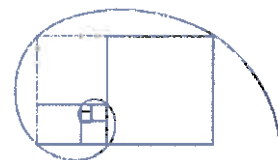


***PANEVEZIO STATYBOS TRESTAS AB***  
***Consolidated Interim Financial Statements***  
***and Consolidated Interim Report***  
***for the First Half of 2019***  
***(UNAUDITED)***

**30 August 2019**

**Panevezys**



## STATEMENT OF EXECUTIVE OFFICERS OF THE COMPANY

Hereby we confirm that based on the information available to us, the interim financial statements of the Company and the Group provided for the six months of the year 2019 prepared in accordance with the International Financial Reporting Standards are true and show the assets, liabilities, financial position, profit or loss and cash flows of *Panevezio statybos trestas* AB and *Panevezio statybos trestas* AB Group in a correct manner, and that the review of business development and performance is indicated correctly in the interim report.

Dalius Gesevicius  
Managing Director

*Panevezio statybos trestas* AB

Danguole Sirvinskiene  
Chief Accountant

*Panevezio statybos trestas* AB



### 1. Accounting period covered by the Semi-Annual Report

This Consolidated Semi-Annual Report of 2019 covers the period 1 January 2019 through 30 June 2019.

### 2. The main data about the Company (the issuer)

Name of issuer	Public Limited Liability Company <i>Panevezio statybos trestas</i>
Authorised capital	4,741,500 Euros
Address of registered office	P. Puzino Str. 1, LT-35173 Panevezys, Lithuania
Telephone	(+370 45) 505 503
Fax	(+370 45) 505 520
Legal-organisational form	Public Limited Liability Company
Date and place of registration	30 October 1993, Panevezys City Board
Registration No.	AB 9376
Register code	147732969
VAT code	LT477329610
LEI code	52990000VPCGEWIDCX35
Administrator of Legal Entity Register	State Enterprise <i>Centre of Registers</i>
E-mail	<a href="mailto:pst@pst.lt">pst@pst.lt</a>
Website	<a href="http://www.pst.lt">www.pst.lt</a>

### 3. Nature of the main operation of the issuer

The main operation area of the company and its subsidiaries (the Group) is designing and construction of various buildings, structures, equipment and communications and other objects in Lithuania and abroad, sale of building materials and real estate development. Furthermore, the company is engaged in rent of premises and machinery.

#### **Vision**

To become a reputed construction company in Europe, which uses advanced technologies, ensures quality and agreed work completions terms.

#### **Mission**

While honestly fulfilling our obligations, promoting long-term cooperation and proposing mature solutions in construction, we ensure profitable and sustainable business development.

#### **Target**

To retain the leading position in the construction market by creating the added-value to our clients, shareholders and employees.

**4. The companies included in the Group of Panevezio statybos trestas AB**

As of 31 June 2019, the Group of Panevezio statybos trestas AB included the following companies:

<i>Subsidiary company</i>	<i>Registration date, register administrator</i>	<i>Company code</i>	<i>Registered address</i>	<i>Telephone, fax, e-mail, website</i>	<i>Portion of controlled shares (per cents)</i>
<i>Skydmedis UAB</i>	17 June 1999 State Enterprise Centre of Registers	148284718	Pramones Str. 5, Panevezys	Tel. (+370 45) 467626 Fax (+370 45) 460259 <a href="mailto:info@skydmedis.lt">info@skydmedis.lt</a> <a href="http://www.skydmedis.lt">www.skydmedis.lt</a>	100
<i>Metalomeistrai UAB</i>	16 June 1999 State Enterprise Centre of Registers	148284860	Tinklu Str. 7, Panevezys	Tel. (+370 45) 461677 Fax (+370 45) 585087 <a href="mailto:info@metalomeistrai.lt">info@metalomeistrai.lt</a> <a href="http://www.metalomeistrai.lt">www.metalomeistrai.lt</a>	100
<i>Vekada UAB</i>	16 May 1994 State Enterprise Centre of Registers	147815824	Marijonu Str. 36, Panevezys	Tel. (+370 45) 461311 Fax (+370 45) 461311 <a href="mailto:info@vekada.lt">info@vekada.lt</a> <a href="http://www.vekada.lt">www.vekada.lt</a>	95.6
<i>Alinita UAB</i>	8 December 1997 State Enterprise Centre of Registers	141619046	Tinklu Str. 7, Panevezys	Tel. (+370 45) 467630 Fax (+370 45) 467630 <a href="mailto:info@alinita.lt">info@alinita.lt</a> <a href="http://www.alinita.lt">www.alinita.lt</a>	100
<i>Kingsbud Sp.z.o.o.</i>	11 August 2010 District Court in Bialystok, XII Economic Department of National Court	200380717	A. Patli Str. 12, 16-400 Suwalki, Poland	Tel. (+48 875) 655 021 Fax (+48 875) 655 021 <a href="mailto:biuro@kingsbud.pl">biuro@kingsbud.pl</a> <a href="http://www.kingsbud.lt">www.kingsbud.lt</a>	100
<i>PS Trests SIA</i>	22 May 2000 Centre of Registers, Republic of Latvia	40003495365	Skultes Str. 28, Skulte, Marupes Parish, Riga Region, Latvia	Tel. +371 29525066	100
<i>Teritorija OOO</i>	3 June 2013 Kaliningrad Obl. Federal Tax Service Inspection No. 12	3528202650	Lunacharskogo Drive 43-27, Cherepovets, Bologda Obl., Russian Federation	Tel. +7 9097772202 Fax +7 9217234709 <a href="mailto:baltevromarketao@mail.ru">baltevromarketao@mail.ru</a> <a href="mailto:maslenal1@mail.ru">maslenal1@mail.ru</a>	87.5
<i>Seskinės projektai UAB</i>	9 November 2010 State Enterprise Centre of Registers	302561768	Verkiu Str. 25C, Vilnius	Tel. (+370 5) 2102130 Fax (+370 5) 2102131 <a href="mailto:info@psti.lt">info@psti.lt</a> <a href="http://www.psti.lt">www.psti.lt</a>	100
<i>Ateities projektai UAB</i>	25 April 2006 State Enterprise Centre of Registers	300560621	Verkiu Str. 25C, Vilnius	Tel. (+370 5) 2102130 Fax (+370 5) 2102131 <a href="mailto:info@psti.lt">info@psti.lt</a> <a href="http://www.psti.lt">www.psti.lt</a>	100
<i>PST investicijos UAB</i>	23 December 1998 State Enterprise Centre of Registers	124665689	Verkiu Str. 25C, Vilnius	Tel. (+370 5) 2102130 <a href="mailto:info@psti.lt">info@psti.lt</a> <a href="http://www.psti.lt">www.psti.lt</a>	68

**Panevezio statybos trestas AB Interim Financial Statements for Six Months of 2019**

<i>Tauro apartamentai</i> UAB	23 October 2018 State Enterprise <i>Centre of Registers</i>	304937621	Verkių Str. 25C-1, Vilnius	Tel. (+370 610) 09222 <a href="mailto:a.jokubaitis@psti.lt">a.jokubaitis@psti.lt</a>	100
<i>Hustal</i> UAB	11 December 2018 State Enterprise <i>Centre of Registers</i>	304968047	Tinklų Str. 7, Panevezys	Tel. (+370 45) 461677 Fax (+370 45) 585087 <a href="mailto:egidijus.urbonas@meta.lomeistrai.lt">egidijus.urbonas@meta.lomeistrai.lt</a>	100

