

LIETUVOS ORO UOSTAI

VNO KUN PLQ

Vilniaus oro uostas



Joint Stock Company Lithuanian Airports

INTERIM REPORT I HALF 2024

Requisites of the joint stock company Lithuanian Airports:

Code 120864074

VAT payer code LT208640716

Tel. +370 5 273 9326

E-mail: info@ltou.lt

Rodūnios road 10A, 02189 Vilnius

Vilnius, 2024

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1. The Company's infrastructure, objectives

The joint stock company Lithuanian Airports (hereinafter - the company or LTOU) is a company that connects and manages Vilnius, Kaunas and Palanga airports, develops the operations of these airports in a coordinated manner, offering a wide variety of aviation and non-aviation services and high quality standards of service to passengers and partners.

The address of the Company's registered office is Rodūnios road 10A, Vilnius, Lithuania. Company code 120864074. The following is basic information about each of the airports that make up the Lithuanian airport network.

The main statistics of the LTOU

Vilnius airport (VNO)			
Address	Rodūnios road 10A, Vilnius		
Director of operations department	Valdas Stropus (until 4th of March 2024 - Darius Vinciūnas)		
Number of employees	517 (2023 m. - 449) (Vilnius branch and central office)		
Length of runway	2 515 m		
Maximum passenger terminal capacity	3,5 M		
2024 IH key performance indicators	Indicator	2023 I H	2024 I H
	Number of passengers served	2 M	2,3 M
	Number of flights	17,9 K	19,7 K
	The amount of cargo	7,3 KT	7,9 KT
	Income from aviation activities	17 M Eur	17,5 M Eur
	Non-aviation income	6,9 M Eur	7,4 M Eur
Provided non-aviation services	Rent of buildings and premises Rent of parking spaces Car parking Advertising Business club VIP (very important person services) Quick check Event organizing Land lease, etc. VIP terminal		
Carriers	14 regularly flying airlines.		
Routes	53 direct routes		

Kaunas airport (KUN)			
Address	Oro uosto g. 4, Karmėlava		
Director of operations department	Valdas Stropus (until 4th of March 2024 - Darius Vinciūnas)		
Number of employees	147 (2023 m. - 128)		
Length of runway	3 250 m		
Maximum passenger terminal capacity	1 M		
2024 IH key performance indicators	Indicator	2023 I H	2024 I H
	Number of passengers served	643 K	635 K
	Number of flights	5,3 K	5,2 K
	The amount of cargo	2,3 KT	2,7 KT
	Income from aviation activities	1,5 M Eur	1,5 M Eur
	Non-aviation income	2,3 M Eur	2,6 M Eur
Provided non-aviation services	Rent of buildings and premises Car parking Advertising Land lease, etc.		
Carriers	2 regularly flying airlines.		
Routes	31 direct routes		

Palanga airport (PLQ)			
Address	Liepojos pl. 1, Palanga		
Director of operations department	Valdas Stropus (until 4th of March 2024 - Darius Vinciūnas)		
Number of employees	84 (2023 m. - 75)		
Length of runway	2 300 m		
Maximum passenger terminal capacity	0,3 M		
2024 IH key performance indicators	Indicator	2023 I H	2024 I H
	Number of passengers served	154 K	164 K
	Number of flights	1,8 K	2 K
	The amount of cargo	188 t	200 t
	Income from aviation activities	1,4 M Eur	1,5 M Eur
	Non-aviation income	0,5 M Eur	0,5 M Eur

Provided non-aviation services	Rent of buildings and premises Car parking Advertising Event organizing Land lease, etc.
Carriers	4 regularly flying airlines
Routes	6 direct routes

The services provided by the Company are divided into two main groups: aviation and non-aviation (commercial). Aviation service providers include airlines, suppliers of ground handling services to aircraft and passengers, as well as cargo and mail operators. Non-aviation (commercial) service providers are Companies engaged in commercial activities at the airport. The Company has no special obligations. The following is the scheme of the business model of the JSC Lithuanian Airports (hereinafter - Lithuanian airports, LTOU, Company):

Key partners	Main activities	Value offered	Upkeeping communications	Client segment
Airlines	Infrastructure management and maintenance	Ensured growth (number of passengers, flights)	Meetings	Low cost airline companies
Trading companies			Events	
Ground handling companies	Efficient aircraft management	Geographical location (coverage area includes residents of other countries)	Exhibitions	Full Service airlines
MRO companies	Environmental control		Social Networks	
Transport competences agency	Coordination of aircraft maintenance	Fast passenger service	Online Inquiries	Charter airlines
VšĮ "Investuok Lietuvoje"	Resources		Sales channels	Companies operating cargo flights
Government of the Republic of Lithuania	Infrastructure	Wide geography of flights	Direct Sales (B2B) Indirect Sales (B2C)	Passengers
Ministry of Transport and Communications of the Republic of Lithuania	Aircraft coordination system	Competitive rates of fees and infrastructure charges		
Public Security Service (VST), State Border Guard Service (VSAT), Customs	Personnel			
Lithuanian Transport Safety Administration	External suppliers			
Cost structure		Income structure		
Infrastructure ensuring and maintenance costs		Income from aviation charges		
Aviation security costs		Income from Infrastructure charges		
Personnel costs		Lease income		
Tax costs		Other commercial income		

Utility costs	
Other costs	

Being the largest provider of civil aviation infrastructure services in Lithuania, LTOU is one of the catalysts for the development of Lithuanian economy, attracting direct foreign or local business investment and creating workplaces. Through various incentive programs for airlines, airports attract additional flights and increase passenger flows. In recent years, there has been a trend observed - LTOU is moderately increasing the number of directions every year and is currently approaching the position of the regional leader.

LTOU is guided by the principles of Sustainability and aims to manage and balance economic, social and environmental factors in an integrated way.

The LTOU Strategic Action Plan 2024-2027 was approved by Board Resolution No 1VN-44 of 27 December 2023.

TABLE 1 . Strategic objectives and indicators

Indicators	Indicator units of measurement	Plan	Actual
		2024 I H	2024 I H
Airport loyal passenger (<i>NPS Promoters</i>) indicator	Proc.	62	65
Number of passengers	M	3	3,1
EBITDA margin	Proc.	32	36
Employee involvement	Proc.	Annual indicator	Annual indicator

2. Company's governance structure, management body

Lithuanian airports are owned by the state according to ownership rights. The institution implementing the rights and obligations of the owner of the enterprise is the Ministry of Transport and Communications of the Republic of Lithuania (hereinafter - Lithuania). It performs the following specified functions:

- I. Amend the Articles of Association of the company, except for the exceptions provided for in the Law on Joint Stock Companies of the Republic of Lithuania;
- II. Change the registered office of the company;
- III. Elect and recall members of the Board;
- IV. Elect and recall an auditor or audit firm to audit the set of financial statements, determine the terms of payment for audit services;
- V. Determine the class, number, nominal value and minimum issue price of shares to be issued by the company;
- VI. Decides on the conversion of the Company's shares of one class into shares of another class and approves the description of the procedure for the conversion of shares;
- VII. Decides to change the number of shares of the same class and the nominal value of a share issued by the company without changing the amount of the share capital;

- VIII. Approves the set of annual financial statements, with the exception of the exceptions provided for in the Law on Public Limited Companies of the Republic of Lithuania;
- IX. Adopt a decision on the distribution of profits (losses);
- X. Decides on the creation, use, reduction and elimination of reserves;
- XI. Approve the set of interim financial statements drawn up for the purpose of deciding on the distribution of dividends for a period of less than one financial year;
- XII. Adopt the decision to release convertible obligations.
- XIII. Decides to increase the share capital;
- XIV. Adopt a decision to reduce the share capital, except for the exceptions provided for in the Law on Joint-Stock Companies of the Republic of Lithuania;
- XV. Adopt a decision to reorganize or separate the company and approve the terms of reorganization or separation, except for the exceptions provided for in the Law on Joint-Stock Companies of the Republic of Lithuania;
- XVI. Adopt a decision to reorganize the company;
- XVII. Take decisions on restructuring of the company in the cases provided for by the Law on Insolvency of Legal Persons of the Republic of Lithuania;
- XVIII. Adopt a decision to liquidate the company, to cancel the liquidation of the company, except for the exceptions provided for in the Law on Joint-Stock Companies of the Republic of Lithuania;
- XIX. Elect and recall the liquidator of the company, except for the exceptions provided for in the Law on Joint Stock Companies of the Republic of Lithuania.

The body exercising the rights and duties of a shareholder of the company may also decide on other matters assigned to its competence by the Law on Joint-Stock Companies of the Republic of Lithuania and the Articles of Association of the company.

The collegial management body is the board of the Company, the sole management body is the head of the Company. The LTOU governance structure is set out in Annex 1.

The Board of Lithuanian Airports consists of persons appointed by the order of the Minister of Transport and Communications of the Republic of Lithuania. In 2024 IH, the board consisted of four independent and one dependent member.

TABLE 2. Governing bodies of Lithuanian airports
Until 22th of March

Management	Name surname	Education
Chairwoman of the Board	Eglė Čiužaitė, independent board member, independent board member of AB Vilniaus šilumos tinklai, (company code 124135580, address Elektrinės g. 2, LT-03150 Vilnius) independent board member of VšĮ Jaunimo linija (company code 302594405, address Vingrių g. 6, LT-01141 Vilnius) UAB Akropolis Group independant audit committee member, MAXIMA GRUPĖ, UAB	Master of Science in Finance and International Business Sciences — Aarhus University, School of Business and Social Sciences, Denmark Bachelor’s degree in business administration (Finance) — Bellevue University, USA Completed the training program for members of the Board of "Baltic Institute of Corporate Governance".

Management	Name surname	Education
	independent audit committee member	
Members of the Board	Gediminas Almantas, Independent Member of the Board, Chairman of the Board of LTG Infra (company code 305202934, address Geležinkelio g. 2, LT-02100 Vilnius), Chairman of the Board of Novaturas AB (company code 135567698, address A. Mickevičiaus g. 27, LT-44245 Kaunas), Visiting Professor at the Thunderbird School of Global Governance, Phoenix, AZ, USA, Visiting Professor at ENAC aviation academy Toulouse, France;	Vilnius University, Master of Laws; University of Bern, Switzerland, Master of Laws; Copenhagen Business School, Ethics of Business Negotiation, Industrial PhD. AMERICAN EXPRESS Leadership Academy at Arizona State University/Thunderbird School of Global Management; Sustainable Leadership for Sustainable Organizational Management in Northern Europe at the Swedish Institute (SI)
	Saulius Kerza, Dependent Member of the Board, Director of the Budget and Investment Department, Ministry of Transport and Communications (company code 188620589, address Gedimino pr. 17, LT-01103 Vilnius)	Master's degree in law, Vilnius University Bachelor's degree in law, Lithuanian Academy of Law
	Tadas Vizgirda, Independent Member of the Board, Managing Director of Shift4 Payments Lithuania (company code 304341621, address A. Goštauto g. 40A, LT-03163 Vilnius), Chairman of the Board of American Chamber of Commerce in Lithuania (company code 223908210, address Konstitucijos pr. 26, LT-08105 Vilnius)	BSBA in Business Administration - Kaplan University, USA "Baltic Institute of Corporate Governance" company management program
	Darius Makauskis, Independent Board member, Stansefabrikken (company code 111798718, address Pašilės g. 10, LT-20194 Ukmergė) group HR manager, MB „Keturvėjininkai“ shareholder (company code 306043253, address Jociškių g. 16, Suvernyų k., LT-99361 Šilutės r.)	Personnel management and international trade studies, Vilnius University Personnel development studies at Cornell University (USA)
From the 23rd of March		
Chairman of the Board	Gediminas Almantas, Independent Member of the Board, Chairman of the Board of LTG Infra (company code 305202934, address Geležinkelio g. 2, LT-02100 Vilnius), Chairman of the Board of Novaturas AB (company code 135567698, address A. Mickevičiaus g. 27, LT-44245 Kaunas), Visiting Professor at the Thunderbird School of Global Governance, Phoenix, AZ, USA, Visiting Professor at ENAC aviation academy Toulouse, France;	Vilnius University, Master of Laws; University of Bern, Switzerland, Master of Laws; Copenhagen Business School, Ethics of Business Negotiation, Industrial PhD. AMERICAN EXPRESS Leadership Academy at Arizona State University/Thunderbird School of Global Management; Sustainable Leadership for Sustainable Organizational Management in Northern Europe at the Swedish Institute (SI)

