AB Archyvų sistemos

Independent auditor's report, annual report and financial statements for the year ended on 31 December 2019

Prepared in accordance with International Financial Reporting Standards as adopted by the European Union

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INDEPENDENT AUDITOR'S REPORT

To the Shareholder of AB Archyvų sistemos

Opinion

We have audited the financial statements of AB Archyvų sistemos (the Company), which comprise the statement of financial position as at December 31, 2018, profit (loss) statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2019, and (of) its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

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

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

UAB Persense Audit
Audit company Nr. 001425

Katažina Kozlovskienė
Auditor Nr. 000551

August 3, 2020
Vilnius

General information about the company:

Name	AB Archyvų Sistemos
Legal form	Public limited liability company
Code	122263236
Registered office address	Vilnius district Gineitiškės, Žirgų str. 3
Authorized capital	384.615 EUR, divided into 1.238 ordinary registered shares with a nominal value of 289,62 EUR
Phone	(8~5) 2401710
Fax	(8~5) 2458829
E-mail	info@archyvusistemos.lt
Website	www.archyvusistemos.lt
Registration date and place	11 January 1994 Board of Vilnius City
Register in which data about the company are collected and stored	Register of Legal Entities
Nature of main activities	Archive activities
Available licences	Licence to carry out document storage activities and licence to carry out document management

1. An objective overview of the company's condition, performance and development, and a description of the principal risks and uncertainties encountered by the company

The company provides document archive arrangement, storage, management and destruction activities. There are also divisions for logistics and for the preparation of various reports to SODRA - the Lithuanian State Social Insurance Fund Board (work experience, payroll), as additional services necessary to carry out the full range of services. It should be noted that AB Archyvų Sistemos provides all of its services to clients during the physical document life cycle.

AB Archyvų Sistemos is successfully developing its archiving business – its main income from the storage, management and administration (searching, copying, etc.) of documents has increased, while the number of clients and the need for our services in the market are being actively expanded. Services are provided on the basis of long-term cooperation agreements. The largest clients of the Company are the bank sector, insurance companies and many other enterprises. It should be noted that the Company actively works both with the private and the public sector.

By investing in the equipment of destruction services, the Company increases the performance of these services. The Company not only destroys, but also properly prepares secondary raw materials so that they can be recycled. The Company continuously takes actions to reduce environmental pollution.

Principal risks encountered by the Company:

▸ **Economic risk factors**

Main risk factors are possible due to the instability of external events, which can reduce direct foreign investments or possible transfer of investments or financial funds to other countries.

There were no new competitors, however competition remains high. 4 new management licences were issued in 2019. These licences are now held by 111 legal entities or natural persons who are able to provide licensed archival management services. At the same time, it should be noted that no new storage licences were issued in 2019 where investments are necessary, i.e. for storage services. These services are offered by 13 legal entities: AB Archyvų Sistemos, UAB Docpartner, UAB Archyvita, UAB Finansininkų Grupė, UAB Herman Data, UAB REISSWOLF LT and others.

▸ **Political risk factors**

The management and storage of the documents of all legal entities is regulated according to the procedures established by the law of the Republic of Lithuania. Main legal acts regulating document storage: Article 13(1) of the Law on Documents and Archives of the Republic of Lithuania, Documentation Rules approved by Order No. V-117 of the Chief Archivist of Lithuania of 4 July 2011, Index of General Document Storage Terms approved by Order No. V-100 of the Chief Archivist of Lithuania of 9 March 2011, Document Management and Accounting Rules approved by Order No. V-118 of the Chief Archivist of Lithuania of 4 July 2011, Rules for the Preparation, Management and Accounting of the Documents of Non-State Organizations and Private Legal Entities approved by Order No. V-152 of the Chief Archivist of Lithuania of 20 December 2011, Order No.(1.3E)VE-11 of the Chief Archivist of Lithuania of 2016-02-04 on the approval of the list of state and municipality institutions and companies transferring documents to state archives for continuous storage. Order of the Chief Archivist of Lithuania – on the approval of document storage rules.

▸ **Social risk factors.**

A risk remains of the fact that, although slowly, the economy will recover and emigration will continue, thus the demand for qualified specialists will grow, therefore, in order to maintain a qualified personnel, it is planned to increase the wages of employees during the upcoming year, after evaluating the inflation and the general market situation.

2.Financial and non-financial performance analysis, information related to environmental and personnel matters

Indicators describing the Company's activities in 2019-2018:

	2019	2018
Net yield = net profit / sales * 100	-4,86%	-11,48%
Average return on assets ROA = net profit / (assets at the beginning of the period + assets at the end of the period) /2 *100	-0,47%	-4,11%
Return on equity ROE = net profit / equity capital	-0,03	-0,08
Net profit per share EPS = net profit / number of shares		-2
Turnover	2775	2588
Net profit	-135	-297
Current liquidity ratio = current assets/amounts payable in one year and short-term liabilities	3,74	1,5
Normalized EBITDA = profit (loss) before taxes + depreciation and amortization + interest expenses + bad debt provision expenses and bad debts	167	45

Indicators calculated in 2019 comply with the financial model prepared in the company.

Sale income from the carried out activities of the company reached an income result of 2.775 thousand euros.

Most of the attention is paid to unpredictable financial market developments and the aim is to reduce the possible negative effect on the Company's financial performance.

Employees and environmental protection

In 2019, actions were continued to increase productivity and optimize the work of archivists. Additional employee RSSQL program training was carried out.

Each year, the Company reviews its policy and objectives for the upcoming year, approves them in the ISO documents and familiarizes employees with them.

The Company had 62 employees by the end of 2019, and 66 employees on 31 December 2018.

Average number of listed employees in 2019-2018

	2019	2018
Number of employees	63	76

Average age of employees - 42 years. Most employees of the Company have higher education and are qualified archivists and operators trained to work with the installed IS.

With the increasing number of carried out operations, with processes becoming more complicated, with the increasing demands of clients, and when taking care of environmental protection matters both directly and indirectly in its activities, quality management system ISO 9001 and environmental management system ISO 14001 were implemented in the Company. Upon the request of clients, security was increased in the Company and liability for the protected documents was distributed in order to ensure the security of the stored documents.

According to the approved ISO procedures, the quantity of used paper was reduced, paper waste was provided for processing, and the fire protection system was periodically tested.

3. References and additional explanations about data provided in the annual financial statements;

In 2015, a subsidiary company Arhiivikeskus AS operating in Estonia was merged with the Company by changing its status to a branch in advance.

Other data provided in the annual financial statements and the explanatory notes to the financial statements are sufficient, complete and no additional clarifications are provided.

4-6. Number of all the shares acquired or owned by the Company, their nominal value and authorized capital part comprised of these shares. Number of own shares acquired or transferred during the reporting period, their nominal value and authorized capital part comprised of these shares. Information about payment for own shares, if they are acquired or transferred for a fee. Reasons of the Company for acquiring own shares within the reporting period.

During the reporting period, the Company did not have, acquire or transfer its own shares.

7. Information about the Company's branches and agencies

The Company has a branch in Estonia (see paragraph 3).

8.Important events that occurred since the end of the previous financial year

A new head of the Company - Deivis Venslovaitis was appointed on 1 February 2019, Juozas Šerkšnas from 7 April 2020.

9.The Company's business plans and forecasts

The Company's aim is to continue to grow together with the growing market, and to remain the most advanced and leading company in the document storage, management and administration market and in the field of confidential destruction.

10. Information about the Company's research and development activities

The Company's shareholders perform a research of the occupied market part which is carried out for all the Baltic countries.

Research of the previous year has revealed that the part of the market occupied by the Company did not change.

An annual research on client satisfaction with the Company will be carried out in 2020.

11. When the Company uses financial instruments and when this is important when evaluating the Company's assets, equity, obligations, financial condition and performance, the Company reveals financial risk management objectives, the used forecasted transaction main group hedging instruments to whom the accounting of hedging transactions is applied, and the scale of the Company's price risk, credit risk, liquidity risk and cash flow risk.

The Company did not use financial instruments which are important when evaluating company assets, liabilities, financial condition and activity results .

12. Information about other current managerial positions of the head of the public limited liability company and private limited liability company, members of the management board and members of the supervisory board (head of the legal entity (legal form, name, code, registered office (address)), management body or member of the supervisory board of the legal entity (legal form, name, code, registered office (address)) and key information about their main workplace (position, legal entity's legal form, name, code, registered office (address).