**Subsidiary companies of PST investicijos UAB:**

<i>ISK</i> <i>Baltevromarket</i> AO	13 July 2001 <i>Independent</i> <i>Registration Company</i> AB – Administrator of shareholders' register	3906214631	Rostovskaja Str. 5-7, Kaliningrad, Kaliningrad Obl., Russian Federation	Tel. +79097772202 <a href="mailto:baltevromarketao@mail.ru">baltevromarketao@mail.ru</a>	100
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**5. Contracts with the intermediary of public trading in securities**

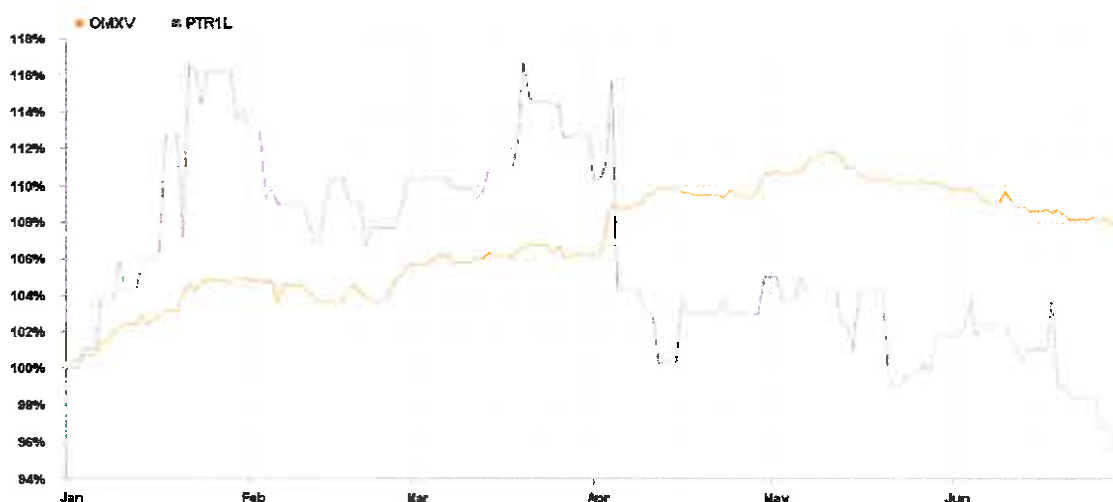
In 2013, the Company signed the contract with the Financial Brokerage Company *Finasta* AB for securities accounting and provision of services related with securities accounting. On 21 December 2015, the Financial Brokerage Company *Finasta* AB had been rearranged by way of merge with *Siauliu bankas* AB, which took over all assets, rights and liabilities of the Financial Brokerage Company *Finasta* AB from the mentioned date.

**6. Data on trading in securities of the issuer in regulated markets**

The ordinary registered shares of *Panevezio statybos trestas* AB have been on the Official Trading List of *Nasdaq Vilnius* AB (company symbol PTR1L) since 13 July 2006.

<i>Share type</i>	<i>Number of shares, pcs</i>	<i>Par value, Euros</i>	<i>Total par value, Euros</i>	<i>Emission code ISIN</i>
Ordinary registered shares (ORS)	16,350,000	0.29	4,741,500	LT0000101446

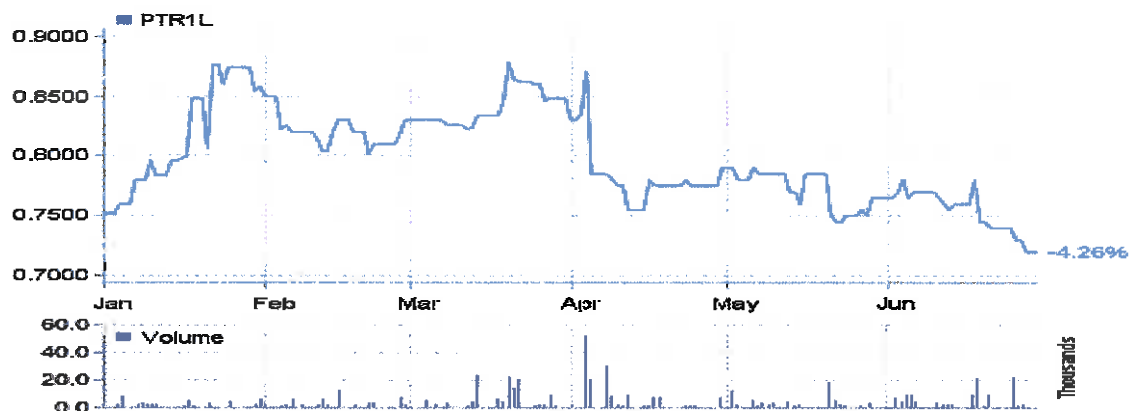
**Comparison of PTR1L Panevezio statybos trestas and OMX Vilnius Benchmark GI indexes for the First Half of 2019**



*Company share price variation at the Stock Exchange Market Nasdaq Vilnius for the period covering 2015 through the First Half of 2019 (Euros)*



*Company share price variation at the Stock Exchange Market Nasdaq Vilnius for the First Half of 2019 (Euros)*



*Table 1. Information on the company share price at the Stock Exchange Market Nasdaq Vilnius (Euros):*

<i>Last price 30 June 2018</i>	<i>Last price 31 Dec 2018</i>	<i>Average share price for I half of 2019</i>	<i>Highest price for I half of 2019</i>	<i>Lowest price for I half of 2019</i>	<i>Last price 30 June 2019</i>
<i>0.90 EUR</i>	<i>0.858 EUR</i>	<i>0.803 EUR</i>	<i>0.878 EUR</i>	<i>0.710 EUR</i>	<i>0.723 EUR</i>

**7. Authorised capital of the issuer and its structure**

As of 30 June 2019, the authorised capital of the company amounted to 4,741,500 Euros divided into 16,350,000 ordinary registered shares (ORS), the nominal value of each share being 0.29 Euros. All shares are non-certificated and fully paid. The proof of ownership is the record in the securities accounts.

On 30 June 2019, the total number of shareholders was 1518.

Table 2. The shareholders holding or controlling more than 5 per cents of the authorised capital of the company:

<i>Full name of a shareholder (company name, type, headquarter address, company code)</i>	<i>Number of ordinary registered shares held by a shareholder under ownership right (pcs )</i>	<i>Percentage of the authorized capital held</i>	<i>Percentage of votes granted by the shares held under ownership right</i>	<i>Portion of votes owned by a shareholder along with acting persons</i>
<i>Panevezio keliai AB</i> S. Kerbedzio Str. 7, Panevezys Company code: 147710353	8,138,932	49.78	49.78	---
Clients of Swedbank AS Liivalaia 8, 15040 Tallinn, Estonia	1,284,733	7.86	7.86	---
Freely negotiable shares	6,926,335	42.36	42.36	---

None of the shareholders of the issuer has any special control rights. All shareholders have equal rights prescribed by Section 4 of the Law on Companies of the Republic of Lithuania.