Management	Name surname	Education
Members of the Board	Eglė Čiužaitė, independent board member, independent board member, chairwoman of audit committee of AB Vilniaus šilumos tinklai, (company code 124135580, address Elektrinės g. 2, LT-03150 Vilnius) independent board member of VšĮ Jaunimo linija (company code 302594405, address Vingrių g. 6, LT-01141 Vilnius) UAB Akropolis Group independant audit committee member, MAXIMA GRUPĖ, UAB independent audit committee member	Master of Science in Finance and International Business Sciences — Aarhus University, School of Business and Social Sciences, Denmark Bachelor’s degree in business administration (Finance) — Bellevue University, USA Completed the training program for members of the Board of "Baltic Institute of Corporate Governance".
	Tadas Vizgirda, Independent Member of the Board, Managing Director of Shift4 Payments Lithuania (company code 304341621, address A. Goštauto g. 40A, LT-03163 Vilnius), Chairman of the Board of American Chamber of Commerce in Lithuania (company code 223908210, address Konstitucijos pr. 26, LT-08105 Vilnius), UAB Revel Systems (company code 303480970, address Konstitucijos pr. 21C, LT-08130, Vilnius) Director of transformation	BSBA in Business Administration - Kaplan University, USA "Baltic Institute of Corporate Governance" company management program
	Dan Strömberg, Independent Member of the Board, „SIA Tet“ (Latvia) Member of the Supervisory Board	Finance studies at IHM Business School/Stockholm University (Sweden); Marketing studies at IHM Business School (Sweden)
	Vilius Veitas, Dependent Member of the Board, Transport Attaché at the Permanent Representation of Lithuania to the EU (civil aviation, shipping)	Master of Management and Business Administration, Pilot Engineer - Vilnius Gediminas Technical University;
CEO	Simonas Bartkus	Executive Studies, Strategic Marketing Management, Stanford University Graduate School of Business, 2012; Master's degree in European Economic Studies, VU, 2008; Bachelor of Economics, VU, 2005
Head of the Flight development department	Tomas Zitikis	VGTU bachelor of transport engineering, 2012
Director of Development department	Arnas Dūmanas	Norwegian Business School and ISM Master in Executive Business Management, 2020 Civil Engineering bachelor, Vilniaus Gedimino technikos universitetas, 2006
Deputy head of Operations department	Valdas Stropus	Bachelor of Aviation Engineering, Vilnius Gediminas Technical University, 2006
Director of the Department of Commerce	Gintarė Norvilaitė-Tautevičė	Master in Executive Business Management, ISM, 2024 Master of International Marketing and Management, ISM University of Economics and Management, 2014

Management	Name surname	Education
		Bachelor of Economics, Vilnius University, 2011
Director of the Safety and security department	Vidas Kšanas	Business administration, Baltic Institute of Management, 2008 Master of Management and business administration, Vytautas Magnus University, 2008 Bachelor of Management and business administration, Vilnius University, 2003
Director of the Finance Department	Petras Akstinas	VGTU bachelor in business management , 2000
Head of Personnel and Administration	Natalja Andreičiuk	Bachelor of Psychology Klaipėda University, 2006 Master of Business Psychology, Mykolas Romeris University, 2009
Head of Law	Diana Bankauskienė	Master of Business Law, Mykolas Romeris University, 2015 Bachelor of Laws, Mykolas Romeris University, 2013
Head of Communication section	Marius Zelenius	Public relations, professional studies. Vilnius University. Institute of Journalism, 2008 Bachelor of Landscape Management, Klaipėda University, 2002

Selection criteria for collegial bodies

The selection of candidates to the collegial supervisory or management body shall be carried out by the shareholder, the Ministry of Transport and Communications of the Republic of Lithuania, in accordance with the current wording of the Government of the Republic of Lithuania's Resolution No. 631 of 17 June 2015. The Resolution establishes the essential principles and processes for the selection of candidates to the collegial supervisory or management body of a state or municipal enterprise, state-owned or municipally-owned Company or its subsidiary:

- **Autonomy.** This includes the appointment of independent members of the collegial body and restrictions on the participation of public politicians in these bodies. All State-managed Companies (hereinafter SMC) are subject to the requirement that, in a collegial body elected directly by the shareholder/owner, members meeting the criteria of independence must represent at least half of the members of the collegial body. Meanwhile, state politicians or civil servants with political trust cannot be appointed to the collegial bodies of a state-managed Company.
- **The collegial bodies of an SMC are formed on the basis of the principles of competence and taking into account the specificities of the SMC activities and strategic objectives.** The legislation stipulates that the collegial body of a SMC must have appropriate competences in strategic planning and governance, financial management and the sector of the economy in which the SMC operates. Other competences required are tailored to individual needs. The selection of the members of the collegial body is based on this principle.
- **Professional and transparent selection.** The selection of independent members is subject to detailed selection procedures, covering the steps from the initiation of the selection process to the appointment as a member of the collegial body. The selection procedures established are public and follow the principle of a detailed screening process, whereby the candidate is evaluated by both a professional selection agency and a selection panel set up specifically for the selection.
- **Empowered.** The functions of the collegial bodies of state-managed Companies (SMC's) are similar to global governance practices, i.e. they follow generally accepted corporate governance principles: they appoint and dismiss the CEO, approve the Company's strategy and oversee the implementation of the Company's strategy. Currently, the functions of the boards of the SMCs with the Public institution legal status are limited and they are more advisory bodies.

2.1. Functions of the Board

The Board considers and approves:

- the Company's business strategy, including the Company's operating budget;
- the Company's annual report;
- the Company's interim report;
- the Company's management structure and staff positions;
- positions to be filled by competitive recruitment;
- the regulations of the Company's branches and representative offices;
- the rules governing the management of the Company's donations;
- other documents (guidelines, policies, etc.) governing the Company's activities which are relevant to the Board's areas of responsibility;
- determine the information which shall be considered as the Company's commercial/productive secrets and confidential information;
- elect and remove the Company's Chief Executive Officer, determine his remuneration, other terms and conditions of employment, approve his job description, promote him and impose penalties. Approves the nomination of branch and representative office managers;
- decide on the Company becoming a founder or participant in other legal entities;
- decide on the establishment of branches and representative offices of the Company;
- take decisions on the investment, transfer (calculated separately for each type of transaction), lease (calculated separately for each type of transaction), pledge and mortgage (calculated as a total amount of transactions) of fixed assets with a carrying amount equal to or exceeding EUR 3 000 000;
- deciding on the guaranteeing or guaranteeing of the performance of the obligations of other persons for an amount equal to or exceeding EUR 3 000 000;
- take decisions on the acquisition of fixed assets for a price equal to or exceeding EUR 3 000 000;
- take decisions on the lending or borrowing of funds, including, but not limited to, decisions on the conclusion of any loan or credit agreement with a per transaction value equal to or exceeding EUR 3 000 000 and/or the modification of an existing loan or credit agreement with a modification value equal to or exceeding EUR 1 000 000;
- adopt decisions to approve the Chief Executive Officer of the Company:
- to enter into transactions for the purchase of goods, services and works, the value of each transaction of which is equal to or greater than EUR 1 000 000 excluding VAT;
- to enter into transactions for the pledge of the Company's assets;
- to enter into transactions that meet the criteria of a market economy operator, where the Company invests with a publicly selected partner to promote the development of flight routes;
- all decisions relating to the assets constituting the airport infrastructure (assignment, mortgage or other encumbrance, guarantee, surety or other security for the fulfilment of its own obligations and those of others, lease, loan or transfer to others for their use in any other way, declaration of unnecessary or unusable (unfit for) use, etc.).
- making amendments to transactions (with a value equal to or greater than EUR 1 000 000) if the value of the contract for goods and services increases by more than 10% of the value of the contract and the value of the contract for works increases by more than 15% of the value of the contract and such increase in the value of the goods and services or the value of the contract for works amounts to at least EUR 250 000 excluding VAT.

The Board may also decide on other matters assigned to the competence of the Board by the Law on Joint Stock Companies of the Republic of Lithuania, the Articles of Association of the Company and the decisions of the General Meeting of Shareholders.

Meetings held: 7 Board meetings were held in 2024 IH.

2.1.1. Main issues discussed

Monthly review of the Company's performance; Consideration of the terms and conditions of purchases within the Board's remit and approval of transactions; Consideration of Board assignments; Approval of the LTOU remuneration policy; Company's 2024 annual targets and KPIs for the Company's senior management team - 2024 targets; Summary of the implementation of the Company's annual Procurement Plan for 2023 and 2024. Presentation of the plan; Discussion of the LTOU 2023 Corporate Governance Index Assessment Report, LTOU's action plan in view of the LTOU 2023 Corporate Governance Index Assessment Report; Presentation of the LTOU Head Office Relocation Project; Presentation of the VNO Business Club Governance Model; Presentation of the results of the Employee Engagement Survey; Amendment of the Rules of Procedure of the Board of Directors; 2024 Setting of annual objectives for the CEO; Discussion of the programme for the implementation of long-term development plans (master plans) for a period of 5 years (initial); 2024 work plan and 2023 report of the Audit and Risk Committee; 2023 report on the activities of the Internal Audit and 2024 report on the activities of the Internal Audit; 2023 operational and financial results (unaudited), including comparison with market benchmarks, other airports; Presentation of the risk management situation (2023 summary, 2024 plan); Presentation of the progress of the implementation of the personal data protection requirements in LTOU; Self-assessment of the Board's performance; Revision of the Company's organizational structure and staffing structure; Review of IT and cyber security improvement measures; Presentation of the Company's 2023 annual performance and financial results. Independent audit report [decisions on the draft annual activity report and draft profit/loss allocation]; Assessment of the LTOU CEO's performance for 2023 (with audited 2023 LTOU financial results); Election of the Chairman of the Board; Competence requirements of the Audit and Risk Committee, engagement of the Board members, initiation of the selection of the new members of the Audit and Risk Committee; Consideration of the Board's Annual Plan of Action; Discussion of the 2023 performance and financial results. Presentation of the LTOU's financial and financial results for Q1; Action plan and progress on the implementation of the LTOU's sustainability/ESG practices; Discussion of the progress on the implementation of the Letter of Expectations initiatives; Amendment of the CEO's contract of employment; Establishment of the Audit and Risk Committee; Approval of the LTOU's updated strategy; Review of the LTOU's budget 2024; Review of the shareholders' approved 2023 profit distribution and its impact on the LTOU's financial results for the 2024 financial year. Presentation and discussion of commercial real estate development activities; Presentation of the company's anti-corruption situation; Amendment of the Audit and Risk Committee's Terms of Reference; Presentation of the VNO T4, T2/T3 and KUN lease tender schedule and commercial terms; Discussion with Audit and Risk Committee members; Presentation of the HR activities; Meeting with the Risk Manager to discuss priorities.

The Board accepted the following transactions of the Company in 2024 I H (original transaction values are indicated):

1. On 29 February 2024, the Board, by a joint decision of the Board members, approved the conclusion of the transaction with the winner of the public procurement of the contract for the contract works for the VNO warehouse building, UAB "Jungtiniai projektai", subject to the condition that no claims are received or rejected (value of the transaction: EUR 1 226 658,73 excluding VAT).
2. On 29 February 2024, the Board of Directors, by a joint decision of the members of the Board of Directors, approved the conclusion of the transaction with the winner of the tender for the selection of the operator of the scheduled flights between VNO and HAM, Air Baltic Corporation AS (LTOU investment amount of EUR 4 233 352,88).
3. On 29 February 2024, the Board, by a joint decision of the members of the Board, approved the conclusion of the transaction with the winner of the selection procedure for the operator of scheduled flights between VNO and LIS, Air Baltic Corporation AS (LTOU's investment amount is EUR 3,767 million).
4. On 21 March 2024, the Board, by a joint decision of the members of the Board, approved the conclusion of a transaction with the winner of the public procurement contract "Procurement of Video Surveillance Services", Ekskomisarų biuras UAB (value of the transaction - EUR 1 558 500,00 excluding VAT).
5. On 22 May 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract for the procurement of 'Mobile Electric Power Supplies for Aircraft' to Lucidus techno UAB (value of the contract: EUR 1 546 650,00 excluding VAT).

Summary period 2024 I H:

- Focusing on the State's objectives and expectations for the company, as defined in the Letter of Expectations, the aim is to grow the number of passengers and destinations, to operate a profitable and sustainable business, to provide high quality passenger services and to implement strategic investment projects.
- Masterplans were presented to the public, outlining the long-term development of the airport network.
- Vilnius and Kaunas airports development programmes are being implemented to ensure capacity for growing passenger traffic.
- Sustainability, ESG (Environmental, Social and Governance) and net-zero CO2 programmes are implemented.
- Systematic risk management, strengthening of internal controls and the application of good governance practices, aiming at the highest standards in all evaluation categories (transparency, collegial bodies, strategic planning and implementation).
- 7 Board meetings were held and 2 additional resolutions were adopted on issues of relevance to the Company within the Board's remit without convening meetings.

The main long-term priorities of the Board from 2023 and continuing in 2024 are:

- Continued implementation of the flight incentive model through the Risk Sharing Model (MEOP).
- Development of commercial real estate (MRO, cargo, mixed-use buildings in the restricted area, commercial premises, logistics centers).
- Ambitious growth and business development, investing in projects generating long term returns, continued implementation of key investment projects.
- Development of renewable energy sources.
- Sustainable development of financing options.
- Preparation of a tactical plan for the implementation of the Net Zero strategy and implementation of planned milestones.

