

## ALTERNATIVE PERFORMANCE RATIOS

In addition to financial performance ratios prepared according to International Financial Accountability Standards (IFAS), Lietuvos energijos gamyba (Lithuanian Energy Production) also provides financial performance ratios that are not indicated in IFAS in its financial statements.

The Company considers that these alternative performance ratios are important indicators of its performance for investors and other users of financial statements. Alternative performance ratios have to be treated as additional information prepared according to IFAS.

Below, the Company presents calculation methodology of alternative performance ratios that may differ from methodology used by other companies.

*(The ratios in the table are provided in alphabetical order)*

NAME OF THE RATIO	CALCULATION METHODOLOGY OF THE RATIO	MEANING OF THE RATIO
General liquidity ratio	Current assets / Current liabilities	Current liquidity ration measures company's ability to implement current liabilities using the available current assets.
CAPEX	Long-term investments	The ratio shows company's investments into tangible and intangible non-current assets used for the Company's activities.
EBITDA	Profit (losses) before tax + expenditure of financial activities - income from financial activities - received dividends + preciation and amortization costs + costs of reduced value + ATL reappraisal (income)/expenses + write-off of non-current tangible assets	EBITDA - abbreviation of the English term "Earnings Before Interest, Tax, Depreciation and Amortization". Profit without having deducted depreciation, amortization and reduced value costs of non-current assets helps the investors to assess potential to create profit before investments into non-current assets are made.
EBITDA margin	EBITDA / Revenue	EBITDA ratio with income shows effectiveness of company's performance.
Net debt	Financial debts - money and money equivalents - short-term investments and time deposits - part of other non-current financial assets that consists of investments to debt securities	The ratio shows level of the Company's debt in net value.
Net profit margin	Net profit / Revenue	It shows net profit of the company in comparison to revenue.

Net debt and EBITDA ratio	Net debt / EBITDA	The ratio of net financial debt and EBITDA shows how many times the liabilities of the company related to interest payment exceed its annual profit before interest, tax and depreciation (amortization).
Liabilities to equity ratio	Liabilities / Equity	The liabilities to equity ratio shows share of total current and non-current liabilities of the company available for one euro of equity.
Capitalization (market value)	Share's price in the end of the period * Number of shares	Capitalization shows market value of the company's equity, if market value was paid for all the shares of the company at certain moment.
Adjusted EBITDA	EBITDA result is presented after corrections carried out by management, when impact of one-time factors is eliminated. These corrections aim to disclose results of atypical, one-time factors or factors not related directly to current period of ordinary activities of the Company. All the corrections made by management are provided in interim and annual statements of the Company.	Adjusted EBITDA shows profit from ordinary activities of the Company, without atypical, one-time factors or factors not related directly to current performance period.
Adjusted EBITDA margin	Adjusted EBITDA / Revenue	The ratio of adjusted EBITDA with revenue shows effectiveness of ordinary activities of the Company (by eliminating atypical, one-time factors or factors not related directly to current performance period).
Equity ratio	Equity in the end of the period / all assets in the end of the period	The ratio of equity and assets shows what part of the company's assets is financed from equity.
Return on equity (ROE)	Net profit (losses) recalculated in annual value / equity in the end of the period	Profitability of equity (or return on equity) shows number of euros of net profit available for one euro of equity. This ratio is important for shareholders, when return of their investments of previous periods into the company is assessed.

Return on used capital	Net profit / (Equity+Financial debt)	This ratio reflects effectiveness of usage of total equity and borrowed capital of the company.
Debt coverage ratio	EBITDA / (interest payments+ loans repaid in accounting period). Refinanced loans are not included into the ratio's calculation	This financial ratio measures ability to repay financial debts.
P/E(price-to-earnings ratio)	Share's price in the end of the period / (Net profit / Number of shares)	The ratio of share's price and earnings reflects the amount paid by investor for one euro of net profit earned by the company in the previous period.
Earnings per share	Net profit / Number of shares	Earnings per share show amount of net profit of the company available for one share in circulation.
Profit before tax margin	Profit before tax / Revenue	Profit before tax margin shows profitability of ordinary activities of the company
Debt to assets ratio	Financial debts (long-term + short-term) / Assets	This financial ratio compares company's financial debts with total assets. The coefficient shows the share of the company's assets financed from borrowed funds.
Debt to equity ratio	Financial debts (long-term + short-term)/ Equity	It is one of the main ratios of financial leverage the debt to equity ratio shows the number of euros of long-term and short-term debts available for one euro of equity. When debts are calculated, all the company's liabilities related to interest payment are taken into account.
Debt coefficient	Net debt / Equity	The ratio of net financial debt and equity shows the amount of long-term and short-term financial debts related to interest payment available for each euro of equity, minus available money and other financial investments of current assets of special liquidity.
Asset turnover ratio	Revenue / All assets in the end of the period	Asset turnover measures, how much sale revenue is created by one euro of the assets.

Operating profit margin	$\text{Operating profit} / \text{Revenue}$	It is a margin of company's profitability that shows profit earned by the company in comparison to revenue.
Return on assets	$\text{Net profit} / \text{Assets}$	This ratio reflects effectiveness of usage of all the assets of the company.