in operation at ILTE is based on the three lines model, which is described in detail in the Risk Management Policy approved by the Management Board, which was updated and approved in 2024. The policy governs the principles of risk management, the process and its stages, the participants in the process and their responsibilities related to risk management, key risk groups, and major risks. The Policy is published on the ILTE's website (<https://ilte.it/doclib/sybd17nqtfzqntfwpje93tc5661ekxw5>).

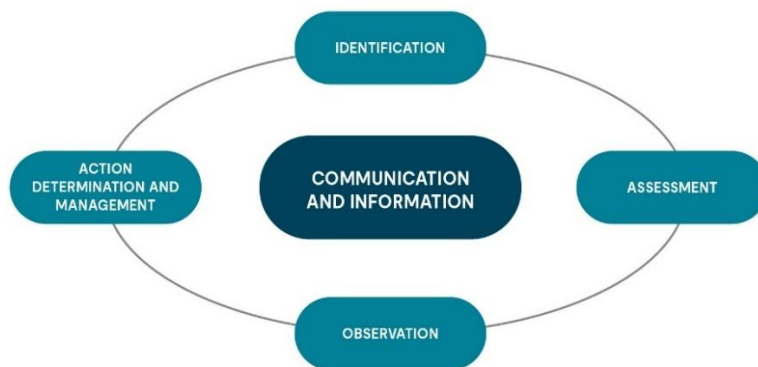


The Supervisory Board, ARMC, the Management Board, the CEO, the Internal Audit Department, and risk owners directly participate in risk management. All ILTE employees are encouraged to participate in the risk management process to determine when ILTE should act cautiously to achieve its goals and when it can take on more risk to exploit opportunities. The risk appetite is set and reviewed annually by the Management Board, in addition to setting and monitoring qualitative and quantitative risk tolerance indicators such as Key Risk Indicator (KRI) and Early Warning Indicator (EWI). In order to proactively manage risks, reports on risk levels, updated management plans and their implementation progress as required, developments, new risks, if any, are submitted to the ILTE Management Board, the Audit and Risk Management Committee and the Supervisory Board at least on a quarterly basis. The goal of such monitoring is to help the Company’s managers and employees make decisions on time, understanding their impact on the Company’s performance indicators and strategic objectives, as well as to improve the overall risk awareness culture at ILTE and apply effective risk management measures.

**Risk management process and key principles:**

The aim is for the risk management process to cover all significant areas of ILTE’s activities and identify and manage potential risk factors that may negatively affect ILTE's operations, as well as provide sufficient assurance that both long-term and short-term objectives will be achieved. The main stages of the risk management process are shown in the figure below. Throughout the entire risk management process, continuous communication is ensured by providing timely information to the management bodies.

Risk management process



The identification stage of the risk management process involves the continuous analysis of risk sources to identify potential risks; all employees are responsible for this stage. It is important for employees to identify risks in a timely manner. During the assessment stage, the level of risk is determined based on the likelihood of occurrence and the potential impact. At the moment of identifying the factors, risk management strategies are selected, and a corresponding risk management plan is developed. Monitoring takes place at least once per quarter. All ILTE employees are responsible for the actions outlined in the management process stages.

**The risk management process in the Company includes the management of the following essential risks:**

**Strategic risk** – the risk associated with significant changes in the operating environment and the company's ability to take advantage of or prepare for these changes in order to achieve the objectives set out in the strategy. In carrying out its operations, ILTE constantly faces a changing business environment, company growth, and expansion. All significant changes and decisions in the Company's operations inevitably lead to greater or smaller strategic risks. One of ILTE's main tasks is to determine the need for financing, the appropriate sectors, appropriate financing methods (either direct or through financial intermediaries) and selection of financial intermediaries by means of an ex-ante assessment.

**Financial risk** – the risk arising when finances are managed in non-compliance with requirements and financial constraints, when the company fails to manage its assets and/or financial obligations, currency fluctuations, or interest rate changes, which poses a threat to the Company's finances. Financial risk is one of the most important risks due to the nature of the Company's activities in providing financial services to the market. This risk includes credit, liquidity, foreign exchange rates, interest rates, market, and concentration risks. The material risks of this group that have a significant impact on ILTE's operations and financial performance are:

- **Credit risk** is the probability of incurring financial losses due to the inability of the incurring counterparty to fulfil its obligations under the terms of the transaction. Credit risk in the Company arises from direct and indirect financing, i.e., through financial intermediaries: provision of individual and portfolio guarantees, direct and indirect loans to customers, and the investment of available funds. ILTE, by indirectly managing funds, does not assume credit risk from portfolio guarantees or indirect lending, as all credit risk arising from the implementation of these instruments falls on the funds managed by ILTE, whose resources are used for implementing these instruments. When using financial intermediary services, additional risk arises from the solvency of the financial intermediaries themselves, and when investing temporarily available funds – from the security of the invested funds. Directly, credit risk is assumed by ILTE when providing direct financing from ILTE's own capital.
- **Liquidity risk** is the probability that the ILTE will not have, or will not be able to have, the financial resources available in time to meet its financial commitments. Liquidity risk at ILTE may be caused by poor cash flow planning, or by not receiving payments from fund managers on time. To ensure compliance with obligations under signed contracts, liquidity must be ensured in each fund.
- **Foreign exchange rate risk** – the probability of incurring losses when the true value of financial assets or liabilities changes due to fluctuations in foreign exchange rates. Since ILTE receives and lends funds in one currency (euro), currency fluctuation risk is not relevant.
- **Interest rate risk** – the risk of potential losses due to interest rate fluctuations, when there is a mismatch between the revaluation periods of assets and liabilities or a mismatch between variable and fixed interest rates. By managing its liquidity through agreements with fund managers and not borrowing on the market, ILTE does not face interest rate fluctuation risk, so this risk is not relevant.
- **Market risk** – the probability of incurring losses due to a decrease in the value of investments resulting from unfavourable changes in interest rates and bond prices. According to the current ILTE business model, market risk does not apply, as ILTE does not issue bonds on the market. If the business model changes, the relevance of the risk will be reassessed, and the probability of occurrence and appropriate management methods will be evaluated.
- **Concentration risk** – the probability of incurring losses due to a large credit obligation to a group of related parties or to the same economic sector or geographical region. Concentration risk for ILTE may arise from providing direct loans from capital. To manage potential direct losses, particularly strict requirements are applied to the instruments financed from capital.

**Operational risk** – the risk arising from inadequate, failed, or ineffective internal processes or from external events and factors, including the manifestation of legal and market risks, which may lead to fraud, errors, poor customer service (quality and/or quantity of services), non-compliance. Constantly changing conditions in the financial sector, increasing regulatory requirements from supervisory authorities, and the growing diversity of financial instruments under administration result in increasing administrative burdens and create opportunities for inadequate or unimplemented internal control processes, employee errors, illegal actions, and information system failures – operational risks.

**Compliance risk** – the risk understood as potential events or circumstances that may cause the Company's activities to fail to meet legal requirements or best practice standards, which may result in damage to the Company. By implementing measures without adhering to established processes, legal requirements, or failing to respond promptly to changes in legislation, ILTE faces compliance risk, which includes: personal data protection, internal controls, legal monitoring, implementation of international sanctions, prevention of money laundering and terrorist financing, etc.

**Reputation risk** – the risk arising from unfavourable events, including ethical violations, lack of sustainability, systemic failures, poor quality, and lack of innovation. ILTE may face this risk due to incorrect actions by employees, the loss-making nature of financial instruments, improper selection of financial intermediaries for managing instruments, potential data security and privacy breaches, possible manifestations of corruption, and other factors that damage the reputation, relationships, and/or lead to the loss of trust in the Company.

**Sustainability risk** – the risk arising from environmental, social responsibility, or corporate governance areas that could negatively impact the Company's assets, financial position, or profits, as well as its reputation or investment value. ILTE has integrated an important direction into its strategic objectives – the development of a sustainability-driven culture in the company, with the primary goal of applying sustainability principles in all of its activities. Sustainability risk may arise from inappropriate selection of ILTE's financial instruments, non-compliance with European regulatory legislation, inappropriate direct impact on the environment or people, failure to identify sustainability factors that may directly affect the company's financial performance. Sustainability risk factors may also arise from the activities of suppliers and partners. Failure of suppliers and partners to adhere to sustainability principles can directly impact ILTE's reputation.

**Information technology (IT) risk** – may arise from breaches of the confidentiality and accessibility of company-controlled information, the replaceability of IT functions, and the misalignment of business needs with IT terms and costs. Failure to manage these risks may threaten the company's reputation, as well as potential legal and financial penalties and losses.

The map below presents the key (critical level) risks of the company. All company risks are managed by selecting control measures, which are continuously monitored, updated, and adjusted in accordance with changes in the organization's activities.

ILTE's key risk map



Types of Risk	Risk is managed as follows
Insufficient guarantee provisions	<ul style="list-style-type: none"> <li>• Conducting quarterly recalculations of provisions;</li> <li>• Performing an annual adequacy test of provisions.</li> </ul>
AML and international sanctions risk	<ul style="list-style-type: none"> <li>• Implementing automated client monitoring solutions;</li> <li>• Managing internal process compliance with the recommendations of the Bank of Lithuania;</li> <li>• Cooperating with state institutions on information exchange matters.</li> </ul>
Data migration (transfer) to systems	<ul style="list-style-type: none"> <li>• Digitising data and process management.</li> </ul>
Credit risk assessment model risk	<ul style="list-style-type: none"> <li>• Conducting periodic testing and validation of the credit risk assessment model.</li> </ul>
Dependence on external IT service and data providers	<ul style="list-style-type: none"> <li>• Clearly defining the responsibilities of IT service providers in service agreements;</li> <li>• Implementing internal IT systems to reduce reliance on external IT providers.</li> </ul>
Data quality	<ul style="list-style-type: none"> <li>• Implementing a data warehouse;</li> <li>• Assigning persons responsible for data quality.</li> </ul>
Risk of financial instrument managers' insolvency, incompetence, and reputation	<ul style="list-style-type: none"> <li>• Selecting financial instrument managers based on established criteria;</li> <li>• Conducting periodic monitoring of financial condition and compliance with requirements.</li> </ul>
Delays in technological solutions	<ul style="list-style-type: none"> <li>• Establishing IT and Solutions Management Committees to oversee organisational needs and priorities.</li> </ul>
Operational disruptions due to key employee turnover	<ul style="list-style-type: none"> <li>• Implementing new employee adaptation and succession management processes;</li> <li>• Ensuring functional interchangeability across departments.</li> </ul>

**Possible ways of managing the risks identified by ILTE:**

- Risk elimination/avoidance, when risk prevention is carried out by improving a specific business process, rejecting or transferring certain functions, establishing appropriate internal control measures, otherwise reducing the potential impact of risk factors or choosing a strategy to not initiate or discontinue actions that cause risk;
- Reduction of risk when the likelihood and impact of a risk factor are limited by strengthening internal control procedures, establishing additional control measures, changing business processes, implementing other organisational, managerial, technical or legal measures;
- Risk transfer/sharing, when the risk is transferred by delegating functions and associated responsibilities to a third party and establishing appropriate redistribution of duties and responsibilities;
- Risk-taking where the risk factors are known, but due to ILTE's assessment of the limited capacity to manage the risk, or where risk management requires unreasonable resources, the risk is tolerated. Such risks are monitored on an ongoing basis and, in the event of material adverse changes, the risk owner makes proposals for reacting to the increased risk;

From 2020 onwards, business in Lithuania is increasingly exposed to the negative consequences of global events: In 2020, the COVID-19 pandemic and the resulting business restrictions and disrupted supply chains have had a particularly negative impact, while from 2021 onwards, relations with China have deteriorated and trade restrictions have been in place, and from 2022 onwards, the Russian war in Ukraine has started. ILTE has made a very significant contribution to reducing the threats to business caused by these events, and in a very short period of time, many new initiatives have been implemented, existing ones modified and new measures for business developed and implemented. In order to increase the availability of finance for businesses, the range of potential financial intermediaries has been substantially expanded, and the criteria for their selection, assessment and supervision processes have been established. When monitoring global events from 2024 to 2025, risk assessment will take into account the geopolitical situation.

After merging four national development institutions, the risks of all companies were reviewed and consolidated. The 2024 updated consolidated ILTE risk register consists of 67 risks. ILTE's Management Board monitors compliance with the approved plan on a quarterly basis, changes in the materiality of the identified risks and, if necessary, introduces additional measures to manage the risks. Additionally, qualitative and quantitative KRI and EWI indicators were identified and monitored, with monthly reports provided to the Management Board, and in case of deviations, the Supervisory Board and the Audit and Risk Committee are informed. A risk management strategy is immediately established, a risk management action plan is developed, and deadlines are set.

Sustainability has become one of the most important strategic directions in ILTE's operations, an essential and inseparable value that strengthens the company's integrity and shapes its strategic operational principles. Additional attention is given to managing sustainability risks, therefore, Sustainability risk has been highlighted as a separate category. Special attention is also given to IT risk management, which is also highlighted as a separate category. In carrying out its activities, ILTE administers and manages large flows of information and data, for which an advanced IT infrastructure is necessary to ensure smooth business processes. ILTE's IT objective, according to the area it oversees, is to ensure business continuity and the availability of services and data.

ILTE's business continuity is ensured by following the Business Continuity Plan, which will be updated in 2025 due to the consolidation and change in ILTE's headquarters location. In order to manage unforeseen events, the Business Continuity Plan will include the management of crises and unforeseen events, the formation of a crisis management team, and team training, thereby aiming to ensure a lower long-term risk of damage.

A lot of attention is given not only to strategic decisions but also to operational risk management. The company's operational risk management is integrated into the company's risk management and internal control system and is an ongoing process during which operational risks inherent in all the company's products, activities, processes, and systems that are significant to the company must be managed. The objective of operational risk management is to identify, assess, monitor and control the operational risks of all material activities, processes and systems of the Company in a timely manner in order to protect the Company's assets and reputation, and is an integrated and integral part of the day-to-day management of the business activities, operations, processes. According to its area of operation, ILTE has identified key sources of operational risk, established responsibility boundaries, and accountability, and updated and consolidated procedures related to the management of operational (and non-operational) risks. Additional attention is given to the registration and management of operational events. The prevailing risk management culture and increasing employee awareness encourage more frequent registration of operational events, which help optimise the company's operational processes. ILTE aims for risk management to become an integral part of all operational processes and the company's culture.

### Internal Audit Function

The risk management and internal control system at ILTE is based on a three-line model, which defines clear separations of responsibility between business units, risk-controlling units, and the internal audit function.

The Internal Audit Department is an independent part of ILTE's risk management and internal control system, meaning it is not dependent on other company employees or structural units, is not responsible for the establishment and implementation of risk control measures, and does not perform any tasks unrelated to internal auditing.

In order to ensure the implementation of the principle of independence, the Internal Audit Service is directly subordinate and accountable to the Supervisory Board of ILTE in the organisational structure of ILTE. The continuous oversight of the implementation of the internal audit function is carried out by the Audit and Risk Committee (ARMC), established by the Supervisory Board.

The mission of the internal audit function is to strengthen ILTE and its corporate group's ability to create, preserve, and sustain value by providing the Supervisory Board (including ARMC) and the Management Board with independent, risk-based, and objective assurance, advice, insights, and forecasts.

Internal audit aims to strengthen ILTE's:

- successful achievement of goals;
- governance, risk management, and control processes;
- decision-making and oversight;
- reputation and reliability in the eyes of stakeholders;
- ability to serve the public interest.

## 5. Remuneration report

### 5.1. Main changes in the remuneration policy in 2024

Following the consolidation of the national development agencies, in order to maintain transparency and clarity principles, the Company's Management Board, with the approval of the Supervisory Board, approved the updated Remuneration Policy in 2024, which defines the key provisions of the remuneration system applied within the Company, including clear and transparent principles for determining the remuneration of all employees, including the Company's CEO and department heads who hold member positions of the Management Board, and the components of their remuneration. Based on the Remuneration Policy, the Description of the Employee Remuneration Procedure was prepared, which regulates the organisation of the employee remuneration management process (excluding the Company's CEO, department heads holding member positions of the Management Board, and the Head of the Internal Audit Department) and the Additional Benefits System, which details the entire system of financial and non-financial employee motivation and incentive measures. The Policy is published on the ILTE's website (<https://ilte.lt/doclib/ghfoyl1ucxxkxhmfvn5xx9hgds3s9w18>).

The Remuneration Policy and the Description of the Employee Remuneration Procedure do not apply to the Company's subsidiaries, their affiliated companies, and members of their collegial bodies who do not have an employment relationship with the Company.

The following key changes were introduced in 2024 concerning the remuneration system applied at the Company:

- The separate document regulating the remuneration policy for the Company's CEO was abolished – the provisions related to the CEO's remuneration were integrated into the overall Remuneration Policy applicable to all Company employees.
- The concept of total remuneration was defined, and all its components were specified:

Components of remuneration	Description	Employees of the Company, except for the Company's CEO and Heads of Service serving as members of the Management Board of the Company	The Company's CEO and department heads holding member positions of the Management Board
Fixed remuneration	The base salary established in the employment contract.	✓	✓
Variable remuneration	The portion of remuneration paid for agreed and measurable employee performance results.	✓	✓
Additional benefits	Fringe benefits approved by a decision of the Management Board of the Company and applied to all employees on the basis of clear criteria, in accordance with the principles of equality of opportunity, fairness and reasonableness, in accordance with the procedures set out in the Employee Fringe Benefits Scheme.	✓	✓
Supplementary payments for additional work or functions	Payments for performing additional tasks or functions not specified in the employment contracts and/or job descriptions, as provided for in Article 139(2)(4) of the Labour Code of the Republic of Lithuania.	✓	
Other payments specified in the Labour Code of the Republic of Lithuania	Other payments specified in Article 144 of the Labour Code of the Republic of Lithuania (payments for work on rest and public holidays, overtime, etc.)	✓	
Remuneration of a member of the Management Board (including the Chairman of the Management Board)	Remuneration paid according to the service contracts in the Management Board, which is fixed and determined for the entire term of the Management Board, applying the following coefficients: – For the Chairman of the Management Board, 0.7 of the monthly remuneration of the Chairman of the Supervisory Board of the Company; – For the members of the Management Board, 0.7 of the monthly remuneration of a member of the Supervisory Board of the Company.		✓
Supplement for transportation costs	A monthly allowance provided to ensure mobility and representation.		✓

GRI 2-19 GRI 2-20 GRI 2-23 GRI 2-24

- The maximum variable remuneration for the Company's CEO and department heads holding member positions of the Management Board is regulated, expressed as a percentage of the annual fixed remuneration amount – 20%.
- Conditions are established under which employees terminating their employment relationships with the Company retain the right to receive the variable portion of the remuneration and its payment.

## 5.2. Implementation of the remuneration policy

To implement the principles of transparency and fairness in the Remuneration Policy, decisions related to the implementation of the Remuneration Policy, including job level classifications, fixed remuneration brackets, and the establishment of fixed and variable remuneration components, are made by:

- For the Company's CEO and department heads holding member positions of the Management Board and the Head of the Internal Audit Department – by the Company's Supervisory Board at the proposal of the Company's CEO;
- For other employees of the Company, by the Management Board of the Company on the recommendation of the Human Resources Department.

Information on the remuneration of the Company's employees in accordance with the applicable requirements and guidelines of the legislation of the Republic of Lithuania is made publicly available on the website of ILTE.

Until 2023, independent members and ministry-appointed representatives were elected to the company's supervisory board and management board, without being assigned any additional duties within the company. Members of these collegiate bodies were compensated either on an hourly basis or with a fixed monthly fee. Since September 2023, newly elected members of the company's management board have also taken on department head roles under employment contracts, making compensation data incomparable when assessing previous periods.

Comparing the average salary changes across different job categories from 2023 to 2024, the creation of a new organisational structure, along with the introduction of new roles and functions, had a significant impact on changes in average wages. From 2023 to 2024, the average salaries in different job groups increased by 0.8% to 19% (i.e., salaries of department directors increased by 0.8%, salaries of section heads grew by 6.2%, and salaries of senior specialists rose by 19.1%). More detailed information on changes in average salaries is provided in the table "Average Monthly Salary by Job Category."

One of the company's key performance indicators is improving access to financing. In 2024, UAB ILTE introduced a financial instruments package worth over EUR 2.5 billion to its clients, compared to a EUR 500 million package provided in 2023. This will ensure a significant increase in financing volumes over the next three years

Annual payroll fund\*

	UAB ILTE**					Group				
	2020 12 31	2021 12 31	2022-12-31	2023-12-31	2024-12-31	2020 12 31	2021 12 31	2022-12-31	2023-12-31	2024-12-31
<b>Annual salary fund (thousands of EUR)</b>	2 349.0	3 415.6	4 266.23	7 838.64	14 092.51	2 469.5	3 557.39	4 428.13	8 016.61	14 282.31
<b>Average number of employees</b>	67.12	93.63	111.29	237.96	287.21	69.83	96.63	115.29	242.96	292.21

\*Salary and related taxes, excluding accruals for the variable annual remuneration portion.

\*\*Data for ILTE up to 31 December 2022



Average monthly salary by job groups

Employee groups	Average salary****, EUR (gross, pre-tax wages per employee)					
	UAB ILTE employees			Group employees		
	2022-12-31*	2023-12-31	2024-12-31	2022-12-31*	2023-12-31	2024-12-31
General Manager	10 644	10 498	12 441	10 644	10 498	12 441
Director of subsidiaries				4 324	6 887	8 904
Functional Area Manager**	6 920	9 190	9 718	6 920	9 190	9 718
Director of the Department / Green Finance Institute Manager / Department Manager / Manager of the internal audit service***	-	7 658	7 723	-	7 658	7 723
Division manager	4 319	5 277	5 630	4 319	5 277	5 630
Chief /Senior Specialist	3 020	3 665	4 524	3 079	3 655	4 522
Specialist	1 857	2 605	2 767	1 871	2 605	2 766
Junior Specialist***	-	1 972	1 916	-	1 964	1 895

\*2022 data is provided without VIPA, VIVA, and ŽŪPGF.

\*\*From 15 December 2023, following the introduction of a new organisational structure – Service Manager.

\*\*\*In 2022, these groups were not present in the organisation.

\*\*\*\*The calculation of the average remuneration of staff members includes a lump sum variable remuneration for annual performance, if any.

Ratio of average remuneration of women and men with tax\*

	2023	2024
Females	3 574	3 632
Males	4 079	5 056

\*Includes all components of remuneration, analysed by gender, with an annual average calculated.

Ratio of remuneration

	2023	2024
The ratio of the Company's highest earner's annual salary to the median of all employees' annual salaries	7.98:1*	4.15:1
The percentage increase in the Company's highest earner's annual salary compared to the increase in the median of all employees' annual salaries	1.46:1*	-0.77:1

\*In September 2023, the company's CEO changed.

### 5.3. Remuneration of the parent company's CEO

The remuneration of the CEO of the Company, who holds the position of Chair of the Management Board, consists of 3 components:

- The remuneration of the Board member who holds the position of Chair of the Management Board, according to the service contract for activities within the Board.

The conditions for the remuneration for the member of the Management Board are determined by the decision of the Company's Supervisory Board. The Chairman of the Management Board is paid a fixed monthly remuneration for the entire term of office of the member of the Management Board, the amount of which is set out in the Member's service contract with the Chairman of the Management Board. A member of the Management Board serving as Chairman of the Board is paid a remuneration of EUR 2 500 (before tax) per month for the duration of his term of office.

- The contract of employment of the company's CEO provides for cash remuneration (salary).

The remuneration of the Chief Executive Officer is determined by a decision of the Company's Supervisory Board. The CEO's salary includes payment for intellectual property created by the CEO, as well as incentives for innovations aimed at improving the Company's operations and measures to effectively utilise assets or funds, and/or compensation for other duties performed by the CEO. The remuneration of the Chief Executive Officer of the Company is EUR 11 800 (before tax) per month.

- Variable remuneration component (VRC).

A one-time annual remuneration component based on the achievement of annual performance goals. Its payment and amount are determined by the decision of the Company's Supervisory Board. The maximum amount of VRC to be paid to the Company's CEO, expressed as a percentage of the annual fixed remuneration amount for the period during which the VRC is paid, may be 20%.

The VRC for the Company's CEO may be paid once a year, as determined by the Company's Supervisory Board, if both of the following conditions are met:

- The Company's operations during the reporting period were not loss-making; and
- The overall percentage of achieved goals, taking into account their comparative weights, is at least 70%.

Information on the CEO's salary, in accordance with the applicable requirements and recommendations of Lithuanian law, is publicly disclosed on the [ILTE's website](#).

#### 5.4. Remuneration of the members of the Supervisory Board, the Management Board and the Audit and Risk Management Committee

Independent members of the Supervisory Board are paid a monthly fee for their work on the Supervisory Board. The remuneration of the members of the Supervisory Board is paid in accordance with [Order No 1K-137](#) of the Minister of Finance of the Republic of Lithuania of 7 April 2023 "On the establishment of the Supervisory Board of the private limited liability company Investicijų ir verslo garantijos".

All ARMC members are compensated for their activities within the ARMC. The remuneration for the members of the ARMC is paid in accordance with Order No. 1K-402 of the Minister of Finance of the Republic of Lithuania of 13 December 2023 "On Determination of the Amount of Remuneration for the Members of the Audit and Risk Management Committee of the Private Limited Liability Company Investment and Business Guarantees" and the decision of the Supervisory Board of the Company of 6 March 2024 (minutes of the meeting No. 005).

The remuneration for a member who is also an employee holding a managerial position and overseeing a designated functional area within the Company, consists of the member's remuneration under the service contract and the salary under the employment contract. The remuneration for members is determined in accordance with the decision of the Company's Supervisory Board of 14 August 2023 (Meeting Minutes No. 008). The decision is published on the [ILTE's website](#).

Members of collegiate bodies	Duties/activities of the members of the collegiate bodies	2023		2024	
		Remuneration for activities in a collegial body before taxes, EUR	Information on the application of additional benefits	Remuneration for activities in a collegial body before taxes, EUR	Information on the application of additional benefits
Daina Kleponė	ST Chairwoman, Independent ST Member	29 944.47	No	44 000.04	No
Aivaras Čičelis	Vice-Chairman of the ST, independent member of the ST	22 458.33	No	33 000	No
Saulius Galatiltis	Independent member of the ST	22 458.33	No	14 941.67	No
Pascal Lagarde	Independent member of the ST	Refused remuneration	(Reimbursement of expenses for travelling to meetings) 1.750 EUR	Refused remuneration	No
Povilas Kriaučeliūnas	Delegated member of the ST, civil servant	11 229.17	No	16 500	No
Irma Patapienė	Delegated member of the ST, civil servant	11 229.17	No	16 500	No
Aurimas Saladžius	Delegated member of the ST, civil servant	11 229.17	No	16 500	No

Dainius Vilčinskas	Chairman of the Management Board	9 166.67	No	30 000	(For transportation maintenance costs) 7.500 EUR
Jonas Kanapeckas	Member of the Management Board	7 058.33	No	23 100	(For transportation maintenance costs) 5.000 EUR
Lina Stragauskienė	Member of the Management Board	7 058.33	No	23 100	(For transportation maintenance costs) 5.000 EUR
Giedrė Gečiauskienė	Member of the Management Board	4 657.26	No	23 100	(For transportation maintenance costs) 5.000 EUR
Inga Beiliūnienė	Member of the Management Board	7 058.33	No	23 100	(For transportation maintenance costs) 5.000 EUR
Alditas Saulius	Chairman of the Management Board, independent member of the Management Board	27 777.58	(Compensated expenses for attending meetings and participation in the Baltic Corporate Governance Institute (BICG) meeting) 394.09 EUR	-	-
Viktorija Trimbel	Member of the Board	11 491.93	No	-	-
Vytenis Labanauskas	Independent Member of the Management Board	20 833.25	(Compensated expenses for attending meetings) EUR 105.76	-	-
Tomas Urban	Delegated board member	20 833.25	No	-	-
Aušra Vičkačkienė	delegated member of the Management Board, civil servant	4 166.63	No	-	-
Laura Garbenčiūtė-Bakienė	Audit and Risk Committee Chairperson	-	-	27 056.44	No
Aivaras Čičelis	Audit and Risk Committee Member	-	-	13 528.23	No
Saulius Galatiltis	Audit and Risk Committee Member	-	-	4 499.06	No
Laurynas Bukys	Audit and Risk Committee Member	-	-	13 528.23	No
	<b>TOTAL:</b>	<b>228 650.20</b>	<b>2 249.85</b>	<b>322 453.67</b>	<b>27 500.00</b>

## 6. Sustainability Report

### 6.1. Compilation of the report

The 2024 ILTE Sustainability Activity Report (hereinafter the Report) is part of the consolidated annual report set of the ILTE Group. It provides information on how ILTE implements sustainability principles in its operations. The content of this report covers the entire corporate group. The disclosures in the Sustainability Report include information from both the parent company and all group companies. Unless otherwise stated, the topics in the report cover all entities and separate sustainability information for each group entity is not prepared.

The information in the Sustainability Report covers the period from 1 January to 31 December 2024, as well as planned future activities. It contains the most relevant data and information collected and available at the time of writing. The report is prepared once a year.

The purpose of the report is to inform stakeholders – clients, shareholders, investors, employees, suppliers, business and social partners, and the public – about how ILTE, in accordance with its vision, mission, values, and strategic objectives, contributes to environmental and social well-being, promotes sustainable governance and the achievement of long-term investment goals, and applies sustainability principles in its operations.

Information on ILTE's sustainability activities is published on the ILTE's website in the Sustainability section. (<https://ilte.lt/apie-mus/tvarumas/233>).

The report meets the requirements set for social responsibility reports in Lithuanian legislation. The report is prepared in accordance with the 2021 version of the Global Reporting Initiative (GRI) standards at the reporting preparation level. When preparing the report, the recommendations of the Bank of Lithuania regarding the disclosure of sustainability-related information were also considered. This is ILTE's second report according to GRI standards. The 2022 report was submitted based on the provisions of ILTE's 2022–2025 strategic plan implementation. All reports are published on the ILTE's website in the Sustainability section (<https://ilte.lt/apie-mus/tvarumas/233>).

The information disclosed in the report is based on a materiality analysis. The scope of disclosure is determined based on the expectations of stakeholders known to employees.

The report provides relevant information available at the time of publication, and the report is unaudited. At this stage, it is not possible to provide consistent information on progress and trends and compare them, as an important process took place in 2023 – the consolidation of four national development institutions. More about ILTE's governance can be found in section 4.1. *Corporate governance model*.

If you have any questions about the content of the Sustainability Report or ILTE's sustainability activities, wish to provide feedback, or have additional questions about the topics discussed in the report, please contact: (05) 210 7510; [uzklauskos@ilte.lt](mailto:uzklauskos@ilte.lt); via the internet.

In preparing the report, the following accountability principles were followed:

- Accuracy. Data is presented based on accurate and detailed available information.
- Impartiality. All significant topics are disclosed, showing both positive and negative impacts.
- Clarity. Information is presented in a way that is understandable to the readers, concisely, explaining abbreviations.
- Comparability. Due to changes in 2023, not all results presented in this report may be comparable with previous periods.
- Completeness. All relevant information that impacts stakeholders' assessments and decisions or reflects significant economic, environmental, and social impacts is provided.
- Sustainability context. The organisation's impact on people and the environment is discussed, considering both regional and global contexts.
- Timeliness. Sustainability reports are prepared annually, alongside annual activity reports.
- Verifiability. The report is prepared based on data in such a way that all data is documented in the company's systems and can be traced back to the primary sources, allowing external experts, if necessary, to review them.

## 6.2. Sustainability management

ILTE's sustainability is a value-based direction aimed at strengthening responsible, reliable, and positively impactful business development. Sustainability principles are integrated into the company's operational processes and are an inseparable part of the strategy. The company's Management Board is responsible for the formation, review, and monitoring of long-term strategic sustainability goals. The Management Board approves sustainability and other related policies. Within its competence, the Management Board also approves the company's annual goals, which include sustainability goals.

ILTE began its sustainability journey in 2021, when the first steps were taken to understand the impact of its operations, which was disclosed in ILTE's 2021 social responsibility policy implementation report. In 2022, the first sustainability goals were set in the three areas of Environmental, Social, and Governance (ESG), stakeholders were identified, and the first sustainability impact analysis of ILTE's operations was conducted. In 2023, the first sustainability report was prepared.

ILTE implements its sustainability practices in accordance with the Sustainability Policy, which sets out the key ESG principles. This policy is the main document defining the sustainability principles of the ILTE group of companies, their application guidelines, and is applied together with other ILTE documents.

The sustainability principles underpinning ILTE's operations:

- **Responsibility** – ILTE manages and is responsible for the impact it creates on society, the economy, and the environment and takes responsibility for its actions and decisions;
- **Transparency** – ILTE operates transparently when making decisions that affect society, the economy, and the environment, and publicly discloses information related to its operations in a timely, clear, and understandable manner;
- **Ethical behaviour** – ILTE operates ethically when interacting with all stakeholders and adheres to ILTE's values.
- **Data management and planning** – ILTE, when planning its activities, takes into account the expectations of stakeholders, manages risk, and evaluates and measures its impact on economic harmony and sustainability.
- **Compliance** – ILTE's activities are organised in accordance with international and national laws and agreements.
- **Respect for human rights** – ILTE acknowledges the importance and universality of human rights and ensures that its activities do not violate human rights.

Information on all policies followed by ILTE is [publicly disclosed](#) and presented in this annual consolidated report set. The policy provisions apply to all members of the company's governing bodies and employees. Policies that do not apply to the company's subsidiaries are recommended to be applied to the extent that their provisions do not conflict with the subsidiaries' internal legal acts.

- **Anti-corruption policy.** Objective – to establish the principles and requirements for creating a corruption-resistant environment and the guidelines for ensuring compliance within the ILTE group of companies, ensuring that ILTE's activities and conduct meet the highest standards of reliability, integrity, transparency, and business ethics accepted in society.
- **Environmental protection policy.** Objective – to establish general directions and measures for ILTE's environmental protection implementation, considering the principles and guidelines for sustainable activities presented in ILTE's Sustainability Policy, but not limited to them, in order to create an environmentally friendly ILTE culture and promote environmentally responsible activities.
- **Rules for personal data management** Objective – to establish requirements for the processing and protection of personal data, as well as the key technical and organisational measures for personal data processing, the exercise of data subject rights, and data protection within ILTE. The policy does not apply to the company's subsidiaries.

- **Remuneration policy.** Objective – to establish a competitive, best governance practices-based wage system supported by independent salary research data and other expert market information, enabling the recruitment and retention of employees with the required competencies, establishing internal fairness principles within the company, and creating motivational incentives for employees to contribute to achieving the company's strategic goals and performance indicators, preventing conflicts of interest and any discrimination in determining compensation. The policy does not apply to the company's subsidiaries and members of governing bodies whose employment relations with the company do not exist.
- **Gift giving, receiving, transferring, evaluating, and accounting procedure.** Objective – to establish a common gift and hospitality management practice within the ILTE group of companies and strengthen employees' resistance to corruption.
- **Code of Ethics.** The aim is to establish uniform general guidelines for employee conduct within the ILTE group of companies. The code of ethics is based on ILTE's vision, mission, and values.
- **Financial intermediary selection and oversight policy.** The objective is to establish the principles of Applicant selection and Financial intermediary supervision based on general principles, to ensure the transparent assessment of the requirements set for Financial intermediaries (Applicants), objective and effective supervision of Financial intermediaries, and the timely identification of potential risks associated with the activities of Financial intermediaries.
- **Interest management policy.** The objective is to ensure the proper functioning of the Conflict of Interest Prevention System within the ILTE group of companies, ensuring that public interest is prioritised in decision-making, as well as preventing the occurrence of conflicts of interest and the manifestation of corruption.
- **Corporate governance policy.** The objective is to regulate the key elements of corporate governance within the ILTE group of companies.
- **Equal opportunities, inclusion, and diversity policy.** The objective is to create equal conditions for all employees in all areas of employment (hiring, applying for other positions within the Company, balancing personal life and work, etc.), promote good relationships among employees regardless of gender, age, disability, ethnicity, or other identity characteristics, assist employees in integrating more easily into the Company and its culture, motivate employees, create added value through an inclusive, healthy, and safe working environment, attract and retain new employees, enhance the Company's image and reputation, and prevent discrimination and harassment. The policy does not apply to the company's subsidiaries.
- **Anti-money laundering and (or) counter-terrorist financing prevention and implementation of international sanctions policy.** The objective – to establish principles and requirements according to which the Company ensures the prevention of money laundering and (or) terrorist financing, identifies, monitors, evaluates, and manages the risks of money laundering/terrorist financing, implements international sanctions and restrictive measures, aiming to maintain the Company's good reputation, ensure trust from clients, partners, and intermediaries, and create fair relationships with its clients.
- **Risk management policy.** The objective – to ensure risk management within ILTE based on general principles, to ensure the implementation of ILTE's strategic goals, increase the Company's operational efficiency and management quality, enhance trust in ILTE, ensure a safe environment for employees, and improve the quality of services provided.
- **Violence and harassment prevention policy.** The objective is to establish the Company's operational principles and apply violence and harassment prevention measures, which, when implemented, will reduce the risk of violence and harassment in the workplace and its impact on employees. The policy does not apply to the company's subsidiaries.
- **Corporate social responsibility policy.** The objective – considering the principles and guidelines for sustainable operations outlined in ILTE's sustainability policy, but not limited to them, to establish the general directions and measures for implementing ILTE's social responsibility, which, when implemented, will create a socially responsible and sustainably developed corporate culture, adhering to contemporary human resource management principles.
- **Public procurement organisation and internal control and contract administration procedure.** The objective is to regulate the public procurement process carried out by ILTE: procurement planning, submission of procurement applications, preparation of technical specifications, organisation and execution of public procurement procedures, internal control of public procurement, conclusion of public procurement contracts, and administration of their execution.

GRI 2-23; GRI 2-24

- **Employee performance review procedure.** The objective is to establish a practice focused on employee growth and development, creating the foundation for strengthening the organisational culture of feedback and dialogue, agreeing on values-based, ambitious, and employee-developing goals, outlining actions to achieve these goals, and monitoring progress. Updated in February 2025. Not applicable to the Company's subsidiaries.

During the reporting period, ILTE began preparations for the requirements and disclosures under the Corporate Sustainability Reporting Directive (CSRD). In the second half of 2024, a double materiality analysis was initiated in accordance with the EU's Corporate Sustainability Reporting Directive and the European Sustainability Reporting Standards (ESRS). The aim of this assessment is to identify significant (key) environmental, social, and governance issues, which will form the basis for the preparation of ILTE Group's sustainability report in the coming years and further development of sustainability activities. Both internal and external stakeholders were involved in this process.

In February 2025, the European Commission announced the Omnibus – proposed changes to sustainability regulations, covering areas such as sustainable finance reporting, corporate sustainability due diligence, the EU sustainability taxonomy, the carbon border adjustment mechanism, and European investment programmes. The Company is evaluating these changes and will accordingly adapt its sustainability indicators and reporting processes. The final implementation deadlines and impact of these changes will be monitored, ensuring operational transparency and compliance with EU regulations.

At the end of 2024, the ILTE Management Board approved the ILTE sustainability functional strategy for 2025–2026. This functional strategy reflects the organisation's commitment to creating a sustainable and responsible operational environment. The document has been prepared considering internal and external factors, stakeholder analyses, national and EU green course guidelines, and the Paris Agreement. The organisation aims to contribute to solving global sustainability challenges by promoting economic growth, social welfare, and reducing negative environmental impacts.

The functional sustainability strategy highlights six main areas of activity, each focused on addressing specific challenges related to sustainable operations, with the goal of making ILTE a leading sustainable finance institution in Lithuania. The strategy emphasises close cooperation with the shareholder FM, partners, and society, aiming not only to achieve set goals but also to create value for all stakeholders. By integrating advanced technologies, data-driven solutions, and innovative financing models, and by implementing sustainability principles into the organisation's operations and products that create added value, ILTE aims to become an example for other organisations.