- Systematic risk management, strengthening of internal controls and application of good governance practices to achieve the highest standards in all evaluation categories (transparency, collegial bodies, strategic planning and implementation).

2.1.2. Attendance of meetings

The overall average attendance rate of members in 2024 IH was 99 percent.

TABLE 3. Meetings attendance

NR.	Date	Number of participants	Participants	Did not attend	Total amount of members	Attendance %
1.	31st January	4 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Darius Makauskis	Saulius Kerza	5	80 %
2.	29th February	4 members	Eglė Čiužaitė Saulius Kerza Gediminas Almantas Darius Makauskis	Tadas Vizgirda	5	80 %
3.	21st March	5 members	Eglė Čiužaitė Tadas Vizgirda Saulius Kerza Gediminas Almantas Darius Makauskis		5	100 %
4.	25th March	4 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg		4	100 %
5.	23rd April	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100 %
6.	30th May	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas		5	100 %
7.	19th June	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100 %

2.1.3. Remuneration received for the position of a member

The procedure for the payment of remuneration to the members of the Board is established by the procedure for granting remuneration to the members of the boards of state-owned enterprises and municipal enterprises, approved by the Resolution of the LRV No. 1092 on 14 October 2015. The Order of the Minister of Transport and Communications of the Republic of Lithuania of 8 March 2024 No.3-93 "On the Remuneration of the Members of the Board of Directors and the Members of the Committees of the Joint-Stock Company Lithuanian Airports sets the monthly remuneration for the members of the Board of Directors at EUR 2,526 (two thousand five hundred and twenty-six euros, exclusive of taxes). In the case of a member of the Management Board who is a civil servant, his/her monthly remuneration shall be EUR 1 263 (one thousand

two hundred and sixty-three) (before tax). The monthly remuneration of the Chairman of the Board shall be EUR 3 368 (three thousand three hundred and sixty-eight) (before tax).

If the activities of a member of the Board require reasonable travel (transport) expenses, the Company shall reimburse such reasonable travel expenses. For members of the board in 2024 IH fuel costs were compensated for EUR 308,22.

The remuneration accounted to members of the Board for their work during 2023 (including all taxes and contributions payable) — EUR 69 945,22.

TABLE 4. Board members' salaries

Name, Surname	Position	Period of service as a member of the Board in 2024	Estimated remuneration for work in 2024 including taxes
Eglė Čiužaitė	Chairwoman/ Member (Independent)	2024-01-01 – 2024-06-30	17 025,67 Eur
Saulius Kerza	Member (civil servant)	2024-01-01 – 2024-03-23	3 267,87 Eur
Tadas Vizgirda	Member (Independent)	2024-01-01 – 2024-06-30	14 847,09 Eur
Darius Makauskis	Member (Independent)	2024-01-01 – 2024-03-23	6 535,74 Eur
Gediminas Almantas	Member/Chairman (Independent)	2024-01-01 – 2024-06-30	17 617,55 Eur
Dan Strömberg	Member (Independent)	2024-03-23 – 2024-06-30	7 578,00 Eur
Vilius Veitas	Member (civil servant)	2024-03-23 – 2024-06-30	3 073,30 Eur

TABLE 5. Beginning/end of the term of LTOU board members

Member	Beginning of term	End of term
Eglė Čiužaitė	2020 03 23	2024 03 22
Saulius Kerza	2020 04 07	2024 03 22
Tadas Vizgirda	2020 03 23	2024 03 22
Darius Makauskis	2021 03 16	2024 03 22
Gediminas Almantas	2021 10 26	2024 03 22
Gediminas Almantas	2024 03 23	2028 03 22
Eglė Čiužaitė	2024 03 23	2028 03 22
Tadas Vizgirda	2024 03 23	2028 03 22
Dan Strömberg	2024 03 23	2028 03 22
Vilius Veitas	2024 04 18	2028 03 22

The Company has an Audit and Risk Committee. The Board of Lithuanian Airports by its 3 June 2024 resolution No. 1VN-18 has approved the new term of office of the Committee for a 4-year term of office until the expiry of the term of office of the current Board of the Company, i.e. until 23 March 2028.

3. Key events significant to the company's operations during the reporting period

3.1. Implementation of investment projects

VNO continues to expand its infrastructure, including the reconstruction of the T4 departure terminal module with transport access. In the first half of 2024, about 80% of the terminal installation works have been completed, solar modules have been installed on the roof of T4, the redevelopment of the transport accesses has started, and a part of the new central car park for short-term parking etc. has been installed and handed over to passengers - Phase I, and Phase II works have started. The crucial planning stages for Operational Readiness and Airport Transfer (ORAT) have also been completed and presented to stakeholders (LTOU partners). Installation of technological equipment and systems has started and the reconstruction of the apron section at Terminal T4 has been completed (except for the signage).

VNO is also intensively implementing new technology projects related to the construction of T4 and the refurbishment of existing terminals, with important milestones in the first half of 2024: the launch of the new VNO baggage handling system (BHS), the introduction of the Explosive Detection System (EDS) and the Out of Gauge (OOG) line, the design of the self-service baggage drop (SBD), the start of the software implementation phase and the production of the equipment.

During the first half of 2024, important milestones of X-ray equipment for screening hand luggage and personal effects have been completed in all branches: the installation phase has been completed at PLQ, all lines of the new equipment have been installed at KUN, and the production of the equipment has started at VNO.

As part of the KUN development programme, contract works for the KUN terminal expansion, procurement of technology upgrades and preparations for future deployment phases are ongoing. The KUN North Apron Expansion Project is preparing for the opening of the taxiway, not only replacing the pavement and its foundations, but also installing a new generation of high-efficiency LED signal lights.

In the first half of 2024, significant interim results were achieved in projects related to the generation and use of renewable energy sources at airports. The design of solar power plants with storage at VNO, KUN and PLQ has started, the design for the installation of electric charging stations at VNO and KUN on the airfield areas is underway, and the system for the procurement and evaluation of the qualification of VNO's electric buses and their maintenance has been published and assessed.

A significant part of LTOU's investments are real estate development projects. In VNO, the technical design of a storage hangar is being finalized, while in KUN the asphaltting of the existing site and the design of a new multi-storey car park are being completed. Other investment projects continue to be implemented in the company, such as the reconstruction of emergency facilities and business continuity projects, the special transport renewal programme, reconstructions of terminals and the acquisition and modernization of technological systems and equipment, the improvement of working conditions for employees, the development of car parking infrastructure, etc.

3.2. Improving the passenger experience

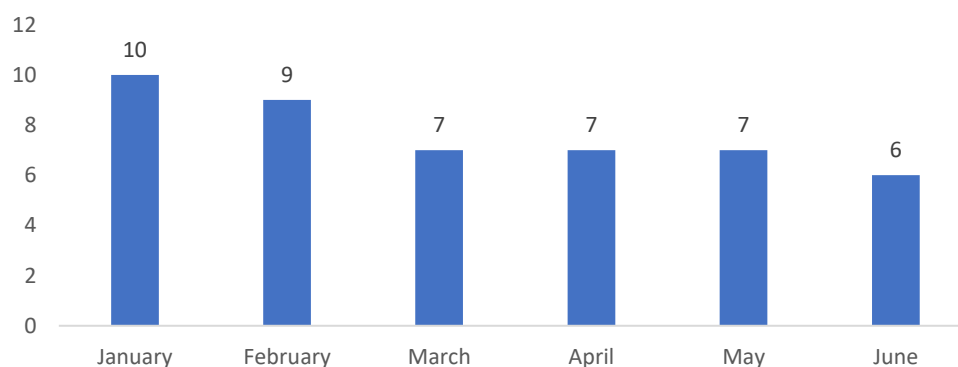
Due to the rapid growth in passenger flows in 2024, LTOU still faces challenges in managing passenger processes and ensuring high quality services and an excellent passenger experience. The key customer experience activities identified for the period 2023-2030 were:

- Infrastructure maintenance and development of the new Vilnius terminal;
- Ensuring cleanliness and safety in the travel process;
- Developing customer service competences;
- Getting to know customers through research and surveys;
- Developing the airport community by involving employees and partners.

In the first half of the year, a lot of attention was paid to the new Vilnius terminal and the reconstruction phases of the approaches, the production of additional signs, and the recruitment and training of staff to assist passengers during the travel phases. Periodic quality checks are also carried out at all airports for staff and company partners, feedback, discussions to improve the passenger experience, and training on passenger service topics. A strong emphasis is placed on training on the handling of individual passenger needs. The web pages have also been updated with information on special assistance and the flight information screens have been updated with a change of colour to make it easier for visually impaired passengers to read the information.

During the first half of 2024, 628 employees completed online training on how to serve passengers with special needs. In the first half of 2024, 225 passenger complaints were received regarding the operations of Vilnius, Kaunas, or Palanga airports. The company monitors and analyzes a key indicator – the number of complaints per 100,000 served passengers. The goal for 2024 is to have fewer than 10 complaints per 100,000 passengers. Most complaints were related to ground handling activities (passenger check-in, boarding, baggage handling) and aviation security screening processes. Each complaint is reviewed with the involvement of relevant stakeholders, a response is provided to the customer, and preventive measures are taken to manage recurring situations.

1 CHART. Number of passenger complaints per 100,000 passengers, data for the first half of 2024

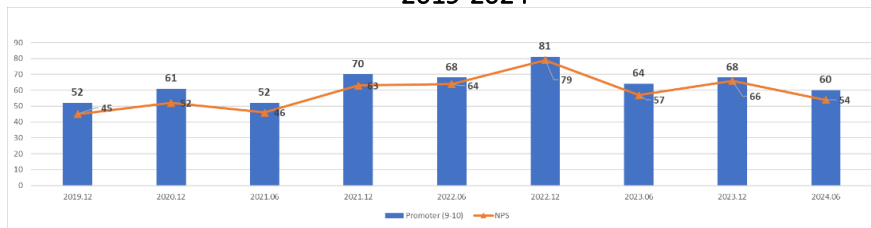


Preventive action has helped to keep the number of complaints stable and not increasing over the years.

A continuous Net Promoter Score (NPS) survey is conducted for the passengers of all three airports. In the first half of 2024, the overall percentage of loyal passengers across all three airports was 65%. During

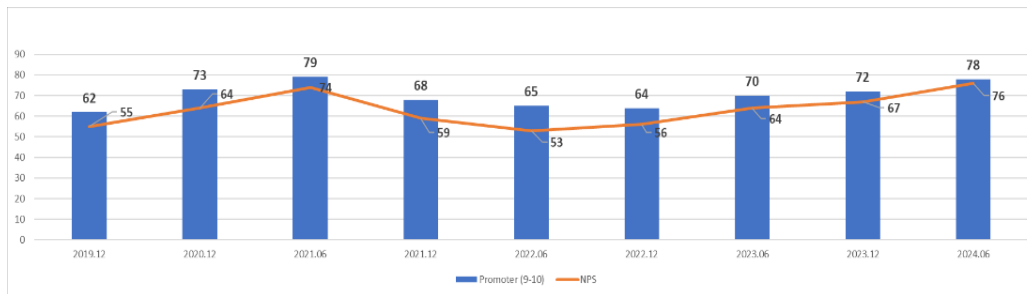
this period, Kaunas Airport received the highest rating, with 78% of passengers identified as loyal. The high rating was driven by an increasing number of new routes, friendly staff, modern new aviation security screening equipment, and renovated food service points. The results of all quality and passenger experience improvement studies are discussed, and an action plan, also known as the NPS program, is developed annually with the goal of improving passenger experience through various projects and initiatives. By the first half of 2024, 47% of the NPS program actions (38 out of 81) have already been implemented. The five-year trend of loyal passengers, or strong promoters (those who rated 9-10), at Vilnius, Kaunas, and Palanga airports is depicted in Charts 2, 3, and 4.

2 CHART. The number of loyal passengers and the NPS (Net Promoter Score) indicator at Vilnius Airport, 2019-2024

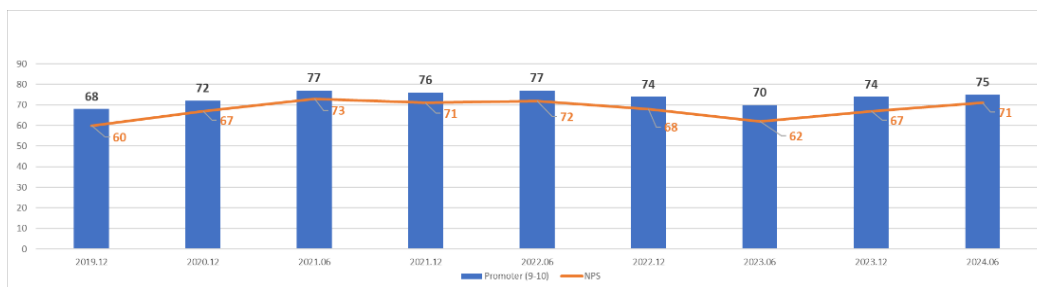


3 CHART.

The number of loyal passengers and the NPS (Net Promoter Score) indicator at Kaunas Airport, 2019-2024.