The number of shares carrying votes at the General Meeting of Shareholders of *Panevezio statybos trestas* AB is 16,350,000.

#### **8. Information on the performance of the issuer**

Referring to the unaudited data, over the six months of 2019, the turnover of *Panevezio statybos trestas* AB amounted to 50.414 mln. Euros, that is by 28.6 per cents higher compared to the six months of the year 2018. The turnover for the six months of the year 2018 was 39.208 mln. Euros. In the first half of 2019, the company made the net profit in the amount of 0.807 mln. Euros, whereas over the first half of 2018 the company incurred losses in the amount of 0.664 mln. Euros.

The consolidated comprehensive income of the Group of *Panevezio statybos trestas* AB amounted to 49.324 mln. Euros and increased by 8.2 per cents compared to the income for the first half of 2018. Over the accounting period the Group made the net profit in the amount of 0.903 mln. Euros, whereas over the first half of 2018 the Group incurred losses in the amount of 0.879 mln. Euros.

Over the six months of 2019, EBITDA – earnings before interest, taxes, depreciation and amortization – of the company was 1.592 mln. Euros with 0.005 mln. Euros over the first half of the year 2018. EBITDA of the Group was 1.797 mln. Euros over the six months of 2019 compared to 0.003 mln. Euros over the first half of 2018.

#### *Risk factors related to the company's operation:*

In their operation, both the company and the Group face various types of risks:

- legal regulation;
- severe competition;
- shortage of qualified labour;
- cyclical nature of economy;
- macroeconomic factors;
- damping.

Information on the types of risks and risk management is provided in the Notes to the Separate Financial Statements for the year ended on 31 December 2018 (Note 4) and the Notes to the Consolidated Financial Statements for the year ended on 31 December 2018 (Note 4).

Table 3. The results of the company and the Group of Panevezio statybos trestas AB for the First Half of 2017 through the First Half of 2019 (thousands Euros):

Group			Items	Company		
I half of 2017	I half of 2018	I half of 2019		I half of 2017	I half of 2018	I half of 2019
33,548	45,567	49,324	Income	24,386	39,208	50,414
32,562	42,475	46,712	Cost	23,266	37,782	48,517
985	3,092	2,612	Gross profit	1,120	1,426	1,897
2.94	6.79	5.30	Gross profit margin (per cents)	4.6	3.64	3.76
-2,197	21	-244	Typical operating result	-1,122	-676	-1
-6.5	0.05	-0.49	Typical operating result from turnover (per cents)	-4.6	-1.72	-0.002
-874	3	1,797	EBITDA <sup>1</sup>	-6	5	1,592
-2.6	0.01	3.64	EBITDA margin (per cents)	-0.03	0.01	3.16
-1,681	-879	903	Net profit	-619	-664	807
-5	1.93	1.83	Nets profit (loss) margin (per cents)	-2.5	-1.69	1.60
-0.10	-0.05	0.055	Earnings per share (Euros) (EPS) <sup>2</sup>	-0.04	-0.04	0.049
-4.81	-2.42	2.60	Return on equity (per cents)(ROE) <sup>3</sup>	-1.63	-1.78	2.31
-3.22	-1.48	1.24	Return on assets or asset profitability (ROA) <sup>4</sup>	-1.28	-1.20	1.20
-4.49	-2.30	1.93	Return on investments (ROI) <sup>5</sup>	-1.59	-1.75	1.77
3.02	2.38	2.69	Current liquidity ratio <sup>6</sup>	3.61	2.06	1.79
2.34	1.74	1.39	Critical liquidity ratio <sup>7</sup>	3.50	1.86	1.56
0.67	0.61	0.48	Equity ratio <sup>8</sup>	0.79	0.67	0.52
2.14	2.22	2.12	Book value per share <sup>9</sup>	2.33	2.28	2.14
0.49	0.41	0.34	Ratio of share price and book value (P/BV) <sup>10</sup>	0.45	0.40	0.34

<sup>1</sup> EBITDA = profit before taxes, interest, depreciation and amortization. The essence of EBITDA indicator is to determine the most objective profit (loss) of the company, which is least dependable on circumstances (least variable).

<sup>2</sup> Earnings per share (Euros) = net profit (loss) / number of issued shares.

<sup>3</sup> Return on equity (per cents) (ROE) = net profit / equity capital (a portion equity capital belonging to the shareholders).

<sup>4</sup> Return on assets (ROA) or asset profitability = net profit / assets.

<sup>5</sup> Return on investments (ROI) = net profit / (assets-current debt).

<sup>6</sup> Current liquidity ratio = current assets / current liabilities.

<sup>7</sup> Critical liquidity ratio = (current assets – inventories) / current liabilities.

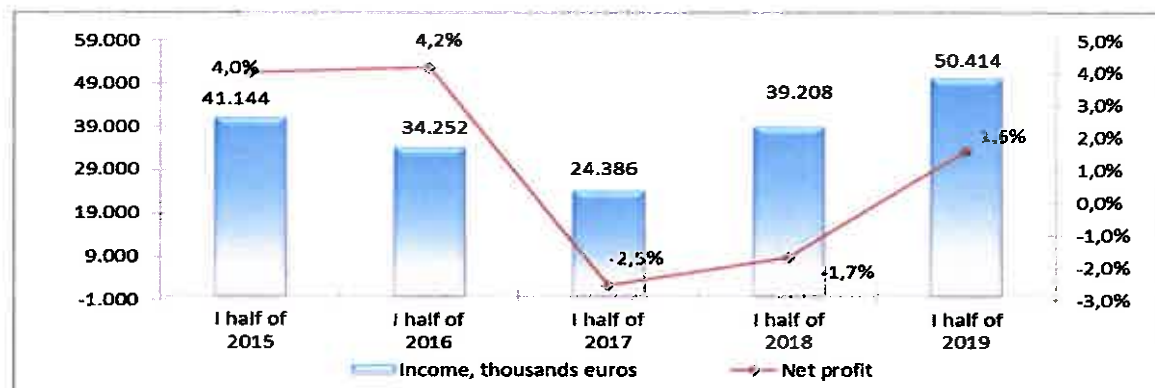
<sup>8</sup> Equity ratio = equity capital / assets.

<sup>9</sup> Book value per share = equity capital / number of shares.

<sup>10</sup> Price-to-book ratio (P/B ratio) = share price as of the end of reporting period / share book value.



