

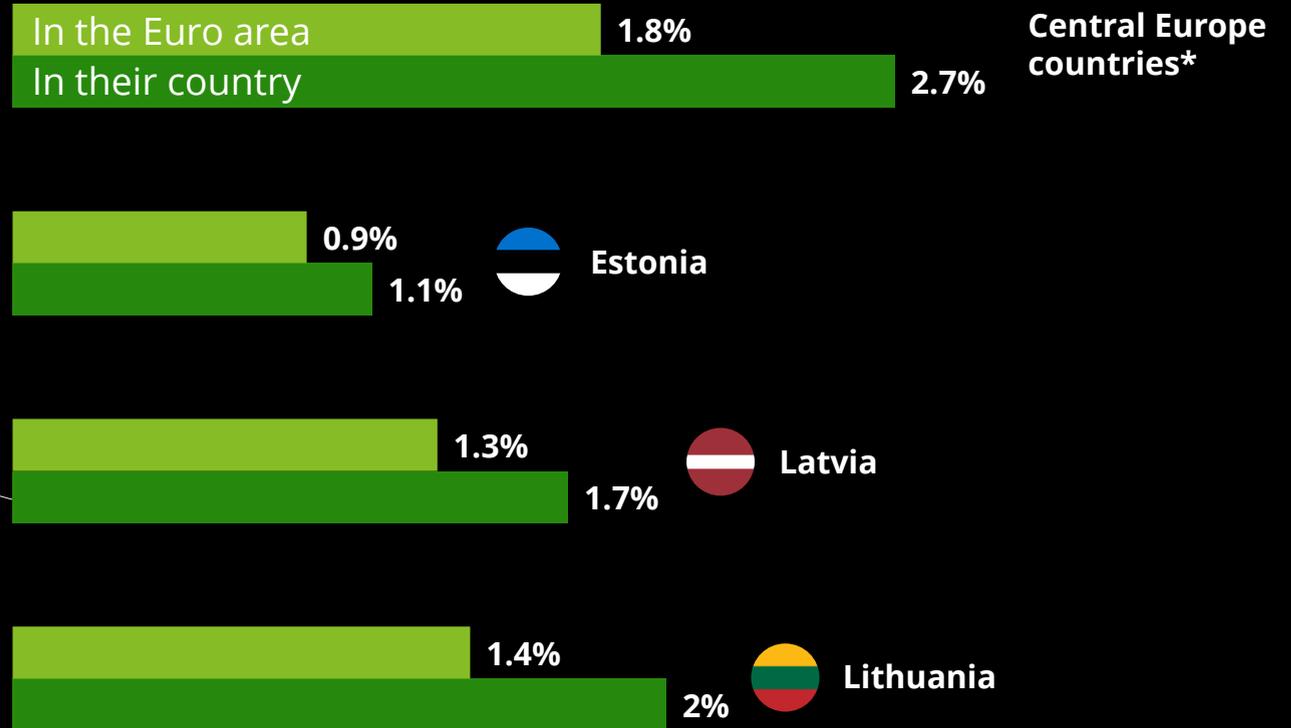
Deloitte.



CE CFO Survey 2021
Baltics

The inflation rate (for the Consumer Price Index) over the next 12 months

Looking into the inflation rate for the Consumer Price index, it seems that in general Central Europe countries are expecting a smaller inflation rate in the Eurozone than in their countries. Looking more closely into the Baltics, it seems that Estonia expects relatively small inflation rate, both in the Eurozone and in the country itself.