4 CHART. The number of loyal passengers and the NPS (Net Promoter Score) indicator at Palanga Airport, 2019-2024.



3.3. Route development model

In line with the strategic goals outlined in Lithuania's aviation guidelines up to 2030 and in implementing the Government's program, a business plan was developed for operating flights on strategic routes. Following this business plan, and understanding the importance of air connectivity for the country's development, while fulfilling the company's mission to unite different Lithuanian airports, promote sustainable partnerships, develop new businesses, ensure diverse high-quality experiences for passengers, and contribute to the country's economic development, LTOU (Lithuanian Airports) has begun implementing a route development promotion project.

The goal of the route development promotion project is to improve and ensure the sustainability of the country's air connectivity with target countries, aiming to enhance Lithuania's economic competitiveness. The project seeks to increase the attractiveness of existing routes, attract and develop new routes, thereby creating favorable conditions for business and tourism travelers to reach Lithuania, facilitating the attraction of foreign direct investment, increasing inbound tourism flows, and fostering the growth of the country's aviation business.

The route development promotion project will also contribute to improving LTOU's financial indicators, as the main principle and condition for its implementation is that the route promotion activities must contribute to the company's long-term profitability growth.

The risk-sharing partnership model is being implemented in accordance with the 141.4 initiative of the "Future Transport System" project under the program of the Eighteenth Government of the Republic of Lithuania, which aims to ensure Lithuania's air connectivity on strategic routes. This initiative is part of the action results set out in the Government's program implementation plan, specifically action 5.7.9: "Prepare and approve a business plan for operating flights on strategic routes to ensure air connectivity with target markets critical to Lithuania's economic development." As part of this effort, in 2022, the Ministry of Transport and Communications of the Republic of Lithuania commissioned an analysis of support models for route development in Lithuania, as well as a business plan for implementing the route development promotion project. The business plan concludes that the implementation of the route development promotion project will provide substantial net benefits to Lithuania. The total Net Present Value (NPV) of the project shows a benefit of approximately 1.1 billion euros, with a Benefit-Cost Ratio (BCR) of 37. The project also has significant positive effects on tourism, with a NPV of about 135 million euros and a BCR of 4.4. The business plan ultimately indicates that the route development promotion project will provide considerable social and economic benefits to Lithuania.

The risk-sharing partnership model also aligns with the strategic goals outlined in Lithuania's aviation guidelines up to 2030 and contributes to the implementation of the July 17, 2023, order of the Minister of Transport and Communications and the Minister of Economy and Innovation of the Republic of Lithuania (Order No. 4-393/3-335) "On the Approval of the List of Routes Important for Business and Inbound Tourism, for which Flight Promotion Measures May Be Implemented to Ensure Targeted Connectivity." This order approved the list of routes important for business and inbound tourism, for which flight promotion measures may be implemented to ensure targeted connectivity.

In September 2023, the first agreement under this model was signed with the airline "LOT Polish Airlines," which continues to operate regular flights between Vilnius and London City (LCY) airports.

In the first half of 2024, the following agreements for regular flights were signed with the airline "Air Baltic Corporation AS":

- between Vilnius and Lisbon;
- between Vilnius and Hamburg.

3.4. Addressing asset management issues

LTOU owns, maintains, and operates a wide range of real estate assets, including airport buildings, administrative premises, engineering structures and networks.

LTOU currently holds 12 land plots (7 at Vilnius Airport, 2 at Kaunas Airport and 3 at Palanga Airport) in trust and owns 433 unique real estate items.

Almost 80% of the real estate owned is used for direct operations, such as passenger and aircraft handling, or reserved for future development. The remainder is leased or made available for use by institutions related to the direct activities of airports. LTOU has provided premises to the Vilnius, Kaunas and Klaipėda Territorial Customs Offices, the State Border Guard Service under the Ministry of the Interior, the Public Security Service under the Ministry of the Interior, and the Lithuanian Hydrometeorological Service to carry out the activities stipulated by the legislation.

LTOU had 50 land lease agreements in force in 2024 IH: 36 non-auctioned agreements for the operation of partner-owned facilities and/or buildings, 13 agreements for commercial purposes and 1 agreement for the use of state land.

3.5. Developing cargo infrastructure and the aircraft maintenance industry (MRO)

In order to attract investors to Kaunas Airport, LTOU plans to continue active sales activities for land plots designated for the expansion of the aircraft maintenance industry. In the first half of 2024, the second aircraft repair and maintenance facility with two hangars, built by the company "Ryanair," was officially opened at Kaunas Airport, with an investment of 20 million euros. With the completion of this development phase, Kaunas Airport will continue to maintain its position as the largest MRO (Maintenance, Repair, and Overhaul) service center in the Baltic States, capable of simultaneously accommodating up to 12 Category C aircraft for repair and maintenance.

4. Overview of aviation services

4.1. 2024 I H Global Aviation Outlook

The overall recovery in Europe during the first half of 2024 was 100%—2% higher than the average passenger recovery rate recorded in Lithuania during the same period.

Overall, a faster recovery in passenger numbers is observed in Europe compared to Lithuania in 2024, as the geopolitical situation has made it somewhat more challenging to restore traffic in Eastern Europe. According to the European Travel Commission, such tourism trends are recorded across all Baltic States.

The still relatively high aviation fuel prices (though lower than in 2022) have increased the costs incurred by airlines. Aviation fuel prices are a critical factor in the aviation industry due to their impact on operational expenses and ticket prices. As traffic normalizes and grows, the demand for fuel continues to rise. It is expected that the increasing production of Sustainable Aviation Fuel (SAF) (according to S&P Global analysis, the European region produces the largest share of SAF and is expected to account for 53% of global SAF production in 2024) will promote price stability in the long term.

4.2. 2024 Global Aviation Forecasts

As uncertainty continues to dominate the aviation sector due to fluctuations in energy resource prices, operational challenges, and the geopolitical situation, aviation organizations are continually revising sector forecasts. According to data from the International Air Transport Association (IATA), in 2023, revenue passenger kilometers (RPK) were nearly 6% lower than pre-pandemic levels, and international passenger traffic had not yet returned to previous volumes. The organization predicts that overall passenger traffic should be restored by 2024 (with expected growth in all regions except Africa). Due to passengers prioritizing travel over other expense categories, airlines have found it easier to return to pre-pandemic levels of connectivity between different airports. Although further growth in passenger numbers is expected in 2024, it is essential to define the risks that may shape the aviation sector—geopolitical situation, global economic developments, and ongoing operational challenges due to supply chain disruptions.

Regarding aviation forecasts in Europe, the recovery prediction presented by the Airport Council International (ACI Europe), which unites airports, is similar to that of IATA. Full recovery is expected as early as 2024 (+3% compared to 2019). However, the ACI Europe forecast reflects only part of the European situation, as it does not account for the geopolitical challenges faced by Eastern European countries. Since the market continues to experience a faster recovery in demand than in supply (due to operational challenges), the European air navigation organization Eurocontrol predicts that full recovery may occur in 2025-2026, slightly later than the recovery in demand.

4.3. Results of Lithuanian airports

TABLE 6. Distribution of TOP 10 carriers in LTOU 2024 I H

Airline	Market share
Ryanair	46 %
Wizz Air	14 %
airBaltic	13 %
SAS-Scandinavian Airlines	6 %
LOT Polish Airlines	6 %
Lufthansa	4 %
Turkish Airlines	4 %
Finnair	2 %
Norwegian	2 %
Swiss Airlines	1 %

TABLE 7. The main direct routes in LTOU 2024 I H

Airport	Percentage of passengers
London LTN	9%
Copenhagen CPH	7%
London STN	6%
Riga RIX	5%
Warsaw WAW	5%
Oslo OSL	4%
Frankfurt FRA	4%
Stockholm ARN	4%
Istanbul IST	4%
Rome FCO	3%

TABLE 8. Recovery of Supply at LTOU 2024 I H

Airline	Share of Seats Offered in 2023	Reached Level of supply that was in 2019
Ryanair	41%	122%
Wizz Air	17%	59%
airBaltic	13%	149%
SAS-Scandinavian Airlines	6%	98%
LOT Polish Airlines	6%	89%
Lufthansa	4%	96%
Turkish Airlines	4%	169%
Finnair	3%	117%
Norwegian	2%	81%
Swiss Airlines	1%	n/d%
Brussels Airlines	1%	86%
Austrian Airlines	0,7%	64%
Aegean Airlines	0,2%	n/d%
Play Airlines	0,1%	n/d%

n/d – no data

4.3.1. Lithuanian airports

In 2024, due to the prevailing geopolitical situation and operational challenges, the impact on European civil aviation companies continued, leading airlines to adjust their flight plans and route offerings.

Despite the challenges, a well-crafted strategy, along with passengers prioritizing travel over other spending categories (according to a European Travel Commission survey, 75% of Europeans plan to travel soon, a 6% increase from last year), the onset of the summer season, and the recovery of business travel (with demand for traditional airline routes in the first half of the year 1% higher than in 2019, and a 21% annual growth) have all contributed to continued passenger growth in 2024. By the first half of 2024, 99% of pre-pandemic passenger traffic had been restored. In May, Lithuanian airports handled the highest number of passengers

among all Baltic airports. The introduction of new routes and increased frequency of existing routes during the aviation summer season made travel more convenient, leading to a 15% rise in demand for regular flights compared to last year. The number of seats offered on flights was 4% higher than in 2019 and 19% above last year's figures. June marked the first month since the pandemic began that traffic levels from 2019 were exceeded at each airport branch individually (VNO +2%, KUN +36%, PLQ +9%), making it the highest on record. The start of the summer aviation season and the increased inbound traffic during the Song Festival further boosted passenger numbers. Additionally, that month saw a significant rise in Lithuania's overall connectivity index, as calculated by ACI Europe, which grew by 22% compared to the previous year. One of the key factors in this was a 19% increase in direct connectivity.

The opening of new routes, the increase in flight frequency on strategically important routes, the attraction of new airlines, and the restoration of regular seasonality all have a significant impact on the national economy. These factors create a more attractive environment for attracting foreign direct investment, promote bilateral trade, and boost inbound traffic, all of which directly influence aviation flows and airport revenues. Compared to the first half of 2023, aviation revenues in the first half of 2024 increased by 2.5%, making it critically important to continue implementing financing models that support consistent growth.

4.3.2. Vilnius airport

In the first half of 2024, Vilnius Airport handled 2.255 million passengers, marking a 12% increase compared to the first half of 2023. The number of flights also grew, reaching 19.7 thousand, an 11% increase year-on-year.

- Two new routes were launched in the first half of 2024: Lisbon (LIS) with two weekly flights and Krakow (KRK) with two weekly flights.
- Flight frequencies were increased on 14 routes, including Paris, Munich, Tallinn, Vienna, Frankfurt, Barcelona, Berlin, Milan, Rome, Oslo, Venice, Stockholm, Copenhagen, and Zurich.
- Two new airlines were attracted: Aegean (offering two weekly flights between Vilnius and Athens) and Play Airlines (offering one weekly flight between Vilnius and Reykjavik).
- The average load factor for traditional airlines was 75% (the same as in the first half of last year), while for low-cost carriers, it was 88% (a 1% decrease compared to the first half of 2023). Although load factors remained steady or slightly decreased compared to the same period last year, it's important to note that the capacity of traditional airlines increased by 23%, and that of low-cost carriers by 11%. This indicates that load factor alone may not fully capture the prevailing demand trends.

4.3.3. Kaunas airport

In the first half of 2024, Kaunas Airport handled 635.3 thousand passengers, a slight decrease of 1% compared to the first half of 2023. The number of flights also decreased slightly to 5.2 thousand, down 2% year-on-year. The suspension of routes to Norway by Wizz Air negatively impacted passenger traffic.

- Kaunas Airport continued to expand its network in 2024, launching flights to three new destinations: Berlin (BER) with three weekly flights, Pisa (PSA) with two weekly flights, and Zadar (ZAD) with two weekly flights.

- Flight frequencies were increased on seven routes: Alicante, Stockholm, Copenhagen, Liverpool, Palma de Mallorca, Rhodes, and London.
- The average load factor for low-cost carriers was 86%, a 1% decrease compared to the first half of 2023, while the number of available seats increased by 1%.

4.3.4. Palanga airport

In the first half of 2024, Palanga Airport handled 164.4 thousand passengers, reflecting a 7% increase compared to the first half of 2023. The number of flights also grew, reaching 2 thousand, a 7% increase year-on-year.

- Direct regular flights to Amsterdam were launched, with two flights per week.
- Flight frequencies to Riga, London, and Copenhagen were increased in the first half of 2024.
- The average load factor for traditional airlines was 60% (unchanged from the first half of 2023), while for low-cost carriers, it was 85% (a 1% decrease compared to the first half of 2023). The capacity offered by traditional airlines grew by 31%, while the capacity offered by low-cost carriers decreased by 9% (influenced by the suspension of Dublin flights during the aviation winter season and the cancellation of the London Luton route).