Income and net profitability variation for the Company:



Income and net profitability variation for the Group:

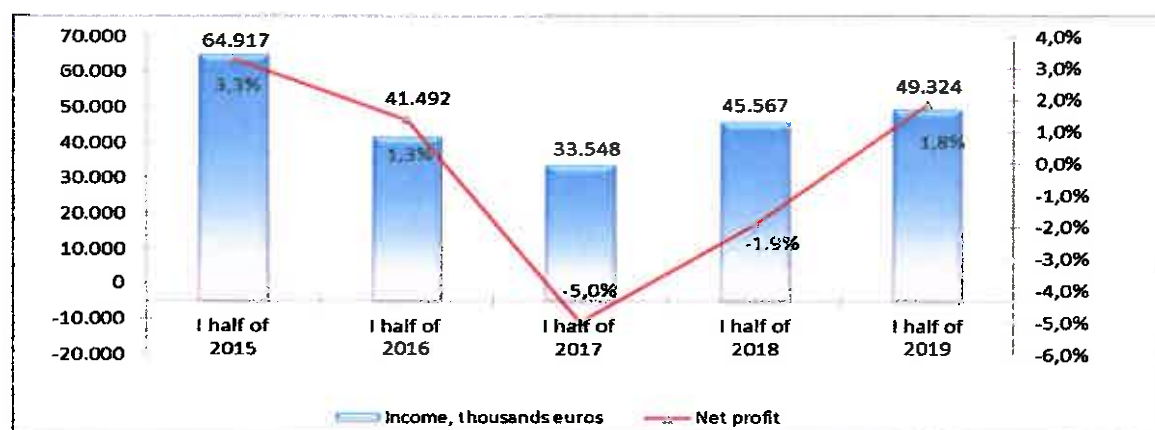


Table 4. Income (mln. Euros) by operation types

mln. Euros	Group		
	I half of 2017	I half of 2018	I half of 2019
Construction works	29.14	40.83	46.30
Real estate	0	0	0
Products produced and other income	4.41	4.74	3.02

During the first half of 2019, the main income of *Panevezio statybos trestas AB* by operation types is from construction and erection. Over the first half of 2019, the income of the Group from construction and erection totalled 93,6 %, income from made products and other income amounted to 6,1 %. Over the first half of 2018, the income of the Group from construction and erection totalled 89,6 %, income from made products and other income amounted to 10,4 %.

Table 5. Operating income (mln. Euros) by countries:

	Group			Company		
	I half of 2017	I half of 2018	I half of 2019	I half of 2017	I half of 2018	I half of 2019
Lithuania	26.05	38.79	40.74	23.79	37.56	46.33
Russian Federation	0	1.23	0.92	0.05	1.23	0.92
Scandinavian countries	6.67	5.03	4.09	0	0	0
Other countries	0.83	0.52	3.58	0.55	0.42	3.17

In the first half of 2019 the main activities of *Panevezio statybos trestas AB* were carried out in Lithuania and made 91.89 per cents. The income of the Group from the works performed within the country made 82,59 per cents of the income, in the Scandinavian countries – 8,29 per cents. In the first half of 2018, the income within the country made 85,13 per cents of the income, in the Scandinavian countries – 11,05 per cents.

*Environmental protection*

Quality, environment protection, occupational health and safety play a very important role in activities of *Panevezio statybos trestas* AB. Quality (ISO 9001), environmental (ISO 14001) and occupational health and safety (OHSAS 18001) management systems introduced and available at the company allow taking proper care of these significant factors. Assessment of occupational risk is carried out, analyses are performed and measures for risk reduction or elimination are taken on each site. For the purposes of environment and resource protection and sustainability, ensuring pollution prevention, in the beginning of each project the environmental plan including specific measures for control of significant aspects of environment protection and activities performed is prepared.

In 2018, the Lithuanian National Accreditation Bureau accredited the Construction Laboratory of the company for the period of 5 years in accordance with LST EN ISO/IEC 17025:2005, thus granting it the right to perform tests of building materials.

The companies of the Group also have quality, environmental and occupational health and safety management systems in accordance with the requirements of ISO 9001:2015/LST EN ISO 9001:2015, ISO 14001:2015/LST EN ISO 14001:2015 and LST 1997:2008/BS OHSAS 18001:2007 introduced and successfully functioning.

*Employees*

Professional, competent and responsible employees are the biggest asset of *Panevezio statybos trestas* AB. Therefore, much attention is paid to motivation of employees: environment favourable for generation and implementation of new ideas is being created and sharing of information is being promoted. In modern environment, competence of employees is one of the key factors describing competitiveness of the company. Considering this factor, the company encourages employees in all organizational levels to learn and improve their skills on a continuing basis. The employees are motivated not only by material incentives – competitive salaries, progressive bonus system but also by exceptional quality of working environment.

As of 30 June 2019, the number of employees in the Group was 1,016, in the company – 753.

Table 6. Average number of employees:

Average number of employees	I half of 2018		I half of 2019	
	Group	Company	Group	Company
Managers	24	13	24	13
Specialists	316	243	339	264
Workers	706	515	680	493
Total	1,046	771	1,043	770

Table 7. Education level of the Group employees as of the end of the period:

PST Group employees	Payroll number	Higher university level education	Higher non-university education	Junior college education	Secondary education	Incomplete secondary education
Managers	24	22	0	2	0	0
Specialists	342	267	22	33	20	0
Workers	650	29	7	133	419	62
Total:	1,016	318	29	168	439	62

Table 8. Average monthly gross pay per employee (Euros)

	I half of 2018*		I half of 2019	
	Group	Company	Group	Company
Managers	4,020	4,772	3,512	4,090
Specialists	1,674	1,669	1,683	1,736
Workers	1,190	1,197	1,272	1,260
Total	1,448	1,473	1,490	1,515

\*The average monthly gross pay per employee for the first half of 2018 was recalculated following the law amending Articles 2, 4, 7, 8, 10, 23, 25 and 32 of the Law on State Social Insurance of the Republic of Lithuania No. I-1336.

Over the first half of 2019, the natural turnover of employees took place. Employment contracts do not include any special rights and obligations of employees or some part of them.

In 2019, the company also pays much attention to qualification improvement. Training in the company is done in three directions using:

1. Services of training arranging institutions (external training);
2. Services of higher education institutions (employee studies).

#### **9. Essential events having taken place during the first six financial months of the year**

*Panevezio statybos trestas* AB and Panevezys City Municipality has signed the contract for complex arrangement of the Laisves Square in Panevezys and its approaches. The contractual price of the work is 5,958,012 Euros. After the detailed design is ready, PST is planning to start working this summer and complete at the end of 2020.

After the contract award at the public procurement tender, *Panevezio statybos trestas* AB has signed the contract with Klaipeda City Municipality for conversion of the football school and swimming-pool building. The contractual price of the work is 11,326,645 Euros.

The company of the SBA Group, *Urban Inventors*, developing the Technology and Innovation Park near Klaipeda, has chosen *Panevezio statybos trestas* AB as the construction contractor. The subsidiary company *Evenmor* UAB has signed the 7 mln. Euro contract with the company for construction of the logistics centre. Construction of this centre is going to be the first stage of development in the park to be created by SBA.

The branch of *Panevezio statybos trestas* AB, *Pastatu apdaila*, completed construction of the new aluminium structure production shop, where aluminium profile systems, aluminium windows, doors and facades are going to be made. Investments of *Panevezio statybos trestas* AB in these new production premises totalled 700,000 Euros and there were 20 new work places created.

#### **10. Information on research and development activities performed by the company and the Group**

In order to maintain the highest competence in the construction sector, the Company implements innovative technologies and processes in its activities.