To achieve the functional sustainability strategy's objective, six areas of focus have been identified:

1. Impact identification, measurement, and disclosure, aiming to identify the organisation's most significant negative impacts and the most effective ways to mitigate them. A double materiality assessment is being conducted, a sustainability report is being prepared in accordance with the CSRD directive, and an activity analysis is being carried out in accordance with the taxonomy regulation.
2. Sustainability risk management. Sustainability risks are integrated into the overall risk management policy. Specific risks are identified, and a risk assessment methodology is developed to ensure that these risks are properly incorporated into management processes.
3. Implementation of sustainability principles. The ASV principles are integrated into decision-making processes to ensure that at least 50% of the organisation's decisions are made based on ASV principles.
4. Review of the governance model. The organisation's governance structure, processes, and documentation are reviewed to improve process management and provide recommendations for enhancing the governance structure.
5. Integration of sustainability-related principles into financial instruments. An integration process is created that includes: guidelines, instructions, and training materials for employees, clients, and other stakeholders, strengthening the organisation's competence in sustainable finance.
6. Climate neutrality plan preparation. A climate impact neutrality plan is developed and approved, aligning with the EU Green Deal and the Paris Agreement requirements. Neutralisation targets are set for 2030, 2040, and 2050, relevant indicators are monitored, and plans for reducing and compensating emissions are created.

These sustainability directions are based on the organisation's strategic objectives and aim to ensure long-term positive impact on the Lithuanian economy, aligned with financial sector standards and international sustainable development goals. ILTE aims to remain an innovative, socially responsible, and environmentally friendly organisation by achieving long-term goals according to global sustainability standards.

ILTE seeks for the functional sustainability strategy to be not just an official document, but also processes implemented within the company that create real change. Therefore, both in setting the sustainability strategy's objectives and in their implementation, ILTE places significant emphasis on ensuring the involvement of all organisational employees, as this is a broad topic connected with all areas.

The company's Management Board actively participates in implementing and overseeing ILTE's sustainability objectives, approving policies, making strategic decisions in the ASV areas, and ensuring the processes of shaping, approving, and updating activities. ILTE's 2024 strategic plan states that the CEO is responsible for creating the sustainability strategy, with sustainability goals integrated into the ILTE 2025–2030 strategic plan, highlighting sustainability as one of the organisation's priorities. In 2024, the Management Board approved the 2025–2026 Functional Sustainability Strategy, while the Supervisory Board approved the GFI Strategy for 2025–2030. It is planned that the governing bodies will regularly monitor the progress of strategy implementation, ensuring their consistency and effectiveness.

To strengthen ILTE's sustainability domain, the Head of Sustainability joined the organisation on 1 March 2024. The head of the domain reports directly to the CEO of ILTE. At the end of the year, with the addition of a sustainability analyst to ILTE, the Sustainability Department was established. The Sustainability Department is responsible for all sustainability matters within the corporate group: reviewing existing sustainability objectives and coordinating the establishment and implementation of new strategic objectives, implementation of sustainability performance principles, sustainability practices and indicators into the company's business processes, performance measurement and sustainability reporting.

The availability of consolidated company data still presents a challenge. Certain subsidiary company information is provided on a limited basis.

In 2025, the goal will be to integrate sustainability objectives into the ILTE strategy, based on the results of the double materiality assessment, update/set specific ASV objectives, and focus on changing the culture across the entire corporate group and developing sustainability competencies.

### 6.3. Stakeholders and materiality assessment

Stakeholders are individuals or organisations (or groups of them) that can directly or indirectly influence ILTE's activities, achievement of objectives, or be affected by ILTE's activities.

Further information on ILTE's stakeholders is provided in section 2.3 *Stakeholders*.

ILTE aims to meet the expectations of stakeholders, involve them in sustainability implementation actions, and promote collaboration based on sustainability principles that is ethical, transparent, and fair. By assessing stakeholders' opinions, the Company gains a deeper understanding of its operational risks and opportunities, seeks to manage them more effectively, contributes to sustainability management, legal compliance, and maintains its reputation and relationships with the environment. This helps the Company successfully achieve its strategic objectives and create value for all stakeholders.

In 2024, the double materiality (Double Materiality) assessment was started, in accordance with the EU Corporate Sustainability Reporting Directive and European Sustainability Reporting Standards. The analysis is data-driven, includes stakeholders, and evaluates the entire value chain. In 2025, it is planned to complete the double materiality assessment. Upon identifying significant areas, objectives and indicators will be set, and accountability will be carried out according to the ETAS standards.

In 2024, ILTE relied on the materiality assessment conducted while preparing the 2023 ILTE sustainability policy. In order to define sustainability priorities, ILTE conducted an initial assessment of stakeholder expectations, leveraging the knowledge and experience of internal stakeholders, i.e., ILTE employees. This inclusion method was chosen due to the ongoing changes within the company related to the consolidation processes. Based on employees' knowledge of stakeholder expectations, the priorities for ILTE's sustainability disclosures were established.



The main stakeholder groups whose opinions were identified include:

- Employees;
- Public;
- Clients (existing and potential);
- Investors;
- State, as the main shareholder;
- Other state regulatory authorities.

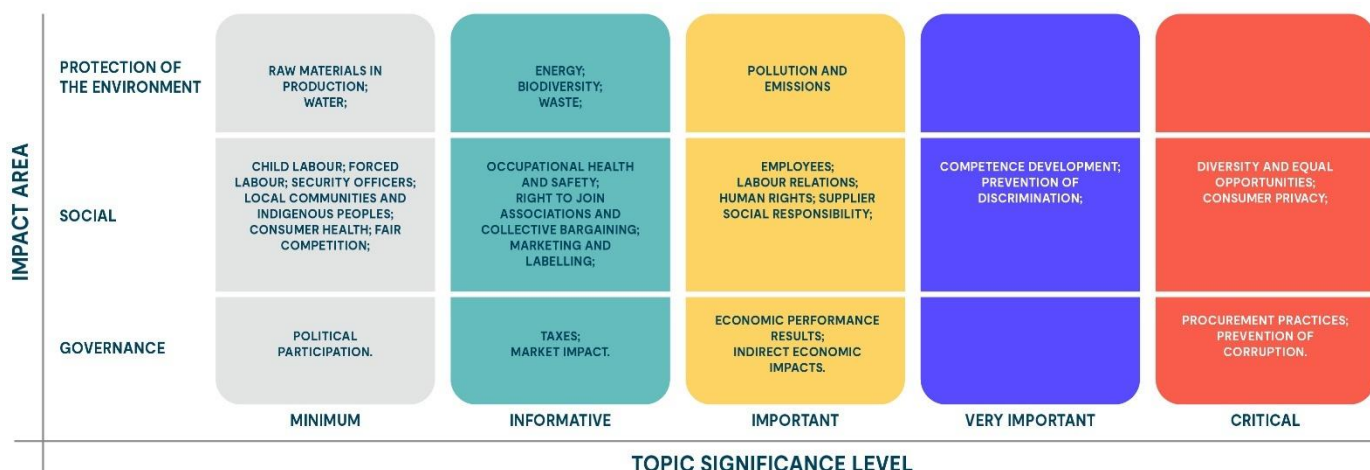
ILTE's material sustainability topics were identified, and their assessment was carried out according to the methodology provided in the GRI standards.

The materiality assessment was conducted in two stages:

- First, a survey of internal stakeholders was conducted regarding sustainability expectations. 95% of these stakeholders identified the main sustainability topics as indirect economic impact, taxes, economic performance, corruption prevention, and human rights.
- The second stage involved a materiality analysis of sustainability topics (Materiality Assessment) according to the GRI methodology.

The topics matrix presents the topics by area and significance.

Materiality assessment matrix



The materiality assessment process involved the entire ILTE management team, and during the session, topics were evaluated based on known stakeholder expectations, prevailing market trends, EU regulations and directives, the Company's strategy, organizational culture, and the overall sustainability context. It was also based on the 2022 ILTE Sustainability Impact Analysis, which formulated sustainability policy priorities according to the United Nations Sustainable Development Goals.

During the evaluation, 14 topics were identified as material to the company (important, very important, and critical) based on their economic and governance, social, and environmental impacts. Another 16 topics were identified as informative or of minimal importance.

The importance of sustainability topics was also evaluated in relation to ILTE's measures. High-priority topics include economic results, market impact, indirect economic impacts, procurement practices, corruption prevention, taxes, energy, water, biodiversity, pollution, and emissions. At the time of reporting, there was insufficient information to provide detailed data on the sustainability indicators for some areas. In the coming year, the goal is to implement unified systems and methods necessary for data collection and systematization.

The management principles for material sustainability topics are presented by topic in each section. A detailed list of GRI standards topics and indicators is provided at the end of the report in section 6.9. *GRI Indicators List*.

## Sustainability priorities and goals

During the reporting period, ILTE followed the ILTE 2024 strategic operational plan, developed after the consolidation of four companies.

The strategic plan identified the following strategic directions, which include the implementation of sustainable operations commitments:

- Developing a culture based on sustainability practices. Objectives – application of sustainability principles. Tasks to be achieved: Preparation of the ILTE sustainability strategy; Assessment of the level of employee involvement in the selection of the methodology applied in the market; High good governance index.
- Development of the green finance institute. Objectives – creation of a green finance competence centre. Tasks to be achieved: Preparation of the Green Finance Strategy; Green finance ecosystem development (expansion); Creation of a continuously operating platform (covering both the public and private sectors).

More information about strategic goals and achieved results can be found in section 3.4. *Strategic operational planning*.

The 2025–2030 ILTE strategic operational plan outlines the strategic directions for operations, encompassing the implementation of sustainable operations commitments:

- Significantly increase ILTE's efficiency. Objectives: strengthen process management; implement ILTE's digital transformation; attract top-level employees; ILTE – an attractive employer; ensure a customer-centric approach, continuously improve customer and financing partner experiences; ILTE – a sustainable and responsible organisation.
- Ensure the promotion of sustainability transformation in Lithuania. Objectives – become a knowledge and competence centre for green and transition finance; create an effective public-private sector and academic cooperation platform in the green finance sector; secure financing for the continuity of Green Finance Institute operations; complete the transformation into a Sustainable Finance Institute;

## 6.4. Risk management

Sustainability risk management increases the organisation's resilience and contributes to ensuring stability. ILTE aims to integrate ESG (Environmental, Social, and Governance) risks into the overall risk assessment process. In 2024, the Risk Management Policy was updated and approved. The policy defines that the risk management process also covers sustainability risk management.

The 2024 ILTE functional sustainability strategy for 2025–2026 includes the creation of a sustainability risk assessment model to be integrated into existing processes.

More on risk management can be found in section 4.11. *Internal control system and risk management*. Information on corruption prevention and risk management is provided in section of the sustainability report: 6.7 *Governance area*.

## 6.5. Environmental matters

In the environmental sector, ILTE aims to achieve the following key goals: efficient use of natural resources, avoid significant harm to the environment, reduce waste generation and environmental pollution. Environmental principles and key provisions are outlined in the ILTE environmental protection policy. ILTE strives to reduce not only its direct impact but also offers its clients environmentally friendly solutions, considering their potential environmental impact and seeking ways to reduce their negative effects. All employees and members of collegial bodies must adhere to the environmental policy.

The materiality analysis identified that ILTE's operations do not cause significant direct environmental damage, as they are administrative in nature. Some impact occurs due to office heating, electricity (for work and IT systems maintenance), and the use of purchased goods, as well as the generation of household waste. The negative environmental impact in the office was reduced by implementing flexible work models (remote work options), eliminating company cars, applying green procurement criteria for suppliers in public procurement, and using electronic means for communication and document signing.

GRI 3-3; GRI 2-16; GRI 2-23; GRI 2-24

In the materiality analysis, it was identified that the indirect impact is significantly more important, as financial instruments influence corporate activities, which in turn can have a substantial impact on the environment. The reduction of negative indirect environmental impacts is carried out by ILTE through the creation and implementation of financial instruments that help direct investments into the improvement of energy infrastructure and clean energy extraction technologies, which can greatly reduce or avoid environmental impact. ILTE also prioritizes investments that enhance energy efficiency. In order to pay more attention to and manage significant indirect impacts, ILTE began applying the Do No Significant Harm (DNSH) criteria in 2024 to all financial instruments funded by EU funds, aiming to ensure that no investment causes significant negative impact on the environment.

**GHG emissions**

In 2023, for the first time, the Company calculated its greenhouse gas (GHG) footprint. In 2024, GHG emissions calculations were performed in accordance with the requirements of The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (hereinafter the GHG Protocol). GHG includes CO<sub>2</sub>, CH<sub>4</sub>, and N<sub>2</sub>O emissions. GHG calculations cover all three assessment areas.

Direct GHG emissions in the first assessment area occur due to fuel use in vehicles (both company-owned and leased).

In the second assessment area, the Company has no impact on climate change, as, due to the chosen GHG emissions calculation method (Operational Control method) and defined organisational boundaries, GHG emissions from office heating, cooling, and electricity consumption are attributed to the third assessment area, as the company rents office spaces as part of a business centre and cannot make a significant direct impact on heating, cooling, and electricity costs in the rented space (i.e., the company cannot unilaterally change the heating, cooling, and electricity supply source, cannot unilaterally implement actions such as setting significantly lower temperatures in winter or higher temperatures in summer, and cannot separate its own assets, such as office equipment, electricity consumption, as consumption is monitored only at the level of the entire business centre and allocated to tenants according to the rented area).

The third assessment area includes other indirect GHG emissions related to the organisation's activities, but whose sources are not controlled by the organisation. These are indirect emissions that arise from purchased goods and services, fixed assets, waste, indirect GHG emissions related to fuel and energy transmission, business travel, employee mobility, and rented property.

Indirect emissions resulting from activities financed by ILTE were not calculated due to a lack of data. These indicators are expected to be disclosed in future sustainability reports.

GHG emissions 2023–2024 t CO<sub>2</sub> e

GHG SOURCE	2023	2024
I assessment area, t CO <sub>2</sub> e	11.80	4.82
II assessment area, t CO <sub>2</sub> e	0	0
III assessment area, t CO <sub>2</sub> e	1 183.70	878.52
<b>Total</b>	<b>1 195.50</b>	<b>883.34</b>

The reduction in GHG emissions could have been caused by several factors: changes in the organization's structure, more accurate data availability and calculations, and a reduction in consumption. According to the data provided, the amount of fuel consumed by the organization in the reporting year decreased by almost half, and there are no longer any vehicles using diesel fuel. This led to a significant reduction of GHG emissions by 59% in the first assessment area. There was a significant reduction in GHG emissions from the leased property category. These emissions are related to the electricity used in the organization's premises from renewable energy sources. In 2023, the electricity was from non-renewable sources.

GHG emissions 2023–2024, %



When assessing the change in GHG emissions from 2023 to 2024, the absolute and relative amount of GHG emissions in 2024, compared to 2023, decreased by 26%. GHG intensity per employee decreased by 42.75%.

GHG intensity per employee, t CO<sub>2</sub> e / FTE\*

	2023	2024
GHG intensity in assessment areas I and II, t CO <sub>2</sub> e / FTE	0.05	0.01
GHG intensity in all areas, t CO <sub>2</sub> e / FTE	4.69	2.68

\*GHG emissions per employee – FTE (Full-Time Employee)

## 6.6. Social area

Social area – the most important in ILTE’s sustainability materiality assessment. The Company’s main goal is to create mutual value between the company and its employees, strengthen the organizational culture based on shared values, develop an attractive work environment that encourages employee engagement and personal commitment to creating an effective, competent company.

For ILTE, important issues regarding gender equality and non-discrimination, equal pay, human rights principles and values are ensured through established policies, their implementation procedures, and compliance monitoring. More information about ILTE’s policies is provided in section 6.2. *Sustainability management*.

Social issues are important in both the Company’s internal processes and external matters. In its social responsibility policy, ILTE states that it does not cooperate with stakeholders who do not respect the principles of respect for persons – violating human dignity based on ethnicity, race, gender, age, disability, sexual orientation, education, or religion, or do not implement child, forced, and compulsory labour prevention measures. In this way, it aims to extend its social responsibility impact beyond the Company’s boundaries.

### Employees, diversity, and equal opportunities

As of 31 December 2024, the ILTE group employed 330 employees (as of 31 December 2023, the company employed 259 employees). The company’s team grew significantly due to the consolidation of NDA in 2023.

Number of employees in 2022–2024

Employee groups	Number of ILTE employees	Number of employees in the company group
31 December 2022	115	118
31 December 2023	255	259
31 December 2024	324	330

Employee distribution by categories 2022–2024.

Employee groups	Number of ILTE employees			Number of employees in the company group		
	31 December 2022	31 December 2023	31 December 2024	31 December 2022	31 December 2023	31 December 2024
General Manager	1	1	1	1	1	1
Director	-	-	-	1	2	2
Functional Area Manager*	-	4	4	-	4	4
Deputy Director-General, Head of Department	1	-	-	1	-	-
Director of the Department / Green Finance Institute Manager / Head of Internal Audit Department / Division Manager**	2	13	17	2	13	17
Division manager	11	27	25	11	27	25
Chief / Senior Specialist	72	109	151	74	109	152
Specialist	28	71	84	28	73	87
Junior Specialist	-	30	42	-	30	42

\*From 15 December 2023, following the introduction of a new organisational structure – Service Manager.

\*\*As of 15 December 2023, following the implementation of the new organisational structure, the position of division manager was abolished.

ILTE places a high priority on creating equal conditions for all existing and potential employees in all areas of employment relationships (recruitment, applying for other positions within the company, balancing personal life and work, etc.), regardless of an individual's gender, age, disability, nationality, intention to have children, health status, other identity traits, and circumstances unrelated to their professional qualities. ILTE employs people with disabilities, as well as citizens of other countries.

The company, aiming to ensure good working conditions and a healthy work environment, provides opportunities for employees to work flexibly and balance work and personal life needs. ILTE pays great attention to improving and smoothly implementing human resource management practices.

In 2024, a new Works Council was elected, with whom ongoing dialogue is developed, thus fostering a trust-based social partnership with employee representatives. In 2024, four meetings were held, during which changes to procedures and policies (compensation, equal opportunities, diversity and inclusion, violence and harassment prevention) were discussed, as well as work-related issues with managers.

ILTE employs workers of various ages and work experience within the organisation. Although a significant number of employees were hired in 2024, employee turnover was not high, thus the company benefits from large employee diversity in terms of tenure, which helps strengthen the organisation.

Employee distribution by age groups for 2022–2024

Employee groups	Number of ILTE employees			Number of employees in the company group		
	31 December 2022	31 December 2023	31 December 2024	31 December 2022	31 December 2023	31 December 2024
Up to 25 y.	1	10	8	2	11	11
25-2024	9	17	24	9	18	25
30–39 y.	45	93	124	47	93	124
40–49 y.	48	92	125	48	93	125
50 years and over	12	43	43	12	44	44

Employee distribution by type of employment contract and employment type in 2024

Employee groups	Number of ILTE employees (31 December 2024)	Number of employees in the company group (31 December 2024)
Full-time employees	320	326
Part-time employees	4	4
Employees on permanent contracts	316	322
Employees on fixed-term contracts	8	8

Employee distribution by years of service for 2022–2024

Employee groups	Number of ILTE employees			Number of employees in the company group		
	31 December 2022	31 December 2023	31 December 2024	31 December 2022	31 December 2023	31 December 2024
Up to 1 y.	22	57	96	23	60	98
1–5 y.	69	145	171	71	146	174
6–10 y.	8	28	33	8	28	33
11–15 y.	9	13	14	9	13	14
Over 15 y.	7	12	10	7	12	10

Employee turnover of the parent company

	31 December 2024*					
All employees, % **	7.67%					
By gender, %	Men 27%		Women 73%			
	Up to 25 y.		25-2024	30–39 y.	40–49 y.	50 years and over
By age group, unit	2		5	8	6	1
By age group, %	9%		23%	36%	27%	5%

\*Turnover in 2023 was not calculated due to consolidation

\*\*Employees who left voluntarily or during probation

New employees of the parent company

	31 December 2023					31 December 2024				
Employees hired, units	45					114				
By gender, units	Males		Females			Males		Females		
	16		29			27		87		
By age groups, units	Up to 25 y.	25-29	30–39 y.	40–49 y.	50 years and over	Up to 25 y.	25-29	30–39 y.	40–49 y.	50 years and over
	2	4	12	19	8	5	14	52	36	7

GRI 2-7; GRI 401-1

In 2024, the Company updated its Equal Opportunities, Violence and Harassment Prevention Policies. The Equal Opportunities policy was expanded to include diversity and inclusion concepts, reflecting the further development of this area. The policy applies to all employees of the parent company in all areas related to employment relationships. In 2024, we focused on deepening knowledge in diversity topics, inviting employees to participate in social initiatives – DUOday, Junior Achievement shadowing days, thus getting to know various people with different needs or experiences.

By participating in the DUOday initiative, we invited employees to invite people with disabilities to shadow their work; employees actively participated in this activity, sharing what they do in their daily work and what knowledge and skills are required. We joined the Junior Achievement Lithuania (JAL) shadowing initiative, where senior high school students visited the organisation to learn about different areas of activity and received ideas for making further career choices. In 2025, we plan to continue cooperation with JAL to contribute to entrepreneurship education, financial literacy, and career development.

ILTE provides all current and potential employees with the opportunity to report potential violations of equal opportunities principles, with the company committing to investigate such violations while adhering to the principles of equal opportunity and non-discrimination and protecting individuals from discrimination and violations of equal opportunity. In 2024, no violations or reports of potential violations were recorded.

In addressing diversity and inclusion topics, during Sustainability Month, the organisation invited employees to learn about emotional health, sharing informational materials on where and how to obtain psychological support if needed.

The Violence and Harassment Prevention policy was updated to more clearly define the responsibilities of each member of the organisation, ensuring a safe work environment, more clearly identifying and defining examples of violence and harassment for better recognition by employees, detailing the investigation process for reports, and organising training for employees on what constitutes violence and harassment within the organisation and how to recognise it.

In 2024, the Company received no reports of potential discrimination cases, and no discrimination cases were identified.

Distribution of job positions between men and women, distinguishing various position levels as of 31 December 2024

Positions	Females	Males	Number of ILTE employees	Number of employees in the company group
Members of the Supervisory Board	33%	67%	6	6
Members of the Management Board*	60%	40%	5	5
Director**	50%	50%	-	2
Audit and Risk Management Committee	25%	75%	4	4
Director of the Department / Head of GFI / Manager of the internal audit service / Division Manager	75%	25%	17	17
Division manager	65%	35%	26	26
Chief/Senior Specialists***	72%	28%	151	151
Specialists****	85%	15%	84	88
Junior specialists*****	86%	14%	42	42

\* Members of the Management Board – CEO, Heads of Departments

\*\*Director – Group company leaders, directors

\*\*\*Chief / Senior Specialists – 15–17 position level specialists

\*\*\*\*Specialists – 14 position level specialists

\*\*\*\*\* Junior specialists – 12–13 position level specialists.

Employees of all genders are granted equal rights to parental leave. In 2024, one employee did not return after parental leave, with the employee retention rate being 60% (data presented on a Group level).

Use of parental leave

	2023		2024	
	Males	Females	Males	Females
Employees entitled to parental leave	10	18	10	24
Employees who used parental leave (from those entitled)%	10	56	0	33

GRI 2-7; GRI 2-23; GRI 2-24; GRI 401-3; GRI 406-1; GRI 405-1; GRI 412-1; GRI 412-2

## Additional benefits for employees

Additional benefits apply to all employees, including those working part-time or under fixed-term contracts. One of the most significant additional benefits for employees is health insurance, the terms of which were updated to form a sustainable approach to health and ensure equal conditions for all employees.

Important operational changes are communicated to employees immediately after decisions are made, and no later than required by the Labour Code (hereinafter the LC). Communication is carried out using management meeting protocols, an internal information system (intranet), newsletters, live and virtual meetings, and direct communication between managers and responsible employees. Internal communication helps engage employees and receive feedback. In 2024, ILTE updated the new employee adaptation process, training managers on how to work successfully with new employees. Newly hired employees are recommended to be assigned a mentor, who helps them adapt (introduces them to the organisation's principles, processes, work systems, etc.), and representatives from the Human Resources department familiarise them with mandatory rules and procedures. New employees are subject to personalised training programmes, depending on the position held.

In 2024, the updated health insurance applies to all group employees, focusing on disease prevention, and the health insurance packages have been standardised for all employees to ensure equal benefits. Additional benefits aim to contribute to employee well-being and work-life balance. We create a positive and inclusive work environment in various ways – by celebrating various holidays, dedicating time to strengthen teams, and engaging in various social initiatives.

Additional benefits, introduced to all ILTE employees, which they can use:

In the area of employee well-being and health:

- Voluntary health insurance funded by the employer;
- Flu vaccinations funded by the employer;
- Accident insurance funded by the employer;
- Health improvement leave;
- 100% salary for the first two days of illness;
- Opportunity to use the Mindletic Emotional Health programme;
- Encouragement to participate in sports and wellness events (participation in running, movement promotion events).

In the area of work-life balance:

- Option to choose the start and end time of the working day;
- Hybrid working schedule;
- Possibility to work remotely part-time not only in Lithuania but also abroad;
- Additional leave days for long-term continuous service;
- Encouragement to use employee guarantees provided by the Labour Code.

Positive work environment:

- Corporate events;
- Team-building events;
- Creation of relaxation areas;
- Promotion of volunteering;
- Quarterly all-staff meetings, during which operational results are presented, questions and answers sessions are held, and educational sessions on relevant topics are conducted.

Personal attention to employees:

- Financial assistance and paid leave in the event of the death of an employee's close relative;
- Monetary gifts for the birth or adoption of a child;
- Celebrations for employees' children.



## Competency development and performance evaluation

In order to establish an employee performance management system that allows for consistent achievement of the company's, structural division's, and/or employee performance results, where activities are managed based on agreed goals, activity plans, and competency requirements, in 2018, the Company's Management Board approved the Employee Performance Evaluation Policy, which defines the employee performance evaluation process, the areas of application of evaluation results, and employee responsibilities. Based on this policy, the Company's General Director approved the Employee Performance Evaluation Procedure, which details how the employee performance evaluation process is organised. One of the key conditions for performance management and effective leadership is employee performance evaluation, which contributes to the achievement of ILTE's objectives, the development of a culture of feedback, and the motivation and engagement of employees. The employee performance evaluation system is a key factor in implementing the company strategy, where, based on the company's strategic goals and annual indicators, the management team plans the structural division's objectives, and on that basis, specific goals are agreed with employees. An element of the performance evaluation system to ensure that staff members' personal objectives are set in line with ILTE's objectives is the annual performance evaluation interview, which assesses performance and competencies of the employees over the previous period, agrees on targets for the next period, sets out actions and measures to achieve the agreed targets, agrees on development plans to help employees achieve their objectives and develop their competencies, and discusses career aspirations and expectations. The results of employee performance evaluations determine the variable part of remuneration, influence the review of the fixed part of remuneration (monthly salary), and may serve as a basis for decisions regarding employee development planning and career management.

In 2024, the performance evaluation system was reviewed, and an updated process was developed. This change aims to further emphasise the aspects of growth and improvement in the performance discussion process, clearly linking the company's strategic goals with each employee's individual objectives. With the updated organisational values and value-based behaviours, these are also linked to the employee's goals, and the variable remuneration is tied to the strategic goals achieved by the entire company, emphasising that each employee contributes to the company's success.

All employees and managers (100%) participate in annual or semi-annual performance reviews and evaluations.

In 2024, the Learning Policy was updated and approved by the Management Board, defining the learning process within the organisation and highlighting various learning formats, including on-the-job training, project-based learning, experience sharing with colleagues, and participation in training activities. This document also outlined the methods used to identify learning needs within the organisation and the key competencies that require strengthening at an organisational level. Based on strategic objectives and emerging needs, leadership development activities were initiated in 2024. Following the consolidation and establishment of a new organisational structure, a significant number of new managers assumed leadership roles. As a result, emphasis was placed on developing foundational leadership skills, fostering a community of new managers, and establishing a New Managers' Club to strengthen peer connections, share managerial experiences, and discuss leadership challenges. In 2024, alongside the definition of new organisational values, leadership principles for new managers were also introduced. Based on these principles, a leadership development programme for all managers was designed and is set to be implemented in 2025. Additionally, in 2024, regular organisation-wide learning sessions, Knowledge and Ideas, were launched to expand employees' knowledge and perspectives, addressing both organisational and broader industry trends. Efforts were also made to enhance the ability to identify the specific competencies required for employees in various fields, ensuring that learning initiatives align with both overall organisational needs and individual professional development objectives.

Information related to employee competency development (such as the average number of training hours per employee and training hours distribution by gender and age) was not collected in 2023–2024.

## Effective Internal Communication

ILTE's greatest strength lies in its highly skilled team of professionals who are insightful, innovative, unafraid of challenges, and committed to continuous improvement. To ensure employees remain engaged in organisational processes, active internal communication initiatives are consistently implemented, including periodic meetings to discuss organisational goals, regular meetings with ILTE's leadership to address current and employee-related concerns, and proactive communication on organisational projects and activities. Additionally, initiatives that foster employee engagement and ambassadorship are encouraged, such as the LinkedIn Ambassadors' Club, the Runners' Club, and similar activities.

In 2024, significant focus was placed on shaping a unified organisational culture. Throughout the year, employees participated in group discussions on team strengths and weaknesses, as well as key elements of organisational culture that should be preserved and reinforced. In November, the refined organisational values – measured courage, creative curiosity, and unity in diversity – along with corresponding behavioural principles were finalised and presented to employees. The development of a cohesive organisational culture and the reinforcement of these values will remain a key priority in 2025.

According to the employee engagement survey conducted in October 2024, ILTE's engagement score was 82, compared to a market average of 69. No engagement survey was conducted in 2023.

ILTE is committed to integrating sustainability into its daily operations, implementing various initiatives to promote responsible resource use and sustainable practices. October was designated as ILTE Sustainability Month, during which efforts were made to enhance employees' understanding of sustainability, highlighting its importance not only in environmental protection but also in social and economic responsibility. To foster a culture of sustainability, educational events were organised, practical initiatives were implemented, and active employee participation was encouraged.

During this period, the organisation expanded and upgraded its waste sorting infrastructure, installed new deposit and battery collection containers, and held a sustainability initiatives competition. New sharing initiatives were also launched, such as the ILTE Exchange, where colleagues could bring in unused items and take what they needed. Employee engagement and initiatives demonstrated that sustainability can become an integral part of daily work.

Moving forward, the organisation will continue to expand these initiatives and implement new ideas. ILTE believes that consistent efforts and employee engagement will help build a more sustainable organisational culture, where sustainability becomes not only a strategic goal but also a daily habit for everyone.

## Data Protection and Cybersecurity

ILTE places particular emphasis on managing client privacy and data protection to ensure the highest level of security and client trust.

ILTE's personal data processing rules define the legal, technical, and organisational data security measures to ensure that the company's operations comply with the highest standards and legal requirements. During the reporting period, these rules were updated to expand the list of personal data processing purposes, along with other amendments related to the consolidation process. ILTE implements information security requirements in accordance with and taking into account the international standard ISO/IEC 27001 and national legislation governing information security and cybersecurity. No substantiated complaints regarding client privacy breaches or loss of client data were recorded in 2024.

ILTE's personal data processing rules and further information on data protection are published on the company's website. (<https://ilte.lt/asmens-duomenu-apsauga/16>). Employee training on the application and implementation of the General Data Protection Regulation (GDPR) and other data protection matters is conducted periodically, at least once a year. Such training was also organised in 2024, with training materials available to all employees. After completing the training, employees were required to answer test questions.

ILTE employs reliable cybersecurity measures that ensure a 24/7 response capability. The company focuses not only on cybersecurity but also on systemic data protection by restricting access to internal information and systems. Access for unauthorised external users is restricted through the company's use of VPNs, access matrices, and continuous monitoring. No cybersecurity training was organised for employees in 2024. Comprehensive training is planned for 2025.

The disclosed information pertains only to the parent company and does not include data on subsidiaries. In 2025, a unified data protection and cybersecurity standard will be introduced across the entire corporate group.

## Green Finance Institute

The GFI is a knowledge and competence centre within ILTE, actively consulting public and private sector institutions on green (sustainable) finance issues, helping them prepare for changes related to the implementation of EU sustainability requirements in order to achieve the EU green course objectives. The GFI aims to promote the development and expansion of the green (sustainable) finance ecosystem in Lithuania by coordinating public and private sector collaboration in the green (sustainable) finance field.

The Green Finance Institute (GFI), as a structural unit of ILTE, reports directly to the CEO, is overseen by the Supervisory Board, and operates independently from other ILTE divisions. Therefore, during the reporting period, a separate Green Finance Institute (GFI) 2025–2030 strategy was developed to supplement and detail the sustainability-related activities outlined in ILTE's strategy. To enhance the visibility of GFI, a communication strategy is being developed, a GFI brand has been created, social media profiles have been established, and work has begun on launching a dedicated GFI website.

The Green Finance Institute's 2025–2030 strategy defines its mission as fostering a sustainable finance ecosystem by promoting collaboration between the public and private sectors and academic institutions while developing expertise in this field. Notably, the document provides a detailed overview of the activities leading to the fulfilment of this mission, specifies strategic objectives, and outlines concrete tasks to achieve them. The strategy will serve as the primary document defining GFI's operations from 2025 to 2030, guiding it towards becoming the Baltic region's centre for sustainable finance and the leading advisory voice on sustainability issues.

The establishment and operationalisation of the Green Finance Competence and Knowledge Centre are currently funded by the Next Generation Lithuania initiative under the Economic Recovery and Resilience Facility. The main activities carried out can be categorised according to two core objectives of the institute: to serve as a centre of excellence for green (sustainable) finance and to promote the development of the green finance ecosystem.

To achieve the first objective, during the reporting period, the GFI prepared and published relevant information on green finance regulations, compiled frequently asked questions and answers, and conducted communication activities to provide public and private sector institutions with updates on new regulatory requirements, as well as practical guidance on how to prepare for these changes. The GFI has started preparing and publishing quarterly reviews (the reviews for Q1, Q2, and Q3 of 2024 have been published), which systematically present information on relevant regulatory updates, share ŽFI's operational results, and include invitations to upcoming events. The reviews are published on the website. (<https://ilte.lt/apie-mus/zaliuju-finansu-institutas/357#c-1001/t-1001>).

The GFI has published methodological materials on the following sustainability topics:

- Guidelines on preparing sustainability reports: Why a sustainability report is needed, where to start, and how to successfully prepare it.
- Guidelines on calculating direct (Scope 1) GHG emissions, emphasising the importance of monitoring and reducing direct emissions for corporate sustainability goals and contributing to the EU's climate change mitigation objectives.
- FAQs on green finance.
- One-pagers on green investments and sustainable financing.
- FAQs on DNSH.
- A proposed guide on the Do No Significant Harm principle.
- Informational methodological material on preparing corporate transformation plans.
- Informational methodological material on sustainability report preparation.
- Guidelines for selecting a sustainability expert.

All materials are published on the [ILTE's website](#).

During the reporting period, GFI provided expert opinions on sustainability issues both to clients requesting information via email and through public media channels. GFI's activities, sustainability regulations, green finance opportunities, and other topics were presented in various formats at nearly 20 different events, ranging from conferences and auditor training to presentations for specific companies interested in sustainability regulations.

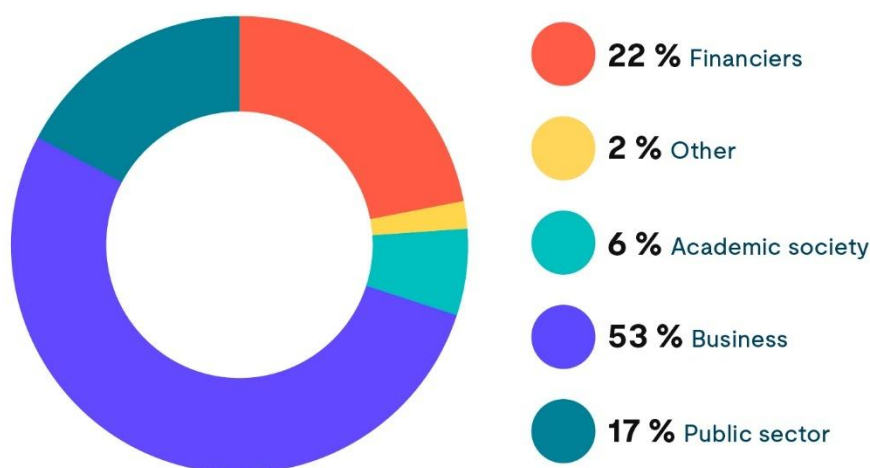
To achieve the second objective, on 23 April 2024, GFI, together with Rockit Vilnius and FM, organised the Sustainability Forum event. The event received significant interest, attracting more than 250 participants. Speakers

and panellists included representatives from the public sector, business leaders, sustainability experts, and academics. The event was streamed online, allowing those unable to attend in person to participate remotely. During the event, the Sustainability Finance Forum (SFF), a collaboration platform overseen by the GFI, was officially established.

Currently, nearly 150 representatives from almost 100 different public and private sector organisations have joined the SFF platform. SFF aims to identify and address existing challenges, develop the green (sustainable) finance ecosystem in Lithuania, and operates on the basis of working groups. Ten working groups have been created, and during the reporting period, seven group meetings took place. The primary focus of these working groups is on the practical application of sustainability regulations. For example: the CSRD working group focused extensively on the audit of sustainability reports. The DNSH working group engaged in discussions on DNSH guidelines. The Green Financial Products Development working group raised questions about the inventory of needs and opportunities, as well as incentives necessary for the development of green financial products and sustainable business.

On 26 September 2024, the GFI organised the conference Vision for a Green Lithuania, which also marked the first meeting of the working group of the same name. The conference aimed not only to bring together participants in the sustainable finance ecosystem for discussions but also to identify key issues, gather political insights, hear business perspectives, and disseminate information to all relevant stakeholders and the wider public.

Institutional distribution of Sustainability Finance Forum members



To understand stakeholder perspectives on the challenges faced across different areas of activity, existing knowledge gaps, and needs, the GFI conducted stakeholder surveys and analysed the results. Additionally, to gather insights into study programmes, courses, or modules related to green finance offered by Lithuanian higher education institutions, as well as ongoing research and sustainability-related projects, a survey of higher education institutions was conducted and its results analysed. The results of both surveys were published in the Q1 2024 review. (<https://ilte.lt/doclib/cowunuzpbb3bz9et53p5b1u87purbj3y>).

The GFI initiated cooperation with higher education institutions and municipalities during the reporting period: signed a cooperation agreement with VGTU and a memorandum of understanding with Tauragė Municipality.

**Communication, community and social initiatives**

In 2024, communication efforts focused on organisational changes and client needs.

In 2024, ILTE's communication centred on four main objectives:

- Strengthening communication with various target audiences and an expanded client base, which, following consolidation, includes not only business clients but also those from the agricultural and public sectors;
- Introducing new financing opportunities and ILTE services to clients;
- Ensuring a smooth transition of the brand and company name;
- Maintaining high employee engagement and effective internal communication processes during the organisation's transformation.

Overall, the organisation functions as a strategic partner for clients and the state, contributing to economic goals. In this context, the primary and most significant aim is to enhance the organisation's reputation and strengthen target audiences' trust in the company's activities.

According to Lithuania's reputation survey data presented in April 2024, ILTE (formerly operating under the name INVEGA) has a reputation index of +29, compared to the overall investment and supervisory institutions' reputation index of +28. In the sector ranking, ILTE's reputation index dropped from 4th to 5th position; however, researchers consider this change insignificant, given the consolidation process that took place in the previous year. All target survey groups identified respectful communication as one of ILTE's greatest strengths. Opinion leaders and the general public also recognised ILTE's contribution to Lithuanian residents as a key strength.

#### Strengthening communication with various target audiences

Following the consolidation of four institutions in 2023, ILTE became the sole national development institution. In 2024, the organisation focused on refining and strengthening its client service model, as well as providing more active consultations on financing opportunities through ILTE services.

To enhance communication effectiveness, client communication tools were reviewed – one-page service overviews were introduced, presenting key service information concisely. A website usability study was also conducted. Based on its results, the service navigation guide on the website was updated, service information was reviewed and revised, and the language used in all service descriptions was simplified and clarified. Future stages will continue focusing on achieving clearer and more client-oriented communication, further website updates, and the use of additional communication formats and channels to help clients access and understand ILTE services more easily.

April 2024 ILTE received the Online Reputation of the Year award in the public sector. The award was given for exceptionally positive and high-quality content across its digital platforms, a strong public image, and client-focused communication.

#### Introducing new financing opportunities and ILTE services to clients

In 2024, ILTE created financing opportunities totalling EUR 2.5 billion, including new and expanded financial instruments. It was important for ILTE to inform existing and potential clients about these new financial instruments: AEI Loans for Legal Entities, Billion for Business loans, Change loans, and others. The communication of these instruments was given the highest priority across various information dissemination channels.

To ensure that information about financing opportunities reaches as many existing and potential clients as possible, ILTE employs integrated communication tools, combining media relations, digital communication, participation in events with an ILTE stand, and fostering expert communication by delivering presentations on relevant topics at business conferences or engaging in discussions on financial market issues. This also includes collaboration with associations and presenting the company's services and their value to existing and potential clients.