Director of the company Juozas Šerkšnas serves as director at AB Archyvų Centras, company code 301810533, Žirgų str. 3, Antežeriai, Vilnius district, and at UAB Confidento, company code 302763086, Žirgų str. 3, Antežeriai, Vilnius district.

The board of the company is comprised of:
Andras Zsakonyi. Main workplace - Iron Mountain Magyarorszag Kereskedelmi es Szolgaltato Kft., company code 01-09-364901, Czuczor str. 10, 1093 Budapest, Hungary;
Eleonora Ustinova. Main workplace - Iron Mountain Magyarorszag Kereskedelmi es Szolgaltato Kft., company code 01-09-364901, Czuczor str. 10, 1093 Budapest, Hungary;
Laszlo Legradi. Main workplace - Iron Mountain Magyarorszag Kereskedelmi es Szolgaltato Kft., company code 01-09-364901, Czuczor str. 10, 1093 Budapest, Hungary.

Juozas Šerkšnas
Director (CEO)

(signature)

2020-07-29
(date)

AB Archyvų Sistemos
122263236, Vilnius district Gineitiškės, Žirgų str. 3

Statement of financial position
as at 31 December
thousands of euros

	Notes	2019	2018
Assets			
Non-current assets			
Intangible assets		-	
Goodwill		583	583
Software		-	-
Other intangible assets		499	601
Total intangible assets	3	**1 082**	**1 184**
Non-current tangible assets			
Land		-	-
Buildings and structures		98	105
Vehicles		171	220
Construction in progress and prepayments		40	-
Other non-current tangible assets		447	524
Total non-current tangible assets	4	**756**	**849**
Right-of-use asset	5	2 813	-
Investments in subsidiary companies		3	3
Other financial assets		3	15
Loans to associated companies		-	-
Amounts receivable from related parties		-	-
Deferred income tax assets		7	8
Total non-current assets		**4 664**	**2 059**
Current assets			
Inventories and prepayments			
Inventories		38	40
Prepayments		12	5
Total inventories and prepayments		**50**	**45**
Amounts receivable from buyers within one year	6	272	362
Amounts receivable from related parties		-	3 758
Loans to associated companies		-	191
Income tax paid in advance		-	31
Other amounts receivable		15	6
Cash and cash equivalents	7	2 178	792
Total current assets		**2 465**	**5 140**
Deferred expenses		20	11
Total assets		**7 199**	**7 255**

(continued on next page)

AB Archyvų Sistemos
122263236, Vilnius district Gineitiškės, Žirgų str. 3

Statement of financial position

as at 31 December
thousands of euros

	Notes	2019	2018
Equity and liabilities			
Equity			
Capital	1	385	43
Legal reserve	8	17	17
Other reserves	8	424	424
Retained profit (loss)		3 173	3 308
Total equity		**3 999**	**3 792**
Amounts payable and liabilities			
Amounts payable after one year and liabilities			
Grants and subsidies		-	-
Debts to credit institutions	9	-	-
Long term rent lieabilities	5	2 509	-
Total amounts payable after one year and liabilities		**2 509**	**-**
Amounts payable within one year and liabilities			
Debts to credit institutions	9	-	3 108
Short term rent lieabilities	5	358	
Loan interest		-	20
Trade debts		80	89
Advances received		-	1
Income tax payable		-	-
Employment-related liabilities		167	123
Income for future periods		21	23
Other amounts payable and current liabilities		33	37
Total amounts payable within one year and liabilities		**659**	**3 401**
Provisions		32	62
Total equity and total liabilities		**7 199**	**7 255**

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

Juozas Šerkšnas
Director (CEO)
(signature) 2020-07-29 (date)

Ramunė Piečiukaitienė
Representative of a company providing accounting services
(signature) 2020-07-29 (date)

AB Archyvų Sistemos
122263236, Vilnius district Gineitiškės, Žirgų str. 3
Statement of profit or loss and other comprehensive income
as at 31 December
thousands of euros

	Notes	2019.01.01 - 2019.12.31	2018.01.01 - 2018.12.31 (corrected)
Sales income	10	2 775	2 588
Cost of sales	11	(1 422)	(956)
Gross profit		1 353	1 632
Operating expenses	12	(1 296)	(1 856)
Other operating income	13	-	4
Other operating expenses		-	-
Operating profit		57	(220)
Income from financial activities	14	4	5
Expenses from financial activities	14	(195)	(82)
Profit or loss before tax		(134)	(297)
Income tax	15	(1)	-
Net profit		(135)	(297)
Other comprehensive income		(135)	(297)
Assigned to the Company's shareholders			
Net profit (loss)		(135)	(297)
Other comprehensive income			-
Total comprehensive income for the year, net of tax		(135)	(297)

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

Juozas Šerkšnas
Director (CEO)
(signature) 2020-07-29 (date)

Ramunė Piečiukaitienė
Representative of a company providing accounting services
(signature) 2020-07-29 (date)

AB Archyvų Sistemos
122263236, Vilnius district Gineitiškės, Žirgų str. 3

Statement of changes in equity
as at 31 December
thousands of euros

	Notes	Share capital	Legal reserve	Other reserves	Retained profit (loss)	Total equity
At 31 December 2017		43	17	424	3 605	4 089
Net profit / (loss) for the year		-			(297)	(297)
Other comprehensive income		-			-	-
Total comprehensive income		-			(297)	(297)
At 31 December 2018		43	17	424	3 308	3 792
Net profit / (loss) for the year		-			(135)	(135)
Other comprehensive income		-			-	-
Total comprehensive income		-	-	-	(135)	(135)
Transactions with owners		342	-	-	-	342
Dividends declared		-	-	-	-	-
Total transactions with owners		342	-	-	-	342
At 31 December 2019		385	17	424	3 173	3 999

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

Juozas Šerkšnas
Director (CEO)

(signature) 2020-02-29 (date)

Ramunė Piečiukaitienė
Representative of a company providing accounting services

(signature) 2020-04-29 (date)

AB Archyvų Sistemos
122263236, Vilnius district Gineitiškės, Žirgų str. 3
Statement of cash flows
as at 31 December
thousands of euros

	Notes	2019.01.01 - 2019.12.31	2018.01.01 - 2018.12.31
Cash flows from operating activities			
Net profit for the year		(135)	(297)
Recovery of non-monetary expenses (income):			
Depreciation and amortization	3, 4	257	260
Depreciation of right-of-use asset	5	403	-
Change in the impairment of amounts receivable	6	(15)	3
Interest expenses	14	44	82
Interest expenses on rent liabilieties	14	151	-
Interest income	14	(4)	(5)
Income tax expenses	15	(1)	-
		700	**43**
Changes in working capital:			
Decrease (increase) of other long-term financial and other short-term assets		(5)	(5)
Inventory decrease (increase)		2	(9)
Amounts receivable from related parties		3 949	-
Decrease (increase) of amounts receivable		105	(130)
Decrease (increase) of prepayments and advances received		(8)	1
(Paid) income tax		31	43
Trade debt (decrease)		(9)	54
Increase (decrease) of other amounts payable		(10)	(18)
Net cash flows from operating activities		**4 055**	**(64)**
Cash flows from investing activities			
Non-current intangible and tangible assets (acquisition) (excluding investments)	3,4	(62)	(348)
Transfer of non-current tangible assets		-	5
Acquisition of a subsidiary company		-	-
Interest received	14	4	5
Net cash flow from investing activities		**(58)**	**(338)**
Cash flows from financial activities			
Increase of share capital	1	342	-
Loans received	9	-	326
Loans (repaid)	9	(3 108)	-
Interest (paid)		(44)	(82)
Interest (paid for rent liabilities)		(151)	-
Leasing (financial lease) (payments)	5	(350)	-
Net cash flows from financing activities		**(3 311)**	**244**
Net increase/(decrease) in cash and cash equivalents		1 386	(115)
Cash and cash equivalents at beginning of the year/period	6	**792**	**907**
Cash and cash equivalents at 31 December	6	**2 178**	**792**

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

Juozas Šerkšnas
Director (CEO)

(signature) 2020-07-29 (date)

Ramunė Piečiukaitienė
Representative of a company providing accounting services

(signature) 2020-07-29 (date)

1. General information

AB ARCHYVŲ SISTEMOS (hereinafter - Company) is a public limited liability company registered in the Republic of Lithuania. The Company's registered office address is Žirgų str. 3, Gineitiškės, Vilnius district, Lithuania.