The Company keeps on improving the process of design preparation. The available designing software package is continuously supplemented by the up-to-date software.

Trying to carry out construction activities fluently, the Company pays a great deal of attention to construction preparation, work planning. For that purpose, investments are made in the modern software. Site construction activities are planned considering the BIM model. This digital model is used from the tender preparation stage when the client gets an accurate tender of high quality. When BIM is used in the preparatory stage, detailed preparation for construction is performed by planning of necessary resources, scheduling production and supply, making the budget. Both construction schedule and computer simulation are prepared at the preparation stage. This allows comparing possible construction methods, choosing the optimal one and following the actual and planned progress of works in the course of construction.

The Building Information Modelling is used for delivery of products to the construction site at the times indicated in the construction schedule. This allows minimizing logistics costs and eliminating large storage areas on the construction site.

Application of BIM model in project management, planning and performance of works allow assessing risks, reducing probability of delay in work, taking immediate corrective actions, if necessary, and improving performance quality.

In order to accelerate production and improve quality, the Company invests in its production capacity. Targeted investments in modern computerized equipment and technologies, process automation are aimed at supporting the subdivisions of aluminium and glass structure production and installation, concrete industrial floor installation, foundation installation and landscaping.

#### **11. Procedure for amendment of the Articles of Association of the issuer**

Any amendments of the Articles of Association of *Panevezio statybos trestas* AB are made following the procedure set forth in the laws and regulations of the Republic of Lithuania.

**12. Bodies of the issuer**

Referring to the Articles of Association of *Panevezio statybos trestas AB*, the management bodies of the Company are the General Meeting of Shareholders, the Board and the Managing Director. There is no Supervisory Board is formed in the company.

The powers of the General Meeting of Shareholders have no difference from the powers of the General Meeting of Shareholders set forth by the Law on Companies.

The Board of the Company consisting of five persons is elected by the General Meeting of Shareholders for a period not longer than 4 years. At present, the Board of the Company consists of five members. The procedure for election and withdrawal of a member of the Board has no difference from the procedure set forth by the Law on Companies.

The activities of the Board are managed by the Chairman of the Board. The Chairman of the Board is elected by the Board from the members of the Board. The Board elects and removes from the office the manager of the Company – the Managing Director, fixes his salary, sets other terms of the employment contract, approves his job description, gives incentives and imposes penalties.

The manager of the Company is a single-person management body of the Company who organizes the current economic activities based on the authority granted.

*The Board:*

REMIGIJUS JUODVIRŠIS – the Chairman of the Board. No membership in the capital of the Company.

Membership in the activities or capital of the companies below:

<b>Company</b>	<b>Position</b>	<b>Number of shares</b>	<b>Capital, %</b>	<b>Votes, %</b>
<i>Panevezio statybos trestas AB</i> <i>Company code 147732969</i> <i>P. Puzino Str. 1, Panevezys</i>	Chairman/ Adviser	-	-	-
<i>Panevezio keliai AB</i> <i>Company code 147710353</i> <i>S. Kerbedžio Str. 7, Panevezys</i>	Board Member/ Adviser <i>Main place of employment</i>	531,675	28.47	28.47
<i>Lauktuvės jūms UAB</i> <i>Company code 147797155</i> <i>Laisvės Sq. 26, Panevezys</i>	Chairman	10,737	48.65	48.65
<i>Pokstas UAB</i> <i>Company code 168424572</i> <i>Gustonių Vlg.,</i> <i>Panevezys District Municipality</i>		111	50	50
<i>Klovainių skalda AB</i> <i>Company code 167901031</i> <i>Klovainių Township,</i> <i>Pakruojis District Municipality</i>		470,421	8.74	8.74
<i>Gustonių ZUT UAB</i> <i>Company code 168581940</i> <i>S. Kerbedžio g. 7F, Panevezys</i>	Board Member	1,052	48,75	48,75
<i>PST investicijos UAB</i> <i>Company code 124665689</i> <i>Verkių Str. 25C, Vilnius</i>	Board Member	16,407	3.32	3.32
<i>Convestus UAB</i> <i>Company code 300124684</i> <i>Laisvės Sq. 26, Panevezys</i>		50,000	50	50
<i>Alproka UAB</i> <i>Company code 125281684</i> <i>Verkių Str. 25C, Vilnius</i>	Chairman	-	-	-
<i>Kauno tiltai AB</i> <i>Company code 133729589</i> <i>Ateities Road 46, Kaunas</i>		492	0.31	0.31
<i>Specializuota komplektavimo valdyba AB</i> <i>Company code 121420097</i> <i>Savanorių Ave.191A, Vilnius</i>		21,490	1.07	1.07

**Panevezio statybos trestas AB Interim Financial Statements for Six Months of 2019**

<i>Tertius UAB</i> <i>Company code 247647690</i> <i>S. Kerbedzio Str. 7F, Panevezys</i>		704,638	80	80
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Term of office: June 2018 through June 2022  
Clean record.

AUDRIUS BUTKUNAS – the Member of the Board. No membership in the capital of the Company. Membership in the activities or capital of the companies below:

<b>Company</b>	<b>Position</b>	<b>Number of shares</b>	<b>Capital, %</b>	<b>Votes, %</b>
<i>Panevezio statybos trestas AB</i> <i>Company code 147732969</i> <i>P. Puzino Str. 1, Panevezys</i>	Board Member	-	-	-
<i>Panevezio keliai AB</i> <i>Company code 147710353</i> <i>S. Kerbedzio Str. 7, Panevezys</i>	Board Member/ Project Director <i>Main place of employment</i>	22,010	1.18	1.18
<i>PK Road AB</i> <i>Company code 559020-4623</i> <i>Skiffervagen 10, 22478</i> <i>Lund, Sweden</i>	Board Member	-	-	-

Term of office: June 2018 through June 2022  
Clean record.

AUDRIUS BALCETIS – the Member of the Board. No membership in the capital of the company. Membership in the activities or capital of the companies below:

<b>Company</b>	<b>Position</b>	<b>Number of shares</b>	<b>Capital, %</b>	<b>Votes, %</b>
<i>Panevezio statybos trestas AB</i> <i>Company code 147732969</i> <i>P. Puzino Str. 1, Panevezys</i>	Board Member	-	-	-
<i>Panevezio keliai AB</i> <i>Company code 147710353</i> <i>S. Kerbedzio Str. 7, Panevezys</i>	Board Member	-	-	-
<i>Panevezio rysiu statyba UAB</i> <i>Company code 147688743</i> <i>Paliuniskio Str.9, Panevezys</i>	Director/ Board Member <i>Main place of employment</i>	279,507	27	27
<i>PST investicijos UAB</i> <i>Company code 124665689</i> <i>Verkiu Str. 25C, Vilnius</i>	Board Member	-	-	-

Term of office: June 2018 through June 2022  
Clean record.