It is important for ILTE to ensure awareness of its products and services among business enterprises, the agricultural sector, and public sector entities, enabling it to contribute effectively to improving access to financing. To achieve this goal, the company organised integrated communication campaigns introducing various services or service groups and expanded its range of communication channels, for example, by distributing targeted information about new services through sectoral associations.

#### Ensuring a smooth transition of the brand and company name

The year 2024 was significant for the company as it underwent a rebranding and name change – on 9 September, the company officially began operations under the new ILTE brand and launched its brand introduction campaign. In the second half of the year, the company focused intensively on increasing awareness of its services and the new brand at targeted business events and conferences – not only by delivering presentations and participating in discussions but also by actively showcasing its services at a dedicated stand. Enhancing brand awareness will remain one of the key priorities in 2025.

#### Social initiatives

In 2024, the company continued to focus on business financial literacy topics. From November to December 2024, a financial literacy campaign targeted at SMEs was conducted: an eight-episode series of expert discussions was broadcast on the *delfi.lt* portal, providing insights into various aspects of starting and developing a business,

examining financing options suitable for different stages of business growth, debt management, and overall financial management. The financial literacy project was also implemented in 2023.

In October 2024, ILTE declared a Sustainability Month, during which a remote seminar for clients was held: Sustainability Principles and EU Funds: What You Need to Know When Applying for ILTE Financing? The seminar aimed to deepen understanding of the Do No Significant Harm principle in ILTE's financial instruments. This principle is crucial for both private and public legal entities, as adherence to it opens opportunities to access EU funding for innovative and environmentally friendly projects. The seminar covered the principle's connection to the EU Green Deal, its application in the financing process, and practical examples of project evaluations. Approximately 300 participants attended the event live.

### Customer focus as a priority

One of the most significant changes at the national development bank ILTE in 2024 was the strengthened focus on clients, their needs, and their experience. We took a major step in changing our working principles to build long-term relationships with clients, based on professionalism and genuine attention to their needs. During the consolidation process, the Client and Financing Solutions Division was established, and in 2024, it focused on refining the customer service model, reviewing customer advisory and financing processes to enhance efficiency and flexibility, ensure smoother collaboration, and improve service accessibility. Being a partner to the client is our core operational principle – not only an effective way to strengthen trust in the organisation but also a key element in attracting new clients and partners, increasing financing accessibility in the market, contributing to the implementation of national strategic goals, and helping clients realise their business plans and develop new ideas.

In September 2024, a temporary ILTE advisory office was launched in Kaunas, where, for two months, one day per week was dedicated to in-person client meetings. In total, more than 60 individual consultations were held, taking into account companies' profiles and financing needs, and ILTE's service portfolio was presented at dedicated events attended by over 45 business representatives. Financing partners – representatives of banks and credit unions – were also invited to meetings, during which cooperation was discussed. More than 100 representatives of these institutions participated in the meetings, both in person and remotely. This series of meetings demonstrated the importance of direct interaction and the opportunity for clients to ask crucial questions, clarify their options, and understand complex financing processes. As a result, ILTE intends to continue consultations, welcoming clients at its Vilnius office and organising regional outreach visits.

ILTE's customer service team successfully implemented the one-stop-shop service model: all necessary information about services and financial instruments is provided during a single call, and if further clarification is needed, clients receive follow-up calls for additional consultations. Over the past year, the number of individual consultations increased, along with a rise in inquiries via the live chat platform on ILTE's website. Regular client satisfaction and consultation quality assessments through surveys remain consistently high: according to the latest data, the overall client satisfaction score reached 9.05 (compared to 9.23 the previous year), while the NPS (Net Promoter Score) stood at 83.20 (compared to 84.11 in 2023).

### 6.7. Governance area

ILTE aims to operate in line with sustainability principles, ensuring their integration into every stage of its activities. In 2024, ILTE approved its functional sustainability strategy for 2025–2026, which encompasses the integration of sustainability principles into all organisational processes – from service provision to financial decision-making – embedding these principles into ILTE's services and financial instruments. In 2024, efforts were focused on analysing the current situation and impacts, as well as developing the strategy.

In the 2023/2024 Good Governance Index, ILTE's governance practices were awarded the highest A+ rating.

#### Transparent governance and anti-corruption measures:

ILTE adheres to high legal, ethical and moral standards and does not tolerate any form of corruption in its activities, or the acceptance, provision, offer, promise or demand of any improper benefit through the abuse of office.

ILTE has a continuous and targeted anti-corruption policy that aims to achieve the following objectives:

- Reduce the likelihood of corruption;
- Identifying and eliminating factors that could enable potential non-transparent activities by ILTE's governing

- body members and employees;
- Increase staff responsibility and accountability of employees;
- Improve the organisation of the application of corruption prevention measures;
- Increase intolerance for corruption and fraud;
- Strengthen ILTE's commitment to the principles of publicity and transparency;
- Enhancing the trust of ILTE's clients, stakeholders, and the public in the organisation's activities.

Corruption prevention at ILTE is carried out in accordance with:

- On 19 January 2024, ILTE's Management Board approved the Anti-Corruption Policy, which establishes the principles and requirements for corruption prevention, along with guidelines for their implementation and enforcement. All company employees have been informed about the policy, which is published on the [ILTE's website](#). The policy aimed to ensure that ILTE's activities and behaviour meet the highest standards of trustworthiness, integrity, transparency and business ethics acceptable to society. To ensure proper implementation of the provisions of the Republic of Lithuania's Law on Corruption Prevention and the Anti-Corruption Policy, on 18 October 2024, by decision of the company's Chief Executive Officer, the Anti-Corruption Policy Implementation Procedure was approved. This procedure regulates the implementation of measures established in the Policy for creating a corruption-resistant environment within ILTE, as well as the monitoring and control actions to assess their effectiveness. Additionally, by order of the ILTE Chief Executive Officer on 17 February 2022, the ILTE Corruption Prevention Action Plan for 2022–2024 was approved. Its objective is to ensure the effective, targeted, and consistent operation of ILTE's corruption prevention and control system by improving existing measures and introducing new ones. This contributes to increasing transparency and openness in ILTE's activities, enhancing the transparency of operational procedures, and strengthening the resistance of employees to corruption.
- The Code of Ethics establishes value-based and rule-based ethical behaviour requirements aimed at defining employee conduct standards and guidelines, informing and educating staff, fostering responsibility, protecting against conflict situations and unethical behaviour, identifying unacceptable conduct, and setting boundaries between appropriate and inappropriate actions.

It should also be noted that in order to assess the changes and expand the available information on the possible manifestations of corruption in the opinion of ILTE's customers and employees, surveys of its customers and employees were conducted in the areas of the Company's activities.

A client survey on the likelihood of corruption-related incidents at ILTE in 2023 was conducted in May 2024. The results of the survey show that the probability of corruption occurring in ILTE is low, as the vast majority of respondents have never heard of or encountered corruption in ILTE. All survey participants indicated that they had not directly encountered corruption at ILTE (they had not been openly or implicitly asked for bribes, gifts, or services for personal gain). A total of 187 respondents participated in the external survey. According to the latest data from the [Special Investigation Service's study Lithuanian Corruption Map](#), only 5% of company executives assessed ILTE as highly corrupt when evaluating the level of corruption in specific financial institutions, while 18% considered it partially corrupt, 26% perceived it as not corrupt at all, and 50% of company executives did not express an opinion on ILTE.

An employee survey on the likelihood of corruption-related incidents at ILTE in 2023 was conducted in May 2024. The survey included only employees of the parent company. Of the 267 ILTE employees working at the time of the survey (excluding those on parental leave), 171 employees participated. The survey results indicate that the likelihood of corruption-related incidents at ILTE was assessed as low, as the majority of employees had neither heard of nor encountered actual cases of corruption. Additionally, 96.5% of ILTE employees stated in the survey that they would report any known instances of corruption.

To foster a strong ethical culture among ILTE's governing body members and employees, raise awareness, and promote a better understanding of the importance of corruption prevention, two training sessions on creating a corruption-resistant environment were organised during the reporting period: A representative of the Prosecutor General's Office of Lithuania conducted training for ILTE's governing body members and employees on Practical Aspects of the Implementation of the Law on the Protection of Whistleblowers, and a representative of the Special Investigation Service conducted training on The Concept and Manifestations of Corruption in Lithuania. Gift Policy.

Additionally, ILTE's governing body members and employees regularly received information on creating a corruption-resistant environment and managing conflicts of interest within ILTE (e.g., how to declare private interests, identify potential conflicts of interest and properly recuse themselves, distinguish between a gift and a bribe, etc.).

Relevant information on anti-corruption (ethical) behaviour was periodically published on ILTE's intranet site, including the results of ILTE client and employee surveys, national sociological studies on corruption resilience, and other relevant updates for ILTE.

Reports on violations of legal provisions and conduct standards by ILTE and its subsidiary company executives and employees, as well as breaches related to financial operations, accounting, bribery, influence peddling, abuse of power, conflicts of interest, nepotism, favouritism, or any other forms of undue influence, along with violations of procurement transparency, equality, non-discrimination, proportionality, and impartiality requirements, can be submitted via the internal reporting channel published on the [ILTE's website](#), as well as directly to the Special Investigation Service. A report may also be submitted anonymously by completing the form provided on the [ILTE's website](#). The Internal Audit Department, subordinate to the ILTE Supervisory Board, was responsible for receiving and assessing reports during the reporting period. Reports are examined in accordance with the procedure and deadlines established in the Procedure for Handling Reports and Presenting Investigation Results, approved by Order No. B-156 of Director General of ILTE of 28 September 2020.

In 2024, three reports were received through the ILTE reporting channel (2023 – three reports). The reports were examined in accordance with the applicable internal regulations. No corruption-related offences were identified during the investigations.

There are also opportunities to report potential misuse of EU structural funds on the [website](#).

To inform the public about ILTE's anti-corruption activities and encourage public participation in this process, all documents related to the implementation of the Anti-Corruption Policy, as well as other relevant information on creating a corruption-resistant environment, are published in the Corruption Prevention section of the ILTE's website.

### Conflict of Interest Prevention

Members of the Supervisory Board, members of the Management Board, and the ILTE Director have declared their private interests in accordance with legal requirements by submitting private interest declarations to the Chief Official Ethics Commission (hereinafter the COEC), as stipulated and required by Lithuanian legislation. It should be noted that in 2024, the provisions of the existing Interest Management Policy were reviewed, and by decision of the ILTE Supervisory Board on 26 August 2024, the Interest Management Policy was approved and publicly disclosed on the [ILTE's website](#). The latest version of the Interest Management Policy establishes an integrated private interest declaration model, requiring ILTE collegial body members and employees whose positions are included in the list of roles subject to mandatory private interest declarations (approved by the ILTE General Director's order) to declare their private interests with COEC in accordance with the Republic of Lithuania Law on the Harmonisation of Public and Private Interests and within the prescribed deadlines. Additionally, all ILTE employees must submit internal private interest declarations in accordance with the internal procedures set forth in ILTE's internal documents. It should be noted that the policy provisions related to internal private interest declarations took effect on 1 January 2025.

To ensure proper conflict of interest prevention, before each meeting of the Supervisory Board, the Management Board, or any other collegial body, the chairperson of the collegial body is responsible for asking its members whether they have any personal interest in the matters under discussion. The meeting secretary records in the minutes whether any collegial body members have a personal interest in the agenda item and whether any circumstances arise that would require a collegial body member to recuse themselves from the discussion.

When the Credit Committee takes decisions on a proposal to grant a guarantee or loan from ILTE, a member of the Committee additionally informs the Credit Committee of the potential conflict of interest, if any, and recuses himself/herself from the drafting, evaluation or adoption of the relevant decision.

ILTE employees who conduct or participate in public procurement procedures or engage in activities where, in the performance of their duties, a conflict of interest may arise, have signed an undertaking to be objective, impartial, to protect and not to disclose confidential information, and to avoid potential conflicts of interest.



According to the ILTE Interest Management Policy, in the event of a conflict of interest or circumstances that may lead to a conflict of interest, members of collegial bodies and employees must immediately inform the relevant ILTE collegial or sole management body, or persons authorised by the sole management body, and other individuals performing official duties about such a situation, declare their recusal, and in no way participate in preparing, discussing, or making a decision that may cause a conflict of interest.

Data on the recusal or removal of the Company's director is submitted to COEC in accordance with its procedures. During the reporting period, information about instances of the Company's General Director's recusal was published on the ILTE's website.

The ILTE employee responsible for compliance functions provides information related to the implementation of the Interest Management Policy to the Company's Management Board and Supervisory Board once a year. No violations of conflict of interest management were identified during the reporting period.

ILTE does not support any political activities or political organisations and does not provide any financial (charitable) support.

### Public Procurement

The company's procurement is carried out in accordance with the Law on Public Procurement and related legal provisions, adhering to the principles of equality, non-discrimination, proportionality, and impartiality, aiming to use goods, services, or works purchased with the Company's funds in an efficient manner.

Understanding that part of its impact occurs through supply chains, ILTE seeks to ensure responsible supply chain management. This is achieved by improving procurement procedures:

- Environmental requirements are integrated into procurements, encouraging suppliers to take action and reduce their environmental impact;
- Requirements are set for suppliers to reduce the negative social impact in the supply chain;
- The aim is to increase the number of local suppliers to create value for the local economy.

More information about completed and planned procurements can be found in the section 2.6 of the annual consolidated report. Most significant acquisitions and investments.

All public procurement contracts (written) were concluded with local suppliers of services, works, and goods. Local suppliers are defined as those registered in the Lithuanian Register of Legal Entities. This reflects the successful implementation of ILTE's strategic direction on public procurement and a clear commitment to promoting the growth and development of the local business community through its procurement activities.

Environmental impact criteria for green procurement were applied to 100% (97.1% in 2023).

Social criteria were applied to 62.86% of the total procurement value (55.6% in 2023).

### Socio-economic impact of the measures

By providing access to funding sources and reducing the financial burden on businesses, the company helped preserve and create new jobs, encouraged innovation, and increased taxes paid to the state, promoting sustainable business growth and development. Loan recipients commit to using the funds in compliance with the EU horizontal principles and not violating the fundamental rights of the European Union Charter of Fundamental Rights.

More detailed information on the company's indirect economic impacts is provided in section of the annual consolidated report 2.5 . *Analysis of results and performance indicators*.

During the reporting period, the incentive financial facility A Billion for Business was launched, providing businesses with the opportunity to receive loans of up to EUR 250 million for investments in environmentally friendly technologies, increasing circularity, decarbonisation, energy efficiency, low-waste, advanced, innovative, digital technologies, the development of high value-added product manufacturing capacities (including biotechnology), as well as the defence and security industry. The instrument is financed by the Economic Recovery and Resilience Facility.

ILTE's area of activity is directly related to ensuring energy efficiency – the modernisation of apartment buildings. In 2024, with the funds from the apartment building modernisation fund, 953 apartment buildings were renovated (881 apartment buildings in 2023). The fund is firmly following the Green Course: after modernising apartment buildings, 323 GWh are saved annually (311 GWh in 2023), and 63.9 thousand tonnes less CO<sub>2</sub> are emitted into the environment (61.2 thousand tonnes less CO<sub>2</sub> in 2023).

During the reporting period, assessing loans for public buildings of central government, reimbursable subsidies for public buildings of central government, and the municipal buildings fund, the total annual greenhouse gas (CO<sub>2</sub>) emissions were reduced by approximately 74 thousand tonnes, and primary energy consumption was reduced by approximately 410 GWh.

In 2024, legal entities were invited to submit applications for the financial instrument Renewable Energy Resources (RES) for Legal Entities.

Another important area of activity is the modernisation of centralised wastewater systems and water supply networks. To address the issue of access to centralised sewage and water infrastructure, ways to improve and develop the infrastructure are sought annually. In 2024, by funding water management projects in 36 different locations in Lithuania, nearly 10 thousand residents joined the centralised sewage networks. Approximately 5.8 thousand residents joined the water supply networks.

The fund managed by ILTE's subsidiary Coinvest Capital invested in the startup Walk.15 in February 2024, which offers tools worldwide to enhance wellness and implement various sustainability initiatives. On the occasion of the investment, Coinvest Capital invited its portfolio companies and the entire Lithuanian startup and venture capital ecosystem to participate in the steps challenge, with 43 teams from various countries joining. During the challenge, more than 115.7 million steps were taken, saving 14.868 kg of CO<sub>2</sub> emissions and planting 413.338 virtual trees.

On 6 February 2025, ILTE was recognised for its leadership in creating incentives to enter the public capital market and won the Transformation of the Year award. The Nasdaq Baltic Market Awards take place annually: in Vilnius, Riga, and Tallinn, listed companies that have achieved the best results in transparency, good corporate governance, and investor relations are congratulated. These awards recognise the outstanding efforts of listed companies and their significant contribution to the growth and development of the Nasdaq Baltic and local capital markets.

## 6.8. Membership in organisations

We are active members of the international community. To ensure the best and most diverse financing conditions for Lithuanian businesses, public sector entities, and infrastructure projects, ILTE collaborates with the European Investment Fund (EIF) and the European Investment Advisory Centre.

ILTE is also a member of the following organisations:

- European Financial Institutions Network for Micro, Small, and Medium Enterprises (NEFI);
- National financial institution partner of the EIF-NPI (EU National and Regional Financial Institutions Platform);
- European Association of Guarantee Institutions, AECM;
- European Long-Term Investors Association, ELTIA, an associate member;
- European Venture Fund Investors Network, EVFIN;
- Lithuanian Venture Capital and Private Equity Association (LT VCA);
- Lithuanian Business Angels Network LitBAN.

In 2024, ILTE became a member of the Baltic Institute of Corporate Governance and a member of the Capital Markets Council. ILTE also signed a membership agreement with the Money Laundering Prevention Competence Centre. February 2019 ILTE became a member of the Lithuanian Responsible Business Association (LRBA).

2024 Coinvest Capital became a full member of the Lithuanian Venture Capital and Private Equity Association.

In the field of energy efficiency, ILTE has appointed its employees to participate in the Energy Economists Expert Group working group coordinated by the European Commission.

For more information about international cooperation, please visit the Company's website. (<https://ilte.lt/apie-mus/tarptautinis-bendradarbiavimas/naryste/220>).

6.9 List of GRI indicators

GRI ratio	Name	Sustainability report page.	Comments
<b>GRI 2: 2021 GENERAL INFORMATION</b>			
GRI 2-1	About the organisation	8	
GRI 2-2	Entities included in the organisation's sustainability report	92	
GRI 2-3	Reporting period, reporting frequency, and contact person for report-related questions	92	
GRI 2-4	Clarification of information	-	The information in the 2023 sustainability report was not clarified
GRI 2-5	External verification	92	
GRI 2-6	Types of activities, value chain, and other business relationships	14-16	
GRI 2-7	Number of employees and diversity	100-103	
GRI 2-8	Employees who are not organisation employees	-	-
GRI 2-9	Management structure and composition	53-59; 61-65; 67-75; 77; 96	
GRI 2-10	Appointment and selection of the highest governing body	61-62	
GRI 2-11	Chairperson of the highest governing body	60; 63	
GRI 2-12	Role of the highest governing body in overseeing impact management	66-67; 85-86; 96	
GRI 2-13	Delegation of responsibility for the organisation's impact management	96	
GRI 2-14	Role of the highest governing body in providing the sustainability report	96	
GRI 2-15	Conflicts of interest	66; 112	
GRI 2-16	Reports on critical issues	66-67; 75-76; 93; 98	
GRI 2-17	The highest governing body's members' knowledge in the field of sustainability	-	No data available
GRI 2-18	Assessment of the performance of the highest governing body	60	
GRI 2-19	Remuneration policy	87-89	
GRI 2-20	Salary determination process	87-89	
GRI 2-21	Ratio of annual salary	89	
GRI 2-22	Statement on sustainability strategy	5-6	
GRI 2-23	Responsible business policy	53; 80-89; 93-94;	
GRI 2-24	Implementation of commitments defined in the responsible business policy	98; 100; 103; 105; 110-112	
GRI 2-25	Processes for correcting negative impacts caused	81-86; 110-111	
GRI 2-26	Tools for raising advice and concerns	81-86; 110-111	
GRI 2-27	Compliance with legal regulations	15	
GRI 2-28	Membership in associations	114	
GRI 2-29	Stakeholder engagement practices	17; 96-97	
GRI 2-30	Collective agreements	-	-
<b>GRI – 3: 2021 SIGNIFICANT SUSTAINABILITY ISSUES</b>			
GRI 3-1	Process for identifying significant sustainability issues	96-97	
GRI 3-2	List of significant sustainability issues	96-97	
GRI 3-3	Management of significant sustainability issues	93; 95-96; 98; 100; 110	
<b>GRI 201: 2016 ECONOMIC PERFORMANCE RESULTS</b>			
GRI 201-1	Created and distributed economic value	26-32	
GRI 201-4	Received state financial support	10	

GRI 203: INDIRECT ECONOMIC IMPACTS 2016			
GRI 203-1	Created and distributed economic value	8; 18-26	
GRI 203-2	Significant indirect economic impact	113-114	
GRI 204: SUPPLY CHAIN PRACTICES 2016			
GRI 204-1	Share of expenses to local suppliers	113	
GRI 205: ANTI-CORRUPTION 2016			
GRI 205-1	Assessed activities related to corruption risks	110-112	
GRI 205-2	Communication and training on anti-corruption policies and procedures	112	
GRI 205-3	Confirmed cases of corruption and actions taken	112	
GRI 305: EMISSIONS			
GRI 305-1	Direct GHG (Level 1) emissions	99	
GRI 305-2	Indirect GHG (Level 2) emissions	99	
GRI 305-3	Indirect GHG (Level 3) emissions	99	
GRI 305-4	GHG emissions intensity	100	
GRI 308 SUPPLIER ENVIRONMENTAL ASSESSMENT 2016			
GRI 308-1	New suppliers reviewed based on environmental criteria	113	
GRI 401: EMPLOYEES 2016			
GRI 401-1	Newly hired employees and employee turnover	102	
GRI 401-2	Benefits for full-time employees	104	
GRI 401-3	Parental leave	103	
GRI 402: EMPLOYEE RELATIONS MANAGEMENT 2016			
GRI 402-1	Shortest period for reporting operational changes	104	
GRI 404: TRAINING AND EDUCATION 2016			
GRI 404-1	Average number of training hours per year per employee		No data available
GRI 404-2	Employee skill development and support programs for role changes	105	
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	105	
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016			
GRI 405-1	Diversity of governing bodies and employees	62; 67; 72; 103;	
GRI 405-2	Gender pay gap	89	Partially disclosed
GRI 406: ANTI-DISCRIMINATION 2016			
GRI 406-1	Cases of discrimination and corrective actions taken	103	
GRI 412: HUMAN RIGHTS			
GRI 412-1	Activities assessed for human rights impact	103	
GRI 412-2	Employee training on human rights policies or procedures	103	
GRI 414: 2016 SUPPLIER ASSESSMENT BASED ON SOCIAL CRITERIA			
GRI 414-1	New suppliers reviewed based on social impact criteria	113	
GRI 418: CUSTOMER DATA PRIVACY 2016			
GRI 418-1	Substantiated complaints regarding customer privacy breaches and customer data loss	106	

## 7. Additional information

### 7.1. Measures implemented and managed by ILTE

Type	Remedial action**	Fund of funds	Measure status* as of 1 January 2025
Direct loans	Direct loans for renewable energy projects, <b>AEI IF</b>	IF	implemented
	Renewable energy development in legal entities, <b>AEI JA</b>	ENEF	implemented
	Loans to energy companies, <b>AEIB</b>	ENEF	implemented
	Multi-apartment building renovation fund II, <b>DNMF II</b>	DNMF	implemented
	Public building renovation, <b>Public buildings 2021–2027</b>	ENEF	implemented
	Construction of typical production purpose buildings in free economic zones, industrial parks, and other industrial areas, <b>LEZ</b>	-	implemented
	Incentive financial instrument <b>Perspektyva</b>	IPF	implemented
	Incentive financial instrument <b>Pokytis</b>	IPF	implemented
	Direct loans <b>Startuok</b>	VFF	implemented
	Loans <b>Paveldas</b>	KPF	implemented
	Billion for Business, <b>MLRD</b>	IPF	implemented
	Direct COVID-19 loans, <b>FT business COVID-19</b>	IF	administered
	Payable invoice loans, <b>ASAP</b>	IF	administered
	Multi-apartment building renovation fund I, <b>DNMF I</b>	DNMF	administered
	Provision of preferential loans for public building renovations by central government to increase energy efficiency, <b>Public buildings 2014–2020</b>	ENEF	administered
	Loans issued based on ILTE capital (water management), <b>ILTE capital water management</b>	-	administered
	Loans issued based on ILTE capital (educational institutions), <b>ILTE capital educational institutions</b>	-	administered
	Loans issued based on ILTE capital (RES), <b>ILTE capital RES</b>	-	administered
	JESSICA dormitory facility administration, <b>JESSICA dormitories</b>	JESSICA	administered
	JESSICA multi-apartment facility administration, <b>JESSICA multi-apartments</b>	JESSICA	administered
	Direct loans to businesses affected by the war, <b>KARO</b>	IF	administered
	Direct loans to businesses affected by the actions of third parties, <b>3ŠALYS</b>	IF	administered
	Business Assistance Fund, <b>PVF</b>	PVF	administered
Loans to tourism and accommodation providers, <b>TURAP</b>	IF	administered	
Limited partnership TIPS, <b>TIPS</b>	-	administered	
Water Management Fund, <b>Water management</b>	VF	administered	
ure capit	Akceleratorius 2, <b>A2</b>	IPF	implemented

	Participation in the Baltic Innovation Fund, <b>BIF</b>	IF	implemented
	Participation in the Baltic Innovation Fund 2, <b>BIF2</b>	IF	implemented
	Co-investment fund, <b>KO-I</b>	IF	implemented
	MILInvest, <b>MILI</b>	GIF	implemented
	Participation in the NATO Innovation Fund, <b>NIF</b>	IPF	implemented
	Development Funds III, <b>PF III</b>	IF	implemented
	Development Fund II, <b>PF-II</b>	VFF	administered
	A fund co-investing with business angels, <b>VAF</b>	VFF	administered
	Accelerator Fund, <b>AF</b>	VFF	administered
	Early Stage and Development Fund I, <b>ASIPF I</b>	IF	administered
	Early Stage and Development Fund II, <b>ASIPF II</b>	VFF	administered
	Co-investment fund II, <b>KO-II</b>	VFF	administered
	Co-investment fund for transportation, <b>KO-for communications</b>	-	administered
	Development Fund I, <b>PF I</b>	VFF	administered
Loans through financial intermediaries	Risk-sharing loans, <b>PRP for business</b>	KPP	implemented
	Crowdfunding loans <b>Avietė</b>	IF	implemented
	Loans for the establishment of young farmers <b>FT ŽŪ young farmers</b>	KPP	implemented
	Loans for investment (including sustainable investment) in agricultural holdings <b>IŽŪV</b>	KPP	implemented
	Open-end Credit Fund III, <b>AKF3</b>	IF	implemented
	Promoting entrepreneurship 3, <b>VSF3</b>	VSF2	implemented
	Investments in agricultural product processing, <b>FT ŽŪ processing</b>	KPP	implemented
	Lending to businesses through alternative financiers – <b>Alternatyva</b>	IF	administered
	Open-end Credit Fund II, <b>AKF2</b>	IF	administered
	Liquidity loan during the outbreak of COVID-19, <b>FT ŽŪ COVID19</b>	ŽŪF	administered
	Shared risk loans, <b>FRSP</b>	IF	administered
	Loans to businesses most affected by COVID-19, <b>FT business COVID-19</b>	IF	administered
	Cultural Heritage Fund, <b>KPF</b>	KPF	administered
	Loans for victims of adverse climatic events, <b>FT ŽŪ climate phenomena</b>	ŽŪF	administered
	Loans to primary production operators, <b>FT ŽŪ primary production</b>	ŽŪF	administered
	Loans for agricultural machinery and equipment, <b>FT ŽŪ equipment</b>	ŽŪF	administered
	Risk-sharing loans, <b>PRP</b>	VFF	administered
	Municipal Building Fund, <b>SPF loans</b>	SPF	administered
Liquidity facility in the period of Russian aggression against Ukraine, <b>FT ŽŪ UKR</b>	ŽŪF	administered	

	Entrepreneurship promotion 2014–2020, <b>VSF2</b>	VSF 2014–2020	administered
Guarantees	Guarantees for bond issues of joint-stock companies and limited liability companies (GIF3), <b>GIF3 bonds</b>	IF	implemented
	Export credit guarantees, <b>EKG</b>	IF	implemented
	Guarantee Fund 3, <b>GIF 3</b>	IF	implemented
	Individual loan and financial lease guarantees, <b>GIF3 loans and leases</b>	IF	implemented
	Individual guarantees for agricultural entities, <b>IG ŽŪ</b>	-	implemented
	Portfolio guarantees 3, <b>PG3</b>	IF	implemented
	Start-up guarantees for business, <b>GPV</b>	VSF 2014–2020	administered
	Portfolio guarantees for factoring transactions, <b>PGF</b>	IF	administered
	Portfolio guarantees for factoring transactions, <b>PGF2</b>	IF	administered
	Portfolio guarantees for leasing transactions, <b>PGL</b>	VFF	administered
	Portfolio guarantees for loans, <b>PGP</b>	VFF	administered
	Portfolio guarantees for loans 2, <b>PGP2</b>	IF	administered
	Individual guarantees during the COVID-19 outbreak, <b>IG ŽŪ COVID19</b>	ŽŪF	administered
	Portfolio guarantees, <b>FLPG</b>	IF	administered
	Street lighting modernisation guarantees	ENEf	administered
	Guarantee Fund 2, <b>GIF2</b>	IF	administered
Individual guarantees in the period of Russian aggression against Ukraine, <b>IG ŽŪ UKR</b>	-	administered	
Execution of support guarantee payments (GIF), <b>ŽŪ re-guaranteeing</b>	ŽŪF	administered	
Compensations	Compensation of interest paid by economic entities engaged in primary agricultural production, processing, and/or trade for loans to replenish working capital and/or acquire biological assets and under factoring agreements for replenishing working capital with individual guarantees, <b>DPK ŽŪ turnover</b>	-	implemented
	Compensation of interest paid for loans and leasing services to finance investments with guarantees, <b>DPK ŽŪ investments</b>	-	implemented
	Promotion of the listing of securities on the stock exchange, <b>EXCHANGE</b>	IF	implemented
	Interest compensation for small and medium-sized enterprises, <b>DPK for business</b>	-	implemented
	Compensation for guarantee payments for borrowers and leasing entities purchasing in the agricultural sector, <b>GAK ŽŪ</b>	-	implemented
	Compensation of part of guarantee payments and interest on loans and leasing services in the fisheries sector, <b>COMP ŽŪ fisheries</b>	-	implemented
	Grants to municipalities, <b>SD</b>	-	administered
	ENEf subsidy for public building project TD, <b>Public buildings 2014–2020 subsidy TD</b>	ENEf	administered
	Renovation of state-owned buildings (I), <b>GS building modernisation I</b>	-	administered
Renovation of state-owned buildings (II), <b>GS building modernisation II</b>	-	administered	

Climate Change GS for public buildings, <b>KKP GS public buildings</b>	-	administered
Compensatory payments from the climate change programme for local government building renovations, <b>CC local government buildings</b>	-	administered
Compensation of interest and guarantee contributions during the COVID-19 outbreak period, <b>COMP ŽŪ COVID19</b>	-	administered
Interest compensation for agricultural entities affected by storms, hail, and strong winds, <b>DPK ŽŪ natural disasters</b>	-	administered
Repayable subsidy for Wastewater collection network expansion, <b>GS for water management</b>	-	administered

\*The status of the measure implemented means that new contracts with clients are being concluded under the measure, and already signed contracts are being executed and managed;

the status of the measure administered means that new contracts with clients are no longer being concluded, only previously signed contracts are being executed and managed;

\*\*Abbreviations of the measures highlighted are used in the charts presented in the Annual Consolidated Report set.



## 7.2. Compliance with guidelines on transparency of operations

### **Information on compliance with the state-managed enterprises' operational transparency guidelines**

The ILTE group of companies complies with the requirements of the State-managed enterprises' Operational Transparency Guidelines, approved by Resolution No. 1052 of 14 July 2010 of the Government of the Republic of Lithuania, with subsequent amendments (hereinafter the Transparency Guidelines).

ILTE applies the provisions of the Transparency Guidelines in accordance with the “comply or explain” principle. The implementation of the Transparency Guidelines in the ILTE group of companies is essentially ensured through the information disclosed in the Annual Consolidated Report set and the information disclosed on the ILTE's website.

Transparency guidelines requirement/point	Disclosure	Disclosure location, explanations
<b>CHAPTER II, DISCLOSURE OF STATE-MANAGED ENTERPRISES' INFORMATION</b>		
5. The following data and information must be published on the state-managed enterprise's website:		
5.1. name;	Yes	https://ilte.lt/ on the bottom of the website ( <i>footer</i> )
5.2. Code and register where data about the company is collected and stored;	Yes	
5.3. Registered office (address);	Yes	
5.4. Legal status, if the state-managed enterprise is being restructured, reorganised (indicating the method of reorganisation), liquidated, or is bankrupt or insolvent;	Yes	https://ilte.lt/
5.5. The name of the institution representing the state and the link to its website;	Yes	https://ilte.lt/apie-mus/9
5.6. Goals, vision, and mission of the activities;	Yes	
5.7. Structure;	Yes	https://ilte.lt/kontaktai/struktura/84
5.8. Manager's details;	Yes	https://ilte.lt/kontaktai/vadovas/142
5.9. Details of the chairman and members of the Management Board, if a board is established under the Articles of Association;	Yes	https://ilte.lt/valdyba
5.10. Details of the chairman and members of the Supervisory Board, if a Supervisory Board is established under the Articles of Association;	Yes	https://ilte.lt/kontaktai/stebetoju-taryba/140
5.11. Names of committees, their chairpersons and members, if committees are set up;	Yes	Audit and Risk Management Committee: https://ilte.lt/kontaktai/audito-ir-rizikos-valdymo-komitetas/380 Credit Committees: https://ilte.lt/kontaktai/kredito-komitetai/143 Due to personal data protection requirements, the personal composition and data of the Credit Committees are not published on the website. This information is provided in the annual and interim management report.
5.12. The nominal value of state-owned shares (in euro to the cent) and the share (in percentage) of the state-managed enterprise in the authorised capital;	Yes	https://ilte.lt/apie-mus/akcininkas/60
5.13. Special obligations being implemented, which are determined according to the recommendations approved by the Minister of Economy and Innovation of the Republic of Lithuania: The purpose of the special obligations is indicated, the state budget appropriations allocated for their implementation in the current calendar year, and the legal acts by which the state-managed enterprise is tasked with fulfilling the special obligation, the conditions for fulfilling the special obligation and/or regulated pricing are established;	Yes	https://ilte.lt/apie-mus/veikla/specialieji-ipareigojimai/64
5.14. Information about social responsibility initiatives and measures, significant ongoing or planned investment projects.	Yes	https://ilte.lt/apie-mus/tvarumas/233; https://ilte.lt/kontaktai/pilieciu-chartija/191
6. In order to ensure transparency regarding the professionalism of management and supervisory bodies and committee members in state-managed enterprises, the following data about the persons indicated in paragraphs 5.8–5.11 of the Regulation are published: full name, start date of the position held, other managerial positions held in other legal entities, education, qualifications, professional experience. If the person indicated in paragraphs 5.9–5.11 of the Regulation is elected or appointed as an independent member, additional information is provided with their data.	Yes	https://ilte.lt/kontaktai/stebetoju-taryba/140  https://ilte.lt/kontaktai/audito-ir-rizikos-valdymo-komitetas/380  https://ilte.lt/valdyba  In the case of Credit Committees, the composition of the Credit Committees is disclosed, specifying the identity of the committee members and their position in the company. Credit Committees are not management bodies of ILTE, and the composition, formation, and activities of which are subject to legal requirements. Participation in the activities of the Credit Committees is a functional duty of the respective employees, not a personal decision. No public selection is conducted for the formation of Credit Committees. Credit Committees are composed only of ILTE employees. In compliance with personal data protection requirements, some personal data (current managerial positions in other legal entities, education, qualifications, professional experience) are not disclosed for Credit Committees.
7. The following documents must be published on the state-managed enterprise's website:		
7.1. Articles of Association;	Yes	https://ilte.lt/apie-mus/veikla/veikla-reglamentuojantys-dokumentai/63#c-7/t-12 (point

		1)
7.2. A letter from the institution representing the state regarding the determination of the state's goals and expectations in the state-managed enterprise;	Yes	<a href="https://ilte.lt/apie-mus/veiklos-tikslai/44">https://ilte.lt/apie-mus/veiklos-tikslai/44</a>
7.3. The business strategy or its summary in cases where the business strategy contains confidential information or information considered a commercial (industrial) secret;	Yes	<a href="https://ilte.lt/apie-mus/veiklos-tikslai/44">https://ilte.lt/apie-mus/veiklos-tikslai/44</a>
7.4. The remuneration policy, which includes the determination of the salary of the state-managed enterprise's director and the remuneration of the members of the collegial bodies and committees established in the state-managed enterprise, more detailed in the Corporate Governance Code, the establishing document;	Yes	<a href="https://ilte.lt/apie-mus/administracine-informacija/darbo-uzmokestis/78">https://ilte.lt/apie-mus/administracine-informacija/darbo-uzmokestis/78</a>
7.5. The annual and interim reports of the state-managed enterprise, the annual and interim activity reports of the state enterprise for a period of no less than 5 years;	Yes	<a href="https://ilte.lt/veikla/veiklos-ataskaitos/invegos-veikla/67#c-47">https://ilte.lt/veikla/veiklos-ataskaitos/invegos-veikla/67#c-47</a>
7.6. The set of annual and interim financial statements for no less than 5 years and the auditor's opinions on the annual financial statements.	Yes	<a href="https://ilte.lt/veikla/veiklos-ataskaitos/invegos-veikla/67#c-11">https://ilte.lt/veikla/veiklos-ataskaitos/invegos-veikla/67#c-11</a>
8. If the state-managed enterprise is a parent company, its website must disclose the structure of the corporate group, as well as the data indicated in paragraphs 5.1–5.3 of the Regulation for its subsidiaries and subsequent subsidiaries, the addresses of their websites, the share of the parent company in the shares of subsidiaries (in percentage) in their authorised capital, as well as the annual consolidated financial statements and consolidated annual reports.	Yes	Subsidiaries: <a href="https://ilte.lt/apie-mus/imoniu-grupe/263">https://ilte.lt/apie-mus/imoniu-grupe/263</a>  The activity report of the KÜB Tvariųjų išteklių plėtros skatinimas: <a href="https://ilte.lt/veikla/veiklos-ataskaitos/investiciju-platforma-tvariui-istekliu-pletros-skatanimas/356">https://ilte.lt/veikla/veiklos-ataskaitos/investiciju-platforma-tvariui-istekliu-pletros-skatanimas/356</a>  UAB Kofinansavimas <a href="https://ilte.lt/kontaktai/dukterines-imones/144">https://ilte.lt/kontaktai/dukterines-imones/144</a>  UAB State Investment Management Agency financial reports and consolidated annual reports: <a href="https://viva.lt/viesa-informacija/finansines-ataskaitos/">https://viva.lt/viesa-informacija/finansines-ataskaitos/</a>
9. If the state-managed enterprise is a participant in legal entities other than those specified in paragraph 8 of the Regulation, its website must disclose the data of those legal entities as specified in paragraphs 5.1–5.3 of the Regulation and their website addresses.	Yes	The website publishes information about legal entities – associations in which ILTE is a participant. <a href="https://ilte.lt/apie-mus/tarptautinis-bendradarbiavimas/naryste/220">https://ilte.lt/apie-mus/tarptautinis-bendradarbiavimas/naryste/220</a>  ILTE's website does not publish the data specified in the Regulation concerning venture capital funds, which typically operate as limited partnerships, in which ILTE has invested (as a limited partner) through venture capital financial instruments, funded by ILTE-managed fund-of-fund resources. In these cases, ILTE's website provides information about the relevant venture capital instruments, venture capital fund managers, and links to their websites: <a href="https://ilte.lt/paslaugos/25/akceleratorius-2-100">https://ilte.lt/paslaugos/25/akceleratorius-2-100</a> <a href="https://ilte.lt/paslaugos/25/baltijos-inovaciju-fondas-33">https://ilte.lt/paslaugos/25/baltijos-inovaciju-fondas-33</a> <a href="https://ilte.lt/paslaugos/25/baltijos-inovaciju-fondas-ii-34">https://ilte.lt/paslaugos/25/baltijos-inovaciju-fondas-ii-34</a> <a href="https://ilte.lt/paslaugos/25/bendrai-su-verslo-angelais-investuojantis-fondas-28">https://ilte.lt/paslaugos/25/bendrai-su-verslo-angelais-investuojantis-fondas-28</a> <a href="https://ilte.lt/paslaugos/25/ko-investicinis-fondas-25">https://ilte.lt/paslaugos/25/ko-investicinis-fondas-25</a> <a href="https://ilte.lt/paslaugos/25/milinvest-23">https://ilte.lt/paslaugos/25/milinvest-23</a> <a href="https://ilte.lt/paslaugos/25/akceleravimo-fondas-24">https://ilte.lt/paslaugos/25/akceleravimo-fondas-24</a> <a href="https://ilte.lt/paslaugos/25/ankstyvosios-stadijos-ir-pletros-fondas-i-29">https://ilte.lt/paslaugos/25/ankstyvosios-stadijos-ir-pletros-fondas-i-29</a> <a href="https://ilte.lt/paslaugos/25/ankstyvosios-stadijos-ir-pletros-fondas-ii-30">https://ilte.lt/paslaugos/25/ankstyvosios-stadijos-ir-pletros-fondas-ii-30</a> <a href="https://ilte.lt/paslaugos/25/pletros-fondas-i-31">https://ilte.lt/paslaugos/25/pletros-fondas-i-31</a>
9 <sup>1</sup> . If the company is a subsidiary or a subsequent subsidiary of a state-managed enterprise, the website must publish the data specified in paragraphs 5.1–5.3 of the Regulation for its parent company and a link to the parent company's website.	-	
10. Any changes or incorrect information specified in paragraphs 5 and 6, paragraphs 7.1–7.4, 8, 9, and 91 of the Regulation must be immediately corrected and updated on the website.	Yes	Updated data must be immediately corrected and updated on the website.
11. The set of annual financial statements of the state-managed enterprise, the annual report of the state-managed enterprise, the annual activity report of the state enterprise, as well as the auditor's opinion on the	Yes	<a href="https://ilte.lt/veikla/veiklos-ataskaitos/ilte-veikla/67">https://ilte.lt/veikla/veiklos-ataskaitos/ilte-veikla/67</a> Documents are published within the established period.