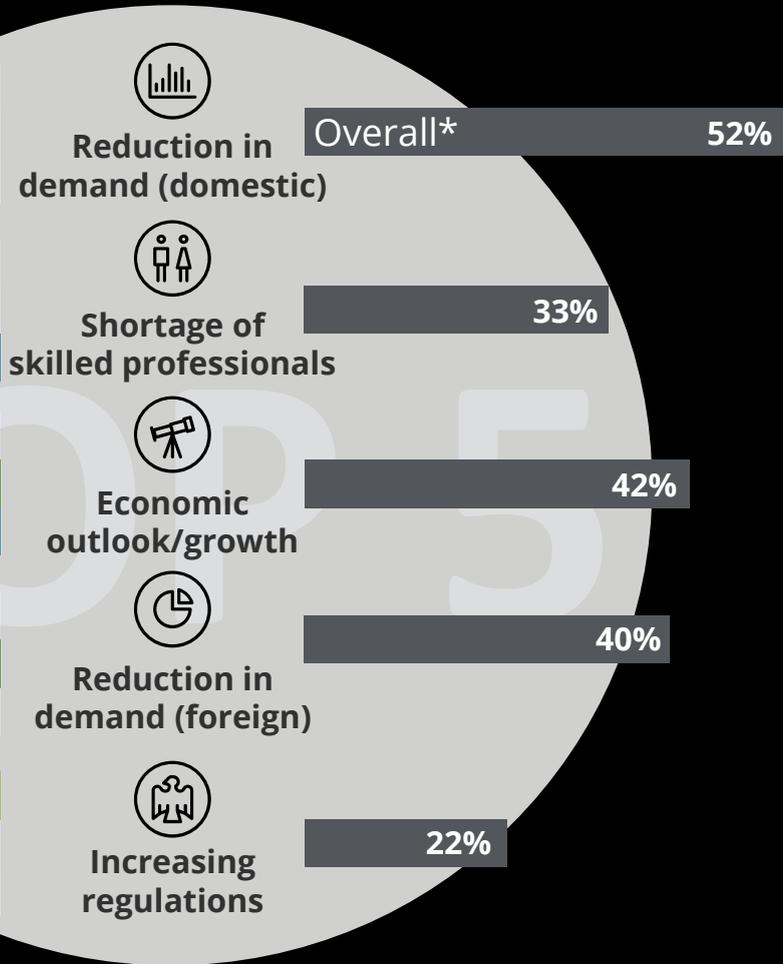
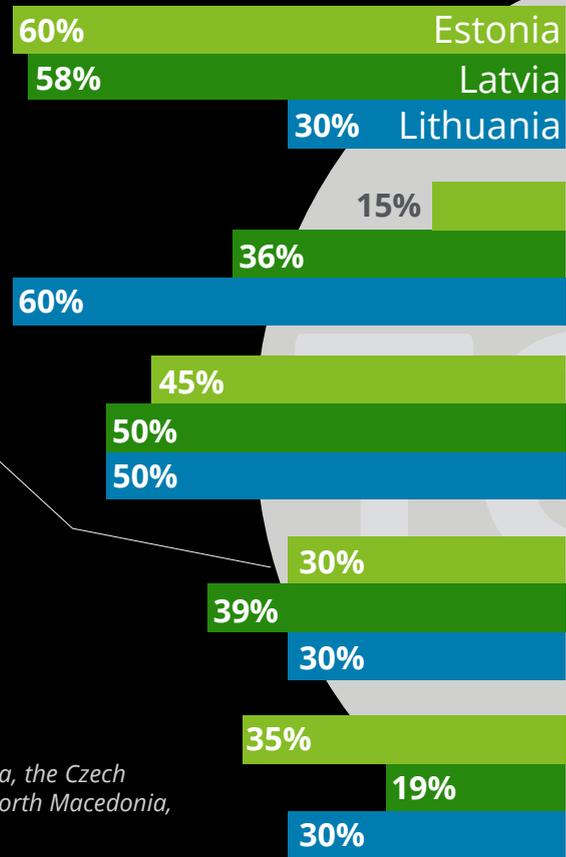


*Overall results of Albania, Bulgaria, Bosnia and Herzegovina, Croatia, the Czech Republic, Estonia, Hungary, Kosovo, Latvia, Lithuania, Montenegro, North Macedonia, Poland, Romania, Serbia, Slovakia and Slovenia.

**Please note that due to the limited number of responses from CFOs in Albania, Kosovo, Lithuania, North Macedonia, Slovakia and the Public Sector, data concerning those areas in this report need to be interpreted with caution.