VILIUS GRAZYS – the Member of the Board. No membership in the capital of the Company. Membership in the activities or capital of the companies below:

<b>Company</b>	<b>Position</b>	<b>Number of shares</b>	<b>Capital, %</b>	<b>Votes, %</b>
<i>Panevezio statybos trestas AB</i> <i>Company code 147732969</i> <i>P. Puzino Str. 1, Panevezys</i>	Board Member	-	-	-
<i>Akvalda UAB</i> <i>Company code 300568422</i> <i>Vyturio g.45, Panevezys</i>		750	50	50
<i>Betono apsaugos sistemos UAB</i> <i>Company code 126148612</i> <i>Papilenu Str. 1-30, Vilnius</i>		40	40	40

<i>Panevezio keliai AB</i> <i>Company code 147710353</i> <i>S. Kerbedžio Str. 7, Panevezys</i>	Technical Director <i>Main place of employment</i>	12,395	0.66	0.66
<i>Formus UAB</i> <i>Company code 303349362</i> <i>Gedimino Ave. 54A-3, Vilnius</i>		1322	15	15

Term of office: June 2018 through June 2022

Clean record.

JUSTAS JASIUNAS – the Member of the Board. No membership in the capital of the Company. Membership in the activities or capital of the companies below:

<i>Company</i>	<i>Position</i>	<i>Number of shares</i>	<i>Capital, %</i>	<i>Votes, %</i>
<i>Panevezio statybos trestas AB</i> <i>Company code 147732969</i> <i>P. Puzino Str. 1, Panevezys</i>	Board Member/ Commercial Director <i>Main place of employment</i>	-	-	-
KINGSBUD Sp.z o.o. <i>Company code 200380717</i> <i>A. Paili Str. 12, 16-400 Suwalki, Poland</i>	Chairman	-	-	-
<i>Vekada UAB</i> <i>Company code 147815824</i> <i>Marijonu Str. 36, Panevezys</i> <i>LT-35138</i>	Chairman	-	-	-
<i>Skydmedis UAB</i> <i>Company code 148284718</i> <i>Pramones Str. 5, Panevezys</i> <i>LT-35289</i>	Board Member	-	-	-

Term of office: June 2018 through June 2022

Clean record.

Following the decision of the General Meeting of Shareholders of *Panevezio statybos trestas AB* that had taken place on 28 April 2018, the share of profit was paid to the members of the Board of the previous term of office. Such amount of the share of profit is 38,890 Euros.

*Administration:*

DALIUS GESEVICIUS– Head of the Company Administration, Managing Director. Holds 41,015 shares of the company. University education (VISI, 1984), Construction Engineering. Master Degree in Management and Business Administration.

Clean record.

DANGUOLE SIRVINSKIENE – Chief Accountant of the Company. Holds no shares of the Company. University Education (LZUA. 1983), Accounting - Economics.

Clean record.

In the first half of 2019 neither the members of the Board nor the top managers of *Panevezio statybos trestas AB* were granted loans, given guarantees and sureties, had any property transfers to them.

*Audit Committee*

Following Article 52 of the Law on Audit of the Republic of Lithuania, the General Meeting of Shareholders of *Panevezio statybos trestas AB* elects the Audit Committee. The Audit Committee consists of three members, one of them being independent. The term of office of the Audit Committee is one year. The continuous term of office of a committee member cannot exceed 12 years.

The duties of the Audit Committee are as follows:

- 1) to monitor the financial reporting process;
- 2) to monitor effectiveness of the company's internal control, risk management and internal audit, if applicable, systems;
- 3) to monitor carrying out of the audit;
- 4) to monitor independence and objectivity of the auditor or audit company.

The following members were elected to the Audit Committee at the Annual General Meeting of Shareholders of *Panevezio statybos trestas* AB on 29 April 2019:

Drasutis Liatukas – independent auditor, Head of *Finansu auditorius* UAB, auditor. Holds no shares of the company.

Irena Kriauciuniene – independent auditor, auditor. Holds no shares of the company.

Egle Grabauskiene – Deputy Chief Accountant of *Panevezio statybos trestas* AB. Holds no shares of the company.

### 13. Published information

Table 9. Summary of published information from the beginning of 2019 up to the submission date of this report:

Description of notification	Category of notification	Language	Date
Preliminary Unaudited Performance Results of <i>Panevezio statybos trestas</i> AB for the First Half of 2019	Notification on material event	Lt, En	5 Aug. 2019
Annual Information Approved by Annual General Shareholders Meeting of <i>Panevezio statybos trestas</i> AB	Annual information	Lt, En	29 April 2019
Resolutions of Annual General Meeting of Shareholders	General Meeting of Shareholders	Lt, En	29 April 2019
Management of the Company Issues Revised Separate Financial Statements of <i>Panevezio statybos trestas</i> AB	Notification on material event	Lt, En	26 April 2019
Draft Resolutions of Annual General Meeting of Shareholders	General Meeting of Shareholders	Lt, En	8 April 2019
Preliminary Performance Results of <i>Panevezio statybos trestas</i> AB and <i>Panevezio statybos trestas</i> AB Group for Twelve Months of 2018	Notification on material event	Lt, En	5 April 2019
Convening of Annual General Meeting of Shareholders	General Meeting of Shareholders	Lt, En	29 March 2019
Contract Signed with Klaipeda City Municipality	Notification on material event	Lt, En	27 March 2019
Contract Signed with Panevezys City Municipality	Notification on material event	Lt, En	19 March 2019

All notifications of *Panevezio statybos trestas* AB to be made public in accordance with the legal requirements are published following the timelines prescribed by the laws and legal acts of the Republic of Lithuania. Information on the material events of the company is presented through the information system of *NASDAQ OMX Vilnius* Stock Exchange (Globe Newswire) and published on the website of the company.

### 14. Information on compliance with the Governance Code

The Company complies with the procedure of company management set forth by the Law on Companies of the Republic of Lithuania.

The Company partially complies with the Governance Code applicable to the companies that are on the list of the Vilnius Stock Exchange. During the six months of 2019 there were no essential changes related to the company's notification on compliance with the Governance Code for the year 2018 applicable to the companies that are on the list of *NASDAQ OMX VILNIUS* Stock Exchange.

The annual report of the Company will include the more detailed explanation of how the Company complies with the recommendations of the Governance Code.

**15. Unaudited financial statements**

**Separate statement of comprehensive income**

*thousands Euros*

ITEM	<i>6 months of 2019</i>	<i>6 months of 2018</i>
INCOME	50,414	39,208
COST OF SALES	-48,517	-37,782
<b>GROSS PROFIT (LOSS)</b>	<b>1,897</b>	<b>1,426</b>
OPERATING EXPENSES	-1,898	-2,102
Sales	-169	-189
General and administrative	-1,729	-1,913
<b>TYPICAL OPERATING PROFIT (LOSS)</b>	<b>-1</b>	<b>-676</b>
OTHER ACTIVITIES	49	79
Income	284	251
Costs	-235	-172
FINANCIAL AND INVESTMENT ACTIVITIES	827	15
Income	860	44
Costs	-33	-29
<b>PROFIT (LOSS) BEFORE TAXATION</b>	<b>875</b>	<b>-582</b>
INCOME TAX	-68	-82
<b>NET PROFIT (LOSS)</b>	<b>807</b>	<b>-664</b>



