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BICG

BALTIC INSTITUTE OF
CORPORATE GOVERNANCE

2025

ANNUAL
REPORT

Report Overview

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Dear members and partners,



Thank you for one more great year. With your support, the Baltic Institute of Corporate Governance (BICG) continues to advance corporate governance across the Baltics through best practice advise, advocacy and education.

One highlight I want to mention in particular is that, while long recognized as the top educator in the region, the BICG has now achieved another milestone by receiving an official endorsement by the European Confederation of Directors' Associations (ecoDa) for the high quality of its signature Board member education program, which is currently counting over 1.400 graduates, all making a real impact on how Lithuanian, Latvian and Estonian businesses are run.

Considering the example of our Nordic neighbors, it is reasonable to believe that good corporate governance is a tool that can help advance our entire economies. The current reality where the Lithuanian GDP per capita is about to match that of Japan would not be possible without the ambition to build companies that have proper governance for growth.

To encourage policy makers to contribute more to this growth by adopting better policies, we have also run a major and impactful campaign "Lift the country, not taxes!" in Latvia, advocating for better governance and less political influence in state- and municipality-owned companies (SOEs and MOEs), which ignited discussions about the possibility to expand their activities into foreign markets, list their shares, etc.

And we have also finally achieved full-speed in Estonia, with the Estonian member community now growing the fastest among all three countries.

Given geopolitical challenges surrounding Lithuania, Latvia and Estonia, it is important to reflect on our wins, in order to maintain resolve and self-confidence.

Even if we might all share a terrible neighbor, we are also located in a beautiful neighborhood where good governance creates economic prosperity, good opportunities and significant geopolitical weight. With the achievements and reputation of the BICG as the competence center for good corporate governance continuing to grow beyond the region, we will keep working towards advancing Baltic corporate governance into becoming a global role model.

Thank you for sharing our vision.

Kārlis Danēvičs

Chair of the Board

Dear members and friends,



While growing global uncertainties push boards, companies and entire economies to reconsider their priorities, I am truly thankful for your continued commitment and support for improving corporate governance practices in the Baltics.

Our member community is now well over 400 individual and corporate members, lending even more strength to our voice, and in the year 2025 it was spotlighted during significant policy initiatives, such as already confirmed improvements in the company law in Lithuania and a promising campaign in Latvia for a more transparent and effective governance of SOEs and MOEs.

We have also led the creation of the new draft of the new corporate governance code in Estonia, which is expected to be confirmed in the coming months, and contributed significantly to the already announced updates to the corporate governance code in Latvia.

And while our education programs have long been known for the topmost quality in the Baltics and beyond, we continue to advance the standard and to create availability for new audiences. More education opportunities than ever were offered by the BICG in 2025, including not only the signature Board member and Chair education programs, but also the new course in good corporate governance essentials, the new continuous education for former Board member education graduates and the first training day for civil servants in Estonia, which continues our pro bono initiative to educate civil and municipal servants that is already well established in Lithuania and Latvia.

Besides the usual excellent evaluations of all the programs by the participants, the Board member education has also received the official endorsement by ecoDa for meeting the highest standards of education for board professionals.

Intensive schedule of other events - including the first rotation of our annual general meeting and conference to Tallinn, members' breakfasts in each country, board members' club meetings in Latvia, etc. - are also continuing to serve as opportunities for sharing experience and advancing the best corporate governance practices in the Baltics.

Thank you for being with us,

Rytis Ambrazevičius

President

Activity Report



POLICY

1 **New policy and ownership guidelines outlining ownership expectations for Tallinn city MOEs** were drafted with the participation of the BICG and adopted in March, aiming to improve corporate governance practices, transparency, and accountability in how these companies are run, e.g. the city will now be setting clear objectives and monitoring their fulfilment, etc. These changes are a part of a broader update to the State Assets Act, which is reviewed every five years to address noted issues and incorporate good practices.



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2 **A new strategic direction for Riga city MOEs to expand their operations elsewhere in the country and abroad** as well as how such plans can be helped by good corporate governance were discussed throughout the year at the meetings between the Advisory Council for the municipality, chaired by the BICG, the companies themselves as well as the Mayor, Deputy Mayor and Executive Director of the city. Further follow-ups are scheduled in 2026.

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3 **Possibility to create a centralized governance model for Latvian SOEs** and other items were discussed at the meeting between the Latvian Minister of Justice and the BICG in April. **An opinion encouraging a centralized governance model for commercial SOEs as well as listing their stocks and bonds** was also sent to the Latvian Ministry of Finance in May.



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HERE**

4 **BICG has become a full member of the Council by the Latvian State Chancellery's SOEs Governance Division** in May, through the decision of the Latvian Government. Comprised of the representatives of shareholding ministries, business organisations and social partners, the Council examines and provides consent to the governance guidelines developed by the Chancellery for Latvian SOEs. Previously, the BICG shared opinions with the Council as a non-member.

- 5 **A new draft of the Estonian corporate governance code** was submitted by the BICG and Nasdaq Tallinn for the feedback of the Estonian Financial Supervision and Resolution Authority, which is the formal owner of the document, in June. Further discussions with various stakeholders are set to continue in 2026.



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- 6 **A list of changes to the Lithuanian company law**, in line with the new company law project proposed by the BICG and partners in 2024, was put in front of the Lithuanian Parliament in June and then passed into law. **Possibility of a further, systemic review of the Lithuanian company law** was also discussed with both the former and newly appointed Ministers of Economy and Innovation, with further decisions currently pending.

- 7 **Proposals for how to improve the rules applied to board Audit Committees in the companies of public interest in Lithuania** (including the suggestion to stop including external members, etc.) were submitted by the BICG to the Lithuanian Bank, who is in charge of the respective legislation, in September, with further discussion held in October and final resolutions expected in 2026. **In Latvia, suggestions for how to improve a similar law defining the appointment of Audit Committee members in listed companies** were submitted to the Ministry of Finance and the Ministry of Justice in October, with formal consultations expected in the future as well.