annual financial statements of the state-managed enterprise must be published on the state-managed enterprise's website within 10 working days of the approval of the state-managed enterprise's annual financial statements.		
12. The set of interim financial statements of the state-managed enterprise, interim reports of the state-managed enterprise, and interim activity reports of the state enterprise must be published on the state-managed enterprise's website no later than 2 months after the end of the reporting period.	Yes	Documents are published within the established period.
13. The documents specified in paragraph 7 of the Regulation must be published in PDF format, with technical capabilities for printing them.	Yes	Documents are published in PDF format, with the possibility to print them.
<b>CHAPTER III. PREPARATION OF FINANCIAL STATEMENTS, REPORTS AND ACTIVITY REPORTS</b>		
14. The state-managed enterprise's accounting is managed in such a way as to ensure the preparation of financial statements in accordance with international accounting standards.	Yes	Both the consolidated annual financial statements of the ILTE group and the annual financial statements of ILTE as the parent company are prepared in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU.  Interim condensed consolidated financial statements of the group and condensed ILTE interim financial statements are prepared in accordance with IAS 34 Interim Financial Reporting.
15. In addition to the annual financial statement set, the state-managed enterprise prepares a set of 6-month interim financial statements, while the state enterprise prepares 3, 6, and 9-month interim financial statements.	Yes	ILTE prepares a set of interim (6-month) reports.
16. A state-managed enterprise, classified as a public interest entity under the Republic of Lithuania Financial Statement Audit Law, in addition to the annual report, also prepares a 6-month interim report. A state enterprise, classified as a public interest entity under the Republic of Lithuania Financial Statement Audit Law, in addition to the annual activity report, also prepares a 6-month interim activity report.	Yes	ILTE prepares a 6-month interim report.
17. In the annual report of a state-managed enterprise or in the annual activity report of a state enterprise, in addition to the content requirements set out in the Republic of Lithuania Law on Financial Reporting by Enterprises or the Republic of Lithuania Law on State and Municipal Enterprises, the following must also be provided:		
17.1. A brief description of the business model of the state-managed enterprise;	Yes	ILTE provides the specified information in the annual consolidated report set (in the management report).
17.2. Information about significant events that occurred during the financial year and after it (until the preparation of the annual report or annual activity report) and had a material impact on the state-managed enterprise's operations;	Yes	
17.3. The results of the implementation of the objectives outlined in the state-managed enterprise's operational strategy;	Yes	
17.4. Profitability, liquidity, asset turnover, and debt ratios;	Yes	
17.5. Compliance with special obligations;	Yes	
17.6. Implementation of the investment policy, ongoing and planned investment projects, and investments during the reporting year;	Yes	
17.7. Implementation of the risk management policy applied in the state-managed enterprise;	Yes	
17.8. Implementation of the dividend policy in state-managed enterprises;	Yes	
17.9. Implementation of the remuneration policy;	Yes	
17.10. total annual payroll, average monthly pay according to the position held and/or divisions;	Yes	
17.11. Information on compliance with the provisions of Sections II and III of the Regulation: It specifies how they are implemented, which provisions are not complied with, and explains why.	Yes	
18. For state-managed enterprises and state enterprises that are not required to prepare a social responsibility report, it is recommended to include information in the annual report or annual activity report related to environmental, social, personnel, human rights protection, and anti-corruption and anti-bribery issues.	Yes	ILTE provides the relevant information in the annual consolidated report set (in the management report).
19. If the information specified in paragraph 17 of the Regulation is considered a commercial (industrial) secret or confidential information, the state-managed enterprise may choose not to disclose such information. However,	Not relevant	

the annual report of the state-managed enterprise or the annual activity report of the state-managed enterprise must indicate that this information is not disclosed and provide the reason for non-disclosure.		
20. The annual report of a state-managed enterprise or the annual activity report of a state-managed enterprise may also include other information not specified in this Regulation.	Yes	ILTE provides other important information in the annual consolidated report set.
21. A state-managed enterprise that is a parent company must provide the structure of the corporate group in its consolidated annual report, or if it is not required to prepare a consolidated annual report under applicable law, it must include the information specified in paragraphs 5.1–5.3 of the Regulation for each subsidiary and subsequent subsidiaries, including the shareholding percentage (in terms of shares) in the subsidiary's authorised capital, and the financial and non-financial results of operations for the financial year. If a state-managed enterprise, which is a parent company, prepares a consolidated annual report, the requirements of paragraph 17 of the Regulation apply <i>mutatis mutandis</i> .	Yes	ILTE provides information in the annual consolidated report set.
22. The interim report of a state-managed enterprise or the interim activity report of a state enterprise includes a brief description of the business model of the state-managed enterprise, an analysis of financial performance during the reporting period, information on significant events that occurred during the reporting period, as well as profitability, liquidity, asset turnover, and debt ratios, and their changes compared to the same period of the previous year.	Yes	ILTE provides information in the interim report.

### 7.3. Information on compliance with the NASDAQ Vilnius Code of Corporate Governance for Listed Companies

In accordance with the Guidelines for Ensuring the Transparency of State-managed enterprises, approved by resolution No. 1052 of the Government of the Republic of Lithuania on 14 July 2010, ILTE discloses in its annual consolidated report set how the provisions of the corporate governance code for companies listed on the NASDAQ Vilnius regulated market, approved by NASDAQ Vilnius, are adhered to during 2024

The following is the Code of Corporate Governance for NASDAQ Vilnius listed companies, as approved by the Management Board of NASDAQ Vilnius AB on 15 January 2019 (Minutes No. 19-63), along with the relevant information on compliance in ILTE's activities.

If there is a failure to comply with this Code or with some of its provisions, it is stated which provisions are not complied with and for what reasons. If the relevant provisions are complied with, no further explanation or justification shall be given unless there have been material changes or significant circumstances during the reporting period

The implementation of the recommendations of the NASDAQ Vilnius Corporate Governance Code for listed companies is ensured in ILTE through information disclosed in the consolidated management report.

PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
<b>1. PRINCIPLE: GENERAL MEETING, EQUITABLE TREATMENT OF SHAREHOLDERS AND RIGHTS OF SHAREHOLDERS</b> <i>The corporate governance system should protect shareholders' rights.</i> <i>The corporate governance system should ensure fair treatment of all shareholders.</i>		Further details are disclosed in section of the Consolidated Management Report. 4.2 <i>Rights of shareholders and general meetings</i>
1.1. All shareholders should have equal access to the information and/or documents provided for by law and should be able to participate in decisions of importance to the company.	YES	Not relevant at the moment, as all shares are owned by one shareholder – the State of the Republic of Lithuania.
1.2. It is recommended that a company's capital should consist only of shares that give their holders equal voting, ownership, dividend and other rights.	YES	
1.3. It is recommended that investors should be given the opportunity to familiarise themselves with the rights attached to new or existing shares in advance, i.e. before purchasing them.	NOT RELEVANT	1. Explanation to p. 1.1; 2. No new share placement to new shareholders/investors in progress or planned. Under the National Development Bank Law, all shares of the National Development Bank must belong to the Government of the Republic of Lithuania.
1.4. Exceptional transactions of major importance, such as the disposal of all or substantially all of the company's assets, which would effectively amount to a disposal of the company, should be subject to the approval of the General Meeting of Shareholders.	YES	
1.5. The procedures for the organisation of and participation in the general meeting of shareholders should provide equal opportunities for shareholders to participate in the general meeting of shareholders and should not prejudice the rights and interests of shareholders. The choice of the place, date and time of the General Meeting should not preclude the active participation of shareholders in the General Meeting. In the notice of the convening of the general meeting of shareholders, the company should indicate the last day on which the proposed draft resolution can be submitted at the latest.	YES	1. Explanation to p. 1.1; 2. The exceptions provided for in the Law on Companies (hereinafter the LC) apply – provisions that may apply when all the shares are owned by a single entity.
1.6. In order to ensure the right of access to information for shareholders residing abroad, it is recommended that, where possible, documents prepared for the general meeting of shareholders be made public in advance not only in Lithuanian, but also in English and/or other foreign languages. It is also recommended that the minutes of the general meeting of shareholders after its signing and/or the adopted decisions be made public not only in Lithuanian but also in English and/or other foreign languages. It is recommended that this information be published on the company's website. Not all documents may be made publicly available if their public disclosure would be prejudicial to the company or would disclose the company's business secrets.	NOT RELEVANT	1. Explanation to p. 1.1;
1.7. Shareholders entitled to vote should be able to vote at the shareholders' meeting in person, either present or without participation. Shareholders should not be prevented from voting in advance in writing by completing a single ballot paper.	YES	1. Explanation to p. 1.1; 2. The provisions of the LC apply, which may be applicable when all shares are owned by a single entity.
1.8. In order to increase shareholders' ability to participate in general meetings of shareholders, it is recommended that companies should make greater use of modern technology to enable shareholders to participate and vote in general meetings of shareholders by electronic means. In such cases, the security of the information transmitted should be guaranteed and the identity of the person who participated and voted should be identifiable.	YES	1. Explanation to p. 1.1; 2. The provisions of the LC apply, which may be applicable when all shares are owned by a single entity.
1.9. It is recommended to disclose in the notice of the draft decisions of the convened general meeting the new nominations of the members of the collegial body, the remuneration proposed for them, the proposed appointment of the audit firm, if these issues are included in the agenda of the general meeting of shareholders. When proposing to elect a new member of the collegial body, it is recommended that the member's educational background, work experience and other management positions held (or proposed to be held) be disclosed.	NOT RELEVANT	1. Explanation to p. 1.1; 2. The provisions of the LC apply, which may be applicable when all shares are owned by a single entity.
1.10. Members of the company's collegial body, chief executives or other competent persons associated with the company who can provide information relating to the agenda of the general meeting of shareholders should attend the general meeting of shareholders. Proposed candidates for the membership of the collegial body should also participate in the general meeting of shareholders if the election of new members is included in the agenda of the general meeting of shareholders.	YES	1. Explanation to p. 1.1; 2. The provisions of the LC apply, which may be applicable when all shares are owned by a single entity.

PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
<b>2. PRINCIPLE: SUPERVISORY BOARD</b>		Further details are disclosed in section of the Consolidated Management Report 4.4 . <i>Supervisory Board and its activities</i>
<b>2.1. FUNCTIONS AND RESPONSIBILITIES OF THE SUPERVISORY BOARD</b> <i>The Supervisory Board of the Company should ensure the representation of the interests of the Company and its shareholders, the accountability of this body to the shareholders and the objective and impartial supervision of the activities of the Company and its management bodies, as well as to regularly make recommendations to the management bodies of the Company.</i> <i>The Supervisory Board should ensure the integrity and transparency of the company's financial accounting and control system.</i>		
2.1.1. Members of the Supervisory Board should act in good faith, diligently and responsibly for the benefit of the company and shareholders and represent their interests, taking into account the interests of employees and the public welfare.	YES	
2.1.2. Where the Supervisory Board's decisions may affect the interests of the company's shareholders differently, the Supervisory Board should treat all shareholders impartially. It should ensure that shareholders are adequately informed about the company's strategy, risk management and control, and the management of conflicts of interest.	YES	The Supervisory Board is composed of 4 independent Supervisory Board members and 3 delegated members. The delegate members are elected as 1 FM representative, 1 AM representative and 1 MEI representative.
2.1.3. The Supervisory Board should be impartial in making decisions relevant to the company's operations and strategy. The work and decisions of the members of the Supervisory Board should not be influenced by those who elected them.	YES	Decisions of the Supervisory Board shall be taken by majority vote. The majority of the members of the Supervisory Board shall be independent members of the Supervisory Board. The Supervisory Board (both independent and delegated members) is elected by order of the Minister of Finance of the Republic of Lithuania. The members of the Supervisory Board are not required to coordinate the decisions of the Supervisory Board with the management of the Ministry of Finance. The Articles of Association of ILTE or other internal documents of ILTE do not impose an obligation on the delegated members of the Supervisory Board – representatives of the respective ministries – to coordinate their voting at the meetings of the Supervisory Board with the management of the respective ministries or to vote only with the power of attorney granted by the management of the ministry. All members of the Supervisory Committee have an obligation to act in good faith and responsibly and to be impartial to those who elected them.
2.1.4. Members of the Supervisory Board should make their objection clear in case they consider that the decision of the Supervisory Board may harm the company. Independent members of the Supervisory Board should: a) remain independent in their analysis and decision-making; (b) not seek or accept any undue preference which might cast doubt on the independence of the members of the Supervisory Board.	YES	
2.1.5. The Supervisory Board should oversee that the company's tax planning strategies are designed and implemented in accordance with the law, to avoid flawed practices that are not in the long-term interests of the company and its shareholders, which could give rise to reputational, legal or other risks.	YES	
2.1.6. The Company should ensure that the Supervisory Board is provided with sufficient resources (including financial resources) to perform its duties, including the right to obtain all necessary information and the right to seek independent professional advice from outside legal, accounting or other professionals on matters within the competence of the Supervisory Board and its committees.	YES	Relevant provisions are established in the contracts of the members of the Supervisory Board regarding their activities in the Supervisory Board.



PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
<b>2.2. FORMATION OF THE SUPERVISORY BOARD</b>		
<i>The procedure for the composition of the Supervisory Board should ensure that conflicts of interest are properly managed and that the company is governed efficiently and fairly.</i>		
2.2.1. The members of the Supervisory Board elected by the General Meeting of Shareholders should collectively ensure a diversity of qualifications, professional experience and competences, as well as a gender balance. In order to maintain an appropriate balance between the qualifications of the members of the Supervisory Board, it should be ensured that the members of the Supervisory Board as a whole have a broad range of knowledge, views and experience to perform their tasks properly.	YES	
2.2.2. Members of the Supervisory Board should be appointed for a fixed term, with the possibility of individual re-election for a new term, in order to ensure the necessary growth in professional experience.	YES	Members of the Supervisory Board are elected for a 4-year term. At the end of their term of office, they may be re-elected for a new term of office
2.2.3. The chairperson of the Supervisory Board should be a person whose current or former position would not be an obstacle to the impartial exercise of his/her functions. The former manager or director of the company should not immediately be appointed to the position of Chairman of the Supervisory Board. When the company decides not to follow these recommendations, information should be provided on the measures taken to ensure the impartiality of operations.	YES	The Chairman of the Supervisory Board is elected from among the independent members of the Supervisory Board.
2.2.4. Each member should devote sufficient time and attention to his or her duties as a member of the Supervisory Board. Each member of the Supervisory Board should undertake to limit their other professional commitments (in particular management positions in other companies) in such a way that they do not interfere with the proper performance of his/her duties as a member of the Supervisory Board. If a member of the Supervisory Board attended less than half of the Supervisory Board meetings during the company's financial year, the company's shareholders should be informed.	YES	
2.2.5. Where the appointment of a member of the Supervisory Board is proposed, it should be disclosed which members of the Supervisory Board are considered independent. The Supervisory Board may decide that a particular member, although fulfilling the criteria for independence, may not be considered to be independent on account of particular personal or company-related circumstances.	YES	
2.2.6. The amount of remuneration for members of the Supervisory Board should be approved by the company's General Meeting of Shareholders for their activities and participation in the meetings of the Supervisory Board.	YES	
2.2.7. The Supervisory Board should carry out an evaluation of its own performance each year. It should include an assessment of the structure, work organisation and ability of the Supervisory Board to act as a group, as well as an assessment of the competence and work efficiency of each member of the Supervisory Board and an assessment of whether the Supervisory Board has achieved the established operational objectives. The Supervisory Board should publish relevant information on its internal structure and operational procedures at least once a year.	YES	The performance evaluation shall be carried out in accordance with the guidelines adopted by the Governance Coordination Centre and using the recommended forms (questionnaires)
<b>3. PRINCIPLE: MANAGEMENT BOARD</b>		Further details are disclosed in section of the Consolidated Management Report. 4.6 <i>ILTE's Management Board and its activities</i>
<b>3.1. FUNCTIONS AND RESPONSIBILITIES OF THE MANAGEMENT BOARD</b>		
<i>The Management Board should ensure the implementation of the company's strategy, as well as good corporate governance, taking into account the interests of shareholders, employees and other stakeholders.</i>		
3.1.1. The Management Board should ensure the implementation of the company's strategy, as approved by the Supervisory Board, if one is established. In cases where the Supervisory Board is not formed, the Management Board is also responsible for approving the company's strategy.	YES	

PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
3.1.2. The Management Board, as a collegial management body of the company, performs the functions assigned to it by the Law and the Articles of Association of the company, and in cases where the Supervisory Board is not formed in the company, among other things, performs the supervisory functions established by the Law. In performing the functions assigned to it, the Management Board should take into account the needs of the company, shareholders, employees and other interest groups, with a view to building a sustainable business accordingly.	YES	
3.1.3. The Management Board should ensure compliance with the laws and internal policies of the company applicable to the company or group of companies to which the company belongs. It should also put in place appropriate risk management and control measures to ensure regular and direct accountability of managers.	YES	The Management Board has adopted a Corporate Governance Policy that applies to the whole Group. It requires, among other provisions, a periodic review of internal policies. Internal legislation also sets out the material risks and the controls to manage them
3.1.4. The Management Board should also ensure that the company has in place the measures included in the OECD Good Practice Recommendations on Internal Control, Ethics and Compliance to ensure compliance with applicable laws, regulations and standards.	YES	
3.1.5. In appointing the company's CEO, the Management Board should take into account the appropriate balance of qualifications, experience and competence of the candidate.	NO	The Articles of Association of the Company provide that the Chairman of the Management Board of the Company is also the manager of the Company. The Company has a permanent Management Board, all of whom are the heads of the relevant business units of the Company – the Company's senior executives. In order to avoid potential bias, which objectively arises when subordinates elect their direct manager from among themselves, and given that the newly elected members of the Management Board did not participate in the selection of other members of the Management Board, in the assessment of their qualifications, experience and competence (which was carried out by the Supervisory Board in the public selection of the members of the Management Board), ILTE's Articles of Association stipulate that the Management Board of Management shall elect the CEO from among the Management Board members on the basis of a proposal by the Supervisory Board. This ensures that the most suitable person from among the members of the Management Board is selected as the Company's CEO, whose competence and qualifications to be the Company's CEO and the Chairman of the Management Board have been fully assessed during the selection process, which has been carried out impartially by the Company's Supervisory Board, in consultation with consultants from a top executive search agency

### 3.2. COMPOSITION OF THE MANAGEMENT BOARD

3.2.1. The members of the Management Board elected by the Supervisory Board or by the General Meeting of Shareholders if no Supervisory Board is established should collectively ensure a diversity of qualifications, professional experience and competences, and strive for gender balance. In order to maintain an appropriate balance between the qualifications of the members of the Management Board, it should be ensured that the members of the Management Board as a whole have a wide range of knowledge, views and experience to perform their tasks adequately.	YES	
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PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
3.2.2. The names of the candidates for election to the Management Board, their education, qualifications, professional experience, positions held, other relevant professional commitments and potential conflicts of interest should be disclosed, without prejudice to the requirements of the legislation governing the processing of personal data, at the meeting of the Supervisory Board at which the Management Board or its individual members will be elected. If the Supervisory Board is not established, the information set out in this point should be submitted to the general meeting of shareholders. The Management Board should compile the data on its members referred to in this point each year and report it in the company's annual report.	YES	
3.2.3. All new board members should be briefed on their duties, the company's structure and its activities.	YES	
3.2.4. Members of the Management Board should be appointed for a specified period, with the possibility of being individually re-elected for a new term, in order to ensure the necessary growth in professional experience and a sufficiently frequent re-validation of their status.	YES	Members of the Management Board are elected for a 4-year term of office. At the end of their term of office, members may be re-elected for a new term of office.
3.2.5. The chairperson of the Management Board should be a person whose current or former position would not be an obstacle to the impartial conduct of business. When the Supervisory Board is not set up, the former CEO should not be immediately appointed as a chairman of the Management Board. When the company decides not to follow these recommendations, information should be provided on the measures taken to ensure the impartiality of operations.	YES	
3.2.6. Each member should devote sufficient time and attention to his or her duties as a member of the Management Board. If a member of the Management Board has attended less than half of the meetings of the Management Board during the company's financial year, the company's Supervisory Board should be informed, or, if there is no Supervisory Board, the general meeting of shareholders.	YES	Relevant provisions are established in the member's contract with the company regarding their activities on the Management Board.
3.2.7. If, in the cases provided for in the Law, some of the members of the Management Board will be independent when the Management Board is elected without a Supervisory Board, the members of the Management Board deemed to be independent should be disclosed. The Management Board may decide that a particular member of the Management Board, although fulfilling all the criteria for independence set out in the Act, may not be considered independent because of special personal or company-related circumstances.	Not relevant	The company's articles of association stipulate that a permanent Management Board is formed within the company, where all members of the Board are heads of the company's structural departments (services) – the company's executive employees.
3.2.8. The amount of remuneration to be paid to members of the Management Board for their activities and participation in the meetings of the Management Board should be approved by the company's general meeting of shareholders.	NO	The General Meeting of Shareholders has delegated this function to the Supervisory Board by the Articles of Association.
3.2.9. Members of the Management Board should act in good faith, diligently and responsibly in the best interests of the company and its shareholders and represent their interests, taking into account other interest holders. They should not pursue personal interests in their decision-making, should be subject to non-competition agreements, and should not, to the detriment of the company's interests, take advantage of business information and opportunities that are relevant to the company's activities.	YES	Relevant provisions are established in the board member's contract with the company regarding their activities on the board.
3.2.10. Each year, the Management Board should carry out an evaluation of its performance. It should include an assessment of the structure, organisation and ability to act as a group, as well as an assessment of the competence and effectiveness of each member of the Management Board and whether the Management Board has achieved its stated performance objectives. The Management Board should make publicly available relevant information on its internal structure and operational procedures at least once a year, without prejudice to the requirements of the legislation governing the processing of personal data.	YES	Performance self-assessment shall be carried out in accordance with the recommendations and recommended forms (questionnaires) adopted by the Management Coordination Centre
<p><b>4. PRINCIPLE: RULES OF PROCEDURE OF THE COMPANY'S SUPERVISORY BOARD AND MANAGEMENT BOARD</b></p> <p><i>The company's rules of procedure of the Supervisory Board, if established, and the Management Board should ensure the effective work and decision-making of these bodies and promote active cooperation between the company's bodies.</i></p>		Further details are disclosed in section of the Consolidated Management Report. 4. <i>Corporate governance report</i>

PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
<p>4.1. The Management Board and the Supervisory Board, if established, should work closely together for the benefit of both 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, if necessary, promptly inform the Supervisory Board of all matters of importance to the company in relation to planning, business development, risk management and control, and compliance with the company's obligations. The Management Board should inform the Supervisory Board of actual deviations of the business development from the previously formulated plans and objectives, stating the reasons for this.</p>	YES	
<p>4.2. It is recommended that meetings of the Company's collegial bodies be held at appropriate intervals in accordance with a pre-approved schedule. It is up to each company to decide at what periodicity to convene the meetings of the collegiate bodies, but it is recommended that they be held at such periodicity as to ensure uninterrupted resolution of the essential issues of the management of the company. Meetings of the Company's collegiate bodies should be convened at least once a quarter of the year.</p>	YES	
<p>4.3. The members of the collegial body should be informed in advance of the convening of the meeting in order to allow sufficient time for adequate preparation of the issues to be discussed at the meeting and for the discussion leading to the adoption of decisions. The members of the collegial body should be provided with all relevant material relating to the agenda of the meeting together with the notice of the meeting. The agenda should not be changed or supplemented during the meeting, unless all members of the collegial body are present at the meeting and they agree to such amendment or addition to the agenda or there is an urgent need to address matters of importance to the company.</p>	YES	
<p>4.4. In order to coordinate the work of the company's collegial bodies and to ensure an efficient decision-making process, the chairpersons of the company's collegial supervisory and management bodies should coordinate with each other the dates of the meetings convened, their agendas, and closely cooperate in resolving other issues related to the management of the company. Meetings of the company's Supervisory Board should be open to the members of the company's Management Board, in particular where the meeting deals with matters relating to the removal of members of the Management Board, their liability and the determination of remuneration.</p>	YES	
<p><b>5. PRINCIPLE: APPOINTMENT, REMUNERATION AND AUDIT COMMITTEES</b></p>		Further details are disclosed in sections of the Consolidated Management Report 4.5 . <i>Audit and risk management committee and its activities</i>
<p><b>5.1. PURPOSE AND COMPOSITION OF COMMITTEES</b> <i>The committees established within the company should enhance the effectiveness of the Supervisory Board and, in the absence of a Supervisory Board, of the Management Board in its supervisory role, by ensuring that decisions are taken after due deliberation and by helping to organise the work in such a way as to ensure that decisions are not affected by material conflicts of interest. The Committees should act independently and in a principled manner and make recommendations in relation to the decision of the collegial body, but the final decision rests with the collegial body itself.</i></p>		
<p>5.1.1. Depending on the specific circumstances of the company and the governance structure chosen, the company's Supervisory Board and, in the absence of a Supervisory Board, the Management Board, which performs the supervisory functions, form committees. It is recommended that the collegial body form nomination, remuneration and audit committees.</p>	YES	<p>In order to implement the provisions of the Republic of Lithuania Law on Audit of Financial Statements (new name – Law on Audit of Financial Statements and Other Assurance Services) and Chapter V of ILTE's Articles of Association, the Supervisory Board of the ILTE has established an Audit and Risk Management Committee (hereinafter referred to as the ARMC) in 2024. The ARMC began its activities on 6 March 2024. The ARMC was elected until the end of the ILTE Supervisory Board's term (until 8 April 2027).</p>

PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
5.1.2. Companies may decide to have fewer than three committees. In this case, companies should provide an explanation as to why they have chosen the alternative approach and how the chosen approach meets the objectives set by the three separate committees.	NO	The currently applicable Articles of Association of ILTE only provide for the establishment of the Audit and Risk Management Committee, while the functions of other mentioned committees are carried out by the Supervisory Board. Once ILTE becomes a National Development Bank, and the regulatory framework and supervision model change, the need for the establishment of the Remuneration and Appointment Committees will be re-evaluated.
5.1.3. The functions assigned to the committees formed in the companies may be performed by the collegial body itself in the cases provided for by legal acts. In such a case, the provisions of this Code relating to committees (in particular as regards their role, functioning and transparency) should, where appropriate, apply to the collegiate body as a whole.	YES	
5.1.4. Committees set up by a collegiate body should normally have at least three members. Depending on the requirements of the legislation, committees may consist of only two members. The members of each committee should be selected primarily on the basis of their expertise, with a preference for independent members of the collegiate body. The Chairman of the Management Board should not be the Chairman of the Committees.	YES	The ARMC is composed of 4 independent members. Independent members of the Supervisory Board may also be elected to this committee.
5.1.5. The terms of reference of each committee formed should be determined by the collegiate body itself. The committees should carry out their duties in accordance with the established mandate and regularly inform the collegiate body of their activities and their results. The mandate of each committee, which defines its role and specifies its rights and obligations, should be published at least once a year (as part of the information published annually by the company on its governance structure and practices). The companies should also publish annually in their annual report, without prejudice to the requirements of the legal acts regulating the processing of personal data, the reports of the existing committees on their composition, the number of meetings and the attendance of members at meetings during the previous year, as well as on the main directions of their activities and results of their activities.	YES	
5.1.6. In order to ensure the independence and objectivity of committees, members of the collegiate body who are not members of the committee should normally be entitled to attend committee meetings only at the invitation of the committee. The Committee may invite or require certain employees or experts of the company to attend the meeting. The chairman of each committee should be able to communicate directly with the shareholders. The cases in which this should be done should be specified in the rules governing the operation of the Committee.	YES	
<b>5.2. NOMINATION COMMITTEE</b>		
5.2.1. The main functions of the Nomination Committee should be: (1) to select candidates for vacancies in the Supervisory, Governing Body and Executive Management positions and to recommend them to the collegial body for consideration. The Nomination Committee should assess the balance of skills, knowledge and experience within the governing body, develop a description of the functions and skills required for the specific position and assess the time required to complete the assignment; (2) regularly assess the structure, size, composition, skills, knowledge and performance of the supervisory and management bodies, and make recommendations to the collegiate body on how to bring about the necessary changes; 4) give due attention to succession planning.	NOT RELEVANT	All the above functions are carried out by the relevant collegiate body (the Supervisory Board or the Management Board, depending on the position for which the competition is organised). Independent providers of relevant services, experts (e.g. top management selection agencies, etc.) are also used to perform relevant functions as required.
5.2.2. When dealing with the members of the collegiate body who have an employment relationship with the company and the heads of administration, the head of the company should be consulted, giving him the right to submit proposals to the Nomination Committee.	NOT RELEVANT	See the explanation in paragraph 5.2.1.

**5.3. REMUNERATION COMMITTEE**

PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
<p>5.3.1. The main functions of the Remuneration Committee should be:</p> <p>1) submitting proposals to the collegiate body for consideration regarding the remuneration policy applicable to members of the supervisory and management bodies and heads of administration. Such policies should cover all forms of remuneration, including fixed remuneration, performance-based remuneration, incentive schemes in financial instruments, pension schemes, severance payments, as well as conditions that would allow the company to recover amounts or suspend payments, specifying the circumstances that would make this appropriate.</p> <p>2) to submit proposals to the collegial body regarding individual remuneration for members of collegial bodies and heads of administration in order to ensure that they comply with the company's remuneration policy and assessment of the activities of these persons;</p> <p>3) review the remuneration policy and its implementation on a regular basis.</p>	NOT RELEVANT	<p>The functions of the Remuneration Committee are carried out by the Management Board together with the Supervisory Board. The remuneration policy, which also applies to members of the Management Board, is approved by the Supervisory Board.</p> <p>The remuneration of the members of the Management Board and the Supervisory Board, as well as the remuneration of the members of the ARMC, is resolved by decisions of the General Meeting of Shareholders and the Supervisory Board.</p>
<b>5.4. AUDIT COMMITTEE</b>		
5.4.1. The main functions of the audit committee are defined in the legal acts regulating the activities of the audit committee.	YES	The Audit and Risk Committee performed all the statutory functions of the Audit Committee.
5.4.2. All members of the Committee should be provided with detailed information relating to the specific accounting, financial and operational features of the company. The audit committee should be informed by the company's senior management of the accounting treatment of significant and unusual transactions, which may be accounted for in different ways.	YES	
5.4.3. The Audit Committee should decide whether (and if so, when) the chairman of the board, the manager of the company, the chief financial officer (or senior employees responsible for finance and accounting), the internal auditor and the external auditor are to attend its meetings. The Committee should be able to meet the persons concerned, if necessary, without the presence of members of the management bodies.	YES	
5.4.4. The Audit Committee should be informed of the work programme of the internal auditors and receive internal audit reports or a periodic summary. The Audit Committee should also be informed of the work programme of the external auditors and should receive a report from the audit firm describing any relationship between the independent audit firm and the company and its group.	YES	
5.4.5. The Audit Committee should review the company's compliance with the provisions in place governing the possibility for employees to complain or report anonymously allegations of wrongdoing within the company and should ensure that there are procedures in place for a proportionate and independent investigation of such matters and for the appropriate follow-up action.	YES	
5.4.6. The Audit Committee should report to the Supervisory Board, or if no Supervisory Board is formed, to the Management Board, at least once every six months, at the time of the approval of the annual and half-yearly reports.	YES	
<p><b>6. PRINCIPLE: AVOIDANCE AND DISCLOSURE OF CONFLICTS OF INTEREST</b></p> <p><i>The corporate governance framework should encourage members of the supervisory and management bodies of the company to avoid conflicts of interest and ensure a transparent and effective mechanism for disclosure of conflicts of interest by members of the supervisory and management bodies of the company.</i></p>		Further details are disclosed in section of the Consolidated Management Report 6.7. <i>Sustainability Report. Governance area</i>
A member of the supervisory and management body of the company should avoid a situation where his personal interests conflict or may conflict with the interests of the company. If such a situation does arise, a member of the supervisory or management body of the company should, within a reasonable period of time, inform the other members of the same body, or the body of the company that elected him or her, or the shareholders of the company of the existence of such a conflict of interests, indicating the nature of the interests and, where possible, the value.	YES	
<p><b>7. PRINCIPLE: COMPANY REMUNERATION POLICY</b></p> <p><i>The company's remuneration policy and the procedures for its review and disclosure should prevent potential conflicts of interest and abuse in determining the remuneration of members of the collegiate bodies and the CEOs, as well as ensuring the openness and</i></p>		Further details are disclosed in section of the Consolidated Management Report 5. <i>Remuneration report</i>

PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
<i>transparency of the company's remuneration policy, including the company's long-term strategy.</i>		
7.1. The company should adopt and publish on the company's website a remuneration policy, which should be regularly reviewed and be in line with the company's long-term strategy.	YES	<p>The remuneration policy applicable to the Company's employees shall be published on the Company's website. The independent members of the collegiate bodies are not covered by this remuneration policy. Independent members of collegial bodies shall be paid the remuneration determined by a higher collegial body for their activities in the collegial body.</p> <p>During the reporting period, the members of the Supervisory Board were paid a fixed monthly remuneration. The fixed rate is not dependent on the achievement of indicators or the performance of the company. No other forms of remuneration (incentive schemes, pension schemes, severance payments, etc.) are applied to members of these collegiate bodies. Since 10 September 2023, the remuneration issues for the permanent executive board, composed of executive employees – department heads and the CEO – are regulated by the decision of the Supervisory Board. It provides that a member of the Management Board shall be paid:</p> <ul style="list-style-type: none"> <li>- the remuneration of a member of the Management Board in accordance with the contract for activities on the board;</li> <li>- Salary under an employment contract;</li> <li>- Variable remuneration component, the payment and amount of which depends on the performance of the company and the employee.</li> </ul> <p>The following additional benefits may also apply to board members:</p> <ul style="list-style-type: none"> <li>- Employee health insurance;</li> <li>- Directors' liability insurance;</li> <li>- Allowance to cover transport costs.</li> </ul>
7.2. The remuneration policy should cover all forms of remuneration, including fixed remuneration, performance-related remuneration, incentive schemes with financial instruments, pension schemes, severance payments, as well as clauses providing for cases where the company may recover amounts paid or suspend payments.	YES	
7.3. In order to avoid potential conflicts of interest, the remuneration policy should provide that the members of the collegiate bodies exercising supervisory functions should not receive remuneration that is linked to the performance of the company.	YES	See explanation to page 7.1.
7.4. The remuneration policy should provide sufficient detail on the severance pay policy. Termination payments should not exceed a fixed amount or a fixed number of annual salaries and should generally not exceed a fixed part of two years' remuneration or its equivalent. Termination payments should not be made if the contract is terminated due to poor performance.	YES	
7.5. If the company is subject to a financial instruments incentive scheme, the remuneration policy should contain sufficiently detailed information on the retention of shares after vesting. In the event that the consideration is based on the allotment of shares, the right to the shares should not be granted for at least three years after their allotment. After the vesting, the members of the collegiate bodies and the heads of administration should retain a certain number of shares until the end of their term of office, depending on the need to cover any expenses related to the acquisition of shares.	NO	The Company does not provide for incentives in the form of shares or other financial instruments.

PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
7.6. The company should publish on the company's website information on the implementation of the remuneration policy, which should focus on the remuneration policy of the collegiate bodies and of the executive management for the next and, where appropriate, the following financial year. It should also provide an overview of how the remuneration policy was implemented in the previous financial year. Such information should not contain commercially valuable information. Particular attention should be paid to material changes in the company's remuneration policy compared to the previous financial year.	YES	The remuneration policy is disclosed in detail in the annual report set, which is published on the ILTE's website. Information on employee wages by job category is periodically published on the ILTE's website. <a href="https://ilte.lt/apie-mus/administracine-informacija/darbo-uzmokestis/78">https://ilte.lt/apie-mus/administracine-informacija/darbo-uzmokestis/78</a>
7.7. It is recommended that the remuneration policy or any material change in the remuneration policy should be included in the agenda of the General Meeting of Shareholders. Schemes under which the members and employees of the collegiate body are remunerated in shares or stock options should be approved by the general meeting of shareholders.	NOT RELEVANT	See the explanations in paragraphs 1.1, 1.3, 7.1, 7.5.
<p><b>8. PRINCIPLE: THE ROLE OF INTEREST HOLDERS IN THE MANAGEMENT OF THE COMPANY</b></p> <p><i>The corporate governance framework should recognise the rights of the holders of interests enshrined in laws or mutual agreements and promote active cooperation between the company and the holders of interests in the creation of welfare, jobs and financial stability of the company. In the context of this principle, the concept of holders of interests includes investors, employees, creditors, suppliers, customers, the local community and other persons with interests in a particular company.</i></p>		Further details are disclosed in section of the Consolidated Management Report 2.3. <i>Interested parties</i> and in section of the Sustainability Report 6.3. <i>Interested parties and materiality assessment.</i>
8.1. The corporate governance framework should ensure that the rights and legitimate interests of the holders of interests are respected.	YES	
8.2. The management system of the Company should enable the holders of interests to participate in the management of the Company in accordance with the procedure established by law. Examples of the participation of interest-holders in the governance of the company could include the participation of employees or their representatives in important decisions of the company, consultation of employees or their representatives on corporate governance and other important issues, participation of employees in the authorised capital of the company, the involvement of creditors in the governance of the company in the event of the insolvency of the company, and others.	NO	The participation of holders of interests – employees or their representatives in the management of the company shall take place only at the level of the employer's representative (manager of the company) and the works council. Employee representatives and other holders of interests shall not participate in the governance carried out by collegial bodies or the general meeting of shareholders. In its activities, ILTE aims to meet stakeholder expectations, create a transparent, close, and constructive dialogue with all stakeholders, and ensure fair accountability. Materiality assessments on sustainability issues also include groups of interested parties.
8.3. Where interest-holders are involved in the governance of the company, they should be given access to the relevant information.	YES	See Explanation to p. 8.2.
8.4. Interest holders should be able to confidentially report illegal or unethical practices to the collegiate body exercising the supervisory function.	YES	
<p><b>9. PRINCIPLE: DISCLOSURE OF INFORMATION</b></p> <p><i>The corporate governance framework should ensure that timely and accurate disclosures are made on all material matters of the company, including its financial situation, performance and corporate governance.</i></p>		
<p>9.1. Without prejudice to the company's regime for confidential information and trade secrets, as well as to the requirements of legislation governing the processing of personal data, the company's public disclosures should include, but not be limited to:</p> <p>9.1.1. Company's operations and financial performance;</p> <p>9.1.2. Company's business objectives and non-financial information;</p> <p>9.1.3. Persons owning or controlling a shareholding in the company, directly and/or indirectly and/or jointly with related persons, as well as the structure of the group of companies and their interrelationships, indicating the ultimate beneficial owner;</p> <p>9.1.4. Members of the supervisory and management bodies of the company, which of them are considered to be independent, the</p>	YES	Information is disclosed in the annual and 6-month reports set and on the company's website.