TOP 5 factors to pose a significant risk to business over the next 12 months

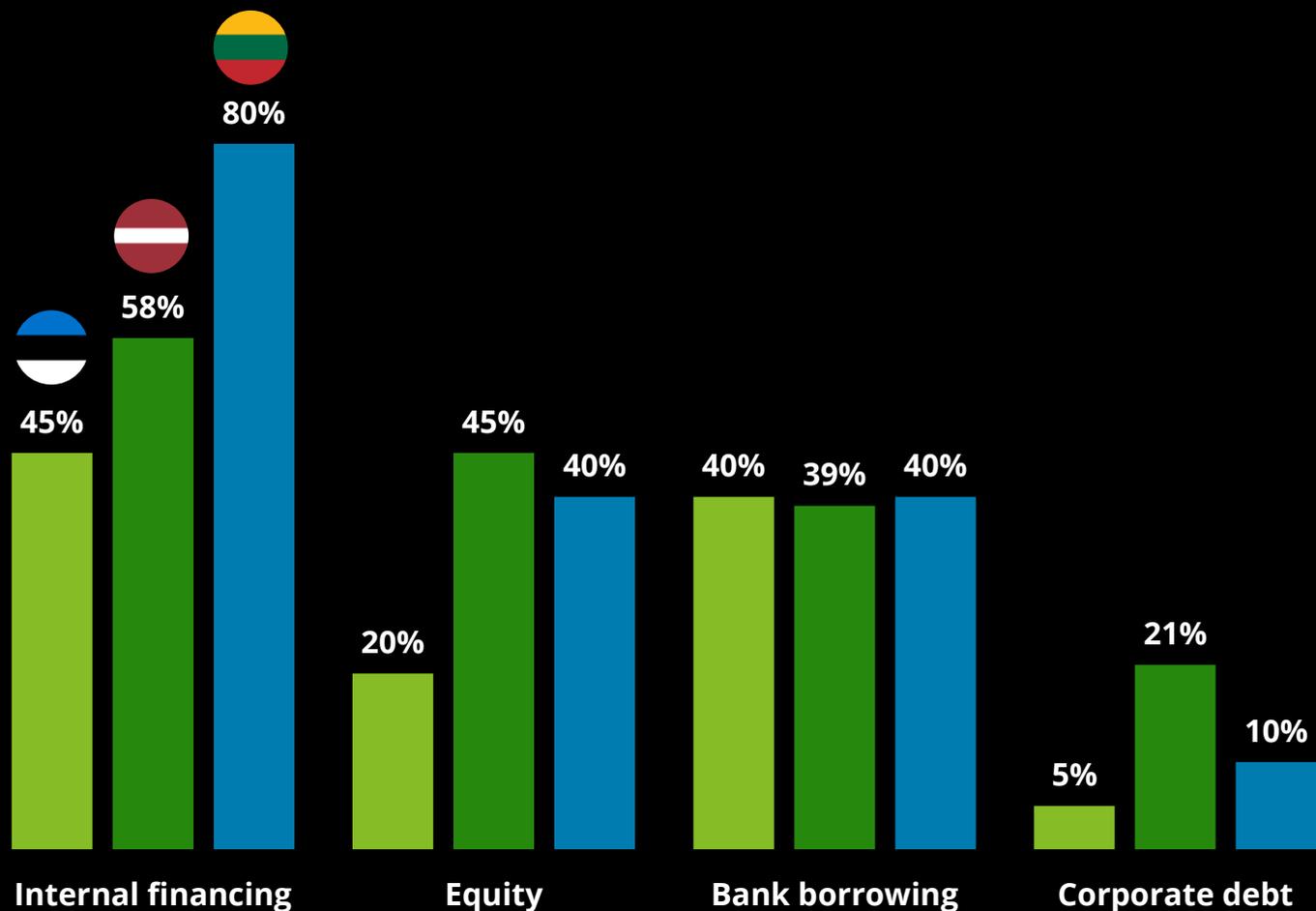
Comparing Baltic results with the peers from Central Europe countries, it seems that peers are the most concerned about reduction in domestic and, then, foreign demand. Baltics are sharing the concern in reduction in domestic demand with 60% of Estonian CFOs seeing it as a significant risk to business over the next 12 months.



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Attractiveness of different sources of funding

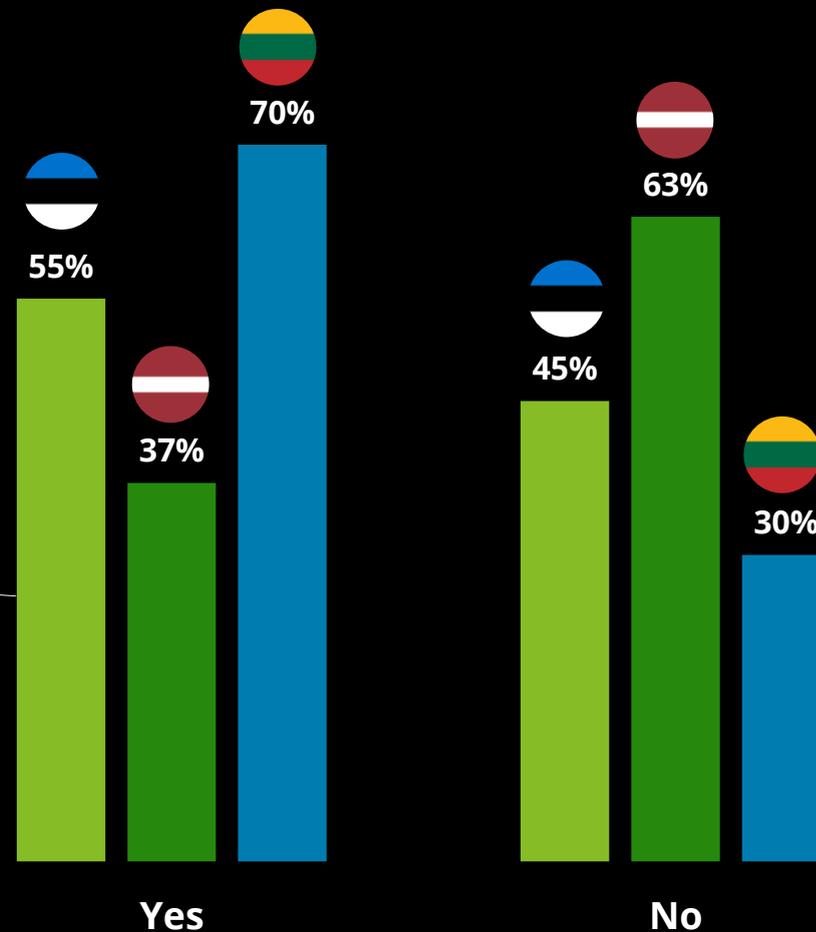


Interestingly enough, the most attractive form of funding for the Baltic CFOs is internal financing. Actually, 80% of Lithuanian CFOs find this type of financing to be the most attractive. Across all three countries, almost 40% of CFOs find bank borrowing as an equally attractive source of funding.

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Is mental health openly talked about in your organization?