The Company carries out document storage, administration and destruction. The Company was registered on 11 January 1994.

On 31 December 2019 and 2018, the Company's shareholders were as follows:

	Number of owned shares (units)	Owned part
31 December 2019		
AB Archyvų Centras	1328	100%
Total:	**1328**	**100%**
31 December 2018		
AB Archyvų Centras	150	100%
Total:	**150**	**100%**

All shares whose nominal value per each is 289,62 euros are ordinary and were fully paid on 31 December 2019 and 2018. Authorized capital was increased in 2019 to 385 thousand of euros by issuing 1 178 new ordinary registered intangible shares. The Company did not acquire its own shares.

Final controlling shareholder of the Company in 2019 - Iron Mountain International Holdings BV, registration address Cairostraat 1, 3047 BB Rotterdam, the Netherlands. On 31 December 2015 – AS Lohmus Holdings.

On 13 April 2005 and 11 May 2005, the Company was provided with licences to carry out document management and document storage activities for an unlimited period of time (licence No.0005 and No. 0001).

On 27 March 2012, the Company established a subsidiary - UAB Confidento.

On 10 December 2014, the Company acquired the shares of AS Arhiivikeskus, merged with AS Arhiivikeskus in 2015 and established AB Archyvų Sistemos Estonia branch, whose registered address is: Vaike-Sojamae 3 G, Tallinn, Estonia.

	Country of registration	Part of shares managed by the Company	Investment size (acquisition cost)	Main activities
UAB Confidento	Lithuania	100,00%	3	Library and archive activities

UAB Confidento unaudited main financial data of 31 December 2019 are provided in the table below:

	Part of shares managed by the Company	Profit (loss) of the reporting year	Assets	Liabilities	Sales income
UAB Confidento	100%	-4	27	18	71

On 31 December 2019, the Company had 62 employees (76 on 31 December 2018).

2. Accounting principles

Main accounting principles applied when preparing the Company's financial statements for 2019 are as follows:

2.1. Basis for the preparation of financial statements

These financial statements are prepared according to the International Financial Reporting Standards (IFRS) whose application is approved in the European Union and interpretations prepared by the International Financial Reporting Interpretations Committee (IFRIC).

These financial statements have been approved by the Company's management on 30 July 2020. The Company's shareholders shall have the legal right to approve these financial statements or refuse to approve them and request the management to prepare new financial statements.

The Company did not prepare consolidated reports on 31 December 2019 and 2018, as permitted by the Law on Consolidated Financial Statements of Enterprises and IFRS 27, due to the fact that consolidated financial statements are prepared by the parent company AB Archyvų Centras. AB Archyvų Centras consolidated financial statements can be found at the address Žirgų str. 3, Gineitiškės, Vilnius district.

These financial statements are prepared based on the business continuity principle and the concept of historic acquisition cost.

New standards, their amendments and interpretations

Standards and interpretations that entered into force during the reporting period

The following are new and revised IFRS, amendments and interpretations of current standards, approved by the International Accounting Standards Board (IASB) and adopted in EU, which are valid during the reporting period:

▸ **IFRS 9: Prepayment features with negative compensation (Amendment)**
The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income (applied to annual periods beginning on 1 January 2019 and later).

▸ **IFRS 16: Leases**
IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognize most leases on the balance sheet. Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17 (applied to annual periods beginning on 1 January 2019 and later).

▸ **IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)**
The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements (applied to annual periods beginning on 1 January 2019 and later).

▸ **IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)**
The Amendments relate to whether the measurement, in particular impairment requirements, of long term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long- term interests that arise from applying IAS 28 (applied to annual periods beginning on 1 January 2019 and later).

▸ **IFRIC INTERPETATION 23: Uncertainty over Income Tax Treatments**
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances (applied to annual periods beginning on 1 January 2018 and later).

▸**The IASB has issued the Annual Improvements to IFRSs 2015 - 2017 Cycle, which is a collection of amendments to IFRSs.**
▸ IFRS 3 Business Combinations and IFRS 11 Joint Arrangements: The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.
▸ IAS 12 Income Taxes: The amendments clarify that the income tax consequences of payments on financial instruments classified ε equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
▸ IAS 23 Borrowing Costs: The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended us or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

The adoption of all of the above standards, interpretations and amendments (except for IFRS 16) did not have a significant impact on the changes in the accounting policies of AB Archyvų sistemos. The adoption of IFRS 16 Leases affected the Company's accounting policies, which are described in paragraph 2.13. Date of initial application - 1 January 2019 - The Company has applied IFRS 16 using a modified retrospective method. Financial statements for year ended 31 December 2018 were not affected.

In assessing lease obligations under lease agreements that were classified as operating leases, the Company discounted the lease payments using the additional borrowing rate in 1 January 2019.

The effect of adopting IFRS 16 as at 1 January 2019 (increase/(decrease)) is, as follows (thousands of euros):

Assets	
Right-of-use assets	3 163
Total assets	**3 163**
Liabilities	
Rent	3 163
Total liabilities	**3 163**

Standards and interpretations approved by the IASB but not yet adopted

Indicated standards, amendments and interpretations of the existing standards, approved by the International Accounting Standards Board (IASB), were issued on the date of approval of these financial statements, but not yet effective:

- **Conceptual Framework in IFRS standards**

The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. It's objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

- **IFRS 3: Business Combinations (Amendments)**

The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU.

- **IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments)**

The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards.

- **IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current (Amendments)**

The amendments are effective for annual reporting periods beginning on or after January 1, 2022 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. These Amendments have not yet been endorsed by the EU.

Archyvų sistemos AB anticipates that the adoption of these new standards, amendments to existing standards and new interpretations will not have a material impact on the financial statements of AB Archyvų sistemos during the period of initial application.

2.2. Financial statement currency

Accounts are managed by the Company and all the amounts in these financial statements are recorded and presented in the national currency of the Republic of Lithuania - euro.

2.3. Business combination

Acquisition of subsidiary companies and businesses is accounted for by applying the purchase method. Payment for each acquired subsidiary or business is measured by summing the fair values (on the exchange date) of the transferred assets, incurred or assumed liabilities and Group's issued equity instruments in exchange for the acquired company control. Costs related to the acquisition are recognized in the profit (loss) statement when they are incurred.

Payment for the acquired subsidiary companies or businesses includes all assets or liabilities arising from a contingent consideration agreement, measured at their fair value on the day of acquisition. Acquisition cost is corrected with the amounts of later changes of this fair value, if these changes can be regarded as measurement period adjustments. All other later changes of the fair value of the contingent consideration classified as assets or liabilities are accounted for according to the requirements of appropriate IFRS. Changes of the fair value of the contingent consideration classified as property are not recognized.

Identified assets, liabilities and contingent liabilities of the acquired company which comply with the recognition conditions according to IFRS 3, are not recognized at their fair values on the acquisition date, excluding:

- deferred income tax assets or liabilities and liabilities or assets related to agreements on benefits to employees which are recognized an measured appropriately according to IAS 12 "Income Tax" and IAS 19 "Employee Benefits";
- liabilities or equity instruments resulting from the Group's exchange of the acquired company payments to shares, which are measure according to IFRS 2 "Share-based Payment" requirements; and
- assets (or transferred asset group) classified as held for sale according to IFRS 5 "Non-current Assets Held for Sale and Discontinue Operations", which are measured according to this Standard.

Acquisition cost share exceeding the fair value of the identified net asset share acquired by the Group, which is recognized as goodwill. If the acquisition cost is lower that the fair value of the identified net asset share of the subsidiary acquired by the Group, the difference is recognized directly in the statement of comprehensive income.

2.4 Intangible assets

Goodwill

Acquisition cost share carried out through business combination, exceeding the fair value of the identified net asset share of the acquired company during the moment of acquisition, is accounted for as goodwill. During initial recognition, goodwill is accounted for at its acquisition cost at the currency of the acquired company, and later remeasured by applying the currency exchange rate of the end of the period at the end of each reporting period.

After initial recognition, goodwill is accounted for at its acquisition cost less any accumulated impairment losses. On the day of acquisition, goodwill is classified as revenue generating units, which will hopefully receive economic benefit from synergy resulting from business combination. Revenue generating units to which goodwill was assigned are checked annually or more frequently, in order to check their possible impairment, if there are signs of the impairment of units.