4.4. Overview of surrounding markets

Below is the 2024 IH passenger number growth and comparison with the nearest airports:

- Lithuanian Airports, 3 055 thousand passengers (+9 proc.);
- Riga Airport, 3 159 thousand passengers (+4 proc.);
- Tallinn Airport, 1 616 thousand passengers (+16 proc.).

5 CHART. Growth in the number of passengers in the Baltic States, 2024 I H

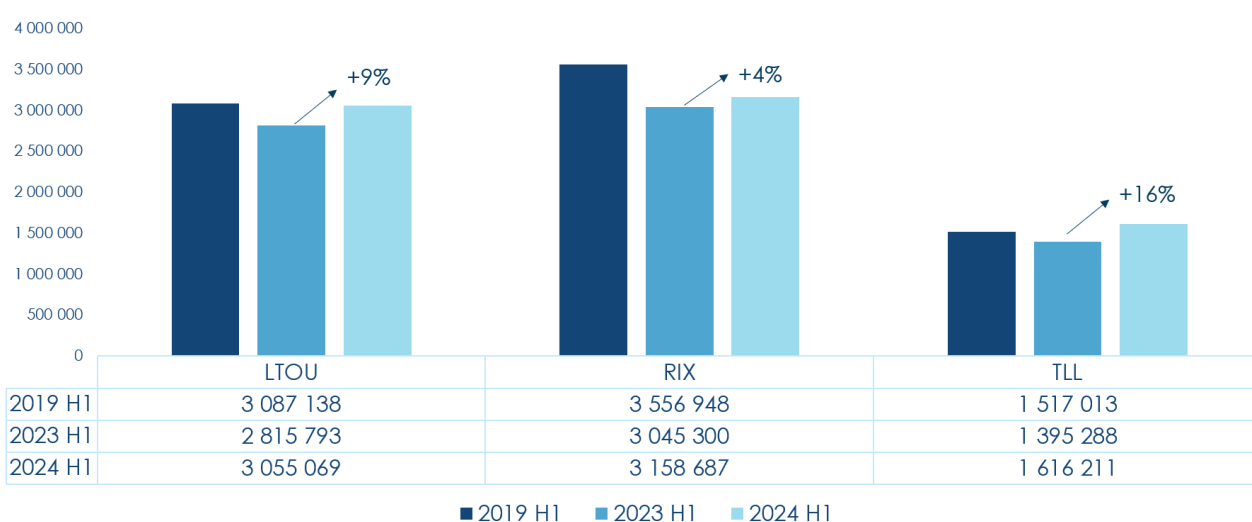


TABLE 9. Number of destinations and airlines at Baltic States, 2024 I H

	LTOU	VNO	KUN	PLQ	RIX	TLL
Number of Routes	90	53	31	6	104	52
Number of Regular Airlines	14	14	2	4	n/d	n/d

n/d – no data

TABLE 10. Comparative indicators at surrounding markets 2024 I H, thousands

Airport	Number of passengers	Number of flights	Quantity of cargo, T
LTOU	3 055	27	11
VNO	2 255	20	8
KUN	635	5	3
PLQ	164	2	0,2
RIX	3 159	29	8
TLL	1 616	n/d	4,7

n/d – no data

The economic (GDP) forecast across the Baltic States is quite similar, yet the recovery in passenger numbers varies significantly (LTOU – 99%, RIX – 89%, TLL – 107%). Despite Lithuania lacking a national carrier, Lithuanian Airports remain among the leaders in the Baltic region in terms of passenger numbers. In May, Lithuanian Airports handled the highest number of passengers among all Baltic airports. This indicates that Lithuanian Airports are strategically important to airlines, and the chosen route development strategy, along with the management of relationships with airlines, is proving successful. In the first half of 2024, the volume of transported cargo increased by 10% compared to the previous year. Notably, Lithuanian Airports handle the largest volume of cargo in tons among all Baltic States.

4.5. Lithuanian airports forecast for the year 2024

Goals for the year 2024:

- Promoting the development of existing hub airlines (HUBs) and attracting new ones in the priority markets of interested parties.
- Updating the package of incentives at Lithuanian airports and implementing new ones.
- Systematic cooperation between institutions for the promotion of inbound traffic.

In the first half of 2024, LTOU handled 48% of the projected passenger numbers for the year. The annual expected passenger demand for 2024 is close to the forecast, reaching 6.4 million (99% of the 2019 level, and a 6% increase from last year). Current capacity is also around 48% of the projected 2024 figure. The number of flights in 2024 is expected to reach 56,000 (90% of the 2019 level, and a 6% increase from last year). However, these forecasts may be adjusted due to demand-influencing factors (such as uncertainty in supply planning, the geopolitical situation, and fluctuations in macroeconomic indicators), which are difficult to control.

5. Overview of non-aviation services

In the first half of 2024, all branches experienced increased passenger traffic, which positively impacted the results for LTOU and its operating partners. Unlike the initial years following the pandemic, the biggest

challenge now is not attracting customers but efficiently serving them—ensuring sufficient staff, goods, and space in food and retail establishments to capitalize on the high passenger volume. The trends that began in 2023 continue, with passengers spending slightly less on goods (particularly strong alcoholic beverages) and more on dining. However, the changes between 2024 and 2023 are less pronounced than those observed between 2023 and 2022, indicating a stabilization in operations and a return to the usual rhythm of airport activities.

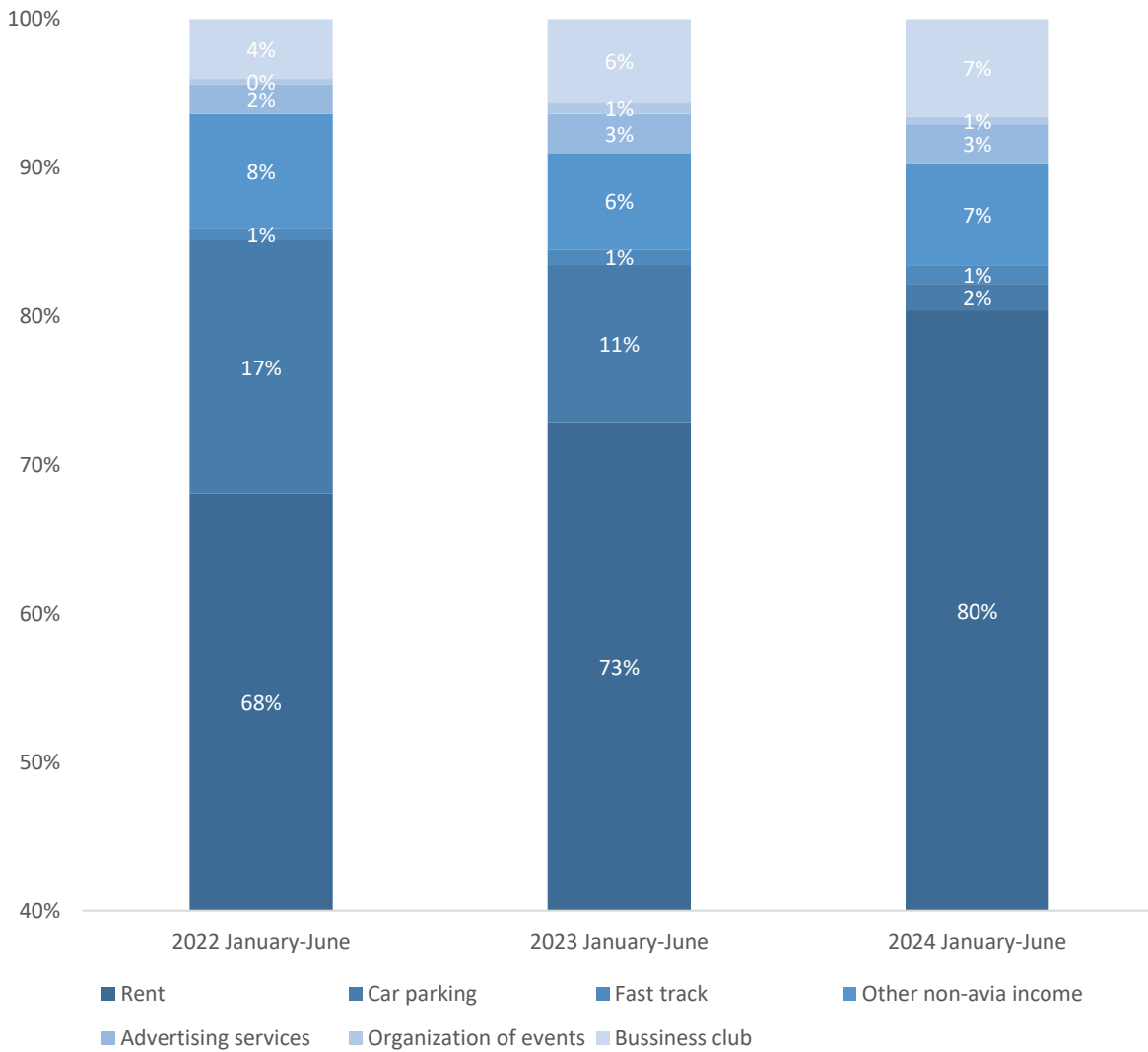
The main non-aviation activities of LTOU are:

- Renting buildings and premises;
- Car parking;
- Business club (only VNO);
- VIP service (only VNO);
- Advertising services;
- Land rent;
- Express screening of passengers (only VNO);
- Organization of events (rental of premises, filming, photo sessions);
- Loyalty program (VNO only).

One of the significant challenges at Vilnius Airport for both passengers and partners has been the restructuring of airport access. Due to reconstruction work, part of the parking facilities was closed, and the routes for passenger and goods access to the airport were altered, leading to a decrease in revenue from parking services. Despite this, in the first half of 2024, LTOU partners and services provided by the airports themselves (such as the Business Club, Advertising, and Fast Track) continued to show strong results. Non-aviation commercial revenue for LTOU in the first half of 2024 reached 9.9 million euros—a 7.6% increase compared to the same period in 2023.

LTOU generates the majority of its revenue from the rental of commercial buildings and premises, as well as from parking services. The revenue breakdown by activities is detailed in the chart below.

6 CHART. Structure of non-aviation revenues



Key projects implemented in 2024 IH:

- The LTOU real estate rental process and procedures were updated, enabling more efficient leasing of properties and offering more flexible and market-responsive commercial terms.
- Part of the **central short-term parking lot P2 at VNO was upgraded and handed over to the partner "uniPark" for operation.**
- A food truck began operating at the aircraft observation area near VNO during the aviation summer season, offering coffee and snacks to aviation enthusiasts.
- In April, the "Olympic Gate" was opened at VNO, temporarily transforming one of the waiting lounges with an Olympic theme, including graphics, information about sports achievements, and an interactive cycling station.
- The interior of the "Narbutas" Business Club at VNO was partially renovated, and a new food supplier was selected through a public tender. These qualitative improvements increased the Business Club's NPS to 65%, alongside a rise in the number of passengers served.

- In June 2024, LTOU partners officially opened the second wing of the "Air Hotel" across from Kaunas Airport's passenger terminal, with an investment exceeding 3 million euros. The hotel offers nearly 100 comfortable, newly furnished rooms, as well as conference and meeting rooms for rent. The hotel features self-check-in stations and provides all essential guest services.

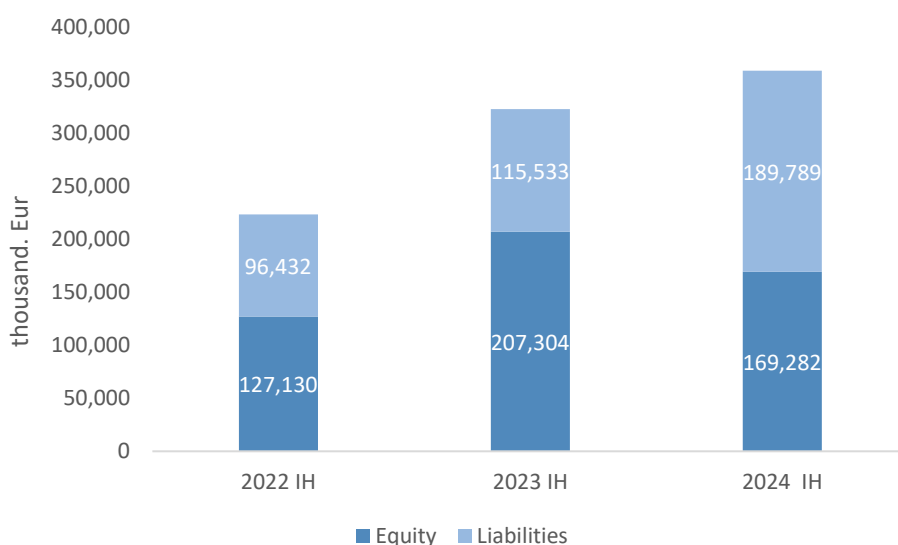
6. Changes in balance sheet indicators

6.1. Changes in owners' equity

The company's equity at the end of the first half of 2024 amounted to 169.3 million euros, representing 47% of the total equity and liabilities. On December 31, 2023, equity was formed by 154.5 million euros following the company's transition to a joint-stock company. This equity was composed of state-owned assets, excluding land value, a revaluation reserve, a mandatory reserve, and retained earnings (or losses). The company has not acquired its own shares.