- 8 **A set of amendments to the Latvian SOEs governance law**, actively supported by the BICG and aimed at strengthening the role of the state as a professional owner, the responsibilities of the boards in setting company strategy, etc., have been approved by the Government in September and passed for the further discussion at the Parliament.

- 9 **A review of the Latvian translation of the Guidelines on Corporate Governance of State-Owned Enterprises 2024 by the Organisation for Economic Co-operation and Development (OECD)** was made by the BICG - on request by the OECD - in October, with the publication expected in 2026.

- 10 **Initiative “Lift the country, not taxes!” (“Celt valsti, nevis nodokļus!”)** was launched by the BICG in Latvia in November, aiming to make the questions of SOEs governance a critically important topic for public discussion. The initiative promotes the listing of SOEs and their expansion into foreign markets, strengthening of the SOEs boards, centralizing the governance of commercial SOEs, etc.

In December, an open letter calling for reforms was sent to the Latvian President, Prime Minister, State Chancellery and representatives of the Parliament. After further discussions and meetings, the BICG was asked to draft proposals for respective law amendments.



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FACEBOOK

LINKEDIN

11 **New version of the Latvian Corporate Governance Code**, drafted by the National Corporate Governance Advisory Board under the Ministry of Justice (where the BICG is a member), was published in December, with updates made in line with the newest guidelines of the OECD and including recommendations for governance of groups of companies, AI governance, etc. An English edition of the code is expected in 2026.

KORPORATĪVĀS PĀRVALDĪBAS KODEKSS 2025

Labas korporatīvās pārvaldības ieteikumi uzņēmumiem Latvijā

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LV

12 **Board evaluation recommendations, European Corporate Governance Barometer and European People Governance Charter** were among the publications by the European Confederation of Directors' Associations (ecoDa), where the BICG is a member, aiming to further corporate governance standard across Europe.

BOARD EVALUATION
RECOMMENDATIONS
FROM ECODA

MORE
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European
Corporate
Governance
Barometer

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CHARTER

ecoDa has also announced an open letter to the European Commission, commenting on the new Omnibus regulation meant to simplify the administrative burden resulting from the Corporate Sustainability Reporting Directive (CSRD) and the Corporate Sustainability Due Diligence Directive (CSDDD) and released position papers on the European shareholders rights directive, raising concerns about the rationale of regulating certain matters on the European level, as well as on start-up and scale-up strategy, advocating for improving their corporate governance standards.

OPEN
LETTER

POSITION
PAPERS



EDUCATION

13 **Three sessions of Board member education** were held in 2025, bringing together business leaders from Estonia, Latvia and Lithuania to learn more about the best corporate governance practices, with the total number of the program graduates now exceeding 1.400.

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In October, the **Board member education program** has also received the endorsement by ecoDa for “meeting ecoDa’s high-quality criteria, including strong alignment with national and international governance codes, robust examination processes, and ongoing quality control”.

ENDORSEMENT

BOARD
MEMBER
EDUCATION



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14 New course focused on good corporate governance and board work essentials was held by the BICG in Vilnius in September and joined by over 40 participants. The new two-day program offers an opportunity to learn about the most important steps in creating strong company governance foundations, practical frameworks for effective board work, etc.

15 The first Continuous board member education by the BICG was held in October, welcoming back the graduates of the Board member education program, who have attended it 5 or more years ago. The three-day session offered the opportunity to update the previously gained knowledge about the best corporate governance practices and the constantly growing scope of board responsibilities.



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16 Chair education, organised every two years, was held by the BICG in Stockholm in November, welcoming Staffan Bohman, former Chair of Electrolux; Kathrine Löfberg, Chair of Löfbergs; Lars G Nordström, former Chair of Vattenfall; Jens Spendrup, former Chair of Spendrups; Hans Stråberg, Chair of Atlas Copco; and others among the experienced speakers.



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17 First training day for civil servants and supervisory board members of Estonian SOEs was held by the BICG in Tallinn in December, on the invitation by the Estonian SOEs Nomination Committee and the Estonian Ministry of Finance.



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18 Corporate governance education for Vilnius region municipal leadership and municipal servants was held in November and December, in cooperation with the Governance Coordination Centre under the Ministry of Economy and Innovation. Originally created for civil servants working with the governance of Lithuanian SOEs, the 4-day program is designed to provide knowledge necessary for making informed governance-related decisions. In all three Baltic countries, education programs for civil and municipality servants are held by the BICG free-of-charge.



EVENTS

19 Members' breakfasts were held in Latvia, Estonia and Lithuania, to discuss the activities of the BICG as well as various other topics, including the case study of airBaltic, artificial intelligence, managing conflicts of interest, etc.



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20 Effective planning of the board work, boardroom psychology, etc. were discussed at the **non-formal Board member club meetings in Latvia.**

21 **5th annual Risk governance conference** was held by the BICG, Eversheds Sutherland Bitāns, KPMG and Swedbank in Riga in March. This year, it focused on risk governance culture – from the leadership’s role to employee engagement, and attracted over 400 in-person and online participants.

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22 **Annual general meeting of the members of the BICG** was held in April, with Board elections as well as the approval of the annual activity and audited financial reports on the agenda. For the first time, the meeting was organised in Tallinn, following the newly started tradition of rotation between the three Baltic capitals and highlighting the growth of the Estonian member community.

23 **Annual Baltic corporate governance conference by the BICG** was held in Tallinn in April as well, joined by over 130 participants and also broadcasted on Delfi.ee. With Kersti Kaljulaid, former President of Estonia; Krišjanis Karinis and Taavi Rõivas, former Prime Ministers of Latvia and Estonia; Arvydas Sekmokas, former Minister of Energy of Lithuania; Riho Terras, Vice Chair of the Committee on Security and Defense of the European Parliament; and Risto Siilasmaa, former Chair of the Board at Nokia, the conference explored how Estonia, Latvia and Lithuania can aim higher and raise their standard of corporate governance further.