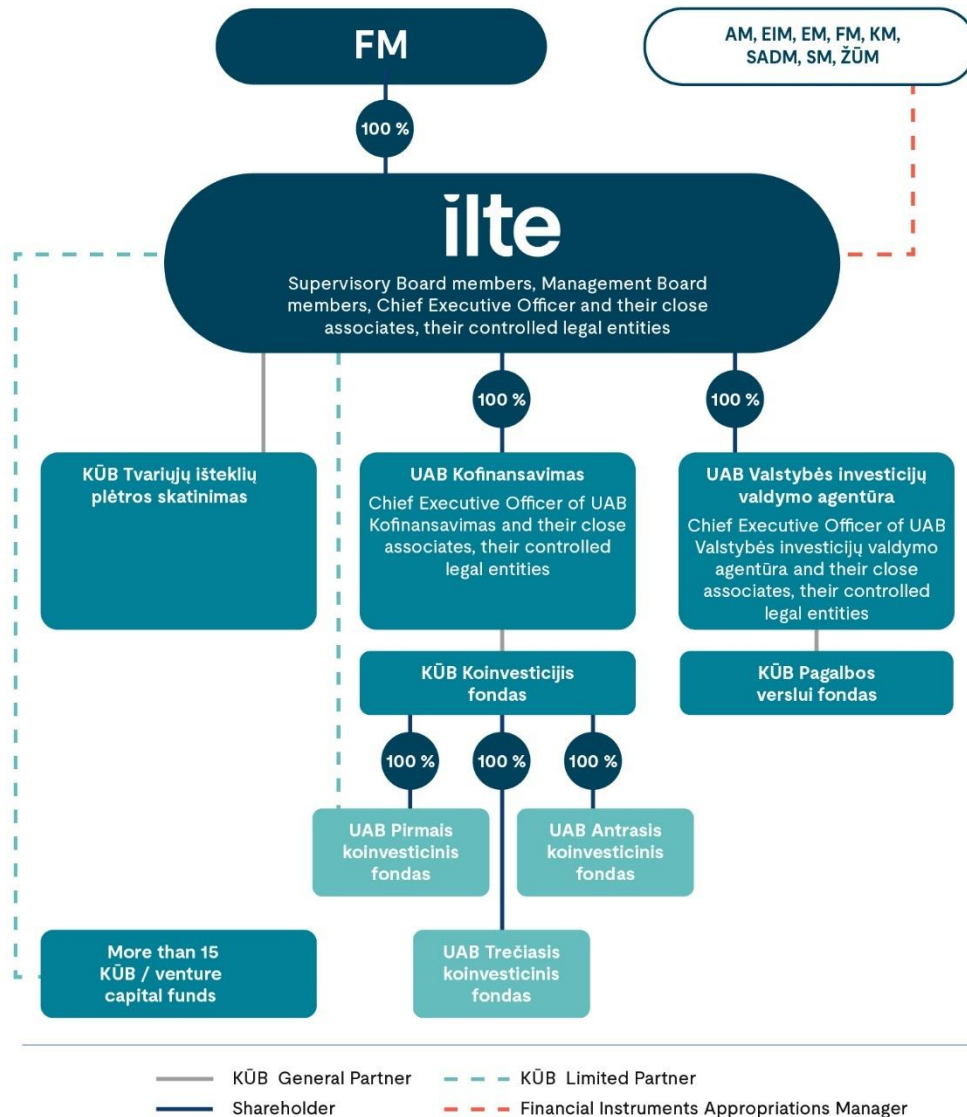


PRINCIPLES/RECOMMENDATIONS	Yes/No/Not applicable	Explanations:
<p>chief executive of the company, their shareholdings or votes in the company and their involvement in the management of other companies, their competence, remuneration;</p> <p>9.1.5. Reports of existing committees on their composition, number of meetings and attendance of members at meetings during the previous year, as well as on the main directions of their activities and results of their activities;</p> <p>9.1.6. Foreseeable material risk factors, the company's risk management and supervision policy;</p> <p>9.1.7. Transactions of the Company with related parties;</p> <p>9.1.8. Key issues relating to employees and other holders of interests (such as human resources policy, employee participation in company governance, promotion of company shares or stock options, relations with creditors, suppliers, local community, etc.);</p> <p>9.1.9. Company's governance structure and strategy;</p> <p>9.1.10. Initiatives and measures for the implementation of the Sustainability Policy, major investment projects underway or planned.</p> <p>This list is to be considered a minimum and companies are encouraged not to limit themselves to the disclosure of information contained in this list. This principle of the Code does not exempt the company from the obligation to disclose information provided for in legal acts.</p>		
<p>9.2. When disclosing the information referred to in paragraph 9.1.1 of recommendation 9.1, it is recommended that a company that is a parent in relation to other companies disclose information about the consolidated results of the entire group of companies.</p>	YES	
<p>9.3. When disclosing the information referred to in paragraph 9.1.4 of recommendation 9.1, it is recommended to provide information on the professional experience, qualifications and potential conflicts of interest of the members of the company's supervisory and management bodies, the manager of the company that could affect their decisions. It is also recommended to disclose the remuneration or other income received by the members of the supervisory and management bodies of the company and by the company's manager from the company, as detailed in Principle 7.</p>	YES	
<p>9.4. Disclosure should be made in such a way that no shareholders or investors are discriminated against in terms of the manner and extent to which they receive information. Disclosure should be made to all and at the same time.</p>	YES	
<p><b>10. PRINCIPLE: SELECTION OF THE COMPANY'S AUDIT FIRM</b>  <i>The mechanism for selecting the company's audit firm should ensure the independence of the audit firm's report and opinion.</i></p>		Further details are disclosed in section of the Consolidated Management Report. 4.10 <i>Information on the audit of the annual financial statements.</i>
<p>10.1. In order to obtain an objective opinion on the financial position and financial performance of the company, the verification of the set of annual financial statements of the company and the financial information provided in the annual report should be carried out by an independent audit firm.</p>	YES	
<p>10.2. It is recommended that the candidacy of the audit firm for the General Meeting of Shareholders be proposed by the Supervisory Board of the company or, if it is not formed in the company, by the Management Board of the company.</p>	YES	The Law on Public Procurement requires that audit services be procured through public procurement procedures. In accordance with the procurement procedures, the potential supplier who submitted the best tender is proposed to be appointed as an audit firm. The Supervisory Board is involved in the consideration of the qualification requirements to be applied for the selection of the audit firm through the procurement process.
<p>10.3. If the audit firm has received payment from the company for the non-audit services provided, the company should disclose this publicly. This information should also be at the disposal of the Supervisory Board of the company or, if it is not formed in the company, the Management Board of the company, when considering which candidate of the audit firm to propose to the General Meeting of Shareholders.</p>	YES	The procurement of audit services shall include checks on the appropriateness of management expenses as well as other audit services. This information shall be submitted together with the proposal for the appointment of the relevant audit firm.

## 7.4. Related parties and transactions with them

The parties are considered to be related if one party can control the other party or has significant influence over the other party in making financial or operational decisions.

Parties related to ILTE are presented in the diagram below.



Transactions with related parties, in accordance with the requirements of IAS 24, are evaluated through the following activities:

- Cooperation agreements for the financing and administration of measures implemented by ILTE;
- ILTE direct financing agreements for implementing debt financial instruments.

Contracts for the purchase of goods, services, and works are made in compliance with the Law on Public Procurement of the Republic of Lithuania.

## 7.5. Abbreviations

Considering that on 30 August 2024, UAB Investicijų ir verslo garantijos (INVEGA) changed its name to UAB ILTE, in the annual consolidated report set and in the prepared reports, for clarity and convenience, the new company name is used everywhere, regardless of the period being referenced.

%	Percentage
LC	Law on Companies
AEI	Renewable energy sources
AM	Ministry of the Environment of the Republic of Lithuania
ARMC	ILTE Audit and Risk Management Committee
ASV	Environmental, social, and governance areas (ESG)
Bankas	Commercial bank or other credit institution
BVP	Gross Domestic Product
DK	Labour Code
EBRD	European Bank for Reconstruction and Development
EEEF	European Energy Efficiency Fund
EIB	European Investment Bank
EIF	European Investment Fund
MEI	Ministry of Economy and Innovation of the Republic of Lithuania
EK	European Commission
ES	European Union
EURIBOR	(Euro Interbank Offered Rate) – Average European interbank interest rates at which banks are willing to lend money in euros to other banks.
FM	Ministry of Finance of the Republic of Lithuania
Group of companies, ILTE or company / firm	ILTE Group
IPF	Innovation Promotion Fund
KŪB	Limited partnership
LR	Republic of Lithuania
GRL	Government of the Republic of Lithuania
MVĮ	Small and Medium Enterprises
NPBĮ	Law on National Development Bank
NDB	National Development Bank
NDA	National Development Authority
OPEX	operating expenses
PVF	Business Assistance Fund
SIS	Special Investigation Service
SVV	Small and Medium Business
ŠESD	Greenhouse gases
TFAS	International financial reporting standards
SFF	Sustainable Finance Forum
TIPS	KŪB Tvariųjų išteklių plėtros skatinimas
UAB	Private Limited Company
VIPA	UAB Viešųjų investicijų plėtros agentūra
VIVA	UAB Valstybės investicijų valdymo agentūra
GFI	ILTE Green Finance Institute
ŽŪPGF	UAB Žemės ūkio paskolų garantijų fondas

# SET OF CONSOLIDATED FINANCIAL STATEMENTS

## 1. Annual financial statements for the period ended on 31 December 2024

### 1.1. Financial statements as at 31 December 2024, EUR

	Assets	Comments	Group		Company	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>A.</b>	<b>Fixed assets</b>					
I.	Intangible Assets	2.5	343 877	760 901	335 806	744 142
II.	Tangible fixed assets	2.6	195 054	119 500	192 745	117 623
III.	Right of use assets	2.7	-	520 768	-	520 768
IV.	Investments in securities	2.8	74 283 036	20 763 096	74 283 035	20 763 095
V.	Loans granted	2.9	5 646 994	4 635 192	5 646 994	4 635 192
VI.	Shares in associated entities	2.10	1 132 805	2 000 002	1 132 804	2 000 001
VII.	Investment in 3 Maritime Fund	2.11	14 268 569	16 018 176	14 268 569	16 018 176
VIII.	Investments in subsidiaries	2.12	-	-	1 151 874	1 151 648
IX.	Deferred tax assets	2.28	2 986 978	2 460 090	2 986 978	2 460 087
	<b>Non-current assets, total</b>		<b>98 857 313</b>	<b>47 277 725</b>	<b>99 998 805</b>	<b>48 410 732</b>
<b>B.</b>	<b>Current assets</b>					
I.	Loans granted	2.9	390 652	180 138	390 652	180 138
II.	Compensation receivables	2.18	5 062 937	8 888 349	5 062 937	8 888 349
III.	Other receivables due within one year	2.13	5 428 355	3 473 297	5 238 832	3 622 717
IV.	Other current financial assets	2.14	110 919 269	14 562 944	110 919 269	14 562 944
V.	Other current assets		622 384	1 124 536	594 214	1 121 394
VI.	Cash and cash equivalents	2.15	31 225 084	15 584 156	30 117 075	14 150 904
	<b>Current assets, total</b>		<b>153 648 681</b>	<b>43 813 420</b>	<b>152 322 979</b>	<b>42 526 446</b>
	<b>TOTAL ASSETS</b>		<b>252 505 994</b>	<b>91 091 145</b>	<b>252 321 784</b>	<b>90 937 178</b>

(continued on the next page)

	Equity and liabilities	Comments	Group		Company	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
C	Property					
I	Equity	2.16	203 438 066	53 438 076	203 438 066	53 438 076
II.	Share premium		524	524	524	524
III	Reserves	2.17	3 732 124	3 541 047	3 732 124	3 541 047
IV	Retained earnings		7 683 697	764 307	7 683 697	764 307
	<b>Equity, total</b>		<b>214 854 411</b>	<b>57 743 954</b>	<b>214 854 411</b>	<b>57 743 954</b>
E.	Non-current liabilities					
I.	Contractual guarantee obligations	2.20	4 839 549	5 097 840	4 839 549	5 097 840
II.	Other long-term payables		381 544	320 380	381 544	320 380
	<b>Long-term liabilities, total</b>		<b>5 221 093</b>	<b>5 418 220</b>	<b>5 221 093</b>	<b>5 418 220</b>
F.	Current liabilities					
I.	Provisions	2.18	22 749 828	21 713 833	22 749 828	21 713 833
II.	Current contractual guarantee obligations	2.20	1 749 482	1 867 613	1 749 482	1 867 613
III.	Prepayments	2.19	2 653 793	1 256 855	2 517 862	1 254 231
IV.	Trade accounts payable		358 324	194 481	358 324	175 061
V.	Lease obligations		-	530 888	-	530 888
VI.	Payroll and other related liabilities	2.21	2 218 620	1 959 843	2 215 972	1 837 666
VII.	Accrued expenses and other payables	2.21	2 700 433	405 458	2 654 812	395 712
	<b>Short-term liabilities, total</b>		<b>32 430 490</b>	<b>27 928 971</b>	<b>32 246 280</b>	<b>27 775 004</b>
	<b>Liabilities, total:</b>		<b>37 651 583</b>	<b>33 347 191</b>	<b>37 467 373</b>	<b>33 193 224</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>252 505 994</b>	<b>91 091 145</b>	<b>252 321 784</b>	<b>90 937 178</b>

(end)

The following notes to financial statements are an integral part of these financial statements.

The financial statements were prepared and signed on 24 March 2025.

General Manager

Director of the Financial  
Management Department

Dainius Vilčinskas

Jūratė Blėdaitė-Katilienė

## 1.2. Annual Statement of Profit (Loss) and Other Comprehensive Income of 31 December 2024, EUR

Item	Note	Group		Company	
		2024	2023	2024	2023
Income from guarantees granted	2.23	2 678 610	2 689 718	2 678 610	2 689 718
Fund of funds management fees	2.24	21 521 100	7 421 928	21 301 910	6 287 493
Reimbursement of fund management costs	2.25	6 809 482	6 192 175	6 525 994	5 958 230
Reimbursement of the costs of administering compensatory measures and of the costs of projects implemented with TP funds	2.25	1 520 992	1 544 972	1 520 992	1 544 972
Lending activities		332 615	238 501	332 615	238 501
Other income		70 953	17 395	70 953	17 116
<b>Total revenue and other income</b>		<b>32 933 752</b>	<b>18 104 689</b>	<b>32 431 074</b>	<b>16 736 030</b>
Change in provision for guarantee claims	2.18	(4 820 766)	6 005 459	(4 820 766)	6 005 459
Change in loan value		(957 080)	(80 735)	(957 080)	(80 735)
<b>Total change in provisions and loans</b>		<b>(5 777 846)</b>	<b>5 924 724</b>	<b>(5 777 846)</b>	<b>5 924 724</b>
Payroll, remuneration of governing bodies and related costs	2.26	(15 505 839)	(12 122 854)	(15 135 425)	(11 074 239)
Depreciation and amortisation	2.26	(911 103)	(711 402)	(901 239)	(643 554)
Administrative costs	2.26	(4 732 179)	(2 572 997)	(4 597 015)	(2 324 778)
<b>Operating expenses, total</b>		<b>(21 149 121)</b>	<b>(15 407 253)</b>	<b>(20 633 679)</b>	<b>(14 042 571)</b>
<b>Expenses, total</b>		<b>(26 926 967)</b>	<b>(9 482 529)</b>	<b>(26 411 525)</b>	<b>(8 117 847)</b>
<b>Operating profit (loss)</b>		<b>6 006 785</b>	<b>8 622 160</b>	<b>6 019 549</b>	<b>8 618 183</b>
Financial operating income	2.27	3 534 440	615 164	3 523 981	608 154
Cost of financing activities	2.27	(127 927)	(54 427)	(131 331)	(53 691)
Financial activities at net value		3 406 513	560 737	3 392 650	554 463
<b>Profit (loss) before tax</b>		<b>9 413 298</b>	<b>9 182 897</b>	<b>9 412 199</b>	<b>9 172 646</b>
Income (expense) from corporation tax	2.28	(1 729 601)	(1 515 445)	(1 728 502)	(1 505 194)
<b>Net profit</b>		<b>7 683 697</b>	<b>7 667 452</b>	<b>7 683 697</b>	<b>7 667 452</b>
Other comprehensive income		-	249 000	-	249 000
<b>GENERAL INCOME, TOTAL</b>		<b>7 683 697</b>	<b>7 916 452</b>	<b>7 683 697</b>	<b>7 916 452</b>

The following notes to financial statements are an integral part of these financial statements.

The financial statements were prepared and signed on 24 March 2025.

General Manager

Dainius Vilčinskas

Director of the Financial  
Management Department

Jūratė Blėdaitė-Katilienė

### 1.3. Annual statement of changes in equity as of 31 December 2024, EUR (GROUP)

Group	Comments	Authorised capital	Share premium account	Legal reserve	Special CAPITAL Reserve	Revaluation reserve	Reserves	Retained earnings	TOTAL
<b>Balance on 31 December 2022</b>		<b>8 688 600</b>	-	<b>713 187</b>	<b>257 289</b>	-	<b>2 360 250</b>	<b>841 286</b>	<b>12 860 612</b>
Increase of authorised capital	2.15	44 749 476	524	-	-	-	-	-	44 750 000
Allocated for dividends		-	-	-	-	-	-	(630 965)	(630 965)
Transferred to reserves	2.15	-	-	126 192	84 129	-	-	(210 321)	-
Reversal of revaluation reserve		-	-	-	-	(596 134)	-	596 134	-
Result of business combination and acquisition of a subsidiary	2.28	-	-	-	-	347 134	-	(7 499 279)	(7 152 145)
Net profit for the reporting period		-	-	-	-	-	-	7 667 452	7 667 452
Other gross income		-	-	-	-	249 000	-	-	249 000
<b>Balance on 31 December 2023</b>		<b>53 438 076</b>	<b>524</b>	<b>839 379</b>	<b>341 418</b>	-	<b>2 360 250</b>	<b>764 307</b>	<b>57 743 954</b>
Increase of authorised capital	2.15	149 999 990	-	-	-	-	-	-	149 999 990
Allocated for dividends		-	-	-	-	-	-	(573 230)	(573 230)
Transferred to reserves				114 646	76 431			(191 077)	-
Net profit for the reporting period		-	-	-	-	-	-	7 683 697	7 683 697
<b>Balance as at 31 December 2024</b>		<b>203 438 066</b>	<b>524</b>	<b>954 025</b>	<b>417 849</b>	-	<b>2 360 250</b>	<b>7 683 697</b>	<b>214 854 411</b>

(end)

The following notes to financial statements are an integral part of these financial statements.

The financial statements were prepared and signed on 24 March 2025.

General Manager

Dainius Vilčinskas

Director of the Financial Management  
Department

Jūratė Blėdaitė-Katilienė

1.4. Annual statement of changes in equity as of 31 December 2024, EUR (COMPANY)

Company	Comments	Authorised capital	Share premium account	Legal reserve	Special CAPITAL Reserve	Revaluation reserve	Reserves	Retained earnings	TOTAL
<b>Balance on 31 December 2022</b>		<b>8 688 600</b>	<b>-</b>	<b>713 187</b>	<b>257 289</b>	<b>-</b>	<b>2 360 250</b>	<b>841 286</b>	<b>12 860 612</b>
Increase of authorised capital	2.15	44 749 476	524	-	-	-	-	-	44 750 000
Allocated for dividends		-	-	-	-	-	-	(630 965)	(630 965)
Transferred to reserves	2.15	-	-	126 192	84 129	-	-	(210 321)	-
Reversal of revaluation reserve		-	-	-	-	(596 134)	-	596 134	-
Result of business combination and acquisition of a subsidiary	2.28	-	-	-	-	347 134	-	(7 499 279)	(7 152 145)
Net profit for the reporting period		-	-	-	-	-	-	7 667 452	7 667 452
Other gross income		-	-	-	-	249 000	-	-	249 000
<b>Balance on 31 December 2023</b>		<b>53 438 076</b>	<b>524</b>	<b>839 379</b>	<b>341 418</b>	<b>-</b>	<b>2 360 250</b>	<b>764 307</b>	<b>57 743 954</b>
Increase of authorised capital	2.15	149 999 990	-	-	-	-	-	-	149 999 990
Allocated for dividends		-	-	-	-	-	-	(573 230)	(573 230)
Transferred to reserves				114 646	76 431			(191 077)	-
Net profit for the reporting period		-	-	-	-	-	-	7 683 697	7 683 697
<b>Balance as at 31 December 2024</b>		<b>203 438 066</b>	<b>524</b>	<b>954 025</b>	<b>417 849</b>	<b>-</b>	<b>2 360 250</b>	<b>7 683 697</b>	<b>214 854 411</b>

(end)

The following notes to financial statements are an integral part of these financial statements.

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General Manager

Dainius Vilčinskas

Director of the Financial Management Department

Jūratė Blėdaitė-Katilienė



## 1.5. Annual cash flow statement 31 December 2024, EUR

		Comments	Group		Company	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
I.	Cash flows from operating activities					
I.1.	Net profit		7 683 697	7 667 452	7 683 697	7 667 452
I.2.	Adjustment to profit for the period:					
I.3.	Depreciation and amortisation	2.5, 2.6	904 222	711 402	894 358	639 365
I.4.	Losses from the write-off of long-term assets		6 880	-	6 880	-
I.5.	Interest incomes		(3 511 459)	(620 084)	(3 511 459)	(620 084)
I.6.	Interest costs		36 096	135 927	36 096	114 847
I.7.	Profit tax expense	2.28	1 729 279	1 515 445	1 728 502	1 505 194
I.8.	Other non-cash cash flows		(36 235)	(443 851)	(36 235)	(443 851)
	<b>Total adjustments to operating profit</b>		<b>(871 217)</b>	<b>1 298 839</b>	<b>(881 858)</b>	<b>1 195 471</b>
	Changes in assets and liabilities:					
I.9.	Decrease (increase) in reimbursable expenses	2.18	3 813 837	2 242 961	3 825 412	2 242 961
I.10.	Decrease (increase) in inventories		69	103	147	103
I.11.	Decrease (increase) in receivables		(1 608 156)	(315 796)	(1 618 797)	(239 839)
I.12.	Decrease (increase) in earmarked current assets		4 894	(3 711)	4 894	(3 711)
I.13.	Decrease (increase) in prepayments		(324 481)	(107 888)	(321 131)	(107 970)
I.14.	Increase (decrease) in payables		1 908 883	1 305 434	2 238 927	1 258 317
I.15.	Increase (decrease) in contractual guarantee obligations		(376 422)	1 432 644	(376 422)	1 432 644
I.16.	Increase (decrease) in provisions for guarantees	2.18	1 035 994	(9 406 545)	1 035 994	(9 406 545)
I.17.	Increase (decrease) of changes in value of the loan portfolio		957 080	73 636	957 080	73 636
I.18.	Increase (decrease) in provisions for changes in the value of securities		13 453	10 845	13 453	10 845
	<b>Total changes in assets and liabilities</b>		<b>5 425 151</b>	<b>(4 768 317)</b>	<b>5 759 557</b>	<b>(4 739 559)</b>
I.19.	Interest received on investments		3 257 584	-	3 257 584	-
I.20.	Paid profit tax		(127 694)	(274 416)	(127 594)	(271 376)

(continued on the next page)

		Comments	Group		Company	
			31 December 2024	31 December 2023	31 December 2024	31 December 2023
	<b>Net cash provided by operating activities</b>		<b>15 367 521</b>	<b>3 923 558</b>	<b>15 691 386</b>	<b>3 851 988</b>
II.	Cash flows from investing activities					
II.1.	Acquisitions of fixed tangible and intangible assets allocated to segments	2.5, 2.6	(172 669)	(170 669)	(171 061)	(153 467)
II.2	Sale of property		676 404	-	676 404	-
II.3	Loss (gain) on investment in subsidiary	2.12	-	-	(230)	(3 450)
II.4	(Investments) in fixed-term deposits	2.14	(201 800 000)	(3 550 000)	(201 800 000)	(3 550 000)
II.5	Repayment of investments in fixed-term deposits	2.14	108 750 000	7 700 000	108 750 000	7 700 000
II.6	(Investments) in Lithuanian Government bonds	2.8	(69 838 652)	(2 298 416)	(69 838 652)	(2 298 416)
II.7	Redemption of investments in Lithuanian Government bonds	2.14	13 405 300	8 070 705	13 405 300	8 070 705
II.8	Investment in 3 Maritime Fund		1 758 431	(5 085 659)	1 758 431	(5 085 659)
II.9	Interest received on investments		-	739 455	-	739 455
II.10	Loans granted		(1 494 808)	(2 325 420)	(1 494 808)	(2 325 420)
II.11	Loans received		186 635	630 408	186 635	630 408
II.12	Proceeds from mergers and acquisition of a subsidiary		-	8 347 056	-	6 592 826
II.13	Dividends received		-	-	-	375 862
	<b>Net cash flows from investing activities</b>		<b>(148 529 359)</b>	<b>12 057 460</b>	<b>(148 527 981)</b>	<b>10 692 844</b>
III.	Cash flows from financing activities:					
III.1	Dividends paid		(573 230)	(630 965)	(573 230)	(630 965)
III.2	Payments of lease liability		(623 994)	(440 728)	(623 994)	(389 328)
III.3	Cash flows related to other financing sources		149 999 990	-	149 999 990	-
	<b>Cash used in financing activities</b>		<b>148 802 766</b>	<b>(1 071 693)</b>	<b>148 802 766</b>	<b>(1 020 293)</b>
IV.	<b>Increase (decrease) in cash and cash equivalents</b>		<b>15 640 928</b>	<b>14 909 325</b>	<b>15 966 171</b>	<b>13 524 539</b>
V.	<b>Cash and cash equivalents at the beginning of the year</b>		<b>15 584 156</b>	<b>674 831</b>	<b>14 150 904</b>	<b>626 365</b>
VI.	<b>Cash and cash equivalents at the end of the reporting period</b>		<b>31 225 084</b>	<b>15 584 156</b>	<b>30 117 075</b>	<b>14 150 904</b>

(end)

The following notes to financial statements are an integral part of these financial statements.

The financial statements were prepared and signed on 24 March 2025.

General Manager

Dainius Vilčinskas

Director of the Financial Management Department

Jūratė Blėdaitė-Katilienė

## 2. Annual explanatory note

### 2.1. General information

UAB ILTE (hereinafter the Company or ILTE; formerly LIMITED LIABILITY COMPANY Investment and Business Guarantees, hereinafter in historical events – INVEGA) is a limited liability company registered in the Republic of Lithuania. Its registered address: Konstitucijos pr. 7, LT-09308, Vilnius, Lithuania. From 1 February 2025, the registered address: Ukmergės g. 124, 08104 Vilnius, Lithuania.

UAB ILTE is a state-established national development bank, whose objectives under the Republic of Lithuania Law on National Development Bank are to carry out incentive financing activities in areas determined by the Government, aim to ensure financially viable and efficient investments, and contribute to the economic, social, and regional development of the country. ILTE's core activities include conducting incentive financing operations, providing financial services, and implementing and managing financial and other types of financing instruments.

The nature of the Company's main activities is detailed in the Resolution of the GRL No 887 of 11 July 2001 "On the Activities of the Private Limited Liability Company Investicijų ir verslo garantijos" (hereinafter referred to as the Resolution of the GRL No 887), which regulates the establishment and activities of the Company. This Decree of the Government of the Republic of Lithuania stipulates that the Company shall carry out the activities of a national development institution (national development bank), a state-guaranteed guarantee institution and other activities:

1. Individual guarantees provided by a state-guaranteed guarantee institution;
2. Portfolio guarantees from a state-guaranteed guarantee institution;
3. Provide loans or other forms of lending, directly or through financial intermediaries;
4. Implement venture capital investment instruments directly or through financial intermediaries;
5. Manage holding funds, funds of funds, special funds and incentive financial instruments;
6. Provide grants, including conditional grants, and/or subsidies, including reimbursable subsidies, in connection with a financial instrument, financial service or incentive financial instrument;
7. Perform the functions of an intermediate institution in the area of the administration of the system of management and control of the funds of EU Structural Funds for 2014–2020;
8. Implements incentive financial instruments, projects and programmes in the field of development cooperation;
9. Implement social impact investment promotion measures that meet social needs, expecting not so much a financial return as a social benefit;
10. Carry out assessments of the need for incentive finance and review assessments in the cases and/or in the procedures established by the legislation governing the implementation of incentive finance instruments;
11. Provide grants to support Lithuania, to achieve the objective of investing in growth and jobs, from the European Regional Development Fund, the Cohesion Fund, the European Social Fund and the specific allocation for the Youth Employment Initiative projects co-financed by the EU Structural Funds and implemented under the Operational Programme for the Investment of EU Funds 2014-2020, as approved by the EC Implementing Decision of 8 September 2014, approving certain elements of the "Operational Programme for the Investment of European Union Funds 2014-2020", (notified to the EC by document C(2014) 6397), the procedure for awarding and repaying grants to municipalities established by the Minister of Finance;
12. Perform the other functions set out in Article 6(1) of the Law on the National Development Bank.

The State of Lithuania was the sole shareholder of the Company as at 31 December 2024 and 31 December 2023.

The Company's shares have been entrusted to the LR FM under the right of entrustment as from 15 April 2022.

As of 31 December 2024 and 31 December 2023, the Group consisted of ILTE, UAB Kofinansavimas, and VIVA. Authorised capital of UAB Kofinansavimas is EUR 50 000 (5 000 ordinary registered shares with a nominal value of EUR 10 each), all of which are owned by the Company. The activities of the subsidiary are the establishment and management of venture capital funds, venture capital investing and investment and financial advisory services. During the reporting period, the subsidiary implemented and managed the financial engineering facility Co-Investment Fund, financed by the controlling fund INVEGA Fund, the financial instrument Co-Investment Fund II, financed by the fund of funds Business Financing Fund, financed by the European Regional Development Fund, and the financial instrument Co-Investment Fund for communication, which does not involve the establishment of a fund of funds. VIVA's authorised capital is EUR 1 000 000 (10 000 ordinary registered shares with a nominal value of EUR 100 each), all of which are owned by the Company.

On 2 January 2023, 100% of the shares of VIPA, VIVA, and ŽŪPGF were transferred to INVEGA, and the control of these companies passed to INVEGA. In March 2023, the conditions for the reorganization of ŪPGF and VIPA were approved, by merging these companies with INVEGA. Following the consolidation of the Lithuanian National Development Institutions on 1 August 2023, VIPA and the ŪPGF were merged into INVEGA, and the vast majority of VIPA's staff was transferred to INVEGA.

On 31 December 2024, the Company's authorised capital consisted of EUR 203 438 066.22 (702 431 ordinary registered shares with a nominal value of EUR 289.62 each) and share premium of EUR 524.18. As of 31 December 2023, the Company's authorised capital amounted to EUR 53 438 075.82 (184,511 ordinary registered shares, each with a nominal value of EUR 289.62) and EUR 524.18 in share premiums. As of 31 December 2021 and 31 December 2024 all shares were paid up.

On 30 August 2024, UAB Investment and Business Guarantees changed its name to UAB ILTE.

On 31 December 2024 and 31 December 2023 the Company did not have acquired its own shares.

As of 31 December 2024 and 31 December 2024, the Company had no branches or representative offices.

As of 31 December 2024, the Group consisted of ILTE and its subsidiaries VIVA and UAB Kofinansavimas.

Company	The proportion of managed shares as of 31 December 2024:	Shareholding held as of 31 December 2023	Main activities
UAB Valstybės investicijų valdymo agentūra (VIVA)	100%	100%	Management of investment vehicles, establishment and management of investment funds, investing. The Company's objectives are to finance and/or promote sustainable development in areas where market-based financing is insufficient, by implementing and/or managing financial and other support measures to improve the liquidity and access to finance of medium and large enterprises.
UAB Kofinansavimas	100%	100%	Setting up and managing venture capital funds, venture capital investing and investment and financial advice.

Information about subsidiaries is presented in note 10.

Under multilateral agreements, the Group has been entrusted with managing controlling funds and funds of the funds structures, and the assets managed by these funds amounted to 2 249 732 390 euro as of 31 December 2024 (on 31 December 2023: EUR 1 845 464 089). Information on holding funds and funds of funds is presented in note 2.22.

As of 31 December 2024, the Group employed 330 people (on 31 December 2023: 259 employees): ILTE employed 324 staff (of whom 8 were on maternity and (or) parental leave until the child turns 3 years old) (as of 31 December 2023, ILTE employed 255 employees), UAB Kofinansavimas – 5 staff (as of 31 December 2023 – 3 employees), VIVA employed 1 staff (as of 31 December 2023, VIVA – 1 employee).

## 2.2. Basis of preparation of the financial statements

The key accounting principles applied in the preparation of the Company's and Group's financial statements for the period ending 31 December 2024 are as follows:

### Compliance with the established standards

These consolidated and separate financial statements (hereinafter the financial statements) are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

### Consolidation principles

The consolidated financial statements of the Group include the Company and its subsidiaries VIVA and UAB Kofinansavimas. The financial statements of the subsidiaries are prepared using the same accounting policies and cover the same reporting period as the Company's financial statements.

Subsidiaries are consolidated from the date when control passes to the Company and are deconsolidated from the date when control ceases. All intercompany transactions, balances and unrealised transaction gains or losses between Group entities are eliminated.

## Currency of financial statements

The Company and the Group maintain their accounts and present all amounts in these financial statements in euro.

## Use of estimates and judgements

In preparing its financial statements in conformity with the IFRS the management must make judgments that affect the selection of accounting principles and the amounts of assets, liabilities, income and expenses reported in the financial statements. The factual results may differ from the accounting estimates made. The accounting estimates and related assumptions are reviewed on a regular basis.

The effect of the changes in estimates is recognised in the period in which the estimate is reviewed, and in the forthcoming periods, if the estimate also affects the future periods. An estimate may need to be reviewed repeatedly in view of a change in the circumstances underlying the estimate, or new information becomes available or more experience is acquired.

The information about the material areas that are related to the uncertainties for the purpose of the application of the accounting policy, and which have an impact upon the amounts in the financial statements are presented in 2.18 Note:

Details of the accounting estimates and assumptions used in the measurement of warranty provisions are disclosed in note 2.18.

## Measurement of fair value

Fair value is the price at which the assets would be sold or liabilities transferred on the valuation date under an arm's length transaction between the market participants in the main market, and if it is not present – in the most advantageous market to which the Company and the Group can access at the measurement date. Fair value of liability reflects the risk of default effects. Where appropriate, fair value is determined by reference to a quoted price in an active market using discounted cash flow and option pricing models.

The Group and the Company use observable market data, to the extent practicable, in determining the fair value of assets or liabilities. Fair values are assigned to different levels of the fair value hierarchy based on the variables used in the valuation techniques:

Level 1: Prices quoted in active markets of the same assets or liabilities (not adjusted).

Level 2: Other variables, except for quoted prices for the asset or liability included in level 1 that are observed directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3: Variables of assets and liabilities not based on the observable market data (non-observable variables).

Where for the purpose of measuring the fair value of assets or liabilities the variables may be attributed to the different levels of the fair value hierarchy, the hierarchy level of the fair value to which the entire fair value established is attributed shall be established on the basis of the lowest level variable material for the measurement of the entire fair value.

The Group and the Company recognise transfers between levels of the fair value hierarchy at the end of the reporting period in which the change occurs.

The fair values were determined as a result of valuations and disclosures using the following methods. Where appropriate, more information about the assumptions made in determining fair values is disclosed in the notes to the financial statements that disclose information about a particular asset or liability.

The fair values of assets and liabilities presented in the statement of financial position as of 31 December 2024 do not significantly differ from the carrying amounts of assets and liabilities.

## 2.3. Application of new and revised IFRSs

The Company and the Group have consistently applied the accounting policies set out in note 2.4 for all periods presented in these financial statements.

## Application of new and amended IFRSs

New and/or amended standards and interpretations applicable from 1 January 2024:

The following are new standards and/or amendments to standards endorsed by the International Accounting Standards Board (hereinafter the IASB) and adopted for application in the EU in the year ended 31 December 2024. Standards or amendments to standards in force in 2024:

- Amendments to IFRS “Lease”: Lease liability on sale and leaseback transactions (effective for annual periods beginning on or after 1 January 2024).
- Amendments TO IAS 1 “Presentation of Financial Statements”: Classification of liabilities into current and non-current; Classification of liabilities as current and non-current – deferral of the effective date; Non-current liabilities with financial indicators (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 financial agreements (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 financial statements.

Standards, amendments to existing standards and interpretations issued by the IASB, adopted by the EU but not yet in force:

In preparing these financial statements, the Group has not applied new IFRSs, IASs, amendments and interpretations issued by the IASB that have an effective date later than 31 December 2024 and are available for earlier application. The following are new standards and/or amendments to standards that have been issued but have not yet entered into force. The following revised standards are not expected to have a material impact on the financial statements of the Group and the Company in the period of initial application:

- Amendments to IAS 21 “Effects of Changes in Foreign Exchange Rates”: Conversion shortfall (effective for annual periods beginning on or after 1 January 2025);

Standards, amendments to existing standards and interpretations that have not yet entered into force and have not yet been endorsed by the EU:

Currently, IFRS adopted in the EU are almost identical to standards adopted by the IASB, with the exception of the standards, amendments to standards and interpretations currently in force which have not yet been adopted in the EU (dates of validity apply in full to IFRS). The following standards, amendments and interpretations are set out below:

- IFRS 19 Disclosures of Parent Companies Without Public Reporting (applicable to annual periods beginning 1 January 2027);
- IFRS 18 Presentation and Disclosure in Financial Statements (effective for annual periods beginning on or after 1 January 2027).
- Changes in the classification and measurement of financial instruments (IFRS 9 and IFRS 7 amendments) (effective for annual periods beginning on or after 1 January 2026);
- Annual IFRS improvements – 11th version (effective for annual periods beginning on or after 1 January 2026);
- Contracts related to power generation from renewable sources: IFRS 9 and IFRS 7 amendments (effective for annual periods beginning on or after 1 January 2026);

The Group and the Company's management does not expect that the application of these standards, their amendments and interpretations will have a significant impact on the Group's consolidated and the Company's separate financial statements during the period of their initial application.

## 2.4. Accounting policy

The accounting policy as further described was consistently applied to all periods presented in the present financial statements, unless specified otherwise.

### Intangible Assets

At initial recognition, an intangible asset is accounted for at acquisition cost.

Intangible assets are recognised when it is probable that the Group and the Company will generate in the future an economic benefit from the assets and provided that value of the assets may be reliably measured. The Group and the Company apply a minimum value of EUR 1 000 for intangible fixed assets.

After initial recognition, intangible assets are measured at cost less accumulated amortisation and any accumulated impairment losses.

Intangible assets are amortised on a straight-line basis over the best estimate of their useful lives. Intangible assets are amortised over 2-3 years.

#### Licenses

Amounts paid for licenses are capitalised and amortised over the term of the license.

#### Software

The cost of acquiring new software is capitalised and recognised as an intangible fixed asset to the extent that the cost is not a component of computer hardware.

Software is amortised over a period no longer than 3 years.

Costs incurred to restore or maintain the potential future economic benefits from the operation of existing software systems is recognised as the costs of the period when the repair and maintenance work was carried out.

### **Tangible fixed assets**

Accounting policies by asset class:

<u>Cost</u>	<u>Revalued amount</u>
Computer hardware and software	Real Estate
Office equipment	
Furniture	
Vehicles	

Tangible fixed assets such as computers, office equipment, furniture, cars, etc. are carried at cost less accumulated depreciation and accumulated impairment losses, if any.

When such assets are sold or retired, their acquisition cost and accumulated depreciation in the accounts are eliminated, and profits of sale or losses are recognised in the income (loss) statement.

The initial value of long-term property consists of acquisition costs, including non-refundable acquisition taxes and all directly attributed costs related with the preparation for property exploitation or its transfer to the intended place of use.