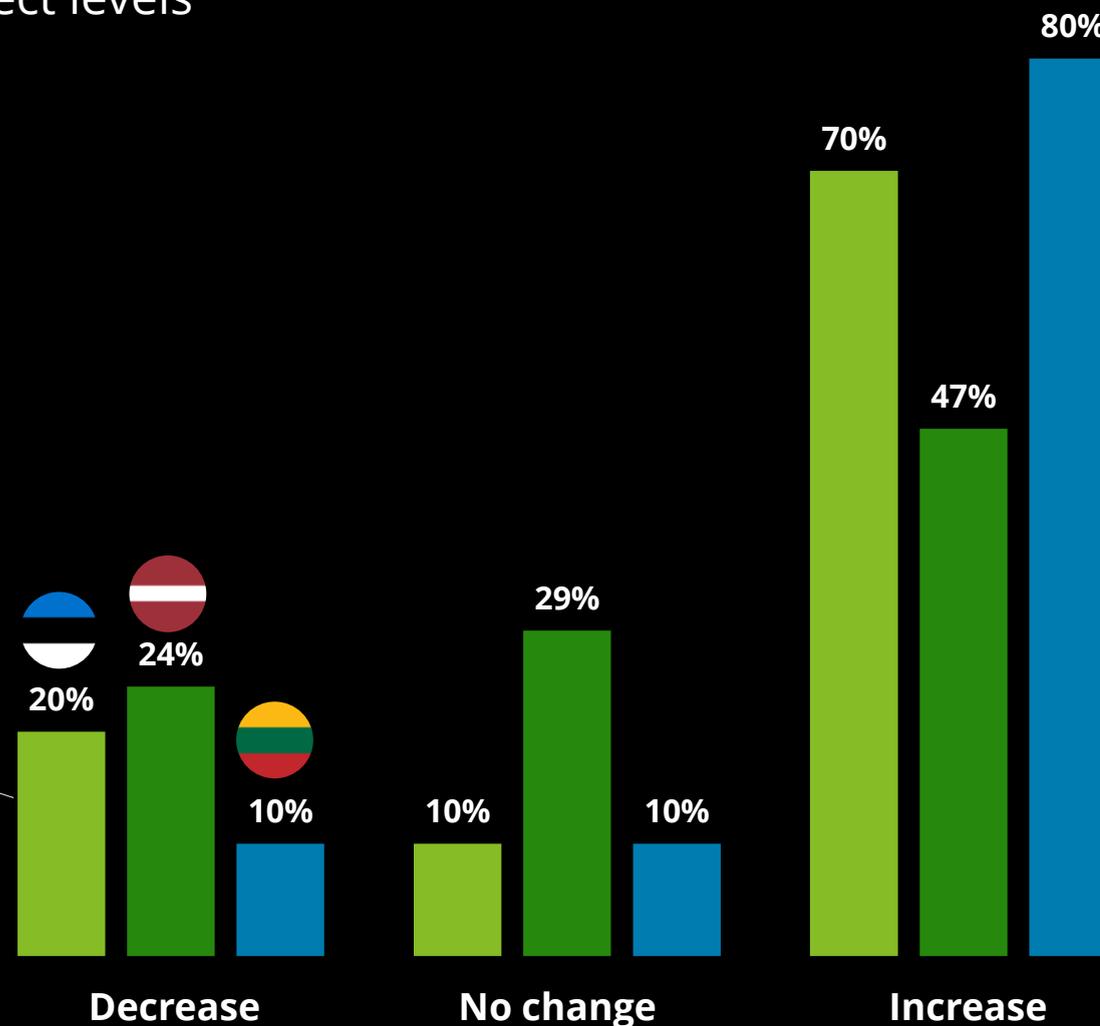
COVID-19 pandemic has put an enormous stress on our mental health, hence, the organizational openness about it is very important. In Estonia and Lithuania, more than half of the respondents believe that their organizations are open about mental health. In comparison, 63% of CFOs in Latvia believe that mental health is not talked about openly in their organizations.