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VIDEO



VIDEO

24 **European Corporate Governance 2025** was organized by EY; ecoDa, where the BICG is a member; and other partners in Warsaw in May, to discuss how corporate boards can effectively navigate complex security challenges, elevate their cybersecurity and AI capabilities, foster sustainable practices through effective reporting, etc.



**MORE
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25 Webinar offering insights into the most recent board liability cases in Lithuania, Latvia and Estonia was held by the BICG, together with Sorainen law offices, in May, and joined by over 140 participants.

26 Succession planning for company leadership was in focus at the discussion organized by the BICG as a part of the conversation festival LAMPA in Latvia in June.



VIDEO LV

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27 Workshop ‘How to Transition from Local to Global Corporate Governance’ was held by the BICG and Virtual Advisory Board in July, to discuss pathways for strengthening Baltic board member careers internationally.



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**MORE
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**MORE
HERE**

28 HR questions on board agenda, importance of defining company values, ensuring healthy dynamics between boards and management as well as other good corporate governance topics were discussed by the BICG speakers at other events, to promote good practices in the Baltics and elsewhere.

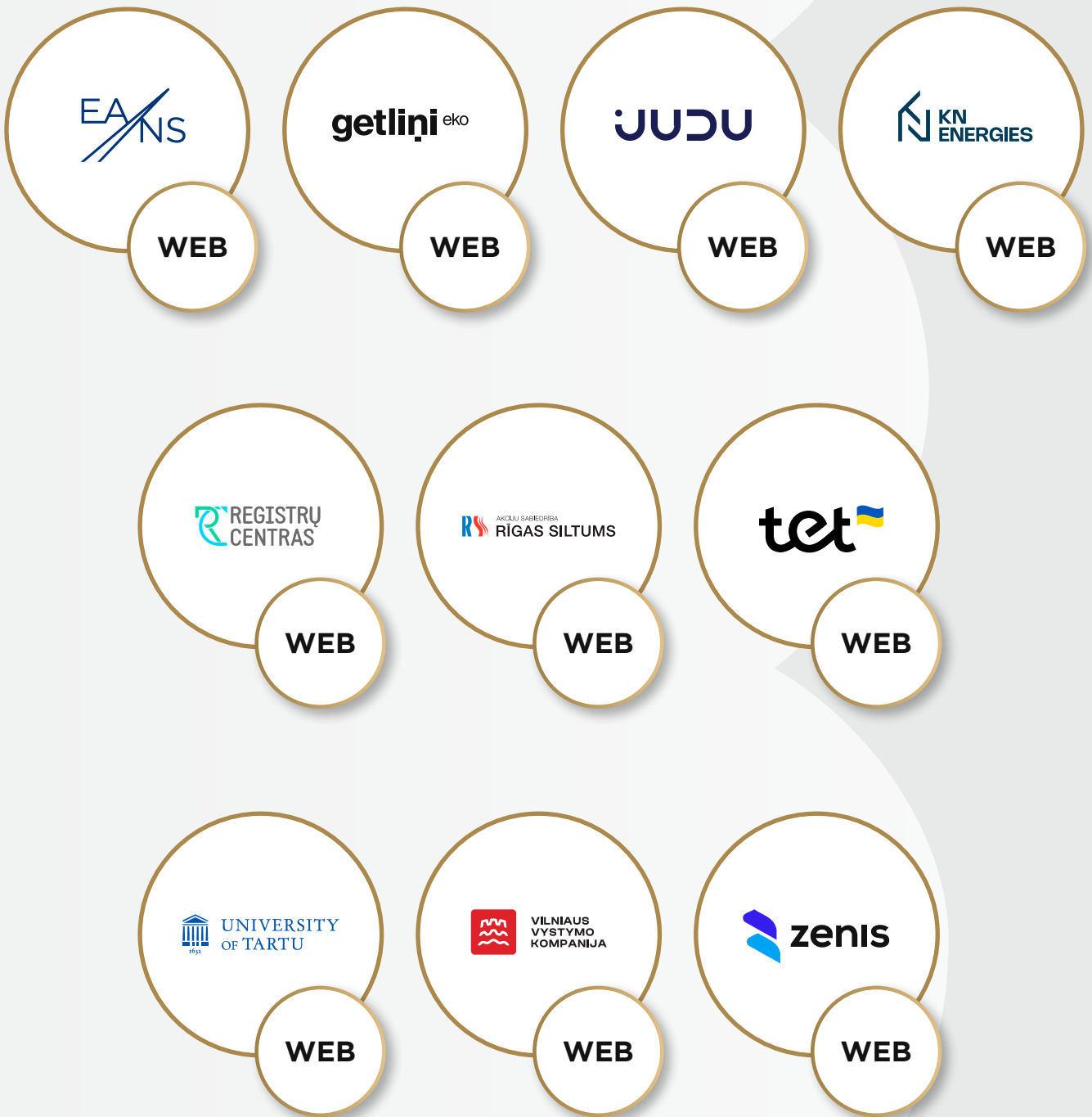
29 Discussions about the revised SOEs corporate governance guidelines by the OECD, driving European competitiveness through innovation, future sustainability in business and other topics were organized by ecoDa, where the BICG is a member, throughout the year.