Expenditures incurred after the property, plant and equipment have been put into operation, such as repair and maintenance costs, are charged to the income statement in the period the costs are incurred.

In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of assets, plant and equipment beyond its originally assessed standard of performance and/or that they have resulted in an increase of the useful life of the asset, the expenditures are capitalised as an additional cost of property, plant and equipment.

The Group and the Company apply a minimum value of tangible fixed assets of EUR 1 000.

Depreciation is computed on a straight-line basis over the following average estimated useful lives:

- Real estate (buildings): 20 years;
- Computer hardware and software 3 years;
- Office equipment: 4-6 years;
- Furniture: 6 years.

The useful service lives are reviewed periodically to ensure that the period of depreciation is consistent with the expected pattern of economic benefits from items in assets, plant and equipment.

The increase in the residual value due to the revaluation of fixed tangible assets is recognised in other comprehensive income in the profit and loss statement and other comprehensive profit and loss statement and is accumulated in the revaluation reserve in the equity part. However, the increase is recognised in the profit and loss statement to the extent that it reverses the reduction in the residual value of the same asset due to a revaluation previously recognised in profit or loss. A decrease in the residual value of an asset arising from a revaluation is recognised as profit or loss; impairments that offset previous increases in the value of the same asset are recognised in other comprehensive income and are presented in the form of a reduction in the

revaluation reserve. Each year, the difference between depreciation calculated on the basis of the revalued residual value of an asset (when the residual value increases on revaluation) recognised in profit or loss and depreciation calculated on the basis of the original acquisition cost of that asset is transferred from the revaluation reserve to retained earnings, after taking into account the effect of the deferred tax.

### **Impairment of intangible and tangible fixed assets**

At each balance sheet date, the Group and the Company reviews the carrying value of the assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the Company assesses the recoverable amount of the asset in order to be able to assess the impairment loss (if any). Where it is impossible to assess the recoverable value of assets, the Company estimates the recoverable amount in the cash-generating group to which the asset belongs. When consistent and reliable allocation basis is established, the assets are distributed to different property units generating income, or the assets are allocated to smaller cash-generating units for which reasonable and consistent allocation basis can be set.

Recoverable amount is the higher of the net selling price minus selling costs or the value in use.

In assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments conditions, time value of money and the risks associated with the assets, which was not taken into account in estimating the future cash flows.

If the estimated recoverable amount of the asset (or cash-generating asset group) is less than its carrying amount of this asset, the carrying amount of the asset is reduced to the recoverable value of this asset (or cash-generating asset group). An impairment loss is recognised immediately in profit (loss) statement, unless the relevant asset as carried at a revalued amount earlier, in which case, the impairment loss is treated as a revaluation decrease.

If after the recognition of impairment loss the value of the asset increases, the carrying amount of the asset (cash-generating asset group) is increased to the newly estimated recoverable amount, but so that the increase does not exceed the carrying value of the asset (cash-generating asset group) if the losses due to value impairment in previous years had not been recognized. Asset impairment loss is recognised immediately in the profit (loss) statement, unless the relevant asset has been carried at a revalued amount earlier, in which case the reversal is accounted for as a revaluation increase.

### **Financial instruments**

Financial assets and financial liabilities are recognised when the Group and the Company become party to the contractual provisions of the financial instrument.

Under IFRS 9, financial assets are divided into financial assets measured at fair value through other comprehensive income, financial assets measured at fair value through profit or loss, and financial assets at amortised value.

The basis for classifying financial assets and financial liabilities is the business model of financial asset management and the contractual cash flow characteristics of financial assets. The classification of financial assets is based on the usual business models used by the Group and the Company to manage their financial assets to generate cash flows. In the non-standard case, if cash flows are generated differently than the initial expectations included in the business model, the financial assets are not reclassified, but in the future, past events are taken into account when reviewing business models.

Financial liabilities are divided into financial liabilities accounted for at fair value through profit or loss and other liabilities measured at amortised cost. A financial asset is recognised at fair value at the time of acquisition, plus the directly attributable acquisition costs by including in profit or loss the change in the value of that financial asset that is not carried at fair value.

All ordinary purchases and sales of investments are recognised on the settlement date. The settlement date is the date of receipt of the asset purchased (the asset is recognised in the financial statements) or the date of transfer of the asset sold (the asset is derecognised in the financial statements). All other purchases or sales are recognised as derivative instruments until settlement occurs. When the Group and the Company recognise an asset at the settlement date, any change in the fair value of the asset receivable between the trade date and the settlement date is accounted for in the same way as an acquired asset.



### Calculated interest rate method

The imputed interest rate method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income and interest expense over the relevant period. The imputed interest rate is the interest rate that exactly discounts future cash payments or receipts through the expected life of the financial instrument or a shorter period to the net carrying amount of the financial asset or liability. The calculation includes all fees paid or received between the parties to the contract, which are a component of the calculated interest rate, transaction cost and any other premiums or discounts.

### Financial assets measured at amortised value

Financial assets are measured at amortised value if the following conditions are met: financial assets are held in accordance with a business model whose purpose is to hold financial assets for the purpose of collecting contractual cash flows and the terms of the financial asset contract may, on specified dates, result in cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortised value are accounted for at amortised value using the calculated interest rate method less any impairment. This value is calculated by deducting the principal amount repayments from the acquisition cost, plus or minus the cumulative amortization which is calculated using the effective interest method or as a difference between the acquisition cost and the redemption amount. These calculations include all received or paid commission fees, which are part of the calculated interest between the parties to the agreement, expenses, and all other premiums and discounts. Gains or losses on investments carried at amortised cost are recognised in profit (loss) statement when the investment is derecognised or their value decreases.

### Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or otherwise determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables) are measured at amortised cost using the imputed interest rate method less any impairment.

### Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash in transit and cash in banks, demand deposits and other short-term up to three months, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

### Write-offs

When loans and receivables are not probable of recovery and the collateral is realised, they are written off against the impairment of the loans. The decision to write off loans is made by the Company's management. When loans previously written off are recovered, the income is recognised in profit or loss.

### Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if the financial asset is held within a business model that achieves its objective by collecting contractual cash flows and selling the financial asset and the contractual terms of the financial asset are likely to result in cash flows that are solely payments of interest on the principal amount and the principal outstanding at specified dates. Financial assets at fair value through other comprehensive income may be held for an indefinite period of time and may be sold in response to liquidity needs or changes in interest rates, foreign exchange rates or share prices.

After initial recognition, financial assets measured at fair value through other comprehensive income are carried at fair value based on available market prices. The fair value of investments for which there is no active market is determined using valuation techniques. These methods involve valuing at market conditions on the basis of recent transactions in substantially similar instruments or on the basis of a discounted cash flow analysis. For financial assets at fair value through other comprehensive income, revaluation gains or losses are recognised in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognised or reclassified.

For debt securities, the difference between the initial carrying amount and the amortised cost, calculated using the imputed interest rate method, is treated as interest income and recognised in the profit and loss statement. After the sale of such securities, the accumulated fair value revaluation result associated with them, which was previously recognised in other comprehensive income, is reclassified from equity to profit or loss.

For debt financial instruments measured at fair value through comprehensive income, impairment is recognised in other comprehensive income and does not reduce the carrying amount of the financial asset. Impairment losses are recorded in the profit and loss statement.

#### Financial assets or financial liabilities designated at fair value through profit or loss

Financial assets are carried at fair value through profit or loss unless they are measured at amortised cost or fair value through other comprehensive income. A fair value measurement, the change in which is recognised in profit or loss, is made if it would eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise if the assets or liabilities were measured or their gains and losses recognised on a different basis, or a group of financial assets and financial liabilities is managed and the results of its operations are evaluated and reported at fair value in accordance with an agreed risk management or investment strategy.

Except for interest on interest rate swaps, interest on financial assets at fair value through profit or loss is included in net interest income. Revaluation and trading gains or losses arising from changes in financial assets or financial liabilities at fair value through profit or loss, as well as interest on interest rate swaps, are recognised directly in profit or loss statement as net financial income. Subsequent to initial recognition, such financial assets and liabilities are subsequently measured at fair value using quoted market prices or broker quotations.

#### Financial liabilities at amortised cost

Financial liabilities that are not accounted for at fair value through profit or loss are classified in this category and are accounted for at amortised cost. Financial liabilities accounted for at amortised cost consist of the change in the value of a loan, trade and other payable that is not accounted for at fair value through profit (loss).

#### Derecognition of financial assets and liabilities

The recognition of a financial asset in the accounting is terminated when the right to the cash flows of the financial asset expires or when the asset has been transferred and substantially all the risks and rewards of ownership of the asset have been transferred, and if the risks and rewards of ownership of the asset have not been substantially transferred, the Company determines whether the link with the asset allows the asset to be derecognised. A financial liability is derecognised when it is discharged, cancelled or expires.

#### Reclassification of financial assets

The Company may reclassify all financial assets only when changing the business model for managing financial assets. Financial assets are reclassified prospectively from the date of reclassification.

#### Offsetting

Financial assets and liabilities may be offset against each other and presented on a net basis in separate financial statements if there is a legal possibility to offset the amounts recognised and the intention is to settle on a net basis or sell the asset and settle the debt at the same time.

#### Impairment of financial assets

The Company and the Group recognise impairment losses for expected credit losses (ECL) on financial assets that are not measured at fair value through profit or loss. Expected credit losses on financial assets are assessed by the impairment amount, which equals:

12-month expected credit losses; it is the probable credit loss that would result from a default on a financial liability that is probable within 12 months of the date of the financial statements; or  
all expected credit losses; i.e., all probable credit losses that result from all possible defaults over the life of the financial asset.

A reduction in the value of all expected credit losses on financial assets is calculated if the credit risk to such financial assets has increased significantly since initial recognition. For all other financial assets, expected credit losses are calculated taking into account the 12-month projected credit losses.

Projected credit losses are a probability weighted estimate of the present value of credit losses. They are measured as the difference in current value between the cash flows arising from the Group and the Company's contractual flows and the cash flows that the Group and the Company expects to derive from the numerous future economic events, discounted at the effective interest rate of the financial asset.

#### Impairment of deposits with banks, securities

The Group and the Company anticipate expected credit losses to reflect changes in credit risk since the initial recognition of debt securities, loans to credit institutions and exposures to central banks. Impairment loss requirements apply to financial assets at amortised cost, but do not apply to financial assets measured at fair value in the profit or loss statement. For financial assets measured at fair value through other comprehensive income, impairment is recognised in other comprehensive income and does not reduce the carrying amount of the asset.

Impairment losses are recognised on the basis of forward-looking information even if no loss event has occurred. The assessment takes into account a wide range of information, but as most of these exposures are rated, it relies heavily on external credit ratings and default rates provided by rating agencies, calculated from historical rating transition matrices. If the exposure does not have an external rating, this may be replaced by an internally calculated credit quality level. It also takes into account insolvency events, any forbearance of payments, debt restructuring and the issuer's individual credit risk analysis. The Bank considers investment-grade exposures to be low credit risk assets. For exposures without an investment grade rating, a downgrade of the external credit rating by more than 3 points since acquisition are treated as a significant increase in credit risk. Expected credit losses are recognised depending on the tier to which the exposure has been allocated at the reporting date. For exposures in Tier 1 where the credit risk has not increased significantly since initial recognition, the 12-month expected credit loss recognition method shall be applied. The lifetime expected credit loss approach is applied to exposures in Tier 2 that have significantly increased in credit risk since initial recognition and to exposures in Tier 3 that are impaired. If an exposure is classified in Tier 3, an in-depth analysis is additionally performed, including a comparison with market valuations of similar exposures, an analysis of the relevant stock market depth, past trading performance, and any other available information.

If in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed in profit (loss).

#### Provisions for expected credit losses on financial guarantees

The Group and the Company estimate expected credit losses to reflect changes in credit risk since the initial recognition of financial guarantees. Provisions are calculated in accordance with the Expected Credit Loss Calculation Policy approved by the Management Board (hereinafter the ECL Policy) and the Expected Credit Loss Calculation Procedure approved by the CEO (hereinafter the ECL Procedure).

Provisions in ILTE are calculated based on the TKN policy approved by the board and the procedure for provisions approved by the head of the service. The provisioning rates for each guarantee are determined by reference to the purpose of the loan, the size of the company, the duration of the company's activities or the type of activities, the status of the borrower and the ratio of the balance of the guarantee to the loan granted, the remaining validity of the guarantee in years and whether a claim for payment has been submitted. In order to reflect more accurately the impact of the macroeconomic environment on expected credit losses, the TKN regime has been adjusted for 2023: unified the methodology for calculating individual guarantees for the agricultural sector and other sectors, incorporating a vector autoregression model with the 12-month EURIBOR interest rate and real GDP change variables into the calculation of provisioning rates. Changes in the estimate of expected credit losses are directly related to changes in the corresponding continuously monitored data. The TKN procedure and methodology are regularly reviewed to reduce the differences between the estimated and actual losses.

#### **Investments in subsidiaries in the Company's financial statements**

Investments in the consolidated subsidiary are accounted for using the equity method, at the time of acquisition are recorded at the acquisition cost, and then reconciled with the changes in the net assets of the Company's subsidiary arising after the acquisition. Subsidiary means an entity that is directly or indirectly controlled by the Company.

#### **Assets and liabilities entrusted to administration**

By means of tripartite financing agreements, the Group and the Company are entrusted with the management and administration of holding funds financed from the 2007–2013 EU structural support funds and repaid funds, as well as funds of funds financed from 2014–2020 EU Structural Funds, and other funds, provided that the Republic of Lithuania will be the final economic beneficiary of the funding and will be entitled to the final results of the funding granted.

The respective holding funds and funds of funds are treated as resource funds without legal personality, established for the performance of certain functions assigned by the state, receiving only the income specific to

the respective funds, accumulating funds in separate accounts and using the funds in accordance with the established procedure for the implementation of the established tasks.

As of 1 January 2016, holding funds and funds of funds are considered as separate public sector entities, all economic operations and events are recorded in the accounting records of the relevant entity, annual financial statements and explanatory notes are prepared in accordance with the requirements of the Public Sector Accounting and Financial Reporting Standards (the PSAFRS).

Under the provisions of the IFRS, the assets and liabilities of holding funds and funds of funds are not the assets and liabilities of the Company and, therefore, information about the funds is provided for disclosure purposes.

The Group and the Company have no control over holding funds and funds of funds and are therefore not consolidated.

### **Lease accounting**

By entering into a new contract, the Company determines whether the contract is a lease or a lease. The contract is a lease or includes it if it gives the right to manage the use of the identified property for a certain period of time in exchange for remuneration. The Company uses the definition of a lease in IFRS 16 to assess whether a contract conveys the right to control the use of an identified asset for a specified period of time.

#### Company as a tenant

When entering into or adjusting a contract that includes leasing, the Group and the Company allocate the consideration under the contract to each lease component based on the relative standalone price of each lease component. However, in accounting for leases of immovable property, the Group and the Company have decided not to separate the non-lease components and to account for the lease and non-lease components as a single lease component.

The Group and the Company recognise a right-of-use asset and a lease liability at the commencement date of the lease. A right-of-use asset is initially measured at cost, which includes the amount of the initial valuation of the lease liability, adjusted by any lease payments on or before the commencement date, any initial direct costs incurred, and an estimate of the costs that the lessee will incur in dismantling and removing the leased property, managing its location, or restoring the leased property to the condition required by the terms of the lease, less any lease incentives received.

Subsequently, the right-of-use assets is depreciated using a straight-line method from the commencement date to the end of the lease term, unless the title to the leased assets is transferred to the Group and the Company under the lease agreement before the end of the lease term or the cost of the right-of-use assets implies that the Group and the Company will exercise the right of option to purchase. In this case, the right-of-use asset will be depreciated over the useful life of the leased property, which is determined on the same basis as the property and equipment. In addition, the value of right-of-use assets is periodically reduced by impairment losses, if any, and adjusted for certain reassessments of the lease liability.

The lease liability is initially measured at the present value of unpaid rents at the commencement date, discounted using the interest rate provided for in the lease agreement or, if that rate cannot be readily determined, the additional borrowing rate of the Group and the Company. Typically, the Group and the Company use their additional borrowing rate as the discount rate.

The Group and the Company determine their additional borrowing rate by obtaining interest rates from various external financing sources and make certain adjustments to reflect the terms of the lease and the nature of the leased assets.

Lease payments included in the measurement of the lease liability include:

- Fixed rents, including charges equivalent to fixed rents;
- Variable rents that depend on an index or rate initially measured using an index or rate at the start date;
- Amounts that the tenant should pay under the liquidation value guarantees;

The exercise price of a purchase option, if it is reasonably certain that the Group and the Company will exercise that option; Lease payments for an optional extension period, if it is reasonably certain that the Group and the Company will exercise the option to extend the lease term; Penalties for terminating the lease, unless it can be reasonably assumed that the Group and the Company will not terminate the lease.

The lease liability is measured at amortised cost using the imputed interest method. It is reassessed when a change in the index or rate results in a change in future rentals or a change in the estimate of the amount that

would be payable under a residual value guarantee, if the Company change their assessment as to whether they will exercise assessment of whether they will exercise the option to purchase, extend or terminate or if a fee equivalent to fixed lease payments is revised.

When a lease liability is remeasured in this way, the residual value of the right-of-use asset is adjusted accordingly, or the adjustment is recognised in profit or loss if the residual value of the right-of-use asset is reduced to zero.

The Company account for the right-of-use assets that do not meet the definition of investment property in the financial statements under the item of property, plant and equipment and the lease liabilities under the item of loans and arrears.

#### Short-term rentals and low-value rentals

The Group and the Company have decided not to recognise right-of-use assets and lease liabilities for low-value leases and short-term leases, including IT equipment. The lease payments in connection with such lease are recognised by the Group and the Company as an expense on a straight-line basis during the lease term.

#### The Group and the Company as lessor

The Group and the Company assign remuneration under the lease agreement to each lease component on the date of commencement or amendment of the agreement which includes the lease component according to their relative individual lease prices. When the Group and the Company act as a lessor, it determines at the beginning of the lease whether the lease is a finance lease or an operating lease. The classification of leases includes an overall assessment of whether the lease substantially transfers all the risks and rewards of ownership of the leased property. If transferred, the lease is a finance lease; if not, it is an operating lease. This assessment takes into account certain indicators, such as whether the lease covers a larger portion of the asset's economic life.

Where the Group and the Company are an intermediate lessor, it accounts separately for its principal leasing and subletting interests. The Group and the Company classify subleases on the basis of the right-of-use assets specified in the host contract, rather than on the basis of the leased assets. If the main lease is a short-term lease to which the exemption described above applies, then it classifies the sublease as an operating lease. If the agreement includes rental and non-rental components, the Group and the Company applies IFRS 15 to allocate the consideration specified in the agreement.

The Group and the Company applies the derecognition and impairment requirements in IFRS 9 to the amount of the net investment in the lease. The Group and the Company continue to regularly review the estimated unguaranteed residual values used to calculate the amount of the net investment in the lease.

The lease payments received under operating leases are accounted for by the Group and the Company as income on a straight-line basis during the lease term in the other income item. In principle, the accounting policies applied to the Group as lessors during the comparative period did not differ from IFRS 16, except for the classification of subleases entered into during the current period that were classified as finance leases.

### **Provisions**

In preparing financial statements in conformity with IFRSs, management makes certain assumptions and estimates that affect the reported amounts of assets, liabilities, income and expenses and the disclosure of uncertainties.

Provisions are recognised when and only when because of the event in the past, the Company has a legal obligation or irrevocable liability, and it is likely that it will require resources bringing economic benefit, and the amount of liability can be reliably measured.

The amount recognised as a provision is the best estimate required to cover the current liabilities in the reporting period, taking into account the risks and uncertainties arising from this liability. When a provision is valued using the estimated cash flows to cover a liability, its carrying value is the present value of these cash flows.

Where it is expected that part or all of the economic benefits needed to cover the provision will be recovered from a third party, the amount receivable is covered by the asset if it is certain that the compensation will be received and that the amount receivable can be measured reliably.

The Company establishes provisions for liabilities under the financial guarantees provided (Note 2.18) and long-term provisions for the employee pension reserve.

Any increase in the liability relating to guarantees is recognised in profit or loss as an impairment charge. The bonus received is recognised in profit (loss) as net commission income in a straight-line manner throughout the warranty period.

Warranties are irrevocable assurances that the Company will settle on behalf of the customer with third parties when he is unable to perform his obligations to third parties. Upon completion of the guarantee, it is accounted for in the financial statements and assessed for the absence of evidence of impairment.

## **Tax on profit**

Income tax expense represents the sum of the current year's tax payable plus deferred tax.

### Current year's tax

The income tax for the current year is paid on the basis of taxable profit for the year. Taxable profit differs from the profit (loss) presented in the income statement, as it does not include income or expense items that are taxed or credited in subsequent years, and also does not include items that are never taxed or credited. Income tax is calculated by using the effective tax rate applicable before the end of the reporting period. The corporate tax rate applicable to the Company and the Group is 15% in 2024 (15% in 2023).

### Deferred income tax

Deferred income tax is recognised on temporary differences between the value of assets and liabilities in the financial statements and their respective tax bases.

Deferred tax liabilities are generally recognised for all temporary differences and deferred tax assets are recognised only to the extent in which such recognition will probably reduce the available taxable profit through sales of existing temporary differences. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or if at the time of the transaction (other than a business merger) it is recognised as assets or liabilities that influence neither the taxable profit nor the financial profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered by the Group and the Company.

Deferred tax assets and liabilities are measured using the tax rates that will apply in the year in which those temporary differences are expected to be recovered or settled, based on tax rates (and tax laws) that have been or will be approved before the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group and the Company expect, at the reporting period, to recover or to settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are netted when it is legally permitted to offset current year tax assets and liabilities and when they relate to income taxes levied by the same authorities and the Group and the Company intends to offset current year tax assets and liabilities on a net basis.

### Current and deferred tax for the period

Current and deferred tax is recognised in the profit (loss) statement, except when it relates to items recognised outside the profit (loss) statement (directly in equity), in which case the tax is also recognised in the profit (loss) statement, or if they appeared in a business merger at initial recognition.

## **Recognising revenue**

IFRS 15 "Revenue from Contracts with Customers" sets out the principles that an entity must apply when communicating useful information to users of financial statements about the nature, amount, timing and uncertainty of income and cash flows arising from a contract with a customer.

Revenue is recognised at the transaction price when goods or services are transferred to the customer. Complex goods or services that can be distinguished are recognised separately and any discounts or rebates applied to the contract price must generally be allocated to the individual elements. Where rewards differ for certain reasons, minimum amounts must be recognised if the risk of their being rebuilt is not material. The costs incurred to ensure the conclusion of contracts with customers must be capitalised and amortised over the period of consumption of the contract.

In accordance with IFRS 15, the performance obligation (commitment to transfer goods or services to the customer) in the contract is determined, as well as whether the entity is acting as a principal (supplier of goods

and services) or agent (responsible for organising the supply of goods or services) on its own account and whether revenue from licensing should be recognised at a certain point in time or over a certain period.

The Group and the Company recognise revenue at that time and to the extent that the transfer of goods or services to customers would reflect an amount corresponding to the consideration which the Company expects to have in exchange for those goods or services. In applying this Standard, the Group and the Company take into account the terms of the Agreement and all relevant facts and circumstances. Revenue is recognised in the Group and the Company using a 5-step model:

- Step 1: Identification of contracts with the customer.

A contract is an agreement between two or more parties (depending on the terms of the purchase/sale) that creates enforceable rights and enforceable obligations (not applicable in the case of a joint venture agreement). A contract to which IFRS 15 applies is recognised only if the following criteria are met:

- The agreement has been approved by the parties (in writing, orally or in accordance with other usual business practices) and has undertaken to perform the obligations provided for in the agreement;
- It is possible to identify the rights of each party in relation to the goods and/or services to be transferred;
- It is possible to identify the payment terms provided for the goods and/or services to be transferred;
- The contract is commercial in nature;
- The likelihood of receiving consideration in exchange for goods and/or services that will be transferred to the customer.

Contracts with a customer can be combined or separated into several contracts, while maintaining the criteria of the previous contracts. Such a combination or separation is considered an amendment to the contract.

- Step 2: Identifying performance obligations in contracts.

The contract establishes an obligation to transfer the goods and/or services to the customer. If the goods and/or services can be distinguished, the obligations are recognised separately. Each liability is identified in one of two ways:

- The good and (or) service is distinct; or
- A set of individual goods and/or services which are substantially the same and which are transferred to the customer in a uniform pattern.

- Step 3: Pricing of transactions.

The Group and the Company take into account the terms and conditions of the transaction and normal business practices. The Transaction Price is the amount of consideration the Group and the Company expect to receive by transferring promised goods and services to the customer, excluding amounts collected on behalf of third parties. The remuneration provided for in the contract with the customer may include fixed amounts, variable amounts or both.

- Step 4: Assignment of the transaction price to performance obligations.

The Group and the Company assign a portion of the transaction price to each performance obligation in an amount that reflects the amount of consideration to which the Group and the Company expect to be entitled in exchange for the promised goods or services transferred to the customer. The transaction price is allocated to each performance obligation on the basis of the relative selling prices of the individual goods or services promised in the contract. If the contracts do not specify the price of the service or good separately (e.g. one price for two products), the Group and the Company determine the price. Similar transactions are treated the same.

- Step 5: Revenue recognition when the Company (in)meets its performance obligations.

The Group and the Company recognise revenue when the performance obligation to the customer is discharged by transferring the promised good or service to the customer (i.e. the customer obtains control of the asset). Revenue is recognised as an amount equal to the transaction price that has been determined for the related performance obligation. The amount of revenue recognised is the amount of revenue attributable to a settled obligation that can be settled at a specific time or over time.

The Group's and the Company's revenue consists of income from fund management services, remuneration for the issue of guarantee, interest received on granted loans, and administration fees.

Income from fund management services includes Fund management fees and reimbursement of expenses incurred. Amounts allocated to compensate for incurred fund management and administration expenses are

recognised immediately upon provision of services (when management and administration expenses are incurred). The management fee for the management of the Funds is calculated in accordance with the conditions laid down in the signed management agreements of the respective Funds.

The remuneration for providing a guarantee is allocated on a straight-line basis over the life of the guarantee for each guarantee contract separately. The guarantee validity period (the number of income recognition days) is determined at the time of the issue of guarantee taking into account the planned repayments of the guaranteed amount of financing under the signed financing agreement covered by the guarantee. The guarantee fee is calculated as a percentage of the guaranteed amount.

The financial investment income of the Group and the Company includes accrued earned interest on temporarily available funds, in accordance with Resolution No. 887 "On the Activities of the Private Limited Liability Company Investicijų ir verslo garantijos" of 11 July 2001 by the Government of the Republic of Lithuania as amended, and the Recommended Guidelines on financial risk management for state-managed enterprises prepared by specialists of the Ministry of Finance of the Republic of Lithuania and the Ministry of Economy and Innovation of the Republic of Lithuania (LR MEI) (available on the [website](#) of the LR FM on 11 July 2001) and the Investment Policy for Temporarily Available Funds approved by the Company's Board. Income from financial investment activities is recognised in the period during which it is earned (accruing interest, etc.), regardless of the receipt of money.

### **Expense recognition**

When it is impossible to relate the costs spent during the reporting period with the earning of specific income, and they will not generate income during the subsequent period, such costs are accounted as expenses in the same period when they incurred.

Amount of costs is usually accounted in the amount of paid and payable, excluding VAT. Non-refundable VAT is recognised as an operating expense in the reporting period.

When long period of settlement is provided, and interest is not distinguished, the amount of costs is assessed by discounting the settlement amount at the market interest rate.

### **Foreign currencies**

Foreign currency transactions are accounted for at the exchange rates prevailing at the date of transactions. Gains and losses arising from such transactions and from the revaluation of foreign currency denominated assets and liabilities at the financial statements date are recognised in the profit and loss statement.

Such balances are translated at period-end exchange rates.

### **Contingencies**

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources generating economic benefits is small.

A contingent asset is not recognised in the financial statements but is disclosed when an inflow of economic benefits is probable.

### **Events after the date of the balance sheet**

Post-reporting events that provide additional information about the situation of the Group and the Company at the date of preparation of the statements of financial position (adjusting events) are reflected in the financial statements. Events after the date of the balance sheet that are not corrective events, are described in the notes when they are significant.



## 2.5. Intangible fixed assets

On 31 December 2024 and 31 December 2023, the Company's long-term bonds consist of:

Group	Patents and licenses	Software	Total
<b>ACQUISITION COST</b>			
Balance on 31 December 2022	3 748	265 190	268 938
Merger of subsidiaries under common control	78 187	1 764 024	1 842 211
Acquisitions	14 787	110 397	125 184
Write-offs	(53 107)	(5 113)	(58 220)
Balance on 31 December 2023	43 615	2 134 498	2 178 113
Acquisitions	-	-	-
Write-offs	-	-	-
Balance as at 31 December 2024	43 615	2 134 498	2 178 113
<b>ACCUMULATED DEPRECIATION</b>			
Balance on 31 December 2022	3 748	226 164	229 912
Merger of subsidiaries under common control	61 466	821 019	882 485
Calculated depreciation	16 689	346 347	363 036
Write-offs	(53 107)	(5 114)	(58 221)
Balance on 31 December 2023	28 796	1 388 416	1 417 212
Calculated depreciation	14 432	402 592	417 024
Write-offs	-	-	-
Balance as at 31 December 2024	43 228	1 791 008	1 834 236
<b>BALANCE VALUE</b>			
Balance on 31 December 2022	-	39 026	39 026
Balance on 31 December 2023	14 819	746 082	760 901
Balance as at 31 December 2024	387	343 490	343 877

Company	Patents and licenses	Software	TOTAL
<b>ACQUISITION COST</b>			
Balance on 31 December 2022	3 748	265 190	268 938
Merger of subsidiaries under common control	78 187	1 741 523	1 819 710
Acquisitions	-	110 397	110 397
Write-offs	(53 107)	(5 113)	(58 220)
Balance on 31 December 2023	28 828	2 111 997	2 140 825
Acquisitions	-	-	-
Write-offs	-	-	-
Balance as at 31 December 2024	28 828	2 111 997	2 140 825
<b>ACCUMULATED DEPRECIATION</b>			
Balance on 31 December 2022	3 748	226 164	229 912
Merger of subsidiaries under common control	61 466	810 989	872 455
Calculated depreciation	6 190	346 347	352 537
Write-offs	(53 107)	(5 114)	(58 221)
Balance on 31 December 2023	18 297	1 378 386	1 396 683
Calculated depreciation	5 745	402 591	408 336
Write-offs	-	-	-
Balance as at 31 December 2024	24 042	1 780 977	1 805 019
<b>BALANCE VALUE</b>			
Balance on 31 December 2022	-	39 026	39 026
Balance on 31 December 2023	10 531	733 611	744 142
Balance as at 31 December 2024	4 786	331 020	335 806

Part of the Group and the Company's intangible assets, with an acquisition value of EUR 1 211 334 as of 31 December 2024 (EUR 673 233 as of 31 December 2023), was fully depreciated as of the reporting date, but still in use within the Group and the Company's operations.

## 2.6. Tangible fixed assets

On 31 December 2024 and 31 December 2023, the Group's and the Company's property, plant and equipment consisted of:

Group	Real Estate	Vehicles	Other equipment	Other equipment, fittings and tools	TOTAL
<b>ACQUISITION COST</b>					
Balance on 31 December 2022	-	-	-	169 643	169 643
Merger of subsidiaries under common control	755 048	9 990	-	417 610	1 182 648
Revaluation	249 000	-	-	-	249 000
Acquisitions	-	-	-	45 485	45 485
Reclassification to assets held for sale	(709 000)	-	-	-	(709 000)
Write-offs	(295 048)	-	-	(151 280)	(446 328)
Balance on 31 December 2023	-	9 990	-	481 458	491 448
Acquisitions	-	-	-	172 669	172 669
Write-offs	-	(9 990)	-	(1 607)	(11 597)
Balance as at 31 December 2024	-	-	-	652 520	652 520
<b>ACCUMULATED DEPRECIATION</b>					
Balance on 31 December 2022	-	-	-	140 276	140 276
Merger of subsidiaries under common control	302 715	4 578	-	241 644	548 937
Calculated depreciation	24 929	1 005	-	116 945	142 879
Reclassification to assets held for sale	(32 596)	-	-	-	(32 596)
Write-offs	(295 048)	-	-	(132 500)	(427 548)
Balance on 31 December 2023	-	5 583	-	366 365	371 948
Calculated depreciation	-	998	-	91 101	92 099
Write-offs	-	(6 581)	-	-	(6 581)
Balance as at 31 December 2024	-	-	-	457 466	457 466
<b>BALANCE VALUE</b>					
Balance on 31 December 2022	-	-	-	29 367	29 367
Balance on 31 December 2023	-	4 407	-	115 093	119 500
Balance as at 31 December 2024	-	-	-	195 054	195 054

Company	Real Estate	Vehicles	Other equipment	Other equipment, fittings and tools	TOTAL
<b>ACQUISITION COST</b>					
Balance on 31 December 2022	-	-	-	168 395	168 395
Merger of subsidiaries under common control	755 048	9 990	-	375 593	1 140 631
Revaluation	249 000	-	-	-	249 000
Acquisitions	-	-	-	43 069	43 069
Reclassification to assets held for sale	(709 000)	-	-	-	(709 000)
Write-offs	(295 048)	-	-	(109 263)	(404 311)
Balance on 31 December 2023	-	9 990	-	477 794	487 784
Acquisitions	-	-	-	171 061	171 061
Write-offs	-	(9 990)	-	(1 607)	(11 597)
Balance as at 31 December 2024	-	-	-	647 248	647 248
<b>ACCUMULATED DEPRECIATION</b>					
Balance on 31 December 2022	-	-	-	139 029	139 029
Merger of subsidiaries under common control	302 715	4 578	-	219 494	526 787
Calculated depreciation	24 929	1 005	-	109 407	135 341
Reclassification to assets held for sale	(32 596)	-	-	-	(32 596)
Write-offs	(295 048)	-	-	(103 352)	(398 400)
Balance on 31 December 2023	-	5 583	-	364 578	370 161
Calculated depreciation	-	998	-	89 925	90 923
Write-offs	-	(6 581)	-	-	(6 581)
Balance as at 31 December 2024	-	-	-	454 503	454 503
<b>BALANCE VALUE</b>					
Balance on 31 December 2022	-	-	-	29 366	29 366
Balance on 31 December 2023	-	4 407	-	113 216	117 623
Balance as at 31 December 2024	-	-	-	192 745	192 745

Depreciation costs were charged to operating expenses.

Part of the Company's property, plant and equipment with an acquisition value of EUR 317 019 as at 31 December 2024 has been depreciated but is still used in operations (on 31 December 2023: EUR 173 442).

## 2.7. Right-of-use assets

The Group and the Company have recognised right-of-use assets and additional lease liabilities under office space and car lease transactions. These liabilities are accounted for at the present value of the remaining lease payments, discounted interest rate. The interest rate applied to discount lease payments as of 31 December 2024 and 31 December 2023 was 1.5–3.25%.

In accordance with IFRS 16, the Group and the Company have recognised depreciation and interest expense related to these leases in 2024 and will recognise it in subsequent periods rather than operating lease expense. The Group and the Company will incur depreciation expense of EUR 554 323 during 2024. The Group and the Company will incur depreciation expense of EUR 500 411 during 2023.

The Lease agreement and supplementary agreements with the former lessor of the office premises expired as of 31 December 2024. The new premises were transferred for use at the beginning of 2025, therefore, ILTE had no assets managed under the right of use and no additional lease liabilities as at the end of the reporting period.

Group	Rights to real estate	Rights to transport	TOTAL
<b>ACQUISITION COST</b>			
Balance on 31 December 2022	1 047 099	50 472	1 097 571
Merger of subsidiaries under common control	530 777	41 879	572 656
Acquisitions	383 693	-	383 693
Write-offs	(1 061 554)	-	(1 061 554)
Balance on 31 December 2023	900 015	92 351	992 366
Acquisitions	57 010	-	57 010
Write-offs	-	-	-
Balance as at 31 December 2024	957 025	92 351	1 049 376
<b>ACCUMULATED DEPRECIATION</b>			
Balance on 31 December 2022	562 828	27 591	590 419
Merger of subsidiaries under common control	401 017	17 556	418 573
Calculated depreciation	500 411	23 749	524 160
Write-offs	(1 061 554)	-	(1 061 554)
Balance on 31 December 2023	402 702	68 896	471 598
Calculated depreciation	554 323	23 455	577 778
Write-offs	-	-	-
Balance as at 31 December 2024	957 025	92 351	1 049 376
<b>BALANCE SHEET VALUE</b>			
Balance on 31 December 2022	484 271	22 881	507 152
Balance on 31 December 2023	497 313	23 455	520 768
Balance as at 31 December 2024	-	-	-

Company	Rights to real estate	Rights to transport	TOTAL
<b>ACQUISITION COST</b>			
Balance on 31 December 2022	1 047 099	50 472	1 097 571
Merger of subsidiaries under common control	530 777	41 879	572 656
Acquisitions	383 693	-	383 693
Write-offs	(530 777)	-	(530 777)
Balance on 31 December 2023	1 430 792	92 351	1 523 143
Acquisitions	57 010	-	57 010
Write-offs	-	-	-
Balance as at 31 December 2024	1 487 802	92 351	1 580 153
<b>ACCUMULATED DEPRECIATION</b>			
Balance on 31 December 2022	562 828	27 591	590 419
Merger of subsidiaries under common control	401 017	17 556	418 573
Calculated depreciation	500 411	23 749	524 160
Write-offs	(530 777)	-	(530 777)
Balance on 31 December 2023	933 479	68 896	1 002 375
Calculated depreciation	554 323	23 455	577 778
Write-offs	-	-	-

Company	Rights to real estate	Rights to transport	TOTAL
Balance as at 31 December 2024	1 487 802	92 351	1 580 153
<b>BALANCE SHEET VALUE</b>			
Balance on 31 December 2022	484 271	22 881	507 152
Balance on 31 December 2023	497 313	23 455	520 768
Balance as at 31 December 2024	-	-	-

On 3 February 2025 and 14 February 2025, office premises (at 124 Ukmergės g., Vilnius) were handed over to ILTE for use under a contract signed on 15 November 2024. The leasehold interest in the premises and the additional lease obligations under this agreement are recognised from 1 March 2025.

## 2.8. Investment in securities

On 31 December 2024 and 31 December 2023, the Group's and the Company's financial assets consisted of long-term investments in bonds measured at amortised cost.

EU government long-term bonds mature on 12 February 2032. The average interest rate as of 31 December 2024 was 1.15% (1.22% in 2023).

On 31 December 2024 and 31 December 2023, the Group's and the Company's long-term bonds consist of:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>ACQUISITION COST</b>				
Balance as at January 1	20 778 481	10 509 225	20 778 480	10 509 224
Merger of subsidiaries		20 110 540		20 110 540
Acquired assets	60 040 234	2 298 416	60 040 234	2 298 416
Reclassifications to current assets (comment 2.14)	(5 547 599)	(12 139 700)	(5 547 599)	(12 139 700)
Assets redeemed	(1 000 000)		(1 000 000)	
Balance as at December 31	74 271 116	20 778 481	74 271 115	20 778 480
<b>ACCRUED INTEREST, DISCOUNT AND AMORTISATION</b>				
Balance as at January 1	(5 262)	(143 488)	(5 262)	(143 488)
Merger of subsidiaries under common control	-	72 594	-	72 594
Accrued interest, discount, amortisation	41 343	65 632	41 343	65 632
Balance as at December 31	36 081	(5 262)	36 081	(5 262)
<b>CHANGE IN VALUE</b>				
Change in value	(24 161)	(10 123)	(24 161)	(10 123)
<b>BALANCE SHEET VALUE</b>				
Carrying amount at January 1	20 763 096	10 362 365	20 763 095	10 362 364
Carrying amount at December 31	74 283 036	20 763 096	74 283 035	20 763 095

The change (decrease) in the value of long-term government bonds allowances is calculated based on IFRS 9 Financial Instruments and as of 31 December 2024 amounted to EUR 24 161 (EUR 10 123 as of 31 December 2023).

## 2.9. Loans granted

The Group and the Company took over 20 loan agreements from VIPA at the time of the merger in 2023. The loans were issued in the framework of the implementation of the measures. Granting of loans for the renovation and development of higher education and vocational training infrastructure (buildings) and to co-finance the loans of the Water Management Fund.

At the end of the reporting period, the balance of loans disbursed but not yet repaid amounted to EUR 6 189 887, of which EUR 5 821 067 is the long-term portion and EUR 368 820 the short-term portion.