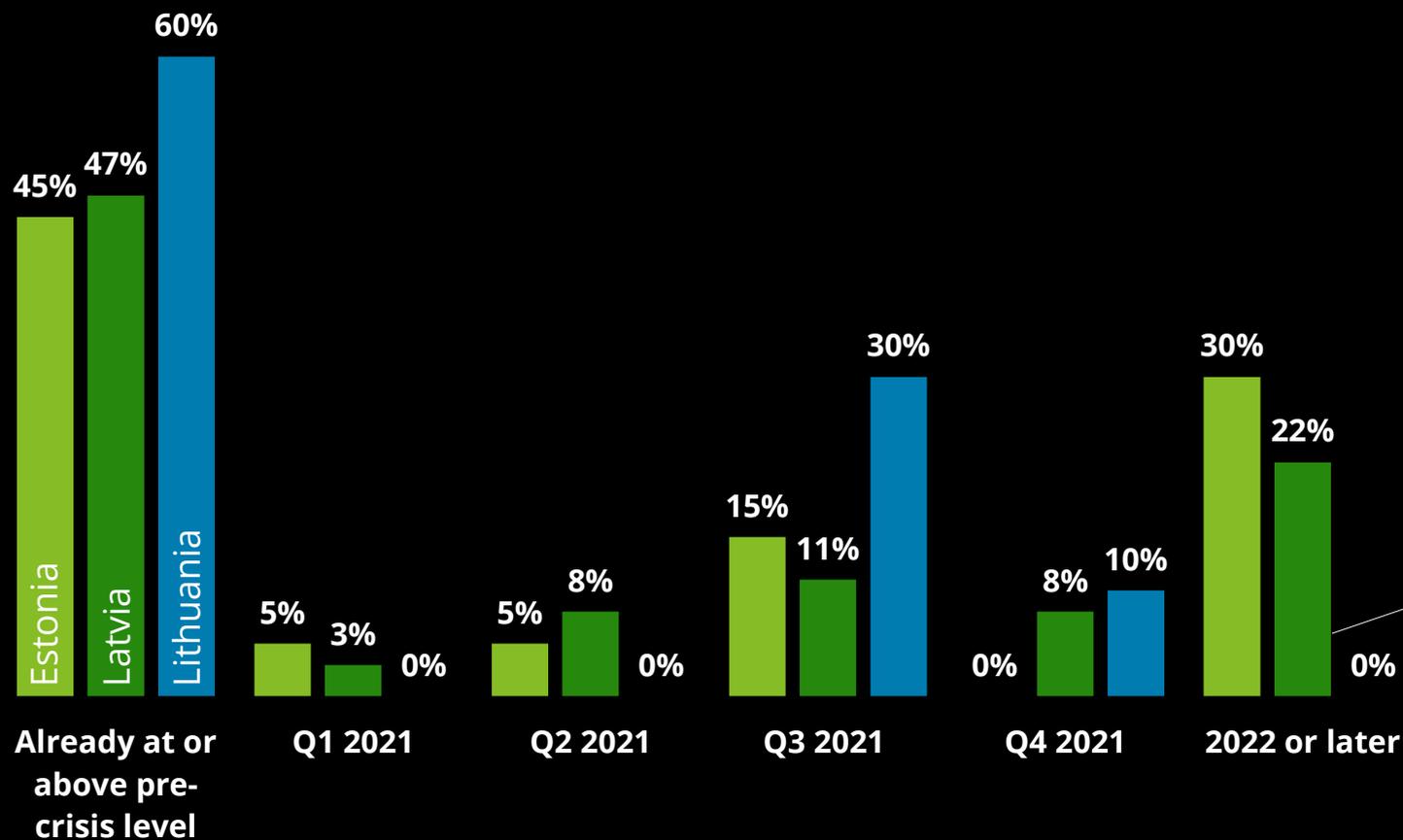
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Over the next 12 months how do you expect levels of unemployment to change?

Looking at the upcoming 12 months, majority of the respondents expect an increase in the levels of unemployment. The least optimistic about the employment levels are Lithuanians and Estonians (70% and 80%, respectively). Latvian CFOs are a bit more optimistic than their peers from other Baltic countries with 47% of them expecting an increase in unemployment.



Based on the information you have so far, when do you expect your company to return to a pre-crisis level of revenues generation?

