AB Lietuvos oro uostai

(COMPANY CODE 120864074)

FINANCIAL STATEMENTS FOR THE YEAR 2024,

PREPARED IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS, AS ADOPTED BY THE EUROPEAN UNION,

PRESENTED TOGETHER WITH THE INDEPENDENT AUDITOR'S REPORT

Vilnius, 2025

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INDEPENDENT AUDITOR'S REPORT

To the shareholder of Lietuvos oro uostai, AB:

Report on the audit of the Financial Statements

Opinion

We have audited the financial statements of Lietuvos oro uostai, AB (hereinafter – the Company), which comprise the statement of financial position of the Company as at 31 December 2024, the statement of profit or loss and other comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

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

Emphasis of Matter – Retrospective Adjustment

We draw attention to Note 2 of these financial statements, which states that prior period balances have been adjusted due to the recognition of costs related to the 2023 risk-sharing agreement, the recognition of expenses for the residual value of demolished assets and the reclassification of revenues. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our respective response are described below.

The key audit matter	How the matter was addressed in our audit
Property, plant and equipment (see notes 2.5. and 8 in the financial statements)	
The carrying amount of property, plant and equipment in the statement of financial position amounted to EUR 334 274 260 as at 31 December 2024 (85% of total assets). The determination of the value of property, plant, and equipment requires significant management judgment regarding the useful life applied. The key assumptions used by management are described in Note 2.5, "Property, Plant, and Equipment," and Note 8, "Property, Plant, and Equipment." The determination of the useful life of property, plant, and equipment requires subjective assumptions made by the Company's management. Changes in these assumptions may result in significant variations in the value of property, plant, and equipment. Due to the material significance of the property, plant, and equipment line item in the financial statements and the subjective assumptions applied in assessing the useful life of these assets, we consider this area to be a key audit matter.	Among other procedures, we performed the following audit procedures: We have assessed the appropriateness of the Company's accounting policy related to the determination of the useful life of property, plant, and equipment and evaluated its compliance with applicable accounting standards. We have identified, understood, and evaluated the principles, processes, methods, and assumptions applied by management in determining the useful lives, residual values, and depreciation methods for property, plant, and equipment. We have tested a sample of acquired fixed assets to verify their compliance with IFRS recognition criteria and proper accounting based on contracts and other supporting documents from suppliers. Additionally, we reviewed the depreciation expenses recorded for 2024. We have performed analytical tests to identify potential deviations from prior-year depreciation calculations and assessed whether there were any material discrepancies that could impact the financial statements. We have verified whether the Company consistently applied its depreciation policy across all property, plant, and equipment items and whether any significant policy changes were made during the audited period. We have evaluated the adequacy and accuracy of disclosures related to property, plant, and equipment in the Company's financial statements.

Other Information

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

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

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

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

- The information given in the Company's management report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Company's management report, excluding the information on sustainability matters, has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Under the decision of the shareholders, based on the agreement signed on 9 June 2022, we were appointed to audit the Company`s financial statements for the first time. The total uninterrupted term of the audit of the financial statements is 3 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the audit report for the financial statements presented to the Company and it's Audit and risk committee.

We confirm that to the best of our knowledge and belief, we have not provided any prohibited non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In the course of the audit, in addition to the audit of the financial statements, we have also provided translation services of the annual financial statement and the management report.

The audit engagement partner for this independent auditor's report is Romanas Skrebnevskis.

Auditor Romanas Skrebnevskis
Auditor's certificate No. 000471

ROSK Consulting UAB
Audit company's certificate No. 001514

Vilnius, Lithuania
20 March 2025

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

Statement of profit or loss and other comprehensive income

	Notes	2024.12.31	2023.12.31 restated*
Aviation revenue	**3**	41 647 510	38 006 728
Non-aviation revenue	**4**	23 699 120	21 800 884
Total revenue		**65 346 630**	**59 807 612**
Other income		124 189	1
Depreciation and amortization	**5**	(12 085 315)	(10 985 575)
Increase (decrease) in the value of investment property	**5**	3 107 002	2 622 678
Increase (decrease) in the value of non-current assets	**5**	-	(7 338 860)
Employee benefits and related social security expenses	**5**	(23 431 808)	(18 201 023)
Maintenance, repairs of non-current assets and utilities	**5**	(7 902 859)	(8 135 131)
(Impairment)/reversal of impairment of receivables and trade debts	**5**	(59 796)	(58 494)
Taxes other than income tax	**5**	(4 232 403)	(1 847 900)
Other expenses	**5**	(11 547 547)	(8 195 625)
Profit/(loss) from operations		**9 318 093**	**7 667 683**
Income from financing and investing activities	**4**	459 961	237 289
Expenses of financing and investing activities	**5**	(1 862 559)	(1 530 648)
Profit/(loss) before tax		**7 915 495**	**6 374 324**
Income tax	**6**	3 286 792	(2 183 180)
Net profit/(loss)		**11 202 287**	**4 191 144**
Other comprehensive income, to be reclassified to profit (loss) in subsequent periods		**-**	**-**
Other comprehensive income, not to be reclassified to profit (loss) in subsequent periods		**-**	**-**
Revaluation of property, plant and equipment in the reorganization process	**8, 15**	-	76 512 480
Total comprehensive income		**11 202 287**	**80 703 624**

*Information on restatement is disclosed in Note 2 of these financial statements

Notes on pages 12 to 37 are an integral part of these financial statements.

Signed on behalf of the Company on 20 March 2025 by:

Simonas Bartkus	Petras Akstinas	Sonata Šablinskaitė-Braškienė
CEO	CFO	Head of the Accounting Department

Statement of financial position

ASSETS

	Notes	2024.12.31	2023.12.31 restated*
NON-CURRENT ASSETS			
Intangible assets			
Software		1 038 809	795 779
Projects in progress		507 262	871 053
Other intangible assets		657 838	27 747
TOTAL	**7**	**2 203 909**	**1 694 579**
Property, plant and equipment			
Land		51 110 340	51 046 940
Buildings and structures		210 486 658	183 417 368
Machinery and other equipment		23 267 370	11 278 751
Vehicles		4 833 820	4 174 595
Construction in progress		39 692 769	35 390 234
Other property, plant and equipment:		4 883 303	2 536 478
TOTAL	**8**	**334 274 260**	**287 844 366**
Investment property	**9**	**29 160 877**	**21 889 127**
Other assets		**16 942**	**376**
Deferred tax assets	**10**	**-**	**-**
TOTAL NON-CURRENT ASSETS		**365 655 988**	**311 428 448**
CURRENT ASSETS			
Inventories	**10**	1 221 318	1 038 529
Trade receivables	**12**	5 710 832	6 402 616
Other receivables	**13**	662 353	571 626
Prepayments		30 600	42 840
Other current assets		730 942	516 031
TOTAL		**8 356 045**	**8 571 642**
Cash and cash equivalents	**14**	22 273 699	26 764 244
Non-current assets held-for-sale	**10**	2 413	-
TOTAL CURRENT ASSETS		**30 632 157**	**35 335 886**
TOTAL ASSETS		**396 288 145**	**346 764 334**

*Information on restatement is disclosed in Note 2 of these financial statements

Notes on pages 12 to 37 are an integral part of these financial statements.

Statement of financial position (continued)

EQUITY AND LIABILITIES

	Notes	2024.12.31	2023.12.31 restated*
EQUITY			
Issued capital	**15**	164 524 601	154 524 601
Capital corresponding to assets which can only be state-owned according to laws	**15**	-	-
Reserves			
Legal reserve	**16**	343 176	-
Other reserves	**16**	1 943 659	570 957
Retained earnings (restated)			
Profit/(loss) of the reporting year		11 202 287	4 191 144
Profit (loss) for the previous year		(1 283 872)	1 388 497
TOTAL EQUITY		**176 729 851**	**160 675 199**
LIABILITIES			
Non-current payables and liabilities			
Grants related to assets	**17**	110 416 804	106 510 992
Grants to compensate expenses	**17**	40 413	121 058
Non-current borrowings	**19**	63 915 580	42 547 095
Payables and non-current liabilities		2 311 477	415 946
Deferred tax liabilities		11 917 949	12 220 624
Non-current liabilities to employees	**18**	197 446	159 794
TOTAL		**188 799 669**	**161 975 509**
Current payables and liabilities			
Current portion of other long-term borrowings	**19 21**	8 126 182	5 243 614
Trade payables	**21**	11 837 673	6 348 974
Prepayments received	**21**	534 265	885 771
Income tax liability	**21**	-	2 503 075
Employment-related liabilities	**18 21**	3 956 773	2 519 850
Other current payables	**21**	6 303 732	6 612 342
TOTAL		**30 758 625**	**24 113 626**
TOTAL LIABILITIES		**219 558 294**	**186 089 135**
TOTAL EQUITY AND LIABILITIES		**396 288 145**	**346 764 334**

*Information on restatement is disclosed in Note 2 of these financial statements

Notes on pages 12 to 37 are an integral part of these financial statements.

Signed on behalf of the Company on 20 March 2025 by:

Simonas Bartkus	Petras Akstinas	Sonata Šablinskaitė-Braškienė
CEO	CFO	Head of the Accounting Department

Statement of cash flows

	Notes	2024	2023 restated*
Cash flows from operating activities			
Net profit/(loss)		11 202 287	4 191 144
Adjustments:			
Income tax expense	**6**	(3 286 792)	2 183 180
Depreciation and amortization	**7, 8, 17**	14 469 460	13 695 984
Decrease (increase) in asset value		(3 107 002)	4 716 182
Amortization of grants and subsidies	**17**	(2 384 145)	(2 710 409)
Elimination of results of disposal and write-off of property, plant and equipment		1 514 940	684 925
Elimination of results of financing and investing activities		2 136 262	1 390 521
Elimination of other non-cash items		(18 622)	(3 391)
		20 526 388	**24 148 136**
Changes in working capital:			
(Increase) decrease in inventories		(182 786)	837
(Increase) decrease in trade receivables		691 784	(1 828 071)
(Increase) decrease in other receivables		454 519	(391 892)
(Increase) decrease in prepayments		12 240	(21 439)
(Increase) decrease in other non-current and current assets		(233 890)	(942 780)
Increase (decrease) in prepayments		(351 506)	716 439
Increase (decrease) in trade payables		5 488 699	2 100 967
Increase (decrease) in non-current and current liabilities to employees		1 474 574	404 774
Increase (decrease) in other payables and non-current liabilities		1 895 531	332 424
Increase (decrease) in other payables and current liabilities		(308 612)	4 033 058
Income tax paid		(64 204)	(477 126)
Net cash flows from operating activities		**29 402 737**	**28 075 327**
Cash flows from investing activities			
Acquisitions of property, plant and equipment, and intangible assets	**7, 8, 9**	(67 150 396)	(32 592 625)
Disposal of property, plant and equipment and intangible assets		-	-
Interest received		459 961	195 127
Other investing activities		-	-
Net cash flows from investing activities		**(66 690 435)**	**(32 397 498)**
Cash flows from financing activities			
Increase (decrease) in issued capital		10 000 000	3 000 000
Loans received	**19**	29 000 000	15 020 827
Loans repaid	**19**	(5 026 772)	(3 009 773)
Interest paid	**19**	(2 318 398)	(1 284 074)
Dividends		(5 147 635)	(2 982 680)
Grants received	**17**	6 289 958	892 360
Net cash flows from financing activities		**32 797 153**	**11 636 660**
Net increase (decrease) in cash flows		(4 490 545)	7 314 489
Effect of currency exchange fluctuations		-	-
Cash and cash equivalents at the beginning of the period		26 764 244	19 449 755
Cash and cash equivalents at end of the period	**14**	**22 273 699**	**26 764 244**

*Information on restatement is disclosed in Note 2 of these financial statements

Notes on pages 12 to 37 are an integral part of these financial statements.

Signed on behalf of the Company on 20 March 2025 by:

Simonas Bartkus	Petras Akstinas	Sonata Šablinskaitė-Braškienė
CEO	CFO	Head of the Accounting Department

Statement of changes in equity

	Notes	Issued capital	Capital corresponding to assets which can only be state-owned according to laws	Legal reserve	Other reserves	Retained earnings (restated)	Total
Balance as at 01/01/2023		**28 409 377**	**93 276 021**	**2 182 025**	**11 704**	**7 099 568**	**130 978 695**
Net profit (loss) for the year (restated)*		-	-	-	-	4 191 144	4 191 144
Other comprehensive income		-	22 500	-	76 512 480	-	76 534 980
Total comprehensive income		**-**	**22 500**	**-**	**76 512 480**	**4 191 144**	**80 726 124**
Profit contribution paid to the state budget		-	-	-	-	(2 982 680)	(2 982 680)
Increase of capital	15	126 115 224	(93 298 521)	(2 368 443)	(76 512 480)	(1 982 720)	(48 046 940)
Transfers between reserves		-	-	186 418	559 253	(745 671)	-
Transactions related to the Company's owner		**126 115 224**	**(93 298 521)**	**(2 182 025)**	**(75 953 227)**	**(5 711 071)**	**(51 029 620)**
Balance as at 31 December 2023 (restated)*		**154 524 601**	**-**	**-**	**570 957**	**5 579 641**	**160 675 199**
Balance as at 01/01/2024		**154 524 601**	**-**	**-**	**570 957**	**5 579 641**	**160 675 199**
Net profit (loss) for the year		-	-	-	-	11 202 287	11 202 287
Other comprehensive income	8, 15	-	-	-	-	-	-
Total comprehensive income		**-**	**-**	**-**	**-**	**11 202 287**	**11 202 287**
Dividends		-	-	-	-	(5 147 635)	(5 147 635)
Increase of capital	15	10 000 000	-	-	-	-	10 000 000
Transfers between reserves		-	-	343 176	1 372 702	(1 715 878)	-
Transactions related to the Company's owner		**10 000 000**	**-**	**343 176**	**1 372 702**	**(6 863 513)**	**4 852 365**
Balance as at 31/12/2024		**164 524 601**	**-**	**343 176**	**1 943 659**	**9 918 415**	**176 729 851**

*Information on restatement is disclosed in Note 2 of these financial statements

Notes on pages 12 to 37 are an integral part of these financial statements.

Signed on behalf of the Company on 20 March 2025 by:

Simonas Bartkus	Petras Akstinas	Sonata Šablinskaitė-Braškienė
CEO	CFO	Head of the Accounting Department

Notes to the financial statements

1 General information

AB Lietuvos oro uostai (hereinafter the 'Company') was registered in the Register of Legal Entities of the Republic of Lithuania on 30 September 1991.

The Company is a legal person with independent organisation of economic, financial, operational and legal activities. The Company is a joint stock company with the State of Lithuania as its shareholder from 1 September 2023. The Company's registration code is 120864074, VAT payer's code is LT208640716, legal (registered) office at: Rodūnios rd. 10A, LT-02189 Vilnius.

The Company's data is collected and stored at the State Enterprise Centre of Registers.

The main activity of the Company is the operation of airports, servicing of aircraft and passengers in accordance with the standards and recommendations of the International Civil Aviation Organisation, international treaties and agreements of the Republic of Lithuania in the field of air transport and other legal acts.

Until 31 August 2023, the Company was a company established from state assets, which was owned by the State and all the assets was managed, used and disposed by a trust law, the state enterprise was classified as a public legal person with limited civil liability. On 1 September 2023, the Company was transformed from a state-owned enterprise to a public limited liability company and became a private legal person with limited civil liability.

The Company's shareholder's capital as at 31 December 2024 amounted to EUR 164,524,601 (31 December 2023: EUR 154,524,601).

As at 31 December 2024, the number of employees of the Company was 736, comprising 513 employees of VNO and its administrative employees, 140 employees of KUN and 83 employees of PLQ branches (total number of employees of the three branches as at 31 December 2023 was 652).

The audit of the Company's financial statements for 2024 was carried out by ROSK Consulting UAB, company code 302692397, registered office at Laisvės ave. 10A, Vilnius,
The Company's financial year coincides the calendar year.

The management of the Company approved these financial statements on 20 March 2025. The shareholder of the Company has a right to approve or not to approve these financial statements and request management to prepare new financial statements.

2 Accounting policies

The principal accounting policies applied in the preparation of the Company's 2024 financial statements are set out below. These accounting principles have been applied to all periods presented in the accounts unless otherwise stated.

Until 2023, the Company accounted for all fixed assets using the cost method. In preparation for the Company's transformation from a state-owned enterprise to a public limited liability company, following a valuation of the Company's assets and when it became apparent that the fair value of the Company's assets differed materially from their carrying amount, in accordance with IAS 8 paragraph 14 in order to present more accurately the Company's financial position, results of its operations and its cash flows, the Company's management made a decision to revise the accounting policy for property, plant and equipment and investment property in the year 2023, by changing the method of valuation of property, plant and equipment from the amortised cost to the restated value basis. The accounting method for investment property was changed from the amortised cost method to the fair value method. The change in the valuation methods for property, plant and equipment and investment property is based on the fact that the restated and fair value methods provide a more certain and fairer determination of the value of the company's assets.

The valuation of the Company's assets as at 28 February 2023 was carried out for the period from January to April 2023 on the basis of the Asset Valuation Report LOU23/0228/KN submitted by the independent asset valuers, UAB Jungtinis verslas.

For the first application of the revaluation accounting policy, the Company followed IAS 16 *Property, Plant and Equipment* for the first revaluation of property, plant and equipment and increased the revaluation reserve in equity by the amount of the increase in the carrying amount of the revaluation reserve on the first revaluation of property, plant and equipment and recorded the amount of the decrease in the carrying amount in equity through profit or loss.

The amount of impairment in the carrying amount of an asset resulting from a subsequent revaluation, which offsets previous increases in the same asset, directly reduces the revaluation reserve in equity. All other decreases are accounted for through profit or loss. Revaluation increases in property plant and equipment value that offset previous decreases are taken to the profit and loss account. All other increases in the carrying amount arising on subsequent revaluations of the asset are credited to revaluation reserve.

Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings, after considering the effect of deferred income tax. Similarly, upon the sale or disposal of an asset, any balance in the revaluation reserve relating to that asset is transferred to retained earnings.

In 2023, the Company decided to change from the cost method described in paragraph 56 of IAS 40 Investment Property to the fair value method described in paragraphs 33-55 for the entire group of Investment Property beginning in 2023.

In 2023, while performing asset revaluation, the Company reviewed the depreciation rates for property, plant and equipment. The review of the rates for property, plant and equipment showed that items of property, plant and equipment have a longer useful life than the depreciation rate, and it was decided to set a longer useful life for all items of property, plant and equipment, by asset group, as from 1 January 2023:

Buildings (Group 100) - to extend the depreciation period from 40 years to 50 years.

Equipment (Group 200) - extend the depreciation period from 12 years to 15 years.

Transmission equipment (Group 300) - extend the depreciation period from 12 to 15 years.

Machinery and equipment (Group 410) - extend the depreciation period from 12 to 15 years.

The Company has extended the useful lives of all items of property, plant and equipment used in the Company's operations that have not reached the end of their useful lives and has applied the new depreciation periods to all property, plant and equipment acquired from 1 January 2023.

The Company has reviewed the minimum values for the recognition of property, plant and equipment, investment property and intangible assets and, taking into account the nature of the Company's business, the variety of assets held, the significance of the minimum values for the recognition of property, plant and equipment and the need to simplify the classification of items as fixed assets, has standardised the minimum value of assets recognised as fixed assets to EUR 500.

On 31 December 2023, the Company reviewed the acquisition cost of all items of property, plant and equipment and wrote-off all items with an acquisition cost of less than EUR 500. The impact of the write-off amounted to EUR 182,758.

As of 1 April 2023, the Company's property, plant and equipment in the category of buildings - Group 100; plant - Group 200; transmission equipment - Group 300; and machinery and equipment - Group 410 are accounted for using the revalued amount method. Following the revaluation, the increase in the value of property, plant and equipment of EUR 82,675,822 was initially recorded in the revaluation reserve and the decrease in the value of the revalued assets of EUR 7,338,860 is recorded as a charge to property, plant and equipment. The change in the accounting method for fixed assets from the cost method to the revalued amount method has not resulted in any prior period adjustments.

2 Accounting policies (continued)

The Company did not make any changes in its accounting policies for other categories of property, plant and equipment.

In 2023, the accounting policy for investment property was applied retrospectively, shifting from cost model to the accounting at fair value.

A gain or loss arising from a change in the fair value of investment property is recognised in profit or loss for the period in which it arises. In 2023, the increase in the fair value of investment property resulting from the revaluation amounted to EUR 6,004,627. Since 2023, no depreciation is charged on investment property at fair value.

On 17 July 2023, the Ministry of Transport and Communications of the Republic of Lithuania and the Economy and Innovation of the Republic of Lithuania signed the 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, approving the list of routes important for business and inbound tourism, for which flight promotion measures may be implemented to ensure targeted connectivity.

Correction of errors

In 2023, under the risk-sharing model, the agreement was signed with the airline LOT Polish Airlines regarding operation of the regular flights between Vilnius and London City. The Company's investments in this flight destination amounted to EUR 809,019 and recognised as assets. In 2024, the Company conducted the analysis of the risk-sharing model and determined that the payments should be measured in accordance with IFRS 15. The risk-sharing contracts and the Company's main activities are closely linked and influence the financial model of the risk-sharing contract where, for financial accounting purposes, the two contracts should be combined and the consideration received by the Company should be treated as a variable consideration, and when the payments made under the risk-sharing contracts exceed the Company's proceeds from the contract, the difference should be recognised under other expenses. In assessing the extent to which variable consideration can be recognised as revenue, the Company should assess whether it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur once the uncertainty related to the variable consideration is subsequently resolved. For the Company to capitalise payments under a risk-sharing model, it would need to have near certainty that the risk-sharing contract will perform according to plan and that payments will be recovered at the end of the contract. The contracts are long-term, payments will be made for up to several years, and there remains significant uncertainty about the final amount of the Company's consideration, therefore the Company has restated the figures and comparative information for the reporting period 2023 and presented the payments under the risk-sharing contract as other expenses during 2023, by reclassifying retrospectively in the financial statements as shown in the table below.

In 2024, the agreements were signed with the airline AirBaltic Corporation AS regarding operation of the regular flights between n Vilnius and Lisbon, and between Vilnius and Hamburg. In 2024, the Company's investments in all the destinations totalled EUR 3,812,952.

In February 2023, several structures were demolished for the construction of the new departure terminal at Vilnius Airport. The residual value of the property demolished of EUR 474,852 was not recognised as expenses in 2023, therefore, the Company restated data for the reporting period of 2023, and presented in the current period's financial statement retrospectively, as shown in more detail in the table below.

* The Company reclassified income from fuel tank rental from aviation revenue to non-aviation revenue.

	2023 before restatement	Change	2023 after restatement
Statement of profit or loss and other comprehensive income			
Aviation revenue*	39 240 958	(1 234 230)	38 006 728
Non-aviation revenue*	20 566 654	1 234 230	21 800 884
Total revenue	**59 807 612**	**-**	**59 807 612**
Other expenses	(6 911 753)	(1 283 872)	(8 195 625)
Profit/(loss) from operations	**8 951 555**	**(1 283 872)**	**7 667 683**
Profit/(loss) before tax	**7 658 196**	**(1 283 872)**	**6 374 324**
Net profit/(loss)	**5 475 016**	**(1 283 872)**	**4 191 144**
Statement of financial position			
NON-CURRENT ASSETS			
Property, plant and equipment			
Construction in progress	35 865 086	(474 852)	35 390 234
Other assets	809 396	(809 020)	376
Total non-current assets	**312 712 320**	**(1 283 872)**	**311 428 448**
EQUITY			
Profit/(loss) of the reporting year	5 475 016	(1 283 872)	4 191 144
TOTAL EQUITY	**161 959 071**	**(1 283 872)**	**160 675 199**

Errors of the previous period are omission of information or inaccuracies in the previous periods arising because the information is not used or irrelevant information is used which:

• Was available at the time of issue of financial statements for that period;

• Reasonable expectations exist that when preparing the financial statements the information was available to obtain and consider.

Such errors include the effects of mathematical mistakes, errors in application of accounting policies, ignoring facts or erroneous interpretation and fraud.

Errors may occur in recognition, measurement, presentation and disclosure of the items of financial statements. The detected possible errors of a reporting period are corrected before the approval of financial statements. However, at times significant errors are not detected until the subsequent period and these errors of the previous period are corrected in comparative information presented in the financial statements for that other period.

2.1 Basis of preparation

The Company's financial statements for the year 2024 have been prepared in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union (EU). The accounting policies and calculation methods applied comply with those that were applied in preparing the Company's annual financial statements for the year ended 31 December 2024. Except for the changes below, the Company has consistently applied the accounting policies to all periods presented in these financial statements.

The financial statements have been prepared based on the assumption that the Company will continue as a going concern in the near future. As at the date of approval of these financial statements, no indications exist that the Company will not be able to continue as a going concern. The Company's activities are not restricted.

The financial statements presented below, except for the cash flow statement, were prepared on an accrual basis.

2 Accounting policies (continued)

2.2 Application of new and amended International Financial Reporting Standards (IFRS)

(a) New standards and/or amendments and interpretations thereof, effective from 1 January 2024:

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

• Amendments to IFRS 16 "Leases" – Lease Liability in a Sale and Leaseback (effective for annual periods beginning on or after 1 January 2024)

• Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current; Classification of Liabilities as Current or Non-Current – Deferral of the effective date; Non-current Liabilities with Covenants (effective for annual periods beginning on or after 1 January 2024)

• Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosure – Supplier Financing Agreements (effective for annual periods beginning on or after 1 January 2024)

The application of the listed standards, amendments thereto and interpretations had no material impact on the Company's financial statements.

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

The Company had not applied the following new and amended IFRS and interpretations thereof that had been issued, but not yet effective at the date of authorization of these financial statements:

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

(c) New standards, amendments to existing standards and interpretations that are not yet effective and not yet endorsed by the EU:

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

• IFRS 19 — Subsidiaries without Public Accountability: Disclosures (effective for annual periods beginning on or after 1 January 2027)

• IFRS 18 Presentation and Disclosures in Financial Statements (effective for annual periods beginning on or after 1 January 2027)

• Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7) (effective from 1 January 2026)

• Annual Improvements to IFRS Accounting Standards—Volume 11 (effective from 1 January 2026, earlier application is permitted)

• Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (effective from 1 January 2026)

The Company's management does not expect these new and amended standards and interpretations to have a significant impact on the Company's financial statement in the period of initial application.

2.3 Presentation currency

The Company maintains its accounts and the amounts shown in these financial statements are presented and stated in the national currency of the Republic of Lithuania, the euro. Euro is the functional currency of the Company.

Transactions in foreign currency are accounted for at the exchange rates of the European Central Bank prevailing at the date of the transactions. Gains and losses from such transactions and from revaluation of assets and liabilities denominated in foreign currencies as at the reporting date are stated in profit or loss. Such balances are translated at period-end exchange rates.

2.4 Intangible assets

Individually acquired intangible assets are initially recognised at acquisition cost. Intangible assets are recognised if it is probable that future economic benefits that are attributable to the asset will flow to the Company and the cost of asset can be measured reliably.

The useful lives of intangible assets are assessed to be either finite or indefinite.

After initial recognition, intangible assets with finite lives are measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets are amortised using the straight-line method over the estimated useful life.

The useful lives, residual values and amortisation methods are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items in intangible assets.

The Company has no intangible assets with indefinite useful lives.

The separate groups of assets determined at the Company:

(a) software;

(b) other intangible assets

Costs incurred due to the acquisition of new software are capitalised and recognised as intangible assets, if they do not constitute an integral part of computer hardware. Intangible assets are amortised over the period of 3 to 4 years.

2.5 Property, plant and equipment

Property, plant and equipment are tangible assets held for the purpose of service provision and intended to be used for a period exceeding one reporting period, its acquisition (production) cost can be reliably measured and its value is above the minimum acquisition value.

Property, plant and equipment, except for buildings, structures and equipment are accounted at acquisition cost (deemed cost) less accumulated depreciation and impairment, if any. Buildings, structures, equipment and vehicles are accounted for at revalued amount minus subsequent depreciation.

Revaluations of buildings, structures and equipment are carried out periodically to ensure that the accounting value of an asset is not materially different from its fair value at the end of the reporting period.

Any increase in the accounting value of property, plant and equipment arising from the revaluation is recognised in other comprehensive income and increases the revaluation reserve in equity.

The amount of any decrease in the accounting value of an asset arising on a subsequent revaluation, which offsets previous increases in the value of the same asset, is recognised in other comprehensive income and reduces the previously recognised revaluation reserve in equity.

2 Accounting policies (continued)

All other impairments are recorded in the statement of profit or loss and other comprehensive income. Increases in value that offset previous impairments are recorded in the statement of profit or loss and other comprehensive income. Each year, the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings, after considering the effect of deferred income tax.

On the sale of a tangible fixed asset carried at revalued amount, the result of the sale is recorded in profit (loss) and other comprehensive income and the balance of the revaluation reserve relating to the asset is transferred to retained earnings (loss).

The initial value of property, plant and equipment comprises its purchase price, including non-refundable purchase taxes, capitalised borrowing costs and any directly attributable costs of bringing the asset to its working condition or location for their intended use. Acquisition cost of assets transferred to the Company or assets given free of charge is determined by the Company's management considering the fair value of these assets. Expenditures, such as repair and maintenance costs incurred after the property, plant and equipment have been brought to their working condition, are normally charged to profit or loss in the period when such costs are incurred. In situations where it can be clearly demonstrated that the expenditures will result in an increase in the future economic benefits and/or useful life of the asset, the expenditures are capitalised as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis over the following estimated useful lives:

Buildings	50–80 years
Structures	15–25 years
Machinery and other equipment	15 years
Vehicles	6–15 years
Other property, plant and equipment:	3–15 years

The useful life is reviewed on a regular basis to ensure that the depreciation period corresponds to the expected useful life of property, plant and equipment. Useful life of an asset is defined in terms of the expected usefulness of the asset to the entity.

Construction in progress is stated at acquisition cost. This includes the cost of construction, plant and equipment and other directly attributable costs. Construction in progress is not depreciated until the relevant assets are completed and are ready for intended use.

Construction in progress is transferred to the appropriate property, plant and equipment group when the construction in progress is completed and the asset is ready for its intended use.

2.6 Investment property

An investment property is recognised as an asset only when it is probable that future economic benefits associated with the investment property will flow to the Company and the cost of the investment property can be measured reliably.

Investment property consists of the Company's buildings and structures that are held for the purpose of earning rental income and/or with the expectation of appreciation in value. Investment property is initially measured at cost, which comprises the purchase price and any directly attributable costs. Subsequently, investment property is carried at fair value and is not depreciated. Gains or losses arising from changes in fair value are included in the statement of profit or loss and other comprehensive income for the period.

Gains or losses arising on the disposal of investment property are calculated as the difference between the net disposal proceeds and the carrying amount of the property and are recognised in profit or loss in the period of disposal of the investment property.

A portion of the asset may be used by the Company in its operations, while another portion may be allocated to generate rental income and/or in anticipation of appreciation in the value of the asset.

The portions of the assets are separated individually according to the area of the assets used in the Company's operations and devoted to generating rental income and/or in anticipation of appreciation.

The Company applies a materiality criterion of 90%, above which 100% of the carrying amount of the investment property is attributed to the investment property.

2.7 Financial assets

Financial assets are classified into the following groups: financial assets at amortised cost, financial assets at fair value through other comprehensive income and financial assets at fair value through profit or loss.

Subsequent to initial recognition, financial assets are classified based on the above categories depending on the business model applied to the Company's financial assets. The business model, applied to a group of financial assets, is determined at the level which would reflect how the entire group of financial assets allow achieving the Company's business goals. The intentions of the Company's management regarding the separate financial instruments do not affect the business model applied. When managing financial assets, the Company may apply more than one business model.

The business model for financial assets management is a fact instead of solely a statement. Usually it is observed in the actions taken by the Company to achieve the set business model goals. When determining the business model which will be applied for the management of financial assets, the Company justifies its decision not based on one fact or action, but considering all directly related evidence existing as at the date of the decision.

The Company recognises a financial asset in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The purchase or sale of financial assets is recognised or derecognised using the transaction date.

Upon initial recognition, the financial assets are recognised at fair value (except for trade receivables without a significant financing component). For assets not at fair value through profit or loss, the Company adds expenses related to the acquisition of financial assets, when they can be directly attributed.

Transaction costs comprise fees and commissions which the Company wouldn't need to pay had it not entered into a financial instrument agreement. If the value of financial assets on initial recognition is different from the transaction price, the difference is recognised in profit or loss.

2 Accounting policies (continued)

With regard to the business model applied to the management of a group of financial assets, financial assets are accounted for as follows:

Financial assets measured at amortised cost

Receivables are accounted for in accordance with a business model that aims to hold financial assets to collect contractual cash flows that may arise from cash flows related to principal repayment and interest payments.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when such assets are impaired, as well as through the amortisation process. Loans and receivables are initially recognised at acquisition cost (the fair value of consideration paid). Current receivables are subsequently measured at cost less impairment losses and non-current receivables and loans are carried at amortised cost using the effective interest method less impairment losses.

The effective interest method is a method of calculating the amortised cost of a financial asset or liability and of allocating interest income and expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial asset or liability or, when appropriate, over a shorter period.

Loans and receivables are included in current assets, except for maturities greater than 12 months as of the date of the statement of financial position, in which case they are classified as non-current assets.

Trade receivables

Trade receivables are amounts receivable from customers for the services rendered in ordinary business operations. If the amounts are expected to be received within one year or a shorter period (or during the normal course of business, if later), trade receivables are classified as current assets. In other case, these amounts are classified as non-current assets.

Trade receivables after initial recognition are measured at amortized cost using the accrued interest method, including impairment allowances, while trade receivables with a maturity of less than 12 months from the date of recognition (i.e. not including the financing component) and which are not subject to factoring are measured at nominal value, as the associated discounting effect is negligible.

Impaired receivables are written off when they are assessed as uncollectible.

Cash and cash equivalents

Cash includes cash on hand and cash in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. The term of such investments does not exceed three months and the risk of changes in value is insignificant.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, cash at bank accounts, and other short-term highly liquid investments. The carrying amount of an asset approximates its fair value.

Derecognition of financial assets

Financial assets are derecognised when:

- The rights to cash flows from the assets expire;
- The Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- The Company has transferred its rights to receive cash flows from the asset and either has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset but has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset.

Impairment losses on financial assets: expected credit losses

Asset impairment requirements are applied for recognition of expected credit losses over the entire term of a financial instrument for which there was a significant increase in credit risk since initial recognition. If the credit risk of a financial instrument has not significantly increased following the initial recognition, the Company assesses the amount of losses for that instrument equal to 12 month expected credit losses.

The Company treats financial assets as unsettled, if the contractual payment term is overdue for 90 days and exceeds the advance payment made by debtor. However, in certain cases the Company may deem financial assets as unsettled when internal or external information shows that the Company will probably not recover all the contractual amount, before considering any credit enhancements available to the Company.

The Company monitors the increase of credit risk by monitoring if the debts are repaid in due time. Significant increase in credit risk is considered when the debt is delayed and no reasons exist for presuming that it will be settled in the near future.

The Company uses the following models for determining impairment allowances:

- general model (basic),
- the simplified model for trade receivables.

The expected credit losses (ECL) are calculated based on the "three-stage" model of impairment ("general approach"):

Stage 1

Financial instruments, for which the credit risk has not increased significantly since initial recognition, or that have low credit risk at the reporting date. For these assets, 12-month ECL are recognised and interest revenue is calculated on the gross carrying amount of the asset. 12-month ECL are the expected credit losses that result from default events that are possible within 12 months after the reporting date. It is not the expected cash shortfalls over the 12-month period but the entire credit loss on an asset weighted by the probability that the loss will occur in the next 12 months

2 Accounting policies (continued)

Stage 2

Comprises financial instruments for which there has been a significant increase in credit risk since initial recognition (unless they have low credit risk at the reporting date) but that do not have objective evidence of impairment. For these assets, lifetime ECL are recognised, but interest revenue is still calculated on the gross carrying amount of the asset. Lifetime ECL are the expected credit losses that result from all possible default events over the expected life of the financial instrument.

Stage 3

Comprises financial assets with objective evidence of default at the reporting date. For these assets, lifetime ECL are recognised and interest revenue is calculated on the net carrying amount.

For trade receivables with no significant financing component the expected credit loss is recognised over the entire period of debt. For impairment of trade receivables, the Company uses a simplified approach. To calculate the expected credit loss, the Company took the following steps:

(1) Grouped receivables based on the set criteria of customers

(2) Determined the historical quantities of bad debts

(3) Assessed macroeconomic indicators

(4) Calculated the expected credit loss

The Company grouped receivables based on the following criteria:

• Natural or legal persons,

• Based on the overdue period of debts (not overdue, overdue for 1-30 days, 31-60 days, 61-90 days, 91-365 days, more than 365 days).

• Based on historical data, the Company has determined that on average, natural persons do not cover 9% of not overdue debts. Legal entities do not settle:

• 1.29% of not overdue debts,

• 4.14% of debts overdue for 1-30 days,

• 16.72% of debts overdue for 31-60 days,

• 36.65% of debts overdue for 61-90 days,

• 61.54% of debts overdue for 91-365 days,

• 96.78% of debts overdue for more than 365 days.

Credit risk related to account balances at banks is limited since the Company performs transactions with banks that have high long-term borrowing ratings issued by foreign rating agencies. The banks' ratings are presented in Note 14. Considering the high ratings of banks creditworthiness, the company considers that the probability of bankruptcy of the banks used by the company is very low.

2.8 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the selling price in the ordinary course of business, less the costs of completion, marketing and distribution. Cost is determined by the first-in, first-out (FIFO) method. Inventories, which cannot be realised, are written-off.

2.9 Equity

The equity of the Company's owner comprises the value of the assets transferred by the Company's owner to the Company, unless these are assets which can only be state-owned according to laws, or they can be a grant.

The amount of capital corresponding to assets which can only be state-owned according to laws, comprises the amount of assets, which under laws can be owned only by the state, whose management, use and disposal is entrusted to the company as established in the laws.

The legal reserve is formed from the Company's profit for distribution, applying the annual deductions set by the institution implementing the rights and obligations of the Company's owner. Deductions to legal reserve are equal to at least 1/20 of the net profit for the financial year. They are made until the reserve reaches 1/10 of the authorized capital. Any excess amount of the statutory reserve may be reallocated by distributing the Company's profits. The legal reserve can be used only to cover losses of the Company. After covering losses, the amount of the legal reserve is reinstated in accordance with the procedure set out in this section.

Other reserves are used for the following purposes:

(a) Investments;

(b) Training of employees;

(c) Employee bonuses, for social, cultural and similar purposes.

An increase in the value of owner's capital or assets, which under laws can be owned only by the state, is recorded:

(a) From the Company's funds; i.e. value of assets generated from retained earnings and other reserves (other than legal reserve);

(b) At the value of assets created from funds allocated to acquire, create or increase in value of owner's capital;

(c) At the value of the assets transferred by the Company's owner.

Retained earnings (losses) are formed from the total income of the current year and the total income of the previous periods after deduction of all profit contributions paid to the state budget.

2.10 Financial liabilities

Initial recognition and measurement

Upon initial recognition, financial liabilities are divided into loans received and payables. Upon initial recognition, all financial liabilities are recognised at fair value, and in case of loans received and payables, less directly attributable transaction costs. The Company's financial liabilities include trade and other payables, loans received

2 Accounting policies (continued)

Subsequent measurement

Measurement of financial liabilities depends on their classification, as described below.

Loans

Loans received are initially carried at fair value less transaction costs incurred. Subsequently, loans received are carried at amortised cost and the difference between the proceeds received (less transaction costs) and the coverage amount is recognised in profit or loss of the period over the entire loan period.

Loans received are classified as current, except where the Company has an unconditional right to defer their payment at least for 12 months after the end of the reporting period.

Trade payables

Trade payables are liabilities to pay for goods or services provided by suppliers over the ordinary course of business. Trade payables are attributed to current liabilities if they must be settled within one year or a shorter period (or over the ordinary course of business if it is longer). Otherwise, they are attributed to non-current liabilities. Trade payables are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when the Company's obligations are discharged, cancelled or they expire. When one existing financial liability is replaced by another liability to the same creditor but under different conditions, or when the conditions of the existing liability are substantially changed, such a change is considered as derecognition of the initial liability and origination of the new liability. Difference between the respective carrying amounts is recognised in profit or loss.

2.11 Grants

Grants received in the form of fixed assets or allocated to the purchase, construction or other acquisition of fixed assets are considered asset-related grants.

Property created from funds allocated to the Company is considered a grant when the funds are allocated to purchase or creation of infrastructure, as well as to increase the value of the infrastructure managed by the Company, if the infrastructure that would be purchased, created or the value of which would be increased is attributable to property, which according to the law can only be owned by the state. If grants of the Government and European Union are for the purchase or reconstruction of non- current assets, they are considered as grants related to assets. The Company manages the land received in trust, which is owned by the state. Until 31 August 2023, this land was accounted for in the Company's equity, but after the reorganization and restructuring of the Company's capital, the land was assigned to the grant article, taking into account the fact that the right of trust is obtained free of charge and the Company has the right to fully manage the entrusted asset (see 2.18).

For presentation of grants related to assets the Company uses the method which recognises the grant as deferred income that is recognised in statements of profit or loss on a systematic basis over the useful life of the asset. Asset-related grants comprise grants received in the form of non-current assets or in the form of cash intended for the acquisition of non-current assets. Grants are initially recorded at the fair value of the asset received and subsequently recognised statements of profit or loss by reducing the depreciation charge of the related asset over the expected useful life of the asset. Liabilities related to received asset-related grants are presented in the statement of financial position under the item of non-current liabilities 'Asset-related grants'. Upon the revaluation of non-current assets and in case impairment was recognised on revaluation, grants related to this non-current assets are written off in a respective proportion.

Grants that compensate the Company for expenses incurred during the current or previous periods or for income not received as well as all other grants and subsidies not attributable to asset-related grants, are considered as income-related grants. The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant. These grants are presented in the statement of profit or loss, less related expenses, and/or in the statement of financial position under the item of non-current liabilities 'Grants to compensate expenses'.

Grants from the Government and the European Union that compensate the Company for expenses incurred during the current or previous periods or for income not received as well as all other grants and subsidies not attributable to asset-related grants, are considered as income-related grants. The income-related grants are recognised as used in parts to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant.

Details of grants are given in Note 17.

2.12 Employee benefits

Current year cost of employee benefits is expensed immediately in profit or loss. The past service costs are recognised as an expense on a straight-line basis over the average period until the benefits become vested. Gain or loss resulting from changes in employee benefits (decrease or increase) is recognised immediately in profit or loss.

The employee benefit obligation (retirement and jubilee benefits, applicable until 31/12/2024) is calculated based on actuarial assumptions, using the projected unit credit method. Obligation is recognised in the statement of financial position and reflects the present value of these benefits on the preparation date of the statement of financial position. Present value of the non-current obligation to employees is determined by discounting estimated future cash flows using the discount rate which reflects the interest rate of the Government bonds of the same currency and similar maturity as the employment benefits. Actuarial gains and losses are recognised immediately in profit or loss.

2.13 Income tax

Income tax calculations are based on annual profit net of deferred income tax. Calculations of income tax are based on the requirements of the Lithuanian regulatory legislation on taxation.

In accordance with the Lithuanian Law on Corporate Income Tax, the current income tax rate was 15% in 2024. The tax rate of 16% is applied from 2025 onwards.

The current year tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities.

The prepaid income tax and recognized income tax liabilities are offset in the statement of financial position when they relate to the same taxation authority.

Tax losses can be carried forward for indefinite period, except for the losses incurred as a result of disposal of securities and/or derivative financial instruments. Such carrying forward is disrupted if the Company changes its activities due to which these losses were incurred except when the Company does not continue its activities due to reasons which do not depend on the Company itself. The losses from disposal of securities and (or) derivative financial instruments can be carried forward for five consecutive years and only be reduced by taxable income earned from the transactions of the same nature. Starting from 1 January 2014, the tax loss carry forward that is deductible cannot exceed 70% of the current financial year taxable profit.

2 Accounting policies (continued)

Deferred taxes are calculated using the balance sheet liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the date of the statement of financial position.

Deferred tax assets have been recognised in the statement of financial position to the extent the management believes they will be realised in the foreseeable future, based on taxable profit forecasts. When it is probable that a portion of deferred tax will not be utilised, this portion of deferred tax is not recognised in the financial statements.

2.14 Recognition principles for revenue from contracts with customers

In accordance with IFRS 15, revenue from contracts with customers, other than leases, is recognised using the five-step model:

Step 1 - Identify contracts with customers.

A contract is an agreement between two or more parties (subject to the terms of the purchase or sale) that creates enforceable rights and obligations, , and a party of which is a customer. A customer is the party that has contracted with the company to receive goods or services for consideration. A contract with a customer that is within the scope of IFRS 15 is accounted for when the following criteria are met:

• The parties have approved the contract (in writing, orally or in accordance with other usual business practices) and are bound by their respective obligations under the contract;

• It is possible to identify the rights of each party regarding the transferable goods or services;

• It is possible to identify the payment terms provided for the transferable goods or services;

• The contract is of a commercial nature;

• The Company will receive a consideration to which it will be entitled in exchange for the goods or services to be transferred to the customer.

Step 2 - Identify performance obligations in the contract.

A performance obligation is a contractual obligation to provide services. When services can be distinguished, the obligations are recognised separately. Each obligation is identified in one of two ways:

• A service (or bundle of goods or services) that is separate,

• A set of individual services that are essentially the same and passed on to the customer in a uniform model.

Step 3 - Determine the transaction price.

The Company takes into consideration the terms of the contract, the legislation of the Republic of Lithuania and its usual business practices when determining the transaction price. The transaction price is the amount of consideration that the Company expects to be entitled to in exchange for promised goods or services delivered to the customer, excluding amounts collected on behalf of third parties (such as certain sales taxes). The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Step 4 - Allocate the transaction price to each performance obligation.

When assigning a transaction price, the Company attributes a transaction price amount to each performance obligation which reflects the amount of consideration that the Company expects to be entitled to in exchange for the promised goods or services.

Step 5 - Recognise revenue when (or as) the Company satisfies performance obligations.

The Company recognises revenue when it meets its performance obligation by delivering the promised good or service to the customer. Performance obligations are settled over a period of time or at a particular point in time. The recognised amount of revenue is equal to the amount of implemented performance obligation. Revenue is recognised when the revenue amount can be reliably estimated and when it is probable that the economic benefits associated with the obligation will flow to the Company and the amount of the revenue can be measured reliably.

Sales are recognised net of VAT and discounts granted. Revenue from sales of goods is recognised upon delivery of goods and transfer of all risks and rewards of ownership. The Company divides its revenue into aviation revenue and non-aviation revenue. Revenue is generated in Vilnius, Kaunas and Palanga airports. The split of revenue based on their type and airport, where the revenue was earned, is presented in Note 3 and 4.

When generating revenue, the Company issues an invoice for services rendered immediately and receivables are attributed to trade receivables. Contractual liabilities comprised deposits received and discount accruals, which are presented in the statement of financial position under other current payables.

Aviation revenue

Aviation activities comprise maintenance and management of aircraft runways, passenger terminals, VIP terminals, airport equipment, baggage administration, ensuring of aviation security and other activities under the standards and recommendations of the International Civil Aviation Organisation, international agreements and arrangements of the Republic of Lithuania in the field of air transport and other legislative requirements. Revenue is recognised based on an actual number of aircrafts that landed and took-off and the number of outbound passengers. Aviation revenue accounts for 64% of all Company's revenue, the major part of which comprises fees for using airport services (57% of all Company's revenue).

Centralised infrastructure charges from 07/08/2023 shall be calculated in accordance with the General Terms and Conditions for the Provision of Groundhandling Services at Airports Operated by Branches of Lithuanian Airports approved by Order No 1R-151. Until then, the above calculations were carried out in accordance with the General Conditions for the Provision of Groundhandling Services at Airports Operated by Branches of Lithuanian Airports approved by Order No 1R-112 of 21 July 2021.

Central infrastructure charges are paid by the provider of groundhandling services and in case the respective documents have been submitted to the airport – directly by the airline. The invoices shall be paid by the last business day of the next month.

The charges are determined by the Company based on the following (relevant versions in 2024):

• General Terms of Airport Usage (Order No 1R-84 of the Chief Executive Officer of Lietuvos oro uostai AB of 28 May 2021);

• Law on Aviation of the Republic of Lithuania (17 October 2000, No VIII-2066, with its successive amendments);

Order No 3-118 of the Minister of Transport and Communications of the Republic of Lithuania of 28 February 2011 "On Approval of the Description of Procedure of Payment and Application of Airport Usage Charges";

Directive 2009/12/EB of the European Parliament and of the Council of 11 March 2009 on Airport Charges;

Document No 9082 of the International Civil Aviation Organisation ICAO's Policies on Charges for Airports and Air Navigation Services.

2 Accounting policies (continued)

The procedure for payment of charges is set in the General Terms of Airport Usage. Users of airport who start the usage of airport and are willing to pay monthly, must pay a security deposit which is repaid to the user in half a year if liabilities are properly fulfilled. In this case, the invoices shall be paid by the last day of the next month. In addition, there is a possibility to enter into agreements with the general aviation regarding regular settlement and to enter into a written arrangement with a third party regarding the payment for airport services. In other cases, advance payments are made but no later than at the time of aircraft take-off.

The Company fulfils its liabilities set in aviation activity agreements at the time when the service is used, e.g. the client uses aircraft runway or passenger terminal. The Company must ensure that the client can use the service as agreed in the service agreement. Revenue is recognised at the moment of service provision to a client.

In aviation activity services, discounts are applied for new flight routes, increased frequency of cargo flights, increase in the number of passengers. Discounts are recognised at the point in time upon provision of service to which the discount is applied. No guarantees are applied to services.

Contract liability is recognised if the client makes an advance payment for related goods or services before the provision of the service. Contract liabilities are recognised as revenue when the Company performs under the contract. (i.e. transfers the control of goods or services to the client)

Loyalty programme

The Company applies the following loyalty programs:

• The promotion program of the Lithuanian airport network applies to airlines that operate flights in at least two airports managed by Lietuvos oro uostai AB and carry the number of passengers corresponding to the limits of the number of passengers provided for in the program. The discount of the amount provided in the program is applied to the fees paid during the period. The discount applies to the following airport fees: departure passenger fees, aircraft landing fees, security fees. The amount of the discount depends on the number of airports where flights were operated and carried the planned number of passengers.

• The program for promoting the activities of airlines at the Vilnius and Palanga airport applies to the promotion of new routes and the increase in the frequency of cargo flights.

• The program for promoting the activities of air carriers at Kaunas Airport is applied according to the number of passengers carried by a group of airlines or a tour operator.

The Company recognizes a contractual obligation when the airlines fulfil the established requirements of the loyalty programs.

Non-aviation revenue

Non-aviation revenue comprise asset lease, car parking, advertising, business club and other revenue. The majority of contracts have a fixed charge; however, part of the contracts also have a variable charge based on the turnover, which may not be lower than a fixed charge set out in the contract. The Company implements contract liabilities and recognises income at a point in time when the service is rendered, except for lease services. No guarantees are applied to services.

Lease revenue

Lease revenue under operating lease agreements are recognised on a straight-line basis over the lease period. Discounts or other incentives to enter into a lease agreement are recognised over the lease period irrespective of cash flows. Lease term is a minimum period when the lessee must lease a leased object. Lease term includes an additional period for which the lessee is entitled with a possibility to extend the lease agreement if the Company's management reasonably expects that the lessee will use this possibility.

Income from agreement termination or compensation for the damage inflicted by a lessee is carried when it is probable that the Company will receive the benefits related to termination of agreement or inflicted damage.

Income from utility services

The Company ensures the provision of utility services to clients who lease premises from the Company. The Company itself does not provide utility services but makes sure that such services are rendered to the client; therefore, the Company acts as an intermediary. Only the net income, i.e. the Company's commissions, is recognised as income. Revenue is recognised at a point in time when services are rendered.

2.15 Expense recognition

Expenses are recognised on an accrual and matching basis for the reporting period when the related income is earned, irrespective of the time when the money was spent. Expenses incurred during the reporting period, which cannot be directly related to generation of specific income and which shall not generate income in future reporting periods, are recognised as costs of the period when incurred.

The amount of expenses is usually accounted for as the amount paid or due, excluding VAT. In the cases when a long period of payment is established and the interest is not distinguished, the amount of expenses is estimated by discounting the amount of payment using the market interest rate.

2.16 Lease

The determination of whether an arrangement is, or contains a lease is based on the substance of arrangement as at inception date. It is assessed whether the contract is associated with the use of specific assets and whether the contract gives the right to use the asset.

The Company as a lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. The Company recognises a right-of-use asset and a lease liability considering all lease arrangements where it acts as a lessee, except for short-term leases (defined as a lease which lease term does not exceed 12 months) and low-value assets (e.g. notebooks and laptops, small items of office furniture and phones). For these lease agreements, the Company recognises lease payments as operating expenses on a straight-line basis over the lease period, unless other systematic basis provides a better reflection of a time pattern over which economic benefits are received from the leased assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Company's incremental borrowing rate is used. Lease payments included in the measurement of the lease liability comprise the following:

• Fixed payments, less any lease incentives receivable;

• Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

• Amounts expected to be payable under a residual value guarantee;

• The exercise price under a purchase option that the lessee is reasonably certain to exercise; and

• Penalties for early termination of a lease if the lease term reflects the exercise of the option to terminate lease agreement.

2 Accounting policies (continued)

Lease liability in the statement of financial position is attributed to payables. Lease liability is subsequently measured increasing the carrying amount to represent lease liability interest (using the effective interest rate method) and decreasing the carrying amount to represent the lease payments made.

The Company assesses the lease liability (and adjusts the related right-of-use assets accordingly) when:

• There was a change of lease term or a significant event occurred or there was a change in circumstances which led to the change in assessment of application of purchase option right; in this case, the lease liability is remeasured by discounting the revised lease payments based on revised discount rate.

• Lease payment change arises from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; in this case, the lease liability is remeasured by discounting the revised lease payments based on unchanged discount rate (unless there is a change in lease payments).

There was a change in lease agreement, and lease modification is not accounted for as a separate lease; in this case, the lease liability is remeasured considering the term of the amended lease agreement by discounting the revised lease payments based on a revised discount rate. In 2023 and 2022, the Company did not make any such changes.

The right-of-use assets comprise the initial measurement of the respective lease liability, lease payments made at the commencement date of before less lease incentives received and all initial direct costs. Subsequently they are measured at cost less accumulated depreciation and impairment losses. Each group assumes liabilities related to costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, as required by terms and conditions. Provision is recognised and measured under IAS 37. To the extent that expenses are related to right-of-use assets, the expenses are included into the related right-of-use assets unless these expenses were incurred to produce inventories.

The right-of-use asset is depreciated over the lease term or the useful life of the underlying asset, whichever is shorter. If ownership rights to underlying asset have been transferred or the price of the right-of-use asset reflects the Company's expectation to acquire the purchase option, the related right-of-use assets are depreciated over the useful life of the asset. Depreciation is calculated from the commencement date.