The Group and the Company have determined the expected credit loss on the loans granted and made provisions of EUR 174 073 at the end of the reporting period. Provisions formed at the end of the reporting period in 2023 amounted to EUR 84 189.

Long-term portion of loans granted 31 December 2024:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance as at January 1	4 635 192	-	4 635 192	-
Merger of subsidiaries	-	2 672 339	-	2 672 339
Loans disbursed	1 494 808	2 169 352	1 494 808	2 169 352
Loan repayments	-	-	-	-
Reclassifications to current assets	(393 122)	(122 310)	(393 122)	(122 310)
Impairment	(89 884)	(84 189)	(89 884)	(84 189)
<b>Balance at the end of the reporting period</b>	<b>5 646 994</b>	<b>4 635 192</b>	<b>5 646 994</b>	<b>4 635 192</b>

Short-term portion of loans granted 31 December 2024:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Balance as at January 1	180 138	-	180 138	-
Merger of subsidiaries on 1 August 2023	-	428 442	-	428 442
Loans disbursed	-	152 018	-	152 018
Loan repayments	(186 635)	(540 438)	(186 635)	(540 438)
Reclassifications to current assets	393 122	122 310	393 122	122 310
Accrued interest	318 185	129 380	318 185	129 380
Interest received	(314 158)	(111 574)	(314 158)	(111 574)
<b>Balance at the end of the reporting period</b>	<b>390 652</b>	<b>180 138</b>	<b>390 652</b>	<b>180 138</b>

## 2.10. Shares of associates

Contribution to limited partnership Tvariųjų išteklių plėtros skatinimas TIPS – EUR 2 000 001.

The Group and the Company assumed, at the time of the merger in 2023, the rights and obligations under the articles of incorporation of TIPS signed by VIPA and the European Energy Efficiency Fund, S.A., a SICAV-SIF, a public limited liability company ("*société anonyme*"), a variable capital investment company – specialised investment fund ("*société d'investissement à capital variable – fonds d'investissement spécialisé*") established under the laws of the Grand Duchy of Luxembourg (the "EEEF") [2]. ILTE acquired VIPA's contribution as a genuine member in the amount of EUR 2 000 001. TIPS provided long-term loans (up to 10 years) to legal entities developing or planning to develop the market for generating consumers and installing solar power plants for generating consumers (legal and/or natural persons) or investing in remote solar parks, as well as legal entities implementing energy efficiency projects. A contribution depreciation of EUR 867 197 was formed at ILTE on 31 December 2024.

Contribution to KŪB Pagalbos Verslui Fondas – EUR 1.

The Group's subsidiary VIVA and UAB Valstybės investicinis kapitalas have established a limited partnership Pagalbos Verslui fondas (Business Assistance Fund) by a Participants Agreement signed on 6 October 2020. The

main area of activity of the Fund is assistance and investment in medium and large enterprises facing the challenges posed by COVID-19. VIVA acts as a full crew member with a contribution of EUR 1.

### 2.11. Investment in 3 Maritime Fund

At the time of the merger in 2023, the Group and the Company took over the rights of VIPA under the order of the GRL to represent the State of Lithuania in the Investment Fund of the Three Seas Initiative (hereinafter the 3J Fund). The 3J Fund is designed to invest in infrastructure development projects that develop transport, energy and digital links between countries in Central and Eastern Europe and reduce the socio-economic disparities between these countries and Western Europe. Countries investing in the 3J Fund become its founding members (Class A members) and have the right to take strategic decisions on its operations. In November 2020 The US House of Representatives passes a resolution in support of the 3J Fund. Lithuania has committed to invest up to EUR 20 million in the acquisition of Class A shares of the 3J Fund and to exercise the State's property and non-property rights and obligations as one of the shareholders of 3J Fund. By 31 December 2023, EUR 16 018 176 had been invested. In 2024, part of the investment of EUR 3 590 130 was returned. By 31 December 2024, EUR 14 268 569 had been invested.

### 2.12. Investments in subsidiaries

As of 31 December 2024 and 31 December 2023, the Company's investments in subsidiaries consisted of investments in VIVA and UAB Kofinansavimas.

Status of investment in subsidiary at 31 December 2021:

Company	Cost of investment, EUR	Shareholding	Accumulated profit (loss) 31 December 2023	Profit (loss) for the reporting period	Equity
UAB Kofinansavimas	50 000	100 %	(1 802)	(100)	48 098
VIVA	1 100 000	100 %	-	3 550	1 103 550

Status of investments in subsidiaries as at 31 December 2024:

Company	Cost of investment, EUR	Shareholding	Accumulated profit (loss) 31 December 2024	Profit (loss) for the reporting period	Equity
Coinvest Capital	50 000	100 %	(1 906)	(779)	47 315
VIVA	1 100 000	100 %	3 550	1 009	1 104 559

UAB Kofinansavimas was established on 18 July 2016. Since its establishment on 18 July 2016, the Company has held 100% of the shares of this subsidiary. The activities of the subsidiary are the establishment and management of venture capital funds, venture capital investing and investment and financial advisory services. The subsidiary implements and manages financial engineering instruments, including the Co-investment Fund facility financed by the controlling fund INVEGA Fund, the Co-investment Fund II facility financed by the Business Financing Fund from the European Regional Development Fund, and a separate financial facility Co-investment Fund for Transport.

On 2 January 2023, 100% of the shares of VIPA were transferred, and control of these companies passed to ILTE. VIVA is engaged in the management of investment vehicles, establishment and management of investment funds, and investing. The Company's objectives are to finance and/or promote sustainable development in areas where market-based financing is insufficient, by implementing and/or managing financial and other support measures to improve the liquidity and access to finance of medium and large enterprises.

## 2.13. Other receivables due within one year

On 31 December 2024 and 31 December 2023, other receivables in one year amounted to:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Receivable Reimbursement of Compensatory and Global Grant Facilities, Fund management and related costs	4 317 794	2 225 057	4 317 794	2 225 057
Compensation to be received for costs related to the consolidation of NDAs	757 169	1 099 305	757 169	994 342
Payment to be received from VIVA for the management services of the Business Assistance Fund	-	-	104 000	435 110
Amounts receivable from project promoters under the measures "Partial reimbursement of interest on loans", "Support for the first job", NUMOK	45 449	41 299	45 449	41 299
Amount receivable from KŪB Koinvesticinis fondas for fund management	35 480	27 984	-	-
Reimbursement to be received for the international CROWFUNDMACH project	26 054	18 948	26 054	18 948
Other debtors	276 094	188 797	18 051	36 054
Receivable compensation for guarantees from the ŽŪM	31 036	-	31 036	-
Depreciation of receivables from the State budget in the context of compensatory measures	(60 721)	(128 093)	(60 721)	(128 093)
<b>TOTAL</b>	<b>5 428 355</b>	<b>3 473 297</b>	<b>5 238 832</b>	<b>3 622 717</b>

As of 31 December 2024, the depreciation for receivables amounted to EUR 25 042, having decreased due to the partial financing of the compensation facility Partial interest compensation from state budget funds for 2023 received in 2024. At the end of 2023 the Company sees the likelihood of obtaining financing as highly uncertain and it is more likely than not that financing will not be provided, and has therefore provided for a full impairment of the receivable under this facility.

On 28 February 2024, a financing agreement was signed with the MF for the reimbursement of the costs of the NDI merger, resulting in the partial reimbursement of the costs of the NDI in 2024 and the establishment of an accounts receivable balance of EUR 757 169 as at 31 December 2024. As at 31 December 2023, the Company has established a receivable of EUR 994 342 (Group: EUR 1 099 305) to reimburse the costs of the merger of NDIs.

In 2023, a new division – the GFI – was established within the Company. The objective of the GFI is to promote the development of green finance in Lithuania, encompassing both public and private finance, to create a favourable ecosystem for green investments and thus contribute to the wider green transformation of the Lithuanian economy. In accordance with points 1.1.11 and 1.3.2 of the GRL Resolution No. 887, expenses for the operation of the GFI could be reimbursed. In 2023, the Company incurred EUR 66 813 in such expenses. As at the reporting date, no contract and/or funding has been signed and/or committed to reimburse these costs and, due to the high level of uncertainty, the Company has not established a receivable to reimburse the operating costs of the HFE.

By order No. 1K-245 of the Minister of Finance of the Republic of Lithuania dated 22 July 2024, funding to finance the activities of the ŽFI was allocated from the Economic Revitalisation and Resilience Increase Programme (EGADP) and the Lithuanian state budget. In 2024, funding was received to compensate for expenses incurred in 2023 – EUR 66 813. During 2024, the ŽFI incurred EUR 590 278 in expenses, of which, based on the provisions of the signed financing agreement, EUR 433 394 should be reimbursed.

## 2.14. Other current financial assets

As of 31 December 2024 and 31 December 2023, the Group's and Company's short-term financial assets consisted of amortised cost Government of Rep. of Lithuania bonds and short-term term deposits.

The redemption dates for the short-term Government of Rep. of Lithuania bonds are until 6 November 2025. The average interest rate as of 31 December 2024 was 2.24% (as at 31 December 2023 – 0.47%).

As of 31 December 2024 and 31 December 2023, the Group's and the Company's investments in short-term time deposits consisted of:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Short-term deposits with an Aa3-rated bank	35 064 711	-	35 064 711	-
Short-term deposits with an A2-rated bank	60 279 667	1 535 721	60 279 667	1 535 721
Short-term deposits with a Baa2-rated bank	-	450 000	-	450 000
<b>TOTAL</b>	<b>95 344 378</b>	<b>1 985 721</b>	<b>95 344 378</b>	<b>1 985 721</b>

As of 31 December 2024 and 31 December 2023, investments in short-term bonds consisted of:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>ACQUISITION COST</b>				
Balance as at January 1	12 589 931	4 818 005	12 589 931	4 818 005
Acquisitions and mergers of jointly controlled subsidiaries	-	3 702 931	-	3 702 931
Acquired assets	10 848 300	-	10 848 300	-
Reclassifications out of non-current investments held to maturity (Note 2.8)	5 547 599	12 139 700	5 547 599	12 139 700
Assets redeemed	(12 589 931)	(8 070 705)	(12 589 931)	(8 070 705)
Balance as at December 31	16 395 899	12 589 931	16 395 899	12 589 931
<b>ACCRUED INTEREST, DISCOUNT AND AMORTISATION</b>				
Balance as at January 1	(7 047)	57 304	(7 047)	57 304
Acquisitions and mergers of jointly controlled subsidiaries	-	82 217	-	82 217
Accrued interest, amortisation	(770 884)	(146 568)	(770 884)	(146 568)
Balance as at December 31	(777 931)	(7 047)	(777 931)	(7 047)
<b>CHANGE IN VALUE</b>				
Change in value	(43 077)	(5 661)	(43 077)	(5 661)
<b>BALANCE VALUE</b>				
Carrying amount at January 1	12 577 223	4 872 542	12 577 223	4 872 542
Carrying amount at December 31	15 574 891	12 577 223	15 574 891	12 577 223

The provision for the change in the value (decrease) of short-term government bonds is calculated according to IFRS 9 Financial Instruments and amounted to EUR 43 077 as of 31 December 2024 (EUR 5 661 as of 31 December 2023).



## 2.15. Cash and cash equivalents

As of 31 December 2024 and 31 December 2023, the Group's and the Company's cash and cash equivalents consisted of:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Cash at an A3 rated bank	2 874 654	3 497 575	2 874 654	2 064 323
Cash at an Aa3 rated bank	1 134 951	740 318	26 942	740 318
Cash at an Aa2 rated bank	1 550	653 439	1 550	653 439
Cash at an Baa2 rated bank	80 009	96 060	80 009	96 060
Cash in the Bank of Lithuania	27 146 052	10 596 764	27 146 052	10 596 764
Impairment	(12 132)	-	(12 132)	-
<b>TOTAL</b>	<b>31 225 084</b>	<b>15 584 156</b>	<b>30 117 075</b>	<b>14 150 904</b>

The provision for the depreciation of cash is calculated in accordance with IFRS 9 Financial Instruments.

## 2.16. Authorised capital (equity)

As of 31 December 2024, the Company's authorised capital amounted to EUR 203 438 066 (702 431 ordinary registered shares, each with a nominal value of EUR 289.62) and EUR 524 in share premiums, while as of 31 December 2023, the Company's authorised capital was EUR 53 438 600 (184 511 ordinary registered shares, each with a nominal value of EUR 289.62 and EUR 524 in share premiums). All shares as of 31 December 2024 and 31 December 2023 were paid up in full.

On 31 December 2024 and 31 December 2023 the Company did not have acquired its own shares.

The sole shareholder of the Company is the Lithuanian State. The LR FM is entrusted with the management of the Company's shares under the right of entrustment.

According to the Law on Companies, a company's equity capital may not be less than ½ of its authorised capital, as specified in its articles of association. As of 31 December 2022 and 31 December 2021, the Company met this requirement.

## 2.17. Reserves

On 31 December 2024 and 31 December 2023, the Group's and the Company's long-term bonds consist of:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Legal reserve	954 025	839 379	954 025	839 379
Special CAPITAL Reserve	417 849	341 418	417 849	341 418
Reserves for investments in the Company's operations	2 360 250	2 360 250	2 360 250	2 360 250
<b>TOTAL</b>	<b>3 732 124</b>	<b>3 541 047</b>	<b>3 732 124</b>	<b>3 541 047</b>

### Legal reserve

The statutory reserve is mandatory under Lithuanian law. At least 5 per cent of the net profit must be transferred to this reserve, until the reserve reaches 10% of the authorised capital. The reserve can only be used to cover losses of the Company. On 31 December 2024, the Company had built up a statutory reserve of EUR 954 025, representing 0.47% of the authorised capital.

### Special CAPITAL Reserve

The special capital reserve is mandatory under the NPB Law. The law stipulates an obligation for the NPB to form a special capital reserve. The special capital reserve is formed on an accrual basis, with no less than 10% of the current year's distributed profit allocated for this reserve annually until the established reserve level is achieved – at least 5% of the statutory capital of the NPB. The special capital reserve may be used to cover the losses of the

NPB by a decision of the general meeting of shareholders of the NPB. On 31 December 2024, the Company had formed a special capital reserve of EUR 417,849, which accounted for 0.21 % of the authorised capital.

#### Reserves for investments in the Company's operations

Distributable reserves are established in accordance with the resolution of the annual general meeting of shareholders on the distribution of profits and are provided in the Company's Articles of Association. These reserves can only be used for the purposes approved the general meeting of shareholders.

According to point 15<sup>1</sup>.1.4 of the Government of the Republic of Lithuania's Resolution No. 665 of 6 June 2012 "On the approval of the procedure for the implementation of state property and non-property rights in state-owned enterprises", the share of profit allocated to dividends should be no less than 70% of the distributable profit of the state-controlled company, if the return on the company's equity is greater than 5% and does not exceed 10% of the return on equity. The Company's return on equity is 5.64% in 2024. The indicator was calculated in accordance with paragraph 3 of Resolution No. 665 by dividing the net profit (loss) of the reporting year by the average equity at the beginning and end of this period.

In the Resolution No. 509 of the Government of the Republic of Lithuania, dated 18 May 2022, "On the approval of the target key financial performance indicators for state-managed enterprises for the period 2022–2024", the dividend ratio for the Company was set at ≥75–85% of the distributable profit for the 2022–2024 period. In view of the dividend regulation presented, the Company proposes to allocate 75% of its distributable profits to dividends for 2024.

Taking into account the aforementioned provisions of Resolution No. 509 of the Government of the Republic of Lithuania and the Law on NPB, it is proposed to distribute the Company's 2024 profit as follows:

#### Profit distribution draft

		<b>Amount, EUR</b>
1.	Undistributed profit (loss) of the previous financial year at the end of the financial year	-
2.	Net profit of the financial year	7 683 697
3.	Shareholders' contributions against the Company's losses	-
4.	<b>Total distributable profit</b>	<b>7 683 697</b>
5.	Share of profit allocated to the mandatory reserve (5 + 10%)	1 152 554
6.	Share of profit allocated to the special capital reserve (10%)	768 370
7.	Share of profits allocated to the reserve for the acquisition of own shares	-
8.	Share of profit allocated for dividend payments (75%)	5 762 773
9.	Share of profits allocated to annual payments (tantjems)	-
10.	<b>Undistributed profit at the end of the reporting financial year, carried forward to the next financial year (6 – 7 – 8 – 9 – 10 – 11)</b>	<b>-</b>

## 2.18. Provision for guarantees and receivable compensation amounts

### **Provisions**

ILTE provided and administered these individual guarantees, for which provisions are formed for expected payments:

1. For loans taken out by SMEs and large companies;
2. For SME lessees under the Financial Lease Guarantee Regulations;
3. For export credit guarantees. The export credit guarantee is provided only for the export of goods of Lithuanian origin to countries where there is a high risk of settlement fails and allows Lithuanian exporters to sell goods with a deferred payment option, covering up to 90 per cent of the losses incurred due to the insolvency of the buyer;
4. Loans and leasing transactions taken by ZŪ entities;
5. For loans from ŽŪ entities to address liquidity problems caused by COVID-19 (administered only);
6. For loans granted to agricultural entities in response to Russia's aggression against Ukraine (only administered from 2023-07-01).

Provisions in ILTE are calculated based on the policy approved by the board and the procedure for provisions approved by the head of the service. The provisioning rates for each guarantee are determined by reference to the purpose of the loan, the size of the company, the duration of the company's activities or the type of activities, the status of the borrower and the ratio of the balance of the guarantee to the loan granted, the remaining validity of the guarantee in years and whether a claim for payment has been submitted.

To better reflect the macroeconomic environment's impact on expected credit losses, an updated TKN framework has been applied since 2023: unified the methodology for calculating individual guarantees for the agricultural sector and other sectors, incorporating a vector autoregression model with the 12-month EURIBOR interest rate and real GDP change variables into the calculation of provisioning rates. There were no material methodological changes introduced in 2024.

In accordance with the above-mentioned TKN procedure, which classifies the Company's guarantee portfolio into the following risk groups for the purpose of assessing the risk of the guarantee portfolio and determining the expected funding requirements and provisions:

- Standardised credit risk group (RG1);
- Increased credit risk group (RG2);
- Defaulted credit risk group (RG3) or
- Credit risk group of terminated liabilities (RG4).

The Groups are also classified into risk levels:

- Standard credit risk level (STAGE 1);
- Increased credit risk level (STAGE 2);
- Non-performing credit risk level (STAGE 3 which includes RG3 and RG4).

Loan and leasing guarantees are grouped taking into account the information provided by the financial institutions that granted the loans on the delay in the repayment of the loan (or part thereof) and/or payment of interest, the financial position of the beneficiary of the financing and other facts about its activities and the implementation of the financed project, which may have a significant negative impact on the solvency of the beneficiary of the financing. At the time of initial acceptance of the guarantee, all guarantees are assigned to the standard credit risk class. In the standard credit risk group, only those guarantees are accounted for, where the borrower or lessee fulfils the obligations to the financial institution in a timely manner, tolerating delays of up to 30 days, and there are no other known adverse circumstances that increase the probability of insolvency. If the delays exceed 30 days but do not exceed 90 days, the guarantee is classified as enhanced (2) risk. This group also includes guarantees and loans where, although the obligations are being met on time, there is official negative information about the deterioration of the loan or lessee's condition or other circumstances that could have a material adverse effect on the solvency of the loan or lessee. When delays exceed 90 days, the guarantee is moved to the non-performing liabilities (3) credit risk group. The credit risk group of terminated liabilities (4) includes those guarantees where financial institutions have already terminated their credit agreements with the borrowers or are in restructuring or bankruptcy proceedings. According to IFRS 9, p1 risk group is standard, and expected 12-month credit losses are calculated for it; Risk group 2 is a higher risk group and is subject to expected credit losses for the entire remaining life of the loan; Risk groups 3 and 4 are loss-making and the guarantees in these groups are subject to an additional risk assessment taking into account the individual values of the selected criteria.

Export Credit Guarantees (ECGs) at initial recognition may be assigned to Standard (RG1) or Increased Credit Risk Group (RG2), depending on the risk of the exporter buyer and the country in which the buyer is registered. In the event of delay by the buyer in discharging its financial obligations to the exporter, or in the event of other material negative information on the buyer, such as its restructuring or bankruptcy, the export credit guarantee are assigned to the credit risk class of defaulted liabilities (RG3).

The portfolio of individual guarantees is grouped together for more accurate risk measurement and provisioning. The portfolios of guarantees within a group are structured in such a way that the guarantees in the portfolio share common credit risk characteristics (e.g. similar probability of default, similar guarantee payment arrangements, etc.).

Regarding the economic situation of the country in 2024, it is evident that Lithuania's economy showed moderate growth, but the business environment remained challenging. Inflation significantly decreased, providing relief to both households and businesses, but the shrinking export scale indicates that external markets are still not favourable. Wages grew rapidly, but this resulted in higher costs for businesses, which were not always compensated by higher profitability. Despite this, the labour market remained stable, and consumer spending

supported retail trade. In financial markets, EURIBOR rates stabilised, which helped maintain acceptable borrowing conditions, but higher interest rates still limited investments and housing market activity. The overall situation reflects a transitional period: the economy is adjusting to new realities, businesses cautiously assess expansion opportunities, and external demand remains weak. For further growth, promoting investments and the recovery of export markets will be crucial. According to the Bank of Lithuania's forecasts, the country's economy is expected to grow by more than 3% in 2025, with inflation reaching around 2.5%. This level of inflation is close to the European Central Bank's (ECB) target of 2%, which is expected to be achieved in 2025. To stimulate economic growth and control inflation, the ECB has recently reduced interest rates, and another reduction is planned for March 2025. These actions should lead to a decrease in EURIBOR, which will reduce borrowing costs for businesses. With lower interest rates and stabilising price growth, businesses can expect more favourable conditions for investment and operational expansion. This could positively impact their solvency and financial position. Nevertheless, it is important for businesses to closely monitor market changes and adapt to the evolving economic conditions. Stability is expected in the financial market, but external factors, such as US tariffs on EU imports, could create uncertainties and negatively affect economic growth and inflation. In summary, moderate growth is forecast for Lithuania's economy in 2025, with inflation stabilising and interest rates decreasing, which should create more favourable conditions for business operations and financial market stability.

Comparing the provisions formed for the agricultural sector at the end of 2023 with those at the end of 2024, the provisions increased. Provisions for individual guarantees in the agricultural sector amounted to EUR 13.14 million at the end of 2023, whereas in December 2024, they reached EUR 17.78 million. Excluding reinsured guarantees, provisions increased by EUR 4.64 million. The primary factor contributing to this increase was the deterioration in the quality of the agricultural sector's guarantee portfolio due to a change in the risk level of one of the clients.

The falling EURIBOR rate influenced the reduction of new rates, resulting in a decrease in provisions for liabilities in standard credit risk (STAGE 1) and increased risk (STAGE 2). The impact of the rates resulted in a EUR 1.3 million reduction in provisions. Provisions for the standard credit risk level decreased by EUR 0.91 million due to the reduction in rates, with the remaining EUR 0.29 million falling due to the amortisation of balances, which amounted to EUR 11.83 million. Provisions for the increased risk level decreased by EUR 2.63 million in total, of which EUR 2.24 million was due to the transfer of clients facing financial difficulties and potential insolvency from the second to the third risk level (STAGE 3). Macroeconomic reasons and lower debtor insolvency probabilities contributed to an additional reduction of EUR 0.39 million in provisions. The main reason for the overall increase in provisions was the recognition of some increased-risk clients as insolvent. Provisions for clients facing financial difficulties and recognised as insolvent increased by EUR 8.47 million.

#### Changes in individual guarantee provisions for ŽŪ

Risk group	Balances as of 31 December 2024	Balances as of 2023-12-31	Change in balances	Provisions as of 31 December 2024	Provisions as of 2023-12-31	Change in provisions
RG1	110 444 021	122 273 604	-11 829 583	991 041	2 190 741	-1 199 700
RG2	20 497 478	25 862 616	-5 365 138	3 734 212	6 369 140	-2 634 928
RG3	5 195 671	4 917 229	278 442	1 147 933	1 344 331	-196 398
RG4	18 101 876	6 417 299	11 684 577	11 903 988	3 231 179	8 672 809
<b>IN TOTAL</b>	<b>154 239 046</b>	<b>159 470 748</b>	<b>-5 231 702</b>	<b>17 777 174</b>	<b>13 135 391</b>	<b>4 641 783</b>

#### Changes in individual guarantee provisions for ŽŪ after counter-guarantee

Risk group	Balances as of 31 December 2024	Balances as of 2023-12-31	Change in balances	Provisions as of 31 December 2024	Provisions as of 2023-12-31	Change in provisions
RG1	110 444 021	122 273 604	-11 829 583	1 074 500	2 213 392	1 138 892
RG2	20 497 478	25 862 616	-5 365 138	3 218 642	5 913 774	-2 695 132
RG3	5 195 671	4 917 229	278 442	1 144 923	1 252 060	-107 138
RG4	18 101 876	6 417 299	11 684 577	11 779 790	2 665 694	9 114 096
<b>IN TOTAL</b>	<b>154 239 046</b>	<b>159 470 748</b>	<b>-5 231 702</b>	<b>17 217 855</b>	<b>12 044 920</b>	<b>5 172 934</b>

\*100% compensation of payouts for COVID-19 and Ukraine guarantees. However, EUR 128.491 of accumulated ILTE funds have been allocated for these guarantees and will be used to fulfil obligations under the provided guarantees. These funds are not included in the table.

Provisions for business guarantees as of 31 December 2024 amounted to EUR 4.91 million, compared to EUR 8.53 million on 31 December 2023 (a 42% decrease). The provision ratio for business sector guarantees decreased from 9.4% to 7%. The decrease in provisions, amounting to EUR 3.62 million, was driven by several factors. As with the guarantees for agriculture, the falling EURIBOR rate led to a more favourable outlook, reducing rates and resulting in a decrease in provisions in standard credit risk by EUR 0.8 million and in increased risk by EUR 0.5 million. The portfolio quality also improved, as the average probability of default (PD) decreased from 6.3% to 5.23%, resulting in a further reduction in provisions of EUR 2.21 million in the increased risk level. With fewer new individual guarantees issued for businesses, the portfolio structure changed: The portfolio balances decreased by EUR 12.89 million, and this amortisation led to a decrease in provisions of EUR 0.11 million. We applied over-guarantees for EIF and ILTE obligations, which have 90% guarantee credit risk compensation, for the agricultural guarantees for Ukraine and COVID-19, which are compensated 100%, GIF2 with 80% risk compensation, GIF3 with 90% or 95% compensation, and GPV with 80% or 95% compensation. After applying these over-guarantees, the provision trend remained the same, with provisions decreasing by EUR 0.31 million over the period.

Risk group	Balances as of 31 December 2024	Balances as of 2023-12-31	Change in balances	Provisions as of 31 December 2024	Provisions as of 2023-12-31	Change in provisions
RG1	55 290 843	68 180 344	-12 889 501	756 315	1 666 083	-909 768
RG2	11 839 264	19 908 963	-8 069 699	2 069 022	5 112 705	-3 043 683
RG3	662 679	962 080	-299 401	322 891	503 510	-180 619
RG4	2 464 718	1 718 268	746 450	1 758 332	1 251 389	506 943
<b>IN TOTAL</b>	<b>70 257 504</b>	<b>90 769 655</b>	<b>-20 512 151</b>	<b>4 906 560</b>	<b>8 533 687</b>	<b>-3 627 127</b>

Changes in the provisioning of business guarantees after taking in to account the counter-guarantees:

Risk group	Balances as of 31 December 2024	Balances as of 2023-12-31	Change in balances	Provisions as of 31 December 2024	Provisions as of 2023-12-31	Change in provisions
RG1	55 290 843	68 180 344	-12 889 501	58 362	142 518	-84 156
RG2	11 839 264	19 908 963	-8 069 699	205 634	452 680	-247 046
RG3	662 679	962 080	-299 401	20 952	50 374	-29 422
RG4	2 464 718	1 718 268	746 450	177 479	130 520	46 959
<b>IN TOTAL</b>	<b>70 257 504</b>	<b>90 769 655</b>	<b>-20 512 151</b>	<b>462 427</b>	<b>776 092</b>	<b>-313 665</b>

Change in provisions by sector:

Sector	Obligation balances as of 31 December 2024	Obligation balances as of 2023-12-31	Provisions as of 31 December 2024	Provisions as of 2023-12-31	Change over 2024
Individual guarantees for business	70 257 504	90 769 654	4 906 561	8 533 687	-3 627 126
Individual guarantees for agriculture	154 239 047	159 470 747	17 777 173	13 135 392	4 641 781
Individual guarantees for business – the counter-guaranteed part	70 257 504	90 769 654	4 444 134	7 757 595	-3 313 461
Individual guarantee for agriculture – counter-guaranteed part	154 239 047	159 470 747	559 318	1 090 472	-531 154
<b>Total excluding rebooking</b>	<b>224 496 551</b>	<b>250 240 401</b>	<b>22 683 734</b>	<b>21 669 079</b>	<b>1 014 655</b>
<b>Total after counter-guarantee</b>	<b>224 496 551</b>	<b>250 240 401</b>	<b>17 680 281</b>	<b>12 821 012</b>	<b>4 859 269</b>

Sector	Obligation balances as of 31 December 2024	Obligation balances as of 2023-12-31	Provisions as of 31 December 2024	Provisions as of 2023-12-31	Change
EKG guarantees	1 617 370	1 102 570	66 094	44 754	21 340
ILTE capital	6 189 887	4 881 714	174 073	84 189	89 884
Re-guaranteed part of the ECG guarantee	1 617 370	1 102 570	59 484	40 278	19 206
Re-guaranteed part of the VIPA capital	6 189 887	4 881 714			0
<b>Total excluding rebooking</b>	<b>7 807 257</b>	<b>5 984 284</b>	<b>240 167</b>	<b>128 943</b>	<b>111 224</b>
<b>Total after counter-guarantee</b>	<b>7 807 257</b>	<b>5 984 284</b>	<b>180 682</b>	<b>88 665</b>	<b>92 017</b>

On 31 December 2024, the Company's and Group's provisions (excluding any counter-guarantees) were:

Risk groups for loan and lease guarantees	Balance of commitments for which 90% of the credit risk of the guarantees is reimbursed by the State	Obligations for which 100% of the credit risk is compensated by the Agricultural Loan Guarantee Fund	Obligations for which 100% of the risk is compensated by ILTE (GIF, IG Agricultural)	Obligation balance of over-guaranteed loan portfolio, with 80% risk compensation by GIF2, 90% or 95% by GIF3, 80% or 95% by GPV	Liability balances	Total liabilities as a share of the (guarantee) portfolio, %.	Provisions
Individual guarantees RG1	-	5 326 031	105 117 991	55 290 843	165 734 865	74	1 747 356
Individual guarantees RG2	28 921	2 836 264	17 661 214	11 810 343	32 336 742	14	5 803 234
Individual guarantees RG3	12 729	13 500	5 182 171	649 950	5 858 351	3	1 470 823
Individual guarantees RG4	228 784	270 585	17 837 979	2 229 245	20 566 593	9	13 662 320
<b>TOTAL</b>	<b>270 434</b>	<b>8 446 380</b>	<b>145 799 355</b>	<b>69 980 381</b>	<b>224 496 551</b>	<b>100</b>	<b>22 683 734</b>

\*100% compensation for payouts will take effect only after the EUR 128 491 of accumulated ILTE funds are used to fulfil obligations under the provided guarantees.

Export Credit Guarantee Risk Groups	Remaining commitments. portfolio of counter-guaranteed loans, 90% of which is covered by the ECG	Total liabilities as a share of the (guarantee) portfolio, %.	Provisions
Export credit guarantees RG1	304 000	19	6 992
Export credit guarantees RG2	1 313 370	81	59 102
<b>TOTAL</b>	<b>1 617 370</b>	<b>100</b>	<b>66 094</b>

On 31 December 2023, the Company's and Group's provisions (excluding any counter-guarantees) were:

Risk groups for loan and lease guarantees	Balance of commitments for which 90% of the credit risk of the guarantees is reimbursed by the State	Liabilities for which 100% of the credit risk of the guarantees is offset by Agricultural loan guarantee fund balance*	Obligations for which 100% of the risk is compensated by ILTE (GIF, ŽŪ Agricultural)	Obligation balance of over-guaranteed loan portfolio, with 80% risk compensation by GIF2, 90% or 95% by GIF3, 80% or 95% by GPV	Liability balances	Total liabilities as a share of the (guarantee) portfolio, %.	Provisions
Individual guarantees RG1	-	7 751 764	114 521 840	68 180 344	190 453 948	76,1	3 856 825
Individual guarantees RG2	69 721	1 949 832	23 912 784	19 839 242	45 771 579	18,3	11 481 845
Individual guarantees RG3	14 863	289 600	4 627 629	947 217	5 879 309	2,3	1 847 841
Individual guarantees RG4(1)	231 286	1 230 792	5 193 195	1 480 293	8 135 566	3,3	4 482 568
<b>TOTAL</b>	<b>315 870</b>	<b>11 221 988</b>	<b>148 255 448</b>	<b>90 447 096</b>	<b>250 240 402</b>	<b>100</b>	<b>21 669 079</b>

\*100% compensation for payouts will take effect only after the EUR 128.491 of accumulated ILTE funds are used to fulfil obligations under the provided guarantees.

Export Credit Guarantee Risk Groups	Remaining commitments. portfolio of counter-guaranteed loans, 90% of which is covered by the ECG	Total liabilities as a share of the (guarantee) portfolio, %.	Provisions
Export credit guarantees RG1	221 000	20	5 083
Export credit guarantees RG2	881 570	80	39 671
<b>TOTAL</b>	<b>1 102 570</b>	<b>100</b>	<b>44 754</b>





As of 31 December 2024, assuming a 25% increase in the probability of insolvency for funding recipients, the provisions would increase by EUR 0.62 million, while assuming a 25% decrease in the probability of insolvency, the provisions would decrease by EUR 0.73 million.

### Compensation amounts

Compensation receivable at 31 December 2024 and 31 December 2023 in respect of loan guarantees issued:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Recoverable compensation amounts (100% and 90%) from payouts under provided guarantees, which are compensated by the Government of the Republic of Lithuania	190 468	201 857	190 468	201 857
Reimbursement receivable (80%) of payments under guarantees granted which are reimbursed from GIF 2 funds	110 828	183 223	110 828	183 223
Reimbursement receivable (90% and 95%) on payments under guarantees granted, which are reimbursed from GIF 3 funds	4 009 260	7 076 839	4 009 260	7 076 839
Reimbursement receivable (80% and 95%) of payments under guarantees granted, which are reimbursed from the GPV funds	133 578	295 675	133 578	295 675
Reimbursement receivable (90%) of payments under guarantees granted which are reimbursed from the ECG funds	59 484	40 284	59 484	40 284
Amounts received for the reimbursement of the guarantees of the COVID-19 and UKR of the MA COVID-19 and UKR, which are reimbursed by the Agricultural Fund of Funds from the returned and reverting funds	559 319	1 090 472	559 319	1 090 472
<b>Total compensatory amounts at the end of the reporting period (2)</b>	<b>5 062 937</b>	<b>8 888 350</b>	<b>5 062 937</b>	<b>8 888 350</b>
Provisions for guarantees granted for SME finance and multifamily, large enterprises (1)	4 906 561	8 533 687	4 906 561	8 533 687
Provisions for EKG guarantees (1)	66 094	44 753	66 094	44 753
Provisions for ŽŪ guarantees (1)	17 777 173	13 135 392	17 777 173	13 135 392
<b>Total provisions (1)</b>	<b>22 749 828</b>	<b>21 713 832</b>	<b>22 749 828</b>	<b>21 713 832</b>
<b>NON-REIMBURSABLE PART OF THE PROVISIONS (1-2)</b>	<b>17 686 891</b>	<b>12 825 482</b>	<b>17 686 891</b>	<b>12 825 482</b>

Table of changes in provisions related to individual guarantee business.

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Change (increase)/decrease in provision for guarantee claims	(4 861 406)	6 369 203	(4 861 406)	6 369 203
Benefits disbursed	40 640	(363 744)	40 640	(363 744)
<b>Cost of changing the provision for guarantee payments to the statement of profit (loss) and other comprehensive income</b>	<b>(4 820 766)</b>	<b>6 005 459</b>	<b>(4 820 766)</b>	<b>6 005 459</b>

Change in provisions for payment guarantees. During 2024, the Group incurred EUR 4.82 million in guarantee provision expenses. Key figures and reasons for changes:

Provisions for agricultural enterprises (considering over-guaranteeing) amounted to 5.17 million EUR in 2024; the decrease in the EURIBOR rate had an impact on the reduction of new rates, which led to a decrease in provisions,

but the main reason for the overall increase in provisions, despite the reduction in rates, was the recognition of some higher-risk clients as insolvent;

Provisions for business decreased during the reporting period (considering over-guaranteeing), and the cost change was positive, amounting to 0.31 million EUR; the decrease in the EURIBOR rate led to a more favourable outlook, but the most significant factor for the reduction in provisions was the decrease in the medium probability of default (PD) from 6.3% to 5.2% over the period.

Payouts made for guarantees amounted to 0.04 million EUR.

## 2.19. Prepayments received

On 31 December 2024 and 31 December 2023, advances received by the Group and the Company comprised:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Unused balance of advances received to reimburse the management and administration costs of holding funds, funds of funds	2 581 486	1 103 166	2 445 555	1 100 542
Advance payments received for the provision of a guarantee	46 805	78 813	46 805	78 813
Advance payments received under global grant management agreements for the implementation of measures	25 502	74 876	25 502	74 876
<b>Balance at the end of the reporting period</b>	<b>2 653 793</b>	<b>1 256 855</b>	<b>2 517 862</b>	<b>1 254 231</b>

## 2.20. Contractual guarantee obligations

Guarantee salary earnings table of the next period:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
In 1 year	1 749 482	1 867 613	1 749 482	1 867 613
After 1 year but not more than in 5 years	4 432 872	4 934 630	4 432 872	4 934 630
After 5 years	406 677	163 210	406 677	163 210
<b>BALANCE AT THE END OF THE REPORTING PERIOD</b>	<b>6 589 031</b>	<b>6 965 453</b>	<b>6 589 031</b>	<b>6 965 453</b>

## 2.21. Payroll and other related liabilities. Accrued charges and other payables

On 31 December 2024 and 31 December 2023, the Group's and the Company's payroll and other related liabilities and accrued expenses and other payables were as follows

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Accruals for staff and management bonuses	1 260 742	1 006 710	1 260 742	885 341
Vacation accruals and other wage-related liabilities	957 878	953 133	955 230	952 325
<b>Total payroll and other related liabilities</b>	<b>2 218 620</b>	<b>1 959 843</b>	<b>2 215 972</b>	<b>1 837 666</b>
Amounts payable to the Funds of the Funds, amounts to be reimbursed under the reimbursement measure "Partial reimbursement of interest"	124 271	147 626	124 271	147 626
Accrued audit and other service costs	319 297	26 640	319 297	26 640
Taxes withheld	723	-	394	-
Other payable amounts	2 256 152	231 192	2 210 850	221 446
<b>Total accrued charges and other payables</b>	<b>2 700 443</b>	<b>405 458</b>	<b>2 654 812</b>	<b>395 712</b>
<b>BALANCE AT THE END OF THE REPORTING PERIOD</b>	<b>4 919 063</b>	<b>2 365 301</b>	<b>4 870 784</b>	<b>2 233 378</b>

The largest portion of other payable amounts as of 31 December 2024 consisted of corporate income tax payable – EUR 2 062 394.