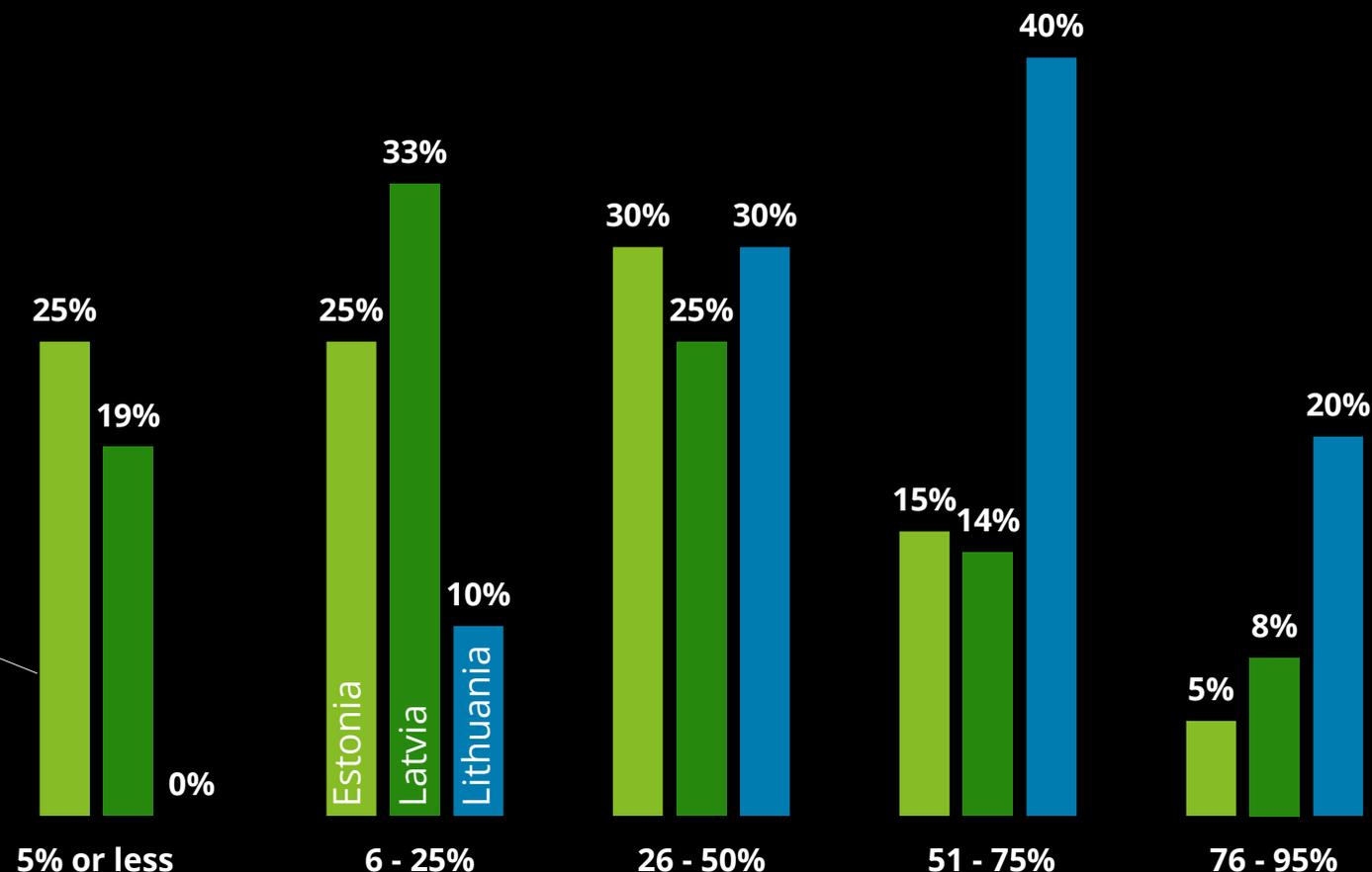


Looking at the pre-crisis level of revenue generation, majority of the CFOs in the Baltics say that they are already operating at or above pre-crisis level. However, 30% of respondents in Estonia expect their companies to come back to pre-crisis level at 2022 or later.

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What percentage of work in your organization will be done remotely over the next 12 months?

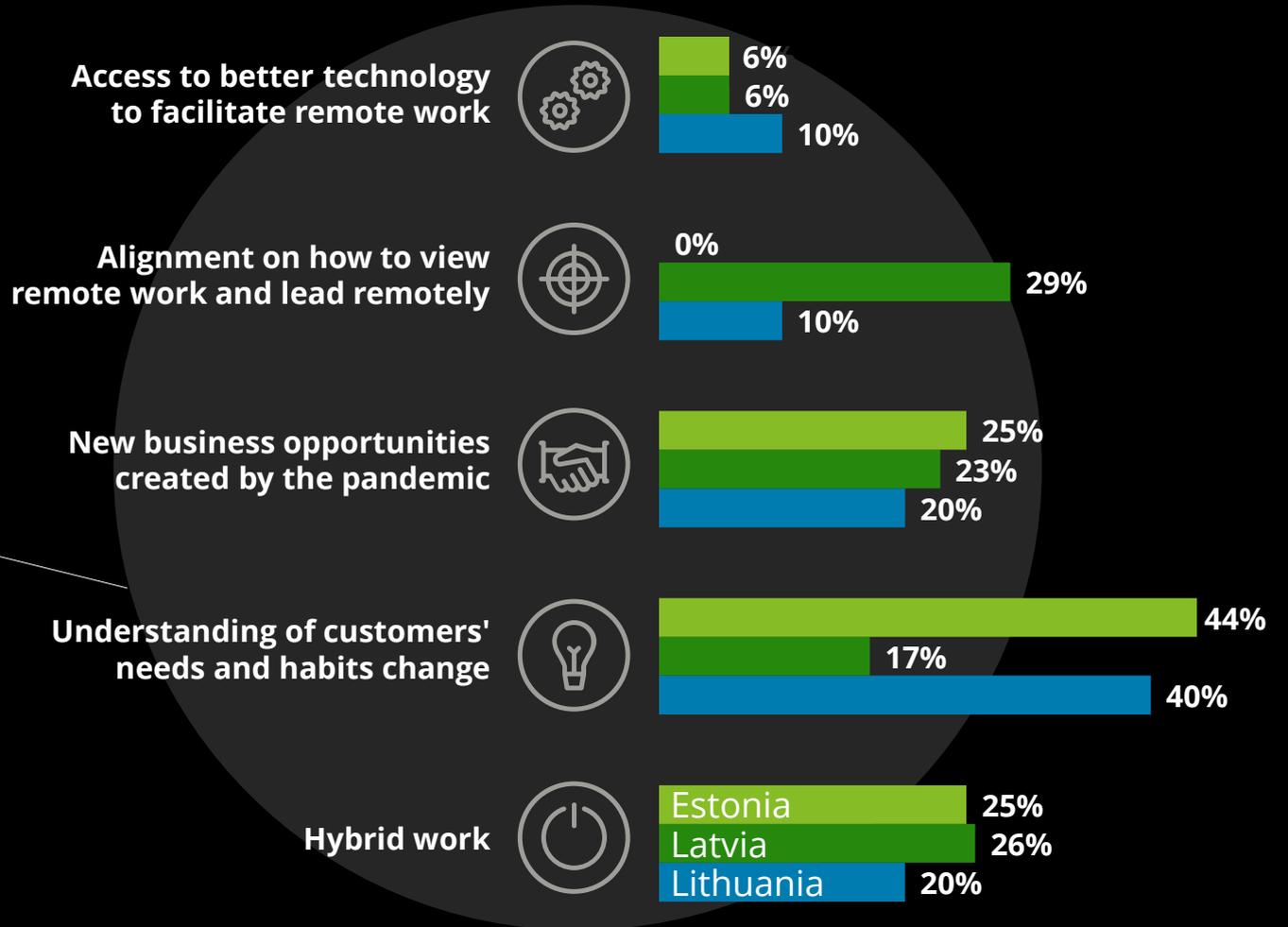
Looking at the CFOs expectations for the upcoming 12 months the wide majority expect that at least a quarter of the work within the organization will be done remotely. 30% of CFOs in Estonia and Lithuania expect that the remote work will take a quarter to half of all the work done, in Latvia 25% of peers expect this.