The largest portion of payables and liabilities at the end of the first half of 2024 consisted of asset-related grants, totaling 105.3 million euros. Compared to the first half of 2023, payables and liabilities increased by 74.3 million euros, primarily due to the inclusion of 50 million euros in land value as grants, 17 million euros in long-term financial debt, and a 6.6 million euro increase in short-term liabilities.

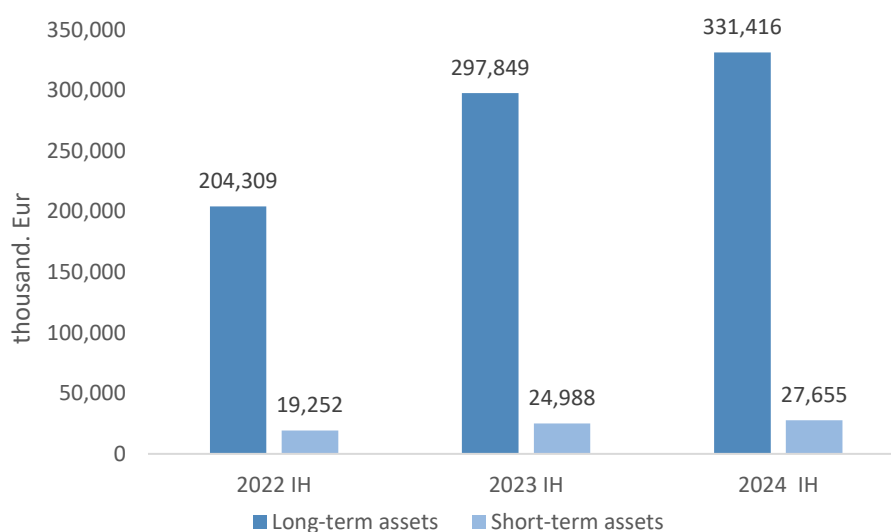
CHART 7. Equity and payables and liabilities



6.2. Changes in assets

At the end of the first half of 2024, the assets managed by LTOU amounted to 359.1 million euros, of which 92% were fixed assets. The total value of assets at the end of the first half of 2024 was 36.3 million euros higher than at the end of the first half of 2023.

CHART 8. Long-term (fixed) assets and short-term (current) assets



Pursuant to Article 59, Part 2 (11), Article 60 of the Law on Public Limited Liability Companies of the Republic of Lithuania and taking into account Article 23, of the Law on the Management, Use and Disposal of State and Municipal Property of the Republic of Lithuania, also with the aim that for the shares of joint stock companies and closed joint stock companies owned by the state dividends would be received, the Government of the Republic of Lithuania has adopted a Resolution approving the Description of the Procedure for the Exercise of the State's Proprietary and Non-Proprietary Rights in State-Owned Enterprises, and stipulating that the managers of the shares are obliged to ensure that a share of the profit specified in the Description is allocated to the payment of the dividend in the state-owned companies in the financial years. If the return on equity of a State-owned company for the year under review is more than 3 per cent and does not exceed 5 per cent of the return on equity, at least 75 per cent of the distributable profits of the State-owned company must be allocated to dividends.

TABLE 11. Profit distribution percent.

Return on equity capital	Up to 1 %	1–3 %	3–5 %	5–10 %	10–15 %	More than 15 %
The proportion of distributed profits shall be allocated to the distribution of dividends not less than:	85 %	80 %	75 %	70 %	65 %	60 %

7. Company's investments, the largest ongoing and planned investment projects

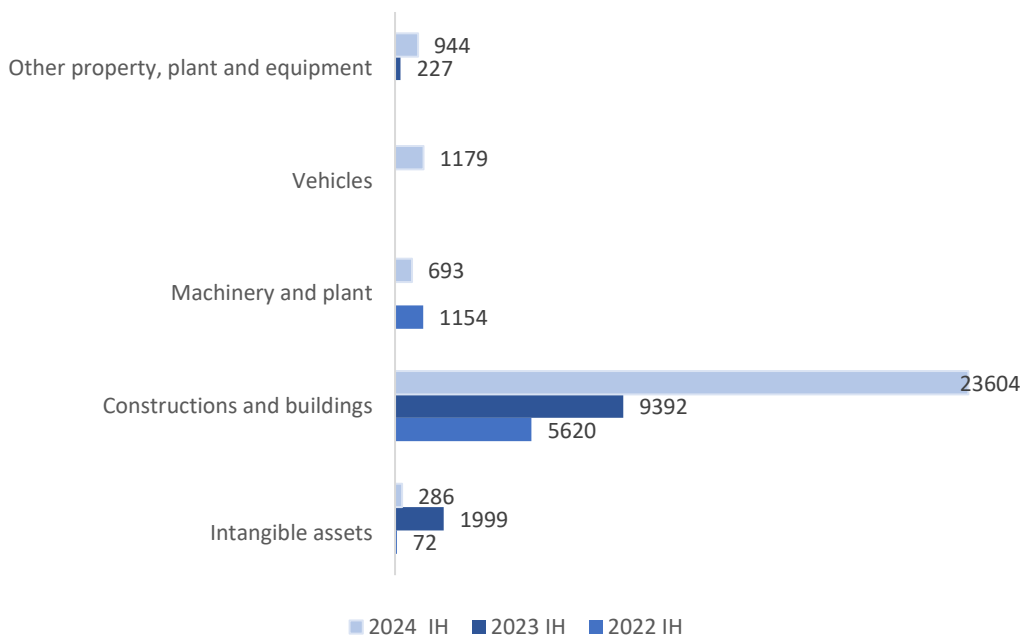
7.1. Investments during the reporting period

Projects implemented and long-term assets purchased in the company are aimed at improving and expanding the services provided by airports, modernizing the infrastructure, ensuring flight safety and optimizing operational processes.

During the first half of 2024, LTOU primarily invested in the development and renovation of the building and structure asset group. The majority of these investments were directed toward the implementation of

Vilnius Airport’s investment program, with 18.7 million euros allocated to the construction of the VNO Departure Terminal T4.

Chart 9. Breakdown of investments by type



In the first half of 2024, LTOU invested 26.7 million euros (compared to 9.6 million euros in the first half of 2023, including grants). The implementation of investment projects is detailed in Section 3.1 of Chapter 3.

7.2. Ongoing and planned projects

Projects are implemented in the company in accordance with the following principles:

- The return on investment is assessed according to cost-benefit analysis;
- Investment payback period is 7-10 years;
- The need to comply with flight safety and aviation security requirements;
- Timely and appropriate reaction to market changes and emerging opportunities;
- Striving to reduce the negative impact on the environment, to conserve resources;
- Utilization of the available infrastructure for the development of commercial services;
- Further development of the company's activities;
- Improving passenger experience and increasing satisfaction.

The projects initiated and implemented by the company are carried out in order to ensure compliance with the company's missions: to offer customers a competitive network of destinations, a variety of services and careful service; for the shareholder - to develop a safe and efficient infrastructure.

We do not disclose the values of investment projects for each project due to the need for competition in public procurement.

The LTOU Investment Evaluation and Project Management Policy sets out the main principles that must be followed in the selection and evaluation of investments in order to comply with the strategic operational plan approved by the LTOU Board. The table below indicates the minimum financial criteria of an investment project, which LTOU is guided by when evaluating investment projects.

TABLE 12. Criteria for assessing LTOU investments

	According to the formula
IRR	Not less than WACC (before tax)
Return on equity capital	Not less than WACC (before tax)
NPV	Positive

LTOU also conducts projects that are not investment. *They are necessary to ensure business continuity and comply with existing operating standards.* For projects of this type, alternative options are also compared for decision making (including comparison of negative NPVs in different alternatives). In exceptional cases, where a project of strategic importance for an enterprise and/or a new activity is developed, the required return may be lower than in the table above, but in that case, a duly reasoned explanation of one of the management bodies of the Company should be adopted depending on the value of the project solution. The following management bodies of the Company are considered (jointly or separately): the Investment committee, the CEO of LTOU and the Board of LTOU.

LTOU also carries out commercial-investment projects aimed at the development of non-aviation services and the development of new ones. Depending on the specifics of the activity and the synergy created with other activities, taking into account the expectations of the Ministry of Transport regarding the improvement of the investment environment and the usual practice in the real estate market, the company's WACC size, which is updated annually, is used for project evaluation, unless the decision of one of the arguments of the company's management body regarding a lower indicator is accepted. If the value project is necessary to ensure the continuity of the activity and comply with the norms regulating the activity.

- LTOU's Investment Committee (IK) works to manage the company's assets prudently and collegially, attracting the necessary competences needed to make well-analyzed investment decisions, taking into account the company's goals and strategy. IK approves investments in assets (CAPEX) - when the planned investments are more than 50 thousand EUR without VAT.
- Initiated investment and performance assurance projects are prepared using standardized forms and spreadsheets to ensure the principle of project comparability. After the initiation of the project in accordance with the Investment Management Policy, monitoring of the progress of the project and the essential condition of the project is carried out every month by the Project Committee.

Investment and operational projects shall be initiated to ensure the principle of comparability of projects and shall be developed using standardized forms and spreadsheets. After the project is initiated in accordance with the Investment assessment and Project management policy, the project's progress and the project's essential conditions are monitored every month by the Project committee. If the project's material conditions change, the project must be submitted for IK approval or amendment. Substantiative conditions are understood as conditions that have a significant impact on the future cash flows (income and expenses) of the project and material changes in volume and time.

The main objectives of the planned investments:

- Effective use of the existing infrastructure, focusing on improving the quality of service: re-planning of passenger terminals, adapting them to the changing needs of passengers, sustainable development of airfields.
- Increasing the quality of aviation security and the speed of service: a new baggage processing system with four levels of aviation security screening is being implemented, a newer generation of passenger and baggage screening equipment is being purchased.

- Reduction of operational costs of LTOU: information technologies are being implemented that will reduce the need for labor in the future, monitor the perimeter and the entire airfield, speed up passenger registration, etc.
- Reduction of negative impact on the environment: VNO has built a system of treatment facilities that will allow handling of chemical de-icing materials used during the winter, with the maximum goal of collecting all wastewater generated in the airport area.
- In order to expand the offer of non-aviation services, improve the efficiency and quality indicators of provided non-aviation services, reconstruct passenger terminals in all branches, expand commercial areas, etc.
- Investments are made in updating special machines and equipment (Transport program), installing new systems, updating video systems, etc.

Investments to be made by the LTOU between 2024 and 2027 are set out in the [LTOU Strategic Business](#)

[Plan 2024-2027](#)

8. Staff and salaries

The goal of LTOU's Human Resource Management Strategy is to ensure the achievement of business objectives by attracting and developing the competencies necessary for the organization while sustainably ensuring employee well-being. To achieve this goal, the following long-term human resource management objectives have been set:

1. High employee competence, both now and in the future, with a strong focus on the replaceability of critical competencies.
2. Ensuring an appropriate employer value proposition by integrating a culture based on sustainability values, fair compensation, and additional benefits that enhance employee well-being.

Leadership development aimed at fostering a high standard of management culture.

In 2024, JSC Lithuanian airports updated its remuneration policy, establishing transparent and clear principles related to employee compensation. These principles are designed to motivate higher performance, encourage active contribution to company goals, and strengthen a culture focused on individual and team achievements. The company's remuneration system is shaped by the following principles outlined in the Remuneration Policy:

- Internal fairness: Ensuring fair and equitable pay for the same work, taking into account responsibility, competencies, and contribution to results.
- External competitiveness: Attracting and retaining employees with the necessary competencies to achieve the company's goals and drive innovative operational improvements, considering the conditions of the Lithuanian labor market. The company participates in annual salary surveys and aligns employee compensation with the market median.
- Clarity and transparency: All decisions related to remuneration are made based on clear and objective criteria, which are transparently communicated and known to employees.
- Equal opportunities and non-discrimination: Remuneration decisions are made in accordance with the provisions set out in the Remuneration Policy and the company's Equal Opportunities Policy.

- In April 2024, new Compensation Regulations were also approved, detailing the principles set out in the company's Remuneration Policy and their implementation.

The company's Compensation Regulations define:

- Job structure (classification into job categories and levels);
- Job evaluation procedure;
- Rules for forming salary ranges;
- Procedures for setting and reviewing the fixed salary component;
- Rules for calculating and paying the variable salary component;
- Rules for calculating and paying the team-based variable salary component;
- Procedures for awarding bonuses;
- General principles for providing additional benefits.

We aim to ensure that the base salary aligns with the conditions of the Lithuanian labor market, that the opportunity to earn variable pay motivates employees to achieve high results, and that additional benefits allow for choices tailored to individual needs.