If the recoverable value of the revenue generating unit is lower than its accounting value, the impairment loss amount is firstly reduced by the accounting value of the goodwill assigned to any such unit, and then proportionally the accounting value of all other assets assigned to that unit. Goodwill impairment losses are not restored during later periods.

Other intangible assets

Intangible assets, if they are acquired separately from business, are accounted for at acquisition cost. Intangible assets are recognized if it is likely that the Company will receive future economic benefits related to these assets, and if the value of assets can be reliably measured. After initial recognition, intangible assets are accounted for at acquisition value less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are amortized using a straight-line method during the estimated service life.

Agreements with clients

Agreements with clients are assets which include connections and service agreements with clients. Agreements with clients were acquired during business combination (see note 3). During acquisition, agreements with clients are measured at their fair value and later amortized within a service life of 10 years by applying the straight-line method.

Software

New software acquisition costs are capitalized and recognized as fixed intangible assets, if these costs are not an integral part of the computer hardware. Software is amortized over a period of 3 to 4 years.

Costs incurred when restoring or maintaining the expected economic benefits from the operation of existing software systems are recognized as the expenses of a period during which support and maintenance works are carried out.

2.5 Non-current tangible assets

The Company's non-current tangible assets are accounted for at acquisition value, by deducting depreciation and measuring impairment losses.

Initial non-current tangible asset value is comprised of acquisition price, including non-refundable purchase taxes and all directly assigned costs related to preparation of assets for use or their transfer to an area of operation. Costs, such as repair or operational costs, incurred when the non-current tangible assets are being used are usually accounted for in the profit (loss) statement for the period when they were incurred. In cases when it can be clearly proven that these costs will help increase economic benefits from the use of these non-current tangible assets and/or extend its estimated service life, the costs are capitalized by adding them to the non-current tangible asset acquisition value, by also writing off the changed non-current tangible asset components.

When assets are sold or written off, their acquisition value and accumulated depreciation are eliminated in the accounts, and the sale profit (loss) is registered in the profit (loss) statement.

The Company allocates the at first recognized amount to material parts of appropriate non-current tangible asset components and registers depreciation separately for each such part. Depreciation is calculated by applying the straight-line method during the following service periods:

Asset Group	Average useful service life (years)
Buildings and structures	20 - 40 years
Machinery and equipment	4 - 10 years
Vehicles	4 - 10 years
Other non-current tangible assets	3 - 10 years

The useful service life is regularly revised ensuring that the depreciation term would comply with the estimated non-current tangible asset useful service life period.

Constructions in progress are accounted for at acquisition value. It is comprised of the value of constructions, structures and equipment and other directly allocated costs. The depreciation of constructions in progress is not calculated until the constructions are complete and the assets are being used.

2.6 Financial assets

According to IFRS 9 "Financial Instruments", financial assets are divided into the following groups:

- measured at amortized cost,
- measured at fair value, the change of which is recognized as other comprehensive income,
- measured at fair value, the change of which is recognized as profit or loss.

Classification of assets depends on the business model of the entity intended for managing financial assets, and characteristics of financial asset cash flows provided for in the contract.

All financial assets are measured at fair value, the change of which is recognized as profit or loss, excluding cases when financial assets are measured according to the amortized cost or fair value, the change of which is recognized as other comprehensive income.

Financial assets are measured at amortized cost when both of the following criteria are met:
a) financial assets are retained in order to collect the cash flows provided for in the contract;
b) cash flows of financial assets may arise on the dates established in the conditions of the contract, which are simply the payments of interest of the main amount and main uncovered amount. The main amount is the fair value of the financial assets during initial recognition.

Financial assets are measured at fair value, the change of which is recognized as other comprehensive income, when both of the following conditions are met:
a) financial assets are retained in order to collect the estimated cash flows and sell the financial assets;
b) cash flows of financial assets may arise on the dates established in the conditions of the contract, which are simply the payments of interest of the main amount and main uncovered amount. The main amount is the fair value of the financial assets during initial recognition.

Classification depends on the nature and purpose of the financial assets and is determined during initial recognition.

The Company's financial assets are comprised of cash and cash equivalents, buyer debts, loans granted and other amounts receivable.

All financial assets are recognized and written off on the day a transaction is made, when assuming a right or obligation under a signed financial instrument agreement whose conditions require for the financial assets to be provided under market terms, and are measured at fair value during initial recognition. When financial assets are not measured at fair value, costs directly attributed to the conclusion of the transaction shall be included in the statement of comprehensive income.

During initial recognition, financial assets accounted for at amortized cost and held to maturity are measured at cost by including direct costs related to the operation. In subsequent periods, these financial assets are accounted for at amortized cost by using an effective interest rate.

Effective interest rate method

Effective interest rate method is used to calculate the amortization cost of financial assets and liabilities, and distribute interest income and expenses within an appropriate period. The effective interest rate is an interest rate that exactly discounts the measured future cash flows (including all paid or received fees which are an integral part of the effective interest rate, transaction costs and other surcharges or discounts) until the recognition of initial net carrying value within a provided financial asset and liability period or within an appropriate shorter period of time.

When such investments are impaired, written off or amortized, the resulting profit or loss is registered in the statement of comprehensive income.

Loans and amounts receivable

Amounts receivable from buyers, loans and other amounts receivable with fixed payments or payments calculated in a set manner which are not sold in the active market are recognized as "Loans granted and amounts receivable".

Loans and amounts receivable are first registered in accounts at acquisition cost. Short-term loans and amounts receivable are later measured at acquisition cost less impairment losses, while long-term loans and amounts receivable are measured at amortized cost by using the effective interest rate method less impairment losses.

When such assets are impaired or amortized, the recognized profit or loss is accounted for in the statement of comprehensive income.

Interest income is recognized by using the effective interest rate method, excluding short-term amounts receivable whose interest recognition would be insignificant.

Total loans and amounts receivable are accounted for as current assets, excluding cases when their term is longer than 12 months from the date the financial statements are prepared. In this case, they are classified as non-current assets.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash on hand, cash in transit and cash in bank accounts, demand deposits and other very liquid short-term investments of up to three months which can be easily exchanged to a known amount of cash and which have a typical insignificant risk of change in value.

Cash and cash equivalents in the cash flow statement are comprised of cash in bank accounts.

Impairment of financial assets

Financial assets are measured on each financial reporting date in order to determine if there are any signs of impairment. It is considered that impairment of financial assets occurs when there are objective factors as a consequence of one or several events that occurred after the initial recognition of financial assets which had an impact on future cash flows expected from the financial assets.

Material or long-term impairment of the fair value of listed or unlisted equity investments classified as available-for-sale financial assets below the cost of securities is considered to be an objective proof of impairment.

The following may be considered to be an objective proof of impairment of all other financial assets, including redeemable bonds, classified as available-for-sale financial assets and amounts receivable from financial lease:

- significant financial difficulties of the issuer or counterparty;
- delay or failure to pay interest;
- it becomes probable that the debtor will go bankrupt or undergo financial reorganization.

The assets of certain financial asset categories such as trade receivables for which there is no individually determined impairment are, moreover, measured in general. Objective proof of impairment of the amounts receivable portfolio could include the Company's experience to collect payments according to payment delay, the growing number of delayed payments in the amounts receivable portfolio whose average credit term exceeds 60 days, as well as noticeable changes in national or local economic conditions which correlate with failure to pay the amounts receivable.

The carrying value of all financial assets is directly reduced by the measured impairment losses. Impaired amounts receivable are written off when they are recognized as no longer recoverable.

If the amount of impairment losses measured at a later period decreases and this decrease can be objectively linked to an event which occurred after the recognition of impairment losses, then these previously recognized impairment losses are restored through profit or loss, but only to the extent that, on the day the impairment losses are restored, the carrying value of the investment does not exceed the amortized cost which would have occurred if the impairment losses of previous periods would not have been recognized.

Derecognition of financial assets

Financial assets (or, where necessary, financial asset part or part of a financial asset group) are derecognized when:
-the period of the right to financial asset cash flows expires;
- the Company retains the right to cash flows, but assumes the obligation to pay the entire amount to a third party under a transfer agreement within a short period of time;
- the Company transferred its right to receive cash flows from the assets or transferred basically all the risk and benefit related to financial asset ownership, or neither transferred nor retained the risk and benefit related to financial assets, but transferred the control of these assets.
- the Company transfers its rights to asset cash flows, but does not transfer the risk, benefit and asset control related to asset ownership, and the assets are recognized to the extent the Company is associated with them.