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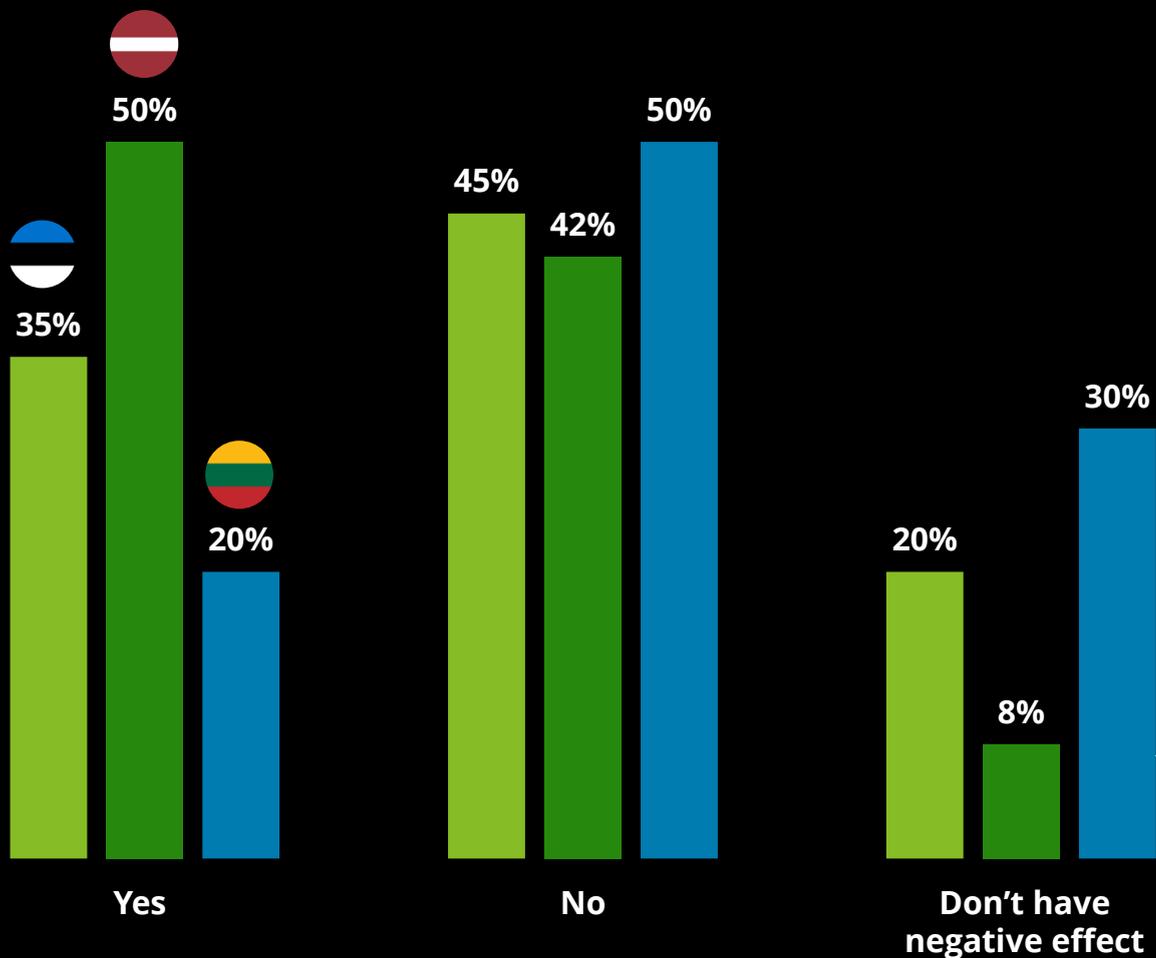
What would be the most valuable to your executive team within the next 12 months, given the current pandemic?