TABLE 13. Salary sizes by position.

Category	2022 m.		2023 m.		2024 m. I Q		2024 m. II Q	
	The number of employees:	Average monthly fixed (assigned) salary, Eur	The number of employees:	Average monthly fixed (assigned) salary, Eur	The number of employees:	Average monthly fixed (assigned) salary, Eur	The number of employees:	Average monthly fixed (assigned) salary, Eur
General Director	1	8 540*	1	9 001*	1	9 001	1	10 351
Top level managers	8	5 703	8	6 616	8	6 560	9	6 993
Middle managers	23	3 523	25	3 943	27	4 319	27	4 385
First-level managers	26	1 911	26	2 195	27	2 425	28	2 461
Specialists	138	2 355	159	2 541	162	2 756	168	2 790
Customer service and operational staff	395	1 333	448	1 450	483	1 578	517	1 574

* This figure includes the variable part of the fixed part of the monthly salary for the General Director of Lithuanian Airports set by Order of the Minister of Transport and Communications of the Republic of Lithuania: in the first, second and third quarters of 2023, the variable part of the fixed part of the monthly salary is set at 50%, in the first and fourth quarters of 2022, in the second quarter at 45%, and in the third quarter at 40% of the fixed part of the monthly salary.

TABLE 14. Payment of bonuses and variable salaries (before tax).

	2022 m.		2023 m.		2024 m. I Q		2024 m. II Q	
	Number of employees	Amount paid, Eur	Number of employees	Amount paid, Eur	Number of employees	Amount paid, Eur	Number of employees	Amount paid, Eur
Bonus payments to employees for activities exceeding normal workload, where there is an increased amount of work in the functions defined in the job description, as well as for the performance of additional tasks in the case of functions not specified in the job description	134	70 585	302	133 916	93	30 323	131	40 306
Variable part of salaries for the achieved performance results	444	538 954	439	636 667	415	206 934	436	196 029
Annual share of variable remuneration for employees for Company performance	124	379 929 ¹	156	423 682 ²	-	-	178	497 784 ³

¹The annual variable remuneration for 2021 was paid in 2022.

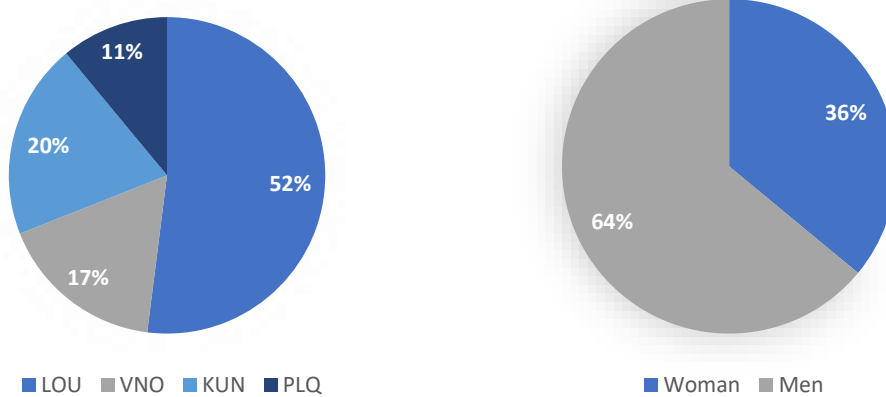
²The annual variable remuneration for 2022 was paid in 2023.

³The annual variable remuneration for 2023 was paid in 2024 April

The remuneration of the CEO shall be determined by the Board of Directors of the LTOU on the basis of the information from remuneration market research and the procedure laid down in the Resolution of the Government of the Republic of Lithuania of 23 August 2002 No. 1341 "On the remuneration of the CEOs of state-owned enterprises", sub-paragraphs 1.1 to 1.6, which regulates the determination of the salary of the CEOs of the state-owned enterprises. Fixed remuneration and variable remuneration take into account the results of the performance evaluation of the Chief Executive Officer, the achievement of the company's strategic objectives and the shareholder's expectations.

As of June 30, 2024, Lithuanian Airports had 731 active employees (excluding those on parental leave), representing a 17.5% increase compared to the same period in 2023 (603 employees in 2023).

CHART 10. 2024 Actual* number of employees by Company structural divisions and Gender distribution in the year



* excluding those on parental leave

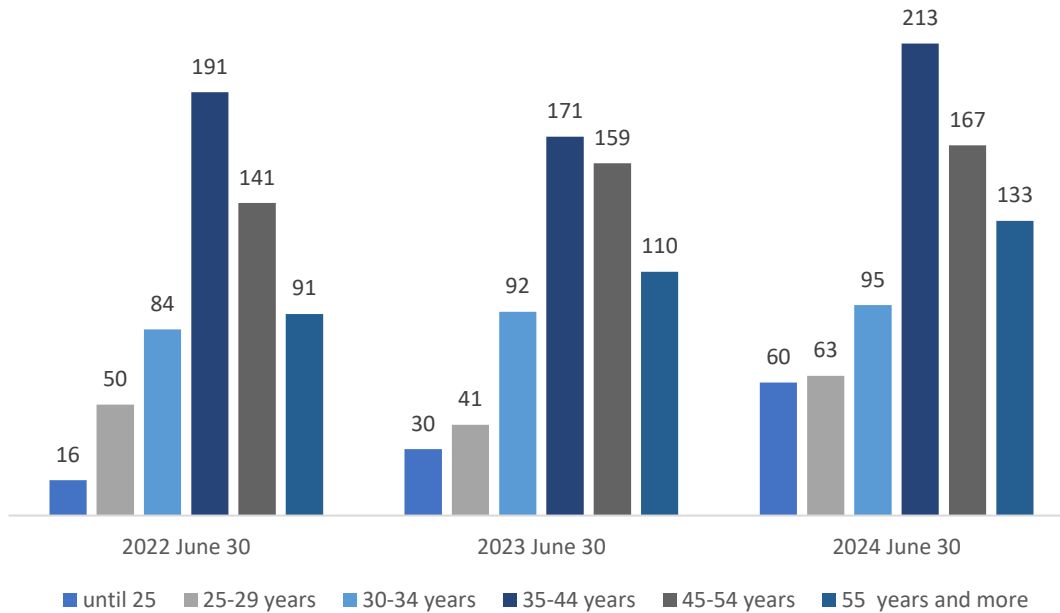
In the first half of 2024, compared to the same period in 2023, the number of men and women changed by 3%. The overall gender proportions among employees shifted slightly: in the first half of 2024, men made up 64% of the company’s workforce, while women accounted for 36%. In the first half of 2023, men constituted 67% of the workforce, while women made up 33%.

TABLE 15. Comparison of the actual number of employees

Branch	2022 June 30	2023 June 30	2024 June 30
LTOU	254	288	379
VNO	117	125	123
KUN	106	117	146
PLQ	66	73	83
Total in the Company	543	603	731

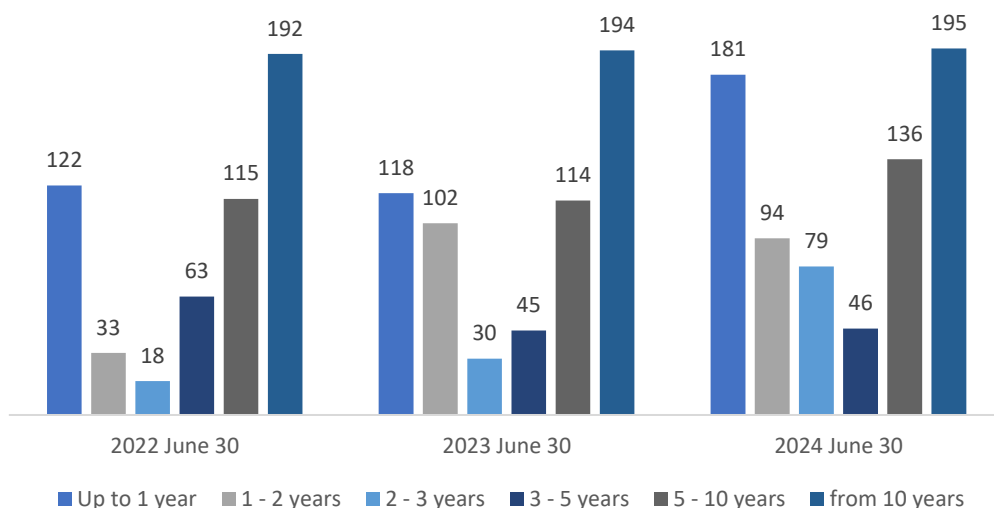
The majority of the company’s employees are aged 35 to 54. As of June 30, 2024, this age group represented 47.2% of the workforce (compared to 54.7% as of June 30, 2023). Comparing the data from June 30, 2024, to the same period in 2023, the number of employees increased across all age groups in 2024.

CHART 11. Age-distribution of employees.



Comparing the first half of 2024 with the same period in 2023, the most significant change occurred among employees with less than one year of service: in the first half of 2023, they made up 19.6% of the company’s workforce, while in the first half of 2024, this figure increased to 24.8%. Conversely, the most significant decrease was seen among employees with one to two years of service: in the first half of 2023, they represented 16.9% of the workforce, but by the first half of 2024, this had decreased to 12.9%.

CHART 12. Distribution of employees by work experience.



9. Key performance indicators and financial highlights

The revenue for the first half of 2024 increased compared to the first half of 2023, driven by the growth in passenger numbers and flight frequency.