**Consolidated statement of comprehensive income**

*thousands Euros*

<b>ITEM</b>	<b>6 months of 2019</b>	<b>6 months of 2018</b>
SALES	49,324	45,567
COST OF SALES	-46,712	-42,475
<b>GROSS PROFIT (LOSS)</b>	<b>2,612</b>	<b>3,092</b>
OPERATING EXPENSES	-2,856	-3,071
Sales	-215	-240
General and administrative	-2,641	-2,831
<b>TYPICAL OPERATING PROFIT (LOSS)</b>	<b>-244</b>	<b>21</b>
OTHER ACTIVITIES	-58	-45
Income	209	160
Costs	-267	-205
FINANCIAL AND INVESTMENT ACTIVITIES	1,288	-689
Income from other financial activities	1,354	7
Other costs of financial activities	-66	-696
<b>PROFIT (LOSS) BEFORE TAXATION</b>	<b>986</b>	<b>-713</b>
INCOME TAX	-83	-166
<b>NET PROFIT (LOSS)</b>	<b>903</b>	<b>-879</b>
ATTRIBUTABLE TO SHAREHOLDERS	543	-641
ATTRIBUTABLE TO MINORITY INTEREST	360	-238

Separate statement of financial position

thousands Euros

<b>ASSETS</b>	<b>30 June 2019</b>	<b>31 Dec. 2018</b>
<b>Non-current assets</b>	<b>28,520</b>	<b>23,251</b>
Intangible assets	98	66
Tangible assets	8,589	8,831
Investment and amounts receivable in one year	19,833	14,354
Deferred tax assets	0	0
<b>Current assets</b>	<b>38,967</b>	<b>35,735</b>
Inventories	5,013	4,378
Prepayments	560	467
Trade receivables	26,420	15,630
Other current assets	445	1,552
Cash and cash equivalents	6,529	13,708
<b>TOTAL ASSETS</b>	<b>67,487</b>	<b>58,986</b>

<b>EQUITY AND LIABILITIES</b>	<b>30 June 2019</b>	<b>31 Dec. 2018</b>
<b>Equity</b>	<b>34,962</b>	<b>34,154</b>
Share capital	4,742	4,742
Reserves	2,690	2,755
Retained earnings	27,530	26,657
Translation reserve	0	0
<i>Minority share</i>	0	0
<b>Amounts payable and liabilities</b>	<b>32,525</b>	<b>24,832</b>
<b>Amounts payable in one year and non-current liabilities</b>	<b>10,709</b>	<b>895</b>
Loans and other borrowings	9,685	
Warranty provision and others	917	855
Deferred tax liabilities	107	40
<b>Amounts payable in one year and current liabilities</b>	<b>21,816</b>	<b>23,937</b>
Loans and borrowings	0	0
Trade payables	16,897	17,368
Income tax payable	0	0
Other liabilities	4,919	6,569
<b>TOTAL EQUITY AND LIABILITIES:</b>	<b>67,487</b>	<b>58,986</b>

**Consolidated statement of financial position**

*thousands Euros*

<b>ASSETS</b>	<b>30 June 2018</b>	<b>31 Dec. 2019</b>
<b>Non-current assets</b>	<b>10,921</b>	<b>12,572</b>
Intangible assets	164	136
Tangible assets	9,094	9,368
Investment and amounts receivable in one year	1,552	2,979
Deferred tax assets	111	89
<b>Current assets</b>	<b>61,631</b>	<b>51,476</b>
Inventories	25,782	17,636
Advance payments	730	587
Amounts receivable	25,808	15,353
Other current assets	1,190	1,854
Cash and cash equivalents	8,121	16,046
<b>TOTAL ASSETS:</b>	<b>72,552</b>	<b>64,048</b>

<b>EQUITY AND LIABILITIES</b>	<b>30 June 2018</b>	<b>31 Dec. 2019</b>
<b>Equity</b>	<b>34,736</b>	<b>34,960</b>
Share capital	4,742	4,742
Reserves	2,997	3,074
Retained earnings	24,404	23,784
Translation reserve	2,593	3,360
<i>Minority interest</i>	<i>973</i>	<i>945</i>
<b>Amounts payable and liabilities</b>	<b>36,843</b>	<b>28,143</b>
<b>Amounts payable in one year and non-current liabilities</b>	<b>11,052</b>	<b>1,231</b>
Loans and borrowings	9,694	9
Warranty provisions and other	1,094	1,026
Deferred tax liabilities	264	196
Other liabilities	0	0
<b>Amounts payable in one year and current liabilities</b>	<b>25,791</b>	<b>26,912</b>
Loans and borrowings	509	519
Trade payables	18,641	18,476
Prepayments received	0	0
Income tax payable	32	63
Other liabilities	6,609	7,854
<b>TOTAL EQUITY AND LIABILITIES:</b>	<b>72,552</b>	<b>64,048</b>

**Panevezio stovybos trestas AB Interim Financial Statements for Six Months of 2019**

**Separate statement of changes in equity**

*thousands Euros*

	Share capital	Non-current tangible asset revaluation reserve	Legal reserve	Retained profit	Total
<b>Balance as of 1 January 2019</b>	4,742	2,280	475	26,657	34,154
Net profit (loss) for 2019				807	807
Total comprehensive income		-65		66	1
<b>Balance as of 30 June 2019</b>	<b>4,742</b>	<b>2,215</b>	<b>475</b>	<b>27,530</b>	<b>34,962</b>
<b>Balance as of 1 January 2018</b>	4,742	1,238	475	32,417	38,872
Net profit (loss) for 2018				-664	-664
Dividends				-981	-981
Total comprehensive income		-36		37	1
<b>Balance as of 30 June 2018</b>	<b>4,742</b>	<b>1,202</b>	<b>475</b>	<b>30,809</b>	<b>37,228</b>

*Panevezio statybos trestas* AB Interim Financial Statements for Six Months of 2019

Consolidated statement of changes in equity

*thousands Euros*

	Share capital	Revaluation reserve	Legal reserve	Currency translation reserve	Retained earnings profit	Equity attributable to the company's owners	Minority interest	Total
<b>Balance as of 1 January 2019</b>	4,742	2,475	599	3,360	23,784	34,960	945	35,905
Reduction in revaluation reserve		-77			77	0		0
Net profit (loss) for 2019					543	543	360	903
Dividends (PST, Vekada)						0	-13	-13
Effect of changes in foreign exchange rates				-767		-767	-319	-1,086
<b>Balance as of 30 June 2019</b>	4,742	2,398	599	2,593	24,404	34,736	973	35,709
<b>Balance as of 1 January 2018</b>	4,742	1,384	599	2,387	28,371	37,483	1,145	38,628
Reduction in revaluation reserve		-43			43	0		0
Net profit (loss) for 2018					-641	-641	-237	-878
Dividends (PST, Vekada)					-981	-981		-981
Effect of changes in foreign exchange rates				390		390	174	564
<b>Balance as of 30 June 2018</b>	4,742	1,341	599	2,777	26,792	36,251	1,082	37,333