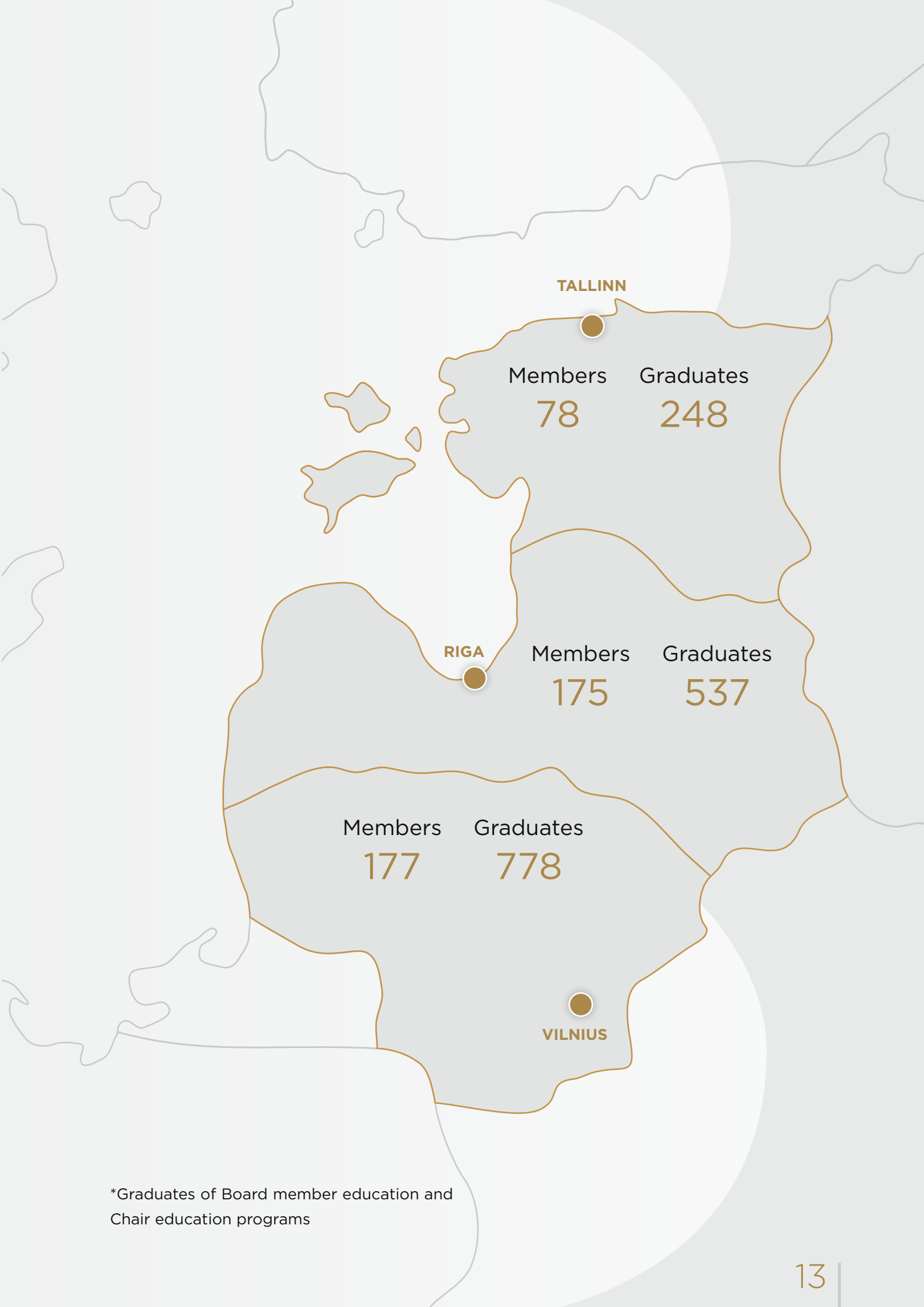
VIDEO



COMMUNITY

30 BICG community continued to grow, with the total number of individual members increasing from 335 to 341 and the number of corporate members and partners advancing from 83 to 89. The newly created status of a corporate partner is offered by the BICG with all the same benefits as those of a member, except for the right to vote at the annual meetings. Our new corporate members and partners:





*Graduates of Board member education and Chair education programs

Purpose, Vision, Mission, and Values

Purpose

Better boards, companies, economies, and societies.

Vision

To create an advanced ecosystem of good corporate governance in the Baltics.

Mission

To share the knowledge and be the voice of good corporate governance in the Baltics.

Values

Wisdom

Knowledge and competence in good corporate governance.

Sharing

Readiness to share the know-how and initiate the necessary change.