Variable lease payments that are not dependent on an index or a rate excluded from measurement of lease liability and right-of-use assets. The related payments are recognised as expenses in the period in which the event or condition that triggers the payments occurs.

The Company as a lessor

The Company as a lessor enters into lease agreements for its investment property. Leases where the Company is a lessor is classified as finance or operating leases. When under the lease terms substantially all the risks and benefits of ownership are transferred to a lessee, the agreement is classified as finance lease. All other leases are classified as operating leases.

Lease income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating over the lease of non-current assets and adding the leased assets are added to the carrying amount of the leased assets and are recognised on a straight-line basis over the lease term.

Lease payments due from the lessees are recognised as an receivables.

2.17 Finance income and costs

The Company's finance income and costs comprise interest income, interest expenses and positive or negative effect of currency exchange fluctuations on the financial assets and liabilities, loan administration fees. Interest income is recognised in profit or loss as it accrues, using the effective interest method. Positive or negative effect of currency exchange fluctuations on the financial assets and liabilities is carried at net value as finance income or finance costs depending on whether changes in exchange rates comprise net profit or net loss.

2.18 Use of estimates in the preparation of financial statements

The preparation of financial statements according to International Financial Reporting Standards as adopted by the European Union requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and costs and contingencies. The significant areas in these financial statements that use estimates include amortisation of intangible assets and depreciation of property, plant and equipment, impairment of non-current assets, income concessions (under the loyalty programmes), impairment allowance for receivables, non-current employee benefits and contingent liabilities. Future events may cause the assumptions used in arriving at the estimates to change. The effect of such changes in the estimates will be recorded in the financial statements when determined.

Management makes estimates when accounting for the Company's capital, which comprises assets managed under the right of trust, which can only be state-owned based on legislation.

Accounting for investment property and property, plant and equipment at revalued amount

Management assesses whether there is objective evidence of changes in the value of assets or cash-generating units. The increase in the value of property, plant and equipment is accounted for after the revaluation by the increase in the value of fixed tangible assets and the amount of the decrease in the value of the revalued assets, which is accounted as the cost of the decrease in the value of fixed tangible assets. Asset value calculations require a significant assessment by the Company's management in choosing valuation methods taking into account the type of assets, their nature and the information available for valuation.

The following valuation methods are used to determine the asset value:
1. The comparative method, the essence of which is 'comparison of the appraised asset with analogous or similar assets for which the transaction prices are known to the asset appraiser', adjusted to reflect these differences.
2. The income method, the essence of which is 'the conversion of the benefits provided by the asset - the net future cash flows into the value of the asset' (a forecast of discounted cash flows based on reliable estimates of future cash flows, taking into account the terms of existing leases and other contracts and external evidence such as leases fees paid in the current market for similar assets in the same location and condition, using discount rates that reflect current market assessments of the magnitudes and uncertain periodicity of cash flows).
3. The cost method, the essence of which is 'the assumption that the price that the buyer would pay in the market for the valued asset, if it was not affected by factors such as time, risk or others, would not be higher than the purchase, production, restoration of an analogous asset, the cost of reproduction, restoration (installation)'.

Income concessions under loyalty programmes

The managements makes an assessment whether the airlines, which are a part of loyalty programmes, will fulfil their obligations and be able to grant the concession of the loyalty programme to themselves. The Company periodically assesses the results of fulfilment of the airlines' obligations during the period, takes into consideration forecast of a number of flights and carried passengers, and makes an estimate whether the airlines will meet the requirements of the loyalty programme. On the basis of these estimates, the income concessions are calculated which reduce the income from aviation activity.

2 Accounting policies (continued)

Depreciation of property, plant and equipment and amortisation of intangible assets

At the end of each financial year, the Company's management assesses whether the useful life for respective groups of property, plant and equipment and intangible assets is appropriate. For more details on applied useful life, see Notes 2.4 and 2.5.

Non-current employee benefits

The Company records pension accruals for employees in order to pay severance pay to retiring employees of retirement age, as provided by law. Also, the Company records accruals for employees, which are paid according to the procedure established by the Company in the amount determined for the jubilee benefits payable to employees. The Company's management evaluates the key actuarial assumptions applicable to long-term employee benefits at the end of each financial year. For more detailed information on the indicators used to calculate pension savings, see Notes 2.13 and 18.

Impairment of receivables

The Company does not monitor changes in the level of credit risk during the period of validity of the instrument and determines expected credit losses until the end of the intended period of use of the instrument. The Company recognizes a case of insolvency when the client defaults 90 days after the date of receivables. In order to estimate expected credit losses, the Company uses a provision matrix, calculated taking into account the historical level of repayment and collection of receivables from customers. The Company incorporates information about future periods into the parameters used in the expected loss model, adjusting the key default probability parameters. Expected credit losses are calculated when the receivable is recognized in the statement of financial position and are updated each subsequent last day of the reporting period, depending on the number of days the receivable is overdue. Recognition and reversal of the expected decrease in the value of trade and other receivables to the main receivables is recorded in the income (expenses) line of other activities as losses (reversal of losses) due to the decrease in the value of financial instruments, and interest for late payment is recorded in the income (expenses) line of financial activities as losses (reversal of losses) due to the decrease in the value of financial instruments (Note 12).

Assets managed under the right of trust

The legal status of the Company until 31 August 2023 was state enterprise and its capital structure was governed by the Law on State and Municipal Enterprises of the Republic of Lithuania, which provides that assets transferred to a company by the owner and acquired by the company is owned by the owner, i.e. the state. Pursuant to the Law on the Management, Use and Disposal of State and Municipal Assets of the Republic of Lithuania, the company manages, uses and disposes of the owner's property under the right of trust. Article 33(2) of the Law on Aviation of the Republic of Lithuania stipulates that the airport land is managed, used and disposed under the right of trust by the company managing international airport in accordance with the Law on Aviation of the Republic of Lithuania, Law on the Management, Use and Disposal of State and Municipal Assets of the Republic of Lithuania and the Law on Land of the Republic of Lithuania. The Company manages the airport infrastructure transferred by the Company's owner under the right of trust and in accordance with the Law on the Management, Use and Disposal of State and Municipal Assets of the Republic of Lithuania, the Company's Articles of Association and other legislative requirements.

When the Company became a joint stock Company from 1 September 2023, assets managed under the right of trust were transferred to the ownership of the Company except for the land.

When accounting for these assets in 2022 and examining whether assets managed by the Company under the right of trust should be accounted for in accordance with IFRIC 12 Service Concession Arrangements, it is assessed whether the business model is consistent with the guidelines and legal bases for applying concession services. Clause 7 of the Company's Articles of Association sets out the goals of the Company's activities:

• When operating the international airports of Vilnius, Kaunas and Palanga, to provide public services ensuring the strategic interest of the state, i.e. to manage and develop the infrastructure of Vilnius, Kaunas and Palanga airports, to guarantee the highest level of flight security and aviation, to seek business value growth and profit yield;

•To carry out other activities to satisfy public interests;

•To pursue commercial activities.

Clause 9 of the Company's Articles of Association sets out that when implementing the Company's business goals and mission, the Company's tasks are:

•To create modern infrastructure which, in terms of technical parameters, safety and quality of services meets the needs of air carriers, passengers and other users of airports;

•To ensure safe, efficient and reliable operation of the Company and its infrastructure.

The legislation does not state to whom the services are provided; the Company enters into agreements with the recipients of services directly. Based on Article 33 of the Law on Aviation of the Republic of Lithuania and Resolution No 1098 of 8 November 2006 of the Government of the Republic of Lithuania Regarding Leasing of Land at International Airports, the Company leases airport land by way of an auction or other way provided that the conditions set out in the legislation are existent. Initial land lease charge, if the land lease auction is announced, or land lease charge, if the land lease agreement is concluded in other way than by way of auction, is determined based on Resolution No 1088 of 31 October 2006 of the Government of the Republic of Lithuania Regarding the Approval of the Description of the Procedure for Calculation of Land Lease Charge of International Airports and its Size. Article 50(3) of the Law on Aviation stipulates that charges for use of airports and their sizes are set by the head of the company managing international airport in accordance with Order No 3-118 of the Minister of Transport and Communications of the Republic of Lithuania dated 28 February 2011 On Approval of the Description of Procedure of Payment and Application of Airport Usage Charges. Therefore, the Company has an actual control over the main prices proposed by the Company. All other services provided by the Company are in no way regulated by the Company's owner. Asset management under the right of trust is legalised, there is no asset management contract, no maturity term for asset management under the right of trust is determined. In the light of the above, it is concluded that asset management under the right of trust performed by the Company does not comply with the model of service concession arrangements.

Given that, under IFRS, ownership of an asset is not an essential feature for the recognition of an asset and that the Company is responsible for maintenance, operation, repair and investment of the asset, and that the Company controls the asset either for its own revenue or for administrative purposes, i. e. the Company, through the use of assets obtains and expects future economic benefits, the cost of the asset is measured reliably, the assets managed, used and disposed under the right of trust by the Company are recognized and accounted for in the statement of financial position of the Company.

2.19 Contingencies

Contingent liabilities are not recognised in the financial statements. They are described in the financial statements except for the cases when probability of losing the resources embodying economic benefits is low.

A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

2 Accounting policies (continued)

2.20 Subsequent events

Events that provide additional evidence on conditions that existed as at the date of the Company's statement of financial position (the adjusting events) are recognised in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes to the financial statements when material.

2.21 Offsetting and comparative figures

When preparing the financial statements, assets and liabilities, as well as revenue and expenses are not set off, except the cases when a certain standard specifically requires such set-off.

2.22 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Determination of the fair value is based on the assumption that the asset sale or liability transfer transaction is performed either:

on the primary asset or liability market, or

• if primary market is not available – on the market, which is the most favourable for an asset or a liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

For the purposes of a more consistent and comparable measurement of the fair value, the fair value hierarchy set out in IFRS 13 is applied. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

• Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;

• Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities which are repeatedly recognised in the financial statements, the Company, when reassessing the allocation, decides on whether the amounts were transferred between hierarchy levels. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

As at 31 December 2024 and 2023, the balance value of the Company's financial assets and liabilities approximates their fair value, set at Level 3 fair value hierarchy level, except for received loans. The fair value of financial liabilities related to debt obligations to state-controlled investment banks is calculated by discounting future cash flows according to the interest rate applicable in the contracts. Based on the agreements No L6132 (1) and No L588/429917 (2), cash flows are discounted using a discount rate of 3.978-4.541% and 3.514%, respectively (2023: 5.028-5.074% and 4.731%, respectively). The valuation of the financial liabilities related to these debts is assigned to Level 3 of the fair value hierarchy, as the loans obtained are targeted to create assets that are specific to the Company.

The table presents the distribution of the Company's financial obligations as at 31 December 2024 by hierarchy levels:

		Fair value		
EUR thousand	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities for which the value is disclosed				
Loan from Nordic Investment bank (1)	52 082	-	-	40 294
Loan from Nordic Investment bank (2)	19 117	-	-	16 544

The table presents the distribution of the Company's financial obligations as at 31 December 2023 by hierarchy levels:

		Fair value		
EUR thousand	Carrying amount	Level 1	Level 2	Level 3
Financial liabilities for which the value is disclosed				
Loan from Nordic Investment bank (1)	25 560	-	-	18 800
Loan from Nordic Investment bank (2)	21 666	-	-	17 496

3 Aviation revenue

	2024			
	VNO	KUN	PLQ	Total
Fees	31 916 166	2 568 200	2 855 785	37 340 151
Income from central infrastructure	3 556 923	61 379	359 699	3 978 001
Other aviation income	284 778	22 188	22 392	329 358
TOTAL:	35 757 867	2 651 767	3 237 876	41 647 510

	2023 restated*			
	VNO	KUN	PLQ	Total
Fees	29 621 735	2 523 135	2 210 039	34 354 909
Income from central infrastructure	3 244 150	49 891	280 423	3 574 464
Other aviation income*	39 223	27 306	10 826	77 355
TOTAL:	32 905 108	2 600 332	2 501 288	38 006 728

*Information on restatement is disclosed in Note 2 of these financial statements

Income from aviation activities is recognised only after the service has been provided.

4 Revenue

	2024			
	VNO	KUN	PLQ	Total
Non-aviation revenue	**16 834 872**	**5 741 424**	**1 122 824**	**23 699 120**
Lease income from investment property	13 458 793	5 356 601	1 012 938	19 828 332
Advertising services	514 190	57 582	31 636	603 408
Car parking services*	273 839	72 550	27 930	374 319
Fast track	277 537	-	-	277 537
Business lounge services	1 551 481	-	-	1 551 481
Event organisation services	122 091	6 379	-	128 470
Production of permits	87 171	48 483	4 545	140 199
Transportation services	17 872	43 381	2 853	64 106
Training services	97 220	20 492	1 240	118 952
Income from loyalty programme	19 303	-	-	19 303
Other non-aviation income	415 375	135 956	41 682	593 013
Income from financing and investing activities	**459 295**	**666**	**-**	**459 961**
Default interest	33 041	666	-	33 707
Interest	425 176	-	-	425 176
Foreign currency exchange gain	1 078	-	-	1 078
TOTAL:	17 294 167	5 742 090	1 122 824	24 159 081

* Car parking services: in 2023, the Company outsourced the organisation of the car parking service to a third party and switched to renting parking lots under long-term lease agreements.

	2023 restated*			
	VNO	KUN	PLQ	Total
Non-aviation revenue	**15 697 706**	**5 159 880**	**943 298**	**21 800 884**
Lease income from investment property*	12 524 393	3 915 743	584 224	17 024 360
Advertising services	492 833	72 091	33 608	598 532
Car parking services	420 994	982 143	267 961	1 671 098
Fast track	285 514	350	-	285 864
Business lounge services	1 211 134	-	-	1 211 134
Event organisation services	142 951	6 244	50	149 245
Production of permits	68 234	39 785	2 163	110 182
Transportation services	26 682	39 559	4 333	70 574
Training services	71 387	14 567	798	86 752
Income from loyalty programme	46 144	-	-	46 144
Other non-aviation income	407 440	89 398	50 161	546 999
Income from financing and investing activities	**229 832**	**4 757**	**2 700**	**237 289**
Default interest	19 363	4 755	2 700	26 818
Cancellation of default interest	(50 229)	-	-	(50 229)
Interest	260 077	-	-	260 077
Foreign currency exchange gain	621	2	-	623
TOTAL:	15 927 538	5 164 637	945 998	22 038 173

*Information on restatement is disclosed in Note 2 of these financial statements

The gain on disposal of assets included in other income amounted to EUR 124,189 in 2024, and EUR 1 in 2023.

5 Expenses

The Company's expenses comprised the following:

	2024	2023 restated*
Depreciation and amortization	**12 085 315**	**10 985 575**
(Increase)/decrease in the value of investment property	**(3 107 002)**	**(2 622 678)**
(Increase)/decrease in the value of non-current assets	**-**	**7 338 860**
Employee benefits and related social security expenses:	**23 431 808**	**18 201 023**
Wages and salaries	19 713 249	16 644 002
Bonuses	2 442 025	633 712
Vacation accruals, pension expenses	229 636	204 877
Social security expenses	409 240	315 291
Other remuneration-related expenses	637 658	403 141
Maintenance, repairs of non-current assets and utilities	**7 902 859**	**8 135 131**
Asset repair and maintenance expenses	4 875 023	5 400 732
Leased assets	22 943	25 316
Utilities	2 758 434	2 574 062
Environmental expenses	237 129	135 021
Compensations for noise nuisance	9 330	-
Taxes (other than income tax)	**4 232 403**	**1 847 900**
Civil aviation charges	711 612	551 000
VAT expenses	80 962	79 999
Pollution tax expenses	1 139 958	300 369
State property tax expenses	-	378 792
Real estate tax	2 293 899	537 269
Other tax expenses, charges	5 972	471
(Impairment)/reversal of impairment losses on receivables and trade debts	**59 796**	**58 494**
Other expenses	**11 547 547**	**8 195 625**
Transport maintenance	1 001 742	1 039 362
Transport lease	112 941	193 075
Business trip expenses	270 800	269 086
Personnel-related expenses	1 059 032	1 059 020
Communication expenses	337 517	88 747
Stationary supplies and services	76 230	80 569
Insurance expenses	524 225	423 274
Risk-sharing agreement expenses*	3 812 952	809 019
Asset write-offs*	615 976	685 085
Other expenses not attributed to any item	3 736 132	3 548 388
Finance costs	**1 862 559**	**1 530 648**
Interests expenses	1 712 879	1 364 233
Fines and default interests paid	27 633	21 130
Other finance expenses	122 047	145 285
TOTAL:	**58 015 285**	**53 670 578**

*Information on restatement is disclosed in Note 2 of these financial statements

Classification of expenses by branches:

	2024				
	VNO	KUN	PLQ	LOU	Total
Wages and salaries	9 345 493	3 958 545	2 277 575	6 803 297	22 384 910
Social security expenses	168 807	71 772	40 850	127 811	409 240
Business trip expenses	11 291	30 070	27 473	201 966	270 800
Other personnel expenses	379 474	243 462	129 769	822 174	1 574 879
Property and vehicle maintenance expenses	3 824 408	1 374 385	390 009	287 963	5 876 765
Property and vehicle lease expenses	77 997	37 523	948	19 416	135 884
Depreciation of assets	6 674 961	3 247 397	1 164 325	998 632	12 085 315
(Increase)/decrease in the value of investment property	(1 841 419)	(303 466)	(962 117)	-	(3 107 002)
(Increase)/decrease in the value of non-current assets	-	-	-	-	-
Utilities and communication expenses	2 120 938	476 854	131 678	366 481	3 095 951
Operations	608 794	94 574	16 729	-	720 097
Taxes and charges	2 045 345	1 525 529	575 096	86 433	4 232 403
Insurance expenses	192 405	75 109	43 890	212 821	524 225
Acquisition of low-value assets	130 914	64 279	24 588	62 477	282 258
Other finance costs	118	-	-	121 929	122 047
Interests expenses	10 610	9 066	5 178	1 688 025	1 712 879
(Impairment)/reversal of impairment losses on receivables and trade debts	-	-	-	59 796	59 796
Fines and default interests paid	31	85	-	27 517	27 633
Compensations for noise nuisance	-	-	-	9 330	9 330
Risk-sharing agreement expenses	3 812 952	-	-	-	3 812 952
Asset write-offs	386 657	5 243	219 982	4 094	615 976
Other expenses	1 654 256	92 085	291 918	1 130 688	3 168 947
TOTAL:	**29 604 032**	**11 002 512**	**4 377 891**	**13 030 850**	**58 015 285**

5 Expenses (continued)

			2023 restated*		
	VNO	KUN	PLQ	LOU	Total
Wages and salaries	7 298 173	2 935 113	1 706 478	5 542 827	17 482 591
Social security expenses	130 827	52 760	30 451	101 253	315 291
Business trip expenses	16 590	45 351	37 636	169 508	269 085
Other personnel expenses	351 496	268 437	114 834	592 865	1 327 632
Asset maintenance expenses	4 179 712	1 254 602	590 233	415 547	6 440 094
Asset lease expenses	155 286	35 818	11 906	15 381	218 391
Depreciation of assets	6 450 385	2 825 901	1 133 192	576 097	10 985 575
(Increase)/decrease in the value of investment property	(1 554 376)	(256 161)	(812 141)	-	(2 622 678)
(Increase)/decrease in the value of non-current assets	3 755 516	1 912 553	1 622 742	48 049	7 338 860
Utilities and communication expenses	1 937 270	477 557	146 743	101 238	2 662 808
Operations	546 558	101 663	16 165	-	664 386
Taxes and charges	829 280	500 998	165 358	352 264	1 847 900
Insurance expenses	162 857	64 792	39 443	156 182	423 274
Acquisition of low-value assets	116 939	78 091	29 284	131 858	356 172
Other finance costs	50	1 764	844	142 627	145 285
Interests expenses	4 637	4 049	2 546	1 353 001	1 364 233
(Impairment)/reversal of impairment losses on receivables and trade debts	-	-	-	58 494	58 494
Fines and default interests paid	42	-	300	20 788	21 130
Risk-sharing agreement expenses*	809 019	-	-	-	809 019
Asset write-offs*	474 852	-	-	-	474 852
Other expenses	1 164 523	153 699	262 544	1 507 418	3 088 184
TOTAL:	**26 829 636**	**10 456 987**	**5 098 558**	**11 285 397**	**53 670 578**

*Information on restatement is disclosed in Note 2 of these financial statements

Depreciation and amortization expenses are included in the profit or loss statement under 'Non-current-asset depreciation and amortization expenses' and 'Amortization of grants'.

In 2024, interest expense include EUR 26,170 interest on operating leases recorded as the right-of-use assets (2023: EUR 11,991).

6 Income tax

Components of the income tax expenses (income):

	2024	2023
Current income tax	-	2 650 651
Adjustment to previous year income tax*	(2 984 117)	71 508
Change in deferred tax	(302 675)	(538 979)
TOTAL:	**(3 286 792)**	**2 183 180**

* During 2024, the Company assessed the assets that meet the definition of investment property under the Law on Corporate Income Tax of the Republic of Lithuania and reviewed its income tax returns for the tax periods 2021 to 2023, and made an adjustment to the income tax for 2022 and 2023.

The reported amount of income tax expenses in the statement of profit or loss attributable to the result for the year can be reconciled to the amount of income tax expenses that would result from applying statutory income tax rate of 15% to pre-tax income as follows:

	2024	2023 restated*
Profit before taxation	**7 915 495**	**6 374 324**
Income tax at a rate of 15%	1 187 324	956 149
Non-deductible expenses (+) / additionally deductible expenses (-)	562 927	2 158 622
Non-taxable income (-)	(538 157)	(1 003 098)
Adjustment to previous year income tax	(2 984 117)	71 508
Utilization of investment projects incentive	(1 514 769)	-
TOTAL:	**(3 286 792)**	**2 183 180**

*Information on restatement is disclosed in Note 2 of these financial statements

6 Income tax (continued)

Deferred tax consists of the following:

	Statement of financial position		Statement of comprehensive income	
	2024	2023	2024	2023
Impairment allowance for trade receivables	59 085	48 810	10 275	8 621
Write-down of inventories	4 751	5 871	(1 120)	(358)
Difference in the value of non-current assets with tax value	(13 215 094)	(12 306 355)	(908 739)	607 113
Tax losses carry forward	-	-	-	(90 993)
Investment projects incentive	1 193 020	-	1 193 020	-
Accrued lease income concessions	-	-	-	5 781
Deferred employee social security	4 360	3 680	680	398
Pension, anniversary, bonus accruals	35 929	27 370	8 559	8 417
Total deferred tax:	**(11 917 949)**	**(12 220 624)**	**302 675**	**538 979**
Deferred income tax benefit (expenses)			**302 675**	**538 979**
Deferred tax assets (liabilities)	**(11 917 949)**	**(12 220 624)**		

7 Intangible assets

	Projects in progress and prepayments made	Software	Other intangible assets	TOTAL
Acquisition value and change in value:				
Balance as at 01/01/2023	**179 064**	**3 272 528**	**512 456**	**3 964 048**
Additions	877 919	201 169	-	**1 079 088**
Disposals and write-offs	-	(158 671)	(81 715)	**(240 386)**
Decrease (increase) in asset value	-	-	-	**-**
Reclassifications	(185 930)	150 842	35 088	**-**
Balance as at 31/12/2023	**871 053**	**3 465 868**	**465 829**	**4 802 750**
Amortisation:				
Balance as at 01/01/2023	**-**	**(2 074 076)**	**(511 194)**	**(2 585 270)**
Amortisation charge for the year	-	(754 307)	(8 601)	**(762 908)**
Disposals and write-offs	-	158 294	81 713	**240 007**
Reclassifications	-	-	-	**-**
Balance as at 31/12/2023	**-**	**(2 670 089)**	**(438 082)**	**(3 108 171)**
Net book value as at 31/12/2023	**871 053**	**795 779**	**27 747**	**1 694 579**
Acquisition value and change in value:				
Balance as at 01/01/2024	**871 053**	**3 465 868**	**465 829**	**4 802 750**
Additions	749 015	478 621	35 960	**1 263 596**
Disposals and write-offs	-	(1 192 249)	(71 389)	**(1 263 638)**
Decrease (increase) in asset value	-	-	-	**-**
Reclassifications	(1 112 806)	501 130	729 146	**117 470**
Balance as at 31/12/2024	**507 262**	**3 253 370**	**1 159 546**	**4 920 178**
Amortisation:				
Balance as at 01/01/2024	**-**	**(2 670 089)**	**(438 082)**	**(3 108 171)**
Amortisation charge for the year	-	(733 511)	(135 014)	**(868 525)**
Disposals and write-offs	-	1 189 039	71 388	**1 260 427**
Reclassifications	-	-	-	**-**
Balance as at 31/12/2024	**-**	**(2 214 561)**	**(501 708)**	**(2 716 269)**
Net book value as at 31/12/2024	**507 262**	**1 038 809**	**657 838**	**2 203 909**

The Company has no internally generated intangible assets. Amortisation expenses of intangible assets are included the statement of profit or loss under 'Depreciation and amortisation expenses'.

Part of the Company's intangible assets with the acquisition value of EUR 1,837,383 as at 31 December 2024 was fully amortised (EUR 2,713,384 thousand as at 31 December 2023), but still in use.

8 Property, plant and equipment

	Land	Buildings and structures	Machinery and plant	Vehicles	Right-of-use assets	Construction in progress and prepayments	Other property, plant and equipment:	TOTAL
Acquisition value and change in value:								
*** restated**								
Balance as at 01/01/2023	**51 024 440**	**248 286 435**	**35 469 214**	**14 786 954**	**353 441**	**10 010 277**	**8 954 545**	**368 885 306**
Additions	22 500	280 443	311 600	175 499	606 445	29 391 152	748 398	**31 536 037**
Disposals and write-offs	-	(984 843)	(756 038)	(666)	(368 119)	-	(1 319 383)	**(3 429 049)**
Decrease (increase) in asset value	-	81 643 874	1 031 948	-	-	-	-	**82 675 822**
Reclassifications	-	(9 626 909)	802 546	-	-	(4 011 195)	244 108	**(12 591 450)**
Balance as at 31/12/2023	**51 046 940**	**319 599 000**	**36 859 270**	**14 961 787**	**591 767**	**35 390 234**	**8 627 668**	**467 076 666**
Depreciation:								
Balance as at 01/01/2023	**-**	**(132 260 708)**	**(24 789 764)**	**(10 627 230)**	**(292 106)**	**-**	**(6 021 730)**	**(173 991 538)**
Depreciation charge for the year	-	(9 372 416)	(1 539 890)	(676 843)	(151 541)	-	(1 192 386)	**(12 933 076)**
Disposals and write-offs	-	503 683	749 135	470	368 291	-	1 122 926	**2 744 505**
Reclassifications	-	4 947 809	-	-	-	-	-	**4 947 809**
Balance as at 31/12/2023	**-**	**(136 181 632)**	**(25 580 519)**	**(11 303 603)**	**(75 356)**	**-**	**(6 091 190)**	**(179 232 300)**
Net book value as at 31/12/2023	**51 046 940**	**183 417 368**	**11 278 751**	**3 658 184**	**516 411**	**35 390 234**	**2 536 478**	**287 844 366**

*Information on restatement is disclosed in Note 2 of these financial statements

Balance as at 01/01/2024	**51 046 940**	**319 599 000**	**36 859 270**	**14 961 787**	**591 767**	**35 390 234**	**8 627 668**	**467 076 666**
Additions	63 400	1 061 625	2 210 409	1 626 342	102 668	59 813 909	1 071 847	**65 950 200**
Disposals and write-offs	-	(582 441)	(684 192)	(1 144 387)	(32 668)	(856 466)	(630 139)	**(3 930 293)**
Decrease (increase) in asset value	-	-	-	-	-	-	-	**-**
Reclassifications	-	36 157 285	11 529 890	-	-	(54 654 908)	2 560 091	**(4 407 642)**
Balance as at 31/12/2024	**51 110 340**	**356 235 469**	**49 915 377**	**15 443 742**	**661 767**	**39 692 769**	**11 629 467**	**524 688 931**
Depreciation:								
Balance as at 01/01/2024	**-**	**(136 181 632)**	**(25 580 519)**	**(11 303 603)**	**(75 356)**	**-**	**(6 091 190)**	**(179 232 300)**
Depreciation charge for the year	-	(9 676 456)	(1 716 584)	(721 690)	(211 438)	-	(1 274 767)	**(13 600 935)**
Disposals and write-offs	-	109 277	649 096	1 023 086	17 312	-	619 793	**2 418 564**
Reclassifications	-	-	-	-	-	-	-	**-**
Balance as at 31/12/2024	**-**	**(145 748 811)**	**(26 648 007)**	**(11 002 207)**	**(269 482)**	**-**	**(6 746 164)**	**(190 414 671)**
Net book value as at 31/12/2024	**51 110 340**	**210 486 658**	**23 267 370**	**4 441 535**	**392 285**	**39 692 769**	**4 883 303**	**334 274 260**
Carrying amount of non-revalued assets:								
Acquisition cost	53 863 273	274 399 542	48 883 427	15 445 175	661 766	39 692 769	11 630 980	**444 576 932**
Accumulated amortisation	-	(134 884 122)	(25 273 105)	(11 003 640)	(269 481)	-	(6 747 677)	**(178 178 025)**
Carrying amount As at 31/12/2024	**53 863 273**	**139 515 420**	**23 610 322**	**4 441 535**	**392 285**	**39 692 769**	**4 883 303**	**266 398 907**

The Company capitalised interest expense of EUR 791,267 (2023: EUR 137,803) on the loan received for the acquisition of investments to construction in progress projects in 2024.

During 2024, the Company wrote off and disposed of idle assets with an acquisition value of EUR 5,193,931. During 2023, the Company wrote off and disposed of idle assets with an acquisition value of EUR 3,194,582. The residual value of the assets written off is included in the statement of profit or loss under 'Other expenses'. During 2024, the Company sold idle assets with an acquisition value of EUR 901,594, whereas during 2023, the Company did not sold any idle assets.

In 2024, the Company accounted for assets received free of charge from lessees with a value at the time of the takeover of EUR 499,150, which will be accounted for as lease income over the lease term. In 2023, the Company did not receive any assets from lessees free of charge.

As at 31 December 2024 and 2023, the Company had no non-current assets pledged.

9 Investment property

	Investment property	TOTAL
Acquisition cost:		
Balance as at 31/12/2022	**11 629 774**	**11 629 774**
Additions	-	**-**
Disposals and write-offs	(1)	**(1)**
Reclassifications	7 636 676	**7 636 676**
Change in fair value	2 622 678	**2 622 678**
Balance as at 31/12/2023	**21 889 127**	**21 889 127**
Additions	-	**-**
Disposals and write-offs	(107 500)	**(107 500)**
Reclassifications	4 272 248	**4 272 248**
Change in fair value	3 107 002	**3 107 002**
Balance as at 31/12/2024	**29 160 877**	**29 160 877**

Rental income from investment property in 2024 amounted to EUR 19,828 thousand (2023: EUR 17,024 thousand).

The Company did not incur direct operating costs from investment property in 2024, as leased properties in most cases are repaired at the lessee's expense, and lessees reimburse maintenance costs and part of the real estate tax.

10 Inventories

	2024	2023
Consumables and spare parts	1 112 097	946 226
Fuel and other oil products	130 046	122 468
Food products	8 870	8 975
Write-down of inventories	(29 695)	(39 140)
TOTAL:	**1 221 318**	**1 038 529**

The value of consumables and spare parts was written down to net realizable value on an item by item basis. Impairment losses of inventories were carried in profit or loss and other comprehensive income. During 2024, the Company used and wrote off inventories in the amount of EUR 2,294,248 (2023: EUR 2,864,526). Write-down of inventories were carried under 'Other expenses', 'Non-current assets repair and maintenance expenses.

The carrying amount of the Company's non-current assets held for sale, consisting of freight vehicles, car parking equipment and other small assets, was EUR 2,413 at 31 December 2024. The net realisable value of such assets amounted to EUR 9,221 and is not included in the carrying amount. In 2023, the Company did not ave any assets-held-for sale.

In 2024, the Company's gain on disposal of non-current assets held-for-sale (agricultural machinery, cars, car park equipment, furniture and other small assets) totalled EUR 95,225.

11 Contract assets and liabilities

	2024	2023
Trade receivables (Note 12)	5 710 832	6 402 616
Contract assets	16 942	11 853
Loyalty programme	237 073	-
Contract liabilities (Note 21)	(5 092 916)	(5 563 413)

The Company does not have contract assets, except for the lost lease income described below, because all services, except for lease, are recognized at the time the service is provided.

In 2024, the Company provided customers with access to a loyalty programme at the Business Club, where revenue from such activity is recognised over the 12-month term of the arrangement.

Contract liabilities consist of security deposits received from customers for services provided by the Company, and accruals related to the loyalty program due to the promotion of new routes, additional cargo transportation. In 2024, contract liabilities comprised: received security deposits of EUR 860,775 (2023: EUR 1,811,429), and loyalty program accruals of EUR 4,232,141 (2023: EUR 3,751,984).

In 2024, a total of EUR 4,232,141 of contractual obligations was recognized as a reduction in aviation revenue (EUR 3,255,286 was recognized in 2023).

Due to the announcement of the Covid-19 quarantine, the Company did not receive lease income from tenants during the quarantine period from March 16 until the end of May in 2020. There were also agreements signed with the tenants where the rent was reduced by 80%. The lost lease income due to the consequences of the Covid-19 quarantine in 2020 amounted to EUR 3,364,289. The amount of the granted discount is recognized throughout the term of the leases. In 2024, a reduction in lease income amounted to EUR 11,477 (2023: EUR 26,689), which will reduce lease income in next period by EUR 376.

12 Trade receivables

		2024	2023
Trade receivables		6 096 029	6 728 017
Loss allowance for expected credit losses		(385 197)	(325 401)
	TOTAL:	**5 710 832**	**6 402 616**

In 2024, the Company did not write off any old bad debts from buyers, whereas, the bad debts of EUR 2,053 were written off in 2023.

Ageing analysis of the trade receivables is as follows:

		Past due (after impairment)				
	Not past due (after impairment)	Less than 30 days	30–60 days	60–90 days	More than 90 days	Total
Trade receivables as at 31/12/2023	4 669 951	1 515 472	99 922	97 831	19 440	6 402 616
Trade receivables as at 31/12/2024	4 687 066	829 483	104 244	7 110	82 929	5 710 832

For more detailed disclosure on credit risks, see Note 22 of the financial statements.

13 Other receivables

Other receivables comprised the following:

		2024	2023
Receivable from state budget		660 955	571 626
Employee debts and accountable persons		25	-
Other receivables		1 373	-
	TOTAL:	**662 353**	**571 626**

Ageing analysis of other receivables is as follows:

		Other receivables past due				
	Other receivables not past due	Less than 30 days	30–60 days	60–90 days	More than 90 days	Total
Other receivables as at 31/12/2023	571 626	-	-	-	-	571 626
Other receivables as at 31/12/2024	662 353	-	-	-	-	662 353

Impairment of other receivables is assessed based on expected credit loss. In 2024 and 2023, no expected credit losses were recognised for other receivables.

14 Cash and cash equivalents

The Company's cash and cash equivalents comprise as follows:

		2024	2023
Cash in banks		22 273 134	19 762 762
Term deposits up to 3 months		-	7 000 000
Cash on hand		565	1 482
	TOTAL:	**22 273 699**	**26 764 244**

As at 31 December 2024 and 2023, the Company did not have any monetary funds pledged.

Credit risk related to account balances at banks is limited since the Company performs transactions with banks that have high long-term borrowing ratings issued by foreign rating agencies.

Bank	Moody's Investors Service data	Standard & Poor's data
Citadele bankas	Baa1	-
Luminor Bank AB	Aa3	-
AB SEB bankas	Aa3	A+
Swedbank AB	Aa3	A+

15 Capital

Issued capital:

	Issued capital	TOTAL
Movements in capital during 2023:		
Balance as at 01/01/2023	**28 409 377**	**28 409 377**
Resolution of the Government of the Republic of Lithuania on the amendment of the Resolution of the Government of the Republic of Lithuania No 583 of 01/06/2022 'Concerning the Consent to the Transformation of the State Enterprise Lietuvos oro uostai into a Public Limited Liability Company and the Investment of the State's Assets', with subsequent amendment No 507 of 28/06/2023	123 115 224	**123 115 224**
Resolution of the Government of the Republic of Lithuania No 954 of 13/12/2023 'On the Investment of State Assets and Increase of the Issued Capital of the Public Limited Liability Company Lithuanian Airports'	3 000 000	**3 000 000**
Balance as at 31/12/2023	**154 524 601**	**154 524 601**
Movements in capital during 2024:		
Balance as at 01/01/2024	**154 524 601**	**154 524 601**
Resolution of the Government of the Republic of Lithuania No 444 of 05/06/2024 'On the Investment of State Assets and Increase of the Issued Capital of the Public Limited Liability Company Lithuanian Airports'	5 000 000	**5 000 000**
Resolution of the Government of the Republic of Lithuania No 967 of 13/11/2024 'On the Investment of State Assets and Increase of the Issued Capital of the Public Limited Liability Company Lithuanian Airports'	5 000 000	**5 000 000**
Balance as at 31/12/2024	**164 524 601**	**164 524 601**

On 1 September 2023, based on Article 23 of the Law on State and Municipal Enterprises of the Republic of Lithuania, the Company was reorganized from a state-owned company to a public limited liability company, forming a share capital of EUR 151,524,601 from the previous share capital of EUR 28,409,377, assets that can only be owned by the state in the amount of EUR 93,298,521, a legal reserve of EUR 2,368,443, revaluation reserve of EUR 76,512,480 and retained earnings of EUR 1,982,721, of which EUR 51,046,940 was land that remains managed under trust.

As at 31 December 2024, the state held 164,524,601 ordinary shares in the Company, with the nominal value of 1 EUR each. As at 31 December 2024, all shares were fully paid for. The Company has not acquired any of its own shares.

16 Reserves

Reserves comprised the following:

	2024	2023
Legal reserve	343 176	-
Other reserves	1 943 659	570 957
Reserves intended for social, cultural and similar purposes	*1 570 824*	*198 122*
Reserves for investments	*372 835*	*372 835*
TOTAL:	**2 286 835**	**570 957**

In 2023, the transformation of the Company from a state-owned company to a public limited liability company eliminated a legal reserve, as the sum of the nominal values of the Company's shares should have been equal to the sum of the Company's capital, legal reserve, revaluation reserve and other reserves, other than the reserves referred to in Article 15(2)(8) of the Law on State and Municipal Enterprises of the Republic of Lithuania, and retained earnings (losses).

When the Company becomes a public limited liability company, the legal reserve will be formed in accordance with Article 59 of the Law on Companies of the Republic of Lithuania.

The profit contribution of state-owned companies shall be paid in accordance with the Law on State and Municipal Enterprises of the Republic of Lithuania. In 2024, the Company, acting as a state-owned company, paid a profit contribution of EUR 5,147,635 In 2023, the Company paid a profit contribution of EUR 2,982,680.

17 Grants

Grants related to assets

Information on the Company's grants related to assets:

	2024	2023
Opening balance	**106 510 992**	**57 282 107**
EU fund grants received	6 226 558	354 462
State budget grants received	63 400	537 898
Government grants reclassified as part of the Company's reorganisation	-	51 046 940
Grants written off	(1)	(6)
Amortisation charge for the year	(2 384 145)	(2 710 409)
Closing balance	**110 416 804**	**106 510 992**

17 Grants, subsidies (continued)

Based on the carrying value as at 31 December 2024, grants consisted of the following grants for the implementation of EU structural support projects related to the modernization of airport infrastructure, the implementation of environmental protection measures, the updating of aprons and runways, and the development of passenger terminals. Also, part of the grants was received during the implementation of other projects financed by external funds.

Grant amortisation expenses were included the statement of profit or loss and other comprehensive income under 'Depreciation and amortisation expenses'.

Information on the Company's grants received as at 31 December 2024 is presented below:

	Period of receipt	Grants received	Accumulated amortisation	Carrying amount
Reconstruction of VNO's runway and signal light system	2017-2018 and 2021	9 818 307	4 969 116	4 849 191
Modernization of VNO's noise monitoring system	2019	254 597	254 595	2
Construction of taxiway and apron at KUN	2015	1 937 864	1 290 599	647 265
Reconstruction of VNO's fence	2013-2014 and 2021	1 307 289	894 822	412 467
Reconstruction of the garage into the building of the fire rescue station	2013-2014	1 560 128	704 967	855 161
Expansion of KUN's passenger terminal (building)	Until 30/06/2014	13 030 531	5 245 023	7 785 508
Modernization of KUN's airfield (runway)	Until 30/06/2014	2 975 427	2 498 248	477 179
Reconstruction of the VNO's terminal (building)	Until 30/06/2014	3 615 339	1 055 964	2 559 375
Reconstruction of the pavement of VNO's apron	until 30/06/2014 and 2021	8 607 651	5 130 840	3 476 811
Reconstruction of VNO's taxiway Z	2020-2022	2 252 634	479 452	1 773 182
Reconstruction of VNO's taxiway F	until 30/06/2014 and 2020-2022	4 371 247	1 160 372	3 210 875
Reconstruction of the northern apron of VNO's platform	2020-2022	2 279 247	763 045	1 516 202
VNO's surface wastewater management system	2021	1 813 703	345 402	1 468 301
Reconstruction of VNO's B taxiways	2022	1 069 410	153 431	915 979
Reconstruction of PLQ's runway, taxiway and aprons	2021	8 883 351	1 132 481	7 750 870
Implementation of LOU's Airport Operations Management Information System (AMS)	2021	719 672	719 672	-
Installation of AIS systems	2022	2 878 369	213 660	2 664 709
Modernization of VNO's perimeter video system	2021	307 273	40 970	266 303
Installation of automatic gates	2021	123 264	91 012	32 252
Installation of VSAT premises	2021	8 740	3 674	5 066
Installation of VNO's surface sewage diversion and treatment	2022	1 462 470	58 252	1 404 218
Reconstruction of VNO's T4 terminal	2022	4 000 000	-	4 000 000
Implementation of the Transport and Communications Policy (for the purchase of diesel generators, uninterruptible power supply units and a mobile diesel storage tank)	2023	418 970	72 497	346 473
KNU's northern apron and testing area	2024	5 664 954	-	5 664 954
VNO's telescopic jet bridge	2024	102 542	-	102 542
Other grants	Until 30/06/2014	18 149 241	11 027 662	7 121 579
Non depreciable assets				
Land	2023-2024	51 110 340	-	51 110 340
	TOTAL:	**148 722 560**	**38 305 756**	**110 416 804**

Income-related grants

Information on the Company's grants related to income:

	2024	2023
Opening balance	**121 058**	**127 490**
Grants to cover expenses for VIP terminal	257 438	37 000
De Minimis Aid (route promotion programme)	900 000	-
Grants for BSR HyAirport project **	3 043	-
To reimburse expenses incurred in connection with the NATO Summit of 11-12 July 2023	-	82 500
Funding under ALIGHT project*	-	21 829
Reversal of grant expenses	(1 241 126)	(147 761)
Closing balance	**40 413**	**121 058**

* ALIGHT means ALIGHT research project which aims to find solutions to adapt airports to the emerging trend in aviation towards more sustainable and lower environmental impact operations.

** BSR HyAirport project aims to find specific solutions to adapt airport infrastructure to hydrogen-powered aircraft in the future, to prepare airports to store, recycle and supply green hydrogen as a future energy source for aviation.

During 2024, the Company received additional grants of EUR 257,438 for the financing of the VIP Terminal, and EUR 900,000 as an incentive for air carriers to open new routes and to contribute to the expansion of existing routes.

During 2023, the Company recorded EUR 21,829 in revenue-related grants for the ALIGHT research project, as well as additional grants of EUR 37,000 for the financing of the VIP Terminal and EUR 82,500 to reimburse costs incurred for the NATO Summit held in July 2023.

18 Employee benefit liabilities

The employment-related liabilities comprised the following:

	2024	2023
Pension accruals	224 556	144 737
Non-current	*197 446*	*131 128*
Current	*27 110*	*13 609*
Accruals for anniversary payments	-	37 729
Non-current	-	*28 666*
Current	-	*9 063*
Bonus accruals	1 847 449	644 528
Accrual for termination benefits	-	-
Remuneration payable	44 209	43 149
Personal income tax payable	15 936	15 218
Social security contributions payable	464 107	388 859
Vacation accruals	1 557 962	1 405 424
TOTAL:	**4 154 219**	**2 679 644**

In 2024, long-term liabilities related to remuneration amounted to EUR 197,446 (2023: EUR 159,794). Short-term liabilities related to remuneration amounted to EUR 3,956,773 (2023: EUR 2,519,850). Related expenses are included in the statement of profit or loss under the Company's employee benefit expenses.

In 2024, retirement benefits amounted to EUR 11,169 (2023: EUR 57,015).

Pension accruals are calculated based on the following ratios:

	2024	2023
Discount rate, %	2,88	2,88
Employee turnover rate, %	13,85	16,00
Anticipated annual salary increase, %	6,00	6,00

19 Loans

Loans granted by the Company were as follows:

	2024	2023
Non-current loans	**63 915 580**	**42 547 095**
Loan from Nordic Investment bank	63 915 580	42 547 095
Current portion of non-current loans	**8 126 182**	**5 243 614**
Loan from Nordic Investment bank	8 126 182	5 243 614
Total loans:	**72 041 762**	**47 790 709**

Loans by maturity:

	Within 1 year	1–5 years	After 5 years	Total
Loan repayments as at 31/12/2023	5 243 614	23 394 730	19 152 365	47 790 709
Loan repayments as at 31/12/2024	8 126 182	36 418 445	27 497 135	72 041 762

Information on the loans received as at 31 December 2024 and 2023 is presented below

Loan issuer	Annual interest rate (%)	Maturity
Loan from Nordic Investment bank, granted on 1 June 2017	6-month Euribor+fixed margin	As at 03 May 2032
Loan from Nordic Investment bank, granted on 23 September 2020	6-month Euribor+fixed margin	As at 15 August 2035

The Company has fully utilized the limit of EUR 29.6 million, granted on 1 June 2017 under the loan agreement. The repayment of this loan started in 2020, a total of EUR 10,482,905 was repaid by the end of this financial year. The balance of the loan due at the end of the year was EUR 19,117 thousand.

In 2020, the Company signed a new contract with Nordic Investment bank for a EUR 70 million loan. As of 31 December 2021, the amount of the loan utilised was EUR 11,000,000, no additional loan amount was utilised in 2022, EUR 15,000,000 was utilised in 2023, and EUR 29,000,000 in 2024.

In 2024, the interest charge amounted to EUR 1,686,709, which was recorded in the statement of profit or loss and other comprehensive income under expenses of financing and investing activities (2023: EUR 1,352,241).

The loan agreements have financial covenants binding upon the Company:

ownership ratio greater than 40%;
the net debt-to-EBITDA ratio by the end of the period must not exceed 5.5:1.

In 2024 and 2023, the Company complied with the covenants.

EBITDA is calculated as the Company's net profit before taxes for the financial year, adjusted by adding interest expense, depreciation and amortization, including impairment losses on fixed assets, and eliminating exceptional or special transactions, as well as asset revaluation or book value gains and losses arising from the disposal of assets in those financial years.

On 27 July 2023, the Company signed a EUR 600 thousand credit limit (overdraft) agreement with SEB bankas (no financial covenants are set in the agreement). The agreement matures on 26 July 2028, and bears annual interest of 0.9%. The Company did not utilize the loan in 2024.

19 Loans (continued)

Movement in financial borrowings during the year:

	Financial borrowings	TOTAL
Net debt as at 01/01/2023	**35 435 919**	**35 435 919**
Loans received	15 020 827	**15 020 827**
Loans repaid	(3 009 773)	**(3 009 773)**
Interest and loan administration fees accrued	1 627 810	**1 627 810**
Interest on loan (liability)	(1 284 074)	**(1 284 074)**
Net debt as at 31/12/2023	**47 790 709**	**47 790 709**
Net debt as at 01/01/2024	**47 790 709**	**47 790 709**
Loans received	29 000 000	**29 000 000**
Loans repaid	(5 026 772)	**(5 026 772)**
Interest and loan administration fees accrued	2 596 223	**2 596 223**
Interest and loan administration fees paid	(2 318 398)	**(2 318 398)**
Net debt as at 31/12/2024	**72 041 762**	**72 041 762**

20 Lease

Operating lease agreements are accounted for as finance leases based on the requirements of IFRS 16. Right-of-use assets are accounted for under property, plant and equipment and disclosed in Note 8. The Company's operating lease liabilities are included in the statement of financial position under the following items: non-current under 'Payables and non-current liabilities', current under 'Other current payables'. In 2024, the Company signed new lease agreements totalling EUR 102,668 (2023: EUR 606,445). In 2024, the discount rate used for calculations was 5,94-6,51% (2023: 3.74-5.54%). Lease liabilities consisted of:

	2024	2023
Non-current liabilities	170 894	334 644
Current liabilities	233 706	186 259
TOTAL:	**404 600**	**520 903**

Exemption in IFRS 16 was applied to short-term leases and leases of low-value equipment; therefore, such leases are accounted for under operating expenses. The Company leases software licenses and other low-value assets. For these assets, the Company chose not to recognise right-of-use asset.

Operating lease expenses were recognised in the statement of profit or loss as follows:

	2024	2023
Short-term lease of car and other assets	112 942	155 483
Lease of other assets that qualify as low-value assets	22 943	25 316
Interest related to right-of-use assets	26 170	11 991
TOTAL:	**162 055**	**192 790**

The Company as a lessor

The Company as a lessor has concluded several operating lease agreements. The terms of lease do not include restrictions of the activities of the Company in connection with the dividends, additional borrowings or additional long-term lease agreements.

Future minimum lease payments under operating lease contracts were as follows:

	2024	2023
Within one year	3 690 847	4 118 850
From 1 to 5 years	21 444 382	1 450 806
After five years	6 325 062	1 115 197
TOTAL:	**31 460 291**	**6 684 853**

Income under operating leases is recognized as lease income on a straight-line basis over the lease term and is accounted for in the statement of profit or loss and other comprehensive income.

In 2024, the Company received property worth EUR 499,150 free of charge from it's lessees. This amount will be recognized over the term of the lessee's lease on a pro rata basis. The long-term accumulated amount of lease income was EUR 481,081, short-term - EUR 13,551.

21 Current liabilities

	2024	2023
Current year debt to credit institutions	8 126 182	5 243 614
Trade payables	11 837 673	6 348 974
Prepayments received	534 265	885 771
Income tax liabilities	-	2 503 075
Employment-related liabilities:	3 956 773	2 519 850
Pension accruals	*27 110*	*13 609*
*Accruals for anniversary payments**	-	*9 063*
Bonus accruals	*1 847 449*	*644 528*
Remuneration payable	*44 209*	*43 149*
Personal income tax payable	*15 936*	*15 218*
Social security contributions payable	*464 107*	*388 859*
Vacation accruals	*1 557 962*	*1 405 424*
Contract liabilities	5 092 916	5 563 413
Other taxes payable to the state budget	764 905	829 658
Operating lease liabilities	233 706	186 259
Other payables	212 205	33 012
TOTAL:	**30 758 625**	**24 113 626**

* In 2024, the Company decided stop granting additional benefits to its employees, i.e. to jubilee benefits.

22 Financial Risk Management

Credit Risk

Credit risk is the risk that a counterparty will default on a financial instrument or contract with a client and suffer a financial loss as a result.

The Company's credit risk mainly relates to its core business (trade and other receivables). The Company's exposure to cash risk is limited as the Company holds cash balances only with reputable financial institutions. The Company does not guarantee obligations of other parties. Also, due to the nature of the Company's business, deposits are required from customers. The priority objective of the Company's treasury management is to ensure the security of funds and maximise return on investments in pursuance of this objective. Counterparty credit risk is managed by entering into transactions only with reputable financial institutions with a credit rating for long-term foreign currency borrowing.

The maximum credit risk is equal to the residual value of the financial assets:

	2024	2023
Trade receivables	5 710 832	6 402 616
Other receivables	662 353	571 626
Cash and cash equivalents	22 273 699	26 764 244
TOTAL:	**28 646 884**	**33 738 486**

In 2024, aviation revenues accounted for 64% of the Company's revenue (2023: 66%).

Receivables from the Company's 12 main buyers accounted for about 58% of the Company's total receivables from customers as at 31 December 2024, and about 68% as at 31 December 2023. If 1% of receivables were not recovered, the Company would incur additional costs of EUR 60,796.

The Company's expected credit losses recognised for receivables as at 31 December 2024 are specified in Note 12. Information on banks' creditworthiness is disclosed in

The table below provides information on the probability of trade receivables losses based on future factors:

	2024		2023	
	Loss probability	Losses recognised	Loss probability	Losses recognised
Not overdue	1,34%	48 834	1,34%	63 432
Overdue for 1–30 days	3,98%	34 353	3,98%	62 652
Overdue for 31–60 days	14,88%	18 626	14,88%	17 467
Overdue for 61–90 days	32,63%	3 662	32,63%	47 384
Overdue for 91–365 days	57,10%	116 435	57,10%	16 633
Overdue for more than 365 days	93,59%	163 287	93,59%	117 833
TOTAL:		**385 197**		**325 401**

Movement of recognized losses during the year:

	2024	2023
Opening balance	**325 401**	**267 926**
Recognized	59 796	57 885
Written-off	-	(410)
Closing balance	**385 197**	**325 401**

Market risk

Market risk is the risk that the value of financial instruments will change due to changes in market prices. The Company has secured the prices of goods and services by contracts, the share of goods or services purchased on the public exchange is insignificant, therefore this risk is considered insignificant.

Interest rate risk

All of the Company's loans have a variable interest rate that is linked to EURIBOR and creates interest rate risk. As at 31 December 2024 and 2023, the Company did not have any financial instruments designated to manage the risk of interest rate fluctuations. If EURIBOR increased/decreased by 1%, the Company's interest expenses would increase or decrease by EUR 720,418.

Currency risk

The Company's monetary assets and monetary liabilities in 2024 and 2023 were denominated in euros, except for individual transactions in other currencies, so there is no significant currency risk.

Liquidity risk

The Company's policy is to maintain a sufficient amount of cash and cash equivalents or to secure financing with the help of credit lines of an appropriate amount in order to fulfill the obligations stipulated in its strategic plans. The Company's liquidity (total current assets/total payables and current liabilities) and quick coverage (total current assets - reserves/total payables and current liabilities) ratios as at 31 December 2024 were 0.95 and 0.91, respectively (31 December 2023: 1.46 and 1.42).