We have asked CFOs their opinion on what would be the most valuable for their executive teams within next 12 months. Out of the given choices, 44% of Estonian CFOs and 40% of Lithuanian CFOs believe that an understanding of the change in customers' needs and habits would be the most appreciated by their executive team. Interestingly, only 17% of Latvian CFOs share this view.



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Would CFOs expect bigger Government support in order to overcome Covid-19 effect?

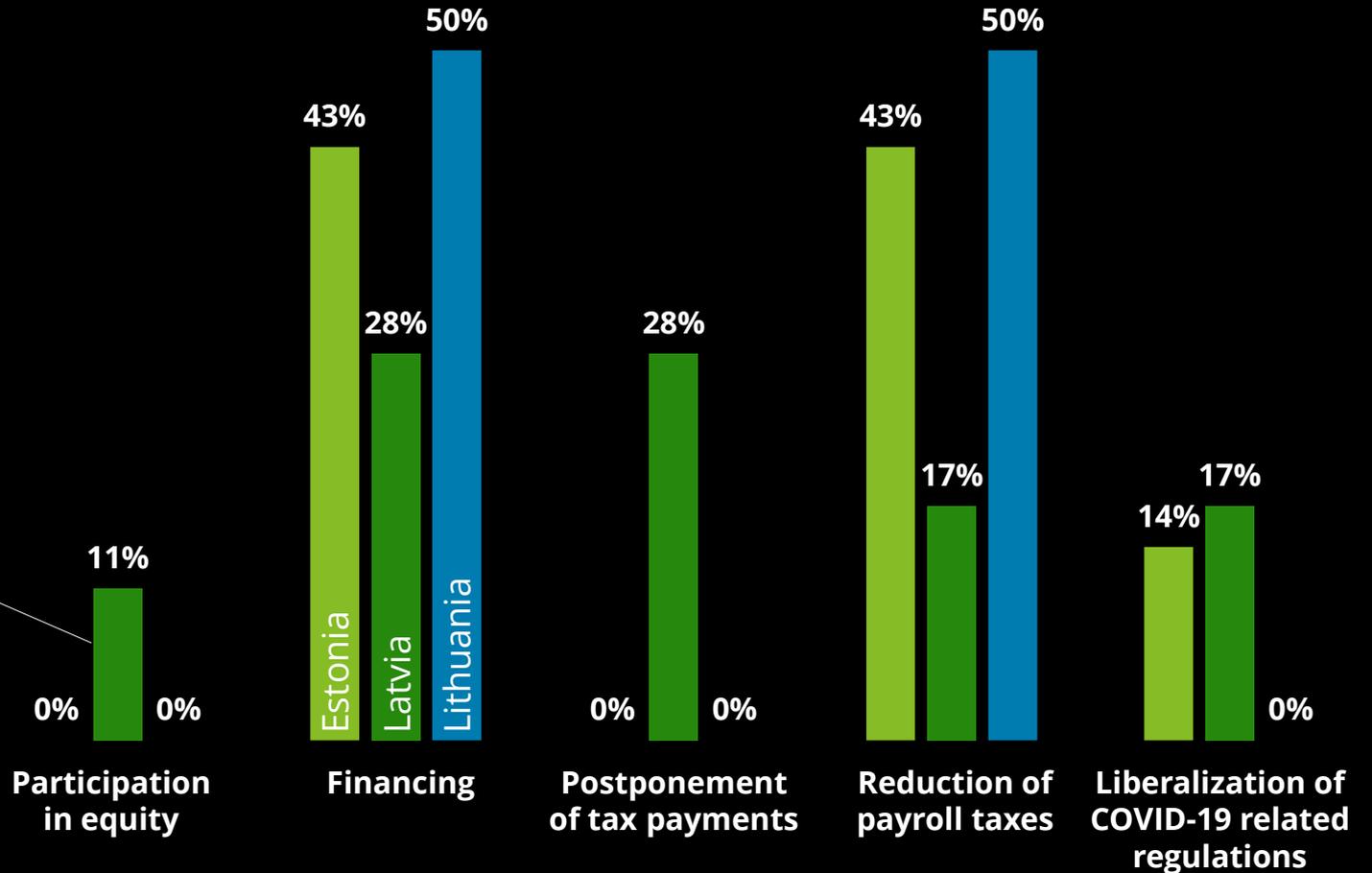


The support from government is very important to overcome effects of the pandemic, thus we asked Baltic CFOs if they would expect bigger government support for that? 50% of peers from Latvia would expect a bigger support, while 50% Lithuanian and 45% Estonian effects would not expect a bigger support.

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The most attractive forms of Government support

We have asked respondents which form of the government support is the most attractive. 43% and 50% of Estonian and Lithuanian CFOs find Financing and Reduction of payroll taxes the most appealing form of support. However, Latvian peers do not hold the same sentiment for reduction of payroll taxes and would rather like to have postponement of tax payments. However, they are sharing the view of financing as a very good form of governmental aid with their peers from Estonia and Lithuania.



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