2.7.Investments in subsidiary companies

In the Company's financial statements, investments in subsidiary companies are accounted for at acquisition value. Investment value is reduced by recognizing impairment. Such impairment is measured and applied for each investment separately.

Impairment is determined by measuring the recoverable value of the revenue generating unit. When the recoverable value of the cash-generating unit is lower than the carrying value in the Company's statement of financial position, an impairment loss is recognized.

2.8.Financial liabilities

Contractual obligations to transfer cash or other financial assets are classified as financial liabilities.

According to IFRS 9 "Financial Instruments", financial liabilities are assigned to those that were measured at amortized cost, excluding:

a) financial liabilities measured at fair value, the change of which is recognized as profit or loss.,
b) financial liabilities occurring when the transfer of financial assets does not comply with the derecognition criteria,
c) financial guarantee contracts,
d) obligations to grant a loan at a below-market interest rate,
e) contingent consideration which is later measured at fair value, the change of which is recognized as profit or loss.

The Company's financial liabilities are comprised of loans received, interest payable, trade and other payables.

During initial recognition, financial liabilities are measured at fair value less transaction costs. During subsequent periods, these financial liabilities are accounted for at amortized cost.

Borrowing costs directly assigned to the acquired assets which require time to be used as intended or construction (reconstruction) are capitalized as part of the cost of the respective assets. All other borrowing costs are recognized as expenses when they are incurred. Debts are recognized as long-term, if a financial contract concluded prior to the reporting date proves that the liability to the reporting date according to its nature is long-term.

Debts to suppliers

Debts to suppliers is an obligation to pay for goods and services acquired from suppliers during the course of the Company's normal activities. Trade debts are classified as short-term liabilities, if the payment deadline is no longer than one year. Debts to suppliers are outstanding financial liabilities with fixed or determinable payments not sold in the active market. Such liabilities are accounted for at an amortized value using the effective interest rate method.

Derecognition of financial liabilities

Financial liabilities are derecognized when they are covered, cancelled or their period of validity has expired. When an existing financial liability is replaced with another liability for the same lender, but under different conditions, or when the conditions of the existing liability are essentially changed, such change is considered to be termination of initial liability and occurrence of a new liability. The difference between appropriate carrying values is recognizes in the statement of comprehensive income.

2.9. Inventories

Inventories are accounted for at a lower value of the cost value and net realization value, by deducting the accounted impairment of expired and slowly moving inventories. Net realizable value is the selling price under ordinary business conditions, less the costs of completion, marketing and distribution. Cost is calculated using the FIFO method. Inventories which can no longer be realized are written off.

2.10. Share capital

Ordinary registered shares are accounted for in the share capital. Ordinary registered shares are accounted for at their nominal value.

2.11.Dividends

In the Company's financial statements, dividends are accounted for during the period they are approved by shareholders. Paid dividends are classified in the cash flow statement as financial activities.

2.12.Grants

Grants are accounted for at their fair value when it is reasonably ensured that the grant will be received and the Company will follow all the requirements applied to it. Grants related to the acquisition of non-current tangible assets are accounted for in the statement of financial position under long-term liabilities, and are recognized in the profit (loss) statement according to the straight-line method within the useful service period of such assets. Cost of sales is reduced in the profit (loss) statement with the grant amortization amount.

Grants received as compensation of the reporting and previous period expenses and non-received income, as well as all other grants not classified as grants related to assets shall be considered as grants related to income. Grants related to income are accounted for in profit (loss) at a percentage under which related losses were incurred, for the compensation of which the grant was given.

2.13.Leasing (financial lease) and operating lease

Right-of-use asset

Policy applicable from 1 January 2019

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease. A lease is defined as a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration.

Depreciation is calculated for assets acquired through financial lease. In addition, financial expenses are incurred during each reporting period due to financial lease. Depreciation calculation procedures for assets acquired through financial lease is similar to that of own assets, however such assets cannot be depreciated during a longer period than the lease period, if, under a lease agreement, ownership is not transferred to the Company at the end of the agreement period.At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset; subsequently, the liability is reduced as payments are made and an imputed finance cost on the liability is recognised using the Company's incremental borrowing rate.

Leases of property, plant and equipment that transfer to the Company substantially all of the risks and rewards of ownership are classified as finance leases. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of the minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to that asset.

IFRS 16 Leases includes two recognition exemptions for lessees – leases of 'low-value' assets (e.g., personal computers) and short-term leases (i.e., leases with a lease term of 12 months or less).

At the commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e., the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e., the right-of-use asset).

Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset. Lessees will be required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments).

The lessee will generally recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset.

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Assets held under other leases are classified as operating leases and are not recognised in the Company's statement of financial position.

Operating lease

Asset lease under which the lessor retains the entire ownership-related risk and provided benefit is considered to be the operating lease. Contributions under an operating lease agreement are accounted for as expenses using the straight-line method within the lease period.

General benefit of concessions provided by the lessor is recognized as lease cost decrease within the lease period using the straight-line method.

If the operating lease is the sale and leaseback transaction result, and it is obvious that the transaction is comprised of the fair value, any profit or loss is accounted for immediately. If the sale price is lower than the fair value, any profit or loss is accounted for at once, excluding cases when losses are compensated in the future with lease contributions which are lower than the market prices. Then they are delayed and amortized in proportion to lease contributions within the period during which the assets will be used. If the sale price exceeds the fair value, the amount at which the fair value is exceeded is delayed and amortized within the period during which the assets will be used.

2.14.Income tax

Income tax calculation is based on annual profit, after measuring the deferred income tax. Income tax is calculated according to the requirements of the tax laws of the Republic of Lithuania.

In 2019 and 2018, the income tax rate applied to companies in the Republic of Lithuania was 15 percent.
Tax losses can be transferred for an unlimited period, except losses incurred due to the transfer of securities and (or) derivative financial instruments. Such transfer is terminated if the Company no longer continues its activities due to which these losses have occurred, excluding cases when the Company no longer continues its activities due to reasons beyond its control. Losses incurred due to the transfer of securities and (or) derivative financial instruments can be carried forward for 5 years and covered with the profit of similar transactions.

Deferred taxes are calculated using the balance sheet liability method. Deferred tax reflects the net tax effect of the temporary differences between the asset and liability carrying value and their tax base. Deferred tax assets and liabilities are measured at a tax rate which will hopefully be applied for the period during which the assets will be realized and the liability covered, based on the tax rates which were adopted or essentially adopted on the balance sheet date.

Deferred tax assets are recognized in the statement of financial position to the extent that the management of the Company expects it to be realized in the near future, based on the taxable profit forecasts. If it is likely that part of the deferred tax will not be realized, this part of the deferred tax is not recoqnized in the financial statements.

Deferred profit tax liability arising from the client list and goodwill formed during business combination satisfies the criteria for exemption of initial recognition. Based on this fact, no deferred profit tax liability is recognized during the moment that goodwill occurs, and the recognition of client list amortization happens during the calculation of the profit tax of the current month when amortization expenses are recognized as non-deductible expenses.

2.15.Employee benefits

1. *Social security contributions*

The Company pays social insurance contributions to the State Social Insurance Fund (hereinafter - Fund) for its employees according to the established contribution plan and in accordance with the country's legal requirements. Established contribution plan is a plan according to which the Company pays contributions of an established size and will have no legal or constructive obligation to continue paying these contributions, if the Fund will not have sufficient assets to be able to pay benefits for all its employees related to service during current or previous periods. Social insurance contributions are recognized as expenses according to the accrual principle and are accounted for as employee payroll expenses.

2. *Severance compensations*

Severance compensations are paid to employees after the termination of the employment relationship with the employee before his normal retirement or after an employee makes a decision to willingly quit his job in exchange for such benefits. The Company recognizes severance benefits when it is obviously obliged to terminate the employment relationship with the existing employees according to a detailed official work relationship termination plan without the possibility to refuse, or is obliged to pay severance benefits after they are offered for willingly quitting a job position. If severance benefits become payable later than 12 months from the financial position statement date, they are discounted to the current value.

3.Bonus plans

The Company recognizes liability and bonus expenses when it has a contractual obligation or a practice was applied in the past which created a constructive liability.