The table below summarizes the maturities of the Company's financial assets and liabilities as at 31 December 2024 and 2023 by undiscounted contractual payments:

		Contractual cash flows				
	On demand	**Less than 3 months**	**3–12 months**	**1–5 years**	**After 5 years**	**Total**
As at 31 December 2024						
Assets						
Cash in banks	22 273 699	-	-	-	-	**22 273 699**
Trade receivables	-	5 710 832	-	-	-	**5 710 832**
Total undiscounted financial assets	22 273 699	5 710 832	-	-	-	**27 984 531**
Liabilities						
Interest bearing loans and borrowings		2 367 372	4 916 318	36 418 445	27 497 134	**71 199 269**
Interest on loan agreements and liabilities, deferred		1 041 173	1 581 298	8 926 613	2 762 581	**14 311 665**
Trade payables		11 837 673	-	-	-	**11 837 673**
Debts under asset lease agreements		58 427	175 279	170 894	-	**404 600**
Interest under property lease agreements		6 012	18 035	16 392	1 685	**42 124**
Total undiscounted financial assets	-	15 310 656	6 690 930	45 532 344	30 261 400	**97 795 331**
Difference between undiscounted financial assets/(liabilities)	22 273 699	(9 599 824)	(6 690 930)	(45 532 344)	(30 261 400)	**(69 810 800)**

22 Financial risk management (continued)

		Contractual cash flows				
	On demand	Less than 3 months	3–12 months	1–5 years	After 5 years	Total
As at 31 December 2023						
Assets						
Cash in banks	19 764 244	7 000 000	-	-	-	**26 764 244**
Trade receivables	-	6 402 616	-	-	-	**6 402 616**
Total undiscounted financial assets	19 764 244	13 402 616	-	-	-	**33 166 860**
Liabilities						
Interest bearing loans and borrowings	-	1 461 679	3 781 935	23 394 730	19 152 365	**47 790 709**
Interest on loan agreements and liabilities, deferred	-	178 007	1 530 737	8 594 317	3 361 065	**13 664 126**
Trade payables	-	6 348 974	-	-	-	**6 348 974**
Debts under asset lease agreements	-	45 834	140 425	334 644	-	**520 903**
Debts under asset lease agreements	-	7 011	17 192	16 657	-	**40 860**
Total undiscounted financial assets	-	8 041 505	5 470 289	32 340 348	22 513 430	**68 365 571**
Difference between undiscounted financial assets/(liabilities)	19 764 244	5 361 111	(5 470 289)	(32 340 348)	(22 513 430)	**(35 198 711)**

Capital management

The primary objectives of the Company's capital management are to ensure that the Company complies with externally imposed capital requirements and that the Company maintains sound capital ratios in order to support its business.

The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its activities.

The capital comprise equity attributable to the shareholders of the Company. The main goals of capital management is to ensure the Company's ability to continue as a going concern while generating return to shareholder and to maintain optimal capital structure, reducing cost of it. In order to adjust the capital structure, the Company is able to issue dividends to the shareholder or to issue a new share emission.

Under the Law on Companies of Lithuanian Republic, the issued capital of a public limited liability company must be not less than EUR 40 thousand (EUR 2.5 thousand for a private limited liability company) and the shareholders' equity should not be lower than 50% of the company's issued capital.

The Board of the Company monitors compliance with the provisions of the Law on Companies of Lithuanian Republic, which stipulates the following: if the equity capital of a company falls below 1/2 of the amount of the capital as referred to in the articles of association, the board must convene the general meeting of shareholders within three months from the day on which it found out or should have found out about the existing situation; this general meeting of shareholders must consider the issues regarding the decisions referred to in Article 59(10)(2) and Article 59(11) of this Law; the situation existing in the company must be remedied within six months from the day on which the board found out or should have found out about the existing situation.

In 2024 and 2023, the Company complied with the requirements of the aforementioned provisions of the Law on Companies of Lithuanian Republic.

23 Related party transactions

Management remuneration and other payments

In 2024, the remuneration and other benefits payable to the Company's management (CEO, Director of the Commercial Department, Director of the Development Department, Director of the Operations Department, Director of the Finance Department, Director of the Safety and Security Department, Head of Communications, Head of HR and Administration, Head of Legal, Route Development Manager) totalled EUR 1,099,796 (2023: 577,534). During the year ended 31 December 2024, no loans, guarantees or disposals of assets have been made to the Company's management.

During 2024, the remuneration of the members of the Board of Directors amounted to EUR 143,933 (2023: EUR 111,505). The remuneration of the members of the Audit

Transactions with other related parties

Parties are considered to be related when one party has the ability to control the other party or to exercise significant influence over the other party in making financial and operational decisions. Related parties of the Company are state-owned companies whose ownership rights and obligations are exercised by the Ministry of Transport and Communications of the Republic of Lithuania.

Transactions with companies, institutions and companies within the scope of regulation of the Ministry of Transport and Communications of the Republic of Lithuania in 2024:

	Receivables	Payables	Sales	Purchases
Oro navigacija, AB	40 227	1 790	284 149	54 974
Transporto kompetencijų agentūra VŠĮ	626	5 121	14 222	783 565
Viamatika, AB	-	36 569	140	143 362
Kelių priežiūra, AB	-	-	-	51 043
LTG Infra AB	-	-	2 275	-
LTG Cargo AB	-	-	2 200	-
LTG Link UAB	-	-	-	256
Aukštaitijos siaurasis geležinkelis VŠĮ	-	-	-	813
TOTAL:	**40 853**	**43 480**	**302 986**	**1 034 013**

Transactions with companies, institutions and companies within the scope of regulation of the Ministry of Transport and Communications of the Republic of Lithuania in 2023:

	Receivables	Payables	Sales	Purchases
Oro navigacija, AB	27 763	-	257 338	43 792
Transporto kompetencijų agentūra VŠĮ	2 149	6 473	32 334	607 503
Viamatika, AB	83	1 711	152	1 414
Kelių priežiūra, AB	-	-	-	64 717
Other companies and agencies under regulation of the Ministry of Transportation and Communications of the Republic of Lithuania	79	-	790	-
TOTAL:	**30 074**	**8 184**	**290 614**	**717 426**

24 Contingencies

The company has not provided guarantees to third parties.

For the period from 1 January 2022 until 31 December 2024 the tax inspectorate has not performed a full tax audit of the Company. According to the current laws, the tax inspectorate can at any time check the Company's accounting registers and records for the three years preceding the reporting tax period, and can calculate additional tax liabilities and sanctions. The Company's management is not aware of any circumstances that could result in additional tax liabilities being calculated for the Company.

Legal disputes

Information on litigation up to 2024 and litigation started during/after 2024:

Case No EI3-3150-566/2023 is pending before the Vilnius Regional Administrative Court in connection with the complaint filed by Ryanair Designated Activity Company and Wizz Air Hungary Ltd against the defendants Lithuanian Transport Safety Administration and AB Lietuvos oro uostai for the annulment of orders concerning the newly introduced increased charges for the use of Vilnius Airport. The plaintiffs are seeking to have the increased tolls removed, while seeking compensation for the period during which the tolls were increased. The complaint also requests the application of measures of injunctive relief, i.e. suspension of the validity of the order of the Director of AB Lietuvos oro uostai approving the new charges as of 01 January 2023. The case was examined on its merits at the hearing on 27 February 2024 and the decision was postponed until 27 March 2024. The Court's order of 27 March 2024 rejected the applicants' complaint. The applicants appealed the order to the Supreme Administrative Court of Lithuania (Case No eA-1739-789/2024). The preparation for the hearing is made out, but the hearing date has not yet been scheduled.

Given that, in the opinion of the Company's management, the outcome of the case is likely to be favourable to the Company, and that there have been no analogous or similar cases in the practice of administrative courts regarding the determination of airport charges, therefore it was decided not to form any provisions for the coverage of possible obligations as at 31 December 2024.

25 Long-term construction contracts

During the reporting period, the Company entered into airport infrastructure construction (reconstruction, repairs) and related contracts. After the completion of the contracts, the Company will have a liability to contractors:

Values of contracts:

	2024	2023
Contracts to be completed within one year	12 345 354	2 631 731
Contracts to be completed after one year	-	22 229 263
Contracts to be completed after five years	-	-
TOTAL:	**12 345 354**	**24 860 994**

26 Subsequent events

Based on the management's knowledge, there were no other subsequent events, except as noted above, which could affect the financial statements for the year ended 31 December 2024.

Signed on behalf of the Company on 20 March 2025 by:

Simonas Bartkus	Petras Akstinas	Sonata Šablinskaitė-Braškienė
CEO	CFO	Head of the Accounting Department

AB Lietuvos oro uostai

MANAGEMENT REPORT 2024

Details of AB Lietuvos oro uostai:
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Vilnius, 2025

Simonas Bartkus, Chief Executive Officer of AB Lietuvos oro uostai

2024 was a memorable year for Lithuanian airports, marked by progress and achievements in overcoming a wide range of numerous challenges. The network that brings together Vilnius, Kaunas and Palanga airports moved forward coherently in the direction outlined in the organisation's strategy, while delivering on significant milestones. Despite global challenges in aviation, such as aircraft shortages, we collectively proved that strategic planning, flexibility and sustainable growth allow us to take a prominent role in the Baltics and to build further on our long-term ambitions.

At the end of last year, we reinforced our aspirations by adopting a new operational strategy to 2028. At the heart of this strategy is modernising infrastructure, making a qualitative breakthrough in air transport, strengthening a balanced business model, improving partnerships and the passenger experience. Equally important are strengthening business continuity and resilience and sustainability-oriented organisational transformation.

For Lithuanian Airports, the past year was overflowed with both unique achievements and valuable lessons. The successful and early completion of a new passenger departure terminal in Vilnius airport, the renovation of the central square with its complete transport scheme - all this was the backdrop for introducing a long-term master plan for the development of the entire network until 2052, foreseeing significant changes to airports' infrastructure. This long-term perspective opens up solutions to expand capacity and ability to serve 17 million passengers at all three airports.

With consistent implementation of changes, Vilnius will become increasingly modern passenger hub, Kaunas will consolidate its position in the cargo market and become a hub for Maintenance, Repair and Overhaul services, while Palanga will increase capacity, improve the passenger experience and continue to play an important role for transport nodes and traffic routes in the west.

The rooftop of the new departures terminal is fitted with solar panels, thereby demonstrating our focus on sustainability. We have made preparations for the procurement of electric buses. When planning the reconstruction of old terminals and other activities, we consistently look for and implement solutions that allow reducing our environmental impact.

We are positive about the future, looking forward to serving more than 6.8 million passengers in the airport network by 2025. We are strengthening partnerships, expanding our airline network, where the launch of new airlines such as PLAY Airlines, Aegean, Israir signals the increasing attractiveness of Lithuania to international aviation. This is also significantly supported by a predominantly used risk-sharing model that brings Lithuania closer to the world through new routes of long-term strategic importance to the country's economic development and international cooperation.

I am confident that our strategic approach, decisive actions, transparency and open partnership with the entire aviation community will not only allow us to grow, but also to strengthen the position of Lithuanian airports in the Baltic region and internationally.

I express my gratitude to everyone who contributes to our joint success: employees, partners, passengers and all stakeholders.

Let's travel together to further increase the contribution of aviation to Lithuania's economy and the prosperity of the country as a whole.

Gediminas Almantas, Chair of the Board at Lithuanian airports

2024 demonstrated that with a higher number of passengers served at Lithuanian Airports (LTOU), improved passenger experience and reinforced partnerships, the organisation managing the network of Lithuanian airports is consistently moving in a strategic direction, focused on a long-term change.

The breakthrough direction is best defined by the new Company's operational strategy to 2028, which was approved last year. It gives a very clear picture of priorities: improving the passenger experience, making a qualitative breakthrough in air travel, modernising infrastructure, developing partnerships, and strengthening a balanced business model. Coordinated progress across many different areas will increase the Company's resilience and ensure smooth business continuity. At the same time, it will promote a sustainability-focused organisational transformation. We see all this as a contribution of Lithuanian Airports to the country's sustainable economic development, increased attractiveness of investments, and the state's reputation building. The Strategy identifies a EUR 1 billion contribution of LTOU to Lithuania's GDP by 2028.

We have an ambitious journey ahead. The 2024 results instill determination and optimism as they show a major milestone has been successfully passed. LTOU reached a record-breaking 6.6 million passengers in 2024, an increase of nearly 10% compared to 2023. Consequently, strong partnerships and a proactive approach to its operations enabled the Company to withstand major aviation challenges, such as the aircraft shortage, while seamlessly re-routing all the destinations to the West, North and South. Total traffic in 2024 was 7% higher than in 2023, with more than 56,800 flights operated.

Growth was achieved across all three airports in Vilnius, Kaunas and Palanga. It clearly shows that the collaborative teams of airport professionals demonstrated the ability to prepare in advance and respond to the growing public demand for travel both globally and in Europe and Lithuania.

The improved financial position of the major airlines has created favourable opportunities for developing new partnership projects, such as the EU-wide exclusive risk-sharing model. It was first applied in 2023 to connect Vilnius and London City Airport, and in 2024 it was used as the basis for routes Vilnius – Lisbon, and Düsseldorf – Hamburg. Lithuanian aviation establishes good practice that will continue to be developed in 2025, as business and inbound tourism has a long list of list of priority routes, with a total of 27 routes of strategic importance to the country. Of course, we all understand that projects to promote route development demand

more than attention, they require investment at national level. On the other hand, the risk-sharing model is based on a business plan with the projection that investments in Lithuania's air accessibility will yield multiple returns, both direct and indirect.

One of the simplest ways to measure returns is to analyse passenger traffic dynamics. The new departures terminal at Vilnius Airport has rolled out advances in modern technology and engineering solutions into a reality - the opening of the terminal has doubled the airport's capacity. Completion of the reconstruction of the Kaunas Airport passenger terminal is yet another important step to be made in 2025. This will give the impetus to exceed the 6.8 million passenger traffic in 2025 and to reach the strategic target of 8 million passengers in the airport network in 2028.

However, maintaining high passenger satisfaction rates and ensuring a great experience is no less challenging. With respect to the previous year's data, the Company's customer NPS was 62%, exceeding the previous target. It is worth noting that airports act as an important hub in the transport system, an entire complex ecosystem of services with multiple components. A high passenger satisfaction rate demonstrates the organisation's and its partners' ability to ensure a smooth, comfortable and pleasant visit and a high quality service. This will continue to be a focus for LTOU, as a key plank of its Strategy focused on improving the passenger experience. A high NPS rate will be a strategic objective again in 2025, with increasing number of passengers experiencing the advantages offered by technologies at the upgraded Vilnius and Kaunas airports: from smart self-service systems and more convenient navigation to faster air security screening using C3 scanners. More spacious parking lots, improved public transport integration, clear traffic patterns and EV charging stations are the homework has been done and will be appreciated by millions of passengers in 2025.

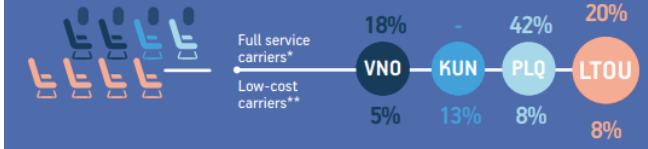
LITHUANIAN AIRPORTS VNO KUN PLQ — 2024 AVIATION STATISTICS OVERVIEW

PASSENGERS, K.

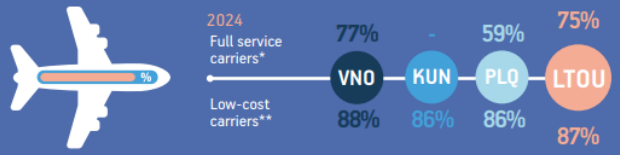
Change

SEATS OFFERED

Change 2023 vs 2024



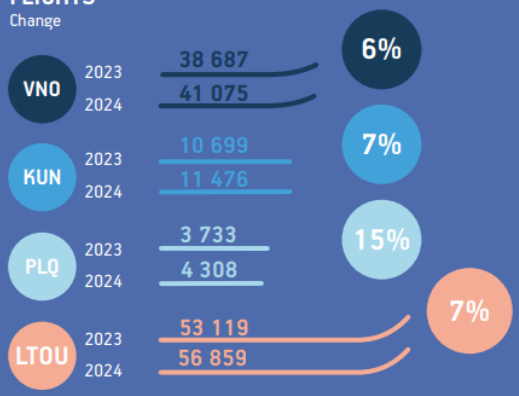
AVERAGE LOAD FACTOR



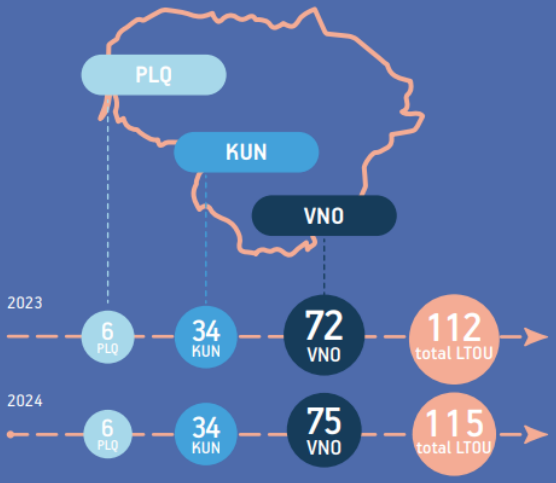
* - Airlines operating scheduled flights excluding low-cost carriers
** - Norwegian Air Shuttle, PLAY Airlines, Ryanair, Wizz Air
*** - The number of routes was calculated using a new methodology

FLIGHTS

Change



NUMBER OF ROUTES***



CARGO, K, T

Change

TOP 10 COUNTRIES BY PASSENGERS

	COUNTRY	PASSENGER SHARE
1	UNITED KINGDOM	17%
2	GERMANY	11%
3	ITALY	10%
4	DENMARK	7%
5	SPAIN	7%
6	LATVIA	6%
7	POLAND	5%
8	NORWAY	4%
9	SWEDEN	4%
10	NETHERLANDS	4%

TOP 10 DESTINATIONS BY PASSENGERS

	DESTINATION	PASSENGER SHARE
1	London LTN	8%
2	Copenhagen CPH	7%
3	Riga RIX	6%
4	London STN	5%
5	Warsaw WAW	5%
6	Oslo OSL	4%
7	Frankfurt FRA	4%
8	Stockholm ARN	4%
9	Istanbul IST	3%
10	Berlin BER	3%

TOP 5 AIRLINES BY PASSENGERS

1	RYANAIR	47%	LOT POLISH AIRLINES	6%
2	AIR BALTIC	14%	SAS SCANDINAVIAN AIRLINES	6%
3	WIZZ AIR	13%		

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1 The Company's Infrastructure, business strategy and 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 ideology and strategy of Lithuanian Airports is focused on the goal of "Bringing the world closer to Lithuania".

The address of the Company's registered office is Rodūnios road 10A, Vilnius, Lithuania. Company code 120864074. The Company does not have branches. 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 the Operations Department	Valdas Stropus (Darius Vinciūnas until 4 of March 2024)		
Number of employees	513 (2023: 449) (Vilnius airport and administrative office)		
Length of runway	2,515 m		
Maximum passenger terminal capacity	7 M		
Key performance indicators 2024	**Indicator**	**2023**	**2024**
	Number of passengers served	4.4 M	4.8 M
	Number of flights	38.7K	41.1K
	Amount of cargo	14.9K t	16.3K t
	Aviation revenue	EUR 33.9M	EUR 35.8 M
	Non-aviation revenue	EUR 14.8 M	EUR 16.9 M
Provided non-aviation services	Rent of buildings and premises, rent of parking lot, car parking, advertising, business club, VIP terminal services, Fast Track service, organisation of events, lease of land, etc.		
Carriers	14		
Routes	75		

Kaunas airport (KUN)	
Address	Oro uosto st. 4, Karmėlava
Director of the Operations Department	Valdas Stropus (Darius Vinciūnas until 4 of March 2024)

Number of employees	140 (2023: 128)
Length of runway	3,250 m
Maximum passenger terminal capacity	1 M
Key performance indicators 2024	**Indicator** / **2023** / **2024** Number of passengers served / 1.3 M / 1.4 M Number of flights / 10.7K / 11.5K Amount of cargo / 4.9K t / 5.2K t Aviation revenue / EUR 2.8 M / EUR 2.7 M Non-aviation revenue / EUR 4.9 M / EUR 5.7 M
Provided non-aviation services	Rent of buildings and premises, car parking, advertising, lease of land, etc.
Carriers	2
Routes	34

Palanga airport (PLQ)	
Address	Liepojos pl. 1, Palanga
Director of the Operations Department	Valdas Stropus (Darius Vinciūnas until 4 of March 2024)
Number of employees	83 (2023: 75)
Length of runway	2,300 m
Maximum passenger terminal capacity	0.3 M
Key performance indicators 2024	**Indicator** / **2023** / **2024** Number of passengers served / 307K / 378K Number of flights / 3.7K / 4.3K Amount of cargo / 328 t / 494 t Aviation revenue / EUR 2.5 M / EUR 3.2 M Non-aviation revenue / EUR 0.9 M / EUR 1.2 M
Provided non-aviation services	Rent of buildings and premises, car parking, advertising, lease of land, etc.
Carriers	4
Routes	6

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. Below is the scheme of the business model of LTOU:

<table>
<tr><th>Key partners</th><th>Main activities</th><th>Value offered</th><th>Upkeeping communications</th><th>Client segment</th></tr>
<tr><td rowspan="3">Airlines

Trading companies

Ground handling companies

MRO įmonės

Transport competences agency

VšĮ Investuok Lietuvoje

Government of the Republic of Lithuania

Ministry of Transport and Communications of the Republic of Lithuania

Public Security Service (VST), State Border Guard Service (VSAT), Customs

Lithuanian Transport Safety Administration</td><td>Infrastructure management and maintenance

Efficient aircraft management

Environmental control

Coordination of aircraft maintenance</td><td rowspan="3">Ensured growth (number of passengers, flights)

Geographical location (coverage area includes residents of other countries)

Fast passenger service

Wide geography of flights

Competitive rates of fees and infrastructure charges</td><td>Meetings

Events

Exhibitions

Social Networks

Online Inquiries</td><td rowspan="3">Low-cost airline companies

Full service airlines

Charter airlines

Companies operating cargo flights

Passengers</td></tr>
<tr><td>Resources</td><td>Sales channels</td></tr>
<tr><td>Infrastructure
Aircraft coordination system

Personnel

External suppliers</td><td>Direct Sales (B2B)

Indirect Sales (B2C)</td></tr>
<tr><td colspan="2">Cost structure</td><td colspan="3">Revenue structure</td></tr>
<tr><td colspan="2">Infrastructure ensuring and maintenance costs

Aviation security costs

Personnel costs
Tax costs

Utility costs

Other costs</td><td colspan="3">Income from aviation charges

Income from infrastructure charges

Rental income

Other commercial income</td></tr>
</table>

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.

The statement of the organisation's mission emphasises the ambitious goal of partnership between *clients, partners, shareholders, colleagues* and *society* in order to unite resources to achieve a common goal - to bring the world closer to Lithuania. Ensuring joint commercial and/or social projects and programs between LTOU and other organisations, the incentive is to seek to create mutual value and strengthen partnerships. Emphasis is placed on high quality services and service standards for passengers, aiming to form a positive passenger opinion about the airport and create an emotionally attractive personal experience, on which the image of a

particular airport and its opportunities to attract new service providers and additional passenger flows depends.

Lithuanian airports have identified the main stakeholders: clients, shareholder, partners, colleagues and the public. In order to meet the expectations of stakeholders, the Company formulated a mission, vision and strategic directions.

LTOU vision – accelerating the country's economic growth

The role of LTOU is critical to Lithuania's successful development and growth momentum. We believe that the LTOU can act as an economic accelerator - by creating attractive conditions for our business partners, expanding the range of destinations and ensuring a good passenger experience at airports, we not only contribute to the development of our country's reputation, but also create the right conditions for the sustainable development of our economy.

LTOU mission – building sustainable partnerships

To ensure attractiveness to partners and contribution to the country's economic development, LTOU has identified 6 key strategic areas:

Infrastructure – completing a world-class transformation of airport infrastructure.

Avia connectivity – achieving breakthrough in Avia connectivity quality.

Business model – building a balanced business model.

Experience – improving partner and passenger experience in the context of changes.

Security – ensuring business continuity and resilience.

Sustainability – implementing sustainability-focused organisational transformation.

Including three enabling areas that will support the goals listed in the key strategic areas:

People and culture – organisational transformation.

Technology – digital transformation.

Finances – financial strategy.

LTOU values: creativity, trust, good sense of ownership.

Creativity

I am looking for non-traditional solutions, I find solutions with existing resources, I offer alternative solutions to achieve the objective, I encourage colleagues to express themselves: to speak, to try, to learn.

Trust

I keep agreements and follow promises, I communicate in a timely and open manner about the course / activity / process, my actions do not cause risk the Company's reputation, I create long-term mutually beneficial relationship.

Good sense of ownership

I treat the Company's assets responsibly, I communicate about problems and look for solutions in my own and colleagues' environment, I share good practices with colleagues.

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 Resolution of the Board No 1VN-44 of 27 December 2023. Table 1 below presents LTOU's key strategic performance indicators in 2024:

TABLE 1. Key strategic performance indicators in 2024

Metrics	Indicator units of measurement	Plan	Fact
		2024	2024
Airport loyal passenger (*NPS Promoters*) indicator	%	62	62
Number of passengers	M	6.3	6.6
EBITDA	EUR M	19.9	22.1

The LTOU Strategic Action Plan 2025-2028 was approved by Resolution of the Board No 1VN-34 of 19 December 2024. The table of indicators and targets for the strategic objectives of the LTOU in 2025 is presented in Annex 2.

2 Company's governance structure, management bodies

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. It performs the following specified functions:

I. Amends 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. Changes the registered office of the Company.

III. Elects and recalls members of the Board.

IV. Elects and recalls an auditor or audit firm to audit the set of financial statements, determines the terms of payment for audit services.

V. Elects and recalls an auditor or audit firm or independent sustainability reporting service provider to provide sustainability reporting services when sustainability disclosures are required to be included in the management report in accordance with the Law on Undertakings and Group of Undertakings Reporting of the Republic of Lithuania;

VI. Determines the class, number, nominal value and minimum issue price of shares to be issued by the company.
VII. Adopts a decision to convert the Company's shares of one class into shares of another class and approves the description of the procedure for the conversion of shares.
VIII. Adopts a decision 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.
IX. 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.
X. Adopts a decision to on the distribution of profits (losses).
XI. Adopts a decision on creation, use, reduction and elimination of reserves.
XII. Approves 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.
XIII. Adopts a decision to issue convertible obligations.
XIV. Adopts a decision to increase the share capital.
XV. Adopts a decision to reduce the share capital, except for the exceptions provided for in the Law on Companies of the Republic of Lithuania.
XVI. Adopts a decision to reorganise or separate the company and approve the terms of reorganisation or separation, except for the exceptions provided for in the Law on Joint-Stock Companies of the Republic of Lithuania.
XVII. Adopts a decision to convert the company.
XVIII. Adopts a decisions on restructuring of the company in the cases provided for by the Law on Insolvency of Legal Persons of the Republic of Lithuania.
XIX. Adopts 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.
XX. Elects and recalls the liquidator of the company, except for the exceptions provided for in the Law on Companies of the Republic of Lithuania.
XXI. Adopts a decision on the audit of the company's annual financial statements in cases other than those specified in the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania or provided for in the company's Articles of Association.

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 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, the Board consisted of four independent and one dependent member. On the expiry of the term of office of the Board of AB Lietuvos oro uostai, the following four members were elected by Order of the Minister of Transport and Communications of the Republic of Lithuania No 1VN-3-83 of 5 March 2024 for a new four-year term of office as of 23 March 2024: Gediminas Almantas, Eglė Čiužaitė, Dan Strömberg, Tadas Arvydas Vizgirda. By Order of the Minister of Transport and Communications of the Republic of Lithuania No 3-127 of 18 April 2024, Vilius Veitas was elected to the Board of AB Lietuvos oro uostai until the end of the term of office of the current Board.

TABLE 2. Management bodies of Lithuanian airports (until 22/03/2024)

Management	Name, surname, workplace	Education
Chair of the Board	Eglė Čiužaitė, an independent member of the Board, does not have a main workplace, other positions held: an independent member of the Board and the chair of the Audit committee at AB Vilniaus šilumos tinklai (code 124135580, address Elektrinės st. 2, LT-03150 Vilnius), a member of the Board at VšĮ Jaunimo linija (code 302594405, address Vingrių st. 6, LT-01141 Vilnius), an independent member of the Audit committee at UAB Akropolis Group (code 302533135, address Ozo st. 25, LT-07150 Vilnius), and an independent member of the Audit committee at MAXIMA GRUPĖ, UAB (code 301066547, address Ozo st. 25, LT-07150 Vilnius).	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".
Members of the Board	Gediminas Almantas, an independent member of the Board, does not have a main workplace, other positions held: a member of Procurement and Investment Committee at Lietuvos nacionalinis radijas ir televizija (code 124241078, address S. Konarskio st. 49, LT-03123 Vilnius), a member of the Board at VĮ Atviros Lietuvos fondas (code 210063570, address-Didžioji st. 5, LT-01128 Vilnius), a chair of the Board at AB LTG Infra (code 305202934, address Geležinkelio st. 2, LT-02100 Vilnius), a chair of the Board at AB Novaturas (code 135567698, address A. Mickevičiaus st. 27, LT-44245 Kaunas), a head of strategic partnership at Lithuanian Red Cross society (code 190679146, address Statybininkų st. 12, LT-50127 Kaunas), Visiting research fellow – Thunderbird School of Global Management, Phoenix, AZ, USA	Vilnius University, Master's degree in Law; University of Bern, Switzerland, Master of Laws; Copenhagen Business School, Ethics of Business Negotiation, Industrial PhD.
	Saulius Kerza, dependent member of the Board, main workplace: a director of the Budget and Investment Department at the Ministry of Transport and Communications of the Republic of Lithuania (code 188620589, address Gedimino ave. 17, LT-01103 Vilnius).	Vilnius University, Master's degree in Law Bachelor's degree in law, Lithuanian Academy of Law
	Tadas Vizgirda, independent member of the Board, main workplace: CEO at UAB Shift4 Payments Lithuania (code 304341621, address A. Goštauto st. 40A, LT-03163 Vilnius), chairman of the Board American Chamber of	BSBA in Business Administration - Kaplan University, USA Company management program of "Baltic Institute of Corporate Governance"

	Commerce in Lithuania (code 223908210, address Konstitucijos ave. 26, LT-08105 Vilnius), senior manager at UAB Revel Systems (code 303480970, address A. Goštauto st. 40A, Vilnius); CEO at UAB Shift4 Services (code 306660468 , address A. Goštauto st. 40A, LT-03163 Vilnius).	
	Darius Makauskis, Independent Board member, main workplace: group HR manager at Stansefabrikken (company code 111798718, address Pašilės g. 10, LT-20194 Ukmergė), shareholder of MB Keturvėjininkai (code 306043253, address Jociškių st. 16, Suvernų k., LT-99361 Šilutė District).	Vilnius University, Personnel management and international trade studies Personnel development studies at Cornell University (USA)
Management bodies of Lithuanian airports (from 23/03/2024)		
Chair of the Board	Gediminas Almantas, an independent member of the Board, does not have a main workplace, other positions held: a member of Procurement and Investment Committee at Lietuvos nacionalinis radijas ir televizija (code 124241078, address S. Konarskio st. 49, LT-03123 Vilnius), a member of the Board at VĮ Atviros Lietuvos fondas (code 210063570, address Didžioji st. 5, LT-01128 Vilnius), a chair of the Board at AB LTG Infra (code 305202934, address Geležinkelio st. 2, LT-02100 Vilnius), a chair of the Board at AB Novaturas (code 135567698, address A. Mickevičiaus st. 27, LT-44245 Kaunas), a head of strategic partnership at Lithuanian Red Cross society (code 190679146, address Statybininkų st. 12, LT-50127 Kaunas), Visiting research fellow – Thunderbird School of Global Management, Phoenix, AZ, USA	Vilnius University, Master's degree in Law; University of Bern, Switzerland, Master of Laws; Copenhagen Business School, Ethics of Business Negotiation, Industrial PhD.
Members of the Board	Eglė Čiužaitė, independent member of the Board, does not have a main workplace, other positions held: an independent member of the Board and the chair of the Audit committee at AB Vilniaus šilumos tinklai (code 124135580, address Elektrinės st. 2, LT-03150 Vilnius), a member of the Board at VšĮ Jaunimo linija (code 302594405, address Vingrių st. 6, LT-01141 Vilnius), an independent member of the Audit committee at UAB Akropolis Group (code 302533135, address Ozo st. 25, LT-07150 Vilnius), and an independent member of the Audit committee at MAXIMA GRUPĖ, UAB (code 301066547, address Ozo st. 25, LT-07150 Vilnius).	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, main workplace:	BSBA in Business Administration - Kaplan University, USA

	Managing Director at Shift4 Payments Lithuania (code 304341621, address A. Goštauto st. 40A, LT-03163 Vilnius), chair of the Board at American Chamber of Commerce in Lithuania (code 223908210, address Konstitucijos ave 26, LT-08105 Vilnius), senior manager at UAB Revel Systems (code 303480970, address A. Goštauto st. 40A, Vilnius).	Company management program of "Baltic Institute of Corporate Governance"
	Dan Stromberg, independent member of the Board, does not have a main workplace, other positions held: member of Supervisory Council at SIA Tet (code 40003052786, address 105 Dzirnavu iela Ryga, LV-1011 Latvija).	Finance studies at IHM Business School/Stockholm University (Sweden); Marketing studies at IHM Business School (Sweden)
	Vilius Veitas, dependent member of the Board, main workplace: a Transport Attaché at the Permanent Representation of Lithuania to the EU (address Rue Belliard 41-43, 1040 Briuselia) (civil aviation, shipping)	Master of Management and Business Administration, Pilot Engineer - Vilnius Gediminas Technical University
Chief Executive Officer	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 (cancelled from 01/01/2025)	Tomas Zitikis	VGTU bachelor of transport engineering, 2012
Director of Development Department (director of Infrastructure Department from 01/01/2025)	Arnas Dūmanas	Norwegian Business School ir ISM Master in Executive Business Management, 2020 Civil Engineering bachelor, Vilniaus Gediminas Technical University, 2006
Director of the Operations Department	Valdas Stropus	Bachelor of Aviation Engineering, Vilnius Gediminas Technical University, 2006
Director of the Department of Commerce	Gintarė Norvilaitė-Tautevičė	ISM Master in Executive Business Management, 2024 Master of International Marketing and Management, ISM University of Economics and Management, 2014 Vilnius University, Bachelor's degree in Economics, 2011
Director of the Safety and security department (Director of Safety, Security and Resilience Department from 01/01/2025)	Vidas Kšanas	Business administration, Baltic Institute of Management, 2008 Master of Management and business administration, Vytautas Magnus University, 2008 Vilnius University, Bachelor's degree in Management and Business Administration, 2003
Director of the Finance Department	Petras Akstinas	VGTU bachelor in business management , 2000
Head of Personnel and Administration (cancelled from 01/01/2025, director of People and culture department from 01/01/2025)	Natalija Andreičiuk	Bachelor of Psychology Klaipėda University, 2006 Master of Business Psychology, Mykolas Romeris University, 2009
Head of Law (cancelled from 01/01/2025, director of Legal and compliance department from 01/01/2025)	Diana Bankauskienė	Master of Business Law, Mykolas Romeris University, 2015 Bachelor of Laws, Mykolas Romeris University, 2013
Head of Communication section (cancelled from 01/01/2025)	Marius Zelenius	Vilnius University, public relations, professional studies. Institute of Journalism, 2008 Bachelor of Landscape Management, Klaipėda University, 2002

The description of the diversity policy applied to the election of the company's manager, members of the management and supervisory bodies, related to gender, other aspects such as age, disability, education, professional experience, as well as the objectives of this policy, its implementation methods and results during the reporting period are presented in section 15.4.6 "Diversity, equality and inclusion" of this report. The guidelines establish the provision that the Ministry of Transport and Communications of the Republic of Lithuania adheres to the principles of equal opportunity, non-discrimination, transparency, as well as confidentiality and impartiality requirements in the selection of the CEO and board members.

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 Resolution No 631 of the Government of the Republic of Lithuania 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 (SOC) 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 SOC are formed on the basis of the principles of competence and taking into account the specificities of the SOC 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 SOC 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-owned companies (SOCs) 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 SOCs 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;
- Management Report;
- the Company's annual targets, on the basis of which employees may be paid a variable component of remuneration;

- the Company’s management structure and employee 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;
- a list of the Company's operating policies approved by the Board and the Company's operating policies set out in that list;
- 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 and terminate 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: 13 meetings of the Board were held in 2024.

2.1.1 Key issues discussed

Monthly review of the Company's performance; Approval of the Remuneration Policy; Consideration of the terms and conditions of purchases and approval of transactions within the Board's remit; Internal Audit Activity Report and Activity Plan 2024; Audit and Risk Committee Report 2023 and Activity Plan 2024. ; Annual Procurement Plan 2024 of the LTOU; Action Plan in accordance with the LTOU 2023 Corporate Governance Index Assessment Report; Presentation of the Risk Management Situation; Presentation of the VNO Business Club Governance Model; Presentation of the results of the Employee Engagement Survey; Presentation of the Company's 2024 Annual Procurement Plan. Annual Objectives and KPIs for the Company's Top Management Team - 2024 Objectives; Self-assessment of the Board's performance; Setting of 2024 Annual Objectives for the Company's CEO; Discussion of the programme for the implementation of the Long-Term Development Plans (Masterplans) for a period of 5 years; Presentation of the Net Zero Strategy and its implementation; Review of the measures for improvement of IT and cybersecurity; Presentation of the Company's 2023 annual performance and financial results. Independent Audit Report; Evaluation of the LTOU CEO's performance for 2023; Election of the Chairman of the Board; Discussion of the competences of the Audit and Risk Committee, initiation of the selection of members; 2024. Q1 performance and financial results; Discussion of the progress of the implementation of the Letter of Expectations; Presentation of the progress of the implementation of the personal data protection requirements in the company; Action plan for strengthening the LTOU's sustainability/ESG practices and the progress of the implementation; Appointment of the members of the Audit and Risk Committee; Discussion and approval of the updated strategy of LTOU; 2023. Review of the LTOU budget (in case of significant deviations from the approved budget, approval of the new aviation pricing for VNO); Presentation and discussion of commercial real estate development actions; Prevention of corruption - presentation of the LTOU situation; Discussion on resilience of infrastructure and operations to climate change; Presentation of VNO T4, T2/T3 and KUN lease tender schedule and commercial terms; Discussion of risk management priorities; Report of the Audit and Risk Committee for the first half (H1) of 2024; Operational and financial results for the second quarter of 2024. Approval of the H1 Interim Report; KUN Terminal Project Risks and Risk Management; Outlook for Aviation and Non-Aviation Revenue, OPEX (preparation for 2025 Budget, 2025-2028 SBP issues); Presentation of the Comprehensive UAV Management Strategy; Presentation of Q3 2024 Results; Presentation of the Company's 2024 financial results. Consideration and approval of the budget and operational KPIs; Presentation of the results of the LTOU Passenger Segmentation Study; Compliance Management; Review of the Company's Articles of Association; Presentation of the Company's Strategic Business Plan 2025-2028; Presentation of the Company's Strategic Business Plan 2025-2028; Presentation of the Company's Strategic Business Plan 2025-2028. Consideration and approval of the Company's Strategic Plan for 2028-2022; Approval of the Company's organisational structure; Borrowing on capital markets; Approval of the Company's sponsorship policy; Results of the food and beverage and duty-free tenders; Review of the performance of the VNO - LCY route; Flight expansion and connectivity strategy (3 years); Progress, status and risks of the T4 ORAT; Deregistration of the LTOU branches; Presentation of the update of the website and the development of the app; Board of Directors' 2025 work plan.

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

1. On 29 February 2024, the Board, by a joint decision of the Board members, approved the award of the contract to UAB Jungtiniai projektai, the winner of the procurement procedure for the contract works for the VNO warehouse building, , provided 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, by a joint decision of the members of the Board, approved the award of the contract to Air Baltic Corporation AS, the winner of the procurement procedure for the selection of the operator of the scheduled flights between VNO and HAM (LTOU's investment amounts to EUR 4,233,352.88).
3. On 29 February 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to Air Baltic Corporation AS, the winner of the procurement procedure for the operator of scheduled flights between VNO and LIS (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 award of the contract to Ekskomisarų biuras UAB, the winner of the Procurement of Video Surveillance Services (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 to Lucidus techno UAB, the winner of the procurement procedure of Mobile Electric Power Supplies, Aircraft (value of the contract - EUR 1,546,650.00, excluding VAT).
6. On 3 July 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to the winner of the procurement procedure for Electricity for Vilnius, Kaunas, Palanga branches of Lithuanian Airports AB, UAB Ignitis (maximum value of the contract - EUR 2,651,684.66, excluding VAT).
7. On 25 July 2024, the Board, by a joint decision of the members of the Board, approved the award of the contract to Air Baltic Corporation AS , the winner of the procurement procedure for the operator of scheduled flights between VNO and DUS (LTOU's investment amounts to EUR 3.2 million).
8. On 21 November 2024, the Board, by a joint decision of the Board Members, approved the award of the contract to UAB Atea, the winner of the procurement procedure for the reconstructions of KUN perimeter security systems (value of the transaction - EUR 1,795,433.56, excluding VAT).
9. On 21 November 2024,the Board, by a joint decision of the Board Members, approved the award of the contract to UAB Litcargus, the winner of the procurement procedure for the provision of services to Special Needs Passengers at Vilnius Airport (value of the transaction - EUR 1,583,262.88, excluding VAT).
10. On 21 November 2024, approved the award of the contract to Aebi Schmidt International , the winner of the procurement procedure for Snow Plow Trucks (value of the transaction - EUR 7,481,000.00, excluding VAT, i.e. the value of the contract corresponds to the price of the snow plow trucks indicated in the final tender, EUR 6,581,000.00, excluding VAT, and EUR 900,000.00, excluding VAT, for the annual maintenance services, spare parts, cassette brushes, front-mount plows, etc. to be purchased on demand).

Summary period 2024:

- In 2024, a new organisational strategy was prepared, approved and presented to stakeholders. A new organisational structure was approved.
- 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 make the Company's operations profitable and sustainable, to provide high quality passenger services and to implement strategic investment projects (LTOU reached a record-breaking 6.6 million passengers in 2024, i.e. an increase of nearly 10% compared to 2023 and 1.6% the pre-pandemic 2019 level).
- The flight incentive model is being implemented through the Risk Sharing Model (MEOP), with 3 new contracts awarded in 2024.
- Development programmes for Vilnius and Kaunas airports are 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 have been carried out to achieve the highest standards in all evaluation categories (transparency, collegial bodies, strategic planning and implementation).
- 13 meetings of the Board were held and an additional 4 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 2024 and continuing in 2025 are:

- Digitalizing the passenger experience
- Continued implementation of Vilnius and Kaunas airports development programmes.
- Continued implementation of the flight incentive model through the Risk Sharing Model (MEOP) and other measures.
- Development of commercial real estate (MRO, cargo, mixed-use buildings in the restricted area, commercial premises, logistics centres).
- 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.
- Strengthening cybersecurity measures.
- Enhancing the resilience of physical and digital infrastructure.
- 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 meeting attendance rate in 2024 was 93.85%.

TABLE 3. Meeting attendance

No	Meeting date	Number of members attended	Attended	Did not attend	Total number of members	Attendance (%)
1	31 January	4 members	Gediminas Almantas Eglė Čiužaitė Tadas Vizgirda Darius Makauskis	Saulius Kerza	5	80%
2	29 February	4 members	Eglė Čiužaitė Saulius Kerza Gediminas Almantas Darius Makauskis	Tadas Vizgirda	5	80%
3	23 March	5 members	Eglė Čiužaitė Tadas Vizgirda Saulius Kerza Gediminas Almantas Darius Makauskis	-	5	100%
4	25 March	4 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg	-	4	100%
5	23 April	5 members	Eglė Čiužaitė Tadas Vizgirda	-	5	100%

			Gediminas Almantas Dan Strömberg Vilius Veitas			
6	30 May	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100%
7	19 June	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100%
8	25 July	5 members	Eglė Čiužaitė Tadas Vizgirda Gediminas Almantas Dan Strömberg Vilius Veitas	-	5	100%
9	29 August	4 members	Eglė Čiužaitė Gediminas Almantas Dan Strömberg Vilius Veitas	Tadas Vizgirda	5	80%
10	26 September	5 members	Gediminas Almantas Eglė Čiužaitė Tadas Vizgirda Dan Strömberg Vilius Veitas	-	5	100%
11	24 October	4 members	Eglė Čiužaitė Tadas Vizgirda Dan Strömberg Vilius Veitas	Gediminas Almantas-	5	80%
12	21 November	5 members	Gediminas Almantas Eglė Čiužaitė Tadas Vizgirda Dan Strömberg Vilius Veitas	-	5	100%
13	19 December	5 members	Gediminas Almantas Eglė Čiužaitė Tadas Vizgirda 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 No 1092 of the Government of the Republic of Lithuania of 14 October 2015. Until 23 March 2024, the members of the Board were paid a monthly remuneration of EUR 2,412 (two thousand four hundred and twelve euros) (before taxes), set by the Ministry of Transport and Communications of the Republic of Lithuania. In the case a member of the Board is a civil servant, his/her monthly remuneration was EUR 1,206 (one thousand two hundred and six euros) (before taxes). The monthly remuneration of the Chairman of the Board was EUR 3,216 (three thousand two hundred and sixteen Euros) (before tax). As from 23 March 2024, the members of the Board are paid a monthly remuneration set by the Ministry of Transport and Communications of EUR 2,526 (two thousand four hundred and twelve euros) (before taxes). In the case a member of the Board is a civil servant, his/her monthly remuneration shall be EUR 1,263 (one thousand two hundred and sixty three euros) (before taxes). The monthly remuneration of the Chairman of the Board is EUR 3,368 (three thousand three hundred and sixty eight euros) (before tax).

If the activities of a member of the Board require reasonable travel (transport) expenses, the Company reimburses such reasonable travel expenses. For members of the board in 2024 fuel costs were compensated for EUR 3,216.08 .

The remuneration accounted to members of the Board for their work during 2024 (including all taxes and contributions payable) — EUR 144 thousand .

TABLE 4. Remuneration estimated for the Board members in 2024

Name, surname	Position	Term of office in the Board in 2024	Estimated remuneration for work in 2024, gross
Eglė Čiužaitė	Chair (independent)	01/01/2024-22/03/2024	EUR 8,714
Saulius Kerza	Member (civil servant)	01/01/2024-22/03/2024	EUR 3,268
Tadas Vizgirda	Member (Independent)	01/01/2024-22/03/2024	EUR 6,536
Darius Makauskis	Member (Independent)	01/01/2024-22/03/2024	EUR 6,536
Gediminas Almantas	Member (Independent)	01/01/2024-22/03/2024	EUR 6,536
Gediminas Almantas	Chair (independent)	23/03/2024-31/12/2024	EUR 31,290
Eglė Čiužaitė	Member (Independent)	23/03/2024-31/12/2024	EUR 23,467
Tadas Vizgirda	Member (Independent)	23/03/2024-31/12/2024	EUR 23,467
Dan Strömberg	Member (Independent)	23/03/2024-31/12/2024	EUR 23,467
Vilius Veitas	Member (civil servant)	18/04/2024-31/12/2024	EUR 10,651

TABLE 5. Beginning/end of the term of office of LTOU Board members

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

2.2 Audit and Risk Committee

By Resolution No 1VN-9 of 5 April 2023, the Board of Directors of Lithuanian Airports approved the new Committee for a new term of office, consisting of 3 members. Following the change of legal status to a public limited liability company, the Committee was renamed the Audit and Risk Committee as of 1 September 2023.

TABLE 6. Composition of the Audit committee of Lithuanian airports (until 22 March 2024)

Composition of the Committee	Name, surname, experience	Education
Chair of the Committee	Gediminas Almantas, delegated member of the Board, member of the Procurement and Investment Policy Committee of the Public Institution Lithuanian National Radio and Television, member of the Board	Vilnius University, Master's degree in Law;

	and Chairman of the Audit Committee of AB Oro navigacija, member of the Board of the Public Institution Open Society Foundations, Chairman of the Board of LTG Infra, Chairman of the Board of Novaturas. Visiting Lecturer - Thunderbird School of Global Governance, Phoenix, AZ, USA; Lecturer - ENAC, Toulouse, France; Areas of expertise: organisation management, organisational development, ethics and morality, building trust in organisations, crisis management.	PhD candidate, Negotiation, Business Ethics - Copenhagen Business School; L.L.M. - University of Bern, Switzerland.
Committee's member	Karolis Brazas, independent member. UAB Green Genius - Head of Financial Control; MB Finansų ir korporatyvinio valdymo laboratorija - Director; AB Lietuvos paštas - Independent member of the Audit and Risk Committee. Member of the Association of Chartered Certified Accountants (ACCA). Areas of expertise: financial management, audit and accounting, tax.	Vilnius University, Bachelor's degree in Management and Business Administration.
Committee's member	Gintarė Vilimaitė - Kučinskienė, independent member. Licensed auditor; AB Civinity, CFO of Civinity Group Areas of expertise: financial management, audit and accounting, internal control and processes, change management.	Vilnius University, Bachelor's degree in Economics; Master of Management and Business Administration, Vilnius University.

By Resolution No 1VN-18 of 3 June 2024, the Board of Lithuanian Airports appointed the new members of the Committee until the end of the current Board's term of office, i.e. until 23 March 2028.

TABLE 7. Composition of the Audit and Risk Committee of Lithuanian Airports (from 3 June 2024)

Composition of the Committee	Name, surname, experience	Education
Chair of the Committee	Eglė Čiužaitė, Board-delegated member. Independent member of the Board and the chair of the Audit committee at AB Vilniaus šilumos tinklai, a member of the Board at VšĮ Jaunimo linija, an independent member of the Audit committee at UAB Akropolis Group, and an independent member of the Audit committee at MAXIMA GRUPĖ, UAB Fields of competence: strategic planning and management; infrastructure project management and development, finance management.	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".
Committee's member	Edita Malūkienė, an independent member. Director at UAB Gaudera, certified auditor, a member of the Audit Committee at AB Kelių priežiūra, a member of the Lithuanian Chamber of Auditors. Fields of competence: an independent audit of financial statements, accounting, taxes, activities in collegial bodies	Vilnius University, Bachelor's degree in Economics and Management Vilnius University, Master's degree in Business Management and Administration

Committee's member	Gediminas Šiušas, an independent member (from 6 December 2024). Authorised representative of Convera Europe Financial S.A., a member of the Board at Convera Singapore Pte Ltd and at Convera Singapore Financial Pte Ltd. Fields of competence: risk management, finance management, audit ad accounting, internal control.	Stockholm School of Economics in Riga, Bachelor's degree in Economics and Business Administration; Vilnius University, Bachelor's degree in Economics and Management; Vilnius University, Master's degree in Economics.

2.2.1 Beginning/end of terms of office

By Resolution No 1VN-9 of 5 April 2023, the Board of Lithuanian Airports appointed the new members of the Committee until the end of the Board's term of office, i.e. until 22 March 2024. On the expiry of the term of office, by Resolution No 1VN-18 of 3 June 2024, the Board of Lithuanian Airports appointed the new members of the Committee until the end of the current Board's term of office, i.e. until 23 March 2028.

TABLE 8. Beginning/end of the term of office of LTOU Audit committee members:

Member	Beginning of term	End of term
Gediminas Almantas	31/03/2023	22/03/2024
Karolis Brazas	31/03/2023	22/03/2024
Gintarė Vilimaitė - Kučinskienė	31/03/2023	22/03/2024
Eglė Čiužaitė	03/06/2024	23/03/2028
Edita Malūkienė	03/06/2024	23/03/2028
Gediminas Šiušas	06/12/2024	23/03/2028

2.2.2 Main functions of the Audit and Risk Committee

New Regulations on the Establishment and Activities of the Audit and Risk Committee were approved by Resolution No 1VN-36 of the Board of Directors of Lithuanian Airports on 19 December 2024. Audit and Risk Committee:

- Informs the Company's Board of the outcome of the audit of the financial statements and/or the assurance of sustainability reporting, and explains how the audit and/or the assurance of sustainability reporting contributed to the integrity of financial reporting and/or sustainability reporting, and what the role of the Audit Committee was in that process.
- Monitors the financial reporting and/or sustainability reporting process needed for the preparation of financial statements and information on sustainability matters reported within the management report in accordance with the Law on Reporting of Undertakings and Group of Undertakings of the Republic of Lithuania in the EU electronic reporting format, the Company's processes for collecting and reporting information on sustainability matters in accordance with the European Sustainability Reporting Standards, and make recommendations or suggestions to ensure its reliability.
- Monitors the effectiveness of the Company's internal control and risk management systems affecting the Company's financial reporting and/or sustainability reporting, including the process needed for the preparation of the management report which must include information on sustainability matters prepared in accordance with the Law on Reporting of Undertakings and Group of Undertakings of the Republic of Lithuania in the EU electronic reporting format, the effectiveness of the Company's internal control and risk

management systems for the prevention of corruption, the bribery of foreign officials in international transactions, money laundering and terrorist financing, and the effectiveness of the internal audit, without breaching the independence of the internal audit.

- Approves the internal audit regulations, the internal audit methodologies, the risk-based internal audit plan, the annual activity reports, the budget and resources of the internal audit function, and the appointment, dismissal, remuneration and evaluation of the head of the internal audit function. It shall take note of the findings and recommendations of the internal audits carried out and, in the event of significant observations, report to the Management Board on the substantive findings of the internal audits and the status of implementation of the recommendations.
- Monitors the audit of the annual financial statements and the consolidated financial statements and/or the assurance of the annual and consolidated sustainability reporting, in particular performance of the audit and/or the provision of assurance services, taking into account the deficiencies in the audit of the financial statements and/or sustainability reporting assurance identified during the audit firm's inspection and the conclusions reached pursuant to Article 26(6) of the Regulation.
- Reviews and monitors the independence of the auditor/auditors or the audit firms or assurance service providers as stipulated in Article 4(4)(3) and Articles 7-13 of the Law and Article 6 of Regulation, in particular the appropriateness of the provision of non-audit services to the audited entity in accordance with Article 5 of that Regulation.
- Bears responsibility for the carrying out of the procedure of selection of the auditor/auditors or the audit firm/firms and the submission of a recommendation for the appointment of the auditor/auditors or the audit firm/firms pursuant to Article 16 of Regulation, except in cases covered by Article 16(8) of Regulation.
- Promptly informs the Chair of the Board and the Chief Executive Officer of the information provided by the audit firm to the Audit and Risk Committee on issues of concern arising from the audit, in particular where significant deficiencies in internal control relevant to the financial statements are identified.
- Provides an opinion on related party transactions as provided for in the Related Party Transactions Policy approved by the Board.
- Assesses whether the Company complies with the provisions in force governing the possibility for employees to file a complaint or to report anonymously allegations of wrongdoing within the Company and that procedures are in place for a proportionate and independent investigation of such matters and for the appropriate follow-up; make recommendations on the improvement of the system for anonymous reporting of wrongdoing by the Company.
- Monitors the functioning of the Company's internal control and risk management systems.
- Performs other duties as provided for by law of the Board's decisions.

Meetings held: 10 meetings were held in 2024.