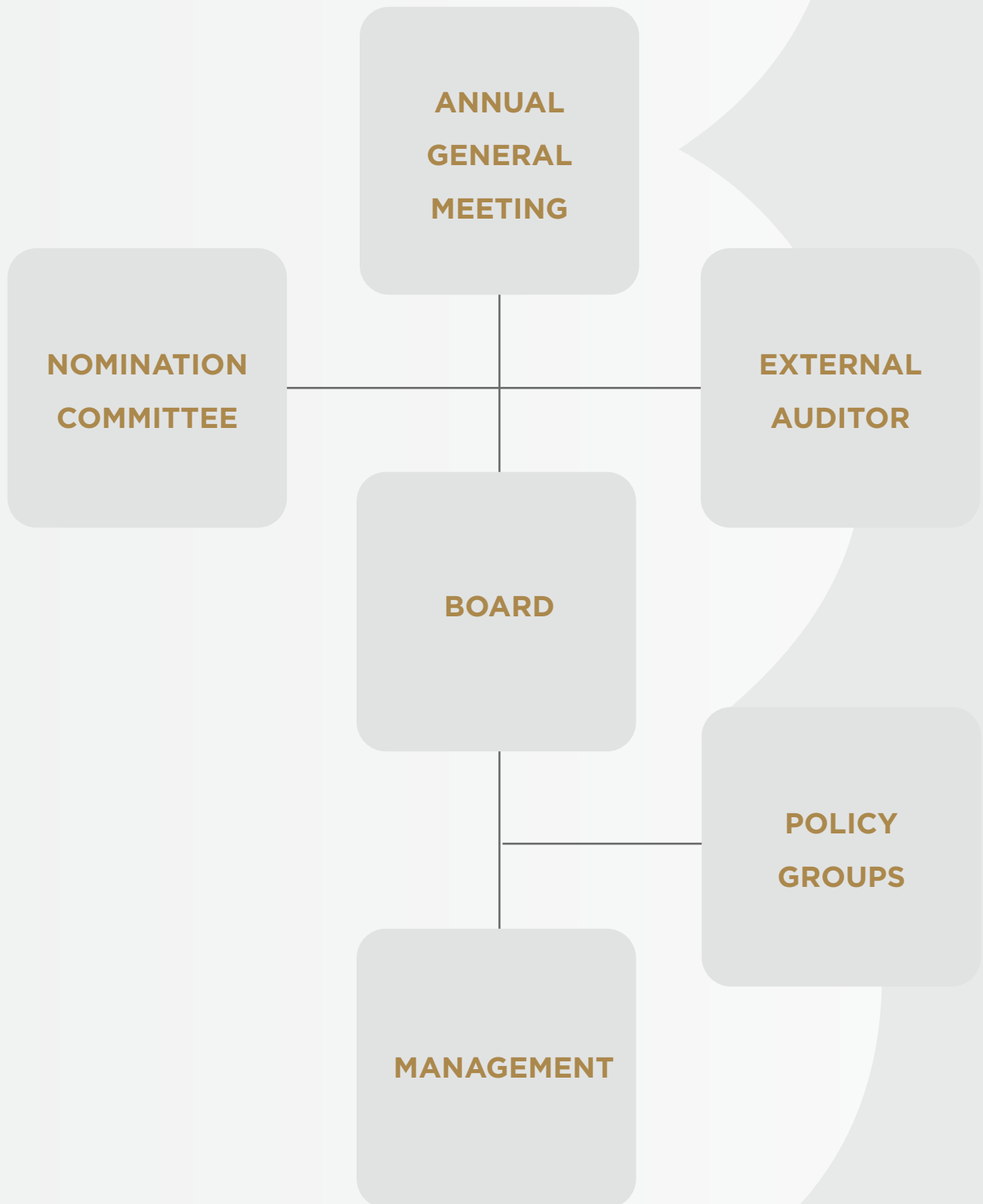
Excellence

Highest standards are applied by us and for us.

Integrity

Honesty and high ethical principles in all we do.

Structure of BICG



Annual General Meeting

The BICG is an association governed by its members who convene for their Annual General Meeting (AGM) by the 1st of May every year.

AGM is the topmost decision-making body, approving annual activity reports, financial statements, electing Nomination Committee and Board members, etc.

Each member of the BICG has one vote at the AGM.

Otherwise, there are two main membership categories, individual and corporate.

Any person who has graduated from the BICG Board member education course is eligible to apply for an individual membership. Individual members pay annual membership fee of 100 EUR.

Corporate members are companies that support an active corporate governance agenda in the Baltics. Their membership applications are first considered and then decided on by the Board of the BICG. There are three categories of corporate membership, depending on the level of support. Development corporate members pay an annual membership fee of 5.000 EUR, Baltic corporate members pay an annual membership fee of 3.000 EUR, and National corporate members pay an annual membership fee of 1.000 EUR

Nomination Committee



Aiga Ārste-Avotiņa
**Chair of the Nomination
Committee**

Managing Partner
Amrop Latvia



Šarūnas Dyburis
**Member of the Nomination
Committee**

Managing Partner
AIMS Lithuania



Marja-Liisa Soone
**Member of the Nomination
Committee**

Information Security
Governance Officer
Swedbank

Nomination Committee makes recommendations for electing and re-electing Board members, based on the requirements set for the Board composition and rotation in the bylaws and best practice guidelines of the BICG, encouraging balance of competencies, equal country representation, etc. It is comprised of three members, elected by the AGM, for a tenure of 3 years. Chair of the Nomination Committee is elected by its members.

Board



Kārlis Danēvičs
Chair of the Board
CRO
SEB Latvia



Ansi Arumeel
Member of the Board
Founder
CollabNet



Daiga Auziņa-Melalksne
Member of the Board
Independent Member of the
Supervisory Board
Citadele, Storent Group



Kristjan Endrikson
Member of the Board
Head of Legal
Marabu Airlines



Lina Kapčinskienė
Member of the Board
CEO and Chair of the Management
Board
Baltic Agro Machinery



Kati Kusmin
Member of the Board
Professional manager



Irmantas Norkus
Member of the Board
Managing Partner
COBALT Lithuania



Stepas Telešius
Member of the Board
Co-founder and member
of the Board
ACME Grupė



Valdis Vancovičs
Member of the Board
Chair of the Supervisory Board
Indexo Group

Board supervises the performance of the BICG, its management and guides the organization strategy. It consists of nine members, elected by the AGM, with the recommendation of the Nomination Committee, for a tenure of 3 years. Chair of the Board is elected by the Board, during the first meeting after the AGM.

Policy Group Latvia



Zane Kotāne

Chair of the Policy Group

Deputy Chair for Pensions Council
Luminor Group



Mārtiņš Bičevskis

Member of the Policy Group

Professional Board Member



Uldis Biķis

Member of the Policy Group

Chair of the Supervisory Board
Latvijas Finieris



Jānis Butkevičs

Member of the Policy Group

Sustainability Lead
Citrus Solutions



Gatis Flinters

Member of the Policy Group

Partner
COBALT Latvia



Anrī Leimanis

Member of the Policy Group

Executive and Non-executive
Board Member



Ģirts Rūda

Member of the Policy Group

Head of Legal and Administrative
State Real Estate



Toms Siliņš

Member of the Policy Group

Member of the Supervisory
Board
Latvenergo



Jānis Vanags

Member of the Policy Group

Entrepreneur and Estonian
Business School Lecturer



Andris Vilcmeiers

Member of the Policy Group

Business Development Advisor
UniLab

Policy Group Lithuania



Simona Grinevičienė
Chair of the Policy Group
Head of Organizational
Development and Culture
EPSO-G