2.16.Provisions

A provision is registered in accounts only if, due to a past event, the Company has a legal obligation or irrevocable commitment and it is likely that resources providing economic benefits will be necessary to fulfil it, and the obligation amount can be reliably measured. Provisions are reviewed on the day of the formation of each financial position statement and corrected in order to reflect the most precise current measurement. In cases when the effect of the time value of money is material, the amount of a provision shall be the present value of the expenses expected to be required to settle the liability. When discounting is used, the increase of a provision reflecting the previous period is registered in accounts as interest expenses.

2.17.Recognition of sale income and other income

Income is recognized when it is likely that the Company will receive economic benefit related to the transaction, and when it is possible to reliably measure the income amount. Sales are accounted for after deducting VAT and the provided discounts.
Service income is recognized when services are provided.

Income from the sale of products is recognized after delivering the products and transferring the risk and benefit provided by product ownership.

Interest income

Interest income is recognized when it is likely that the Company will receive economic benefit, and when it is possible to reliably measure the income amount. Interest income is recognized using the accrual principle proportionally throughout the entire period up to the end of it, based on the repayable main loan portion amount and determined calculated interest rate.

2.18.Expense recognition

Expenses are recognized in accounting according to the accrual and comparison principles during the reporting period when income related to these expenses is earned, regardless of when the money is spent. In cases when expenses incurred during the reporting period cannot be directly linked to the specific income and will not provide income during future accounting periods, these expenses are recognized as expenses for the period during which they were incurred.

Expenses from financial activities

Borrowing costs, directly assigned to the acquisition, construction or production of assets meeting the criteria, are capitalized and added to the asset acquisition cost from the first day when the expenses related to the aforesaid assets were incurred until the day when the assets are prepared for their intended use. All other borrowing costs are recognized as expenses during the period they are incurred.

2.19.Foreign currencies

Transactions expressed in a foreign currency are recorded in accounts according to the official currency exchange rate that was valid on the day of the transaction. Income and losses from the revaluation of the balances of such transactions, as well as assets and liabilities expressed in a foreign currency are recorded in the profit (loss) statement on the balance sheet date. Such balances are revalued according to the currency exchange rate at the end of the reporting period.

2.20.Impairment of assets

Financial assets

Impairment of financial assets is measured on each balance sheet date. When it becomes clear that the Company will not recover all loans and receivables granted in accordance with the agreed payment terms, financial asset, accounted for at amortized value, impairment or losses from bad receivables are recognized in the profit (loss) statement. Recovery of impairment losses recognized for the previous periods is accounted for when the decrease of these losses can be objectively justified with events that occurred after impairment accounting. Such recovery is accounted for in the profit (loss) statement. However, the increased carrying value is increased only to the extent that it does not exceed the amortized value, which would have been if the impairment would not have been accounted for.

Other assets

Impairment of other assets is measured when events and circumstances show that the asset value may not pay off. When the carrying value exceeds the asset payoff value, impairment is accounted for in the profit (loss) statement. Recovery of impairment accounted for during previous periods is recorded when there are signs that the losses recognized due to asset impairment no longer exist or have significantly decreased. Recovery is accounted for under the same item of profit (loss), in which impairment losses were registered.

2.21.Contingencies

Contingent liabilities are not recognized in the financial statements. They are described in financial statements, excluding cases when the likelihood that resources providing economic benefits will be lost is very small.

Contingent assets are not recognized in financial statements, however they are described in financial statements when it is likely that income or economic benefits will be received.

2.22. Subsequent events

Subsequent events which provide additional information about the Company's position on the date the statement of financial position is formed (corrective events) are reflected in the financial statements. Subsequent events which are not corrective events are described in explanatory notes when this is significant.

2.23. Netting and comparative numbers

When forming financial statements, assets and liabilities, as well as income and expenses are not netted, excluding cases when a separate IFRS requires or enables such netting.

2.24. Significant estimates used in the preparation of financial statements

When preparing financial statements according to the International Financial Reporting Standards, the Company makes certain assumptions and estimates which have an influence on the provided amounts of assets, liabilities, income and expenses, as well as the disclosure of contingencies.

Significant estimates used in these financial statements include:

Goodwill

Goodwill is reviewed at least once a year in order to determine if its value has not decreased according to the accounting principles described in note 2.4. The payoff value of the cash-generating unit is determined based on the calculations of the value in use. These calculations require the use of accounting estimates, including the forecasted future cash flows and appropriate discount rates for calculating the current value of these cash flows.

The Company's branch is a cash-generating unit whose allocated goodwill amount is 583 thousand euros. Based on the carried out analysis, the Company's management determined that no goodwill impairment losses need to be accounted for on 31 December 2019. Discounted cash flow method was used to carry out the impairment test, by applying an 11 percent discount rate.

Useful service life of intangible and non-current tangible assets

Useful service life and liquidation value determined for one unit of intangible and non-current tangible assets are revised every year according to the established procedures. If a significant change of the economic benefit of these assets is noticed or estimated, the useful service life of the assets is changed so that it would reflect the changed situation.

In 2019 and 2018, the Company revised the intangible and non-current tangible asset depreciation standards. After the revision, valid depreciation standards were recognized as suitable and were not changed.

Tax audits

The Tax Inspectorate can examine the books and accounting records, as well as calculate additional taxes and penalties at any time within three consecutive years after the end of the reporting tax year. The management is not aware of any circumstances which may result in a potentially significant liability in this respect.

thousands of euros

3. Intangible assets

On December 31, intangible assets comprised of:

	Software	Goodwill	Client list	Total
Acquisition value:				
Balance on 31 December 2017	**75**	**583**	**1 015**	**1 673**
Write-offs	(1)	-	-	(1)
Balance on 31 December 2018	**74**	**583**	**1 015**	**1 672**
Write-offs	(58)	-	-	
Balance on 31 December 2019	**16**	**583**	**1 015**	**1 614**
Amortization:				
Balance on 31 December 2017	**72**	-	**313**	**385**
Amortization per year	3	-	101	104
Write-offs	(1)	-	-	(1)
Balance on 31 December 2018	**74**	-	**414**	**488**
Amortization per year	-	-	102	102
Write-offs	(58)	-	-	(58)
Balance on 31 December 2019	**16**	-	**516**	**532**
Residual value:				
31 December 2018	-	583	601	1 184
31 December 2019	-	583	499	1 082

In 2019, amortization of intangible assets of the Company comprised of 102 thousand euros (104 thousand euros in 2018) and was included in the cost of sales in the Company's profit (loss) statement (note 11).

Part of the Company's intangible assets, whose acquisition value was equal to 58 thousand euros on 31 December 2019, were completely amortized and written off. Part of the Company's intangible assets, whose acquisition value was equal to 7 thousand euros on 31 December 2019, were completely amortized (on 31 December 2018, it was 63 thousand euros), but still used in the Company's activities.

In 2015, Arhiivikeskus AS was legally merged with the Company by changing the legal status of Archiivikeskus AS to a branch. During business combination, the Company recognized client list, whose fair value during acquisition comprised 1.015 thousand EUR, as intangible assets.

4. Non-current tangible assets

On December 31, tangible assets comprised of:

	Buildings and structures	Vehicles	Construction in progress and prepayments	Other non-current tangible assets	Total
Acquisition value:					
Balance on 31 December 2017	**166**	**115**	-	**2 105**	**2 386**
Acquisitions	-	153	-	191	344
Sold assets	-	(30)	-	-	(30)
Transfers from one item to another	-	33	-	(33)	-
Written off assets	-	-	-	(37)	(37)
Balance on 31 December 2018	**166**	**271**	-	**2 226**	**2 663**
Acquisitions	-	1	40	21	62
Sold assets	-	-	-	-	-
Transfers from one item to another	-	-	-	-	-
Written off assets	-	-	-	(91)	(91)
Balance on 31 December 2019	**166**	**272**	**40**	**2 156**	**2 634**

(Continued on next page)

thousands of euros

4. Non-current tangible assets (cont'd)	Buildings and structures	Vehicles	Construction in progress and prepayments	Other non-current tangible assets	Total
Accrued depreciation:					
Balance on 31 December 2017	**52**	**41**	**-**	**1 634**	**1 727**
Depreciation per year	9	39	-	107	155
Sold assets	-	(29)	-	(3)	(32)
Written off assets	-	-	-	(36)	(36)
Balance on 31 December 2018	**61**	**51**	**-**	**1 702**	**1 814**
Depreciation per year	7	50	-	98	155
Sold assets	-	-	-	-	-
Written off assets	-	-	-	(91)	(91)
Balance on 31 December 2019	**68**	**101**	**-**	**1 709**	**1 878**
Residual value					
31 December 2018	105	220	-	524	849
31 December 2019	98	171	40	447	756

In 2019, depreciation of the Company's non-current tangible assets comprised of 155 thousand euros (155 thousand euros in 2018) and was included in the cost of sales (note 11) or in the operating expenses (note 12).