2.2.3 Key issues discussed

Discussion of the independent auditor's report and the results of the financial audit; monitoring the auditor selection procedure; monitoring the progress of the audit of interim and annual financial statements; monitoring and evaluation of the Company's financial results; evaluation of the performance of the Internal Audit unit, review of annual and long-term plans and activity reports, evaluation of the information contained in the internal audit reports; evaluation of the performance of the head of the Internal Audit unit, and the formulation of objectives; monitoring the effectiveness of anti-corruption, anti-money laundering, and evaluation of supervision; evaluation of the effectiveness of the risk assessment and management system and making recommendations to the Board; evaluation of the implementation of recommendations from external

and internal audits as well as from external bodies; monitoring of the progress of strategic projects; monitoring the of cyber security; monitoring of the procedures and process of related party transactions; evaluation of compliance risk management.

2.2.4 Attendance of meetings

Total attendance percentage of Audit committee members in 2024 was 100%.

TABLE 9. Attendance of meetings 2024

No	Meeting date	Number of members attended	Attended	Did not attend	Total number of members	Attendance (%)
1	6 February	3	Gediminas Almantas Karolis Brazas Gintarė Vilimaitė - Kučinskienė	-	3	100%
2	27 February	3	Gediminas Almantas Karolis Brazas Gintarė Vilimaitė - Kučinskienė	-	3	100%
3	20 March	3	Gediminas Almantas Karolis Brazas Gintarė Vilimaitė – Kučinskienė	-	3	100%
4	4 June	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
5	5 July	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
6	19 July	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
7	20 August	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
8	11th of October	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
9	25 November	2	Eglė Čiužaitė Edita Malūkienė	-	2	100%
10	16 December	3	Eglė Čiužaitė Edita Malūkienė Gediminas Šiušas	-	3	100%

2.2.5 Remuneration received for the position of a member

The procedure for payment of remuneration to the members of the Board of the Joint-Stock Company Lithuanian Airports and the members of the committees formed by it in these bodies is regulated by the Resolution of No 1092 of the Government of the Republic of Lithuania of 14 October 2015 On the Approval of the Procedures for the Payment of Remuneration to the Members of the Collegial Bodies of the State-Owned Undertakings and the Municipality-owned Enterprises, as well as on the Liability Insurance of the Members of the Collegial Bodies of the State-Owned Undertakings and the Municipality-Owned Enterprises. The remuneration of the members of the Audit and Risk Committee is determined in the agreements on the members' activity in the bodies, in accordance with Order No 3-380 of the Minister of Transport and Communications of the Republic of Lithuania of 29 August 2023 On the Remuneration of the Members of the

Board of Directors and the Members of the Committees of the public limited liability company Lietuvos oro uostai (effective until 23 March 2024) and Order No 3-93 of the Minister of Transport and Communications of the Republic of Lithuania of 8 March 2024 On the Remuneration of the Members of the Board of Directors and the Members of the Committees of the public limited liability company Lietuvos oro uostai (effective from 23 March 2024).

Until 23 March 2024 the monthly remuneration of a member of the Audit and Risk Committee was EUR 1,206 (one thousand two hundred and six euros) (before taxes). The monthly remuneration of the Chairperson of the Audit and Risk Committee was EUR 1,809 (one thousand eight hundred and nine euros) (before tax). As of 23 March 2024, the remuneration of a member of the Audit and Risk Committee is EUR 1,263 (one thousand two hundred and sixty-three) and the monthly remuneration of the Chair of the Committee set up by the Board is EUR 1,895 (one thousand eight hundred and ninety-five). The estimated remuneration for the members of the Audit and Risk Committee for 2024 (including all taxes and contributions payable) was EUR 28,6 thousand.

TABLE 10. Remuneration accrued in 2024 for members of the Audit and Risk Committee

Name, surname	Position	Period of service as a member of the Committee in 2024	Estimated remuneration for work in 2024, gross
Gediminas Almantas	Chair (Board-delegated member)	01/01/2024-22/03/2024	EUR 4,902
Karolis Brazas	Member (Independent)	01/01/2024-22/03/2024	EUR 3,268
Gintarė Vilimaitė - Kučinskienė	Member (Independent)	01/01/2024-22/03/2024	EUR 3,268
Eglė Čiužaitė	Chair (Board-delegated member)	03/06/2024-31/12/2024	EUR 13,265
Edita Malūkienė	Member (independent)	03/06/2024-31/12/2024	EUR 8,841
Gediminas Šiušas	Member (Independent)	06/12/2024-31/12/2024	EUR 1,059

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

3.1 Implementation of investment projects

One of the most important projects carried out by LTOU is the construction of T4 departure terminal at VNO and the deployment of the necessary technologies. A new departure terminal opened on 4 February 2025 as planned. The opening of the new departure terminal not only makes the physical premises of the terminal more modern and passenger-friendly, but also supports critical functions for the airport's operations. It features a new registered baggage screening system with two EDS (Explosive Detection System) scanners, as well as new screening lines for cabin baggage and passenger's personal belongings. It was impossible to upgrade these and other technological solutions in the old departure terminal due to their infrastructure restrictions.

VNO's programme objective is to create an infrastructure capable of handling 2400 passengers/hour (one way) at peak times and to increase non-aviation revenue per passenger by more than 40%. The programme comprises three main infrastructure components - landside access, terminal, and airside. Following the achievement of the sub-objective of the VNO Development Programme, i.e. the opening of T4 departure terminal, work is planned to continue in the old VNO terminals, creating more comfortable spaces and guaranteeing more services to passengers.

The construction of T4 terminal and the reconstruction of the existing T2 and T3 terminals addressed travel restrictions for departing passengers. Considering the solutions covered by the VNO's Masterplan, VNO's development is entering a new phase - the resolution of arrival infrastructure constraints. Hence, at the end of 2024, VNO announced an architectural competition for the new T5 arrivals terminal design.

To increase the capacity of the KUN terminal, the KUN expansion program is underway, which includes the reconstruction of the terminal, the renewal of the necessary systems (baggage system, introduction of self-service solutions and safety and security solutions) and the expansion of the apron. By the end of 2024, significant milestones were achieved in the KUN's development programme: KUN's terminal expansion project includes the installation of roof structures and waterproofing of the terminal extensions, leaving technological openings for loading equipment. Also during 2024, all contract works (asphalting, painting, installation of the airflow suppression barrier, etc.) on KUN apron were completed except for the installation of PIT systems (temporary PIT cover solutions were installed due to the contractor's delay in delivering PIT systems). The apron is planned to be fully operational (with PIT systems) in early 2025.

The KUN terminal expansion is carried out on a modular basis - by expanding the terminal in two directions, the expansion of the terminal area will not only provide the necessary space for the installation of technological systems but will also allow for an increase in the range of services offered as well as an increase in the waiting areas.

The projects related to the production and use of renewable energy sources at airports are also continuing. The design of solar power plants at VNO, KUN and PLQ is underway. Installation of the EU co-funded electric charging stations at VNO and KUN on the airfield areas is in progress, while VNO utilises mobile electric power supplies for aircrafts (instead of diesel). One of the most significant projects to improve the passenger experience is also being implemented - the purchase of electric buses for VNO. The purchase of electric buses will not only reduce CO2 emissions, but will also make the passenger journey from the terminal to the aircraft and from the aircraft to the terminal more comfortable.

Other projects initiated relate to terminal reconstruction and the acquisition and modernisation of technological systems and equipment, improvement of working conditions for employees, development of storage, cargo and parking infrastructure, etc.

Major investment projects have been and continue to be implemented in 2024:

- Construction of the T4 terminal module of the VNO programme, with the necessary technology for its operation.
- Expansion of the KUN MRO infrastructure and apron extension.
- Reconstruction of the KUN terminal with the necessary technology for its operation.
- Reconstruction of facilities in a state of disrepair and the most critical technological projects for the continuity of operations.
- A programme for the renewal of the company's special transport.
- Other investment projects initiated within the Company.

Key intangible resources such as digitalisation, customer experience and employee competences are key to the business model as they determine the efficiency of operations and the competitiveness of the organisation. Technological progress allows us to optimise processes, increase operational flexibility and create new opportunities for value creation. Customer trust and a quality experience strengthen an organisation's position in the market, building long-term relationships and increasing the attractiveness of

services. Employees' knowledge and ability to adapt to changes are key drivers for the organisational growth and innovation. For more detailed description of resources, see sections "3.3 Customer experience" and "15.4.3 Employee well-being".

Information on research and development activities

Since 2024, Vilnius Airport officially started participating in a project to find innovative hydrogen solutions for aviation. The BSR HyAirport project aims to find concrete solutions to adapt airport infrastructure to hydrogen-powered aircraft in the future, to prepare airports to store, recycle and supply green hydrogen as a future energy source for aviation.

The total project budget is EUR 4.8 million, part of which will be invested in activities coordinated by experts from Vilnius Airport (Lithuanian Airports).

In total, the project involves more than 40 different organisations, including different European airports, technology companies and research centres.

The project will create a unique platform to co-develop, implement and test practical solutions to address common challenges and specific needs of hydrogen-powered aviation.

The project started at the end of 2023 and will run until the end of 2026.

3.2 Applying LEAN management techniques

LTOU has devoted attention and resources in 2024 to improving its performance, customer and supplier experience to achieve efficiency, sustainability and competitive advantage through the LEAN philosophy. This has helped the Company to achieve higher productivity, reduce waste and optimise processes. Employees were encouraged to raise ideas (Kaizen) to improve the efficiency of daily operations. 85 ideas were presented in 2024, of which 51 were implemented, 44 with no investment required, 17 applied across the Company and resulted in savings of 5,285 working hours, and 48 had impact on sustainability (reduction of paper waste - about 2,500 sheets, overconsumption, positive impact on the Company's reputation). Thus, it is important for the Company to improve its operations and use operational improvement tools to ensure its long-term success and competitive advantage, and to become more flexible, efficient and customer and partner oriented.

3.3 Improving the passenger experience

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

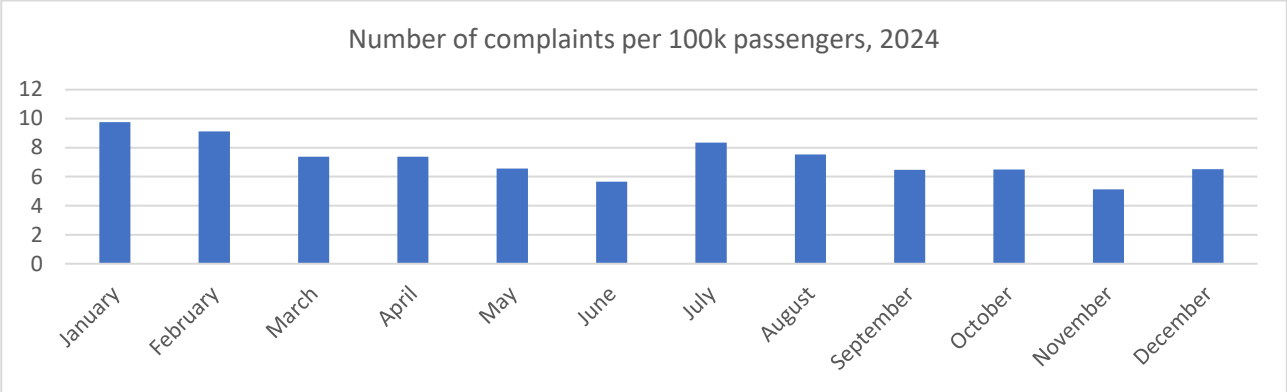
- Infrastructure maintenance and development of the new Vilnius terminal.
- Ensuring cleanliness and safety in the travel process.
- Developing customer service competences.
- Getting to know customers through research and surveys.
- Developing the airport community by involving employees and partners.

In 2024, a passenger segmentation study carried out to better understand passengers and respond to their needs. The study used qualitative and quantitative research methods to identify passenger segments, their needs and their behaviour while travelling. The meetings were organised to present this information to the Board, managers, employees and partners, and educational materials and leaflets were produced for work at the passenger terminals to provide the best possible service to customers. Additionally, in 2024, the focus was on the implementation of the customer service standard and training, periodic quality control for employees and partners, feedback, discussions and debate to improve the passenger experience. Training continues on servicing passengers with individual needs at airports.

Also in May 2024, Vilnius Airport became Airport Customer Experience Accredited at Level 1 by the Airports Council International (ACI). This programme incorporates best airport management practices to improve passenger experience. It is also a public international recognition of our professionalism in this area. In 2024, 17 airports across Europe were awarded the ACI Customer Experience Accreditation. This is a small victory in the long journey of improving the passenger experience, thus efforts will be made towards higher level of accreditation (there are 5 levels in total).

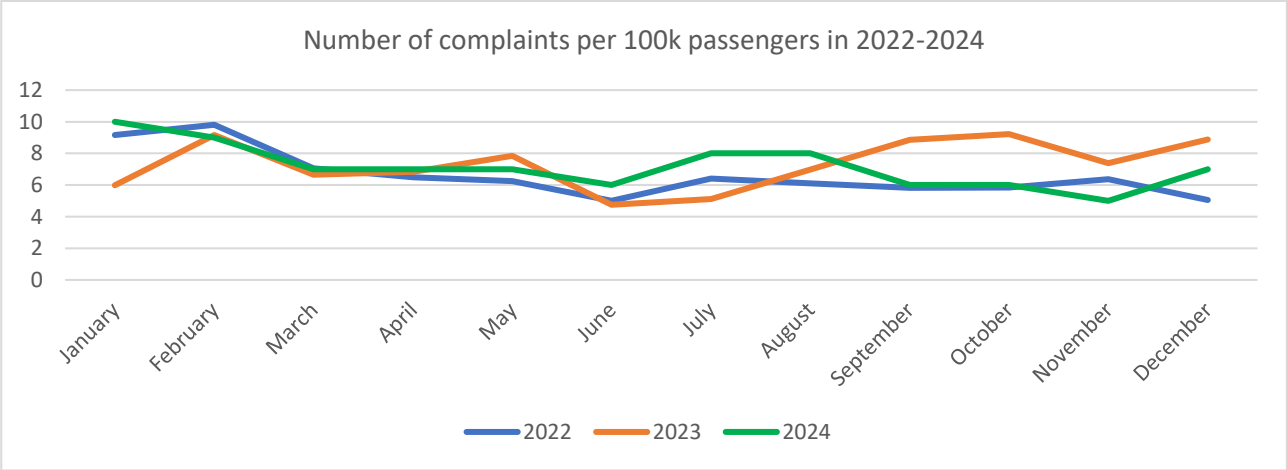
In 2024, 785 employees participated in a training programme on this topic. In order to increase awareness and quality of the airport services, in 2024, for the second time, Lithuanian Airports invited more than 20 different organisations bringing together people with different disabilities to discuss the quality of the services provided and the challenges that arise when travelling. Participants were also given a tour of the new departure terminal at Vilnius Airport, and valuable feedback on infrastructure and process improvements was obtained. Representatives of the organisations were also invited to the testing of the new Vilnius terminal at the end of 2024. Their comments were used as basis for making changes. In 2024, 468 passenger complaints were received about the performance of Vilnius, Kaunas or Palanga airports. There were 350 complaints about Vilnius Airport, 85 complaints about Kaunas Airport and 33 complaints about Palanga Airport. The analysis of complaints supports preventive actions to reduce the number of complaints about similar situations in the future. Therefore the Company monitors and analyses the rate of complaints per 100k passengers handled. The target for 2024 is less than 10 complaints per 100k passengers. In 2024, the figure was is 7 complaints/100k passengers. The highest number of complaints was received regarding ground handling activities (check-in, boarding, baggage) and aviation security screening processes. Each complaint is investigated with the involvement of the parties concerned, a response is given to the customer and preventive actions are taken. In July and August, more complaints were received due to the landside access reconstruction project works at Vilnius Airport and the resulting inconvenience for passengers (more difficult access by car and access to the departures terminal).

CHART 1. Passenger complaints per 100k passengers, 2024 data



Preventive action has helped to keep the number of complaints relatively stable and not increasing over the years. Although, as passenger numbers grow and infrastructure challenges are faced, it is becoming more and more difficult to achieve a high passenger satisfaction score. Chart 2 provides information on the number of complaints per 100k passengers for the period 2022-2024.

CHART 2. Complaints per 100k passengers during the period 2022-2024



The Net Promoter Score (NPS) is an ongoing passenger loyalty survey at all three airports. The overall annual passenger loyalty rate for all three airports is 62%. The results of all quality and passenger experience improvement surveys are discussed within the company and an action plan, known as the NPS programme, is drawn up annually, with the aim of improving the passenger experience through projects and actions. In 2024, 86% (79 out of 92) of the NPS programme actions have been implemented. The dynamics of loyal passengers at Vilnius, Kaunas and Palanga airports, i.e. strong NPS supporters (rated 9-10) over a five-year period, are shown in Charts 3, 4 and 5.

CHART 3. Vilnius Airport Loyal Passenger Rate and NPS Indicator, 2019-2024

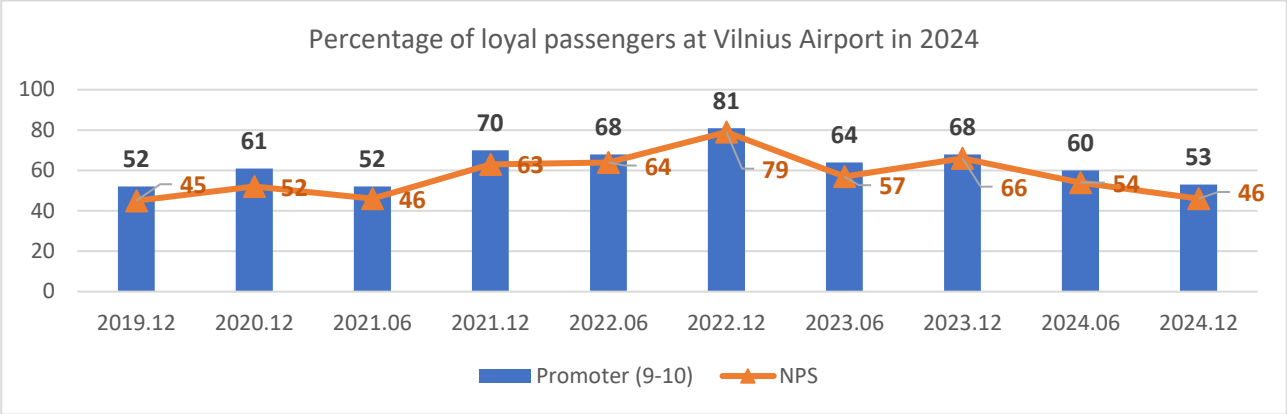


CHART 4. Kaunas Airport Loyal Passenger Rate and NPS indicator, 2019-2024

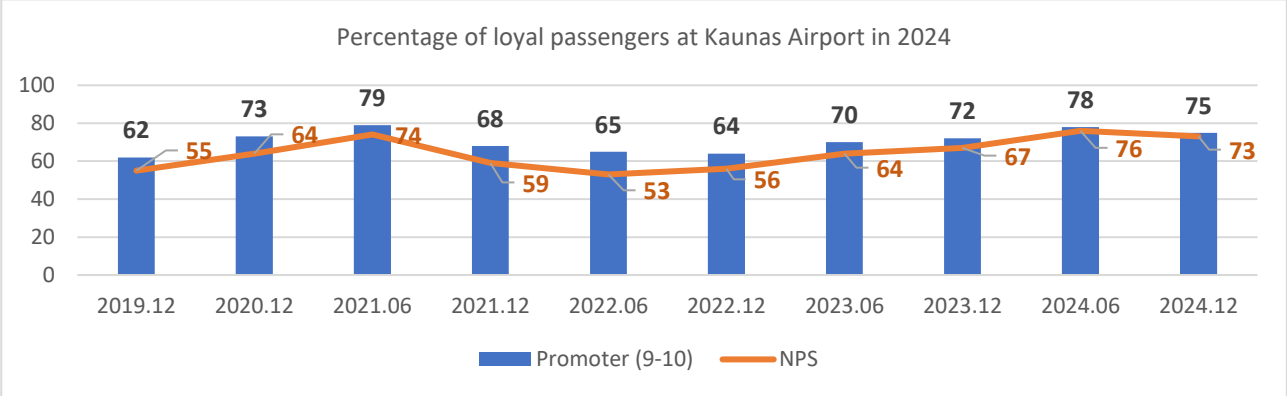
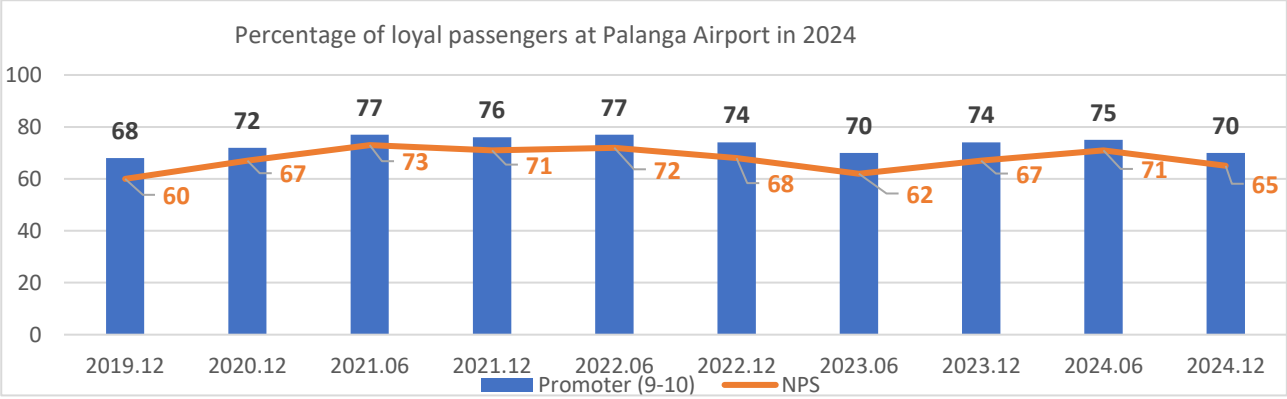


CHART 5. Palanga Airport Loyal Passenger Rate and NPS indicator, 2019-2024



3.4 Route development model

Considering the directions for the implementation of the strategic objectives set out in the Lithuanian Aviation Guidelines until 2030 and the implementation of the Government Programme, a business plan for the operation of flights in strategic destinations has been prepared, which analyses different alternatives for the promotion of flights that would enable the provision of air connectivity to target markets important for the development of the Lithuanian economy. After evaluating the alternatives, international experts found that a risk-sharing partnership model would best meet the current and future air connectivity needs.

A legal model for project implementation has also been developed, which could serve as a basis for a risk-sharing partnership in line with national and EU legislation:
The risk-sharing partnership will involve contracts between the LTOU and airlines selected through an open and transparent tender process, and the agreement must meet the Market Economy Investor Principle (MEIP) criteria.
• MEIP criteria aim at assessing whether a private investor of a similar size operating under normal market economy conditions in similar circumstances would be able to make such an investment.
• MEIP criteria require that, prior to the award of the contract, a route-specific business plan must be prepared for the entire duration of the contract, which will have to justify that the route will be commercially sustainable and will generate an operating profit for both parties at the end of the contract.
The risk-sharing partnership model will be applied to the routes approved in Order No 4-393/3-335 of the Minister of Transport and Communications of the Republic of Lithuania and the Minister of Economy and Innovation of the Republic of Lithuania of 17 July 2023 On the Approval of the List of the Routes of Significance to the Business and Tourism Sector, the targeted accessibility of which may be ensured by the implementation of the Flight Promotion Measures, as well as to the flight routes approved by the Minister of Transport and Communications of the Republic of Lithuania, in addition to the flight routes of the other routes, where agreements concluded in line with the principles of MEIP would comply with the MEIP.

The risk-sharing partnership model is important to increase the profitability of the LTOU, to promote inbound tourism and to attract investment into the country. In September 2023, the first contract under this model was signed with LOT Polish Airlines, which continues to operate regular flights between Vilnius and London City (LCY) Airport. In 2024, three agreements were signed with the airline Air Baltic Corporation AS regarding operation the following flights: on 1 March 2024: Vilnius – Lisbon (LIS) and Vilnius – Hamburg (HAM), and on 1 August 2024: Vilnius – Düsseldorf (DUS).

3.5 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.

In 2024, 45 new items of immovable property owned by LTOU AB were registered in the State Enterprise Centre of Registers and 16 items were removed from the register. The Company owns a total of 484 registered unique items of immovable property, with a total increase of 8.6% in the average market value of the items compared to the previous tax period, and an increase of around 4.3 times in the immovable property tax paid by the Company.

LTOU holds 12 land plots in trust: 7 at Vilnius Airport, 2 at Kaunas Airport and 3 at Palanga Airport. In 2024, by resolution of the Government of the Republic of Lithuania, 1 land plot was transferred to LTOU to be held in trust, with a corresponding increase in the boundaries and area of Palanga Airport's territories. In addition, the territorial boundary plans of Vilnius, Kaunas and Palanga airports were approved by the Government of the Republic of Lithuania in 2024.

Around 80% of the immovable property 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: 34 non-auctioned agreements for the operation of partner- owned facilities and/or buildings, 15 agreements for commercial purposes and 1 agreement for the use of state land. LTOU concluded 2 non-auctioned land lease agreement and successfully completed 1 land lease auction and signed a commercial land lease agreement in 2024.

3.6 Developing cargo infrastructure and the aircraft maintenance industry (MRO)

To attract investors to Kaunas and Vilnius Airport, LTOU intends to continue active sales activities of plots of land suitable for the development of aircraft repair 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 EUR 20 million. With the completion of this expansion phase, Kaunas Airport will continue to maintain its position as the largest MRO service centre in the Baltics, with the capacity to accommodate as many as 12 C-category aircraft for repairs and maintenance. In 2024, active design work was carried out on the last MRO-adapted site in the northern part of Kaunas Airport.

The aim will be to further develop the country's MRO industry competences in basic aircraft maintenance services activities, including the maintenance and repair of aircraft fuselages, engines, landing gear and components. Further development of MRO and cargo operations is foreseen by expanding the infrastructure of the southern part of Kaunas Airport and western part of Vilnius airport, adapting it to potential investors in MRO and cargo operations. The company will continue to pursue the development of MRO services and the creation of an MRO cluster at Kaunas Airport.

Cargo infrastructure development is also foreseen at Vilnius and Kaunas airports, with land plots offered to investors for air cargo operations, ensuring convenient distribution of cargo by ground transport. Negotiations are also underway with cargo airlines to increase cargo volumes at Lithuanian airports.

To develop cargo activities, the possibility to develop further with logistics companies already operating at LTOU airports will be further assessed. The added value created by this partnership for LTOU will be analysed, as well as its compliance with the regulatory framework.

4 Overview of aviation services

4.1 Global Aviation Outlook 2024

In 2024, the further prevailing geopolitical situation and operational challenges had an impact on European civil aviation companies. In the context of macroeconomic developments, supply chain disruptions, air carriers needed to further adjust their flight plans and routes. This is also evident from the results, where demand is recovering faster than supply. According to preliminary data, the overall annual recovery rate of passenger traffic in Europe is expected to be around 104% and supply flows 96%. This means that passenger sentiment is stronger. This is also reflected in the statistics of ACI Europe, the organisation that brings airports together, when the first half of the year began to see a recovery in European passenger traffics. A survey by the European Travel Commission shows that travellers continued to prioritise spending on travel over other expenditures. Increased demand was observed during the summer season, however it is believed that due to the accelerated inflation tourists spent more in 2024 than they did a year ago.

4.2 Global Aviation Forecasts 2025

As uncertainty continues to prevail in the aviation sector due to operational challenges, high inflation and the geopolitical situation, aviation organisations continue to review their forecasts for the sector. IATA (International Air Transport Association) has projected that a total passenger traffic should grow by almost 7%.

Other international organisations, such as ACI World and ICAO, also anticipate the market growth at the same rate. The recovery forecast in Europe, provided by ACI Europe (Airport Council International), the representative of airports' interests, is similar to IATA. Demand is forecast to grow by around 8% in 2025. As the market is experiencing a faster recovery of demand than supply (due to operational challenges), Eurocontrol (European Organisation for the Safety of Air Navigation) forecasts that a full recovery of the demand is possible in 2025. While further growth in traffic is expected in 2025, it is inevitable to identify the risks that will shape the aviation sector, such as the geopolitical situation, filling of the labour market and continued operational challenges.

4.3 Lithuanian airports' performance

TABLE 11. Distribution of TOP 10 carriers in LTOU, 2024

Airline	Market share
Ryanair	47%
Wizz Air	14%
airBaltic	13%
SAS-Scandinavian Airlines	6%
LOT Polish Airlines	6%
Lufthansa	4%
Turkish Airlines	3%
Norwegian	2%
Finnair	2%
Swiss Airlines	1%

TABLE 12. TOP10 regular routes in LTOU, 2024

Airport	Percentage of passengers
London LTN	8%
Copenhagen CPH	7%
Riga RIX	6%
London STN	5%
Warsaw WAW	5%
Oslo OSL	4%
Frankfurt FRA	4%
Stockholm ARN	4%
Istanbul IST	3%
Berlin BER	3%

TABLE 13. Recovery of supply at LTOU, 2024

Carrier	Share of seats offered in 2024	Supply levels for 2019 reached
Ryanair	43%	133%
Air Baltic	17%	158%

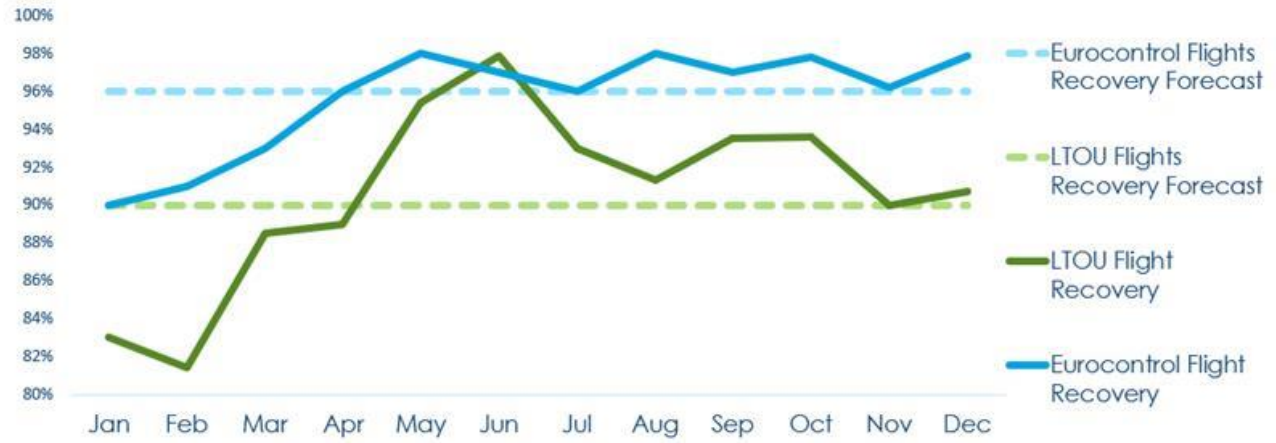
Carrier	Share of seats offered in 2024	Supply levels for 2019 reached
Wizz Air	12%	54%
SAS-Scandinavian Airlines	6%	107%
LOT Polish Airlines	6%	80%
Lufthansa	4%	99%
Turkish Airlines	3%	144%
Finnair	3%	115%
Norwegian	3%	86%
Swiss Airlines	1%	n/d%

4.3.1 Lithuanian airports

The adequate strategy, the priority given by passengers to travel over other spending groups (according to a survey conducted by the European Travel Commission, increased demand was observed during the summer season, however it is believed that due to the accelerated inflation tourists spent more in 2024 than they did a year ago), the momentum of the summer season and the recovery in business traffic (demand on routes of full-service airlines was 4% higher than in 2019, with annual growth of 20%) contributed to the continued growth of passenger numbers in 2024 (with almost +2% in 2024 compared to pre-pandemic). In May, Lithuanian airports handled the highest number of passengers among all Baltic airports. June marked the first month since the start of pandemics that traffic levels from 2019 were exceeded at each airport individually (VNO +2%, KUN +36%, PLQ +9%). 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 2023. One of the key factors in this was a 19% increase in direct connectivity. Still, the highest traffics were seen in August, when an all-time record for passenger numbers was set - the 2019 level was exceeded by 7%.

Although the recovery of supply is slightly slower and beyond the level prevailing in Europe (Chart 6), the attraction of new airlines (Aegean, a full service airline offering connections to the Greek islands, and Fly Play, a low-cost airline connecting Lithuania to Iceland) has contributed to the improvement of connectivity. New routes offered by other carriers (Vilnius - Lisbon, Vilnius - Krakow, Vilnius - Reykjavik, Vilnius - Athens, Vilnius - Düsseldorf, Vilnius - Oslo, Kaunas - Pisa, Kaunas - Berlin, Kaunas - Zadar, Kaunas - Belfast, Palanga - Amsterdam) and by the rapid increase in flight frequencies to strategically important destinations also had an impact on the recovery. All of this has allowed to exceed 2019 passenger numbers by almost 2% in 2024 (annual growth of 10%) and to reach 99% of the 2019 level of seats offered on scheduled flights (+13% compared to 2023 figures). According to IATA, Europe experienced a 93% fall in connectivity, making it strategically important to restore adequate connectivity. Both newly opened routes and retention of existing carriers have a significant impact on the national economy. It creates more attractive environment for foreign direct investment, bilateral trade and inbound traffic, which has a direct impact on aviation flows and airport revenue. With aeronautical revenue growing by 10% in 2024 compared to 2023, it becomes imperative to support the further deployment of financing models to maintain consistent growth.

CHART 6. Comparison of flight traffic: LTOU and European airports



4.3.2 Vilnius airport

In 2024, the number of passengers at Vilnius Airport reached 4,804 thousand (+9% compared to 2023). The number of flights also grew, reaching 41.1 thousand (+6% compared to 2023).

- 6 new destinations were opened in 2024 (Reykjavik KEF - two to three weekly flights, Düsseldorf - two weekly flights, Athens - two weekly flights, Oslo - two weekly flights, Lisbon - two weekly flights, Krakow - two weekly flights).
- Two new carriers, Fly Play and Aegean, launched flights.
- The average load factor for full-service carriers was 77% (+3% compared to 2023) and for low-cost carriers 88% (-2% compared to 2023).
- Compared to last year, 18% more seats were offered on the aircrafts of full-service airlines.

4.3.3 Kaunas airport

In 2024, the number of passengers at Kaunas Airport reached 1,427 thousand (+10% compared to 2023). The number of flights also grew, reaching 11.5 thousand (+7% compared to 2023).

- KUN continued to increase its destinations in 2024 with the launch of 4 new routes (Pisa PSA - two weekly flights, Berlin BER - three to four weekly flights, Zadar ZAD - two weekly flights, Belfast BFS - three weekly flights). The average load factor for low-cost airlines was 86% (-2% compared to 2023).
- Compared to last year, 13% more seats were offered on the aircrafts of low-cost airlines.

4.3.4 Palanga airport

In 2024, the number of passengers at Palanga Airport reached 378 thousand (+23% compared to 2023). In 2024, the number of flights reached 4.3 thousand (+15% compared to 2023).

- In 2024, the airline airBaltic launched direct flights between Palanga and Amsterdam (two weekly flights).
- The average load factor for full-service carriers was 59% (-4% compared to 2023) and for low-cost carriers 86% (-1% compared to 2023).
- Compared to last year, 42% more seats were offered on the aircrafts of full-service airlines.

4.4 Overview of surrounding markets

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

- Lithuanian Airports, 6,609 thousand passengers (+10%);
- Riga Airport, 7,117 thousand passengers (+7%);
- Tallinn Airport, 3,492 thousand passengers (+18%).

CHART 7. Growth in the number of passengers in the Baltic States, 2024

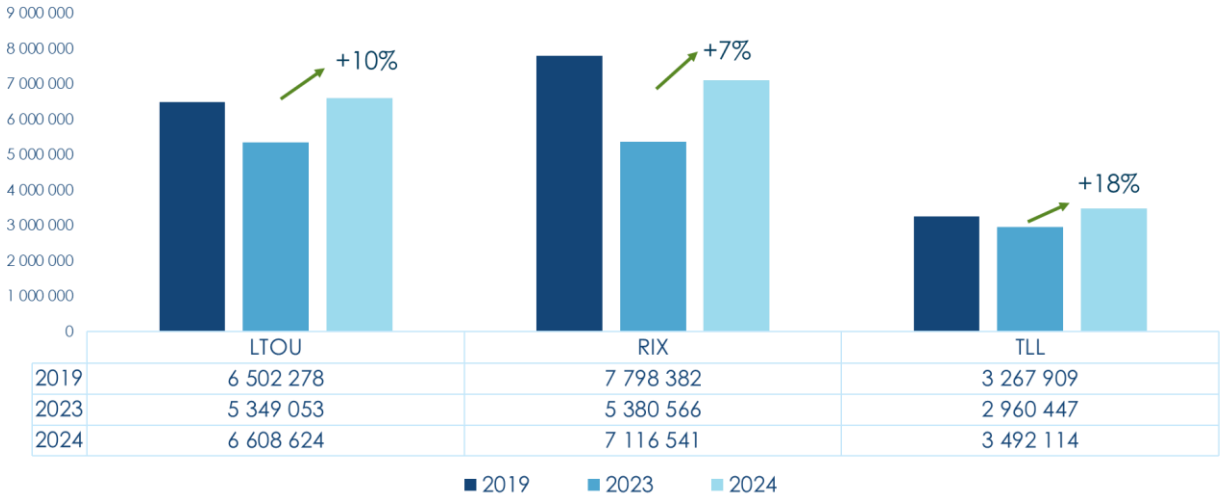


TABLE 14. Comparative indicators at surrounding markets in 2024, thousands

Airport	Number of passengers	Number of flights	Quantity of cargo, t
LTOU	6,609	57	22
VNO	4,804	41	16
KUN	1,428	11	5
PLQ	378	4	0.47
RIX	7,117	63	19
TLL	3,492	n/d	10

n/d = no data

In the Baltic countries, the recovery in 2024 varied slightly: TLL 107%, LTOU 102%, RIX 91%. Even though Lithuania does not have a national carrier, Lithuanian airports are among the leaders in the Baltic States in terms of passenger traffic. This shows that Lithuanian airports are strategically important for air carriers and that the route development strategy and airline relationship management are working well. It is also observed that Lithuanian airports still have the highest tonnage of all Baltic airports. Improvements to the infrastructure are further expected to lead to an increase in cargo volumes.

4.5 Lithuanian airports forecast for the year 2025

Goals for the year 2025:

- 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.

Due to the recorded annual growth in 2024 (+10%), LTOU's traffic is expected to continue to grow in 2025, reaching 6.8 million passengers (+4% compared to 2024), thanks to the planned new scheduled routes and the launch of never-before-seen charter destinations in Palanga. The number of flights is expected to reach 59 thousand (+4% compared to 2024). However, these forecasts may be subject to adjustments due to the main demand drivers (uncertainty in supply planning, geopolitical situation, fluctuations in macroeconomic indicators) which are difficult to control.

5 Overview of non-aviation services

Passengers and airport partners were directly affected by the various infrastructure developments launched by LTOU in 2024. The main development was the reconstruction of the VNO's central traffic scheme. From the start of the year until the end of the summer, this project had various restrictions and challenges in accessing the airport by bus, car or other means . In September 2024, the project was completed with a new central parking lot P2, a parking lot for intercity buses, a new taxi lane and a Kiss&Fly zone. All these changes resulted in the modernised airport connectivity services offered by airports and laid the foundations for the opening of a new T4 departure terminal in 2025. Another important change that have already started is the expansion of the KUN terminal, which also covered the functioning terminal at the end of the year. It is also worth mentioning that P4 parking lot, located in KUN, was temporarily closed for renovation works.

While the need for expansion is inevitable, contract works at functioning airports cause inconvenience for passengers and airport partners. In 2024, both VNO and KUN experienced parking restrictions, temporary changes in the supply chain of goods, and engineering equipment failures. These challenges likely had an impact on both the revenues of LTOU partners and passenger satisfaction. Trends in passenger travel habits suggest that they did not change much since 2023. Some months also saw a decrease in passenger spending compared to last year, likely due to the increase in the VAT rate for caterers and a decrease in inflation, indicating market pressures to lower or maintain prices.

. The main non-aviation activities of LTOU are:

- Renting buildings and premises
- Car parking (rent of parking lot)
- Business club (only VNO)
- VIP service (only VNO)
- Advertising services
- Lease of land
- Express screening of passengers (only VNO)
- Organisation of events (rental of premises, filming, photo sessions)
- Loyalty program (VNO only)

LTOU's operating partners continued to demonstrate strong performance: in 2024, LTOU's non-aviation commercial revenues amounted to EUR 23.8 million, representing a 9 % growth in non-aviation revenues compared to 2023. LTOU's main revenues are generated from the lease of commercial buildings and premises and from the rent of parking lot. The breakdown of revenues by activity is detailed in the graph below.

CHART 8. Structure of non-aviation revenues (%)

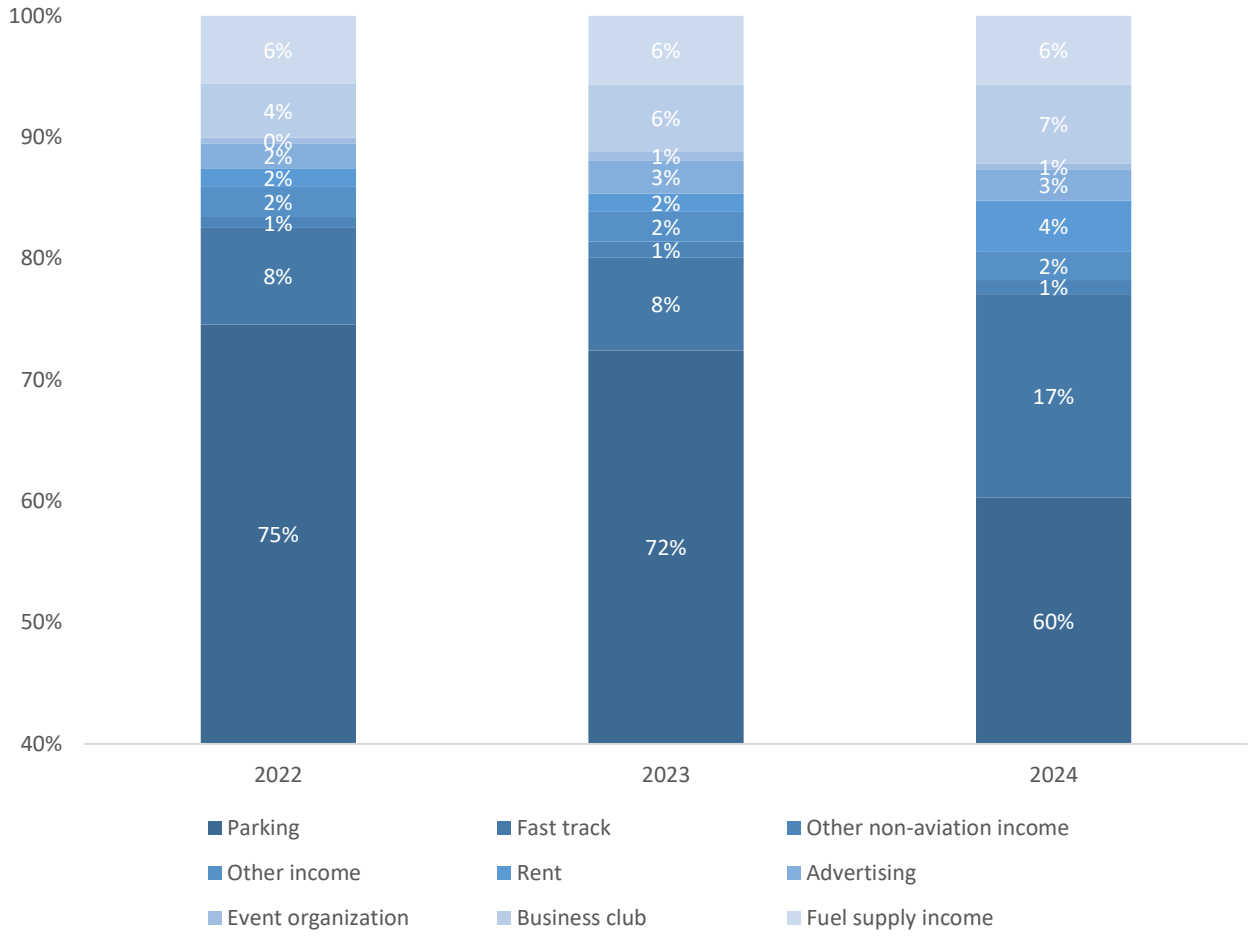


TABLE 15. Non-aviation revenue share in airport gross revenue for 2024

Global average	37%
LTOU	34.3%
VNO	*30.0%*
KUN	*65.6%*
PLQ	*25.9%*

Key projects implemented in 2024:

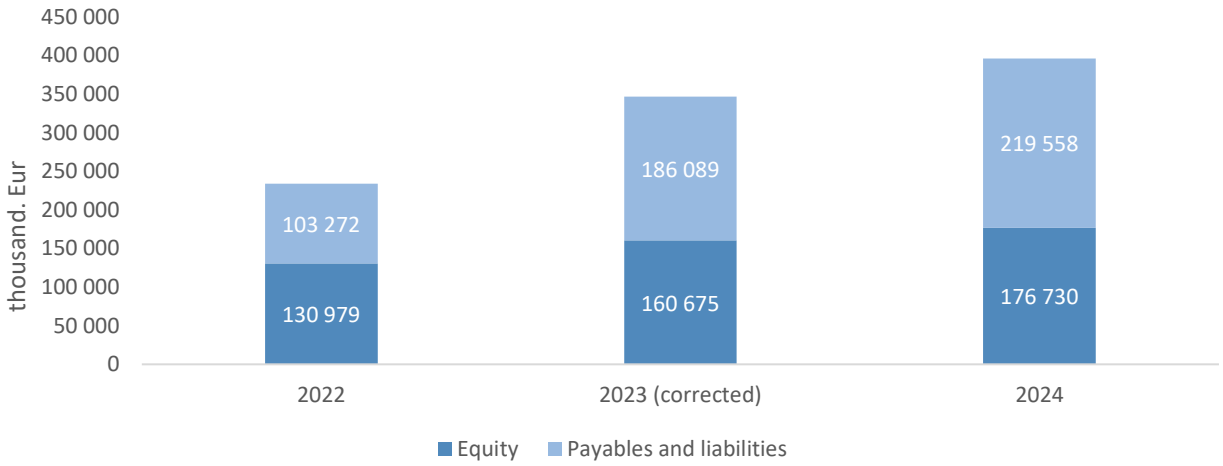
- Three international lease tenders were implemented to select partners for the development and management of future convenience stores, duty-free shops, and for the installation and management of catering facilities at Vilnius, Kaunas and Palanga airports. The expected start of operations is either 2025 or 2026, depending on the point in question.
- uniPark, a parking management partner, launched parking services at all publicly accessible parking lots at Lithuanian airports.
- The tendering procedure for the lease of LTOU properties was updated by reviewing the various conditions and providing more flexibility in the lease of immovable property.
- The Narbutas Business Club was partially upgraded, offering additional seating for passengers, an updated workspace and additional space for children.

6 Changes in balance sheet indicators

6.1 Changes in owners' capital

At the end of 2024, the Company's equity amounted to EUR 176.7 million, representing 45% of total equity and liabilities. In 2023, equity was created as a result of becoming a public limited liability company, which consisted of the issued capital, the statutory reserve and other reserves, and retained earnings (loss). The company has not acquired its own shares.
The largest part of accounts payable and liabilities was made up of grants related to assets (EUR 110,4 million). Compared to 2023, payables and liabilities increased by EUR 33.5 million, including: by EUR 21.3 million due to increase in non-current borrowings and EUR 2.9 million of the current portion of the borrowings, and by EUR 5.5 million due to increase in trade payables

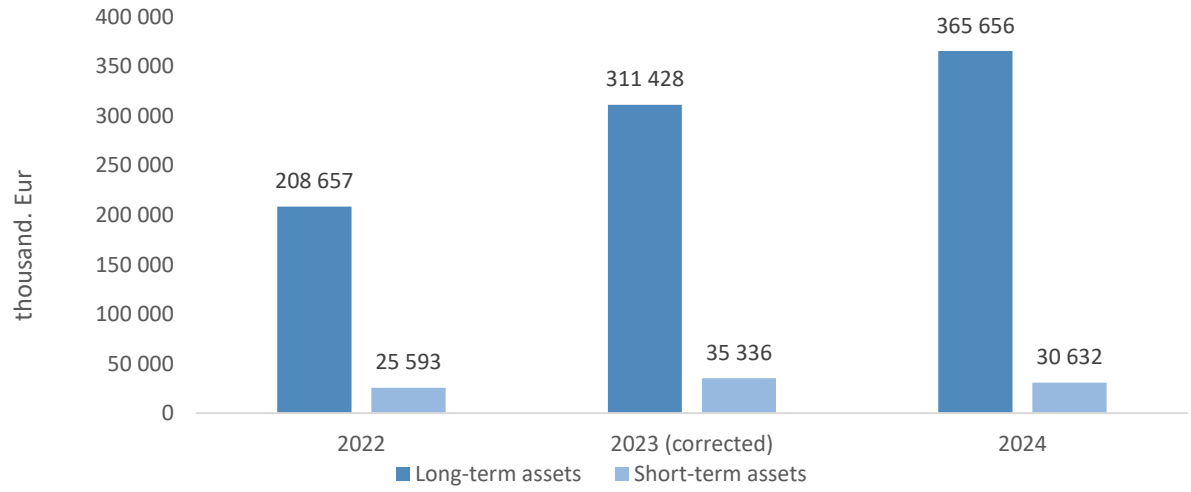
CHART 9. Equity, payables and liabilities (2022-2024)



6.2 Changes in assets

As at 31 December 2024, the assets under management of the LTOU amounted to EUR 396.3 million, 92% of which were non-current assets. At the end of 2024, the value of total assets was EUR 49.5 million higher than at the end of 2023 due to an increase in the value of non-current assets.

CHART 10. Non-current and current assets (2022-2024)



Pursuant to Article 59, Part 2 (11), Article 60 of the Law on Liability for joint-stock 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% and does not exceed 5% of the return on equity, at least 75% of the distributable profits of the state-owned company must be allocated to dividends.

TABLE 16. Profit distribution percent

Return on equity	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%

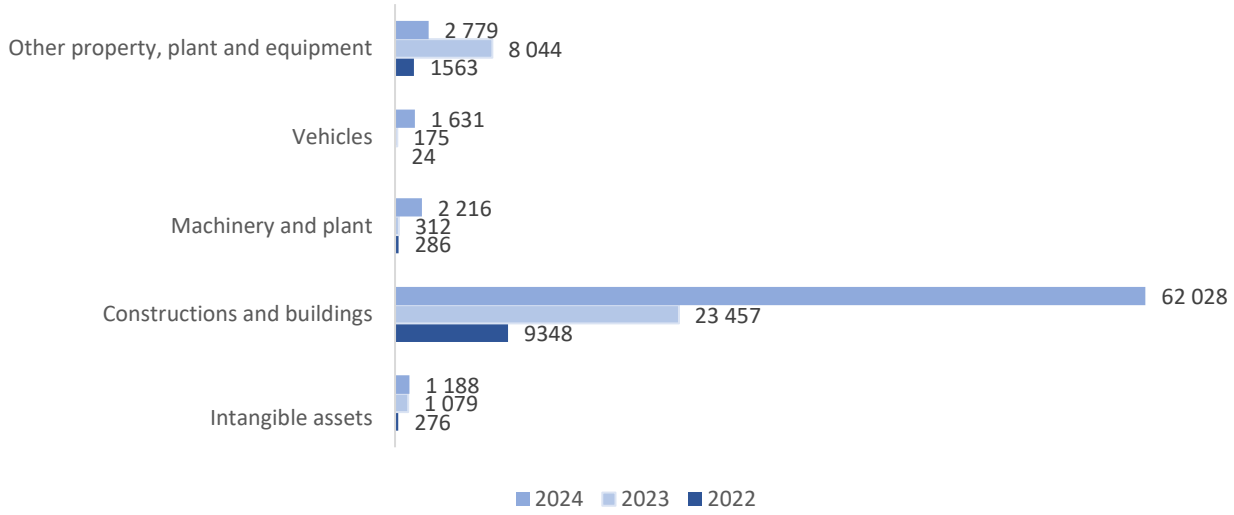
7 Company's investments, the largest ongoing and planned investment projects

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, modernising the infrastructure, ensuring flight safety and optimising operational processes.

In 2024, LTOU invested 69.8 million EUR (2023: EUR 33.1 million with grants). The distribution of investments by type is presented in the chart below.

CHART 11. Breakdown of investments by type 2022-2024 (EUR thousand)



LTOU's investments during 2024 were mainly in the category of buildings and structures. The largest investments were: the VNO Departures Terminal T4 (EUR 27.4 million, buildings and structures category);

KNU's northern apron (EUR 15.3 million, buildings and structures category); KUN terminal expansion (EUR 5.2 million, buildings and structures category); construction of multi-storey parking at KUN (EUR 3.7 million, buildings and structures category).

In addition to the company's funds, the LTOU's investments in 2024 were carried out using the EU funds amounting to EUR 6.3 million. EU-funded projects: EUR 5.7 million is allocated to the project Development of Kaunas International Airport infrastructure, ensuring its adaptability to military mobility needs, and increasing its dual-use capabilities; EUR 0.6 million to the project Establishment of Electricity Supply and Charging Infrastructure in the Baltic States' Airports in North Sea-Baltic CNC / TEN-T Corridor for the Transition to Environmentally Friendly Operations.

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.
- Utilisation of the available infrastructure for the development of commercial services.
- Further development of the company's activities.
- Improving passenger experience and increasing satisfaction.

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 17. Criteria for assessing LTOU investments

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

For projects, alternative options are also compared for decision making (including comparison of negative NPVs in different alternatives). LTOU implements projects that are necessary to ensure business continuity and compliance with applicable professional standards, therefore they are not subject to the criteria for assessing investments, and are assessed for other benefits they create. Additionally, 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, CEO of LTOU and the Board of LTOU.

LTOU's Investment Committee (IC) works to manage the company's assets prudently and collegially, attracting the necessary competences needed to make well-analysed investment decisions, taking into account the Company's goals and strategy. IC approves investments in assets (CAPEX) - when the planned investments amount to EUR 50 thousand (excl. VAT) and above.

Initiated investment and performance assurance projects are prepared using standardised 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.

If the project's material conditions change, the project must be submitted for IC's 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, deadlines.

Major investment projects have been and continue to be implemented in 2024:

- Construction of the T4 terminal module of the VNO programme, with the necessary technology for its operation.
- Expansion of the KUN MRO infrastructure and apron extension.
- Reconstruction of the KUN terminal with the necessary technology for its operation.
- Reconstruction of facilities in a state of disrepair and the most critical technological projects for the continuity of operations.
- A programme for the renewal of the company's special transport.
- Other investment projects initiated within the Company.