Irmantas Beržauskas
Member of the Policy Group
Chief Legal & Governance
Officer
Lithuanian Railways



Renata Damanskytė-Rekašienė
Member of the Policy Group
Head of Legal
Gijos



Robertas Degesys
Member of the Policy Group
Founding Partner
Degesys & Partners



Evaldas Dūdonis
Member of the Policy Group
Partner
Sorainen



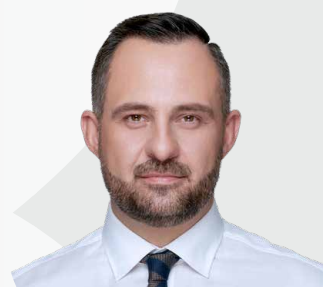
Agnė Jonaitytė
Member of the Policy Group
Partner
NOOR



Gintarė Šerėnaitė-Vaitekaitienė
Member of the Policy Group
Legal & Corporate Governance
Expert
Gijos



Gediminas Varnas
Member of the Policy Group
Chair of the Management
Board
Nasdaq Vilnius



Povilas Žukauskas
Member of the Policy Group
Partner
Walless

Policy Groups support initiatives by the BICG by proposing guidelines, recommendations and being highly reactive to any proposals made by other parties in the field of corporate governance and company law. Working closely with the management, Policy Groups are designated by country and currently are established in Latvia and Lithuania. Members of Policy Groups are appointed by the Board, for a tenure of 3 years. Chair of a Policy Group is elected by the Policy Group.

Management



Rytis Ambrazevičius
President



Andris Grafts
Vice President Latvia



Erik Sakkov
Vice President Estonia

Management of the BICG is responsible for the daily operations and is supervised by the Board. Members of the management team do not serve on the Board of the BICG, but they are invited to attend Board meetings.

Management and Board Statement

The Board of the BICG has discussed and approved the Annual Report of the BICG for the year 2025.

The financial statements in this annual report have been prepared in accordance with the Lithuanian law and have been audited by KPMG. In our opinion, these financial statements give a true and fair view of the financial position of the BICG on the 31st of December, 2025, and of its financial performance for the year then ended.

We recommend that the Annual General Meeting approves the Annual Report.

March 30, 2026

President and Board of the BICG

Independent Auditor's Report and Financial Statements for the year ended 31 December 2025

Independent Auditor's Report

To the Members of Association BALTIC INSTITUTE OF CORPORATE GOVERNANCE

Opinion

We have audited the financial statements of Association BALTIC INSTITUTE OF CORPORATE GOVERNANCE ("the Association"). The Association's financial statements comprise:

- the statement of financial position as at 31 December 2025,
- performance statement for the year then ended, and
- the notes to the financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, and of its financial performance in accordance with the Rules for Accounting, Preparation and Presentation of the Financial Statements of Non-Profit Limited Civil Liability Entities ("Accounting Rules for Non-Profit Entities"), approved by Order No. 1K-372 of the Minister of Finance of the Republic of Lithuania as of 8 December 2022.

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 ethical requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to the audit of financial statements in the Republic of Lithuania, and with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants. We have also 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.

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

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with Lithuanian Financial Reporting Standards, 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 communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

On behalf of KPMG Baltics, UAB

Irma Abromavičiūtė

Auditor's Certificate No. 000648

Vilnius, the Republic of Lithuania

13 March 2026

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 DECEMBER 2025
(EUR)

	Notes	2025	2024
ASSETS			
A. NON-CURRENT ASSETS			
I.		-	-
II.		2.628	3.536
III.	1.	278.255	-
IV.		-	-
		280.883	3.536
B. CURRENT ASSETS			
I.	2.	4.200	4.272
II.	3.	12.116	13.890
III.	1.	244.968	279.901
IV.		100.693	344.858
		361.977	642.921
		642.860	646.457
EQUITY, FINANCING AND LIABILITIES			
C. EQUITY			
I.		-	-
II.		-	-
III.		-	-
IV.		-	-
		-	-
D. FINANCING AMOUNTS			
	4.	413.304	359.411
		413.304	359.411
E. ACCOUNTS PAYABLE AND LIABILITIES			
I.		-	-
II.	5.	229.556	287.046
		229.556	287.046
		642.860	646.457

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were approved on 13 March 2026 and signed by:

Rytis Ambrazevičius
President

Laura Bulonienė
Accountant,
Scandinavian Accounting and Consulting UAB

PERFORMANCE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2025
(EUR)

		Notes	2025	2024
I.	REVENUE		887.970	788.285
I.1	SALES REVENUE	6.	792.697	639.846
I.2	FINANCING REVENUE		74.782	148.439
I.3	OTHER REVENUE	1.	20.491	-
II.	COSTS		887.970	788.285
	COST OF GOODS, SERVICES RENDERED AND OTHER			
II.1	SALES COSTS	7.	510.982	368.702
II.2	OPERATING COSTS	8.	376.988	419.583
II.3	OTHER COSTS		-	-
III.	OPERATING RESULT BEFORE TAX		-	-
IV.	INCOME TAX		-	-
V.	NET OPERATING RESULT		-	-

The accompanying explanatory notes are an integral part of these financial statements.

These financial statements were approved on 13 March 2026 and signed by:

Rytis Ambrazevičius
President

Laura Bulonienė
Accountant,
Scandinavian Accounting and Consulting UAB

1. General information

Association “BALTIC INSTITUTE OF CORPORATE GOVERNANCE” was registered on 29 September 2009. Association’s code is 302441498, office is located at Jogailos str.4 Vilnius, Lithuania. The data is stored and kept in the registry of legal entities.

Association “BALTIC INSTITUTE OF CORPORATE GOVERNANCE” (thereafter – “the Association”) is a public non-profit legal entity engaged in social and educational activities, including organization of the education process, preparation and implementation of programs and methodologies in the fields of corporate governance.