The Company wrote off fixed asset in 2019 for value of 91 thousand euros. Fixed asset which was wrote off was fully depreciated on 31 December 2019.

Part of the Company's non-current tangible assets whose acquisition value comprised of 1.239 thousand euros on 31 December 2019 (1.046 thousand euros - on 31 December 2018) were completely depreciated, but still used in the Company's activities.

5. Rent and leasing

Right-of-use asset

	Buildings and structures	Machines and equipment	Vehicles	Total
Balance on 31 December 2017	-	-	-	-
Increase over the year	-	-	-	-
Depreciation per year	-	-	-	-
Balance on 31 December 2018	-	-	-	-
Capitalized in 1 January 2019	3 138	25	-	3 163
Increase over the year	-	-	53	53
Depreciation per year	(391)	(12)	-	(403)
Balance on 31 December 2019	2 747	13	53	2 813

Rent liabilities

	Buildings and structures	Machines and equipment	Vehicles	Total
1 January 2019	3 138	25	-	3 163
Increase over the year	-	-	53	53
Payments	(329)	(13)	(7)	(349)
Balance on 31 December 2019	2 809	12	46	2 867

31 December 2019 future minimum lease payments under operating leases were payable as shown below.

	2019
Term analysis. Contractual non - discounted cash flows	
Up to one year	358
From 1 to 5 years	920
After 5 years	1 589
Non - discounted rent liailities 31 December 2019	2 867

thousands of euros

6. Amounts receivable from buyers within one year

On 31 December 2019, amounts receivable from buyers within one year comprised of:

	2019	2018
Amounts receivable from buyers, at total value	286	391
Deduct: impairment of doubtful amounts receivable	(14)	(29)
	272	362

Amounts receivable from buyers are non-interest bearing and their payment term is usually 30 days.

An impairment of 14 thousand euros (29 thousand euros on 31 December 2018) was accounted for from the amount's receivable from buyers with a nominal value of 286 thousand euros on 31 December 2019 (391 thousand euros of 31 December 2018).

Movement of impairment registered for amounts receivable from buyers:

	Individually established impairment
Balance on 31 December 2017	26
Impairment formed within a year	3
Impairment recovery	-
Balance on 31 December 2018	29
Impairment formed within a year	-
Impairment recovery	(15)
Balance on 31 December 2019	14

Limitations analysis of amounts receivable from buyers on 31 December 2019 and 2018 is as follows:

	Amounts receivable from buyers whose period did not yet pass	Amounts receivable from buyers whose period has passed and impairment was not established for them					Total
		less than 30 days	31-90 days	91-180 days	181-263 days	more than 264 days	
2018	230	81	40	6	1	4	**362**
2019	242	18	8	2	-	2	**272**

7. Cash and Cash equivalents

On December 31, cash and cash equivalents comprised of:

	2019	2018
Cash at bank	2 178	792
Total cash and cash equivalents	**2 178**	**792**

The Company has issued guarantees for the execution of trade liabilities with a validity period until 2019-2021, whose value was 18 thousand euros on 31 December 2019 of which 3 thousand euros guarantee term was long-term and they were accounted for under the item of other long-term financial assets, 15 thousand euros - under the item of other current assets (on 31 December 2018, it was a long-term 15 thousand euros guarantee term accounted for under the item of other long-term financial assets and 6 thousand euros - under the items of the current asset).

The Company did not have any signed fixed term deposit agreements on 31 December 2019 and 2018.

thousands of euros

8. Reserves

Legal reserve

The legal reserve is mandatory according to the legal acts of the Republic of Lithuania. At least 5 percent of net profit calculated according to the accounting principles of the Republic of Lithuania must be transferred to it until the reserve reaches 10 percent of the authorized capital. On 31 December 2019 after the company inceassed the authorized capital, legal reserve was accounted 4 percent of the authorized capital. The company's legal reserve was fully formed on 31 December 2018.

Distributable reserves

Distributable reserves are formed according to the resolution of the annual general meeting of shareholders regarding profit distribution and are provided in the Company's Articles of Association. These reserves can be used only for the purposes approved by the general meeting of shareholders.

9. Loans

On December 31, loans comprised of:

	2019	2018
Long-term loans		
Bank loans (on "Cash pool" basis)	-	-
	-	-
Short-term loans		
Bank loans (on "Cash pool" basis)	-	3 108
Total loans	**-**	**3 108**

Long-term loan return deadlines:

	2019	2018
Within one year	-	3 108
From one year to five years	-	-
After five years	-	-
	-	3 108

In 20 June 2019 Company returned loan of 3.108 thousand euros to Bank Mendes Ganz N.V.

10. Sales income

For the year ended on December 31, sales income comprised of:

	2019	2018
Archiving, document management and related services	2 580	2 370
Document destruction services	94	84
Income from the sale of archiving tools	72	71
Other income	29	63
Total income	**2 775**	**2 588**

11. Cost of sales

For the year ended on December 31, cost of sales comprised of:

	2019	2018 (corrected)
Salary and social insurance	857	768
Depreciation of right-of-use asset	367	-
Depreciation expenses of non-current tangible and intangible assets	139	138
Cost of sold goods	59	51
Total	**1 422**	**956**

In 2019 Company's financial statements were amended comparative figures of 2018 and 72 thousand euros of depreciation of property, plant and equipment and amortization of intangible assets from cost of sales were transferred to operating expenses. Until the adjustment of comparative figures, depreciation of property, plant and equipment and amortization of intangible assets in 2018 was 210 thousand euros.

thousands of euros

12. Operating expenses

For the year ended on December 31, operating expenses comprised of:

	2019	2018 (corrected)
Salary and social insurance	344	277
Management services	205	237
Consulting, insurance and other similar services	121	114
Amortization and depreciation expenses	120	122
Org. machinery expenses and other economic expenses	114	78
Administrative document management expenses	85	140
Utility services	80	74
Transportation expenses	50	104
Depreciation of right-of-use asset	36	-
Business trips	30	30
Repairs	18	28
Rent expenses	15	494
Postal and office equipment expenses	14	15
Fines	-	14
Various project expenses	(6)	78
Other	70	51
Total	**1 296**	**1 856**

Other operating expenses for Company in 2019 mainly consisted of storage services, human resources (employment) costs, and non-compete payments.

31 December 2019 various project expenses for Company were negative due to accrued excessive expenses in 2018.

From 1 January 2019 Company has applied IFRS 16 Leases and in accordance with the operating lease agreements, the leased assets were recognized as right-of-use asset, therefore in 2019 rental costs decreased by 479 thousand euros compared to 2018. The Company used a modified retrospective method, therefore financial statements for year ended on 31 December 2018 were not affected by the provisions of this IFRS.

13. Other operating income (expenses)

The Company in 2019 had no operating income (expenses). In 2018, other operating income of the Company comprised of profit from the transfer of non-current assets.

14. Financial activity income (expenses)

For the year ended on December 31, financial activity income (expenses) comprised of:

	2019	2018
Interest income	4	5
Total income from financial and investing activities	**4**	**5**
Interest expenses of rent liabilities	(151)	-
Interest expenses	(44)	(82)
Total expenses of financial and investing activities	**(195)**	**(82)**
Total	**(191)**	**(77)**

For the year ended on December 31, interest expenses of rent liabilities comprised of:

	2019	2018
Interest expense on rental of buildings and structures	(151)	-
Interest expense on rental of machinery and equipment	-	-
Interest expense on rental of vehicles	-	-
Total	**(151)**	**-**

thousands of euros

15. Income tax

For the year ended on December 31, components of the income tax expenses (income):

	2019	2018
Components of income tax expenses (income)		
Income tax expenses of the reporting year	-	-
Deferred income tax (income) expenses	1	-
Income tax expenses (income) accounted for under profit (loss)	1	-

On 31 December 2019 and 2018, deferred income tax assets were accounted for by applying a 15 percent rate.

The Company's changes in the temporary differences before tax effects are accounted for under profit (loss).