8 Employees and Compensation

The goal of LTOU's Human Resource management strategy is to increase employee engagement and loyalty by creating a competitive value proposition for employees, including a fair and transparent remuneration system, competitive additional benefits which reflect organisational values, and a sustainable organisational culture. In order to achieve this goal, the following long-term Human Resource management goals have been established:

1. High employee competences now and in the future and a high focus on the substitutability of critical competencies.
2. Effective management of employee needs and use of their skills and abilities to perform the functions necessary for the Company's operations.
3. Ensuring competitive remuneration.
4. Managers with strong leadership and management skills, as well as recruitment, development and planning skills, and building a sustainable organisational culture and working environment.
5. The Company's image and culture that attracts professionals in the field and fostering a sense of pride for existing employees.

To ensure the achievement of the long-term objectives in the field of human resources, the following activities are carried out:

1. Actions for developing the competences of managers and key positions in the organisation, succession planning and retention.
2. Projects and initiatives are implemented to improve the employee experience.

3. Means of internal communication are used to promote greater employee participation and involvement in the Company's activities.
4. The image of the organisation as a desirable employer is strengthened.

In 2024, AB Lietuvos oro uostai adopted a new Remuneration Policy and updated the Remuneration Payment Regulations.

The Company's remuneration system is designed in the light of those principles:

1. Internal fairness: ensuring fair and equitable pay for the same work, taking into account responsibility, competences, and contribution to results
2. External competitiveness: attracting and retaining employees with the necessary competences to achieve the Company's goals and drive innovative operational improvements, considering the conditions of the Lithuanian labour market. Each year, the Company participates in remuneration surveys and the Employee remuneration is based on the all labour market median.
3. Clarity and transparency: All decisions related to remuneration are made based on clear and objective criteria, which are transparently communicated and known to employees.
4. 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.

We aim to ensure that the remuneration aligns with the conditions of the Lithuanian labour 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.

Total wages and salaries of AB Lietuvos oro uostai in 2024 was EUR 23.4 million (2023: EUR 18.2 million), and were 28.6% higher than in 2023. Total wages and salaries in 2024 accounted for 42.8% of the Company's total costs and 49.6% of its operating costs (2023: 32.3% and 50%, respectively).

TABLE 18. Remuneration amount by position

Category	2022		2023		2024	
	Number of employees	Average monthly base (assigned) remuneration (EUR)	Number of employees	Average monthly base (assigned) remuneration (EUR)	Number of employees	Average monthly base (assigned) remuneration (EUR)
Chief Executive Officer*	1	8,540	1	9,001	1	10,351
Top-level managers	8	5,703	8	6,616	8	7,288
Mid-level managers	23	3,523	25	3,943	25	4,464
First-level managers	26	1,911	26	2,195	40	2,350
Specialists	138	2,355	159	2,541	166	2,828
Customer service and operational employees	395	1,333	448	1,450	498	1,606

** In 2022-2023, this figure included the Monthly Variable Component set for the Company's CEO by the Order of the Minister of Transport and Communications of the Republic of Lithuania, and from 2024, by the decision of the Board.*

TABLE 19. Payment of bonuses and monthly variable component (before tax)

	2022		2023		2024	
	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	198	113,337
Variable component for the achieved performance results	444	538,954	439	636,667	529	730,823
Annual share of variable component for employees for the Company's performance	124	379,929	156	423,682	179	529,481
Of which share of variable component for CEO	-	-	1	11,678	1	8,000

The annual share of variable component for 2022 was paid in 2023. The annual share of variable component for results in 2023 was paid to employees in 2024, and the annual share of variable component foe 2024 will be paid in 2025.

As of 1 September 2023, following the change in the legal status of Lithuanian Airports from a state-owned company to a public limited liability company, the remuneration of CEO was determined by the Board of LTOU on the basis of the information from remuneration market research and the procedure laid down in the Resolution No 1341 of the Government of the Republic of Lithuania of 23 August 2002 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 CEOs of the state-owned enterprises. Base remuneration and variable component 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.

The number of employees members receiving bonuses for activities above their normal workload and for additional tasks in 2024 was 34% lower and the amount paid was 15% lower than in 2023. The number of employees receiving variable component for performance in 2024 was 21% higher and the amount paid was 15% higher than in 2023. The annual variable component for 2023 was calculated and paid in Q2 2024. The annual variable component for 2024 performance will be calculated and paid out to employees in Q2 2025. In 2024, compared to 2023, 15% more employees received the annual variable component and the amount paid was 25% higher than in 2023.

As at 31 December 2024, the number of actual employees (excluding those on parental leave) at Lithuanian Airports was 736, which is an increase of 10.4% compared to the same period in 2023 (2023: 652).

TABLE 20. Comparison of the actual number of employees

Airport	As at 31 December 2022	As at 31 December 2023	As at 31 December 2024
LTOU administrative office	270	325	389
VNO	124	124	124
KUN	107	128	140

PLQ	68	75	83
Total in the Company	569	652	736

CHART 12. Actual number of employees by Company structural divisions in the year 2024

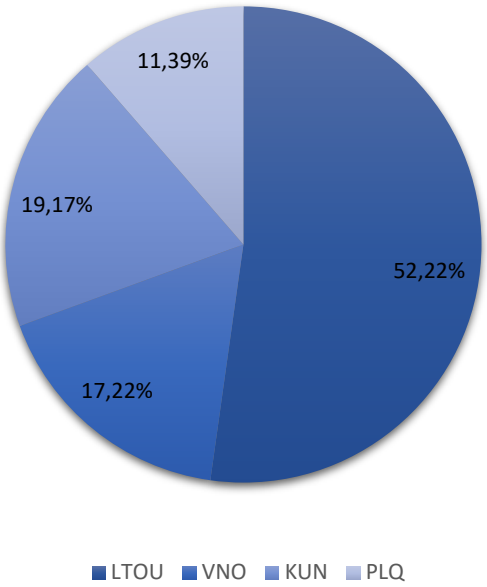
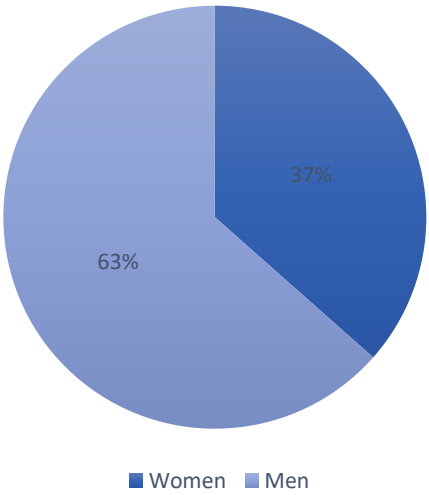


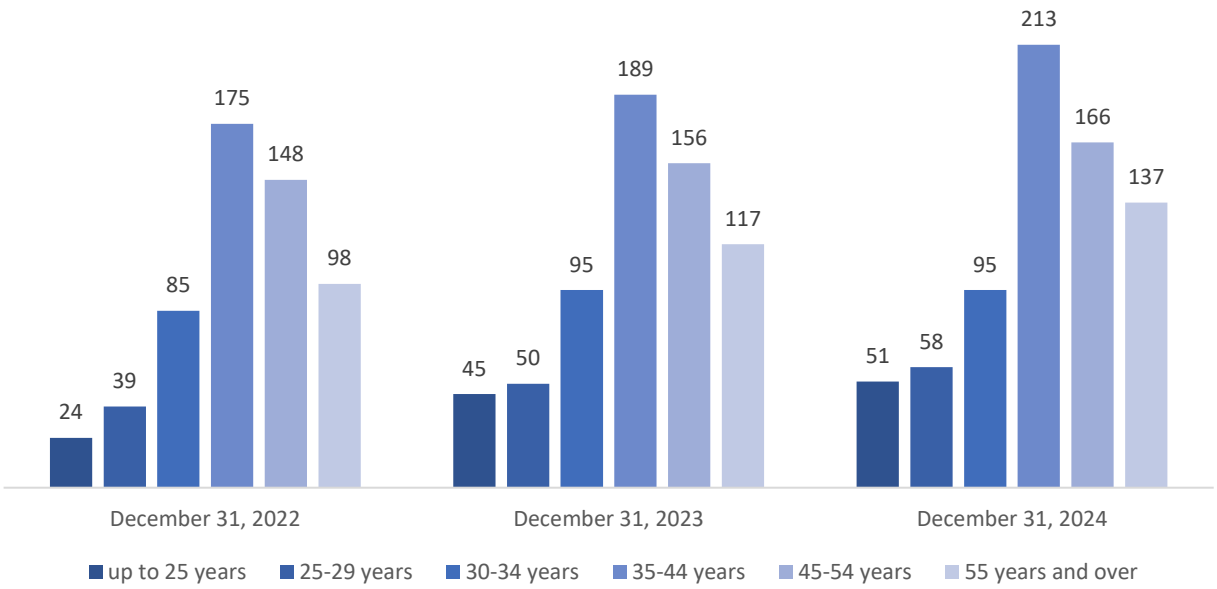
CHART 13. Actual employee distribution by gender in the year 2024



In 2024, the actual number of male employees increased by 7.44% (from 423 to 457) and the actual number of female employees increased by 12-93% (from 229 to 263). The proportions in the distribution of the actual number of employees as at 31 December 2024 changed by 2% compared to the same period in 2023, with men accounting for 63% of the actual number of employees, and women 37%.

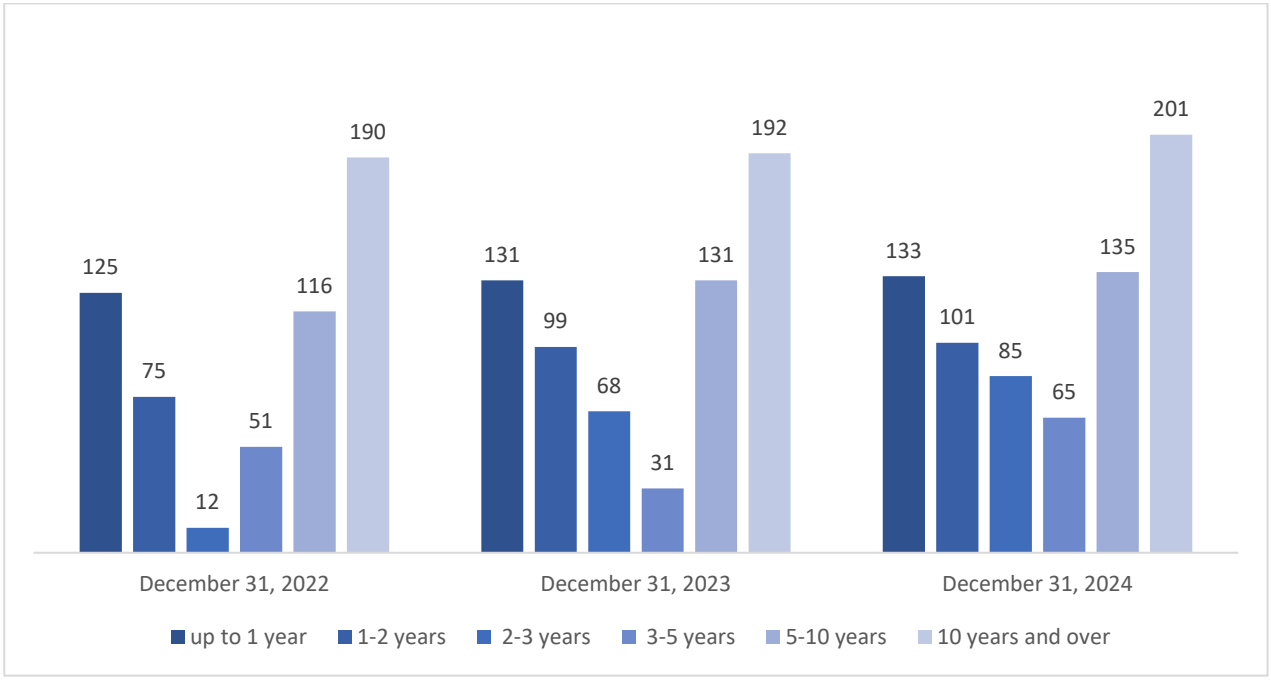
The majority of the Company's employees are aged between 35 and 54 years, with a total of 52.6% of employees in this age group as at 31 December 2024 (52.9% as at 31 December 2023). Comparing the figures as at 31 December 2024 with the same period in 2023, the number of employees in 2024 increased in all age groups, except for age group 30-34. The number of employees in this group has remained unchanged.

CHART 14. Distribution of employees by age



As at 31 December 2024, 27.525% of employees with more than 10 years of service were employed (2023: 29.45%), while those with less than 1 year of service accounted for 18.47% (2023: 20.1%).

CHART 15. Distribution of employees by work experience



9 Key Performance Indicators and Financial Highlights

The Company does not hold financial instruments for the purpose of financial risk management. The Company does not use hedging instruments qualifying for hedge accounting, and the Company's exposure to price risk, credit risk, liquidity risk and cash flow risk.

In 2024, revenues grew by 10% compared to 2023 due to an increase in aviation revenue, driven by passenger and flight growth, and 9% due to an increase in non-aviation revenue, driven by growing car parking rental revenue.

CHART 16. Evolution of aviation revenue 2022-2024 (EUR thousand)

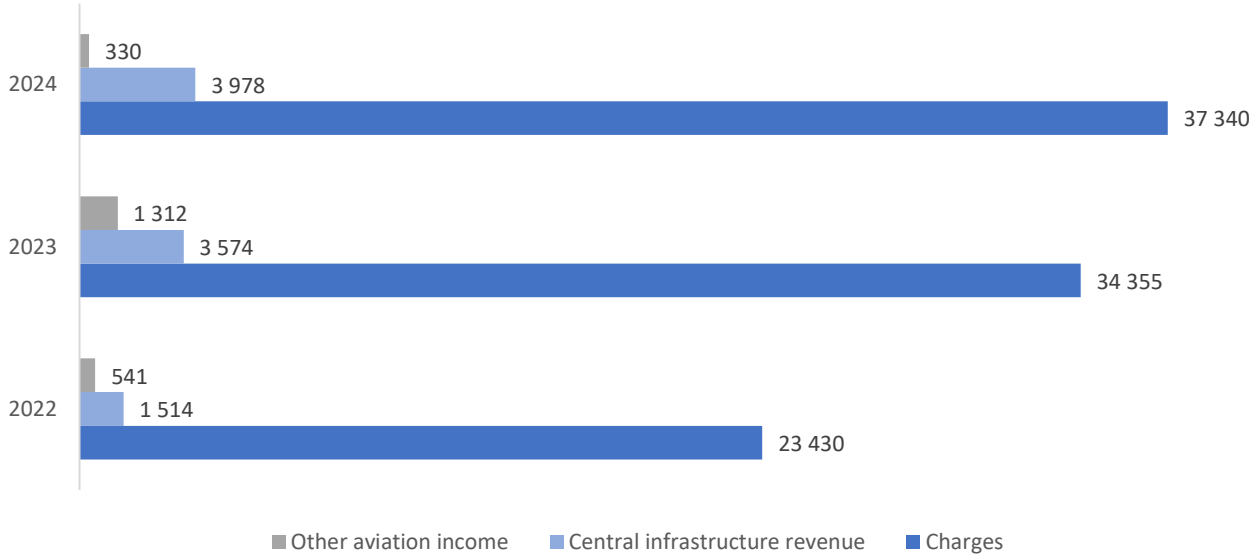
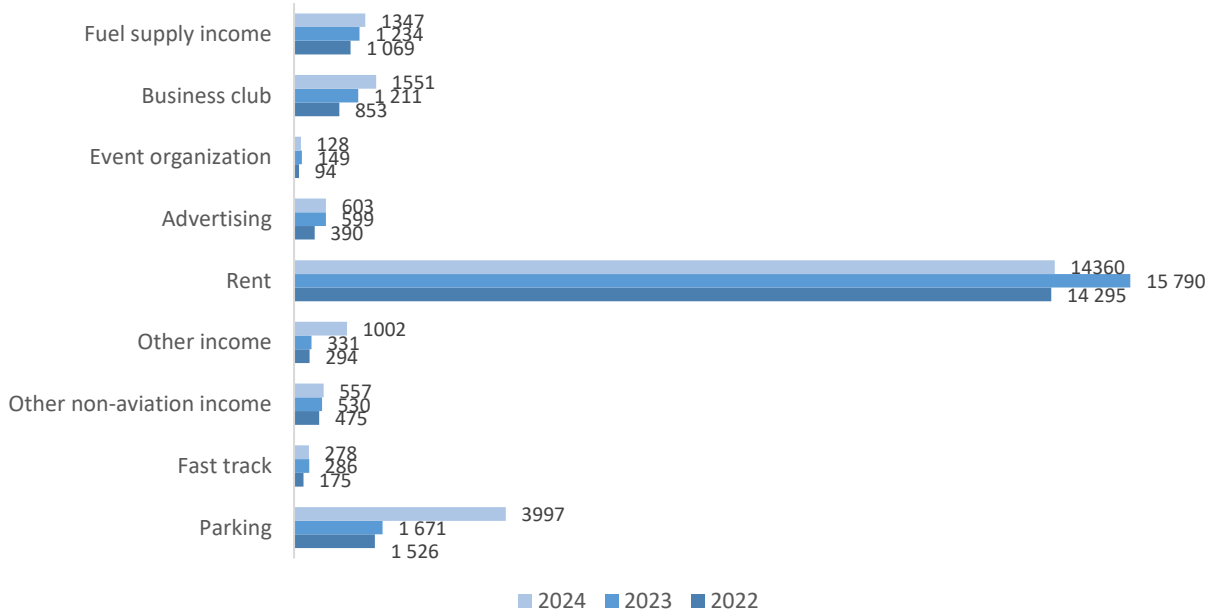
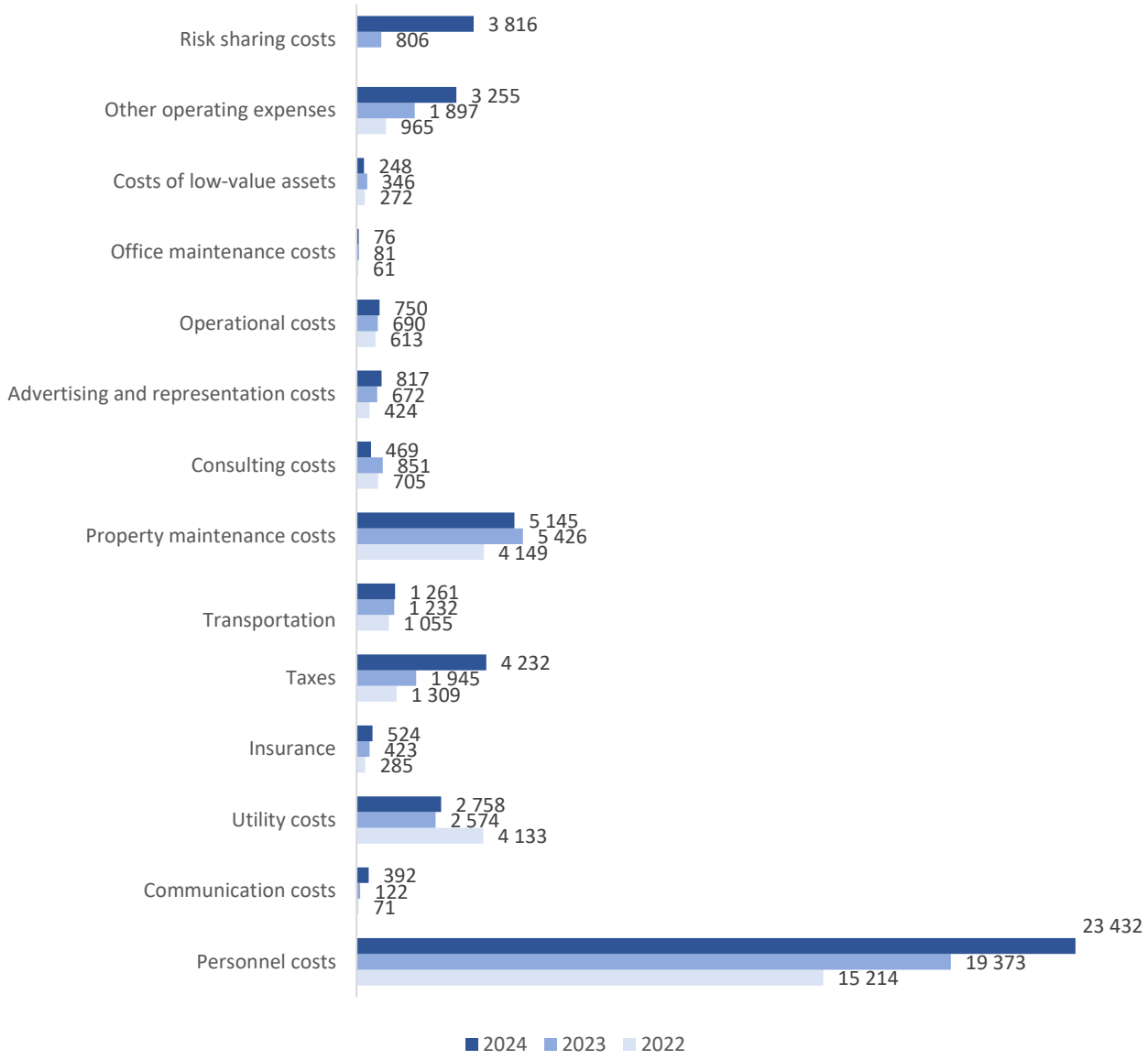


CHART 17. Evolution of non-aviation revenue 2022-2024 (EUR thousand)



Detailed information on the distribution and change of individual cost groups during 2022-2024 is provided.

CHART 18. Operating costs 2022-2024 (EUR thousand)



1. Retention 2024: compared to the previous year, the Company's employee costs increased by 21%. This is the increase in headcount as a result of the Company's growing activity (partly due to higher passenger traffic). The relative share in the Company's total operating costs was 50%.
2. Energy and utilities: in 2024, these costs increased by 7% due to higher passenger traffic compared to 2023.
3. Asset maintenance: costs decreased by 5% due to increased amount of investments.
4. Taxes: the Company has almost no impact on the tax expense line. After LTOU became public limited liability company, the Company calculates and pays property tax, which increased by EUR 1.4 million or 126%.
5. Advertising and representation costs: in 2024, these costs grew by 22% due to increased demand for publicity about the construction of the new terminal.
6. Transport costs: in 2024, transport costs rose by only 2% due to an increase in business volumes.
7. Operational costs: in 2024, these costs grew by only 9%. It should be noted that the cost of mobility-restricted services, which accounts for 80-90% of the costs in this group, is limited by contractual fixed commitments.

8. Consultancy services: In 2024, these costs decreased by 45% due to a decrease in the allocation of funds for various business and legal consultancy services, the implementation of projects and for the outsourcing of some tasks to external suppliers.
9. Costs of low-value assets: this part of the cost includes rent of assets (inventory), low-value assets, and workwear and uniforms. In 2024, these costs decreased by 28% due to reduced need for these costs (sourced last year).
10. Office costs: in 2024, the cost of maintaining an office also decreased by 6% due to reduced need compared to last year.
11. Risk-sharing expenses: EUR 3.8 million of costs incurred in 2024 (see 3.4 Route development model).

10 The Company's Main Financial Indicators and Their Analysis

The table below shows the main financial indicators of AB Lietuvos oro uostai and their changes over 3 years.

TABLE 21. Key financial indicators

Indicator	Calculation	2022	2023 (restated FS)	2024	2023/2024 change
Revenue (EUR thousand)	Company's gross income, including financial and other operating income	44,709	60,045	65,931	10%
Aviation revenue (EUR thousand)	Total aviation-related revenue	26,553	38,007	41,648	10%
Non-aviation revenue and other operating income (EUR thousand)	Total non-aviation revenue and other operating income	18,104	21,801	23,823	9%
Operating costs (EUR thousand)	Costs related to the management, administration, organization of sales, etc.	29,271	36,438	47,174	29%
Total costs (EUR thousand)	Total Company's costs, including depreciation, financial operating costs	38,153	56,293	61,122	9%
Risk-sharing model expenses (EUR thousand)	Risk-sharing model expenses (EUR thousand)	-	809	3,813	371%
Adjusted EBITDA (EUR thousand)	Earnings before interest, taxes, depreciation and amortisation	15,386	24,178	22,109	-9%
Adjusted EBITDA margin (%)	Profit before interest, taxes, depreciation and amortization/ (income)	34%	40%	34%	-6 pp
Net profit (loss) (EUR thousand)	Net profit of the Company after tax	6,556	4,191	11,202	167%
Profitability of operations (%)	Operating Profit (EBIT)/income	19%	13%	14%	1 pp
Net profitability (%)	Company net profit after tax// income	15%	7%	17%	10 pp

Return on assets (%)	Net profit (loss) after tax assets	2.8%	1.2%	2.8%	1.6 pp
Liquidity (generation)	Current assets / current liabilities	1.9	1.47	1.00	-0.47 times
Return on equity (%)	Net profit (loss) after tax/own equity	5.0%	2.6%	6.3%	3.7 pp
Asset turnover (times)	Sales revenue/assets	0.19	0.17	0.16	-0.01
Turnover of fixed assets (generation)	Sales revenue/ non-current assets	0.21	0.19	0.18	-0.01
Debt to equity ratio	(non-current borrowings + current borrowings)/(equity)	28%	30%	41%	11 pp
Equity-to-assets ratio	Equity/total assets	0.56	0.46	0.45	-0.01
Debt to EBITDA ratio*	(Payables and liabilities – cash and cash equivalents)/EBITDA	1.72	3.29	4.93	1.64 pp
Profit tax (EUR thousand)	Income tax	1,862	2,183	(3,287)	-251%
Dividends (EUR)	Dividend amount accrued and paid	4.7 M	3.0 M**		

* The amount of grants related to assets is eliminated from the total amount of liabilities.
** After becoming public limited liability company, LTOU calculates any pays dividends as of 1 September 2023.

In 2024, the Company's financial performance improved compared to 2023. Revenues grew by 10% or EUR 5.9 million. Both aviation and non-aviation revenue growth was driven by increased flight and passenger traffic. Operating costs grew accordingly (29%). LTOU's adjusted EBITDA decreased by 8% due to higher operating costs to avoid queues. The Company ended 2024 in the black with a profit of EUR 11.2 million (a 167% increase compared to 2023).

11 Annual Income And Costs Review in Respect of Services for Passengers with Reduced Mobility and Persons with Disabilities

Pursuant to Article 8 (6) of 5 July 2006 Regulation No 1107/2006 of the European Parliament and of the Council on the rights of disabled persons and persons with reduced mobility when travelling by air, AB Lietuvos oro uostai conducted an overview of the fee collected by persons with reduced mobility and the costs associated with this assistance.

The special fee for financing the aid applies to all VNO air carriers and is paid for each departing and arriving passenger, except for transit passengers and children under two years of age.

Air carriers operating scheduled flights from/to VNO and/or having existing aviation services agreements with the airport shall pay their charges on a monthly basis directly to the airport on the basis of an invoice issued on the basis of the operations provided to the Accounting section of the Operational control group data.

In their accounts, Lithuanian airports have separated their activities, including activities related to assistance to persons with disabilities and persons with reduced mobility (PRM). Accounting has separate accounts:

income and expenses from income and expense accounts of other activities. In 2024, LTOU received EUR 1,777.2 thousand in income for activities related to assistance to persons with disabilities and persons with reduced mobility.

Under Order No 1R-9 of CEO of 13 January 2017, Lithuanian Airports provide aviation and non-aviation services in Vilnius, Kaunas and Palanga airports in the course of its activities, and incurs costs related to the provision of services and their improvement. In order to separate the income and expenses of the services provided at the airports and their departments, the service, denoted by the activity code, and the structural unit, denoted by the division code, are indicated in LTOU's Accounting System. For each service, there must be a systematic, clear and transparent allocation of income and costs, which allows for the determining of the rates of the airport services, monitoring the profitability of the services, and making operations more efficient. Methods of attributing income and expenses to the Services are as follows:
Direct assignment: the assignment of department and activity codes is done by submitting documents (invoices, certificates on assignment, allocation of costs, etc.) to the accounting department.
Indirect allocation: the allocation of indirect costs according to the "discovered relationship", i.e. cost drivers between the Service and costs while maintaining the principles of objectivity, causality, constancy and transparency

These procedures provide for the principles of direct attribution of income and costs and the principles of indirect attribution of costs to services in accordance with the recommendations of the International Civil Aviation Organization (ICAO's Policies on Charges for Airports and Air Navigation Services, Doc. No 9082) on the determination of airport charges, including the linking of charges to costs principles.

Direct and indirect costs are assigned to each service:

$$Paslauga = TS + \sum (NS_n * N)$$

S - Airport costs incurred by providing the Service in question and depreciation of investments in connection with the provision and improvement of the service
TS - Directly attributable costs in the accounting system
S - Indirect costs attributable to cost centres
n - Cost centre allocated to PRM and other activities: ADMIN
N - Cost driver
In Table below, we provide detailed information on the costs incurred for servicing persons with reduced mobility and persons with disabilities at Vilnius Airport.

TABLE 22. Revenue and costs of VNO for servicing reduced mobility and disabled passengers during 2024

Expense type	Direct	Indirect	Total
IT costs	9,546.13		9,546.13
Office maintenance costs	1,830.54		1,830.54
Work tools and low-value inventory	1,411.61		1,411.61
Personnel expenses	389,963.91	850.00	390,813.91
Other operating expenses	5,283.42	0.87	5,284.29
Tax expenses	58,460.84		58,460.84
Operational costs	72,958.46	564,876.00	637,834.46
Purchased services	45,208.92	312.00	45,520.92
Expenses of financing and investing activities	45,652.57		45,652.57

Depreciation	56,567.98		56,567.98
Income taxes	-79,982.12		79,982.12
Cost of changes in the value of assets	-243.66		-243.66
Total costs	**606,658.6**	**566,038.87**	**1,172,697.47**
Revenue			**1,777,138.86**
Profit			**604,441.39**

VNO purchases services for reduced mobility and disabled passengers from outside in accordance with the contractual fixed monthly contributions. Meanwhile, the fee is calculated on the basis of the projected passenger traffic and the methodology for setting the fee approved by CEO of the airport. In 2024, PRM activities resulted in a profit of EUR 604.4 thousand. Since the service pricing methodology ensures that in the long term, the airport is not able to make a profit or suffer a loss from these activities, the full result of these activities will be transferred to the calculation of the fee for the next few years.

12. Overview of the Company's Performance and Development

12.1 Material resources, infrastructure

The Company's tangible resources, which are used for the achievement of its goals and objectives, are the Company's fixed assets, which comprise intangible assets and tangible assets: land, buildings and structures, vehicles, plant and equipment, investment property and other assets Property, plant and equipment of the LTOU represent 92% of the total value of non-current assets held by the Company in 2024.

The main part of the non-current assets managed by LTOU consists of land plots, terminals, airside structures, administrative premises and parking lots. The capacity and existing resources of airport infrastructure are detailed in the table below.

TABLE 23. LTOU Infrastructure capacity and existing resources

Capacities	Measurement units	VNO	KUN	PLQ
Number of runways	unit	1	1	1
Total runway area	m^2	162,150	189,600	119,600
Total area of the apron	m^2	369 978	225 340	64 693
Number of aircraft stands	unit	54	37	15
Total area of passenger terminals	m^2	34,742	7,327	4710
Total area of administrative buildings	m^2	1,500	6,314	392*
Airport Runway Capacity	Movements/h	24	18	12
Annual capacity of terminals	M of passengers/year	7.0	0.8 (2.0*)	0.33
Check-in Desks	unit	35	8	6
Number of boarding gates	unit	18	4	4
Number of Security gates	unit	7	3	2
Capacity of Aviation Security Gates	Passengers/h	1750	720	240
Capacity of baggage transportation and inspection system	Units/h	2400	720	120
Arrival baggage conveyors handing over	unit	5	1	2

Capacities	Measurement units	VNO	KUN	PLQ
Arrival baggage conveyor system capacity	Units/h	1080	1,200	240
Number of short-term, long-term and commercial parking spaces (after assessing competing Companies)	unit	1,830+1,848**	1,440+300**	582
Land plots managed by trust right	unit	7	2	3
Land plots managed by trust right	ha	343.2	437.4	161.9

** PLQ administrative premises are located in the passenger terminal building.*

*** With surrounding competitors.*

Taking into account the planned and ongoing development of the airport infrastructure and the changing needs and habits of passengers, as well as the activities of competitors and the stricter requirements of the authorities regulating the activities of airports, public procurements were carried out for the development of some essential technologies (departure baggage management system VNO, EDS devices, C3 devices with box return conveyors). These systems will ensure the needs of interested parties, respond to expectations and expand he possibilities of provided services. Innovative technological solutions at the stage of planning and procurement will allow the offering of new services (e.g. independent baggage drop-off system VNO and KUN) to passengers and will contribute to the proper implementation of the strategic goals of LTOU.

Currently, the Vilnius Airport reconstruction program is being implemented. The existing infrastructure is not adapted to the current passenger flow and does not meet the minimum passenger experience indicators, which are critical to expanding Lithuania's accessibility map by attracting new airlines and new destinations and maintaining passenger growth opportunities. Also, due to the tightening of safety requirements, it is necessary to update the baggage transportation and inspection systems, which do not fit in the premises of the current terminal. Table below presents a comparison of the current situation at Vilnius Airport with the International Air Transport Association (IATA) quality standard.

TABLE 24. VNO throughput limits

Indicators	Current situation	IATA Quality standard	Goal value
Check-in Desks	28	30	35
Aviation security and service area (sq. m/person)	0.65	1.00	1.20
Aviation Security Gates	7	-	7 (14*)
Passport control and departure service area (sq. m./person)	0.89	1.00	1.05
Passport control and arrival service area (sq. m./person)	0.54	1.00	1.15
Capacity of baggage transportation and inspection system (pcs. /hour)	2400	1427	2400
Number of Stands for Narrow Body Aircraft	35	-	36
Passenger Boarding Bridges (units)	7	-	7

* The first phase consists of 7 lines, but creates an area of 14 lines (the number of lines increases in line with passenger growth).

After the implementation of the reconstruction program, IATA quality standards will be achieved and the necessary infrastructure capacity will be ensured during peak periods.

12.2 Human resources

Ensuring key competences:

- A critical posts assessment project continues to identify critical posts and competences for the aviation sector and business continuity. Critical posts are regularly reviewed, their succession is assessed and development measures to maintain competences are planned.
- The Professional Qualification Compliance Division has been established with the main objective of ensuring compliance of the employee competences with aviation regulations, legal requirements, internal standards of the organisation and adequate professional training of employees.
- A mentoring programme is being developed to share best professional and practical expertise and build employee competences.
- Maintaining and increasing employee engagement:
- Continuous communication with employees on decisions and planned changes.
- Strong focus on maintaining employee engagement and motivation: events organised to build a sense of team; meetings between middle and senior management to identify areas for improvement in HRM; training to improve the emotional health of employees.
- In 2023, an employee engagement survey was carried out, areas for improvement were identified and actions to improve employee engagement were launched, such as updating the reward development policy and promoting internal career development.

To empower employees, their participation in the management of the Company is being strengthened; they are given greater responsibility in the LTOU's operational processes and budget management, and they are involved in major decision-making.

In 2024, changes to LTOU's organisational structure were implemented in order to improve the efficiency of the Company's management, to ensure business continuity in the context of the return to business volumes and to ensure the implementation of strategic projects.

Since 1 January 2024, the following changes to the organisational structure of the LTOU have been implemented as follows:

1. Aviation Services Division renamed to Flight Development Department.
2. Business processes and Risk Management Division renamed to Business Processes Management Division.
3. Economic Analysis and Regulation Division renamed to Planning and Analysis Division.
4. Passenger Experience Group was established in the Passenger Experience Management Division.
5. Professional Qualification Compliance Division was established in the Safety, Security and Resilience Department.

Since 1 April 2024, the following organizational changes were implemented at LTOU:

1. Training and Development Group in the Personnel and Administration Division was dissolved.
2. Two new groups were established in the Technology Support Division within the Development Department: Information Systems Group and Critical Systems Group.

13 RISK MANAGEMENT

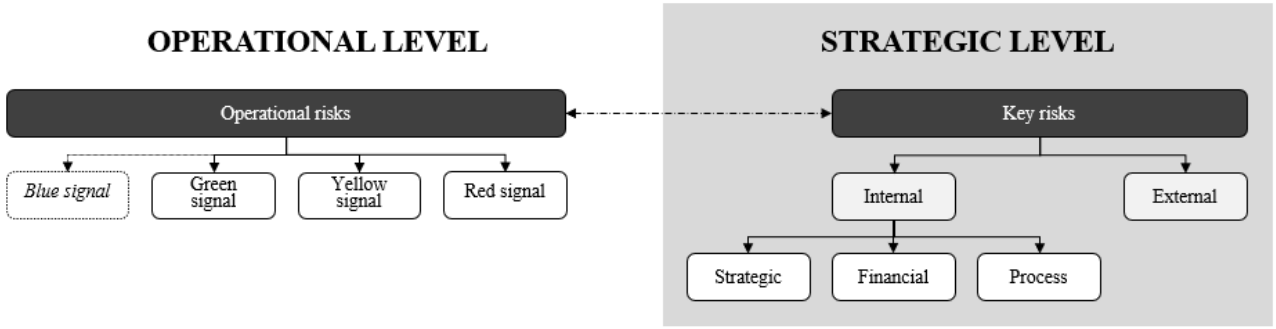
In April 2024, Head of Risk Management joined the team to ensure systematic developments in the of risk management.

Since Q2 2024, the risk management framework has been undergoing review and improvements. During the diagnostic and model development and testing, the elements/methods most relevant to the needs of the organisation were selected, taking into account the maturity of the area and the value to be created. A new risk management model was developed, focusing on organisational transformation and strategic goals. The model includes risks with both negative and positive effect.

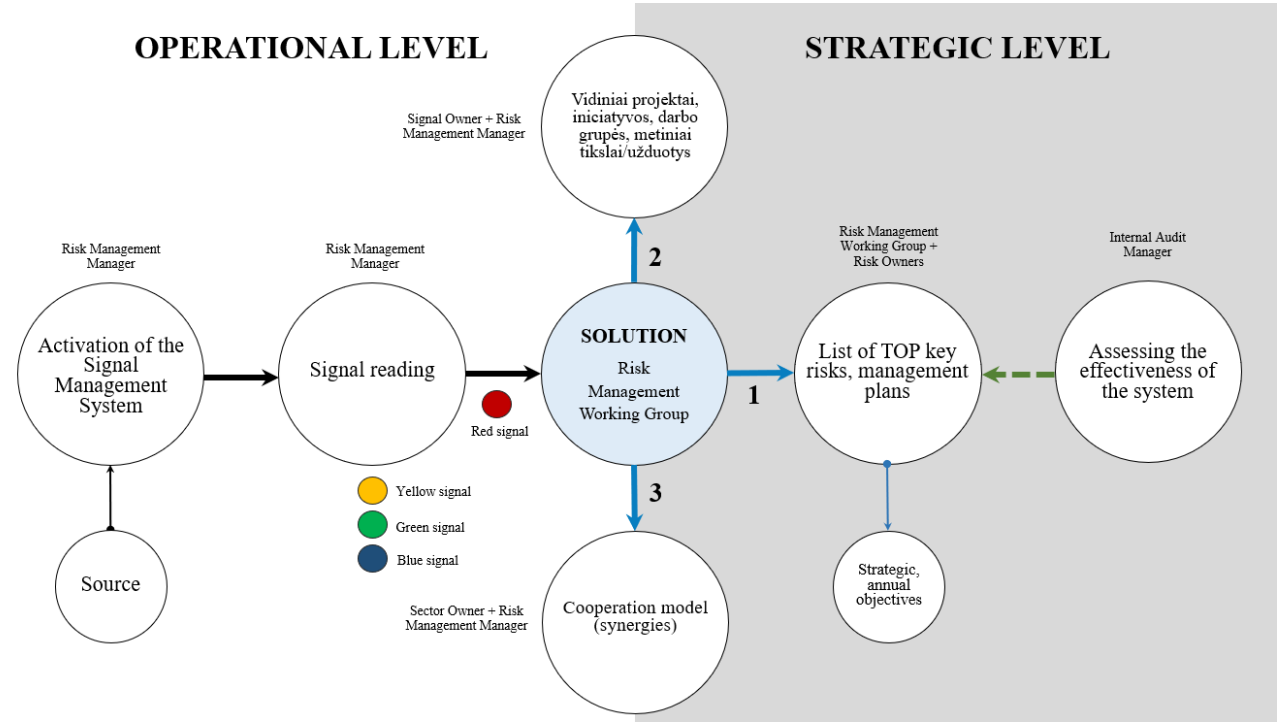
Given the specific nature and dynamics of the organisation's activities, it was decided to manage risks at two levels: operational and strategic. Risk identification and management is based on alerts.

A Head of Risk Management is responsible for coordinating the risk management process at operational level. At this level, the focus is on managing risks that have a low to medium impact on the organisation.

The Risk Management Working Group is responsible for coordinating the risk management process at strategic level. At this level, the focus is on managing risks that have a high impact on the organisation.



To ensure the effectiveness of the risk management model, responsible persons and process control points were identified at each stage, enabling proactive responses to changes and decision-making.



As of Q2 2024, 102 alerts have been identified in the organisation, on the basis of which risks with a high impact on the organization have been identified and submitted to the Risk Management Working Group. The calibration and assessment of the list of key risks is ongoing.

To ensure continuity in risk management, the existing list of key risks was used together with a new list developed with due regard for the organisation's new strategy, organisational structure, and long-term network development plan. The new list of key risks will be approved in early 2025.

Riks rating scale:

	IMPACT

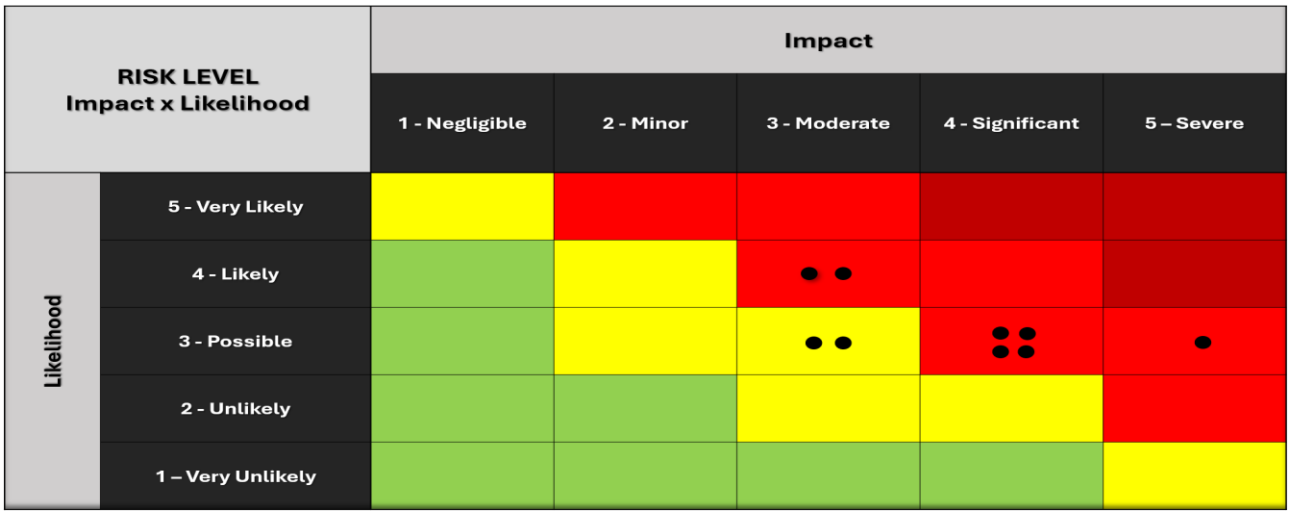
RISK LEVEL Impact x Likelihood		1 – Negligible	2 – Minor	3 - Moderate	4 - Significant	5 – Severe
Likelihood	5 - Very Likely	5	10	15	20	25
	4 - Likely	4	8	12	16	20
	3 - Possible	3	6	9	12	15
	2 – Unlikely	2	4	6	8	10
	1 – Very Unlikely	1	2	3	4	5

To ensure continuity, the following list of risks is used:

Risk	Explanation	Risk level
Market instability in energy resources	Due to geopolitical instability, the high volatility of energy prices affects the Company's financial outflows and the budget slippage affecting investments. Strategic objective: Develop safe and efficient infrastructure Indicator: Energy efficiency indicator	**15**
Non- implementation of the budget	Inadequate planning and monitoring of financial plans affects the Company's results, liquidity and infrastructure development. Strategic objective: Develop safe and efficient infrastructure Metrics: EBITDA margin	**12**
Credit Risk	Failure to properly assess credit risks leads to loss of income, shortages of working capital and an increase in bad debts	**12**
Legal dispute delays lease tenders	Legal disputes due to improperly drafted tender conditions prolong the tendering of leases, lead to loss of revenue	**12**
Poor passenger service by passenger service organisations	Poor passenger service due to inadequate agreements with partners affects reputation and the NPS score.	**12**
Loss of critical posts	Inadequate training of critical posts (inadequate planning of the need for new specialists, lack of trainers) leads to a shortage of critical posts, reducing the airport's passenger throughput and the earning potential of ancillary services Strategic objective: To act with unity and ambition in governance Indicator: Employee Engagement Index	**12**
Delays in strategic projects	Delays in strategic projects due to inadequate financing plans, staff shortages, delays by contractors and legal disputes lead to financial losses, loss of reputation and budgetary	**12**

Reduced passenger numbers	Inadequate supply of flights to meet customer demand and/or the expansion of flights by competing airports results in a reduction in LTOU's passenger numbers. Strategic objective: To be open and impartial in creating an attractive business environment Indicator: Number of passengers	**9**
Withdrawal of a significant partner	The withdrawal of a significant partner due to a failure to provide the right conditions affects the airport's operational security, restriction/stoppage of operations, passenger dissatisfaction, financial losses and reputational impact.	**9**

Risk mapping:



14 Significant Events after the End of the Financial Year

There were no any significant events after the reporting period up to the date of issue of these financial statements.

15 Sustainability

15.1.1 General information

This Sustainability Report of Lithuanian Airports (hereinafter the "Company"; LTOU), operating in Lithuania at Rodūnios rd. 10A, LT-02189 Vilnius, published in November, covers the period from 1 January 2024 to 31 December of the same year.

The LTOU Sustainability Report is an annual review of the Company's performance and achievements in environmental, social and governance (ESG) areas. The Report has been prepared in accordance with the Global Reporting Initiative (GRI) standards. The Sustainability Report is part of the LTOU Management Report 2024.

The Company's Management Report, together with the Sustainability Report, is first approved by the Board and then submitted to the shareholder for approval The Management Report is reviewed by an independent auditor. This report has been prepared in consultation with external experts and contains the best available data at the time of publication.

The information contained in the report complies with the requirements of the Social Responsibility Report of the Republic of Lithuania and with the European Commission's Guidelines for Non-Financial Reporting. The Sustainability Report presents our contribution to the Sustainable Development Goals of the United Nations and to the principles of the Global Compact. Contact us to enquire about the content of the Sustainability Report and LTOU's sustainability activities:

Sustainability Project Manager: Vilius Jorudas, v.jorudas@ltou.lt

15.1.2 Sustainability principles and commitments

In working on all three parts of the ESG, we follow the LTOU Sustainability Policy, which enshrines and announces our guiding principles for sustainable and responsible operations and guides our development of sustainability themes:

- We are guided by the company's vision, mission, values and strategic objectives in developing LTOU's sustainability directions and goals. We implement our sustainability strategy in three sustainability areas - environmental, social and economic - and aim to contribute directly to the Sustainable Development Goals.
- We adhere to the 10 principles of the Global Compact in the areas of human rights, workers' rights, the environment and anti-corruption.
- Contributing to the European Green Deal, the Paris Agreement, and the European Airports Net Zero initiative to reduce carbon emissions to zero by 2050. We are committed to becoming climate neutral by 2030 in terms of emissions from operations we can control (Scope 1 and Scope 2).
- In order to become climate neutral, we follow Airport Council International Europe's (ACI Europe) program Airport Carbon Accreditation (ACA) for assessing CO2 emissions and aim to move through all the steps of the program to the level of Neutrality - zero emissions from operations that the airport can control - through an offsetting mechanism.
- We adhere to the Airport Sustainability Declaration adopted on 31 October 2016, signed together with other international airports such as Chicago, Dallas, Rome, Amsterdam Schiphol, New York John F. Kennedy (JFKIAT), London Heathrow, London Gatwick and others. The Declaration's main objective is to strengthen the system of sustainable and resilient airports around the world through cooperation, transparency, innovation and engagement.
- SUSTAINABILITY POLICY
- AIRPORT SUSTAINABILITY DECLARATION

15.1.3 Sustainability management

The management of the Company's environmental, social and economic impacts is overseen by the Board. The Board shall consider and approve the draft strategic action plan, including sustainability objectives, prepared by the top management and reported to the Ministry of Transport and Communications. In 2023, action plans for strengthening LTOU's sustainability practices and their implementation were discussed at quarterly Board meetings.

Responsibility for sustainability in day-to-day operations and the preparation of sustainability reports is assigned to the Head of Communications, and coordination of each priority sustainability topic is assigned to the responsible employee. Half-yearly, annual and sustainability reports are presented to the Board and ongoing sustainability management issues are discussed at monthly Board meetings. The Company's Sustainability Report is integrated into the Annual and Performance Report, which is first approved by the Board and then by the Ministry of Transport.

Critical issues related to the company's sustainability can be brought to the attention of the Board during regular Board meetings and informal weekly meetings between the Board and CEO. In 2024, we observed an increase in pollution at one of the surface water outlets at Kaunas Airport. LTOU's Environment Protection Division, together with other responsible employees in the Company, took appropriate measures to identify the source of the pollution and to bring the pollution down as indicated in the pollution permit.

For more information on LTOU's governance structure and composition, see Management and structure | Lithuanian Airports (ltou.lt/en)

15.1.4 Double materiality

The sustainability of Lithuanian Airports is underpinned by the Company's strategy and a double materiality assessment carried out in Q3 2023. Considering the recommendations of the ACI Sustainability strategy for airports, the practices and insights of other airports (Tallinn, Helsinki, Riga, Stockholm, Copenhagen, etc.), the analysis of various trends, etc., 15 different sustainability themes relevant to Lithuanian airports were identified and evaluated by the company's internal experts and external consultants in terms of their impact and financial significance.

Stakeholders' involvement

The LTOU has identified five stakeholders (shareholder, customer, employee, public and partners). The stakeholders were presented with 15 sustainability topics of relevance to Lithuanian Airports. Each of the stakeholder was to be scored on a scale of 1 to 10 according to their relevance to the operations of LTOU. A total of 794 respondents were involved in the double materiality assessment: 17 shareholders, 45 partners, 85 employees and 647 members of the public.

The five most important sustainability topics for stakeholders according to the survey (from most to least important) are as follows:

1. Air safety and aviation security
2. Responsible governance
3. Passenger experience
4. Employee well-being
5. Sustainable transport

CHART 19. Double materiality assessment

The updated LTOU materiality assessment is structured around three strategic sustainability areas - environmental, social and governance - consisting of 15 interlinked sustainability strands. The strategic sustainability strands are long-term priorities that contribute to the sustainable achievement of the Company's business strategy objectives and performance indicators.

LTOU's priority sustainability topics are Flight Safety and Aviation Security, Safety of Airport Workers, Climate Change Impact and Adaptation, Employee Well-being and Responsible Governance.

It is important to underline that all sustainability themes are significant, i.e. giving a lower significance to the impact or financial axis does not imply that LTOU will not make efforts to fulfil the themes in this category.

For 2025, the Climate Change Risk Assessment Study is planned, after which we will re-perform the double materiality assessment to obtain more accurate information and to prepare for the sustainability reporting for 2025 under ESRS.

15.1.5 Sustainability objectives and targets

Our analysis identified 15 key environmental, social and economic sustainability themes that are most relevant to the company's operations. The management principles for all material sustainability topics are described in accordance with GRI requirements in the sections of this report, arranged by topic.

Having identified the main areas of impact of our activities, we have analysed and selected the Sustainable Development Goals (SDGs) to which we can contribute most in each area. The Sustainable Development Goals are a universal set of aspirations that set the direction for global economic, social and environmental development until 2030.

Our sustainability targets, objectives and the policies we follow are made public.

15.1.6 Sustainability risks and their management

The table below sets out the company's sustainability risks and their management. For 2025, we have set ourselves the objective of re-analysing/reviewing all sustainability risks and updating our management tools.

TABLE 25. Sustainability risks and their management in the Company

Risk	Risk management
Violations of environmental legislation	We continuously monitor environmental compliance indicators and apply corrective/preventive measures as needed.
	We allocate sufficient resources to meet environmental requirements.
The growing importance of the environment in society	In the LTOU Environmental Strategy, we have set out to go beyond compliance with minimum legal requirements.
	Spreading environmental ideas within the organisation, based on best practices at other airports.
	Agreeing on deadlines for the Environmental Strategy and Action Plans.
Limited financial resources for environmental projects	Considering and assessing the potential of the EU funds to support the introduction of environmental measures.
	Integrating environmental solutions into ongoing development projects.
	When proposing projects, we make forecasts of potential financial and non-financial value.
Limited human resources for environmental projects and/or employees turnover	We assess the scope of the planned activities and the human resources needed to implement them.
	Encourage the engagement of all employees in the implementation of the environmental strategy.
	Virtual storage of environmental information and copies of relevant documents available to responsible employees of LTOU.
Incidents of discrimination based on race, gender, religion, age, etc.	We initiate internal initiatives to promote diversity and inclusion.
	Creating and developing an ambassadorship program.
Incidents of corruption or conflict of interest	We run a corruption awareness education program.
	We conduct surveys on employees' perceptions and tolerance of corruption.
Community annoyance and complaints due to aircraft noise	Continuous noise monitoring is carried out at noise monitoring stations.
	We educate and communicate to communities about aircraft take-off and landing routes.
	We actively communicate about the applied noise abatement measures.
Non-compliance with applicable noise mitigation measures (engine testing, during departure procedures, etc.)	Monitoring of noise abatement procedures applied during take-off.
	We monitor and record aircraft flights statistics that do not meet standard instrument departure routes requirements.
	We monitor aircraft noise and submit annual noise monitoring reports with noise contour maps to the authorities every year.
	Analysis of annual noise contour maps allows us to predict and plan efficient noise mitigation actions.
	In the field of aircraft noise management, we cooperate with air navigation services provider State Enterprise Oro navigacija.
	Participating in Vilnius city spatial planning procedures.

15.1.7 Stakeholders' involvement

Engaging relevant parties and fostering good relations with them is at the heart of our business strategy. LTOU's key stakeholders are customers, shareholders, partners, colleagues and the public. Meeting the needs and expectations of these parties is crucial to the success of our strategy. The Company's strategy and sustainability orientations, and thus the content of this Report, are based on the main topics of interest to related parties. For more information on the stakeholder engagement, see our website.