The Association 2025 12 31 – 5 employees. 2024 12 31 – 5 employees.

Association “BALTIC INSTITUTE OF CORPORATE GOVERNANCE” had not participated in the projects in the year 2025.

Association “BALTIC INSTITUTE OF CORPORATE GOVERNANCE” the accounting is performed by UAB “Scandinavian Accounting and Consulting”, company code 111507550, company address Radvilėnų pl.56, Kaunas.

2. Accounting policies

Basis of preparation

The financial statements are prepared in accordance with the Law on Accounting of Lithuania and 08th December 2022 of Finance Minister of the Republic of Lithuania Order Nr.1K-372 “Approval of the laws for accounting and preparation and submission of financial statements and the assets received free of charge entities.”

The financial statements have been prepared on the historical cost basis.

The Association when managing accounting and preparing financial statements follows the following general accounting principles: entity, activity continuity, periodicity, constancy, monetary measure, accumulation, comparison, neutrality.

The accompanying financial statements are presented in the national currency of Lithuania, the Euros (“Euro”).

The Association is not required and does not prepare cash flows statement.

The principal accounting policies are set out below.

Property, plant and equipment

Property, plant and equipment are such assets, which are under the Association’s ownership and control; are reasonably expected to generate economic benefits in future periods; are going to be used longer than one year; acquisition cost can be reliably measured; and acquisition value is exceeding the minimum value set for each asset group.

Depreciation is computed using the straight-line method over the estimated useful live of the related asset. Depreciation expenses are charged to the operating expenses in the Performance statement.

Property, plant and equipment with acquisition value over EUR 290 and useful life more than one year are capitalized.

Property, plant and equipment depreciation periods:

Group of tangible fixed asset	Useful lives
IT and telecommunication equipment	3 years

At the end of every year the Association reviews the estimated useful life, carrying amount and depreciation method of non-current assets and the changes in accounting estimates and judgments, if any, are recognized on a prospective basis.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash in transit and cash in banks, demand deposits and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

Financing

Membership fees, contributions and other financing received are accounted for on an accrual basis, i.e. contributions are credited to the Performance statement in the periods when related expenses, which they are intended to compensate, incurred. Contributions are recognized when they are received or there is a reasonable assurance that they will be received.

Contributions related to income

Contributions related to income are received as a reimbursement for expenses already incurred or as a compensation for unearned revenue, and also all other Contributions other than those related to assets.

Objective contributions are used as primary financing source to compensate related expenses. When project is finished, unused funding is, in accordance with agreed conditions in the contract, either recognized in the Performance statement as the funding excess of compensated amounts or the unused funding is returned to the contribution providers.

Membership fees are used to finance activities only when objective contributions and other financing, including profit for the year from other activities, is used and those funds are not sufficient to compensate the cost incurred.

The used part of the financing related to the objectives of the Association during the reporting period is shown in separate revenue account "Financing revenue" in the Performance statement according to the 08th December 2022 of Finance Minister of the Republic of Lithuania Order Nr.1K-372 "Approval of the laws for accounting and preparation and submission of financial statements and the assets received free of charge entities."

Objective contributions related to assets

Objective contributions related to assets include objective contributions to finance asset acquisitions and non-monetary asset contributions. Initially such contributions are recorded at the fair value of the corresponding assets and subsequently credited to the Performance statement over the useful lives of related non-current assets.

Revenue recognition

Revenue is recognized when it is probable that the Association will receive the economic benefit and the revenue can be reliably estimated. Revenue is measured at the fair value of the consideration received or receivable and represents amounts received or receivable for goods and services provided net of value-added tax and/or rebates and discounts. VAT invoices are issued according to the contract with the customer. Revenue is recognized when events occur.

Expenses recognition

Expenses are recognized on an accrual basis and revenue and expense matching principles in the reporting period when income related to these expenses was earned, irrespective of the time the money was paid.

During the reporting period the expenditure of the Association are recognized as expense of the reporting period, if they cannot relate to specific income and does not foresee as income of future reporting periods.

All expenses directly attributable to projects are classified as Costs of services rendered in the Performance statement. Other expenses, not directly attributable to projects, are classified as operating expenses in the Performance statement.

The salary expenses directly attributable to projects are classified as costs of services rendered in the Performance statement. The salary expense, which are not directly attributable to projects is classified as operating expenses in Performance statement.

Foreign currencies

Transactions denominated in foreign currency other than euros (EUR) are translated into EUR at the official exchange rate of Bank of Lithuania on the date of the transaction, which approximates the prevailing market rates.

At the end of each reporting period, monetary items denominated in foreign currencies are re-translated at the rates prevailing at that date.

Foreign currency exchange gains and losses resulting from translation at year end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognized in the Performance statement. Gains and losses arising on exchange are included in net profit or loss for the period.

Income tax

The Association does not calculate income tax as it did not receive any income as a result of commercial activity in 2025 and 2024 and all revenue was used to satisfy the requirements of the public interest.

Related parties

Related parties are defined as founders, employees, members of the management board, their close relatives and companies that directly, or indirectly through one or more intermediaries, control, or are controlled by, or are under common control with, the Association, provided the listed relationship empowers one of the parties to exercise the control or significant influence over the other party in making financial and operating decisions.

Subsequent events

Subsequent events that provide additional information about the Association's position at the balance sheet date (adjusting events) are reflected in the financial statements. Subsequent events that are not adjusting events are disclosed in the notes when material.

3. Notes

1. Financial assets

31 December 2024 Other current assets 279.901 Eur consisted of a term deposit and Government bonds:

In 2025 03 15 term deposit repayment deadline will be amount 140.000 Eur;

In 2025 08 04 redemption of bonds at maturity amount 139.901 Eur.