CHART 13. Evolution of aviation revenue, thousand Eur

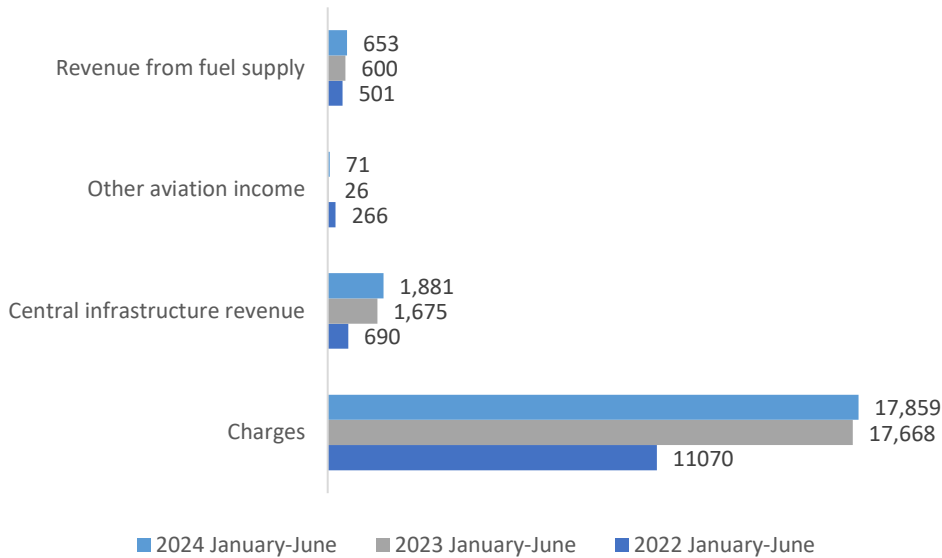


CHART 14. Evolution of non-aviation revenue, thousands Eur

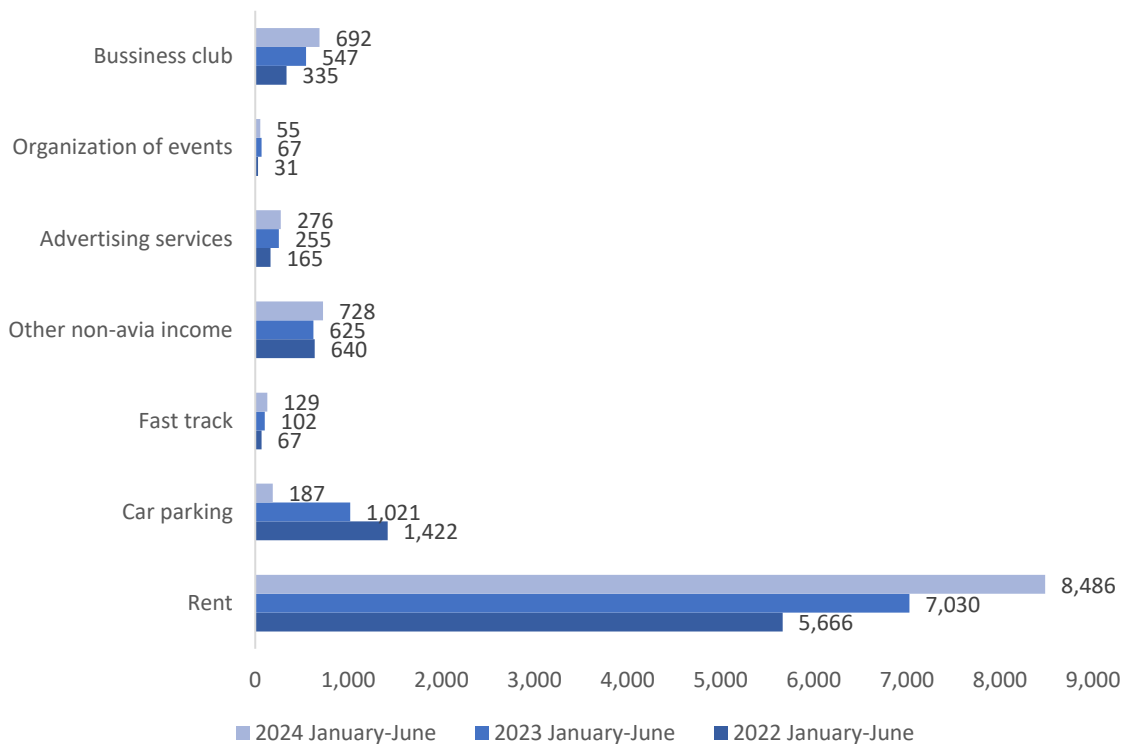
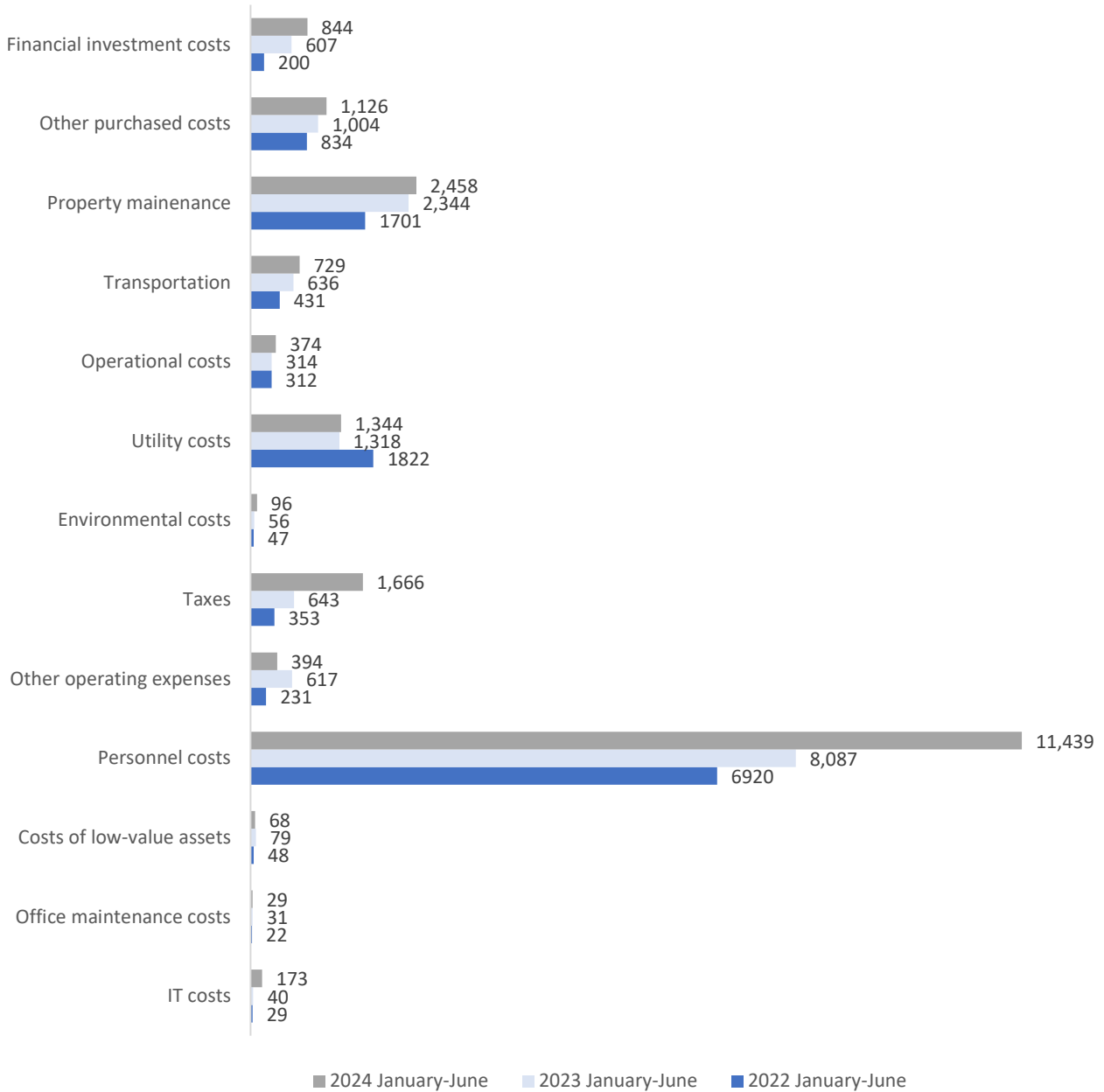


CHART 15. Operating expenses, thousand Eur



1. Personnel Costs in 2024: Compared to previous years, the company’s personnel retention costs increased by 41% in the first half of 2024 compared to the first half of 2023. This increase was driven by the growth in employee numbers due to a change in operational principles in the Aviation Security Department (previously, services were provided by an external company, whereas this year, LTOU employees provide the services) and a change in accounting principles (accruals are now made monthly instead of at the end of the year). Personnel costs accounted for 57% of LTOU’s total operating expenses.
2. Electricity and Utility Costs: In the first half of 2024, electricity and utility costs increased by only 2% compared to the first half of 2023.

3. Increased Operating Expenses: Due to the increased scope of operations in the first half of 2024, the following costs rose compared to the previous period:
 - Property maintenance costs increased by 5% (due to more repairs being carried out).
 - Transport costs increased by 15% (due to higher transport rental prices under new contracts).
 - Operational costs increased by 19% (due to higher rates for servicing passengers with reduced mobility).
4. Taxes: The company has no control over the tax amounts. The largest portion of the total tax expenses is the Real Estate Tax (paid by LTOU as a joint-stock company instead of the State Property Usage Tax).

10. The company's main financial indicators and their analysis

The table below shows the main financial indicators of JSC Lithuanian Airports and their changes over 3 years.

TABLE 16. Key financial indicators

Indicator	Calculation	2022 IH	2023 IH	2024 IH
Revenue, thousands Eur	Gross enterprise income, including financial and other operating income	20 853	29 616	31 017
Aviation income, thousand Eur	Total revenues related to aviation activities	12 527	19 969	20 464
Non-aviation income, thousands Eur	Total non-aviation revenues	8 326	9 647	10 553
Finance and investment revenue, thousands Eur	All revenue related to finance and investment		38	266
Operating expenses, thousand Eur	Expenses related to company management, administration, sales organization, etc.	12 750	15 169	19 896
Depreciation and amortization, thousand Eur	Expenses related to depreciation and amortization.	5 071	5 325	5 943
Total costs, thousand Eur	All company expenses, including depreciation, financial activity costs.	18 476	23 510	23 813
EBITDA, thousand Eur	Earnings before interest, taxes, depreciation, and amortization.	8 103	14 447	11 121
EBITDA margin, percent	Earnings before interest, taxes, depreciation, and amortization / revenue.	39%	49%	36%
Net profit (loss), thousand Eur	Net profit after taxes.	2 378	6 144	7 471
EBIT margin, percent	Operating profit (EBIT) / revenue.	15%	31%	17%
Net profitability, percent.	Net profit after taxes / revenue.	11%	21%	24%

The company's revenue indicators for the first half of 2024 improved compared to the first half of 2023, with revenue increasing by 5% or 1.4 million euros. The growth in both aviation and non-aviation revenue was driven by the increase in flights and passenger traffic. Correspondingly, operating expenses also rose by 31%. Since the increase in operating expenses outpaced the growth in revenue, LTOU's EBITDA decreased by 23%.

11. Overview of the Company's performance and development

11.1. Material resources, infrastructure

The company's material resources used to achieve its goals and objectives consist of long-term assets, which include intangible and tangible assets such as land, buildings, structures, vehicles, machinery, equipment, investment property, and other assets.

The majority of LTOU's long-term assets consist of land plots, terminals, aerodrome structures, administrative premises, and parking facilities.

Considering the planned and ongoing airport infrastructure development, the changing needs and habits of passengers, as well as the activities of competitors and the increasingly stringent requirements of regulatory authorities overseeing airport operations, several key technology development projects have been implemented. These include the outbound baggage management system at VNO, EDS equipment, and C3 devices with bin return conveyors. These systems will help meet stakeholder needs, align with expectations, and expand the range of services provided. Innovative technological solutions currently in the planning and implementation stages will allow the introduction of new services (e.g., self-service baggage drop-off systems at VNO and KUN) for passengers and contribute to the proper implementation of LTOU's strategic goals.

Currently, a reconstruction program is being implemented at VNO airport. The existing infrastructure is not suited to the current passenger traffic and does not meet the minimum passenger experience standards, which are critical for expanding Lithuania's connectivity by attracting new airlines and routes while maintaining the potential for passenger growth. Additionally, due to stricter safety requirements, it is necessary to update the baggage transportation and screening systems, which cannot be accommodated within the current terminal facilities.

11.2 Human resources

Ensuring Key Competencies:

- A critical positions evaluation project was implemented, identifying essential roles and competencies for the aviation sector and business continuity. The next phase of the project will develop a system to ensure the succession and sustainability of critical positions and competencies within the organization.
- Training for operational employees is based on practical experience.
- Maintaining and Enhancing Employee Engagement:
- Continuous communication with employees about decisions and upcoming changes is maintained.
- Significant attention is given to sustaining employee engagement and motivation: events are organized to strengthen team spirit; meetings are held with middle and senior management to identify

areas for improvement in human resource management; and training sessions are conducted to enhance employees' emotional well-being.

- In 2023, an employee engagement survey was conducted, identifying areas for improvement, and actions were initiated to increase engagement—such as updating the remuneration policy and promoting internal career development.
- Employee Development: During the first half of the year, 89% of the company's employees participated in training at least once. The training budget for 2024 is 468,924 euros, which is 3.8% more than the training budget used in 2023. Despite the higher budget, the average training cost per employee has decreased by 11.8% compared to last year, currently standing at 708 euros. This decrease is due to the increased number of employees.

The training budget for this year is allocated as follows:

- Mandatory training – 51.2%
- General training – 32.84%
- Aviation security staff certification¹ – 15,96%

This year, the focus is on ensuring compliance with mandatory training requirements, digitizing training and development processes, managing data, and improving training quality. Since January, professional qualification training has been separated and transferred to the new Professional Qualification Compliance Division within the Safety and Security Department. The digitization of training continues, with the development of interactive, engaging e-learning modules. Six new e-learning courses have been developed this semester:

- Threats posed by hostile intelligence and security services
- Corruption prevention training
- Violence and harassment prevention
- Vilnius aerodrome traffic rules training (for driving)
- Kaunas aerodrome traffic rules training (for driving)
- Palanga aerodrome traffic rules training test (for driving)

In the area of employee training and development, the goal is to enable data collection, analysis, and metric tracking—such as training and certification validity, training hours, number of participants, and budget utilization. The objective is to integrate training data into the Personnel Information System (Business Central) and prepare a dynamic Power BI training report by the end of 2024. To improve training quality and the employee development experience, a new Learning Management System (LMS) is being prepared for implementation. This new system will allow for personalized learning, competency management, full digitalization of exams, and easier management, organization, and updating of training materials for instructors. The aim this year is for the average training duration per employee to reach 43 hours, which is a 10% increase compared to 2023.

Other ongoing projects include:

¹ In 2024, the aviation security personnel examination budget portion is transferred to the Professional Qualifications Compliance Department.

- Mentorship (10 pairs)
- ISM Executive Master's Program (12 managers, 22 modules per year)
- Development of a Training Policy
- Development of a Training Effectiveness Evaluation Methodology

To empower employees, their involvement in the company's management is being strengthened by giving them greater responsibilities in LTOU's operational processes, budget management, and involvement in key decision-making.

In 2023, organizational structure changes were implemented at LTOU to enhance the company's management efficiency, ensure business continuity, and support the implementation of strategic projects in response to the return of operational volumes.

Effective March 15, 2023, the following organizational changes were implemented at LTOU:

The Operations and Infrastructure Department was dissolved, and the Operations Department and Development Department were established. This change was made in response to the increased number of projects and the need to ensure the effective operation of infrastructure and project management areas.

The Operations Department was assigned responsibility for the Vilnius, Kaunas, and Palanga branches.

The Development Department was assigned the Technology Support Division, Technology Development Division, and Project Management Division. An Environmental Division was also established.

Within the Commercial Department, the Real Estate Management Division was dissolved, and the Real Estate Development Division was established. Commercial project manager positions were transferred from the Commercial Department Director's oversight to the new Real Estate Development Division. The functions of the Real Estate Development Division were concentrated on activating, developing, administering, and managing relationships with rental partners for real estate.

1 Annex. Company Organizational Structure as of January 1, 2024, and changes during the first half of the year:



The management structure of the joint-stock company Lithuanian Airports since April 1st, 2024