TABLE 26. Stakeholders and their involvement

Stakeholders	Initiative/measure	Frequency	Priority sustainability topics*
Shareholder	Meetings	Regular	1 Security and safety 2 Passenger experience 3 Sustainable transport 4 Responsible governance 5 Energy
	Information letters	Weekly	
	Reports	On demand	
	Other	On demand	
Partners	Newsletters	Once a month	1 Security and safety 2 Responsible governance 3 Employee well-being 4 Noise 5 Joint projects for sustainability
	Events	Periodically	
	Information letters	Weekly	
	Conferences or route development forums	On demand	
	Airport Users Committee	On demand	
	Other	On demand	
Employees	Newsletters	Once a month	1. Employee well-being 2. Security and safety 3. Passenger experience 4. Responsible governance 5. Energy
	Quarterly meetings	Once in a quarter	
	Internal intranet	On demand	
	Internal events	On demand	
	Trainings	On demand	
	Shared email	On demand	
	Glossary	On demand	
	Displays for employees	On demand	
	Bulletin boards	On demand	
	Employees Council	On demand	
	Notification channels	On demand	
	Other	On demand	
Customers and society	Website	On demand	1. Security and safety 2. Responsible governance 3. Passenger experience 4. Employee well-being 5. Sustainable transport
	Media	On demand	
	Social networks	Daily	
	LinkedIn ambassadors	On demand	
	Events	On demand	
	Newsletters	Once a month	
	Call Centre	On demand	
	Notification channels	On demand	
	Displays	On demand	
	Audible notifications	On demand	
	Information boards	On demand	
	Marketing campaigns	On demand	
	Other	On demand	

*Note: Priority sustainability topics from the Stakeholder Survey, which we carried out as part of our double materiality assessment.

Stakeholders' expectations beyond sustainability are described in more detail on our website.

15.1.8 Associations and organizations

We are working towards LTOU's sustainability goals with the help of a wide range of partners and organizations, with whom we share best practice. We work with the following associations and organizations:

TABLE 27. Associations and organizations

LIETUVOS ĮVAIROVĖS CHARTIJA	Nevyriausybinė organizacija, vienijanti privataus, viešojo ir nevyriausybinio sektoriaus organizacijas, siekiančias kurti atvirą ir įtraukią darbo aplinką bei stiprinti savo socialinę atsakomybę. Su šia organizacija atliekame Įvairovės ir įtraukties apklausą, dalijamės gerosiomis praktikomis.
LAVA Lietuvos atsakingo verslo asociacija	Asociacija, jungianti įmones ir organizacijas, siekiančias diegti ir vadovautis darnaus vystymosi principais. Su LAVA konsultuojamės ir dalijamės gerosiomis praktikomis.
ACI AIRPORTS COUNCIL INTERNATIONAL	Organizacija, padedanti oro uostams siekti tvarumo tikslų pagal „Airport Carbon Accreditation" (ACA) programą. Tai tarptautinė oro uostų taryba, vykdanti keleivių pasitenkinimo tyrimą ir dalijimosi gerosiomis patirtimis programą, kurioje nuo 2016 m. dalyvauja Vilniaus oro uostas.
Maistobankas	Labdaros ir paramos fondas, renkantis paramą maistu ir dalinantis ją nepasiturinčiais žmonėmis besirūpinančioms organizacijoms. Vilniaus oro uoste dėl aviacinio saugumo standartų rankinio bagažo turiniui keliautojų paliekami daiktai yra ne išmetami, o per „Maisto banką" atrenkami ir perduodami nepasiturintiems žmonėms.
Lygių galimybių kontrolieriaus tarnyba	Nepriklausoma valstybės institucija, kurios vienas iš tikslų – užtikrinti, kad būtų laikomasi moterų ir vyrų lygių galimybių bei Lygių galimybių įstatymuose įtvirtinto asmenų diskriminacijos draudimo. Su taryba konsultuojamės ir dalijamės gerosiomis praktikomis.
PVPA	Lietuvos personalo profesionalus vienijanti visuomeninė organizacija, kuri siekia kelti personalo valdymo lygį ir efektyvumą Lietuvoje. Su asociacija konsultuojamės ir dalijamės gerosiomis praktikomis.

	Organizacija, kurianti ir taikanti socialines inovacijas, padedančias daugialypėje visuomenėje integruotis žmonėms iš įvairių pažeidžiamų socialinių grupių. Su šiuo institutu esame pasirašę neatlygintino bendradarbiavimo sutartį dėl automobilių stovėjimo prie terminalų, teikiant paslaugas keleiviams su negalia.
	Socialinė įdarbinimo agentūra, su kuria konsultuojamės dėl žmonių su specialiaisiais poreikiais įdarbinimo bei integracijos.
	Unikali paslauga, kuri padeda užtikrinti negalią turinčių žmonių kelionių organizavimą į ekonominio ir socialinio užimtumo vietas. Su „Socialiniu taksi" esame pasirašę neatlygintino bendradarbiavimo sutartį dėl automobilių stovėjimo prie terminalų, teikiant paslaugas keleiviams su negalia.
	Labdaros organizacija, su kuria esame pasirašę neatlygintino bendradarbiavimo sutartį dėl automobilių stovėjimo prie terminalų, teikiant paslaugas keleiviams su negalia.
	Ne pelno siekianti įstaiga, kurios pagrindinis tikslas – vykdyti užstato sistemos administratoriaus funkcijas, kaip numatyta Pakuočių ir pakuočių atliekų tvarkymo įstatyme. Įstaiga administruoja užstatą už vienkartines pakuotes, teikiant VIP terminalo bei Verslo klubo keleivių maitinimo paslaugas.
	Organizacija, teikianti socialinę pagalbą, kuriai perduodame keleivių paliktus ir per 6 mėn. neatsiimtus, bet dar tinkamus naudoti daiktus.

15.2. Taxonomy

Overview of compliance with the EU Taxonomy Regulation

The European Union (EU) Taxonomy Regulation (EU) 2020/852 and the delegated acts adopted pursuant to it (hereinafter "the Taxonomy") is a framework for classifying environmentally sustainable economic activities, with the aim of directing private investment towards environmentally sustainable activities that contribute to Europe's green ambition of becoming the first climate neutral continent. The taxonomy defines science-based criteria for assessing the sustainability of activities and sets out reporting obligations for companies.

The EU Taxonomy defines criteria for activities that contribute to these objectives:

- Climate change mitigation.
- Climate change adaptation.
- Sustainable use and protection of water and marine resources.
- Transition to a circular economy.
- Pollution prevention and control.

- Protection and restoration of biodiversity and ecosystems.

A taxonomy-eligible economic activity is defined as an activity that can contribute to at least one of the EU's environmental objectives, as described in the delegated acts of the Taxonomy Regulation, i.e. are included in the Taxonomy. It is important to note that the EU Taxonomy is not yet a comprehensive list of sustainable economic activities and related criteria, as many activities, including airport activities, are not yet defined in the Taxonomy.

A taxonomy-aligned activity is defined as an activity that meets the criteria of the Taxonomy's technical analysis, i.e. contributes significantly to at least one of the six environmental objectives and does not cause significant harm to the other five.

In this overview, we provide the best available information at the time of reporting on the taxonomy activities carried out and their compliance with the Taxonomy criteria, according to the main indicators: revenue, capital expenditure (Capex) and operating costs (Opex) (Tables 29-31).

We note that some of the wording and terminology of the Taxonomy and the delegated acts adopted under it are still subject to divergent interpretations and have not been formally clarified. We also foresee that over time the Regulation will become more detailed in terms of sustainable practices and criteria. In the future, the taxonomy activities we have identified and the methodology used to calculate indicators may change in the light of possible new official interpretations of the EU Taxonomy.

Determining taxonomy activities and calculating indicators

Our analysis of the activities identified that the LTOU is engaged in taxonomy activities that can contribute to climate change mitigation, adaptation and the transition to a circular economy. The Company does not carry out activities that could contribute to the other three environmental objectives.

Revenue

Part of the Company's revenue in 2024 corresponds to the following activities defined in the Taxonomy:

- Rental income from the rental of real estate premises – acquisition and ownership of buildings.
- Revenue from the maintenance of airfield runways, taxiways and aprons (including aircraft landing and parking fees) – maintenance of roads and motorways.
- Revenue from ground handling services (including passenger baggage claim/delivery revenue) – provision of ground handling services for air transport.
- Revenue from the supply of electricity to aircraft from stationary sources – low-carbon airport infrastructure.

The share of income from taxonomic activities is calculated by dividing the income from services related to taxonomic activities by the Company's total income.

CAPEX

Part of the Company's non-current assets asset additions during 2024 correspond to the following activities defined in the Taxonomy:

- Investments for the improvement of immovable property (buildings) – acquisition and ownership of buildings.
- New buildings – construction of new buildings.
- Modernisation of the baggage system – provision of air-ground transport services.

- Installation of solar power plant – installation, maintenance and repair of renewable energy technologies.
- Airside maintenance equipment – road and motorway maintenance.

The capital expenditure for taxonomy activities is calculated by dividing the investment related to the activities defined in the Taxonomy by the total capital expenditure.

OPEX

Taxonomy through 2024 corresponds to the following activities defined in the Taxonomy:

- Repair of buildings – acquisition and ownership of buildings.
- Airside maintenance – maintenance of roads and motorways.
- Baggage system repair and maintenance – provision of air transport ground services.

The EU Taxonomy's definition of operating expenses is much narrower than the definition normally used in financial accounting. According to the Taxonomy definition, we have only included the maintenance and upkeep of assets in the Opex denominator.

Taxonomy performance assessment

The assessment of the performance against the technical analysis criteria showed that the company's current activities only partially comply with the Taxonomy criteria and are therefore overall assessed as non-compliant. As we aim to contribute to the European Green Deal, we intend to take the Taxonomy Regulation into account in our future investment planning, so that as much of our activities as possible are classified as compliant.
No assessment of climate risks and operational vulnerability has been carried out at the Company level. Therefore, in this report, we provide an overall assessment that the Company's activities do not comply with the climate change adaptation criterion and do not assess compliance with the other criteria for non-material harm.

Minimum protection measures

According to the Taxonomy, economic activities can only be considered environmentally sustainable if they are carried out in compliance with minimum safeguards, as defined by the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights, including the International Labour Organisation's (ILO) Declaration on Fundamental Principles and Rights at Work, the ILO's eight core Conventions, and the International Charter of Human Rights. The Company has implemented these measures and therefore fulfils the minimum safeguards condition.

TABLE 28. Taxonomy activities identified in terms of revenue, CAPEX, OPEX and technical analysis criteria.

Activities	LTOU Taxonomy Indicator 2024	Technical analysis criteria - item number in Delegated Regulation (EU) 2021/2139
Acquisition and ownership of buildings	Revenue, CAPEX, OPEX	**(EU) 2021/2139** Annex I, point 7.7 **(EU) 2021/2139** Annex II, point 7.7
Low-carbon airport infrastructure	Revenue	**(EU) 2021/2139** Annex I, point 6.17
Provision of air transport ground handling services	Revenue, CAPEX, OPEX	**(EU) 2021/2139** Annex I, point 6.20
Road and motorway maintenance	Revenue, CAPEX, OPEX	**(EU) 2023/2486** Annex II, point 3.4
Construction of new buildings	CAPEX	**(EU) 2021/2139** Annex I, point 7.1 **(EU) 2021/2139** Annex II, point 7.1 **(EU) 2023/2486** Annex II, point 3.1
Installation, maintenance and repair of renewable energy technologies	CAPEX	**(EU) 2021/2139** Annex I, point 7.6 **(EU) 2021/2139** Annex II, point 7.6

TABLE 29. Revenues in 2024 by Taxonomy

				Substantial contribution criteria		Do-no-significant-harm criteria									
Economic activities	NACE	Absolute revenue in 2024	Percentage of revenue in 2024	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum protection measures	Percentage of taxonomy-aligned revenue in 2024	Category (eligible activity)	Category (transition activity)
		EUR thousand	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	Y
A. Taxonomy-eligible activities:															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Revenue of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%										0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Acquisition and ownership of buildings	L68	13,250	20%												
Low-carbon airport infrastructure	F41, F42	1,012	2%												
Provision of air transport ground handling services	H52	461	1%												
Road and motorway maintenance	F42	14,606	22%												

Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		29,329	45%	
TOTAL: A.1 + A.2		29,329	45%	
B. Taxonomy-non-eligible activities				
Revenue of Taxonomy-non-eligible activities (B)		36,136	55%	
TOTAL: A + B		65,465	100%	

TABLE 30. Capital Expenditure (Capex) by Taxonomy in 2024

				Substantial contribution criteria		Do-no-significant-harm criteria									
Economic activities	NACE	Absolute Capex in 2024	Percentage of Capex in 2024	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum protection measures	Percentage of taxonomy-aligned capital expenditure in 2024	Category (eligible activity)	Category (transition activity)
		EUR thousand	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	Y
A. Taxonomy-eligible activities:															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Capex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%										0%		

A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)						
Acquisition and ownership of buildings	L68	5,641	8%			
Construction of new buildings	F41	27,663	41%			
Installation, maintenance and repair of renewable energy technologies	F42, F43, M71, C16, C17, C22, C23, C25, C27, C28	1,073	2%			
Provision of air transport ground handling services	H52	3,222	5%			
Road and motorway maintenance	F42	15,268	23%			
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) **(A.2)**		52,867	79%			
TOTAL: A.1 + A.2		52,867	79%			
B. Taxonomy-non-eligible activities						
Capex of Taxonomy-non-eligible activities (B)		14,346	21%			
TOTAL: A + B		67,213	100%			

TABLE 31. Operating Costs (Opex) by Taxonomy in 2024

				Substantial contribution criteria		Do-no-significant-harm criteria									
Economic activities	NACE	Absolute Opex in 2024	Percentage of Opex in 2024	Climate change mitigation	Climate change adaptation	Climate change mitigation	Climate change adaptation	Water and marine resources	Circular economy	Pollution	Biodiversity and ecosystems	Minimum protection measures	Percentage of Taxonomy-aligned Opex in 2024	Category (eligible activity)	Category (transition activity)
		EUR thousand	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	E	Y
A. Taxonomy-eligible activities:															
A.1. Environmentally sustainable activities (Taxonomy-aligned)															
Opex of environmentally sustainable activities (Taxonomy-aligned) (A.1)		0	0%										0%		
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities)															
Acquisition and ownership of buildings	L68	140	0.3%												
Provision of air transport ground handling services	H52	89	0.2%												
Road and motorway maintenance	F42	2,079	5%												
Opex of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned activities) (A.2)		2,308	5%												
TOTAL: A.1 + A.2		2,308	5%												
B. Taxonomy-non-eligible activities															
Opex of Taxonomy eligible activities (B)		41,516	95%												
TOTAL: A + B		43,824	100%												

15.3 Environmental

Lithuanian Airports are of strategic importance, and our operations are therefore subject to strict environmental requirements set out in the legislation of the Republic of Lithuania and the European Union, as well as international standards applicable to our industry. In developing our activities, we aim to identify and manage the Company's environmental impact, create a responsible company culture and strategically pursue NET ZERO objectives.

Our main document for managing environmental impacts is our internal Environmental Strategy 2018-2028, which is guided by the globally recognised ACI Sustainability strategy. Our Environmental Strategy covers five activities from the environmental impact areas (climate change, resources, water, transport and biodiversity) of the ACI Sustainability Strategy's declared "balanced operating model". Since 2019, we have been tracking and publishing in our sustainability reports information on environmental indicators in line with the ACI Sustainability Strategy indicators. Environmental protection is a very broad area, covering many aspects of airport operations, and therefore a large number of indicators are monitored at Lithuanian airports. The main ones are presented in the table below and the GRI standards indicators are presented later in this chapter.

TABLE 32. Strategic environmental indicators

LTOU ENVIRONMENTAL KPI (corresponding to ACI Sustainability Strategy KPIs)	VNO				KUN				PLQ			
	2021	2022	2023	2024	2021	2022	2023	2024	2021	2022	2023	2024
CLIMATE CHANGE												
CO_2 emissions (Scope 1 and Scope 2) (t)	3586	2101	1538		1988	1554	1064		516	418	310	
CO_2 emission (Scope 1 and Scope 2) per passenger (kg of CO_2/passenger)	1.89	0.5	0.35		4.1	1.34	0.82		6	1.5	1	
Percent of green energy in total energy consumption	100	100	100	100	100	100	100	100	100	100	100	100
RESOURCES (WASTE)												
Waste generation (kg/passenger)	0.12	0.072	0.048	0.061	0.58	0.26	0.249	0.2	0.42	0.154	0.113	0.131
Amount of reused/recycled waste in the total stream (%)	20.3	21.1	32.68	7.42	3.82	7.67	10.91	13.39	6.33	20.2	24.59	40.7
WATER												
Water consumption (m^3/passenger)	0.019	0.017	0.011	0.013	0.019	0.010	0.012	0.165	0.019	0.009	0.007	0.006

* CO2 emission calculations for 2024 will be finalised in Q2 2025.

15.3.1 Climate change impact and adaptation (and sustainable transport)

Mitigation

We are linking our targets with the Paris agreement (2015) and the European Green Deal (2019), and in 2021 we joined the initiative Net Zero, together with other 324 European airports committing to achieve zero GHG emissions from the operations under our control by 2050 at the latest (considering emissions into the environment from operations over which the Company has control).

Why it matters to us

The increasing concentration of greenhouse gases (hereinafter GHGs and CO_2) in the atmosphere and the climate change they cause is one of the major global challenges of this century. Although globally, aviation accounts for only 2% of total GHG emissions, and in Europe only around 4% (with airports accounting for even less), if nothing is done, the sector's projected rapid expansion could lead to a tenfold increase in GHG emissions. According to some estimates, aviation CO_2 emissions could increase by a further fifth before they start to fall. Moreover, aviation is one of the most difficult sectors to decarbonise – some solutions may take decades to implement (e.g. hydrogen or electric long-haul aeroplanes), so it is essential to start early.

Our influence and ambitions

Emissions that have an impact on climate change are divided into three areas:

- Scope 1 - GHG emissions from direct airport operations that are within the airport's control.
- Scope 2 - GHG emissions from activities outside the airport's operations, which an airport can influence to some extent.
- Scope 3 - GHG emissions from our operational partners that are beyond the airport's direct control but which the airport can significantly influence: engaging partners in various initiatives (e.g. on the use of sustainable aviation fuels), imposing certain commitments in contracts with suppliers and others.

To ensure the sustainable development of the aviation sector and to maintain the benefits that aviation brings to the global community, the Air Transport Action Group (ATAG) has set a target of zero climate impact for all global civil aviation operations by 2050. This goal has been endorsed by the International Civil Aviation Organization (CAO) and committed to

by all ICAO Member States, including Lithuania. While air carriers account for the largest share of aviation GHG emissions, airports have a key role to play in the decarbonisation process, as they need to provide a sustainable infrastructure that is adapted to new solutions, whether it is sustainable aviation fuel supply, electrification or other solutions.

Climate change impacts are included in the LTOU Sustainability Policy.

The Strategic Action Plan includes two indicators:

Strategic goal/objectives	Indicator	2023F	2024F	2025P	2026P	2027P
Objective. Improve energy efficiency	Average electricity consumption (kWh per passenger)	1.88	1.55	1.48	1.38	1.38
Objective. Reduce the CO_2 footprint of airports	CO_2 emissions (Scope 1 and 2) (kg per passenger)	VNO 0.35 KUN 0.82 PLQ 1	VNO -- KUN -- PLQ --	VNO 0.7 KUN 1.1 PLQ 0.6	VNO 0.6 KUN 1.0 PLQ 0.5	VNO 0.5 KUN 0.9 PLQ 0.4

Indicators not included in the Strategic Action Plan but measured:

Objective	Indicator	2023F	2024F	2025P	2026P	2027P
Reduce the CO_2 footprint of airports	CO_2 emissions (Scope 1 and 2), (t)	VNO 1538 KUN 1064 PLQ 310	VNO -- KUN -- PLQ --	VNO 1022 KUN 684 PLQ 268	VNO 420 KUN 543 PLQ 232	VNO 359 KUN 413 PLQ 199

* CO2 emission calculations for 2024 will be finalised in Q2 2025.

CHART 20. GHG emissions in Lithuania by economic sector

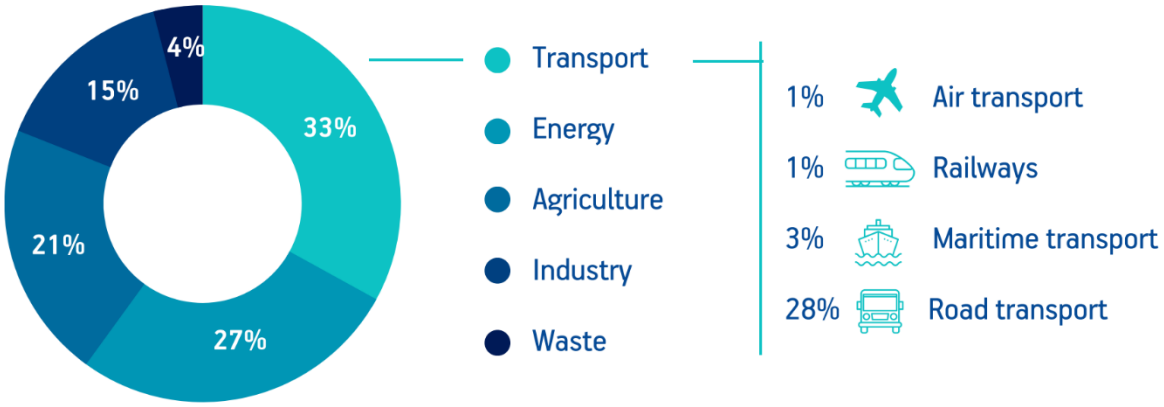
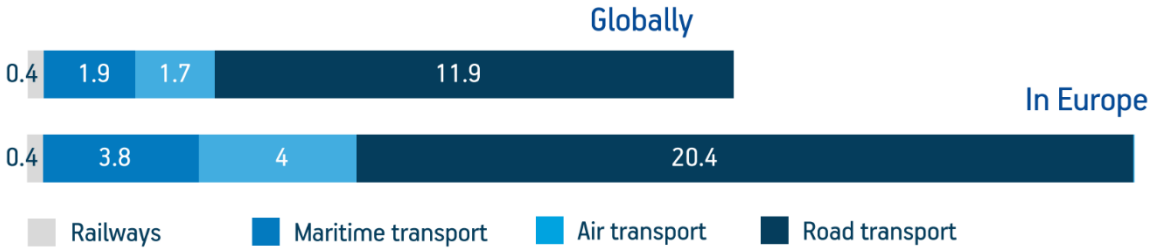


CHART 21. Contribution of the transport sector to GHG emissions



Achievements in 2024:

ACA programme

The main programme we use to calculate and reduce GHG emissions is the Airport Carbon Accreditation (ACA), a globally recognised, airport-specific programme developed by the Airport Council International Europe (ACI Europe). We report annually to meet the programme's requirements and develop CO_2 reduction plans. At least every two years, our GHG emissions calculations are verified by a certified programme assessor.

CHART 22. The basis of the Company's NET ZERO strategy

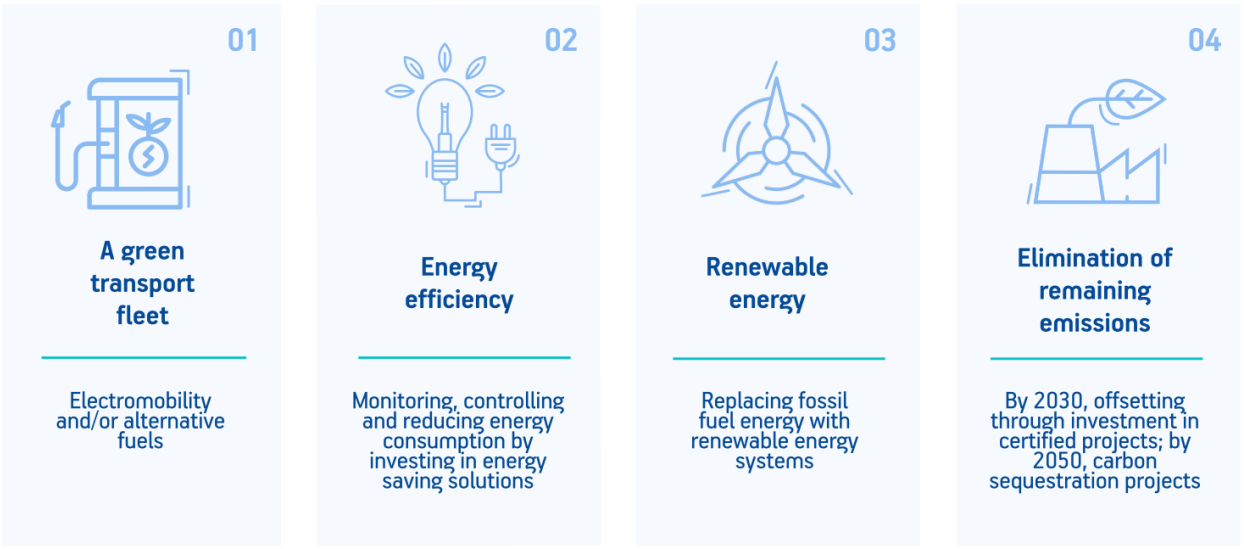


TABLE 33. Our GHG (CO2) emissions footprint

* CO2 emission calculations for 2024 will be finalised in Q2 2025.

GHG emissions		VNO			KUN			PLQ		
	Measurement units	2014	2023	Change from 2014[1]	2018	2023	Change from 2018[1]	2028	2023	Change from 2018[1]
Direct (Scope 1) emissions	t CO_2 eq	337	1,294[3]	+360[3]	668	689[4]	-154[4]	219	243[4]	-34
Indirect (Scope 2) emissions[2]		4031	244	-3787	840	375	-465	468	67	4-01
Other indirect (Scope 3) emissions[2]		n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d	n/d

[1]Base year: According to the ACA programme, the Base year is set as the starting point for setting CO2 reduction targets, and can be any year in which the data has been verified by a certified verifier. The first base year for VNO was 2014. The base year of KUN and PLQ is 2018.

[2] Scope 2 and Scope 3 Calculated using the market-based method, based on actual energy purchases. When calculated by the location-based method, i.e. according to the country-specific nature of energy production, in 2021, Scope 2 GHG emissions of the Company would be VNO: 753 t CO_{2eq}.; KUN: 88.5 t CO_{2eq}.; PLQ: 20.8 t CO_{2eq}.; Scope 3 VNO would be 26,998 t CO_{2eq}.

[3] In 2023, surface de-icing agents and Freons (582.5 t and 14.2 t of CO_2, respectively) were included in the calculation of VNO's Scope 1 emissions, so the change is estimated without including these emissions.
[4] In 2023, surface de-icing materials were included in the calculation of Scope 1 emissions for the KUN and PLQ (175.3 t and 57.7 t CO_2, respectively), and the change is therefore estimated without including these emissions
The calculated emissions include not only CO but also other greenhouse gases (CH_4, N_2,O) that are prevalent in the activity, converted to CO equivalent using standard factors.

Methodology for calculating GHG emissions

When calculating our CO_2 footprint, we follow the ACI Europe methodology and the calculator by ACERT, based on the widely accepted standard Greenhouse Gas Protocol (GHG) and the guidelines of the Intergovernmental Panel on Climate Change (IPCC).

The scope 3 emissions calculation includes the following types of activities
(1) Aircraft landing and take-off cycle up to 1,000 m altitude, taxiing, use of auxiliary power units, servicing, etc.
(2) Ground handling operations (passenger transportation at the airfield, de-icing operations, baggage unloading, etc.).
(3) Electricity and heat energy consumed by tenants.
(4) Business trips of LTOU employees.
(5) Land access to the airport.
(6) Waste management.

Scope 2 emissions of biogenic origin (e.g. from burning biofuel) are not excluded in LTOU: VNO purchases all heat energy from centralised heat networks, and KUN and PLQ have their own boilers fired with natural gas. We do not have data on Scope 3 emissions of biogenic origin, but the main polluters use mostly fossil-based fuels (aircraft – aviation fuel; ground handling companies – diesel and gasoline).

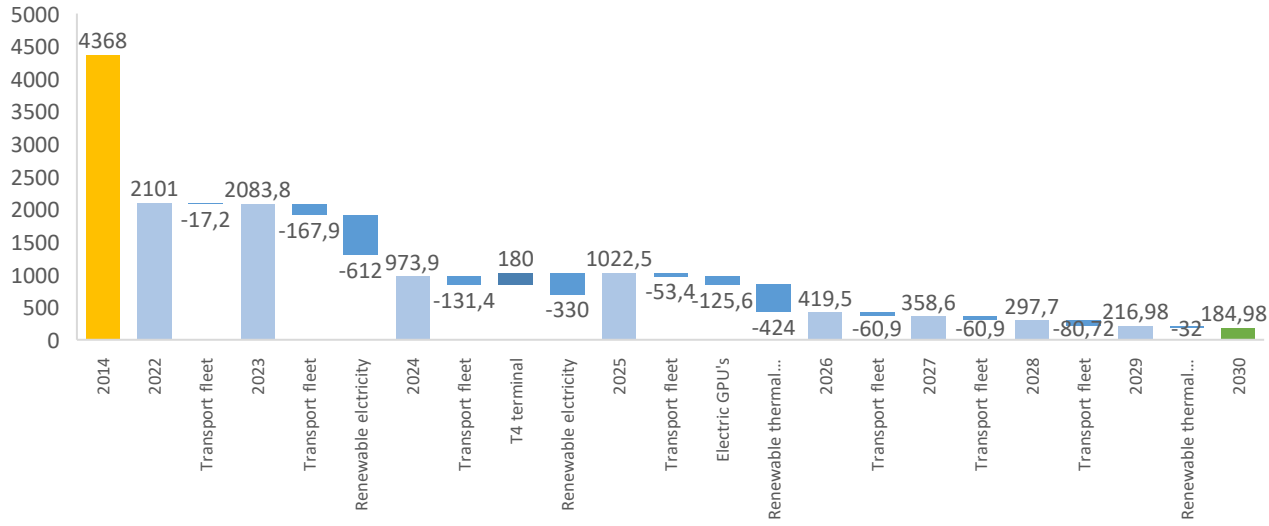
For the calculations, we used the emission factors (EF) and global warming potential (GWP) provided by ACERT. Source of EF for Scope 2 energy: latest available data for 2022, published by AIB European Residual Mixes (emission factor of 466.4 g CO_2/kWh for the "market-based approach" and 242.1 g CO_2/kWh for the "location-based approach"). For the calculation of CO_2 emissions from thermal power generation, EF has been calculated on the basis of data for 2023. We have divided the total CO_2 emissions of the district heating system of Vilnius city in 2023 by the amount of heat supplied in 2023, which totalled 2,843,000 MWh. The resulting EF is 0.09 kg CO_2/kWh.

GHG emission reductions achieved since the start of the calculation

To achieve CO_2 neutrality and zero emissions, it is necessary to link emissions to the Paris Agreement. According to these, airports must achieve at least 90% CO_2 reductions, taking 2010 as the starting point, or the first year in which CO_2 emissions were calculated. For VNO, the first CO_2 baseline year was 2014, while for KUN and PLQ, emissions started to be calculated from 2018.

The graphs show the decrease in CO_2 emissions (Scope 1 and Scope 2) for VNO, KUN and PLQ starting from the first base year, and the projected CO_2 reductions after the implementation of the measures foreseen in the NET ZERO Implementation Plan.

VNO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2014
2022
Transport fleet
2023
Transport fleet
Renewable elctricity
2024
Transport fleet
T4 terminal
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Renewable thermal...
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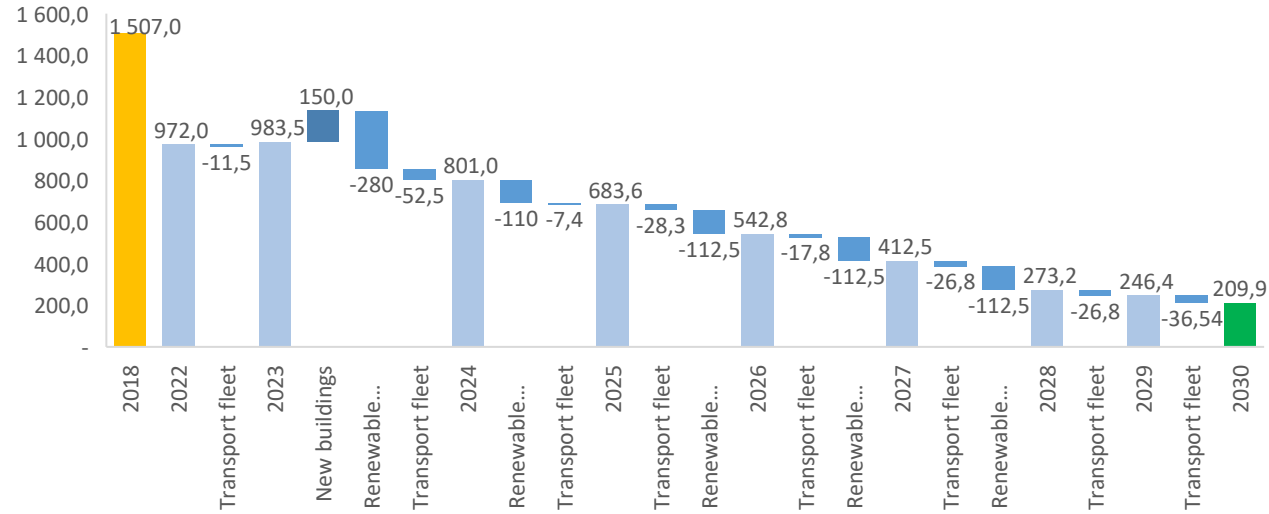
KUN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273,2
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2018
2022
Transport fleet
2023
New buildings
Renewable...
Transport fleet
2024
Renewable...
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Transport fleet
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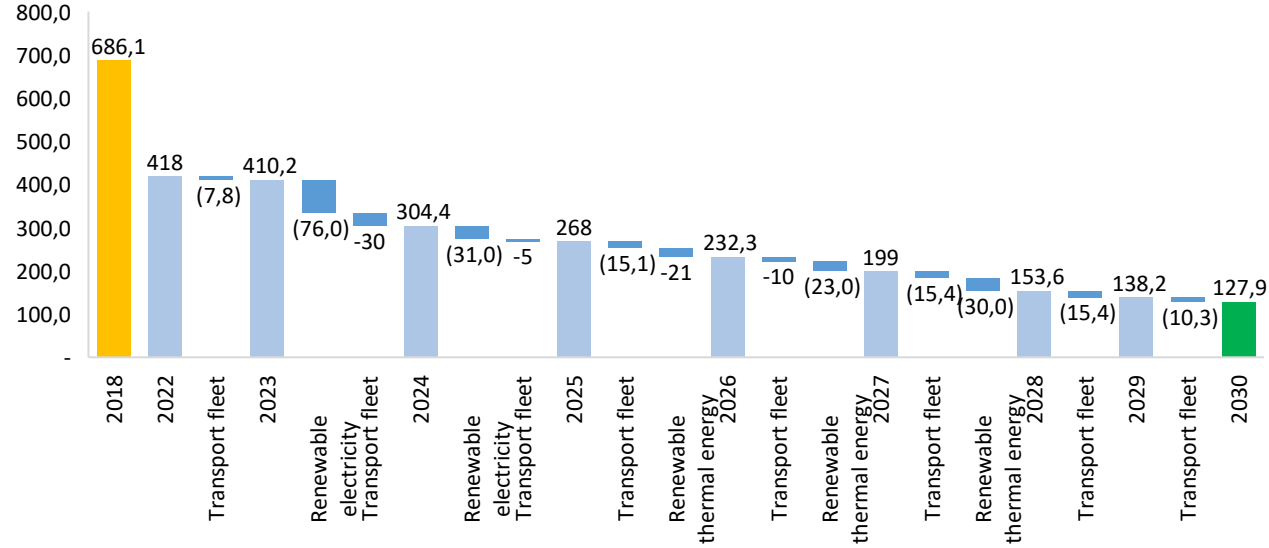
Transport fleet
2030

PLQ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-5
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(15,1)
-21
232,3
-10
(23,0)
199
(15,4)
(30,0)
153,6
(15,4)
138,2
(10,3)
127,9
2018
2022
Transport fleet
2023
Renewable electricity
Transport fleet
2024
Renewable electricity
Transport fleet
2025
Transport fleet
Renewable thermal energy
2026
Transport fleet
Renewable thermal energy
2027
Transport fleet
Renewable thermal energy
2028
Transport fleet
2029
Transport fleet
2030

Planned GHG reduction measures by 2030:

Vehicle fleet. We rent M1, M2 and N1 category cars for three years. With each lease renewal, we will increase the number of hybrid and electric cars, and by 2030, all cars in these categories will be electric. We will gradually upgrade special vehicles and equipment (fire trucks, tractors, snowploughs, lawnmowers, etc.), choosing the most sustainable alternatives available on the market. A new operating lease agreement in 2023 will reduce CO_2 emissions by around 36 t/year.

GPU By 2025, we will have replaced eight VNO mobile diesel GPUs with electric ones – CO2 will decrease by 125t.

Diesel produced from renewable sources In 2024, 30% of the fuel consumed by the vehicle fleet will be renewable diesel (223 t less CO_2). We will gradually increase the amount of renewable diesel until the LTOU fleet is climate-neutral (only electric and renewable diesel cars).

Thermal energy Until green power generation capacity is secured to meet LTOU's demand, we will purchase electricity from the grid with approved guarantees of energy origin.

Development of EV charging network By 2025 we will install a charging station with a total capacity of 1.08 MW on the territory of the VNO airfield for the charging of passenger electric buses; five double charging points and five three-phase power sockets with a total power of 0.36 MW for charging airfield special vehicles, equipment and mobile GPUs; 4 double 0.24 MW charging points for the transport of ground handling companies and other partners. At KUN, by 2025, we will have installed a 14-point charging station for charging electric buses, special airport vehicles and equipment, and partner cars with a total capacity of 1.32 MW. At PLQ, by 2025, we plan to install 3 charging stations (each with two 44 kW charging points) for charging electric buses, special airport vehicles and equipment, and partner cars.

Green electricity Until green power generation capacity is secured to meet LTOU's demand, we will purchase electricity from the grid with approved guarantees of energy origin (60% of electricity consumed for our own needs in 2023).

Own production of green energy We will aim for 100% of LTOU's total electricity demand to be covered by our own energy from renewable energy sources. We plan to use the undeveloped areas of the VNO, KUN and PLQ plots, the roof of the new VNO T4 terminal for the construction of photovoltaic cells, as an alternative we are also considering the construction and rental of remote power plants, etc.

Energy efficiency In order to reduce the amount of electricity and thermal energy consumed, we will apply various saving measures: we will use only LED lamps for lighting; we will install motion detectors in non-permanently used areas; and we will install temperature sensors to monitor the optimal temperature.

Sustainable building standards New buildings will be designed to meet the requirements of international building certification standards (BREEAM, LEED or others).

International projects

- HyAirports. This project is led by Hamburg Airport and its partners are airports from the Baltic Sea countries (Swedavia, Finavia, LTOU, Riga, Tallinn, Poznan airports, companies producing hydrogen fuel and developing hydrogen-powered aircraft - PowerCEll AB, SIA Gulfstream Oil). The aim of the project is to connect the Baltic Sea regions with existing aviation hubs and promote sustainable flights by developing a green hydrogen supply chain from production to fuel supply for aircraft or airport ground equipment. The project aims to strengthen Lithuanian airports' preparedness for hydrogen fuel deployment, anticipate the necessary infrastructure changes and explore various hydrogen applications. At least two pilot studies are planned - a test of a modified

hydrogen-powered snowplough and a demonstration flight of a hydrogen-powered aircraft from Hamburg Airport to one of the participating airports.

15.3.2 Water management

SOIL AND WATER CONSERVATION AND WASTEWATER MANAGEMENT

The operation of airports inevitably creates various sources of pollution that affect the state of the environment and local water bodies (for example, wastewater generated during processes such as de-icing of the surface and aircraft; and surface wastewater generated from the airfield area during rains). We monitor pollution sources, monitor and control their impact and constantly look for ways to implement measures to reduce the impact. Successful management of this impact helps to achieve strategic goals - reducing GHG emissions and risks related to environmental protection and legal compliance. Cooperation with business partners and tenants operating in our territories also has a considerable influence in this area.

We conduct monitoring of pollutants emitted and/or discharged with wastewater in accordance with the programs coordinated with the Environmental Protection Agency: at KUN and PLQ for surface and at VNO for industrial-communal wastewater. Research results are published on our website. Periodic tests of surface and production wastewater are conducted annually, once a quarter. At PLQ, we monitor the impact on underground water due to oil product storage operated in the territory, and we submit data to the Lithuanian Geological Survey every year. We have been granted pollution permits for our activities, and we pay taxes for pollutants entering the environment every year.

Water consumption

In all airports, we purchase drinking water under contracts from centralised water suppliers: at VNO from the company Vilniaus vandenys, at KUN from the company Giraitės vandenys and at PLQ from the company Palangos vandenys. The wastewater is discharged into the wastewater disposal systems of the same suppliers, through which it enters the treatment plants of the wastewater treatment companies.

At airports, the main consumption of drinking water:

- For domestic purposes (in the activities of trade, service provision and catering companies, business partners and administrative premises).
- For production purposes (washing vehicles, cleaning various technical premises and washing floors).

VNO drinking water is also used by firefighters for exercises, training, and firefighting. At KUN, we have a separate water system for extinguishing fires. Firefighters use water for exercising, training, and extinguishing fires from three fire reservoirs located on the territory of KUN, in which water is supplemented as needed from its own two wells located on the territory. We account for water extracted from wells according to meter readings. We pay taxes for the extraction of natural resources every quarter.

To ensure the reliability of KUN's water supply, a clean water tank with a level II lifting pump station has been built, from which water is supplied to airport users in the event of a water supply failure in the networks of the town of Karmėlava.

In all airports, we perform water accounting according to the readings of water meters installed on our premises. We calculate the amount of domestic wastewater discharged into the sewage network based on the amount of water used in each airport. All suppliers of drinking water ensure the operation of their water bodies, equipment maintenance and hygiene standards in accordance with the procedure established by legal acts. We do not control the suppliers' activity processes.

The amount of water consumed depends on the number of passengers, business partners operating in our territory and the area of the rented premises and the activities carried out in them. Together with our business partners, we are interested in saving water resources because the amount of taxes for communal services depends on it.

TABLE 34. Water consumption

Water	Measurement units	2024
Drinking water consumption (total):	ML (megalitres)	91.258
VNO		66.182
KUN		20.09
KUN extracted from own wells		2.527
PLQ		2.459

Wastewater management

Domestic sewage Wastewater generated during the activities of VNO and KUN airports is classified as industrial wastewater due to trade, service provision and catering companies operating in passenger terminals and other buildings. Also, industrial wastewater at VNO and KUN is generated during the cleaning of various premises: at VNO during the washing of airport vehicles in the car wash. At VNO, KUN and PLQ, domestic and/or industrial wastewater is discharged into centralised urban wastewater networks according to contracts.

TABLE 35. Domestic sewage

Wastewater	Measurement units	2024
Domestic sewage (total):	ML (megalitres)	76.565
VNO		56.806
KUN		17.30
PLQ		2.459
Surface stormwater (total):		709.0
VNO		452.1
KUN, of which:		216.28
To a stream of *Rykštynė*		11.63
To a stream of *Zversa*		115.35
To a stream of *Musinė*		89.29
PLQ, of which:		40.62
to the fire-fighting pond through outlet no. 1		5.85
to the fire-fighting pond through outlet no. 3		6.65
to *Ošupis* stream (flows into the Baltic Sea)		28.12

Note: VNO's breakdown of surface rainwater by receiving water bodies is not provided, as this data is not collected - all wastewater is discharged into surface wastewater tanks belonging to Grinda.

Surface sewage

TABLE 36. Surface sewage cleaning

VNO	The area has a surface wastewater collection system. About 60 ha (19.5%) of the territory is covered with artificial waterproof surfaces (aircraft runway, taxiways, parking lots, service roads and areas, buildings, etc.). The surface wastewater generated on these surfaces is mostly collected by the surface wastewater collection system and is led and discharged through two outfalls belonging to the company Grinda: through the northern outlet - into the centralised city surface wastewater networks, through the southern outlet - into the stream R2.
KUN	The surface wastewater collected from the surfaces of potentially polluted areas is cleaned in its own wastewater treatment facilities and through the eastern, western and northern outlets (No 1, 2, 5, respectively), it is discharged into the surface sewage networks, through which it enters the surface water bodies. Surface is 44.54 ha.
PLQ	Surface wastewater from potentially polluted areas is collected separately and sent to rainwater treatment plants (6 units), where they are cleaned of oil products and suspended substances and released into the natural environment through three outlets (firefighting surface water and wastewater collection pools). Surface is 22.72 ha.

Key initiatives:

- Following the reconstruction of VNO's northern apron, 2 dedicated aircraft de-icing sites with a special wastewater collection system are in operation. This system allows for the collection of wastewater contaminated by de-icing agents and its transfer to a wastewater treatment plant (recycling plant).
- In 2023, the construction of an automated recycling facility for aircraft de-icing wastewater was completed at VNO. This plant will recover propylene glycol, a material suitable for secondary use. This plant will recover propylene glycol, a material suitable for secondary use. This not only prevents the release of pollutants into soil and water but also helps to conserve resources and implement the principles of the circular economy. The wastewater treatment/recycling plant has been designed to have the capacity to accept future KUN and PLQ surface effluents.
- The expansion of KUN's northern apron was completed at the end of 2024. The reconstruction included the addition of about 4 ha of new pavements, together with a surface water management system. A surface water collection tank (168 m^3 capacity) was designed to discharge surface water with elevated glycol concentrations during the aircraft de-icing in winter season, thus preventing potential waste water pollution. As a result, the pollution permit and monitoring programme for KUN were updated and agreed with the Environmental Protection Agency.

15.3.3 Waste management

Promotion of the circular economy

Moving towards a circular economy that aims to minimise waste through reuse and repair, recycling, sustainable consumption and new business models is one of the goals of the European Green Deal. The stricter requirements for waste recycling and landfill reduction are closely linked to the EU's main ambition to become a climate-neutral continent. In our activities, we undertake to contribute to these goals and in the long term reduce the amount of waste entering landfills, improve waste management and sorting practices and increase the share of reused and recycled waste in the overall waste stream, including our partners and suppliers in these processes. In the future, we will also consider alternatives to energy production from waste. In the

future, we will also consider alternatives to energy production from waste. Waste prevention and reuse can help us reduce costs and our GHG emissions footprint.

In 2024, a waste generation survey of PLQ's partners/tenants of VNO, KUN and PLQ to identify waste streams and waste volumes. The results of this analysis will be relevant for the preparation of a Waste Management Strategy, which will aim to identify priority areas for the development of waste management activities based on the efficient and cost-effective implementation of waste management processes, taking into account the principles of the circular economy. During the preparation of the Waste Strategy, we plan to carry out a detailed analysis of the current situation, to identify indicators to measure progress in waste management, to set specific goals and targets and to develop an action plan.

Today, the topic of waste management is part of the main strategy of LTOU, included in our Strategy 2030, Net Zero Strategy 2023–2050, Environmental Strategy 2018–2028 and Strategic Action Plan 2024–2027. Since 2015, the topic of waste has been included in the Environmental Policy of LTOU. When organising waste accounting, sorting and handing over to waste handlers and other procedures, we follow the Waste Management procedure and procedure descriptions approved internally by the Company. Sustainability reports provide annual key waste management indicators.

Waste generation and associated impacts

Airport operations generate many different types of waste, such as municipal, industrial, international and other waste (see table). The generated waste types and flows are related not only to our activities but also to the activities of our business partners and companies providing aviation and non-aviation services and goods Some of the generated waste has special, stricter requirements (for example, quarantine waste generated in terminals serving international flights), the handling of which is organised by our business partners.

TABLE 37. Waste, origin and cleaning

Types of waste	Contents	Sources of waste	Party organising waste management
Municipal waste	Items used and discarded daily: aluminium and steel cans, glass bottles and containers, plastic bottles and containers, plastic packaging and bags, paper products and cardboard, etc.	Terminal waste — from public spaces and airport administrative offices; tenants' waste - from terminal retail trade, etc.; cargo waste - from loading operations; airline waste - from aeroplanes and airline offices.	LTOU
Construction and demolition waste	Concrete, wood, metals, soil, brick and masonry residues, asphalt concrete, mixed construction waste, insulating material, plasterboard, plastic, pipe waste, etc.	Earthworks, excavation, reconstruction, renovation and demolition works	Part of the management of this waste is organised by companies performing contract work, part by LTOU.
Biodegradable waste	Uneaten food or food waste	Food waste from terminals	Part of this waste management is organised by catering

			establishments operating in passenger terminals, part by LTOU
Airport environmental maintenance waste	Green waste - trees, bushes, grass clippings, leaves and similar vegetation. In LTOU this waste can be classified as municipal waste	It is formed by taking care of the landscape	LTOU
Hazardous and industrial waste	Oils, solvents and other chemical activity waste	Washing and cleaning of aircraft and ground vehicles, refuelling, maintenance and repair of aircraft and maintenance ofground vehicles	Part of this waste management is organised by aircraft maintenance companies, part by LTOU
Aircraft cabin waste	Cabin kitchen waste: waste and food carts and bags, tools, and food waste	From aircraft cabins, after passenger flights	Airlines
International waste	This is waste originating from countries with different requirements, policies and regulations. Such waste can cause plant pests, diseases and more	During international flights and in terminals serving international flights	Managed by operating partners: aircraft servicing or cargo transportation companies
Toilet waste	Contains chemicals and possible pathogenic microorganisms that may pose a risk to the environment and human health	From public spaces and airport administrative offices	The management of this waste is organised by aircraft maintenance companies.

TABLE 38. Waste generation 2024

Generating waste	2024		
	VNO	KUN	PLQ
Generated waste (total, tons), of which:	294.941	285.768	49.877
Municipal waste	270.02	223.473	15.0
Construction and demolition wastes	0	8.251	0
Organic waste	0.004	0	0
Non-hazardous and hazardous packaging waste	14.002	3.24	3.154
Waste electrical and electronic equipment, batteries and accumulators	2.863	0.238	4.311
Industrial hazardous and non- hazardous waste	2.732	50.566	23.915
Bulky waste (furniture, etc.)	5.32	0	3.497
Waste for which special requirements apply	0	0	0

Note: Waste generated from LTOU activities is accounted for through the GPAIS platform, in accordance with the Law on Waste Management of the Republic of Lithuania No VIII-787, Waste Management Rules No 217 and Waste Generation and Management Accounting and Reporting Rules No D1-367.

Waste management

The waste flows generated in the activities of LTOU are managed and processed in compliance with EU and national waste management legislation. When managing waste, we rely on recommendations and good practices drawn up by international organisations specifically for the airport sector. The waste generated in the activities of LTOU is sorted at the place of its generation, accounted for in the GPAIS system and, according to contracts, transferred to waste managers who have the right to manage it. We periodically perform controls of waste accounting and environmental internal audits of airport departments.

Key initiatives:

Recycling. Recycling. Paper, plastic and household waste sorting containers are placed in passenger terminals, their access points and administrative buildings, encouraging passengers and employees to sort waste. According to the contracts, LTOU tenants are obliged to collect and sort the waste generated during the activities carried out in the premises.

Reduction of plastic containers and packaging. We implement various initiatives aimed at reducing the use of single-use plastic: free drinking water stations have been installed at Vilnius Airport and only glass containers are used in the VIP terminal and the Business Club. Companies operating at the airport must aim to reduce single-use plastic products in their operations. Takeaway bags must be reusable or paper. In the future, we plan to expand this initiative and encourage LTOU activity partners to choose products and packaging of sustainable origin.

Reducing the wastage of food and hygiene products. At Vilnius Airport, due to aviation safety standards, the items left by travellers from confiscation of hand luggage are not thrown away but are selected and handed over to needy people through the organisation Maisto bankas. We are currently looking for solutions regarding the transfer of other abandoned items found at the airport to Maisto bankas or other charitable organisations.

TABLE 39. Products transferred to Maisto bankas

	Measurement units	2017	2018	2019	2020	2021	2022	2023	2024
Hygiene products, drinks or other items left at the airport that were handed over to Maisto bankas	kg	7,245.66	8187.37	5411.96	1834.06	2995.7	6575.4	1065.95	9868.1

Note: Data provided by Maisto bankas.

TABLE 40. Reused and recycled waste

Reused and recycled waste	2024		
	VNO	KUN	PLQ
Recyclable waste in the total waste stream, tons (%)	21.89 (7.42%)	38.27 (13.39%)	20.235 (40.57%)
Hazardous waste not disposed of in landfill, tons	2.2	46.23	20.35
Non-hazardous waste not disposed of in a landfill, tons	283.86	219.9	22.63

Note: We separate the part of waste suitable for recycling and secondary use and the amount of hazardous waste only in our generated waste stream. After transferring the waste to the waste handlers, we do not control the waste processing processes and do not collect data, so we cannot guarantee that all or part of the waste will be recycled or used for energy extraction after processing by the handlers. We plan to carry out a detailed analysis of the waste management process during supplier inspections during the preparation of the LTOU's Waste Management Strategy.

15.3.4 Biodiversity and territory planning

In 2023, Double Materiality Assessment found that biodiversity and spatial planning are important topics for our company, but they are not yet a priority and we do not have any specific targets for them at the moment.

In 2024, a new Airside Manual (description of procedures) was approved, with additional and revised measures for the wildlife control at airside.

It is important to note that no Lithuanian airport operates in or near biodiversity-protected areas (reserves).

Animal risk reduction plan

The current focus is on ensuring flight safety and reducing collisions with wildlife and birds. We have a number of measures in place to achieve this. Measures used at an airside to reduce the wildlife and birds risks to flight safety are divided into passive and active measures.

Active:

- Sound cannons for bird scaring are controlled by remote control.
- Audio equipment for bird alarm calls.
- Bird and animal scaring sound equipment on cars.
- Patrols.
- Green laser generation device.

Passive:

- Perimeter fencing.
- Making the airside area unattractive to wildlife and birds.
- Protecting household and food waste from wildlife and birds.
- Invertebrate removal from runway, RT and apron surfaces
- Maintenance of drainage systems.

We have put these measures in place based on:

- European Union Regulation 1108/2009.
- Annex 14 of the International Civil Aviation Organisation (ICAO) Convention.
- Airport Handbook (DOC 9137 - AN/898).
- International Bird Strike Committee (IBSC) guidelines for aerodromes.
- The Airports Council International (ACI) Guide to the Management of Animal Hazards at Aerodromes.

Each year we calculate the number of confirmed bird strikes per one 1,000 flights (number of strikes/number of flights per month).

TABLE 41. Collisions with birds

		2022			2023			2024		
		VNO	KUN	PLQ	VNO	KUN	PLQ	VNO	KUN	PLQ
Collisions, total pcs.		13	12	4	9	9	6	9	10	11
Number of collisions. per 1,000 flights	Objective	0.25	0.92	0	0.35	0.97	0.86			
	Fact	0.35	0.98	0.87	0.23	0.61	1.49	0.21	0.9	2.5

Increasing biodiversity

In 2025, we plan to take additional actions to improve the Biodiversity Index beyond reducing the risk of a wildlife strike. One of the planned measures is the installation of beehives on the roofs of the administrative buildings outside the airfield. Thereby we will seek to increase the biodiversity of the surrounding areas. We are consulting the company Miesto Bitininkai on this matter.