For the year ended 31 December 2025 long-term financial assets in the amount of 278.255 consisted of the Government Bond:

In 2028 08 05 Government Bond repayment deadline amount 140.000 Eur;

In 2029 12 15 Government Bond repayment deadline amount 138.255 Eur;

31 December 2025 Other current assets 244.968 Eur consisted of the following:

In 2026 03 26 term deposit repayment deadline will be amount 144.968 Eur;

In 2026 10 02 term deposit repayment deadline will be amount 100.000 Eur;

In 2025 interest income of 20.491 eur was recognised from Government bonds and term deposits.

2. Inventories

For the year ended 31 December prepayments, inventories and contracts in progress consisted of the following:

	2025	2024
Prepayments for suppliers	2.170	2.321
Deferred charges	2.030	1.951
Total	4.200	4.272

3. Other receivables within 1 year

At December 31 other receivables were as follows:

	2025	2024
Trade receivables	4.120	7.446
Receivables – membership fee	2.407	525
Other receivables	5.589	5.919
Total	12.116	13.890

Other receivables consists of:

VAT receivables from LT STI 4.244 Eur

Social securities contributions from SSIF 1.345 Eur

4. Financing

At December 31 membership fees and contributions were as follows:

	2025			Total
	Membership fee	Contributions	Other financing	
Balance at 1 st of January	359.411	-	-	359.411
Receipts	126.794	-	-	126.794
Used	(72.901)	-	-	(72.901)
Closing balance at 31st of December	413.304	-	-	413.304

	2024			Total
	Membership fee	Contributions	Other financing	
Balance at 1 st of January	375.600	-	-	375.600
Receipts	132.975	-	-	132.975
Usage	(149.164)	-	-	(149.164)
Closing balance at 31st of December	359.411	-	-	359.411

5. Current accounts payable and liabilities

At December 31 current accounts payable and liabilities were as follows:

	2025			
	During the financial year	During the one year	During the five year	Total
Trade accounts payable	4.012	-	-	4.012
Prepayments	679	-	-	679
Accrued income	126.392	-	-	126.392
Payable VAT EE countries	15.271	-	-	15.271
Payable VAT LV countries	12.227	-	-	12.227
Liabilities for employee	346	-	-	346
Reserve for accrued holidays	65.677	-	-	65.677
Other accrued charges	4.952	-	-	4.952
Closing balance at 31st of December	229.556	-	-	229.556

Other accrued charges consists of: Audit costs 4500 Eur; communication costs 32 Eur; bank services 20 Eur, accounting services 400 Eur. Future periods revenue will be recognized as revenue when events occur in 2026 year.

	2024			
	During the financial year	During the one year	During the five year	Total
Trade accounts payable	2.581	-	-	2.581
Prepayments	554	-	-	554
Accrued income	214.100	-	-	214.100
Payable VAT EE countries	7.582	-	-	7.582
Payable VAT LV countries	5.993	-	-	5.993
Liabilities for employee	1.232	-	-	1.232
Reserve for accrued holidays	50.098	-	-	50.098
Other accrued charges	4.906	-	-	4.906
Closing balance at 31st of December	287.046	-	-	287.046

6. Sales revenue

For the years ended 31 December sales revenue rendered consisted of the following:

	2025	2024
Revenue from education programs for managers	541.800	541.800
Revenue from other projects	250.897	98.046
Total	792.697	639.846

7. Cost of goods, services rendered and other sales costs

For the years ended 31 December cost of services rendered consisted of the following:

	2025	2024
Executive education programs costs	195.195	106.924
Other projects costs	315.787	261.778
Total	510.982	368.702

	2025	2024
Payroll expenses	216.833	125.987
Catering services	97.034	91.099
Lectors fee	63.111	52.560
Seminars material/Handout	43.479	38.184
External project cost	32.612	5.195
Hotel/ Education premises	19.655	25.286
Lectors travel and hotel expenses	10.378	9.820
Transportation costs	8.626	6.727
Travelling expenses	10.933	5.837
Video&Pictures + Hotel	4.278	3.470
Representation expenses	4.043	4.537
Total	510.982	368.702

8. Operating costs

For the years ended 31 December operating costs rendered consisted of the following:

	2025	2024
Salary and related expenses, attributed to administration	261.851	293.368
Accounting and audit services	32.072	37.111
Business trip expenses	18.111	10.105
Car rent and maintenance expenses	8.261	8.076
Rent of premises	6.430	6.430
Representation expenses	3.300	2.191
Communication expenses	2.339	2.357
Office expenses	3.892	1.951
Bank services	652	529
Depreciation	2.229	2.666
Changes in foreign currency exchange rate, net	444	19
Other operating expenses	37.407	39.441
Support provided „Blue and yellow“ public institutions	-	15.339
Total	376.988	419.583

9. Remuneration to management

Remunerations to management for the years ended 31 December:

	2025	2024
Salary expenses not including contributions for social insurance	134.598	125.035
Average annual number of managers	1	1

There was no Remuneration or Gratuitous assets transferred for Board and Council members for the year 2025. The significant transactions between association, legal persons engaged in a non-profit-making activity, support providers and support recipients in the year 2025 had not taken place.

10. Contingencies and commitments

On 31 December 2025 and 31 December 2024 the Association has not participated in any judicial procedures, which according to the management, might significantly affect financial statements. Tax Administrator has not performed in Association full scope tax reviews. Tax Administrator may at any time make the review on accounting, transactions and other documents, accounting records and tax reports for the current and 3 past calendar years; in some other cases for current years and 5 or 10 past calendar years and to calculate additional taxes and penalties. Company management is not aware of the circumstances due to which the potential significant liability for unpaid taxes could arise.

11. Significant operating lease commitments

The Association with a legal person has entered into a termless office space operating lease. The one-year lease services price is 7.780 euros (including VAT).

12. Post balance sheet events

No significant events have occurred after the date of financial statements and before the approval of financial statements.

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President

Laura Bulonienė
Accountant,
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