The provided income tax expenses of the period can be coordinated with the theoretical amount which would be calculated by applying a valid base income tax rate on income before taxation:

		2019	2018
Profit (loss) before tax		(134)	(297)
Income tax calculated using the statutory tax rate in Lithuania	15%	20	-
Non-taxable part of the result of the Estonian branch		21	19
Permanent differences		(5)	(4)
Depreciation of the client list which does not create a deferred income tax liability for the initial recognition of an exemption		(15)	(15)
Other temporary differences		(8)	8
Unrecognized deferred tax assets		(14)	-
Income tax adjustments of the previous year		-	-
Income (expenses) from the income tax accounted for under profit (loss)		**(1)**	**-**

16. Financial assets, liabilities and risk management

Financial instruments by group

Financial instrument groups of December 31 subject to the financial instrument accounting policy are provided below:

	2019	2018
Financial assets		
Loans to associated companies	-	191
Other financial assets	3	15
Other amounts receivable	15	6
Trade receivables and other amounts receivable	272	363
Cash and cash equivalents	2 178	792
Total financial assets	**2 468**	**1 367**

	2019	2018
Financial liabilities		
Loans received	-	3 108
Interest of loans received	-	20
Amounts payable from trade ant other amounts payable	80	89
Provisions	32	62
Total financial liabilities	**112**	**3 279**

thousands of euros

Credit risk

The concentration of the Company's trading partners is relatively high. On 31 December 2019, amounts receivable from the main four clients of the Company comprised of 27 percent (31 percent on 31 December 2018) of the Company's total amounts receivable from buyers.

The Company applies measures which are aimed at continuously ensuring that services and products are sold to reliable clients and sales would not exceed the approved credit risk limit. Before starting to cooperate with a new buyer, the Company evaluates the buyer's credit quality by considering the client's financial position, country where the client is carrying out its activities, as well as other factors.

The Company does not provide guarantees for the obligations of other parties. The highest credit risk is comprised of the carrying value of each financial asset unit. Therefore, the Company's management believes that the maximum risk is equal to the amount of receivables from buyers less recognized value decrease losses on the day the financial statements are formed.

Interest rate risk

On 31 December 2019 and 2018, the Company's financial liabilities were largely comprised of loans with mostly fixed interest rates. On 31 December 2019 and 2018, the Company did not have any financial instruments whose purpose would be to manage the interest rate fluctuation risk.

Liquidity risk

The policy of the Company is to maintain a sufficient amount of net cash and net cash equivalents in order to fulfil the obligations provided in its strategic plans. Rates of Company's liquidity (total current assets / total amounts payable and liabilities within one year) and urgent coverage ((total current assets - inventories) / total amounts payable and liabilities within one year) was 3,74 and 3,68 accordingly on 31 December 2019 (1,51 and 1,50 accordingly on 31 December 2018). The Company manages its liquidity risk by planning its payment flows to related enterprises.

The table provided below summarizes the Company's financial liability return deadlines on 31 December 2019 and 2018 according to the undiscounted contractual payments:

	On demand	Up to 3 months	From 3 to 12 months	From 1 to 5 years	After 5 years	Total
Long-term loans and debts to which interest is applied	-	-	-	-	-	-
Interest of long-term loans	-	-	-	-	-	-
Trade debts	-	80	-	-	-	80
Balance on 31 December 2019	**-**	**80**	**-**	**-**	**-**	**80**
Long-term loans and debts to which interest is applied	-	-	3 108	-	-	3 108
Interest of long-term loans	-	-	20	-	-	20
Trade debts	-	89	-	-	-	89
Balance on 31 December 2018	**-**	**89**	**3 128**	**-**	**-**	**3 217**

Foreign exchange risk

Most of the Company's transactions are carried out in Lithuania and Estonia where settlements are made in euros, therefore there is no significant foreign currency risk.

Fair value of financial assets and liabilities

The Company's main financial assets and liabilities, not reflected at fair value, are trade and other amounts receivable, trade and other debts, long-term and short-term debts.

Fair value is not defined as an amount for which assets or services can be exchanged or with which mutual liability can be set off between unrelated parties that plan to buy (sell) the assets or set off a mutual liability. The fair value of financial assets and financial liabilities is based on quoted market prices, discounted cash flow models or option price models, depending on the circumstances.

thousands of euros

The following methods and assumptions are used to measure each type of financial assets and liabilities:

a) The carrying value of short-term amounts receivable from trade, short-term trade debts and short-term debts is close to their fair value.
b) The fair value of long-term debts is determined according to the market price of the same or similar debt, or interest rate which is applied at the time for the debts of the same term. The fair value of long-term debts for which variable interest is paid is close to their carrying value.

Capital management

The Company's equity is comprised of authorized capital, legal and other reserves, and undistributed profit, which, on 31 December 2019, comprised of 385 thousand euros, 441 thousand euros and 3.173 thousand euros accordingly (43 thousand euros, 441 thousand euros and 3.308 thousand euros accordingly - on 31 December 2018). The main purpose of capital management is to guarantee that the Company complies with external capital requirements which, under the Law on Companies of the Republic of Lithuania, require that the Company's equity would be comprised of at least 50 percent of its share capital. The Company meets this requirement.

The secondary purpose of the Company's capital management is to maintain sufficiently high undistributed profit and equity sizes for possible further Company development and expansion.

The Company manages its capital's structure and changes it according to the changes of the economic condition and according to the risk characteristics of its activities. In order to maintain or change the capital structure, the Company can change dividend payment to shareholders, return the capital to shareholders or issue new shares. The Company increased the authorized capital of the company by 342 thousand euros bv additional contributions of the sole shareholder.

17. Off-balance sheet liabilities and contingencies

As described in note 7, on 31 December 2019, the Company issued guarantees for the execution of trading liabilities at a value of 18 thousand euros (21 thousand euros on 31 December 2018).

18. Related party transactions

The parties are considered to be related when one party is able to control the other or have significant influence over the other party when making financial and operational decisions. The table provided below reflects the operations with related enterprises within a period ended on 31 December 2019:

2019	Purchases	Sales	Amounts receivable	Amount payable
Recall A/S	-	-	-	-
Iron MountainPolska Sp.z o.o..	22	-	-	-
Iron Mountain Information Management INC	114	-	-	16
Iron Mountain Magyarorszag Kft.	64	-	-	13
Iron Mountain Europe PLC	114	-	4	1
AB Archyvų Centras	-	2	-	-
UAB Confidento	54	10	-	-
SIA Arhivu serviss	49	17	-	-
Total	**417**	**29**	**4**	**30**

The table provided below reflects the operations with related enterprises within a period ended on 31 December 2018

2018	Purchases	Sales	Amounts receivable	Amount payable
Recall A/S	2	-	-	2
Iron MountainPolska Sp.z o.o..	6	-	-	2
Iron Mountain Information Management INC	66	-	-	17
Iron Mountain Magyarorszag Kft.	65	-	-	18
Iron Mountain Europe PLC	97	-	-	17
AB Archyvų Centras	-	-	3 757	-
UAB Confidento	42	10	-	6
SIA Arhivu serviss	43	24	191*	1
Total	**321**	**34**	**3 948**	**63**

*- the amount is comprised of the provided loan (150 thousand euros) with accrued interest (41 thousand euros). The loan return deadline is 31 December 2019. A 3 percent fixed interest rate is applied to the loan.

Management salary

In 2019, the salary calculated for the Company's management comprised a total of 126 thousand euros (44 thousand euros in 2018). In 2019, the Company's management comprised of the Director and Chief Accountant. In 2019 and 2018, the Company's management did not receive any loans, guarantees, any other paid amounts or asset transfers.

19. Subsequent events

The Lithuanian government has announced quarantine for the COVID-19 virus outbreak on March 16 2020, which was officially ended in June 2020. The Company's management does not expect that the quarantine will have a significant impact on the Company's operations, however after quarantine, quarantine recurrence or customers face solvency problems, then the Company would use the accumulated sufficient reserves to solve liquidity and solvency problems.

At the date of publication of these financial statements, the Company's management does not have sufficient quantitative data to properly evaluate the potential impact, therefore the data in the financial statements have not been adjusted.

A new head of the Company – Juozas Šerkšnas was appointed on 7 April 2020.

The new management board members of the Company - Eleonora Ustinova and Laszlo Legradi were appointed on 8 April 2020. The management board members of the Company Tamas Soos and Carl Fredrik Norelid were recalled.

Juozas Šerkšnas
Director (CEO)

2020-07-29
(signature) (date)

Ramunė Piečiukaitienė
Representative of a company providing accounting services

2020-07-29
(signature) (date)

Sidevahendid

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