15.3.5 Air quality

Around a third of people living in cities breathe air with pollution levels above EU and national legislation. Pollutants specific to urban environments such as NOx, PM10 and PM2.5 are also associated with airport activities: aircraft and vehicle movements on airfields, the use of ground-based equipment and generators, etc. The European Green Deal states that “air quality in the vicinity of airports should be improved by reducing emissions from aircraft and airport activities”.

To assess and identify measures to improve ambient air pollution, in the summer and winter periods of 2024, we carried out measurements of ambient air pollutants such as NOx, PM10, PM2.5 and black carbon at Vilnius Airport (a busy aerodrome area) (see Fig. 1). The measurement showed that none of the pollutants were present at concentrations that none of the pollutants were present at concentrations at or above the maximum permissible levels for both short (single) and long (daily) periods. The results of the black carbon measurements showed that the largest part of this pollution is due to transport emissions(89% in summer, and 79% in winter).

The low concentrations of ambient air pollutants at the aerodrome suggest that in the residential areas adjacent to the airport, ambient air pollution is more likely to be influenced by emissions from car traffic. Nevertheless, LTOU plans to further continue the frequency of ambient air pollutant measurements. In the

future, similar measurement sessions will also be carried out at Kaunas and Palanga airports to reflect the potential impact of the growing number of flights.

Measures planned to mitigate climate change as described in the Climate Change impacts and Adaptation topic (e.g. phasing out diesel GPUs, electrification of transport, etc.) will also have a positive impact on ambient air pollution in the airport environment.

Fig. 1. Place of air sampling at VNO (54.64182924285524, 25.280042639077653), defined by a red circle (near the eastern wall of the premises of AB Oro navigacija).

15.4 Social

15.4.1 Flight safety and aviation security (and personal data protection)

Aviation safety, like security, is a fundamental condition for the success of our operations. The Company implements a safety policy approved by the Supervisory Authority (TKA) and an Internal Aviation Security Program prepared based on the requirements of the International Civil Aviation Organization (ICAO). The program includes actions and measures for the development and nurturing of a safety culture. All partners of LTOU's aviation activities are also involved in ensuring safety and security.

By improving security procedures and strengthening cyber security at airports, we constantly implement new technological solutions, cooperate and share good practices with responsible state institutions. In order to make safety even more clearly perceived among employees as part of the organisational culture, we plan to pay more attention to it in internal communication.

Safety

At airports, we must ensure the highest level of safety in all flight and ground operations: to prevent dangerous situations from arising and to eliminate the possibility of accidents and incidents. Safety management at LTOU complies with the requirements of the European Aviation Safety Agency (EASA). All airports are subject to a

Safety Management System (SMS) approved by Competent Authority of which the Safety Policy is a component. The Policy defines that safety is the Company's highest priority over any commercial, operational, environmental or social interest.

All LTOU aviation partners are subject to the same regulations (based on the scope of their activities), safety requirements and the same principles of the safety management system, in order to ensure the continuous improvement of the level of safety and the efficiency of the system.

Strategic safety objective

Although 2024 was characterised by increasing flight activity, a large amount of change management (VNO's T4 reconstruction phases, KUN's north apron expansion, etc.), the total Level of Safety Performance (LoSP) at all three airfields reached 85.24%.
Atypical wildlife activity (SPI 7 and SPI 21) and airfield traffic incidents had a significant impact on the indicator. All reported incidents were subject to safety investigations with corresponding conclusions for safety improvement. These areas will continue to receive additional attention in 2025.

Control of airfield safety compliance with applicable EASA requirements is ensured through inspections of airfield operations and operational partners. 76 safety compliance inspections were carried out in 2024 and 109 inspections are scheduled for 2025.

The safety management systems, the established methodology for monitoring safety performance, the Safety Performance Targets (SPT) and the Safety Performance Indicators (SPI) in the daily operations allow for the rapid identification of operational activities with increasing risks related to flight safety or ground operations and for their timely management through the identification of risk mitigation measures.

In all three airports, the LoSP consists of a set of 27 different activities and the associated risk indicators (e.g. SPI03 - runway incursions per 1,000 flights) and the combined average of all three airports are included in the strategic plan of LTOU.

In order to ensure safety improvement, the indicator value is set at a relevant higher level for each calendar year compared to the previous calendar year, resulting in a target LoSP of 89.17% for 2025.

Safety Policy

The Safety Policy clearly defines aviation safety as the company's highest priority over any commercial, operational, environmental or social interest. It aims to:

- Maintain an acceptable level of safety and, where possible, improve it in all areas of aerodrome operations.
- Reduce the possibility of any accidents, occurrences or incidents as far as reasonably practicable.

This policy is periodically reviewed to ensure its relevance and appropriateness.

Safety risk management process

We consider the Safety Management System to be based on a safety risk management process that proactively identifies potential flight safety hazards and associated risks, which allows for the timely identification of risk

mitigation measures and ways to manage them. This process is often not possible to carry out alone, due to the need for different competencies and knowledge, and therefore, safety teams are formed from the Company's individual departments and partners operating at the aerodromes (air navigation services and ground handling service providers, representatives of air carriers, maintenance organisations, etc.).

Each aerodrome has its own safety committee, whose main task is to proactively manage the risks identified in the aerodrome's operational activities. The Safety Committee and the involvement of its members create the opportunity to hear and value the comments, opinions and suggestions of all the employees who are confronted on a daily basis with already identified and new hazards in the course of performing their roles in the dynamic environment of aerodrome operations.

In order to ensure the fastest possible continuous improvement in the identification and management of risks, a process of digitisation of the entire safety management system was launched in 2024, which will ensure faster feedback to reporting providers, allow more efficient systematisation and processing of identified threats, speed up the dissemination of information and more.

National and cyber security

Ensuring business continuity and resilience is one of the strategic directions of the Company's Strategy by 2028. Key initiatives in this area include strengthening cybersecurity, enhancing the resilience of physical and digital infrastructure and playing an active role in national security.

LTOU is a Category 1 national security company, providing services of critical importance and managing infrastructure of strategic importance for national security. National legislation provides the basis for the Company's internal regulations and processes, detailing our operational procedures, risk identification and management processes, etc. As a Category 1 national security company, the Company has also developed and agreed with the competent authorities on a security plan, which includes measures for physical, cyber, personnel security, information confidentiality, etc. The security plan, of an undertaking of national security importance, shall also identify the assets that are important for the protection of national security in the context of important activities.

Topic management

The management of national security issues is described in the description of the processes for the management of transactions, destruction of assets and compliance of persons with the criteria of national security interests and prevention of corruption, which has been prepared in accordance with the Law on the Protection of Objects Critical to National Security of the Republic of Lithuania, and with the other legal acts, on the basis of which the screening of persons, investors and transactions is carried out.

In recent years, the Company has focused on counterparty due diligence process and implementation of international sanctions:

- Developed the Description Of International Sanctions Implementation.
- Developed a screening process for Business Partners and implemented a Know Your Customer (KYC) procedure to ensure that the Company's Business Partners

are not subject to international and national sanctions and that the Business Partner does not pose risks to national security or reputational risks. The Business Partner screening procedure covers all the areas of activities before the conclusion and renewal of contracts, as well as periodic screening procedures for existing Business Partners are also provided.

In ensuring cyber security and information security, we are guided by the Law on Cyber Security of the Republic of Lithuania and the legal acts detailing it, as well as by the Company's internal documents on information safety and cybersecurity. We apply good cyber security practices in our activities, continuously improve and implement additional security measures, communicate regularly on these issues and encourage a responsible attitude from employees towards information security and cyber security. Periodically, both internal and external inspections and compliance and risk assessments are carried out in the area of cyber security by controlling authorities. We manage identified risks and implement recommendations by improving measures applied, internal procedures and legislation and continuously introducing new best practices.

In 2024, to further strengthen cybersecurity, new security information and incident monitoring and management solutions were launched to further improve the detection, analysis and response to cyber-incidents.

In 2024, we continued our cooperation with the relevant government authorities and participated in the Cyber Shield 2024 cyber security exercise.

To strengthen employee vigilance and ability to identify cyber threats, LTOU participated in three PhishEx exercise. In addition, to enhance the ability of its employees to detect, investigate and prevent cyber-incidents, LTOU joined an OpEx exercise to simulate real-time cyber-incidents to test the effectiveness of the response to threats. In addition, our cyber security officer also participated in the NATO cyber defence exercise Locked Shields 2024, and thus contributed to international capacity building by protecting strategic information technology systems from sophisticated cyber-attacks.

LTOU CYBER

The LTOU has a cyber incident management and response team - LTOU CYBER.

This group consists of specialists from different structural units with diverse experience in different areas of the company's activities (IT support, IT development, application of national and foreign law, corruption/crime prevention, cyber security/resilience, etc.).

The objective of the team is to adequately, efficiently and seamlessly manage cyber-incidents and ensure disaster recovery.

Personal data protection

Every year, AB Lietuvos oro uostai, operating the main international airports in Lithuania, is increasingly stands out with the growing number of passengers. The year 2024 was no exception, as the passenger traffic from a

quantitative perspective reached record levels. More than 6.5 million passengers were handled at the country's largest airports, representing a significant increase in the company's air traffic compared to previous periods. With the growth in passenger traffic, the expansion of the company's operations, the increasing scope of partnerships, the diversity of technologies deployed, and the active globalisation/digitalisation processes, there is a growing need for solutions that are based on data of different type, nature and content. In the context of these developments, the importance of the Company's multi-dimensional personal data processing and protection activities is taking even greater priority, with more attention/resources being devoted to these processes and incorporating them into the Company's future development plans.

AB Lietuvos oro uostai has for some time been committed to high privacy, personal data processing and protection standards to enable organisational units to properly manage and protect the data of their colleagues, passengers, customers, partners, service providers and other natural persons involved in international airport operations. In our activities, we adhere to high performance standards to ensure the Company's personal data processing or personal data protection processes' compliance with the provisions of both the General Data Protection Regulation and the Law on Legal Protection of Personal Data of the Republic of Lithuania. The implementation of these standards in practice is usually manifested through our organisational and technological solutions that are consistent with the level of potential/emerging risks in our personal data processing operations. Nevertheless, the Company's main objectives go beyond compliance with the applicable legislation, and include other equally important strategic objectives such as the Good Governance Index A+ and maintaining a high level of employee engagement.

Internal data management

AB Lietuvos oro uostai is confident that its procedures and practices for the processing or protection of personal data and the application of those procedures must be based on respect for fundamental rights or freedoms of natural persons, in particular those most closely linked to ensuring privacy and personal data processing/protection (e.g. the right to private and family life, freedom of thought, conscience and religion, the right to the protection of personal data, etc.). In this context, the components of the Personal Data Protection Policy are presented in a free and understandable form to all data subjects concerned, but through different tools, thus ensuring increased awareness of the substance, purposes, nature, scope and content of the processing of personal data among these persons. The said information is available to external data subjects (passengers, customers, partners or employees of partners, visitors to airport premises/areas and other persons outside the organisation's activity) through a publicly available and specially adapted Privacy Notice. This condensed summary of the key components of the Company's Personal Data Protection Policy enables external data subjects to effectively exercise their data subject rights and their interests as the owner of the processed data. Additional measures are used to inform internal data subjects, including access to relevant internal regulations, processes, procedures, guidelines or recommendations.

During 2024, we received 6 different general enquiries from natural persons (passengers, partners, employees, etc.) that may have been related to the personal data management or the exercise of the data subject's rights, but further detailed communication did not justify the need.

We believe that adequate privacy protection is of importance to every data subject and we are committed to continuously improving our internal procedures, processes and practices, as and when the need arises, to ensure ethical, responsible, fair and secure personal data processing. The organisation's Personal Data Protection Policy and Privacy Notice are reviewed and updated at least once a year.

Data protection initiatives and audits

Taking into account the personal data breaches that occurred last year, their management challenges and the assessments of breach handling smoothness, it was decided to implement a methodology for personal data breach severity measurement within the organisation in 2024. The set of detailed instructions, memos and other methodological materials included the methodology allows each employee to accurately identify the nature, severity, and complexity of a personal data breach and to assign a qualitative assessment to the breach, which will help to appropriately select a follow-up action plan in cooperation with the stakeholders, supervisory authorities or affected data subjects. The methodology is based on best practice in this area applied by the European Data Protection Board and the European Union Agency for Cybersecurity. Once all processes were formalised, the methodology and the smooth functioning of its components were tested through a specialised exercise where employees assessed various hypothetical personal data breach scenarios.

Among other things, as part of the periodic compliance monitoring, routine due-diligence GDPR compliance checks/audits were conducted within the Company. These systematic actions aimed to identify:

- The level of formalisation of the personal data processing relationships and the efficiency of the organisational units involved, by identifying the need for personal data processing contracts, based on an analysis of the roles of the actors involved in the processing.
- The level of compliance of the information technology systems managed, used or administered by the Company with the GDPR's fundamental requirements, and their general state in the context of personal data processing, protection and privacy.

The main findings of these activities, including formalised conclusions and summary thereof, were presented to all stakeholders of the Company. This is done to develop a comprehensive compliance culture within the organisation, to strengthen our organisation's resilience to external threats and to manage potential risks.

In 2024, two reports of two personal data breaches were received through internal and external channels, but the initial investigations established the existence of only one breach. We have not received any complaints or breach notifications related to our activities from the State Data Protection Inspectorate.

Educational activities and awareness-raising

The Company continuously improves its employee training programmes and awareness initiatives to cultivate proper employee attitude towards data security. This year, we have made significant changes in our GDPR training programme to make training more transparent, accessible and effective. The new training programme was extensively reshaped to ensure better accessibility and assimilation of essential information on the personal data processing and protection by all employees of the organisation, regardless of their existing knowledge or competences in this area. The newly developed GDPR training, which varies in scope and content (special and general) and is applicable to different groups of employees according to their job functions, was delivered in an interactive digital format on the "ASmokymai" platform managed by the Company, to ensure continual improvement in knowledge and good conduct among employees.

Despite these changes, AB Lietuvos oro uostai is mindful of its continuing commitment to provide annual specialised training to its employees on a range of topics related to the natural persons' privacy enforcement. In 2024, the following additional training was organised:

- Training the standardised and specialised personal data protection (common for all employees).
- Training on personal data breach severity level (common for all employees)

During the new GDPR training, 450 employees updated their knowledge on personal data processing and protection, which is 62% of the total number of the Company's employees. The total number of participants in the training in 2024 was around 600 employees.

The development of good personal data processing/protection practices, the extension of information tools (guidelines, memos, recommendations, methodologies, etc.) or other available training material, always involved a timely communication of the initiatives to the Company's employees via the Company's internal network (intranet).

Innovation and next steps

AB Lietuvos oro uostai will sustain the commitment to continuous improvement of its personal data processing/protection processes, and will conduct regular training, research, implementation of new protection measures and ongoing GDPR compliance monitoring to ensure the highest level of compliance and security for all stakeholders. We will also strive to ensure that our employees continuously develop their skills in this area and are ready to respond to new threats and challenges.

15.4.2 Safety of airport workers

Safe working conditions for employees are one of the priorities for successful airport operations. Due to the specific nature of airport operations, LTOU carries out a wide range of work involving a higher-than-normal risk of injury or adverse health effects, including driving special snow clearance vehicles, driving fire-fighting vehicles, fire-fighting and rescue work, work in abnormal weather conditions, work in other conditions that are harmful to health (noise, vibration, temperature of the air and the working environment), work at height.

To ensure a safe working environment for our employees, we comply with our legal and regulatory obligations, implement additional measures and provide a range of additional benefits, such as:

- Occupational risk assessment
- Health checks
- A wide range of preventive measures
- Safe working instructions
- Mandatory safety briefings
- Supplementary health insurance
- Accident insurance
- Additional vaccinations
- Training
- Other

TABLE 42. Number of accidents

	Measurement units	2021	2022	2023	2024
Mild accidents at work	Number of incidents	2	3	0	6
Serious accidents at work	Number of incidents	0	0	0	0
Accidents on the way to and from work	Number of incidents	0	0	1	2
Number of minor accidents (injuries) per million hours worked	Indicator	2.3	3.12	0	4.7

Note: The total recordable injury rate per million hours worked is calculated according to the GRI 403-9 formula.

In 2024, the following major achievements were made in the area of occupational safety and health:

- We carried out occupational risk assessments at Kaunas and Palanga airports at all workplaces, assessing all possible factors (physical, chemical, biological, ergonomic, and physical) at specific workplaces. On the basis of this assessment, it was found that the risks at the workplaces were acceptable and safe for the employees.
- Digitised tracking of the issue of personal protective equipment and health check schedules in self-service and its simplified management.
- Digitised initial process for occupational safety and health briefing. The transition from paper to digital logbooks has improved the quality of briefings and equipping employees with more knowledge.
- The process of cooperating with partners has been initiated. Cooperation with partners operating at the Company's site has been initiated. This will enable to identify additional risks and help prevent occupational safety and health incidents and accidents, creating a safe working environment for all persons at the Company's sites, not just its employees.
- Health checks are available through the "E.sveikata" portal. Employees are provided with the possibility to quickly and easily undergo a health check by using "E.sveikata" portal functionalities This solution also helps to reduce paper usage and makes the process more efficient.
- A memo for partners on the occupational safety and health compliance at the Company's site. A leaflet has been drawn up for partners with information on the occupational safety and health requirements that must be observed at the Company's site. This memo is an additional measure with legal references, highlighting the Company's focus on a safe working environment and its aim to prevent all breaches of occupational safety and health requirements and accidents.

As of 2025, we intend to focus on the health and safety of our employees and partners, modernising our processes and transferring them to cyberspace.

- To carry out a psychosocial risk assessment, using a questionnaire tailored to the specific character of the work of airport departments and units, reflecting the problems and difficulties encountered by employees.
- To continue the modernisation and digitisation of self-service platform for issue a personal protection equipment.
- To set up a page for occupational safety and health with relevant information, memos and the ability to report occupational safety and health incidents and violations.
- In cooperation with employees, a health risk was re-assessed and relevant health check factors were developed. These factors are planned to be included in the updated documentation, thus increasing the efficiency of the employee health check process.
- To continue the process of digitisation of briefings, by transitioning from paper to digital logbooks. This solution will lead to a better risk management, process efficiency through the Company's internal system and increased quality of briefings by reviewing and updating their material.
- To continue developing cooperation with partners to improve the efficiency of the process and, where necessary, take additional steps to further strengthen the safe working environment.

15.4.3 Employee well-being

To ensure the efficient operation and development of airports, we focus on building a caring and caring relationship between the employee and the organisation. We continuously improve our remuneration policy and the adaptation process for new employees, develop employees' competencies, encourage and enable career development within the Company and strive for ever-greater employee engagement.

In 2024, our employee management efforts will focus on the following projects, as approved in the 2023-2026 Strategic Action Plan:

- Building conscious leadership
- Talent management and strengthening competences.
- Enhancing the emotional well-being of employees

Achievements in 2024:

- Since 2023, we have been giving employees the opportunity to work from an EU country (up to one month per year). This contributes to a better work/leisure balance and more flexible working conditions
- As many as 6.7% of employees took advantage of internal career opportunities
- We organised lively events for our employees: newcomers' days, children's day, summer festivals, professional firefighters' day, informal events for individual teams.
- We organised additional training and internships (see Talent Management and Competence Building).
- In 2024, we updated our Remuneration Policy and Remuneration Payment Regulations.

Employee engagement

One of our Company's key strategic indicators to strengthen employee well-being is the Engagement Index, which we have measured annually since 2015 through a survey. The results of the survey help to identify the key expectations of colleagues and highlight areas for improvement.

In 2024, employee engagement stood at 59%, and although it fell short of previous years' record result, engagement remained high. Engagement scores demonstrate some decline, but it is noteworthy that this change did not extend to the management level, where scores even improved. However, it should be noted that there is no single reason for the change, and the results show that different factors are driving engagement in different groups of employees. The labour market also witnessed a year-over-year increase in employees' expectations of working conditions.

This year's survey showed that we should pay more attention to the Remuneration Policy, top management, working conditions and engagement with the work, while it also confirmed that we value work-rest balance, company image, line managers, psychological safety, empowerment and work activities.

TABLE 43. Employee Engagement Index

Year	Target values	Results
2021	60%	60%
2022	65%	67%

2023	65%	62%
2024	67%	59%
2025	69%	n/d
2026	70%	n/d

Loyalty indicator

The Company also measures the Employee Loyalty Score (eNPS), which shows how many employees would recommend it.

In 2024, the highest Employee Loyalty Score (eNPS) was set, which stood at 30%.With an average of 4% in Lithuanian companies and 4% in state-owned companies, our Company scored very high, thus demonstrating a large proportion of employee ambassadors within the organisation.

TABLE 44. Employee Loyalty Indicator (eNPS)

Year	eNPS (Employee Loyalty)
2021	8%
2022	19%
2023	28%
2024	30%

Number of employees and breakdown

As at 31 December 2024, the Company had 736 employees (668 at the end of 2023 and 595 at the end of 2022). The increase in the number of employees compared to 2023 is due to the improvement of the passenger experience and the provision of aviation safety functions in line with existing regulations. The tables below provide a detailed breakdown of employee numbers, recruitment and turnover rates.

TABLE 45. Number of employees by type of contract*

	2023					2024				
	All employees (pcs)	Working on open-ended contracts	Working on fixed-term contracts	Full-time[1]	Part-time	All employees (pcs)	Working on open-ended contracts	Working on fixed-term contracts	Full-time[1]	Part-time
Total number, of which:	668	655	13	652	16	736	724	12	718	18
Women	245	236	10	242	3	279	270	9	274	5
Men	423	419	3	410	13	457	454	3	444	13

VNO	463	452	11	450	13	513	503	10	499	14
KUN	129	127	2	129	0	140	138	2	140	0
PLQ	76	76	0	73	3	83	83	0	79	4

Note: The data presented refers to the number of employees at the end of the reporting periods, i.e. 31 December 31st 2024 and 2023. [1] Full-time employee is defined as staff working 40 hours per week. Part-time employees work less than 40 hours per week.

TABLE 46. New recruits and employee turnover

	2024			
	Recruitment of new employees		Employee turnover	
	Number of incidents	Change in each category (rate)	Number of incidents	Change in each category (rate)
All employees, of which:	180	24.46%	49	27.22%
Women	74	41.11%	19	25.68%
Men	106	58.89%	20	18.87%
Up to 30 years of age	68	37.78%	19	27.94%
30-50 years of age	89	49.44%	22	24.72%
More than 50 years of age	23	12.78%	8	34.78%
VNO	133	73.89%	36	27.07%
KUN	32	17.78%	10	31.25%
PLQ	15	8.33%	3	20%

Note: the share in each category (rate) is calculated by dividing the number of new recruits/turnover in 2024 by the total number of employees by category. [1] In 2024, the total voluntary turnover rate was 12.6% (11.01% in 2023). We will aim to keep voluntary employee turnover below 15%.

Remuneration

Remuneration Policy

In developing our Remuneration Policy, we aimed to establish transparent and clear principles related to employee remuneration that motivate employees to elevated levels of performance, contribute more actively to the achievement of the Company's goals, and strengthen a culture that values personal and team achievements.

The Company's remuneration system is designed in the light of those principles:

1 Internal fairness: ensuring fair and equitable pay for the same work, taking into account responsibility, competences, and contribution to results

2 External competitiveness: attracting and retaining employees with the necessary competences to achieve the Company's goals and drive innovative operational improvements, considering the conditions of the

Lithuanian labour market. Each year, the Company participates in remuneration surveys and the Employee remuneration is based on the all labour market median.

3 Clarity and transparency: All decisions related to remuneration are made based on clear and objective criteria, which are transparently communicated and known to employees.

4 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.

We want our team to be composed of competent and motivated employees, so we strive to ensure not only internal fairness but also external competitiveness in our reward management decisions. We want to attract, motivate and retain the right people with the right skills to deliver our strategic business objectives.

The basis of the Company's remuneration system is the Company's Job Levelling Matrix, which consists of Positions classified and graded according to the nature and value of the job.

For the evaluation and determination of the levels of positions, the Company applies the Korn Ferry Hay Group Guide Chart - Profile^{SM} Method of Job Evaluation, which is recognised in international practice and widely used in the Lithuanian market. Under the method, the value of positions in the chart is determined by the following criteria:

1. Know-How: set of theoretical and practical knowledge, skills and experience needed for a job. Ability to plan and organise own and/or others' work effectively, communicate effectively and influence others.

2. Problem-Solving: the amount and type of thinking needed for a job, identifying and analysing problems or situations of varying complexity and forming ideas or drawing conclusions.

3. Accountability: individual decision powers and the extent and nature of the impact on the Company or part of it.

The level of the post is the basis for determining the Remuneration Band of the Post. The Post Level and the Remuneration Band are the basis for determining the remuneration of an individual Employee. All decisions on setting and changing remuneration are made on the basis of the employee's Compa-ratio.

Drawing on the results of the Employee Engagement Survey, carried out at the end of 2024, satisfaction with the Company's remuneration is higher than the average for Lithuanian companies and state-owned enterprises. Information on the remuneration of LTOU employees is available on our website (only in Lithuanian language).

Board remuneration principles

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 No 1092 of the Government of Republic of Lithuania of 14 October 2015 (as subsequently amended and supplemented). Members of the Board shall be paid a base monthly remuneration, the amount of which shall be determined by the Company's General Meeting of Shareholders, for the performance of the functions set out for them in the legislation, the Company's documents and the performance contracts concluded with members of the collegial bodies.

An independent member of the Board shall be paid a fixed monthly remuneration of at least 1/4 of the average monthly remuneration of the Company's CEO, and a civil servant serving as a member of the Board shall be paid a fixed monthly remuneration of at least 1/8 but nor more than 1/4 of the average monthly

remuneration of the Company's CEO. If an independent member of the Company's Board is elected as Chair of the Board, the fixed monthly remuneration during the term of office of the Chair of the Board shall be at least 1/3 of the average monthly remuneration of the Company's CEO. The specific amount of the remuneration in euros shall be determined by the Company's General Meeting of Shareholders.

A member of the Board may also be reimbursed for reasonable expenses (including travel/transport, accommodation expenses and business trips to exhibitions, conferences and other events directly related to the Company's field of activity) incurred in the performance of his/her duties as a member of the Board.

Information on the remuneration of the members of the Board is published on our website.

In 2024, the remuneration policy for Board and Management members was not directly linked to the Company's performance in terms of sustainability.

Principles of remuneration of the CEO and management

The remuneration of the Company's Chief Executive Officer shall be determined by the Board of Directors in accordance with the legislation governing the remuneration of managers of State-owned enterprises. The fringe benefits applicable to all Employees of the Company shall apply to the CEO without exception, and the application of fringe benefits applicable only to targeted groups of Employees to the CEO shall be decided by the Board.
The remuneration of senior executives shall be determined by the Chief Executive Officer of the Company in consultation with the Board of Directors of the Company. Remuneration shall be determined in accordance with uniform principles applicable to all employees of the Company. Specific rewards are determined taking into account the remuneration scale of the position, the experience of the employee, the competences available, internal equity and trends in the labour market.

TABLE 47. Total annual remuneration ratio

TOTAL ANNUAL REMUNERATION RATIO	MEASURING PCS.	2024
Annual remuneration of the highest earner in the organisation compared to the median remuneration of all employees	Ratio	6 : 1
Percentage increase in the annual remuneration of the highest earner in the organisation compared to the increase in the median annual remuneration of all employees		1.4 : 1

Notes: This is the ratio of the highest-paid employee in the organisation earning more than the overall median of the Company's workforce (excluding the highest earner).

In 2024, the annual remuneration of the organisation's highest-paid employee increased by 15%, while the median remuneration of all employees was 11%.

TABLE 48. Remuneration ratio between women and men

AVERAGE REMUNERATION	2024		
	Average remuneration for women (EUR)	Average remuneration for men (EUR)	Ratio of average remuneration between women and men
Vilnius			
Top-level managers	6,867	8,370	0.8:1
Mid-level managers	4,103	4,930	0.8:1
First-level managers	2,655	2,457	1:1
Specialists	2,863	3,174	0.9:1
Customer service and operational employees	1,721	1,669	1:1
Kaunas			
Mid-level managers	*	*	*
First-level managers	2140	2467	0.9:1
Specialists	1,334	2,552	0.5:1
Customer service and operational employees	1,447	1,574	0.9:1
Palanga			
Mid-level managers	*	*	*
First-level managers	2,140	2,140	1:1
Specialists	2,480	2,576	1:1
Customer service and operational employees	1,423	1,588	0.9:1

* Data is not available due to GDPR

Talent management and competence building

Employee development and competence building

LTOU aims to constantly build the competences of its employees, to ensure access to mandatory professional training and to promote employee development.

In 2024, particular emphasis was put on digitising training, managing training data and improving the quality of training to optimise learning processes and ensure increased effectiveness of training. The procedures for

organising training are also being updated and new projects are being developed to improve employee learning experiences.

In 2024, 158 different training sessions took place. 97% of the Company's employees attended the training.

Key projects and initiatives in 2024

A new Professional Qualification Compliance Division was established. Aviation is a dynamic and strictly regulated industry, where high safety and quality standards require continuous employee development. The market is experiencing shortages of professionals with specific competences in aviation security and airfield safety, therefore the organisation is actively investing in employee development and professional growth.

Majority of the professional training in aviation is conducted in-house by qualified in-house trainers who not only impart essential theoretical knowledge but also share know-how. This ensures adequate employee preparation for real-life work situations and their ability to effectively adapt to the changing needs of the aviation sector.

For this reason, in 2024, the Professional Qualification Compliance Division has been established with the main objective of ensuring compliance of the employee competences with aviation regulations, legal requirements, internal standards of the organisation and adequate professional training of employees.

Mentoring programme. LTOU develops a mentoring programme to share best professional and practical expertise and build employee competences. In the organisation, mentoring is applied in several directions:

- To prepare for CEO succession by helping future CEO's prepare for their new responsibilities.
- To enhance specialist competences by giving employees the possibility to learn from experienced colleagues.
- To adapt aviation safety newcomers, where new employees receive a support from more experienced colleagues, ensuring a smooth succession of knowledge and a quicker integration into the working environment.

In 2024, 20 colleagues took part in the mentoring programme, forming 10 mentoring pairs to strengthen the competences of professionals. In addition, 38 employees took part in the Aviation Security Newcomer Adaptation Mentoring Training.

We will continue this initiative in 2025 to further strengthen the competences of our employees, promote knowledge sharing and build a sustainable training culture.

Training digitalisation. In total, we have 23 e.training courses, 9 of which were created in 2024. The new training covered the following topics:

- Threats from hostile intelligence and security services
- Prevention of violence and harassment
- Personal data processing and protection
- Managing employee performance and providing feedback

Digitalisation increases access to training, improves process efficiency, reduces costs and ensures legal compliance. Employees can undertake training at their convenience and from any location, eliminating travel and reducing CO_2 emissions. All training material and tests are managed digitally, reducing paper usage.

Real-time monitoring of training data enables prompt analysis of employees progress and content update in line with the latest legislative and organisational developments.

Launching a new training management system

In 2024, a new training management system was launched, with the aim of fully digitising examinations and briefings.

Once the system is implemented:

- All tests will take place electronically, eliminating the need for paper-based post-training tests or briefing logs.

- Training content will be easy to manage: the system will allow to quickly upload training, assign it to employees and automate key processes.
- More effective tracking: the system will provide accurate data on training progress, and will ensure greater accessibility and transparency of learning.

Additionally, the newcomer's training process will be automated:

- Training will be assigned automatically based on the training matrix.
- Development activities are arranged in a logical sequence to ensure a consistent learning path.
- Information on the training progress will be automatically forwarded to HR for remuneration-related changes.
- Managers will be informed when an employee becomes capable of working independently.

This change will not only streamline administrative processes, but will also help the organisation to shift towards a modern, digital and sustainable learning environment, optimising resources and increasing the efficiency of employee development.

A new training classroom is being set up. To improve the learning experience for employees, the set up of a new training classroom in Vilnius started in 2024 to accommodate aviation security, airfield safety, firefighters' and other in-house training by in-house trainers. The new space will provide more comfortable and efficient conditions, with several different training environments, and aviation security personnel will be able to practise on X-ray equipment, low explosive devices, metal detectors, where they will be able to learn new and improve their existing skills.

The training classroom will be designed to accommodate different training needs, both for theoretical courses and practical simulations to help prepare employees for real workplace situations. This training hub will also be used for the competence and qualification assessments, and will have a necessary equipment installed, whereas, in the future, smart, interactive technologies will be introduced.

This class is distinguished by its sustainable approach, as >80% of the inventory is recycled (desks, chairs, computers previously used in the training classroom, security equipment previously used in screening, i.e. X-ray equipment, low explosive detectors, stationary and hand-held metal detectors, etc.). The set up is carried out on a relatively low budget, thus ensuring efficient use of resources.

Management training. Initiatives to strengthen managers' competences, ensuring their professional development and the quality of leadership in the organisation continued in 2024.

- Training for new managers "I'm the new leader" are designed for shift leaders and their deputies. During the training, participants strengthened their decision-making, team motivation and work organisation skills.
- Hogan Personality Inventory: external consultants conducted a personality assessment of top managers. All 10 managers received individual reports and coaching on their strengths and areas for improvement. CEO received an overall management team analysis with recommendations for strengthening leadership. The assessment results were used to draw up a targeted development plan, which will include individual and group development activities.
- Executive MBA: some managers have started or are continuing their Masters studies, which provide not only theoretical knowledge but also practical skills in strategic management, organisational development and change management. The studies encourage critical thinking, enable experience sharing with leaders from other organisations and implementing knowledge gained in day-to-day activities.

Employee development opportunities. The Company provides employees wide access to continuous growth, knowledge immersion and skills development. Development is promoted through number of activities, depending on individual and organisational needs:

- Participation in professional events: employees can upgrade their skills at seminars, conferences, exhibitions and training courses in Lithuania and abroad. It provides an opportunity to learn about the latest trends, share experiences and apply international practices in the organisation.
- Mentoring: promotes know-how sharing among colleagues, facilitating onboarding and development of less experienced employees.
- Library: employees have access to books, publications and other training resources to help them to gain deeper knowledge in a wide range of areas.
- Competency assessment surveys: methods such as Hogan tests, 360-degree feedback are used to better understand employee strengths and areas for improvement.
- E-learning: enables self-directed learning through remote learning platforms and in-house e-learning courses.
- Professional clubs and memberships: promotes engagement with professional communities, organisations and networking, where employees can share knowledge and experience with other professionals.
- Studies and upskilling: employees are encouraged to pursue higher education, participate in certification programmes, continue BA, MA or PhD studies and specialised professional training.

These initiatives give employees the opportunity to continuously develop their skills, enhance competences and actively contribute to the success of the organisation by innovating and relying on good practices in their work. In the future, the range of development options will be further expanded to ensure consistent professional growth and adaptation to changing labour market needs.

The Training and Development Strategy is being updated. To ensure consistent development of employee competences and long-term growth of the organisation, LTOU is updating its Training and Development Strategy, which will define a clear learning vision, objectives and division of responsibilities.

The main strategy objectives are the following:

- Strengthening the training culture: promoting knowledge sharing, mentoring and other initiatives that improve collaboration and succession of knowledge within the organisation.
- Sustainable competence management: ensuring the opportunities for employees to continuously develop existing and learn new skills in line with changes in the aviation sector.
- Effective training planning: prioritising training needs based on the organisation's strategic objectives, access to finance and management of critical positions.
- Technology-enabled training: continuing digital transformation of training management, ensuring more efficient data analysis and customised learning experience.

The updated strategy will aim to ensure that learning is an integral part of work, fostering innovation, professional growth and the competitiveness of the organisation in the aviation market.

Strengthening the management of mandatory training and ensuring compliance. A centralised training data system is being developed to effectively manage mandatory training and ensure compliance with legal and organisational requirements. It brings together all employees' training information in one place, allowing real-time monitoring of training status, identification of deficiencies and ensuring that all employees receive mandatory training on time.

In addition, a mandatory training matrix is being developed, which clearly defines necessary training for each position. This helps to ensure a consistent and transparent assignment of training activities, adapted to the specific characteristics of the activity and regulatory requirements.

Training data is analysed and visualised to monitor training coverage, identify deficiencies and make data-driven decisions. This enables to efficiently track the status of employee training, plan training in a timely manner and avoid risks associated with insufficient or outdated competences.

These initiatives enhance transparency in training management, reduce administrative burdens and help ensure organisational compliance. It enables employees to acquire the necessary knowledge and skills to carry out their duties, contributing to the overall efficiency and safety of the organisation.
Improving training quality.
To ensure high quality training and conformity of employee competences with operational requirements, a professional qualification and competence assessment process has been introduced for aviation security and airfield maintenance employees in 2024. The aim of the process is to systematically assess the knowledge, skills and training of the employees to ensure compliance with the legal and organisational standards.
Standardised training quality check-lists have been developed, allowing for objective measurement of the effectiveness of training and improvement of its content and techniques. From 2024, these check-lists will be used after live trainings delivered by trainers, allowing structured feedback to be collected. With the introduction of the new training management system, the check-lists will be adapted for e-learning quality assessment.
In the future, the assessment process will be extended to include analysis of the long-term impact of the training, testing of practical skills and additional techniques. This will enable to more accurately assess the applicability of the training outcome in the real-life working environment and ensure continuous improvement of training quality.

Health

Physical and emotional health is one of the top priorities when it comes to employees. Many of the company's fringe benefits are aimed at this (more on this in this section, in the following sub-sections).

Work carried out in 2024:

- We organised a discussion groups on negative emotions, stress, issues and difficulties experienced by employees at work. Having regard to this, we are developing a psychosocial risk assessment questionnaire, adapted to the specific characteristics of the work of the units and departments.
- We organised trainings on Managing Stress After a Disaster, The Psychology of Crisis Management, Psychological First Aid.
- In 2024, we developed interactive e-learning on preventing harassment, mobbing and other inappropriate behaviour at work. This training was delivered using a comic book style to make it attractive and easy to understand for all employees.

Additional benefits for employees

Additional benefits:

- A hybrid working pattern and the ability to choose a convenient start and end time
- 1 month of working holidays in the EU
- Events
- Sports activities

- Gyms
- Training and development
- Discounts at perks.lt and airport's partners
- Accident insurance
- Health insurance (with access to psychotherapist)
- Vaccinations and health screening programmes

Additional paid rest and holiday days:

- 5 additional days of annual leave for shift workers
- 2 additional working days of annual leave for fixed-hours employees
- An additional day off on a birthday
- 2 days off per year for personal needs
- 3 working days off for a marriage
- 1 working day for successful completion of higher education studies
- The first day of the school year for employees who have a child/children in mainstream education
- 3 working days off in the event of the death of a close relative

Supplementary benefits:

- EUR 645 for the birth or adoption of a child
- Up to 6 months' allowance for retired workers
- EUR 1,200 in the event of the death of an employee's relative
- EUR 2,000 in the event of the death of an employee
- EUR 970 hardship allowance
- EUR 155 anniversary allowance
- EUR 518 allowance for recommendations of candidates
- 100% reimbursement of a sanatorium or rehabilitation centre for a disabled child, up to the equivalent of one minimum monthly salary (MMS) per calendar year
- 80% reimbursement of the cost of camps for children attending public schools, up to one MMS per calendar year

Employee involvement in decision-making

Lithuanian Airports involve employees in decision-making processes, especially when decisions relate to working conditions, changes in functions or other issues affecting employees. Employee involvement takes several forms.

Meetings with the Works Council are held several times a year or ad-hoc when important issues arise, such as changes in working conditions or organisational changes. The Works Council members have the opportunity to express the views of employees, make proposals and raise issues, which are then discussed with the Company's management.

In addition to the Works Council, meetings are organised with individual groups of employees (e.g. administration, operational employees) to discuss specific issues related to their working environment and conditions. In this way, employees from different departments can directly participate in discussions and make their own proposals.

An Annual Employee Engagement Survey, where employees can give their views on working conditions and make suggestions for improved working conditions. The results of the survey are analysed and the views and suggestions expressed by employees are used in planning organisational changes and improving working conditions.

Prevention of violence and harassment

No psychological violence, harassment or other unethical behaviour is tolerated in the Company, which is why we have developed and communicated to all employees a violence and harassment prevention policy (only in Lithuanian language)

Employees who reasonably believe that they have been or may have been subjected to violence and/or harassment have the right to report it in one of the following ways:

- Contact their line manager.
- Report the situation to pranesk@ltou.lt
- Fill in the reporting form on the intranet.
- By dropping a free-form letter in the special mailboxes.

Employees are constantly reminded of the methods of notification: in live or online meetings, on the intranet, on screens, etc.

LTOU has a Commission to deal with cases of violence and harassment. During 2024, the Commission received and handled 4 such reports.

Various initiatives and projects

Since 2017, we have run an annual shadowing initiative. This is a day when employees choose which other department they would like to shadow.

The three main benefits of shadowing employees are as follows:
- It strengthens cooperation and allows you to see what your colleagues are doing for the common goal of a happy passenger.
- It increases professional knowledge.
- It provides an opportunity to explore an unfamiliar field, acquire new competencies and plan your career.

In 2024, 40 employees participated in annual shadowing initiative.

Cooperation with SOPA

For several years, we have been working with SOPA, a social employment agency that works to integrate people with various disabilities into the labour market. Every year they organise DUOday, where companies and organisations all over the world invite people with visible or invisible disabilities to try out new professions and job roles. We are joining this initiative.

In 2024, DUOday brought together six people with different disabilities, giving them a closer look at aviation security, business processes, communications and HR.

Other initiatives

Diversity, equality and inclusion are closely linked to employee well-being, and we have a strategic objective in this area. Read more in the Diversity, Equality and Inclusion theme.

15.4.4 Customer experience

For more than ten years, improving the passenger experience has been a strategic focus for Lithuanian Airports, ensuring that we meet the needs of all passengers, help them reduce the stress of their journey and adapt our infrastructure and processes to ensure that all customers feel comfortable and experience as few challenges as possible at the airports. To ensure attractiveness to partners and contribution to the country's economic development, the Company has identified 6 key strategic areas:

1 Infrastructure – completing a world-class transformation of airport infrastructure.

2 Avia connectivity – achieving breakthrough in Avia connectivity quality.

3 Business model – building a balanced business model.

4 Experience – improving partner and passenger experience in the context of changes.

5 Security – ensuring business continuity and resilience.

6 Sustainability – implementing sustainability-focused organizational transformation.

In improving passenger experience, we are guided by the Strategy for Improving the Passenger Experience 2030, adopted in 2022 The main focus is on infrastructure maintenance and development of the new arrival

terminal in Vilnius, ensuring cleanliness and safety in the travel process, the development of customer service competences, customer insight and the development and involvement of the airport community.

One of the Company's strategic performance indicators to measure progress towards passenger experience improvement is the Net Promoter Score (NPS). This is an indicator of customer loyalty and satisfaction, measured by asking customers how likely they are to recommend an organisation's product or service to others. The percentage value of loyal customers in Vilnius, Kaunas and Palanga during 2019-2024 (NPS) is disclosed in 3.3 section of this report.

The results of all quality and passenger experience improvement surveys are discussed on a quarterly basis, and, based on the analysis of the results and the needs of passengers, an action plan, known as the NPS programme, is drawn up each year to improve the passenger experience. In 2024, 86% (79 out of 92) of the NPS programme actions have been implemented.

Main projects implemented in 2024:

- A passenger segmentation study carried out based on qualitative and quantitative methods. Based on the results, passenger personas were identified, presentations were delivered to the airport's managers, employees and partners.
- Customer service training for aviation security employees (12 groups).
- Reconstruction of Vilnius Airport's landside access and solutions to improve the passenger experience during the reconstruction (additional employees for traffic management, a shuttle bus to transport passengers from distant stops, etc.).
- Lounge areas in terminals (in Vilnius Airport - "Play and Read" in the arrivals terminal, Olympic Gate A15, in Kaunas Airport - a bean bag area in the waiting hall, in Palanga Airport - the Amber Museum exhibition).
- Educational display of prohibited items at Vilnius Airport.
- Interneto psl. Item scanner is a solution that allows to check in advance items that are allowed in a hand baggage.
- An information desk set up at Vilnius Airport and employees providing travel assistance.
- Installation of free drinking water stations at Palanga Airport.

Awards

Also in May 2024, Vilnius Airport became Airport Customer Experience Accredited at Level 1 by the Airports Council International (ACI). This programme incorporates best airport management practices to improve passenger experience. It is also a public international recognition of our professionalism in this area. In 2024, 17 airports across Europe were awarded the ACI Customer Experience Accreditation. This is a small victory in the long journey of improving the passenger experience, thus efforts will be made in 2025 towards higher level of accreditation (there are 5 levels in total).

Passenger complaints

The Company focuses on analysing passenger feedback, not only through surveys and polls, but also by addressing complaints received. Passengers can complain through various channels: by phone, email, website or social media. All of them are logged, resolved and responded. The analysis of the trends supports preventive actions to avoid similar situations and complaints in the future. In 2024, 468 passenger complaints were received about the performance of Vilnius, Kaunas and Palanga airports.

The indicator monitored by the Company is the number of complaints per 100 thousand passengers served. The target for 2024 was less than 10 complaints/100 thousand passengers; the actual figure is 7 complaints/100 thousand passengers. The highest number of complaints was received regarding ground handling activities (check-in, boarding, baggage) and aviation security screening processes. In July and August, more complaints were received due to the landside access reconstruction project works at Vilnius Airport and the resulting inconvenience for passengers (more difficult access by car and access to the departures terminal). Number of complains per 100 thousand passengers by month in 2024 and complaints statistics for 2022-2024 is presented in section 3.3 of this report.

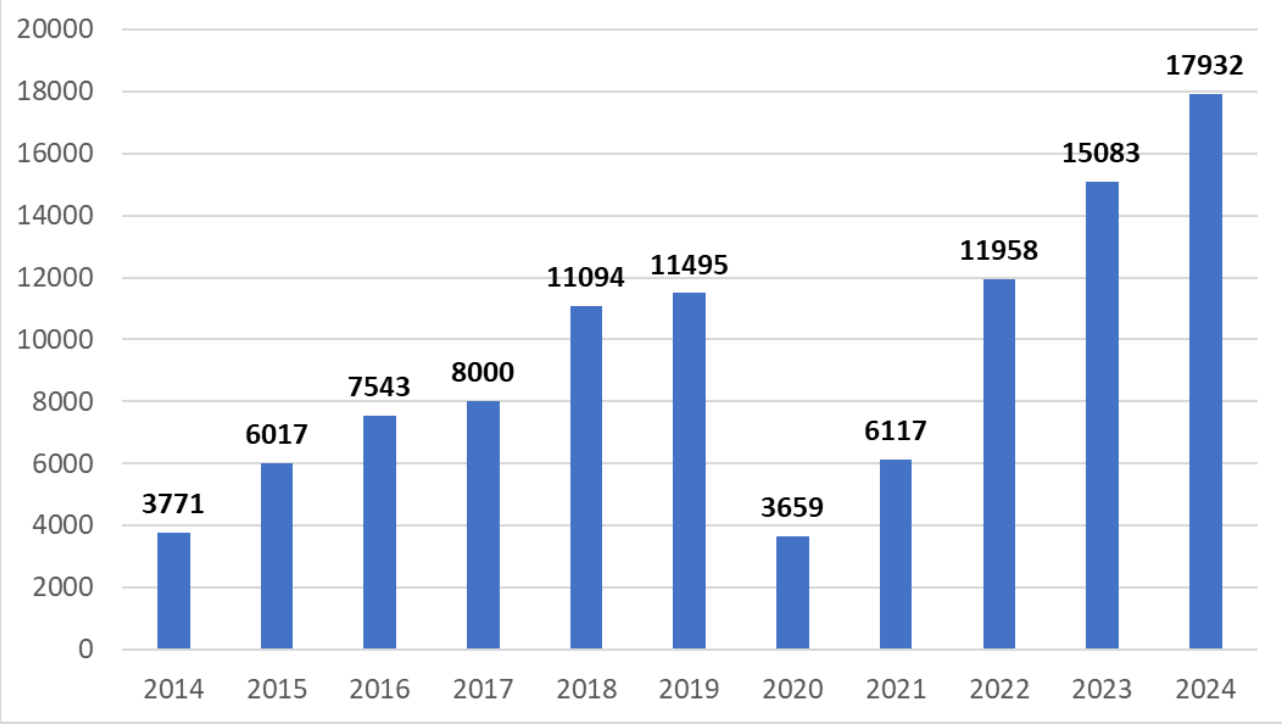
Passenger experience improvement plans for 2025

- Travel experience solutions tailored to passenger segments (leisure areas, solutions for families with children, etc.).
- Marking and quality control activities in the scope of the Kaunas Airport reconstruction project to manage the inconvenience during the reconstruction.
- Reconstruction of the old terminal of Vilnius Airport and creating areas for passengers.
- Wayfinding and self-service solutions at the new Vilnius Airport.
- Training on developing customer service competences for employees and partners.

Passengers with individual needs

Passengers with individual needs, or visible and invisible disabilities represent an important and vulnerable segment of airport travellers. The number of passengers travelling through Lithuanian airports with various disabilities and requesting assistance services is increasing every year. Compared to 2023, 19% more travellers booked this service in 2024.

TABLE 49. Number of passengers with individual needs served in Lithuanian airports in 2014-2024



As post-pandemic flights have fully recovered, all airports observe an annual increase of about 20% in the number of passengers with individual needs. Statistics on special assistance bookings are provided for each airport for the last three years. A rapid growth in the services is particularly observed in Kaunas Airport due to the growing popularity of medical tourism (a service often booked by passengers who have undergone various surgical operations and need assistance).

Year	Passengers who have booked a special assistance service at Lithuanian airports	VNO	KUN	PLQ
2022	**11,958**	7,610	3,724	624
2023	**15,083**	9,628	4,657	798
2024	**17,932**	10,781	6,083	1,068

Provision of a special assistance service ir or serving passengers with individual needs is exposed two main risks:

- Inadequate provision for the needs of passengers with special needs, discrimination or bullying.
- Damage to passenger equipment and the cost of compensation.

We have a permanent action plan to manage these risks.

Permanent actions and measures:

- We continuously invest in infrastructure and quality of service to minimise the challenges faced by this group when travelling. All three Lithuanian airports have emergency call buttons, special waiting areas, special mobility wheelchairs are available free of charge at the airports. All this information is constantly updated on a dedicated web area of each airport.
- As part of the reconstruction of the landside access at Vilnius Airport, new and very modern emergency call points, tactile surfaces of the landside access have been installed, with essential information provided in Braille.
- We work with organisations representing different disabilities to make airports and processes as accessible as possible for travellers: SOPA, Social Taxi, Diversity Charter, Lithuanian Union of the Blind and Partially Sighted, etc.
- In 2024, an event was organised for the organisations of people with disabilities at the new terminal at Vilnius Airport, and representatives of the organisations representing different disabilities were also invited to the testing of the new Vilnius terminal. A number of changes were made in response to their comments.
- We continuously monitor the quality of special assistance services, survey passengers, respond to and analyse complaints received and external audits to ensure quality service delivery.

- We continuously improve our skills in the provision of these services and share our experience with our employees, partners and other airports.
- We are the first airport in the Baltic States to join the international initiative The Hidden Disabilities Sunflower. The initiative aims to help people with hidden disabilities identify their needs more easily and airport employees to identify passengers with disabilities that are not immediately apparent and to provide them with the right help in time. Employees are trained to recognise this accessory and are ready to give more attention and time. The armband is available free of charge at check-in desks.

TABLE 50. Implemented projects and actions in 2024

We conducted surveys of passengers with individual needs	The results of the 2024 passenger survey showed that 96% passengers who booked the Assistance in Vilnius airport were satisfied with the service. In Kaunas Airport, 100% of passengers were satisfied with the service, in Palanga Airport - 90%.
We organised training for employees	During 2024, 785 employees of Lithuanian airports and partners attended the training. This is a significant increase compared to 2023 (when 617 employees attended the training). To master the topic, e-learning and practical in-person training, by inviting representatives of organisations representing various disabilities.
We organised an event	More than 20 different organisations that bring together people with different disabilities took part in the event we initiated. The representatives were also given a tour of the new departure terminal at Vilnius Airport, where they were able to test the airport's layout. Based on the comments received, the necessary improvements were made prior to the opening of the terminal.
We educated the public	We provided practical training to the public, employees and passengers "Love to Help" on how to use the defibrillators at the terminal in case of an emergency.

15.4.5 Noise management

Sustainable noise management is a prerequisite for the successful operation and development of LTOU. The acceptability of the growth of the aviation sector is directly related to its global and local impacts impact on people's lives and surrounding environment. The role of the public and friendly neighbourhoods is important, affecting not only the image of airports but also the development of planned projects. A balanced approach is, therefore, necessary to take into account local conditions, the problem of noise exposure, territory planning, the quality of life of people living in the vicinity of airports and the need to protect the communities from the adverse effects of aircraft noise. Airports are committed to sustainable development and to

promoting aviation development, while taking into consideration the protection of the community and people from noise.

The main objective of noise management is to maintain or reduce the number of noise-sensitive areas and the number of people exposed to them, even as the number of flights increases.

Impact on local communities

VNO. Vilnius Airport is located just 5 km from Vilnius city centre, easily and quickly accessible by any means of transport. This is a great advantage for the airport a distinctive feature among European Union Member States, but due to the unlimited use of land, as the city expands, new settlers are increasing in the vicinity of the airport and residential blocks are being formed (Salininkai, Kalnėnai, etc.). Due to the location of VNO's runway, part of the departure and approach routes extend overpopulated urban areas in both the north and south direction; therefore, aircraft noise has a negative impact both adjacent to the airport and in its vicinity, as well as further along the aircraft take-off/ landing corridors which affects the quality of life of living people.
KUN. Kaunas Airport is easily accessible and located in the Karmėlava settlement, 13 km North-East of Kaunas, 8 km from the A1 highway Vilnius - Kaunas - Klaipėda, which connects the three largest cities of Lithuania. The residential blocks of the Karmėlava settlement are located close to the borders of Kaunas airport, in the north, north-west directions. Other settlements in close proximity to KUN: Ramučiai on the south-west side, while on the east side there are no larger settlements, therefore noise nuisance in this direction is considered minimal. Aircraft take-off/landing corridors extend over the territories of the city and district of Kaunas, but the aircraft in those areas have already reached a relatively high altitude, therefore noise dispersion is reduced in these settlements.
PLQ. Palanga Airport is located in western Lithuania, 32 km from Klaipėda, 17 km from Kretinga city centre and 7 km from Palanga city centre. Aircraft take-off and landing corridors extend over the city of Palanga in the South, and over the resort town of Šventoji on the Baltic coast in the North. Since the city of Palanga is a resort in accordance with the Hygiene norm HN 33:2011, noise limits of 5 dBA lower are applied in the environment of facilities located in resorts and resort areas.