## 2.22. Assets entrusted to administration

On 31 December 2024 and 31 December 2023, the Group and the Company were the manager of financial instruments of holding funds

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>ASSETS ENTRUSTED TO ADMINISTRATION</b>				
Assets entrusted to INVEGA Fund	843 634 271	827 488 291	843 634 271	827 488 291
Assets entrusted with the management of the Fund of Funds "Entrepreneurship Promotion Fund 2014-2020, financed by the European Social Fund"	32 867 779	32 492 686	32 867 779	32 492 686
Assets entrusted to the administration of the Fund of Funds "Business Financing Fund financed by the European Regional Development Fund"	197 498 356	193 233 563	197 498 356	193 233 562
Assets entrusted to the management of the financial instrument "Co-investment Fund for Transport"	808 273	756 413	808 273	756 413
Assets entrusted to the administration of the fund of funds "Defence Investment Fund (DIF)"	12 194 173	13 947 168	12 194 173	13 947 168
Assets entrusted to the management of the Fund of Funds "Innovation Promotion Fund"	380 631 268	117 311 048	380 631 268	117 311 048
Assigned to administer Energy Efficiency Fund assets	130 964 247	20 940 445	130 964 247	20 940 445
Assigned to administer Fund Cultural Heritage Fund assets	4 196 418	2 588 558	4 196 418	2 588 558
Assigned to administer Fund Municipal Buildings Fund assets	12 378 629	13 499 017	12 378 629	13 499 017
Assigned to administer Water Management Fund assets	28 276 063	32 041 941	28 276 063	32 041 941
Assigned to administer financial instrument Installation of typical production-purpose buildings in free economic zones, industrial parks, and other industrial areas assets	29 983 362	30 073 206	29 983 362	30 073 206
Assigned to administer Multifamily Housing Modernisation Fund assets	376 941 985	376 595 547	376 941 985	376 595 547
Assigned to administer JESSICA Controlling Fund assets	17 126 093	18 544 260	17 126 093	18 544 260
Assigned to administer fund-of-funds Loan Fund assets	-	6 122 906	-	6 122 906
Assigned to administer fund-of-funds Agriculture Fund assets	154 219 446	138 312 343	154 219 446	138 312 344
Assigned to administer financial facility KPP financial instruments fund assets	27 990 903	21 272 691	27 990 903	21 272 691
<b>TOTAL ASSETS UNDER ADMINISTRATION</b>	<b>2 249 711 266</b>	<b>1 845 220 083</b>	<b>2 249 711 266</b>	<b>1 845 220 083</b>

\*Considering Order No. 3D-684 of the Minister of Agriculture of the Republic of Lithuania of 26 September 2024 "On the Transfer of Returned and Returning Funds of the Fund-of-Funds 'Loan Fund' and the Facilities of the Fund-of-Funds 'Loan Fund' to the Fund-of-Funds 'Agricultural Fund'," it was established that the remaining balance of the funds of the Loan Fund held in the Loan Fund's bank accounts, as well as the investments made by the Loan Fund from temporarily available Loan Fund resources, the portion of unused funds transferred in advance to the Loan Fund manager as of 30 September 2024, shall be considered the assets of the Agricultural Fund from that date onward; all commitments assumed in the implementation of financial instruments after 30 September 2024 shall be considered obligations of the Agricultural Fund and shall be executed using the resources of the Agricultural Fund.

The above entrusted assets do not constitute assets of the Group or of the Company.

Each of the above Holding Funds and Funds of Funds is treated as a separate public sector entity whose financial statements and notes are prepared in accordance with the requirements of the Public Sector Accounting and Financial Reporting Standards and are publicly available on the [Group's website](#).

### 2.23. Income from guarantees granted

During 2024 and 2023, the Company's income from guarantees issued consisted of:

	Group		Company	
	2024	2023	2024	2023
<b>PROCEEDS FROM GUARANTEES ISSUED</b>				
Proceeds from guarantees granted to the agricultural sector	1 906 752	1 559 178	1 906 752	1 559 178
Proceeds from guarantees granted to the business sector	698 468	1 033 244	698 468	1 033 244
Proceeds from guarantees granted to large enterprises	39 394	74 201	39 394	74 201
Proceeds from guarantees granted under the Export Promotion Programme	33 996	23 095	33 996	23 095
<b>TOTAL proceeds FROM GUARANTEES ISSUED</b>	<b>2 678 610</b>	<b>2 689 718</b>	<b>2 678 610</b>	<b>2 689 718</b>

### 2.24. Fund management fees

During 2024 and 2023, the Group's and the Company's Fund of Funds management fees were:

	Group		Company	
	2024	2023	2024	2023
Fund management fees IPF EU 2021–2027	7 135 660	118 954	7 135 660	118 954
Fund management fees for the Multi-apartment Housing Modernisation Fund	5 813 305	4 074 423	5 813 305	4 074 423
Fund management fees to Energy Efficiency Fund	4 843 862	278 105	4 843 862	278 105
Management fees for the Business Assistance Fund	1 718 545	1 741 535	1 499 355	607 100
Fund management fees for Invega's fund	418 033	-	418 033	-
Fund management fees for the financial instrument "Installation of typical production buildings in free economic zones, industrial parks and other industrial areas"	414 000	414 000	414 000	414 000
Fund management fees to Water Management Fund	411 715	251 512	411 715	251 512
Fund management fees to JESSICA Holding Fund	329 360	351 782	329 360	351 782
Fund management fees for Agricultural Fund	175 410	-	175 410	-
Fund management fees to " RDP Financial Instruments Fund	101 537	39 446	101 537	39 446
Fund management fees to Cultural Heritage Fund	81 810	28 008	81 810	28 008
Fund management fees to Municipal Building Fund	77 863	124 163	77 863	124 163
<b>TOTAL FUND OF FUNDS ADMINISTRATION SERVICE</b>	<b>21 521 100</b>	<b>7 421 928</b>	<b>21 301 910</b>	<b>6 287 493</b>

Factors driving the increase in fund-of-funds management fees: 1) Growing funding allocations for measures and the launch of new measures in the Energy Efficiency Fund and the Multi-Apartment Building Modernisation Fund; 2) From the beginning of 2024, in two business-sector-oriented fund-of-funds – ISF ES 2021–2027 and the Invega Fund – a management fee model was introduced instead of expense reimbursement.

## 2.25. Reimbursement of the costs of administering fund of funds management and reimbursement arrangements

During 2024 and 2023, the amounts of reimbursement of the costs of managing and reimbursing the management of the Funds of the Funds and the financial instruments and the corresponding management fees received were:

	Group		Company	
	2024	2023	2024	2023
Reimbursement of management costs incurred by the holding fund INVEGA Fund	4 072 525	3 182 267	3 886 301	3 099 031
Reimbursement of management costs incurred by the Fund of Funds "Business Finance Fund financed by the European Regional Development Fund"	1 585 434	1 375 593	1 489 048	1 226 876
Reimbursement of management costs incurred by the Agricultural Fund in carrying out its functions as Fund Manager	620 716	653 452	620 716	653 452
Reimbursement of management costs incurred by the Innovation Promotion Fund of Funds	-	525 851	-	525 851
Reimbursement of management costs incurred by the "Entrepreneurship Promotion Fund 2014-2020 financed by the European Social Fund"	373 206	289 398	373 206	289 398
Reimbursement of management costs incurred by the "Entrepreneurship Promotion Fund 2014-2020 financed by the European Social Fund"	(1 142)	-	(1 142)	-
Reimbursement of management costs incurred by the holding fund "Entrepreneurship Promotion Fund"	-	73 043	-	73 043
Reimbursement of management costs incurred by the fund of funds "Defence Investment Fund"	92 541	51 326	92 541	51 326
Direct management costs incurred during the financial year by the financial instrument Co-investment Fund for Transport	21 588	23 358	20 710	21 366
Reimbursement of management costs incurred by the Loan Fund in carrying out its functions as the Fund Manager	44 614	17 887	44 614	17 887
<b>Total reimbursement of fund management costs</b>	<b>6 809 482</b>	<b>6 192 175</b>	<b>6 525 994</b>	<b>5 958 230</b>
Reimbursement of management costs incurred for the reimbursement facility "Partial reimbursement of interest" financed by the State budget	677 948	955 652	677 948	955 652
Reimbursement of costs of measures implemented by VIPA	-	313 143	-	313 143
Administration of State aid and ensuring the development of activities of the ŽÚPGF	318 294	182 639	318 294	182 639
Reimbursement of management costs (depreciation) incurred under the reimbursement facility "Partial reimbursement of interest" financed by the State budget	103 052	(128 037)	103 052	(128 037)
Reimbursement of implementation/ administration costs incurred for the Global Grant Facility (covers the implementation of Global Grant Facilities financed by EU SF 2014-2020)	-	159 284	-	159 284
Reimbursement of management costs incurred in the management of a compensation facility financed by the State budget to promote inbound tourism	-	4 453	-	4 453
Reimbursement of administrative costs incurred for compensatory measures	(11 606)	57 838	(11 606)	57 838
Green Finance Institute	433 394	-	433 394	-
NDA consolidation project costs	(90)	-	(90)	-
<b>Total reimbursement of the costs of the administration of compensatory measures and the costs of projects implemented with the TP funds</b>	<b>1 520 992</b>	<b>1 544 972</b>	<b>1 520 992</b>	<b>1 544 972</b>
<b>TOTAL</b>	<b>8 330 474</b>	<b>7 737 147</b>	<b>8 046 986</b>	<b>7 503 202</b>

## 2.26. Operating expenses

During 2024 and 2023, the operating costs of the Group and the Company consisted of:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Employee remuneration, remuneration of members of the Supervisory Board and Management Board and other related costs, of which	(15 505 839)	(12 122 854)	(15 135 425)	(11 074 239)
Salaries and related taxes and provisions, incentive measures	(15 022 128)	(11 621 947)	(14 783 371)	(10 749 783)
Costs of maintaining the management bodies (remuneration of members of the Management Board and Supervisory Board)	(483 711)	(500 907)	(352 054)	(324 456)
Depreciation and amortisation, write-offs	(911 103)	(711 402)	(901 239)	(643 554)
Administrative costs, of which	(4 732 179)	(2 572 997)	(4 597 015)	(2 324 778)
Maintenance and development of computer programs, server rental	(1 095 799)	(596 929)	(1 075 721)	(554 947)
Advertising, publicity, media monitoring services and representation costs	(883 831)	(379 192)	(883 535)	(371 732)
Cost of operating charges (excluding VAT)	(578 414)	(245 406)	(578 414)	(245 406)
Costs of utilities, parking and communication services for premises	(315 901)	(284 420)	(295 022)	(252 682)
Qualification refresher costs	(274 028)	(65 390)	(270 408)	(51 427)
Stationery, office supplies and archiving costs	(210 549)	(185 328)	(209 472)	(172 662)
Other	(174 329)	(165 757)	(161 545)	(132 541)
Costs of identified fund violations	(165 652)	-	(165 652)	-
Business travel costs	(147 944)	(102 771)	(125 762)	(87 027)
Consultancy and external services other than audits of financial statements	(143 729)	(237 168)	(108 626)	(169 308)
Financial statement auditing services of ILTE and the funds 2024	(143 314)	(36 901)	(127 100)	(19 795)
Legal, notarial, litigation, bailiff costs	(136 319)	(44 449)	(136 319)	(44 449)
Database access	(131 173)	(85 308)	(131 173)	(85 308)
Additional audit services (audit of the management costs and use of funds)	(80 543)	-	(80 543)	-
Financial statement auditing services of ILTE and the funds 2023	(56 700)	-	(56 700)	-
Recruitment and selection of staff and governing bodies	(55 460)	(16 781)	(55 460)	(16 781)
Mail costs	(30 712)	(43 308)	(30 712)	(43 308)
Cost of fees for membership of associations and organisations	(28 495)	(15 965)	(28 495)	(15 965)
Public liability insurance for company management	(26 839)	(26 148)	(26 839)	(19 664)
Cost of advising customers	(20 776)	(16 742)	(20 776)	(16 742)
Website development and maintenance	(13 410)	(8 866)	(13 410)	(8 866)
Vehicle operation	(10 574)	(9 815)	(7 643)	(9 815)
Translation services	(5 688)	(4 553)	(5 688)	(4 553)
Maintenance fee to the Bank of Lithuania	(2 000)	(1 800)	(2 000)	(1 800)
NDA consolidation project costs*	549 274	1 099 305	549 274	994 342
NDA consolidation project costs (-)	(549 274)	(1 099 305)	(549 274)	(994 342)
<b>TOTAL OPERATING COSTS</b>	<b>(21 149 121)</b>	<b>(15 407 253)</b>	<b>(20 633 679)</b>	<b>(14 042 571)</b>

\*Details are provided in the table below

The Group and the Company are participating in the "Consolidation of National Development Institutions" project (the "Project"), which aims to consolidate NDIs and pool knowledge and competencies in one strong national development institution, to unify and optimise the operational practices of the national development institution and fund management, creating preconditions for attracting institutional investors, strengthening public-private partnerships, and sustainably increasing the supply of financial instruments to finance financially viable projects. On 28 February 2024, a financing agreement was signed with the LR FM for the reimbursement of the costs of the merger of the NDAs. The cost of the NDA merger is not a typical OPEX expense of the Group and the Company and is therefore presented in a separate expense line "NDA consolidation project costs". A breakdown by cost group is given below.

#### NDA consolidation project cost breakdown

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Costs related to the employment relationship	68 097	653 698	68 097	550 272
Information technology system expenses	146 473	183 079	146 473	183 079
Legal services (attorney services)	-	9 741	-	9 741
Search and selection of members of the management bodies	-	30 189	-	30 189
Consulting Services	4 356	64 494	4 356	64 494
Staff training session	36 023	8 738	36 023	7 201
Costs of harmonising remuneration policies	-	26 650	-	26 650
Fees (withdrawal from EBRD, contract change)	9 065	58 333	9 065	58 333
Website costs	37 208	7 260	37 208	7 260
Compensation for damages	-	57 123	-	57 123
Rebranding costs	248 052	-	248 052	-
	<b>549 274</b>	<b>1 099 305</b>	<b>549 274</b>	<b>994 342</b>

#### 2.27. Financing activities

During 2024, the Group's and the Company's financial and investment performance increased significantly due to the increase in the interest rates on the securities of the GRL, the increase in the interest rates on bank deposits and the commencement of the receipt of interest on the balances with the Bank of Lithuania and the commercial banks operating in the Republic of Lithuania.

In 2024 and 2023, financial activity consisted of:

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
<b>INCOME FROM FINANCING AND INVESTMENT OPERATIONS</b>				
Interest income on government securities	379 510	302 241	379 510	292 635
Interest income on fixed-term deposits	1 583 311	171 960	1 569 213	171 006
Interest income on account balances	1 536 520	133 402	1 536 520	133 402
Interest on bank bonds	26 217	4 454	26 217	4 454
Other income	8 882	3 107	8 882	3 107
Income from subsidiaries	-	-	3 639	3 550
	<b>3 534 440</b>	<b>615 164</b>	<b>3 523 981</b>	<b>608 154</b>
<b>COSTS OF FINANCING AND INVESTMENT OPERATIONS</b>				
Interest expense related to leases	(36 105)	(20 412)	(36 096)	(19 670)
Expense of other financing and investing activities	(22 604)	(17 015)	(22 604)	(17 015)



	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Depreciation of cash funds and investments in government securities	(63 584)	(10 845)	(63 584)	(10 845)
Securities custody costs	(5 634)	(6 155)	(5 634)	(6 061)
Negative interest expense	-	-	-	-
Losses from subsidiaries	-	-	(3 413)	(100)
	(127 927)	(54 427)	(131 331)	(53 691)
<b>NET RESULT ON FINANCIAL AND INVESTMENT ACTIVITIES</b>	<b>3 406 513</b>	<b>560 737</b>	<b>3 392 650</b>	<b>554 463</b>

## 2.28. Tax on profit

In 2024 and 2023, corporate income tax amounted to:

	Group		Company	
	2024 31 December	2023 31 December	2024 31 December	2023 31 December
<b>Profit before tax</b>	<b>9 413 298</b>	<b>9 182 897</b>	<b>9 412 199</b>	<b>9 172 646</b>
Profit before tax from a business consolidation	-	(3 793 630)	-	(3 793 630)
Non-tax deductible costs	6 730 297	430 486	6 724 009	380 608
Non-taxable income	(1 115 196)	(533 392)	(1 115 196)	(533 392)
Additional allowable deductions (change in provisions)	-	(3 485 970)	-	(3 475 937)
Asset sale (building)	676 404		676 404	
Tax loss from Group companies	-	(506 734)	-	(506 734)
<b>Taxable profit</b>	<b>15 704 803</b>	<b>1 293 657</b>	<b>15 697 436</b>	<b>1 243 561</b>
Profit tax for reporting year	(2 355 722)	(194 048)	(2 354 616)	(186 534)
Income tax accrued in the merged entity	-	(104 976)	-	(104 976)
Adjustment of last year's corporation tax	(2 238)	(3 801)	(2 238)	(2 264)
Change in deferred income tax liability	101 461	-	101 461	-
Change in deferred profit tax assets	526 898	(1 212 620)	526 891	(1 211 420)
<b>Current year profit</b>	<b>7 683 697</b>	<b>7 667 452</b>	<b>7 683 697</b>	<b>7 667 452</b>
<b>Profit before tax</b>	<b>9 413 298</b>	<b>5 389 267</b>	<b>9 412 199</b>	<b>5 379 016</b>
15% income tax*	(1 411 995)	(808 390)	(1 411 830)	(806 852)
15% of the PM charged at the time of the merger	-	(104 976)	-	(104 976)
Tax impact		-		-
Non-tax deductible costs	(1 009 545)	(64 573)	(1 008 604)	(57 091)
Tax-free income and tax benefits	167 279	80 009	167 279	80 009
Additional allowable deductions (reducing/increasing losses)	-	522 896	-	521 390
Tax loss carryforwards from Group companies	-	76 010	-	76 010
Adjustment of last year's corporation tax	(2 238)	(3 801)	(2 238)	(2 264)
Temporary differences due to differences in tax and financial accounting	526 898	(1 212 620)	526 891	(1 211 420)
<b>Income tax expense for the current year, recognised in accounting</b>	<b>(1 729 601)</b>	<b>(1 515 445)</b>	<b>(1 728 502)</b>	<b>(1 505 194)</b>
<b>Components of deferred tax assets</b>				
1. Provisions for guarantees (only the uncompensated part)	2 653 033	1 923 823	2 653 033	1 923 823
2. Accrued costs	10 087	47 147	10 087	47 144
3. Change in the value of investments in GRL securities	4 386	2 368	4 386	2 368
4. Provisions for depreciation of investments (interest)	6 103	6 103	6 103	6 103

	Group		Company	
	2024 31 December	2023 31 December	2024 31 December	2023 31 December
5. Deferred income from ŽŪPGF	313 369	480 649	313 369	480 649
<b>DEFERRED PROFIT TAX ASSETS</b>	<b>2 986 978</b>	<b>2 460 090</b>	<b>2 986 978</b>	<b>2 460 087</b>

On 31 December 2024 and 31 December 2023, the management of the Group and the Company has recognised deferred income tax assets as it believes that these assets can be realised in the future.

## 2.29. Financial assets and liabilities and risk management

### Credit risk

The company faces credit risk not only when directly financing but also when providing guarantees. The Company assumes part of the credit risk of the loan or the lessee that it would incur if the loan or the lessee failed to repay the loan or financing granted under the granted leasing transaction. By granting a guarantee, the Company assumes the risk of potential loss (hereinafter referred to as "guarantee risk") that the borrower (or lessee), for whose repayment of the loan (or lease amount) the Company has assumed obligations towards the beneficiary of the guarantee (financial institution), will not be able to repay the full amount in due time, and the Company will be required to pay the guarantee payment to the financial institution. Further in the text, the terms "loan" include also the lease, and "borrower" includes the lessee.

This risk and its manifestation depends directly on the terms and conditions of the guarantee, the portfolio of guarantees provided, its diversification, the general economic situation in Lithuania, the economic situation of individual sectors of the economy, the internal policies of financial institutions when borrowers face financial difficulties, etc.

In order to manage the guarantee risk, the Company uses various measures to mitigate the following risks:

1. The aim is to minimise some of the potential risks of guarantees by approving specific guarantee schemes. First of all, the guarantees are provided not as irrevocable first demand guarantees, but as conditional guarantees, i.e. the Company's obligations under the guarantees provided arise and are binding on the Company, provided that the conditions for granting the guarantee have been complied with on the part of the beneficiary of the guarantee and appropriate supporting documents have been submitted. The conditions for the provision of a material guarantee are laid down in the Regulations for the provision of relevant guarantees approved by a resolution of the GRL or by an order of the LR MEI. These Regulations set out the material limitations limiting the warranty risk assumed (maximum warranty liability limit, etc.). The Regulations provide for the possibility for the Management Board of the Company to establish additional requirements and conditions in order to manage the risks assumed under the guarantees provided. In exercising this right, the Management Board of ILTE has established additional conditions applicable to the respective cases of guarantee provision. These terms and conditions are reviewed periodically and revised as necessary, taking into account the quality of the guarantee portfolio and individual risk exposure practices;
2. Various measures to diversify the guarantee portfolio as much as possible. The company provides guarantees in all sectors of the economy, except for those that are not supported under the rules established by the GRL and the EU *de minimis* aid regulation. Guarantees are provided in all Lithuanian regional territories, to all financial institutions that have entered into cooperation agreements with the Company for the provision of guarantees, which operate in Lithuania and finance projects carried out by small and medium-sized enterprises;
3. In order to manage the risk of provision of guarantees related to the beneficiary of the guarantee, the financial institution whose set of annual financial statements has been audited for the last financial year establish the requirements: the beneficiary of the guarantee must comply with certain minimum eligibility requirements approved by the Company before signing a cooperation agreement on the provision of guarantees with the Company. The Company a priori assesses the readiness of the beneficiary of the guarantee to carry out financing of borrowers and lessees and to manage the related credit risks; there is a limit to the maximum amount that can be guaranteed per economic operator. The maximum guarantee for small and medium-sized enterprises, per borrower, may not exceed EUR 5 million, and the sum of the balances of several guarantees may not exceed EUR 10 million. The maximum guarantee per borrower, which according to the SVV declaration is a large company, may not exceed EUR 2.25 million. The Company limits the risk of guarantees by providing a guarantee for part of the loan (guarantees the repayment of the first part of the loan). The maximum liability portion of ILTE is up to 80% of the loan amount (in cases of real estate purchase – up to 50%). The remaining

- risk of non-repayment of the loan are borne by the financial institution granting the loan; sets out mandatory minimum requirements for the borrower and the acceptable terms and conditions of the guarantees. It is required that the long-term tangible assets acquired or created with the guaranteed loan be pledged to secure the repayment of the guaranteed loan; it is also required that the borrower participate in the funded project with money or pledged assets, and the participation share should not be less than 20% (in the case of individual agricultural guarantees, 10%);
4. The risk of guarantees is mitigating by organisational measures. In all cases, an assessment of the borrower's creditworthiness and the risk of non-repayment of the loan granted are carried out. Depending on the degree of risk, the conditions for granting the guarantee may be diversified. In case of high risk, guarantees are usually provided with additional conditions, which must partially reduce the possible risks (reduction of the amount of the guaranteed loan and increase the share of the borrower's participation in the financing of the investment project, reduction of the amount of the guarantee, application of additional conditions related to the improvement of the collateral, subordination of shareholder loans, restriction of the payment of dividends, etc. As of 2024, ILTE has changed its decision-making matrix, whereby financing decisions up to EUR 100.000 are taken by the Authorised Person, up to EUR 1 million by the Credit Committee L2 and above EUR 1 million by the Credit Committee L1. The Credit Committee periodically considers the issues of granting guarantees, at least 4 times a month;
  5. the guarantee risk borne by the Company are reduced by transferring part of the assumed risk to the State and other guarantee institutions. Part of the company's loan guarantee portfolio is over-guaranteed by financial facilities Guarantee Fund 2, Guarantee Fund 3, and Guarantees for Start-ups, which have been transferred 80–95% of the possible guarantee risk included in the over-guaranteed loan guarantee portfolio. In the case of guarantees provided by the Company that are not included in the portfolios of the counter-guarantee instruments, part of the risk of the guarantees is transferred to the State. The State reimburses part of the guarantee payments and also provides a State guarantee for the Company's portfolio up to a maximum liability limit. Guarantees that were previously counter-guaranteed under the Guarantee Fund financial instrument are not counter-guaranteed at the end of the Guarantee Fund and the full credit risk of these guarantees is borne by ILTE;
  6. The Company pursues a proactive strategy to manage guarantee risk: Quarterly analysis of the portfolio of guarantees issued, grouping it by credit risk groups, reporting and preventive monitoring of the fulfilment of the conditions for granting guarantees (monitoring the implementation of guarantees and guaranteed projects). A strategic risk indicator (applicable to loan and lease guarantees) is also established when approving and reviewing the business strategy, i.e. the maximum tolerable loss ratio of guarantees, expressed as the average annual losses in relation to the average size of the guarantee portfolio;
  7. Provisions are made in accordance with the Company's Provisioning Policy approved by the Management Board and the Provisioning Procedures approved by the CEO in order to build up a sufficient reserve to cover potential losses under the obligations assumed. In 2024, the Lithuanian economy grew moderately, but businesses had to adapt to a challenging environment. The decrease in inflation eased the burden on residents and businesses, but export markets remained weak. Rapidly rising wages increased business costs, not always reflecting in profits. Nevertheless, the labour market remained stable, and consumer spending supported trade. The stabilisation of EURIBOR rates helped maintain borrowing opportunities, but high interest rates limited investment and activity in the housing market. In 2024, provisions for ILTE business decreased due to the probability of insolvency and the decrease in EURIBOR, but agricultural provisions increased as more companies faced difficulties.
  8. The 2024 provisions evaluation used the 2023 methodology, a vector autoregressive model with a 12-month EURIBOR interest rate and real GDP change variables. In 2025, the Lithuanian economy is forecasted to grow moderately, with inflation stabilising and interest rates decreasing, which should create more favourable conditions for business operations and financial market stability.

	31 December 2024	31 December 2023
<b>MAXIMUM CREDIT RISK:</b>		
Guarantees granted, of which		
Individual guarantees from the Agricultural Loan Guarantee Fund	154 239 047	155 072 317
SME loan guarantees	61 519 271	101 036 716
Special guarantees under individual decisions	-	-
Guarantees for loans for the modernisation of multi-apartment buildings	-	-
SME leasing guarantees	169 175	451 299
Guarantees for loans taken out by large companies	8 569 058	7 212 496
Export credit guarantees	1 617 370	1 842 315
<b>TOTAL:</b>	<b>226 113 921</b>	<b>265 615 143</b>
<b>CREDIT RISK ON GUARANTEES IS TRANSFERRED:</b>		
For the State	243 391	627 886
For the Financial Engineering Facility "Guarantee Fund"	-	-
For the Financial Engineering Facility "Guarantee Fund 2"	342 719	2 311 882
For the Financial Engineering Facility "Guarantee Fund 3"	62 557 682	93 290 883
For the Financial Engineering Facility "Start-up Guarantees"	750 265	2 063 255
For the Financial Engineering Facility "Invega Fund"	1 455 633	1 658 084
For other guarantee institutions	6 688	6 688
<b>TOTAL:</b>	<b>65 356 378</b>	<b>99 958 678</b>
<b>RESIDUAL OPEN RISK ON GUARANTEES ISSUED</b>	<b>160 757 543</b>	<b>165 656 465</b>

	31 December 2024	31 December 2023
<b>BREAKDOWN OF THE BALANCE OF GUARANTEES GRANTED BY ECONOMIC SECTOR:</b>		
Manufacture	31 124 782	34 365 190
Services	15 990 642	23 049 936
Trade	18 975 244	45 115 000
Trade and services	5 784 206	8 012 700
Alternative agricultural activities	11 938 957	21 333 666
Crop farming	94 807 273	86 641 293
Livestock farming	30 557 487	27 864 336
Urban food production	1 581 817	3 070 506
Mixed farming	2 942 375	3 471 756
Services for agriculture	11 164 249	10 593 766
Fish production	1 246 889	2 096 994
<b>TOTAL:</b>	<b>226 113 921</b>	<b>265 615 143</b>

The Company's funds are being invested only in liquid and low risk financial instruments – bonds issued by EU governments, international organizations, commercial banks operating in Lithuania, also term deposits in commercial banks. All these organizations and institutions must have a high international credit rating (table below), therefore the Company's credit risk related to these asset classes is insignificant.

<b>Funds in highly rated banks and GRL securities</b>	<b>31 December 2024</b>	<b>31 December 2023</b>
Cash in the Bank of Lithuania	27 146 052	10 593 764
Cash at an A2* rated bank	2 874 654	3 500 575
Cash at an Aa2, Aa3* rated banks	28 492	1 393 757
Cash at a Baa2* rated bank	80 009	96 060
Short-term deposits at Aa3* rated banks	35 000 000	-

Short-term deposits with an A2* rated bank	60 000 000	1 535 721
Short-term deposits at a Baa2* rated bank	-	450 000
Lithuanian government securities, held to maturity, A-, A2	89 561 251	33 376 040
<b>Total:</b>	<b>214 690 457</b>	<b>50 945 917</b>

### Liquidity risk

Liquidity (cash flow/funding) risk is defined as the risk of not being able to meet current obligations. Financing risk in the Company is controlled by proper planning of cash flow needs, which are controlled by setting limits on cash flow shortfalls and diversifying them.

Group Undiscounted cash flows	Up to 1 month	1-3 months	3-12 months	1-2 years	3-5 years	Over 5 years	Total
<b>Assets</b>							
Securities		-	15 574 891	66 633 834	7 649 201	-	89 857 926
Fixed-term deposit agreements			94 962 000	-	-	-	94 962 000
Compensation receivables	-	-	5 062 937	-	-	-	5 062 937
Cash and cash equivalents	30 117 075	-	-	-	-	-	30 117 075
Other debtors	-	4 991 029	247 803	-	-	-	5 238 832
<b>TOTAL:</b>	<b>30 117 075</b>	<b>4 991 029</b>	<b>115 847 631</b>	<b>66 633 834</b>	<b>7 649 201</b>	<b>-</b>	<b>225 238 770</b>
<b>Liabilities</b>							
Provisions for guarantees	-	-	(22 749 827)	-	-	-	(22 749 827)
Lease liabilities					-	-	
Other long-term payables	-	-	-	-	-	-	
Other payable amounts	(394)	-	(2 648 332)	-	-	-	(2 648 726)
<b>TOTAL:</b>	<b>(394)</b>	<b>-</b>	<b>(25 398 159)</b>		<b>-</b>		<b>(25 398 553)</b>

The Company's liquidity is ensured by implementing the requirements set out in the Resolution of the GRL of 11 July 2001 No. 887 "On the Activities of the Private Limited Liability Company Investicijų ir verslo garantijos" regarding the investment of the Company's available funds and the assumption of liabilities, as well as by complying with the instructions of the Management Board of the Company regarding investments.

The Company's liquidity risk is eliminated because:

- The Company's funds are invested only in liquid and risk-free financial instruments, such as debt securities of EU governments, international organisations, commercial banks operating in Lithuania and term deposits in commercial banks;
- When the company's losses reach 25% of its authorised capital, the board no longer provides new guarantees (i.e., the company does not assume new obligations).
- The GRL sets limits on the Company's guarantee commitments each year, which the Company cannot exceed.

### Interest rate risk

On 31 December 2024 and 31 December 2023, the Company did not have any derivatives to manage interest rate risk. The Company does not have any assets or material liabilities that bear variable interest. Investments in GRL securities are held to maturity. In the opinion of the management, the Company is not exposed to significant interest rate risk.

## Operational risk

Operational risk is defined as the risk of direct and indirect losses resulting from faulty internal processes, personnel actions, Company systems and external events.

Operational risks can arise in any of the Company's business units and can be faced by any of the Company's employees, which makes it necessary to identify and manage risks in the Company's operations in a timely manner. To this end, the Company has established an Operational Event Register to record the risks that have arisen. An employee who identifies an event must report it to the Operational Risk Management Department. Upon receiving information about the event, the Operational Risk Management Department records it in the operational events register. The Operational Risk Management Department receives information monthly from the IT Department about IT risks, which are presented by filling in the operational events register. Twice a year, the Operational Risk Management Department performs an analysis of the operational events register and includes significant risks in the risk management list. The Risk Management Unit analyses the causes of the event and identifies possible preventive or control measures, and accordingly, in the event of significant events, the Management Board of the Company is informed of the potential risks and their management. Operational risk is managed and mitigated by separating the functions performed by staff. The Company's internal control system measures are used to manage operational risk. The Company continuously improves operational risk management in order to ensure the security of the Company's systems and processes. Insurance is an important tool for preventing operational risk management. Insurance helps to minimise the potential losses due to external factors resulting from the loss of tangible assets.

## Foreign currency risk

The Company is not exposed to foreign currency risk as all of the Company's assets and liabilities are denominated in euro. The Company does not use any financial instruments to manage foreign currency risk.

## Fair values of financial assets and liabilities

The Company's principal financial assets and liabilities not reflected at fair value are trade and other receivables, trade and other payables, long-term and short-term debt, and long-term and short-term government bonds held to maturity.

Fair value is the amount for which an asset or service could be exchanged, or a liability settled between knowledgeable, willing parties in an arm's length transaction. Fair value of financial assets and financial liabilities are valued based on quoted market prices, discounted cash flow models or option pricing models, depending on the circumstances.

The following methods and assumptions are used to evaluate each class of financial assets and liabilities:

- Carrying amount of short-term trade receivables, short-term deposits, short-term trade payables and short-term debt approximate their fair value;
- Carrying value of long term trade receivables is determined on the basis of the same or comparable quoted market price or interest rate, which is applied at the time for the same maturity profile debts. The fair value of long-term debts subject to variable interest rates approximates their carrying value. The Company's long-term deposits bear interest at rates that approximate market interest rates and therefore their fair value approximates their carrying amount;
- Fair value of government and bank bonds held to maturity is determined on the basis of quoted market prices or the interest rate on the same or a similar bond applied to bonds with the same maturity at that time. The calculations are presented in the table below.

The fair value of government bonds held to maturity is based on market prices, using broker or dealer quotes. If such information is not available, the fair value is estimated based on market prices, market prices for similar securities with similar credit, maturity and income characteristics and market prices.

	Reflected value	Fair value
	2024-12-31	2024-12-31
Financial assets not carried at fair value		
Long-term government bonds	74 283 035	72 775 834
Short-term government bonds	15 574 891	15 484 934
<b>Financial assets not at fair value, total</b>	<b>89 857 926</b>	<b>88 260 768</b>

Short-term and long-term deposits, government and bank bonds held to maturity are classified within Level 1 of the fair value hierarchy and all other financial assets and liabilities of the Company are classified within Level 3 of the fair value hierarchy. The Company purchases government bonds with the intention of holding them to maturity.

### 2.30. The Company's contingent liabilities and commitments for future periods

#### Legal proceedings

During the reporting period, there were 300 legal cases in which ILTE was a party, including 295 civil cases, 3 administrative cases, and 2 criminal cases.

The majority of civil cases are initiated by ILTE for the award of debts under outstanding loans. Of these, by 2024, 214 cases had already been adjudicated, and 81 cases are still ongoing. In the majority of cases (199) ILTE's claim was satisfied in full, 1 case was concluded by a settlement agreement, 10 cases were dismissed as the borrower repaid the debt, in 3 cases, bankruptcy proceedings were initiated against the defendants during the court process, and 1 case was dismissed because the borrower died (the inheritance transfer is ongoing with the State Property Bank). At the end of the reporting period, ILTE was involved in 80 unresolved civil cases, 1 unresolved administrative case, and 1 criminal case.

ILTE has also participated in other litigation in which the company is involved as a third party not making independent claims. Most of these cases involve bankruptcy proceedings for physical and legal entities, divorce cases, or cases regarding the actions and orders of bailiffs. During the reporting period, in 122 cases, ILTE submitted creditor claims in corporate bankruptcy and restructuring cases, in 20 cases, ILTE submitted responses regarding divorces, and in 12 cases, ILTE filed complaints or responses regarding the actions and orders of bailiffs.

An administrative case is also being reviewed based on ILTE's complaint regarding the decision made by the Central Project Management Agency on 8 August 2024 concerning the confirmed violation of ILTE as the Project Implementer in the project Municipal Buildings Fund No. 04.3.1-FM-F-002-01-0001, in which ILTE was subject to a 25% financial correction, i.e., EUR 129.972.74.

During the reporting period, ILTE improved its processes for loans whose agreements were terminated or whose repayment term had expired, and began applying a restructuring process, where, after assessing the debtor's situation and possible risks, an opportunity is provided to repay the debt within an extended term. In such cases, ILTE often requests collateral to secure the fulfilment of obligations.

During the reporting period, there were several important events (court judgements) related to legal proceedings:

- Following ILTE's unilateral termination of a cooperation agreement with one of its financial intermediaries due to identified violations, the intermediary is currently disputing this ILTE decision through administrative litigation. As of today, the administrative case has not yet been concluded.
- An increasing number of cases have been observed where courts, considering the debtor's difficult financial situation, postpone the enforcement of rulings;
- Through ILTE's initiative, positive judicial practice has been established regarding the non-payment of individual guarantee payouts until all security measures have been properly realised. It has been established that a bailiff, when issuing a certificate of impossibility to recover debts, cannot exceed their authority and must proceed with debt recovery even if the debtor has low income or the recovery process may take a long time.
- Following the ban on fur farming from 2027, it has been noted that loan recipients who had received preferential loans for this business have ceased fulfilling their financial obligations, leading to the initiation of legal debt recovery proceedings.

Taking into account that some of the legal disputes at the end of the reporting period were pending at first instance or had not yet been finally decided by final and binding court judgments and that the duration and outcome of the legal disputes are uncertain, the ongoing legal disputes at the date of the reporting period do not have a material impact on ILTE's financial liabilities (i.e. ILTE's financial liabilities are not adjusted for any possible court judgments that may be unfavourable to ILTE).

### 2.31. Related party transactions

The parties are considered to be related if one party can control the other party or has significant influence over the other party in making financial or operational decisions.

The majority of the parties to the transaction are also related to the state and are therefore considered to be related parties by economic entities operating in an environment where state control is extensive. IAS 24 permits a reporting entity to reduce the amount of disclosures about transactions and balances, including commitments with:

- Government that controls, jointly controls or significantly influences the reporting entity; and
- Another entity that is a related party because the same government controls, jointly controls or exercises significant influence over both the reporting entity and the other entity.

For the above reasons, the Group and the Company do not disclose transactions with the GRL and other entities controlled by the GRL.

#### Management's salary and other benefits

	Group		Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
Employment-related benefits	246 357	645 121	146 182	314 242
Including: redundancy compensations		95 601		40 000
Remuneration of a member of the Management Board	37 214	34 999	37 214	34 999
Number of managers (average annual)	3	5,1	1	1,7

The Group's managing directors and deputy managing directors are considered to be the management.

During the reporting period, the management of the Group and the Company was not granted any loans, guarantees, any other disbursed or accrued amounts or disposal of assets.

The transactions executed and concluded by the Group and the Company with related parties are disclosed in the section "Transactions concluded by the Group and the Company with related persons" of the annual report.

### 2.32. Events after the date of the balance sheet

On 3 February 2025 and 14 February 2025, office premises were transferred for use to UAB ILTE under the contract signed on 15 November 2024. The lease agreement and supplementary agreements with the previous office premises lessor have expired.



### 3. Independent auditor's report



#### INDEPENDENT AUDITOR'S REPORT

To the shareholder of ILTE UAB:

##### **Opinion**

We have audited the separate financial statements of ILTE UAB (hereinafter – the Company) and the consolidated financial statements of ILTE UAB and its subsidiaries (hereinafter – the Group) which comprise the separate statement of financial position of the Company and the consolidated statement of financial position of the Group as at 31 December 2024, the separate income statement and the consolidated income statement, the separate statement of comprehensive income and the consolidated statement of comprehensive income, the separate statement of changes in equity and the consolidated statement of changes in equity, the separate statement of cash flows and the consolidated statement of cash flows for the year then ended, and the notes to the separate and consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the separate financial position of the Company and the consolidated financial position of the Group as at 31 December 2024, and their respective separate and consolidated financial performance and their respective separate and consolidated 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 in accordance with the International Ethics Standards Board for Accountants' Handbook of International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on the Audit of the 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 the Audit of the 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.

##### **Other Information**

The other information comprises the information included in the Group's Management Report but does not include the separate and consolidated financial statements and our auditor's report on them. Management is responsible for the other information.

Our opinion on the separate and consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon, except as specified below.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated 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 Group's Management Report for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements and whether Management Report, except Sustainability Report, Remuneration Report and Governance Report, has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the separate and consolidated financial statements, in our opinion, in all material respects:

- The information given in the Group's Management Report for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements; and
- The Group's Management report, except Sustainability Report, Remuneration Report and Governance Report, 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 Separate and Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the separate and consolidated 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 separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and the Group'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 and the Group's or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the separate and consolidated 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 separate and consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the separate and consolidated 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 and the Group'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 and the Group'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 separate and consolidated 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 and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

On behalf of the economic entity group UAB "Forvis Mazars Lithuania Audit" and UAB "ROSK Consulting":

Auditor Romanas Skrebnevskis

Auditor's certificate No. 000471

UAB „Forvis Mazars Lithuania Audit“

Audit company's certificate No. 001537

Address: Lviso str. 25-702, Vilnius, Lithuania

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Vilnius, Lithuania

24 March 2025