Separate statement of cash flows

*thousands Euros*

	<i>30 June 2019</i>	<i>30 June 2018</i>
<b>Cash flows from operating activities</b>		
Net profit (loss)	807	-664
Depreciation and amortization	694	572
Profit (loss) from transfer of non-current assets	0	0
Income tax expense	68	82
	<u>1,569</u>	<u>-10</u>
Change in inventories	-635	-1,935
Change in trade receivables	-9,376	-6,984
Change in prepayments	-95	186
Change in amounts receivable after one year	-65	-333
Change in other assets	1,107	-265
Change in trade payables	-471	3,580
Change in prepayments received	493	-1,279
Change in provisions and other liabilities	-2,844	-1,285
	<u>-10,317</u>	<u>-8,325</u>
Income tax paid	0	-5
<b>Net cash flows from operating activities</b>	<u>-10,317</u>	<u>-8,330</u>
<b>Cash flows from investing activities</b>		
Acquisition of non-current assets (excl. investments)	-485	-1,024
Disposal of non-current assets (excl. investments)	0	13
Acquisition of long-term investments	0	-400
Loans granted	-6,860	-1,133
Loans recovered	33	90
Dividends and interest received	789	1
<b>Net cash flows from investing activities</b>	<u>-6,523</u>	<u>-2,453</u>
<b>Cash flows from financing activities</b>		
Dividends paid	0	-976
Proceeds from loans and borrowings	9,685	0
Loans and borrowings repaid	0	0
Interest paid	-24	-16
<b>Net cash flows from financing activities</b>	<u>9,661</u>	<u>-992</u>
<b>Increase (decrease) in net cash flows</b>	<u>-7,179</u>	<u>-11,775</u>
Cash and its equivalent at the beginning of the period	13,708	25,433
<b>Cash and its equivalents at the end of the period</b>	<u><u>6,529</u></u>	<u><u>13,658</u></u>

**Consolidated statement of cash flows**

*thousands Euros*

	<i>30 June 2019</i>	<i>30 June 2018</i>
<b>Cash flows from operating activities</b>		
Net profit (loss)	903	-879
Elimination of other non-cash items:		
Depreciation and amortization	778	695
Other non-cash items	-285	216
	<u>1,396</u>	<u>32</u>
Change in inventories	-815	-1,639
Change in contracts in progress	-7,178	-1,159
Change in trade receivables	-9,043	-6,537
Change in prepayments	-143	7
Change in other assets	677	-1,092
Change in trade payables	164	3,298
Change in prepayments received	1,074	-1,236
Change in provisions and other liabilities	-2,270	-976
	<u>-16,138</u>	<u>-9,302</u>
Elimination of results from financial and investing activities	-870	557
<b>Net cash flows from operating activities</b>	<u>-17,008</u>	<u>-8,745</u>
<b>Cash flows from investing activities</b>		
Acquisition of non-current assets (excl. investments)	-533	-1,119
Disposal of non-current assets (excl. investments)		11
Loans granted	-14	-20
Loans recovered	11	1
Dividends and interest received	1	4
<b>Net cash flows from investing activities</b>	<u>-535</u>	<u>-1,123</u>
<b>Cash flows from financial activities</b>		
Dividends paid	0	-976
Proceeds from loans and borrowings	9,685	0
Loans and borrowings repaid	-13	-77
Payment of finance lease liabilities	-3	-5
Interest paid	-51	-21
<b>Net cash flows from financing activities</b>	<u>9,618</u>	<u>-1,079</u>
<b>Increase (decrease) in net cash flows</b>	-7,925	-10,947
Cash and cash equivalents in the beginning of the period	16,046	26,891
<b>Cash and cash equivalents at the end of the period</b>	<u><u>8,121</u></u>	<u><u>15,944</u></u>

## EXPLANATORY NOTE

### General information

*Panevezio statybos trestas AB* (hereinafter “the Company”) was established in 1957 and for a long time was known as the North Lithuania Construction Trust (*Siaures Lietuvos statybos trestas*). In 1991, the Company was registered as a State Company. On 30 October 1993, the State Company was reorganized to a Public Limited Liability Company. Company code 147732969, VAT code LT477329610. Registration certificate No. 013732 issued on 27 September 2004 by the State Register Centre Panevezys Branch.

The Company comprises the following branches: *Gerbusta, Pastatu apdaila, Genranga, Konstrukcija, Betonas, Stogas* and *Klaipstata*. The Company has its permanent establishments in Latvia and the Kingdom of Sweden. Financial year of the Company is calendar year. The period of commercial-economic operation of the Company is unlimited.

The main operations of the Company and its subsidiaries (hereinafter “the Group”) is designing and construction of various buildings, structures, facilities, communications and other similar objects in Lithuania and abroad, real estate development.

### Basis of interim financial statement preparation

The figures in the interim financial statement are presented in Euros.

Separate and consolidated financial statements were prepared according to the International standard of Financial Accounting applicable in the European Union.

The same accounting principles were applicable to both – the interim financial statement and the annual financial statement.

The following currency rates (amount of currency for 1 Euro) were used when preparing the interim financial statement:

Currency	30 June 2019	30 June 2018
1 RUB	71.5975	73.1582
1 SEK	10.563	10.453
1 PLN	4.2496	4.3732

### Principles of consolidation

Subsidiary companies are the companies controlled by the parent company. Such control is defined as a capability to a company to have determinant effect on other company, manage and influence financial and economic activities to get benefit from that company. For the purposes of control assessment, the total available number of shareholder votes at the General Meeting of Shareholders is considered. The financial statements of subsidiary companies are included into the Consolidated Financial Statement from the day of control gain and are excluded from the day of control loss. During consolidation of financial statement, the income and expenses, amounts receivable and payable and unrealized results of the Company Group are eliminated.

### Segments

As the income, profit and assets of the Company and the Group in the segments do not exceed 10 or more per cents of all operating segments, following the requirements of item 13 in the IFRS 8, operating and geographical segments of the Group are not provided.

### Investments

Over the first half 2019 the investments of the Group in acquisition of non-current assets amounted to 533 thousands Euros. *Panevezio statybos trestas AB* acquired non-current assets for 485 thousands Euros. During the first half of 2019 the costs related to depreciation and amortization of assets of the Group amounted to 778 thousands Euros, including 694 thousands Euros accounted for in the Financial Statements of *Panevezio statybos trestas AB*.



**Assets and liabilities**

In 2018, construction of the office building has been started by *Seskinės projektai* UAB, which increased the Group equity by 11,708 thousand Euros (7,178 thousands Euros over the first half of 2019).

**Loans**

As of 30 June 2019, the Group had loans in the amount of 10,191 thousand Euros, 9,685 thousands Euros of which had been used for the purposes of real estate development by *Seskinės projektai* UAB.

**Guarantees, sureties**

As of 30 June 2019, the guarantees of the liabilities of *Panevezio statybos trestas AB* Group issued by credit institutions and insurance companies amounted to 22,306 thousand Euros, including 21,859 thousand Euros for guarantees related to performance of contracts and obligations by *Panevezio statybos trestas AB* and issued by the Lithuanian credit institutions and insurance companies.

**Transactions with associated parties**

There were no significant transactions made with any associated parties.

**Dividends**

The resolution on no dividend payment was taken at the Ordinary General Meeting of Shareholders of *Panevezio statybos trestas AB* held on 29 April 2019.