Topic management

The topic of noise management is included in the LTOU Strategy 2030, the LTOU Environmental Strategy 2018-2028, which identifies noise as a priority environmental activity. y. It is also included in the LTOU Strategic Operational Plan 2024-2026 and the LTOU's Environmental Policy 2015.
LTOU's noise activities are regulated not only by the legislation of the Republic of Lithuania and the European Union but also by the International Civil Aviation Organisation (ICAO) documents, industry standards and are monitored by both non-governmental organisations and the public.

ICAO's 4 principles that guide us are as follows:

- Reduction of noise at source.
- Land-use planning and management.
- Amendments to operational procedures.
- Operating restrictions of aircraft.

Permanent actions and measures:

- In 2019, we prepared and agreed with the Air Navigation Authority (ANA) on a Noise Management Plan (NMP) for Vilnius Airport, which includes noise management and mitigation measures.

- We continuously monitor aircraft noise at all airports. We have noise monitoring stations in the vicinity of each airport where aircraft noise is measured 24/7, 365 days a year, subject to regular updates.
- At Vilnius Airport, we monitor the compliance of aircraft departing on course 01 with their departure routes, and we address each non-compliance we address case-on-case basis.
- We prepare annual noise monitoring reports and submit them to the Lithuanian Transport Safety Administration (LTSA), which are then shared with the Ministry of Transport and Communication, the Ministry of Health, and the National Public Health Centre. They include annual flight statistics, the size of the noise-sensitive areas and the number of inhabitants affected.
- Every two years, we prepare and update noise contour maps, which are published annually on the LTOU website (only LT language).
- We organise and implement procedures for the identification of noise protection zones at airsides, as well as carry out publicising and informing procedures related to this topic. More information here;
- We investigate complaints from surrounding communities, and conduct noise-related communication.
- We periodically discuss and communicate noise management issues and concerns with LTSA and ON.

Noise maps for all three airports can be found on our website (only in Lithuanian language).

2024 Projects implemented in 2024:

1. The identification procedures of noise protection zones at airside was completed and the identified zones for VNO, KUN and PLQ were registered in line with the Order No 3-69 of the Minister of Transport and Communications of 28 February 2024.
2. Prospective noise maps were prepared for 2024 for compensation payments and implement procedures for publicising these maps and informing the population.
3. Internal noise management audit was conducted, to establish internal procedures for noise management and the determination of noise-related compensations and increase their efficiency.

Projects planned for 2025:

1. Prepare new prospective noise maps, which are updated every two years.
2. Improve and simplify the compensation procedure for noise abatement measures in noise protection zones based on the internal audit report.
3. Install an upgrade of the noise monitoring stations to ensure and uninterrupted operation for three days in the event of disruption of the central power supply.

Noise Complaints

During 2024, LTOU received a total of 13 complaints/inquiries about aircraft noise.

VNO. The airport received 2 suggestions, 2 inquiries, and 7 complaints: one suggestion was from the Salininkai community to follow the departure routes specified in AIPs instead of applying the omnidirectional departure for aircrafts in the direction of runway 19, another suggestion was from the residents of Liepkalnis, to restrict the ground procedures that cause the most noise during the night. One enquiry was received from the Ministry of Transport and Communications, which was contacted by a resident about flights operated at night. Another

enquiry concerns the location-specific noise measurement and the planned number of flights in the direction of runway 01. One complaint was received about aircraft taking off and passing through the Old Town; one complaint from the residents of Fabijoniškės neighbourhood and one complaint from the residents of Smėlynės settlement about landing aircraft; two complaints from residents of Markučiai and Naujamiestis settlements about flights operated during the day and at night; and one complaint from residents of Nemenčinė neighbourhood about an increase in the number of aircraft flying in the direction 01, which results in increased noise. One complaint was also received from a resident of the Salininkai community regarding non-adherence to and deviations in the take-off routes by aircrafts flying in the direction 19. Every situation was investigated by the airports on case-by-case basis in cooperation with the reporting persons and/or the responsible authorities and provided a substantiated response.

KUN. In 2024, there were no complaints from the surrounding population about aircraft noise.

PLQ. 1 inquiry and 1 complaint were received. The inquiries to the Palanga airport were related to spatial planning: the applicant asked for clarification on whether the plot in question falls within the Noise Protection Zones (NPZs) and if it no longer falls within this zone, to remove it from the NPZ registers. The applicant was advised that the plot in question does not fall within NPZ. One complaint was received from a resident of Palanga about flights operated at night. Every situation was investigated by the airports on case-by-case basis in cooperation with the reporting persons and/or the responsible authorities and provided a substantiated response.

Noise protection zones (NPZs)

The company carries out activities specified in the Law on Special Land Use Conditions of the Republic of Lithuania, which require the establishment of NPZs in the territory of airfield subject to special land use conditions due to the potential negative impact of noise on public health. External legislation requires the Company to prepare prospective noise maps for the establishment of noise protection zones and compensation maps for the payment of compensations, and to compensate for the costs of the implementation of the measures to reduce the noise in residential and non-residential buildings in accordance with the requirements of the Rules for the Preparation, Harmonization, Approval, Publication of the Prospective Noise Maps and the Rules for the Reimbursement of the Costs of the Implementation of the Measures to Reduce the Noise (Resolution No 1369 of the Government of the Republic of Lithuania of 2 December 2020). Prospective noise maps and prospective compensation maps were prepared and approved by separate orders of the Minister of Transport and Communications of the Republic of Lithuania on 28 February 2024 and made public from 29 February 2024. This has helped to ensure compensations to all residents within the noise protection zone for the purchase of measures to reduce the noise. The LTOU has appointed a temporary commission, with intention to appoint a permanent commission, to deal with applications and enquiries, thus simplifying the process for those falling within NPZs to receive compensation.

Payment of compensation under NPZ procedures

During 2024, 9 applications for compensation of the costs of the implementation of the measures to reduce the noise were received.

VNO. 8 applications for compensation for the noise reduction measures were received, of which 6 were investigated within 2024. Three persons were fully compensated by awarding a maximum amount, one application was rejected for not falling within NPZ and two applications were rejected due to inappropriate period of time costs were incurred.

KUN. One application was received from a resident of Karmėlava, in respect of which Lithuanian Airports took a positive decision and satisfied the application by awarding a maximum amount provided.
PLQ. No requests were received from surrounding population of Palanga Airport.

We have been in regular contact with the public in response to complaints about aircraft noise. We also manage our cooperation with the LTSA and other parties involved in this topic. We also apply the management measures and actions identified in this chapter.

15.4.6 Diversity, equality and inclusion

Lithuanian airports are the gateway to the world – our employees are the first to greet and see off millions of passengers (for example, in 2024, just over 6 million passengers flew through all three airports), and there are more than 700 of our employees. We can only imagine how different they all are. The Company's statistics and the results of the Diversity and Inclusion Questionnaire suggest that the Company employs people of different ages (range 19-66 years), people with disabilities, and people who identify as LGBT.

That's why we have an ambitious goal – to create an environment where everyone feels 100% themselves. An environment that respects human diversity, promotes equal and non-discriminatory treatment and guarantees human rights. In this environment, we are:

- Improving the physical and especially emotional health of employees and creating an inclusive and motivating environment.
- Improving the experience not only for passengers but also for all stakeholders.

We are committed to the following for the stakeholders:

- CUSTOMERS. We want all passengers to feel welcome at airports. At LTOU, we adhere to the Passenger Service Standard, which is communicated to all employees and partners. The Standard is updated periodically, taking into account comments received from colleagues and partners and the latest trends in the field, and we regularly monitor compliance with the Standard.
- PARTNERS. In 2022, we updated and made available to partners the Partners' Code of Conduct, which is equally applicable to all partners in the operation of LTOU and is made public here.
- EMPLOYEES. All employees are familiar with the Equal Opportunities Policy, which we adopted in 2022 and is made public here (only in Lithuanian language). The Policy outlines key principles to ensure that equal opportunities and non-discrimination are respected in all areas of the employment relationship within the company, i.e. with existing or dismissed employees and with individuals seeking employment with LTOU.

Permanent actions:
We conduct an annual Diversity Charter survey to identify problems and measure progress. In 2022, the survey was completed by 89 employees, in 2023 by 204 employees. In 2024, the survey is yet to be carried out in February-March.

- We are one of the founding members of the Diversity Charter. We regularly participate in their training and seminars and share best practices.
- We run a Diversity and Inclusion Ambassadors project, with as many as 20 employee ambassadors. We continuously improve the competencies of our ambassadors on this topic and initiate various projects.

- We work extensively with passengers with individual needs (more on this in the sustainability topic - CUSTOMER EXPERIENCE).
- Every year on Children's Day, we organise a celebration for the children, foster children, children under guardianship and grandchildren of our employees.

The aim of this theme is to improve the overall score in the Diversity Charter's annual Diversity and Inclusion Employee Survey, which has only been available since 2023. This indicator has been included as part of the company's strategic objectives since last year.

TABLE 51. Annual employee diversity and inclusion survey score (out of 10)

Year	2022	2023	2024	2025	2026	2027
Objective	We did not have one raised yet	We did not have one raised yet	6.7	6.9	7.1	7.3
Fact	6.5	6.5	Data not yet available	-	-	-

TABLE 52. Employee diversity*

Distribution of the number of employees	2024			
	Board	Top-level managers	Middle-level managers	All employees
All employees	5	9	25	736
Women	1 (20%)	3 (33%)	9 (36%)	279 (38%)
Men	4 (80%)	6 (67%)	16 (64%)	457 (62%)
Up to 30 years of age	0	0	0	114 (16%)
30-50 years of age	3 (60%)	8 (89%)	23 (92%)	410 (56%)
More than 50 years of age	2 (40%)	1 (11%)	2 (8%)	212 (28%)

* Includes employees on parental leave.

Projects implemented in 2024:

- For the first time in the history of the LTOU, we expressed our support for the LGBTQ+ community by taking part in the Lithuanian Pride march FOR EQUALITY! 2024. It is not the first time when in June, a LGBTQ supportive campaign is displayed on airport screens and social media, and employees and partners wear a badge to show their support for the community.
- In 2024, we updated the description of the selection process, clearly laid down the principle that all candidates are treated equally, regardless of gender, age, nationality, disability, religion or other personal characteristics.
- In 2024, we allocated funding for the development of an interactive e-learning on preventing harassment, mobbing and other inappropriate behaviour at work. This training was delivered using a comic book style to make it attractive and easy to understand for all employees. The practical examples used in the training are specially adapted for our employees to better reflect real-life situations and working environment.

  Virtual training is mandatory for all employees, including newcomers. This helps to ensure that everyone in the company has a good understanding of the principles of recognising inappropriate behaviour and knows how to respond to discrimination or harassment identified.
- In November 2024, we approved the update on fringe benefits, which will take effect from 1 January 2025. The main change is that we have extended the list of the employee's relatives. This is a very important step in further delivering on our promise that all LTOU's employees have the opportunity to feel authentic. The list of the employee's relatives has been extended to include the employee's partner with whom the employee shares a household, the employee's permanent foster children, children under guardianship , and the employee's a permanent foster parent, guardians. One month's paid leave for the birth of an employee's child, where the employee is not entitled to paternity leave under Article 133 of the Labour Code of the Republic of Lithuania (relevant for same-sex partners).
- We started to involve employees on parental leave in the Company's activities: sending them and all employees newsletters, inviting them to company celebrations, trainings and more.
- We invited all organisations working with people with disabilities to an event at Vilnius Airport to showcase services and facilities for passengers with visible and invisible disabilities and to discuss how we can improve.

LTOU won the title of Diversity Promoting Workplace 2023 in the category of large companies in the National Responsible Business Awards in 2023 for promoting diversity and inclusion both in the Company and beyond.

Plans for 2025:

- A new post of Sustainability Culture Partner is established. This position was established with the aim of strengthening the culture of diversity, inclusion and employee well-being, more effectively delivering ESG social objectives, attracting a diverse talent pool and creating a better working environment, promoting employee well-being and motivation.
- Develop the Ambassadors project.
- Focus on passengers with individual needs.
- Conduct an annual Diversity and Inclusion Survey.
- Have an LGBTQ+ month campaign.
- Update the Equal Opportunities Policy.
- Engage with the Diversity Charter.
- Other

15.5 Governance

15.5.1 Responsible governance

As we strive to be the wings of Lithuania's growth and prosperity, it is very important for us to comply with the requirements of business ethics, transparency and anti-corruption.

Strategic objective

Every year, we strive for the highest rating in the Governance Coordination Centre's Good Governance Index. This rating is one of our company's strategic objectives. For more information on this assessment here (only Lithuanian language).

TABLE 53. Good Governance Index score

Year	2022	2023	2024	2025	2026
Objective	A+	A+	A+	A+	A+
Fact	A+	A+	n/d	n/d	n/d

A+ rating for good governance in 2023 (also A+ for the sustainability part). This is the rating we will be aiming for this report.

Fighting corruption and bribery

We have always placed great emphasis on creating and implementing a corruption-proof environment. We do not tolerate any form of corruption in our activities; therefore, we continuously assess and manage corruption risks, foster an attitude of intolerance towards corruption among our employees and partners and systematically implement measures to eliminate all possible causes and conditions of corruption.

The Company was recognised at the National Responsible Business Award 2024 (NAVA) or its efforts to enhance corruption prevention and promote various anti-corruption awareness initiatives. Often referred to as the "Oscar" of social responsibility, this award underscores the strategic importance of corporate social responsibility within the Company's operations.

Topic management

The main documents that guide us in this area are:

- The Law on Prevention of Corruption of the Republic of Lithuania and its implementing legislation.
- Sectoral Corruption Resilience Documents approved by orders of the Minister of Transport and Communications.
- The Company's internal documents, e.g. Corruption Prevention Policy, and other legal acts.

Anti-Corruption Description of the Procedures. This Description regulates the general provisions of the Company on the intolerance of corruption, the basic principles of corruption prevention, the measures for creating a corruption-resilient environment to be applied within the Company and the coordination and

control of their implementation. Every employee of LTOU undertakes to comply with the principles set out in the policy, to avoid any violation of the law of corrupt practices and to carry out the functions entrusted to him in a fair and transparent manner.

Codes of Ethics. The Company's value system and ideology, which we instil in both employees and business partners, is also reflected in the Code of Ethics for Employees (only in Lithuanian language), which also includes in its annex guidelines for dealing with situations of corrupt or non-transparent behaviour, and in the Code of Ethics for Business Partners. Thus, we include all operational partners in LTOU's system for creating a corruption-resilient environment.

LTOU has approved, applied and published on our website the Procedures for the Implementation of the Provisions of the Law on the Harmonisation of Public and Private Interests, the Approval of the Related Party Transactions Policy, the Procedures for the Management of the Accounting of Gifts and the Procedures for Actions Taken in the Event of Receiving an Unlawful Consideration, the Procedures for the Implementation of the Internal Channels of Information on Violations and the Enforcement of their Functioning, and other relevant information on the measures implemented by the Company for creating the resilient environment.

Cooperation with other institutions

We work with competent authorities to create a corruption-proof environment, sharing best practices both within the transport sector and with other organisations. For example, we participate in the preparation and implementation of the action plan for the prevention of corruption in the transport and communications sector, which is approved by the Order of the Minister of Transport and Communications of the Republic of Lithuania, and we take part in the workshops, training sessions and other events of the Transparency Academy, the Special Investigation Service, the General Prosecutor's Office and the High Commission for Official Ethics, etc.

The Prevention of Corruption Action Plan is prepared for at least two years, reviewed annually and subject to periodic internal audits. The Company reports on the implementation of the measures in the plan. The Plan includes an analysis of the sociological survey data, an assessment of the Plan's effectiveness and an analysis of the current situation, and the Plan's objectives, implementation, monitoring, reporting, updating, and financing. The Plan also sets out the employees responsible for implementing each measure, the timeframe for implementation and the expected results.

Read more about this. (only in LT language).

Main risks of corruption

Identifying and managing corruption-related risks is a crucial part of creating a corruption-proof environment. We periodically review the register of preventive risks, including corruption risks, the measures in place to assess their effectiveness. We also each year carry out the procedure for identifying the likelihood of corruption in at least two areas of the Company's operations.

All areas of the company's operations (100%) are assessed for corruption risk. Seven areas have been identified as the most likely to be affected by corruption:

1. Organisation and execution of procurement.
2. Management, use and disposal of assets.
3. Project implementation and supervision.

4. Human Resources Administration.
5. Reconciliation and declaration of public and private interests.
6. Use, management, protection and control of information that may pose a risk of corruption.
7. Taking decisions relating to the supervision of third parties.

Managing the main corruption risks

ASSESSMENT. Each year, at least two of the following areas are assessed for the likelihood of corruption. In 2024, the risk of corruption was assessed in the area of vehicle parking operations and the accounting of LTOU's inventories and low-value assets. No significant risk of corruption (high likelihood of occurrence) was identified, but proposal were made for mitigation measures to address identified risks It should be noted that, at the same time, the implementation of the proposals made in the conclusions on the likelihood of corruption for 2023 was monitored, the measures were found to have been implemented. We publish the conclusion of the assessment, approved by the Company's CEO, on our website.

- REGISTER. In order to create a corruption-resilient environment as efficiently as possible, we maintain a register of preventive risks, including corruption risks, periodically review the list of business areas with the highest probability of corruption and take additional actions to address the identified risks.
- TRAINING. LTOU regularly provides induction, specialised and general training for employees, and discusses issues during recurring meetings or training sessions (see below for details). REPORTING. The implementation of the Corruption Prevention Action Plan is reported annually to the Ministry of Transport and Communications, the Board and the Audit Committee. It is published on the website.
- PRESENTATIONS. Performance results, significant developments and events shall be presented at Board and Audit Committee meetings as required. They are also periodically presented to managers and employees during briefings and on the internal website.
- EMPLOYEE INFORMATION. Employees are made aware of the anti-corruption policies and procedures through the document management system, the Company's process repository, and those without digital access must be made aware by their line managers.

Anti-corruption communication and training

The company has a corruption prevention training programme, with regular induction, recurrent and specialised training for employees, both in person and on an internal distance learning platform.

Last year, we paid particular attention to employee education. We have developed a new interactive employee training, providing employees not only with teaching material, but also with modelled scenarios. Last year, additional specialised training on "Corruption Risk Factors and their Management in Public Procurement" was also provided to employees working in high corruption risk areas.

All employees and members of the company's governing bodies are 100% informed and trained on corruption prevention, policy application and procedures.

We have developed and distributed various methodological materials to our employees, we periodically discuss relevant anti-corruption issues during meetings with employees and recordings of meetings are available to all employees. We also cooperate with other institutions on employee education: the General Prosecutor's Office of the Republic of Lithuania, the Chief Official Ethics Commission and the Special Investigation Service.

Zero-gift policy

We follow a zero-gift policy in the company, and we inform our business partners about it. A zero-gift policy means that employees, while performing the functions assigned to them, have no right to directly or indirectly accept or give gifts, except for the exceptions provided by legislation, and all received gifts are registered regardless of their value.

The register of gifts received, which is updated on regular basis, is published on our website. More information is published on our website (only in Lithuanian language).

Topic management

New employees are made aware of the procedure and existing employees are constantly reminded of the information through a variety of means: newsletters, emails, internal intranet, employee screens, live meetings or training, etc.

Notification channels

Employees and other persons can contact the persons responsible for creating a corruption-proof environment within the Company in the Safety, Security and Resilience Department on various ethical conduct issues. More information on whistleblower protection is provided in the Company's website.

The notification can be submitted:

- By email to pranesk@ltou.lt
- By filling in a form on the Company's intranet.
- On the website by filling in the violation report form (only LT language).
- By visiting the Company.

LTOU encourages its employees to report through the Company's established reporting channels: either through the internal reporting channel or through dedicated Spread the Cloud (Lith. *Išsklaidyk debesis*) message boxes. We strive to operate in accordance with the highest ethical standards and principles, therefore we value the integrity of each employee or business partner and promote a culture of openness, and we invite

you to report such activities by communicating about them in meetings, training sessions, and through the Company's external and internal websites, which also provide information about confidentiality, legal remedies, and remuneration and compensation measures.

In 2024, 5 reports of potential violations of corruption nature were made through the internal reporting channel. Based on the information obtained, 3 internal investigations were carried out. The internal investigations did not identify any irregularities, but proposals were made to introduce additional internal controls in certain areas. The choice of the areas to be assessed in a given year for the likelihood of corruption is always based on the information received through reporting channels. The Company also publishes statistics on reports received in the air transport on its website.

Combating bribery of foreign officials in international business transactions

LTOU has zero tolerance to corruption in any form, including the bribery of foreign officials in international business transactions. In this area, LTOU is guided by the Convention on Combating Bribery of Foreign Officials in International Business Transactions of the Organisation for Economic Co-operation and Development (OECD) (hereinafter the "Convention"), which was ratified by the Seimas of the Republic of Lithuania on 20 April 2017, as well as by national and LTOU's internal legal acts.

The definition of corruption offences provided in the LTOU's Description of Corruption Prevention Procedures also includes bribery and influence peddling. The commitment to zero tolerance of such activities is also provided for in the LTOU's Code of Ethics for Employees, LTOU's Code of Ethics for Business Partners, e.g..: *LTOU operating partners undertake not to tolerate any corruption or other unfair activities between them, as well as such activities with the clients, partners, institutions, organisations, and other persons of Lithuanian and foreign countries.*

In addition to this legal framework, during the general anti-corruption training, LTOU employees are also provided with information on the Organisation for Economic Cooperation and Development , its benefits for Lithuania, the provisions of the Convention, and examples of foreign cases. All new and existing employees are encouraged to take this training periodically via a distance learning platform.

Conflicts of interest

Procedures for monitoring and disclosing the Company's transactions with related parties, for the declaration of private interests and for the assessment of conflicts of interest, are defined as:

- LTOU's Related Party Transactions Policy.
- The Procedures for the implementation of the provisions of the Law on the Harmonisation of Public and Private Interests of LTOU, which sets out how potential conflicts of interest are managed within the Company and provides a list of the positions declaring a private interest.

The members of the Board and the General Director shall declare their private interests in accordance with the provisions of the Law on the Harmonisation of Public and Private Interests and the Order of the Minister of Transport and Communications of the Republic of Lithuania elaborating on it.

Employees declare their private interests on the basis of the Law on the Harmonisation of Public and Private Interests and the Procedures for the Implementation of the Provisions of the Law on the Harmonisation of Public and Private Interests of LTOU. The following persons shall declare their private interests in LTOU: heads and deputy heads of structural units, persons holding positions whose list has been agreed with SCEC and persons holding positions in public procurement (members of the commission, initiators, experts, persons appointed as responsible for simplified procurement).

The data on declarations of private interests are periodically monitored and the results are reported to CEO.

15.5.2 Supply chain

The supply chain constitutes an important part of Lithuanian Airports' operations, and it is the key to our sustainability performance. The fundamental objectives set out in the European Union and Lithuanian legislation did not change in 2024, therefore we continue to strive to ensure that the goods, services and works we buy have the lowest possible impact on the environment, contribute to solving social problems, promote the development and supply of innovative products, and at the same time we strive to ensure that the actors in our supply chain adhere to the principles of ethical business conduct and develop the products we buy in a way that ensures the protection of human rights.

Topic management

• One of the strategic directions for Lithuanian Airports set in 2024 is a sustainability-oriented transformation of the organisation, which defines our efforts to achieve sustainability in the areas of renewable energy deployment, improved noise management and zero emissions.

• Lithuanian Airports' Strategic Action Plan for 2024-2027 includes the development of green public procurement and sets out actions to help achieve the objectives set out in the Government Resolution No 478 of the Government of the Republic of Lithuania of 21 June 2021.

• We comply with the principles and objectives set out in the legislation of the European Union and the Republic of Lithuania.

• We comply with the provisions of the Law of the Republic of Lithuania on Procurement by Contracting Entities in the Field of Water Management, Energy, Transport or Postal Services (hereinafter the "Law") and other legal acts.

• We comply with the Lithuanian Airports Sustainability Policy approved in 2022.

• We oblige the Company's suppliers to comply with the Code of Ethics for Business Partners approved in 2022.

Resources

In 2024, we successfully implemented the actions set out in our Strategic Action Plan:

TOOL FOR DETERMINING ENVIRONMENTAL REQUIREMENTS. To make it easier for employees engaged in public procurement to identify and determine environmental requirements, we have developed a tool for determining environmental requirements to help identify potential green requirements more easily and quickly, given the environmental impact of each requirement.

SUSTAINABLE PUBLIC PROCUREMENT STRATEGY The Sustainable Procurement Strategy for Lithuanian Airports 2025-2028 was developed to define the main objectives of sustainable procurement and the measures to be taken to achieve them. The strategy includes objectives such as increasing competition in public procurement at Lithuanian Airports, contributing to the implementation of the NET ZERO strategy, achieving social objectives by promoting fair work practices among suppliers, and encouraging innovative, breakthrough and best practice in public procurement.

CONTRACT PERFORMANCE MEMO. To help the responsible persons to ensure a smoother procurement contract performance process, we have developed a Contract Performance Memo, which, by consistently following the checkpoints provided, will help to reduce the risk of possible breaches of contracts.

A TOOL FOR MEASURING THE SUCCESS OF CONTRACTS. A tool for measuring the success of contracts has been developed and launched to assess the success of a contract at the end of a public procurement contract. This tool helps to evaluate the outcome of the contract performed against the objective of the procurement, by assessing the overall performance of the contract: the quality of the goods, services or works, the conformity of the goods, services or works to the technical specification, and the timeframe for completion of the contract. Measuring the success of a contract aims to identify a range of risks and issues that, as lessons learnt, will help to prepare for new purchases more smoothly. We are proud that Lithuanian Airports have been selected as a winner in the Best Management Practice category of the most efficient public procurement in 2024 organised by the Ministry of Economy and Innovation of the Republic of Lithuania for its contract performance measurements.

TRAINING. Specialised training was organised for procurement professionals and lawyers, covering, among other issues, qualification requirements and the detection of false information. In 2024, procurement professionals continued and successfully completed upskilling training on sustainable procurement, organised by the Baltic Environment Forum, which are conducted by representatives of the Public Procurement Service and the Ministry of the Environment of the Republic of Lithuania, in accordance with the European Commission's Green Public Procurement Training Programme, which is used in the EU countries and coordinated by ICLEI, an organisation of local authorities working towards sustainability, and the Baltic Environment Forum.

The training and follow-up meeting organised by WeBuySocialEU under the European Commission’s service contract EISMEA/2022/OP/0014 on Training and Awareness-raising Activities in Socially Responsible Public Procurement were also attended. This initiative aims to increase awareness on the benefits of sustainable

public procurement and to promote its use among public buyers. The follow-up meeting aimed to identify missing systemic elements and issues hindering the implementation of socially responsible procurement, to put recommendations forward to key stakeholders to improve the effectiveness of such procurement, and to encourage national, regional and local authorities and social economy actors to initiate and implement activities that would contribute to better implementation of socially responsible public procurement.

Green, innovative and socially responsible public procurement

In 2024, we maintained our 100% green procurement target, i.e. all our procurements in writing were carried out in line with environmental requirements to ensure the lowest possible negative environmental impact. Moreover, Lithuanian Airports received the Green Procurement Leaders award from the Ministry of Environment of the Republic of Lithuania for best practice in the procurement of uniform tailoring services. During the awards ceremony, we shared examples of good practice of Lithuanian airports, both of the application of environmental requirements in specific procurements, and on practical measures and instruments used by Lithuanian airports to facilitate the setting of requirements in specific procurement procedures.

Innovative procurement in 2024 accounted for 5.3% of the total value of all procurement procedures executed at Lithuanian airports this year, excluding low-value procurement procedures. There is much to be happy about, as innovative procurement procedures in Lithuania accounted for only 0.56%. In 2024, the focus on socially responsible procurement continued. Although the socially responsible procurement criteria are still applied in public procurement with particular caution, in a duly assessed and risk-based manner, we are pleased that the target has been achieved beyond expectation. We endeavour to encourage suppliers to provide dedicated employees servicing persons from vulnerable groups with flexible working arrangements. We identify exclusion grounds related to social obligations in our procurement procedures, and do not support and in no way tolerate violations of human and labour rights or anti-competitive agreements.

We buy the majority of our products from local suppliers established in the Republic of Lithuania, contributing to the strengthening of the local economy. In 2024, 90.5% of new contracts were awarded to local suppliers. Particular attention is paid to screening suppliers for national security requirements due to Russia's war with Ukraine and to ensuring compliance with the EU sanctions to prevent companies with any links to aggressor countries from participating in public procurement procedures.

We encourage the participation of small and medium-sized enterprises in public procurement by increasingly evaluating bids on the basis of price or on the basis of a cost-quality evaluation criterion, with the aim of encouraging suppliers to offer higher quality, more sustainable products and to choose more sustainable solutions in the provision of services or goods. Almost half (45.5%) of all procurement tenders announced were carried out based on the rice/quality criteria, accounting for 60.7% of the total value of all procurement tenders. We further encourage engagement with suppliers before the procurement process starts, we conduct market consultations and inform suppliers as early as possible about the upcoming procurement, and provide them with the opportunity to submit comments, which we try to take into account when considering the circumstances.

Human rights in the supply chain

Our activities are strictly monitored to avoid the risk of non-compliance with human rights. No cases of human rights abuses have been identified in our operations or among our suppliers during 2024. To date, we have not identified any cases of violation of fundamental workers' rights, restrictions on collective bargaining rights,

risks of forced or compulsory labour, child labour and/or young people being forced to perform hazardous work in supplier companies. Companies participating in our procurement tenders and seeking to become our suppliers are required to comply with the Lithuanian airports' policies on safe working conditions, anti-corruption and human rights.

In order to combat the shadow economy and to promote suppliers' social responsibility and awareness by paying fair wages to their employees, we apply a social evaluation criterion in certain types of procurement, assessing the extent to which the median monthly wage proposed by the supplier and the subcontractor, if any, for the employees who will be performing the contract and the tasks set out in our procurement documents, exceeds the minimum wage in the Republic of Lithuania.

15.6 GRI content index

TABLE 54. GRI index

Statement on the use of GRI standards		The Sustainability Report of JSC Lithuanian Airports complies with GRI standards and is presented for the period from 1 January to 31 December 2024.
Applicable GRI 1		GRI 1: Framework for application 2021
Applicable GRI standards for sectors		Not applicable
GRI 2: Background information 2024		
GRI STANDART		Chapter
1 The organisation and its reporting practices		
2-1	Information about the organisation	15.1
2-2	Entities included in the organization's sustainability reporting	15.1
2-3	Reporting period, frequency of reporting and contact person for questions about the report	15.1
2-4	Repetitive information	15.1
2-5	External verification	15.1
2 Activities and employees		
2-6	Activities, value chain and other business relationships	1
2-7	Number and diversity of employees	15.4.3
2-8	Workers who are not employees of the organisation	15.4.3
3 Management		
2-9	Governance structure and composition	15.1.3
2-10	Nomination and selection of members of the supreme governing body	15.1.3
2-11	Chair of the highest governance body	15.1.3
2-12	The role of the highest governance body in overseeing the organisation's impact management	15.1.3
2-13	Delegation of responsibility for managing the impact of the organisation	15.1.3
2-14	Role of the highest governance body in sustainability reporting	15.1.3
2-15	Conflicts of interest	15.5.1
2-16	Critical problem notifications	15.1.3

2-17	Knowledge of sustainable development among members of the highest governance body	The information is not available because to date there has been no separate record of how board members improve their knowledge in the field of sustainable development.
2-18	Performance evaluation of the supreme governing body	15.1.3
2-19	Remuneration Policy	15.4.3
2-20	Remuneration setting process	15.4.3
2-21	Annual salary ratio	15.4.3
4 Strategy, policies and practices		
2-22	Statement on the Sustainable Development Strategy	CEO statement
2-23	Responsible Business Policy	15.1.2
2-24	Embedding the commitments set out in the Responsible Business Policy	15.1.2
2-25	Processes for remediation of negative impacts caused	15.1.2
2-26	Instruments for advice and raising concerns	15.1.2
2-27	Regulatory compliance	During the reporting period, the Company had no significant cases of non-compliance with laws and regulations.
2-28	Membership associations	15.1.8
5 Stakeholder engagement		
2-29	Practices of cooperation with related parties	15.1.7
2-30	Collective bargaining agreements	The Company does not have a collective agreement with its employees.
GRI 3: Key Sustainability Topics 2021		
3-1	Process for identifying key sustainability topics	15.1.4
3-2	List of key sustainability topics	15.1.4
3-3	Managing key sustainability topics	15.1.5
Economic topics		
GRI 205: Anti-corruption 2016		
205-1	Operations that have been assessed for corruption risk	15.5.1
205-2	Communication and training about anti-corruption policies and procedures	15.5.1
205-3	Confirmed incidents of corruption and actions taken	15.5.1
GRI 204: Purchasing Practices 2016		
204-1	Share of costs for local suppliers	15.5.2
Environmental topics		
GRI 303: Water and wastewater 2018		
303-1	Water-related effects	15.3.1
303-2	Managing the impacts of water discharges	15.3.2
303-4	Water discharge	15.3.2
303-5	Water consumption	15.3.2
GRI 304: Biodiversity		

304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	15.3.4
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	15.3.1
305-2	Indirect (Scope 2) energy GHG emissions	15.3.1
305-3	Indirect (Scope 3) GHG emissions	15.3.1
305-4	GHG emission intensity	15.3
305-5	Reduction of GHG emissions	15.3.1
GRI 306: Waste 2020		
306-1	Waste generation and significant waste-related impacts	15.3.3
306-2	Management of significant waste-related impacts	15.3.3
306-3	Waste generated	15.3.3
306-4	Waste diverted from disposal	15.3.3
GRI 308: Supplier screening against environmental criteria 2016		
308-1	New suppliers that have been checked against environmental criteria	15.5.2
Social topics		
GRI 401: Employment 2016		
401-1	New recruits and employee turnover	15.4.3
GRI 402: Employment Relations 2016		
402-1	Minimum notice periods regarding operational changes	15.4.3
GRI 403: Occupational health and safety 2018		
403-6	Promotion of worker health	15.4.2 15.4.3
403-9	Work-related injuries	15.4.2
GRI 404: Training and education 2016		
404-1	Average hours of training per year per employee	15.4.3
GRI 405: Diversity and equal opportunity 2016		
405-1	Diversity of governance bodies and employees	15.4.6
GRI 406: Non-discrimination 2016		
406-1	Incidents of discrimination and corrective actions taken	15.4.6
GRI 407: Freedom of association and collective bargaining 2016		
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	15.5.2
GRI 408: Child labour 2016		
408-1	Operations and suppliers at significant risk for incidents of child labour	15.5.2
GRI 409: Forced or compulsory labour 2016		
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	15.5.2
GRI 413: Local communities 2016		
413-2	Operations with significant actual or potential negative impacts on local communities	15.4.5
GRI 414: Supplier social assessment 2016		
414-1	New suppliers that were screened using social criteria	15.5.2

GRI 418: Customer Privacy 2016		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	15.4.1

15.7 UN Global Compact Principles

At the beginning of this century, the United Nations developed and published the 10 Universal Principles (Global Compact), to which all organisations seeking to operate in a responsible and sustainable manner are invited to voluntarily subscribe. We support these principles in our work and promote their implementation in areas where we can have an impact. Below is a list of all the principles and the pages in this report that describe our activities, ambitions and initiatives to implement them.

TABLE 55. UN Global Compact Principles

	Global Compact principle	Chapter
1	We support and respect internationally recognised human rights.	15.3 15.5
2	We are committed not to be complicit in human rights abuses.	15.3 15.5
3	We guarantee freedom of association and trade unions and recognise workers' right to collective bargaining.	15.3 15.5
4	We do not use compulsory or forced work, and we aim to contribute to its eradication in an environment where we can have an impact.	15.3 15.5
5	We do not exploit child labour and try to contribute to its destruction in environments where we can influence it.	15.3 15.5
6	We do not discriminate and strive to contribute to the elimination of occupational discrimination in environments where we can have an impact.	15.3 15.5
7	We take preventive measures and take a precautionary approach to the environment.	15.3
8	We take initiatives to promote environmental responsibility.	15.3
9	We promote the development and application of environmentally friendly technologies.	15.3
10	We do not tolerate corruption and fight all forms of it, including bribery and graft.	15.5

16 Information on compliance with Chapters II-III of the Transparency Guidelines

AB Lietuvos oro uostai prepare management report and financial statements in accordance with the provisions of the Transparency Guidelines, approved by Resolution NO 1052 of the Government of the Republic of Lithuania of 14 July 2010 On the Approval of the Description of the Guidelines for Ensuring the Transparency of the Activities of State-Owned Enterprises (and its subsequent amendments) (hereinafter the "Transparency Guidelines") and the requirements established in the Law on State and Municipal Enterprises of the Republic of Lithuania. The Company's mission, vision, values, strategic goals and objectives, information on the current number of employees, the annual wage fund, the monthly salary of the company's managers and their deputies are published on the company's website (http://www.ltou.lt) and on the websites of the airports, flight and passenger statistics. The information provided in this management report of AB Lietuvos oro uostai

ensures a full compliance with the transparency guidelines laid down in Resolution No 1052 of the Government of the Republic of Lithuania of 14 July 2010. Information on compliance with the provisions of Chapters II-III of the Transparency Guidelines is presented in the table below:

TABLE 56. Transparency Guidelines Compliance Summary

	Item of the description of the guidelines for ensuring the transparency of the activities of state-owned enterprises (Description)	Execution	Notes
II section. Disclosure of State-Owned Company Information			
	5 The following data and information must be published on the website of the state-owned company:		
	5.1 –5.14. Title; code and register where data about the company is collected and stored; domicile (address); legal status, if the state-owned enterprise is being reorganised, reorganised (indicate the method of reorganisation), liquidated or bankrupt; the name of the institution representing the state and a link to its website; operational goals, vision and mission; structure; manager data; data of a chair and members of the Board, if the Board is formed according to the Articles of Association; a chair of the Supervisory Council if the Council is formed according to the Articles of Association; the sum of the nominal values of shares owned by the state (in euros to the nearest euro cent) and the share (percentage) in the authorised capital of the state-owned enterprise; information about social responsibility initiatives and measures, important ongoing or planned investment projects.	+	All public information about the company is published on the Company's website https://www.ltou.lt/en/
	6 In order to publicise the professionalism of the management and supervisory bodies established in state-owned enterprises, as well as the committee members, the following data of the persons specified in clauses 5.8–5.11 of the Description are published: name, surname, date of commencement of current positions, other current management positions in other legal entities, education, qualification and professional experience. If the person specified in clauses 5.9–5.11 of the Description is elected or appointed as an independent member, this is additionally indicated in addition to his data.	+	All public information about the company is published on the Company's website https://www.ltou.lt/en/
	7 The following documents must be published on the website of the state-owned company:		
	7.1 - 7.6. Articles of Association; a letter from the institution representing the state regarding the establishment of the state's goals and expectations in the state-run company; operational strategy or its summary in cases where the operational strategy contains confidential information or information that is considered a	+	All public information about the company is published on the Company's website https://www.ltou.lt/en/

	Item of the description of the guidelines for ensuring the transparency of the activities of state-owned enterprises (Description)	Execution	Notes
	commercial (production) secret; a document establishing the remuneration policy, which includes the determination of the salary of the manager of the state-owned company and the remuneration of the members of the collegial bodies and committees formed in the state-owned company, described in more detail in the Code of Corporate Governance; annual and interim reports of a state-owned company, annual and interim activity reports of a state-owned company for a period of at least five years; sets of annual and interim financial statements for a period of at least five years and the auditor's reports on the auditor of annual financial statements.		
	III. section Preparation of sets of financial statements, reports and activity reports		
	14 State-owned enterprises manage their accounting in such a way as to ensure the preparation of financial statements in accordance with International Accounting Standards.	+	The Company's financial statements are prepared according to International Financial Reporting Standards.
	15 In addition to the set of annual financial statements, a state-owned enterprise prepares a set of six-month interim financial statements.	+	The Company prepares a set of annual financial reports and sets of three-, six-, nine- and twelve-month interim financial reports and publishes them on the Company's website https://www.ltou.lt/en/
	16 A state-owned enterprise classified as a public interest company according to the Law on the Audit of Financial Statements of the Republic of Lithuania, in addition to the annual report, additionally prepares a six-month interim report. A state enterprise classified as a public interest enterprise according to the Law on the Audit of Financial Statements of the Republic of Lithuania, in addition to the annual activity report, additionally prepares a six-month interim activity report	+	The Company prepares an annual activity report and a six-month interim activity report and publishes them on the Company's website https://www.ltou.lt/en/
	17 In the management report or the annual activity report of a state-owned company, in addition to the content requirements set out in the Law on Financial Reporting of Companies of the Republic of Lithuania or the Law on State and Municipal Companies of the Republic of Lithuania, the following must also be presented:		
	17.1. A brief description of the state-owned enterprise's business model.	+	Information about the business model of the state-owned Company is provided in Chapter 1 Company's Infrastructure, Strategy and Objectives and Chapter 2 Company's Governance Structure, Management Bodies.
	17.2. Information about important events that took place during and after the financial year (before the preparation of the annual report or the annual activity report) and that were of fundamental importance	+	Information about the main events that are of fundamental importance to the activities of the state-owned enterprise, which occurred during the reporting period and after it, is presented in Chapter 3 Key Events Significant to the Company's Operations During the Reporting

	Item of the description of the guidelines for ensuring the transparency of the activities of state-owned enterprises (Description)	Execution	Notes
	to the activities of the state-owned enterprise.		Period and in Chapter 14 Significant Events After the End of the Financial Year.
	17.3. The results of the implementation of the goals provided for in the strategy of the state-owned enterprise.	+	Information about the implementation of the objectives set out in the state-owned enterprise's strategy, the results are presented in chapter 1 Company's Infrastructure, Strategy and Objectives.
	17.4. Indicators of profitability, liquidity, asset turnover and debt.	+	Information on the indicators achieved by the Company is presented in Chapter 10 The Company's Main Financial Indicators and Their Analysis.
	17.5. Execution of special obligations.	-	The Company does not have special obligations.
	17.6. Implementation of the investment policy, ongoing and planned investment projects and investments during the reporting year.	+	Information on investments during the reporting period, the largest ongoing and planned projects is presented in Chapter 7 Company's Investments, the Largest Ongoing and Planned Investment Projects.
	17.7. Implementation of the risk management policy applied in the state-owned enterprise.	+	Information on the implementation of the risk management policy applied in the Company is provided in Chapter 13 Analysis of Environmental Factors Risk and Risk Management.
	17.8. Implementation of dividend policy in state-owned enterprises.	+	Information on the Company's dividend policy can be found in Chapter 6.1 Changes in Owners' Equity.
	17.9. Implementation of remuneration policy.	+	The remuneration policy applied by the Company is presented in Chapter 8 Employees and Compensation.
	17.10. Total annual salary pool, average monthly salary according to current position and/or departments.	+	Information on the total annual wage fund and the average monthly fixed (assigned) wage by position group is provided in Chapter 8 Employees and Compensation.
	17.11. Information on compliance with the provisions of Chapters II and III of the Description: it is indicated how they are implemented, which provisions are not complied with, and an explanation is given as to why.	+	Information on compliance with the provisions of Chapters II and III of the Description is indicated in Chapter 16 Information on Compliance with the Provisions of Chapters II and III of the Transparency Guidelines.
	18 State-owned enterprises and state enterprises, which are not required to prepare a social responsibility report, are recommended to provide information related to environmental, social and personnel, human rights, anti-corruption and bribery issues in the annual report or annual activity report, respectively.	+	Information about ongoing social, environmental, personnel, human rights and anti-bribery initiatives and policies is presented in Chapter 15 Sustainability.

Also, in order to increase transparency, AB Lietuvos oro uostai publicises its performance through various media. AB Lietuvos oro uostai informs interested parties about its airport activities, cooperates with various organisations, and publicises its planned development projects. The Company also cooperates with the Airport Users' Committee, to which performance, pricing policies, development projects and other important information are presented.

17 Information on the audit of the annual financial statements

In accordance with the Law on State and Municipal Enterprises of the Republic of Lithuania, the Ministry of Transport and Communications of the Republic of Lithuania, the institution exercising the owner's rights, selects a certified auditor or an auditing firm to carry out an audit of the company's annual set of financial statements. LTOU is subject to the requirements of public procurement legislation, therefore all audit procurements are carried out through public procurement. UAB ROSK Consulting has been selected to provide audit services for the financial years 2022-2024. The contract was signed on 9 June 2022. Information on other services provided: translation services.

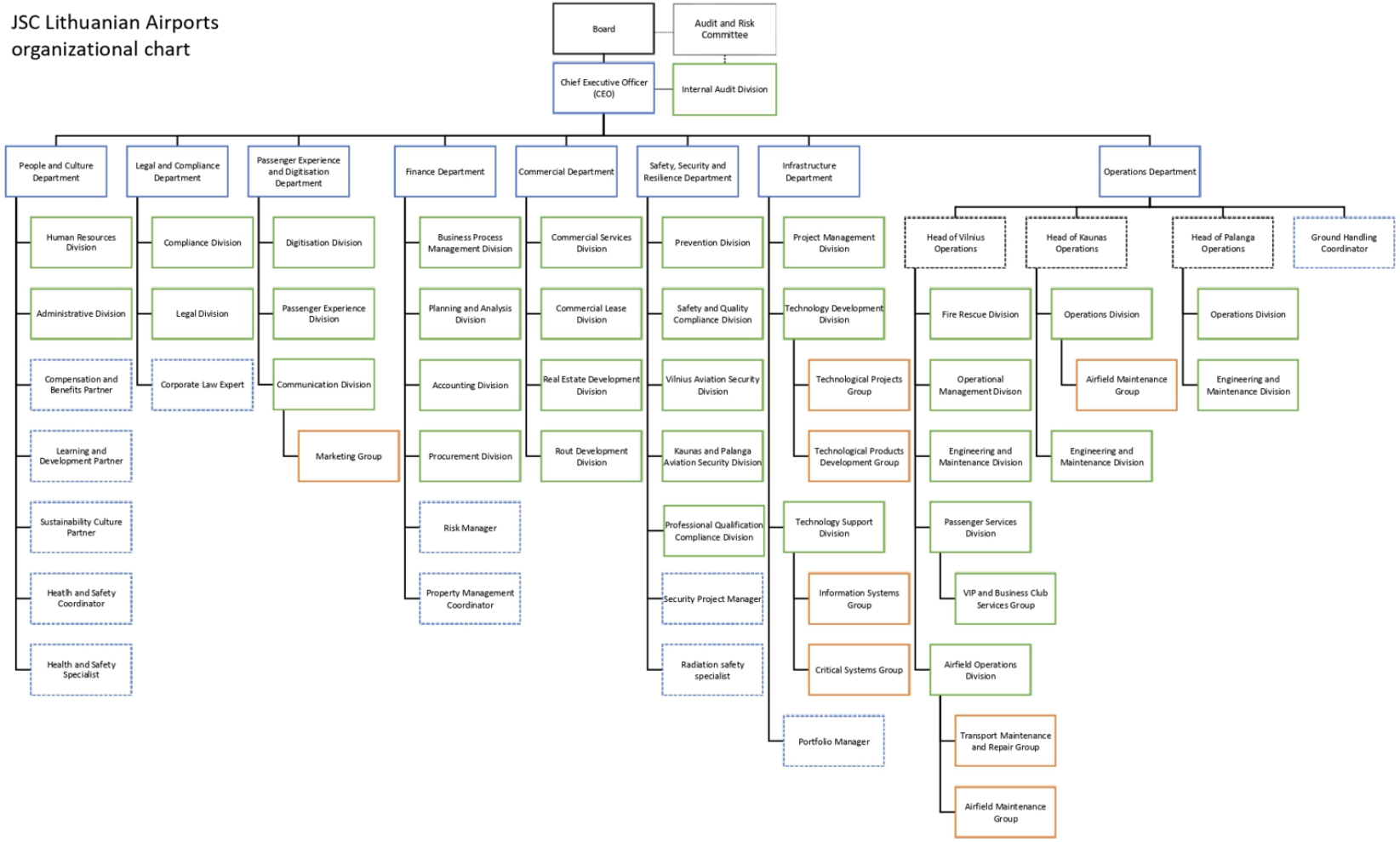
TABLE 57. Auditor's data and information of financial statements

The entity that performed the audit	UAB ROSK Consulting
Remuneration for the audit for 2024 and for the review of the Management Report.	EUR 41,000
Reference to the auditor's report	http://www.ltou.lt/lt/lietuvos-oro-uostai/veikla/ataskaitos/
Reference to the audited financial statements	http://www.ltou.lt/lt/lietuvos-oro-uostai/veikla/ataskaitos/
The Management Report is published at	http://www.ltou.lt/lt/lietuvos-oro-uostai/veikla/ataskaitos/

Annex 1. The Company's organizational management structure in 2024

APPROVED:
AB Lietuvos oro uostai
On 21 March 2024, by the Board decision
(Minutes No 1VN-10 of 22/03/2024)
EFFECTIVE AS OF 01/04/2024

JSC Lithuanian Airports
organizational chart



Annex 2. Strategic goals, objectives, indicators

Strategic goal/objectives	Indicator	**2022F**	**2023F**	**2024L**	**2025P**	**2026P**	**2027P**	**2028P**	**Benchmark weight**	**Responsible for the achievement of the objective/target**
Objective. To ensure the timely deployment of the infrastructure project	Infrastructure capacity created per hour of outbound traffic	VNO - 1050;	VNO - 1050;	VNO - 1050;	VNO - 2400;	VNO - 2400;	VNO - 2400;	VNO - 2400;	34%	Director of the Operations Department
		KUN - 540	KUN - 720	KUN - 720	KUN - 1100	KUN - 1100	KUN - 1100	KUN - 1100	33%	Director of the Operations Department
	VNO's infrastructure capacity created per hour of inbound traffic (T5)	VNO - 800;	VNO - 800;	VNO - 800;	VNO - 980;	VNO - 980;	VNO - 980;	VNO - 2400;	33%	Director of the Operations Department
Objective. To foster an attractive business environment	Commercial occupancy rate, % at all airports	VNO - 84, KUN - 97, PLQ - 96	VNO - 75, KUN - 92, PLQ - 84	VNO - 78, KUN - 93, PLQ - 95	VNO - 80, KUN - 90, PLQ - 95	VNO - 80, KUN - 93, PLQ - 95	VNO - 82, KUN - 95, PLQ - 95	VNO - 85, KUN - 80, PLQ - 95	VNO - 34% KUN - 33% PLQ - 33%	Director of the Commercial Department
Objective. To coordinate business and infrastructure development	Capex, EUR million			68	58.5	41.5	32.4	51.6	100%	Director of the Development Department
Objective. To strengthen core competences and expand human resources	Voluntary employee turnover, %	8.47	≤15	≤15	≤15	≤15	≤15	≤15	100%	Head of the Personnel and Administration Department
Objective. To expand flight routes strategically	Passenger numbers, million	5.3	6	≥6.4	≥6.8	≥7.2	≥7.5	≥7.9	100%	Head of the Flight Development Department

Objective. To apply, adapt and diversify the risk-sharing partnership model	Connectivity index, country ranking	95	95	94	93	91	89	85	100%	Head of the Flight Development Department
Objective. To review the terms of existing contracts and revise future pricing strategy	Aviation revenue, million	26.6	39.2	42.1	46	48.3	50.6	53	100%	Head of the Flight Development Department
Objective. To coordinate route development and demand creation with key strategic partners	National priority routes handled, %		70%	70%	78%	81%	85%	90%	100%	Head of the Flight Development Department
Objective. To implement projects generating non-aviation revenue	Adjusted EBITDA, EUR million	15.4	21	≥19	≥21	≥23	≥24	≥25	100%	Director of the Finance Department
Objective. To increase non-aviation revenue per passenger, EUR/passenger	Non-aviation revenue per passenger, EUR/passenger			3.34	3.31	3.51	3.93	4.24	100%	Director of the Commercial Department
Objective. To actively manage external investments and investor relations	Net annual debt-to-adjusted EBITDA	≤5.5	≤5.5	≤5.5	≤5.5	≤5.5	≤5.5	≤5.5	100%	Director of the Finance Department
Objective. To ensure return for shareholder	Dividend share of distributable profit, %				≥70%	≥70%	≥70%	≥70%	100%	Director of the Finance Department
Objective. To open up new revenue flows by increasing MRO and Cargo capacity	Ratio of aviation and non-aviation revenues in the total revenue structure, %	59/41	66/34	65/35	66/34	66/34	63/37	61/39	100%	Director of the Commercial Department
Objective. To improve passenger experience	Loyalty rate (NPS), %	72	≥58	≥62	≥63	≥65	≥66	≥68	100%	Director of the Commercial Department

Objective. To increase partner satisfaction ranking	Partner Satisfaction Index ('cooperation is going well', on a 5- point scale of 4 and 5)	81	76	79	77	80	80	80	100%	Director of the Commercial Department
Objective. To achieve Level 3 in the ACI Airport Customer Experience Accreditation	ACI Airport Customer Experience Accreditation level			I	II	II	II	III	100%	Director of the Commercial Department
Objective. To improve employee work experience	Employee engagement index, %	67	65	67	65	65	65	65	100%	Head of the Personnel and Administration Department
Objective. To reduce waiting times at checkpoints	Waiting times at checkpoints, min.			20	20	17	14	10	100%	Director of the Safety and Security Department
Objective. To enhance infrastructure resilience and recoverability (ensuring aviation security)	ALoSec, %	83.33	≥82.95	≥83.95	≥84.95	≥85.95	≥87	≥88	100%	Director of the Safety and Security Department
Objective. To enhance infrastructure resilience and recoverability (ensuring airside safety requirements)	ALoSP, %	88.03	≥87.17	≥88.17	≥89.17	≥90.17	≥91	≥92	100%	Director of the Safety and Security Department
Objective. To ensure employee training and competences	EASA/ICAO Full Compliance Training Programme and 100% of trained and qualified flight/aviation security employees (implementation plan, %)				100	100	100	100	100%	Director of the Safety and Security Department
Objective. A drone detection solution covering 100% of sensitive airport infrastructure by Q4 2028	Implementation according to plan, %				100	100	100	100	100%	Director of the Safety and Security Department

Objective. Destroyed aircraft removal options full category C (equipment + trained personnel)	Implementation according to plan, %				100	100	100	100	100%	Director of the Safety and Security Department
Objective. To ensure a reduction in carbon dioxide emissions compared to the first measurement	Reduction in carbon dioxide emissions compared to the first measurement			VNO 48%; KUN 65%; PLQ 60%	VNO 59%; KUN 69%; PLQ 64%	VNO 71%; KUN 74%; PLQ 68%	VNO 82%; KUN 78%; PLQ 72%	VNO – 93%, KUN – 82%, PLQ – 76%	VNO - 34% KUN - 33% PLQ - 33%	Director of the Safety and Security Department
To implement compliance with the European Sustainability Reporting Standard (ESRS)	ESRS compliance (%)			-	100	100	100	100	100%	Director of the Finance Department
To maintain compliance with the Good Governance Index	Good Governance Index (GGI assessment)	A	A+	A+	A+	A+	A+	A+	100%	Director of the Finance Department