



CONFIRMATION OF RESPONSIBLE PERSONS

14 November 2018 No. *5-310-24*

Acting in accordance with Article 24 of the Law on Securities of the Republic of Lithuania and the Information Disclosure Rules of the Bank of Lithuania, we, Saulius Bilys, Director General of AB Amber Grid, and Rimantas Šukys, Financial Director of AB Amber Grid, hereby confirm that, to the best of our knowledge, the attached condensed financial statements of the company AB Amber Grid as of 30 September 2018 drawn up according to International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of AB Amber Grid.

Director General

Saulius Bilys

Financial Director

Rimantas Šukys

AB AMBER GRID

CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position

		As of 30 September 2018 (unaudited)	As of 31 December 2017 (audited)
	Notes		
ASSETS			
A. Non-current assets		242,036	244,654
I. Intangible assets	4	981	1,008
II. Property, plant and equipment	4	239,382	241,973
II.1. Land		125	125
II.2. Buildings		5,283	5,464
II.3. Plant and equipment		171,278	174,971
II.4. Machinery and equipment		46,885	50,111
II.5. Motor vehicles		865	999
II.6. Other		2,037	2,058
II.7. Construction in progress	5	12,909	8,245
III. Non-current financial assets		1,673	1,673
III.1. Investment in the subsidiary	1	675	675
III.2. Non current trade receivables	6	998	998
B. Current assets		22,766	35,544
I. Inventories and prepayments		1,995	2,168
I.1. Raw materials, spare parts and other inventories		1,793	2,028
I.2. Prepayments		202	140
II. Accounts receivable		20,575	26,559
II.1. Trade receivables	6,18	4,568	7,485
II.2. Prepaid income tax		1,478	-
II.3. Other receivables	7,18	14,529	19,074
III. Other financial assets	8	193	91
IV. Cash and cash equivalents	9	3	6,726
Total assets		264,802	280,198

(cont'd on the next page)

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

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position (cont'd)

			As of 30 September 2018 (unaudited)	As of 31 December 2017 (audited)
	Notes			
EQUITY AND LIABILITIES				
C. Equity			159,387	172,021
I. Share capital			51,731	51,731
II. Reserves			99,990	130,151
II.1. Legal reserve			5,173	5,173
II.2. Other reserves			94,817	124,978
III. Retained earnings (deficit)			7,666	(9,861)
III.1. Current year profit (loss)			7,666	(9,861)
III.2. Previous year profit (loss)			-	-
D. Accounts payable and liabilities			105,415	108,177
I. Amounts payable after one year and non-current liabilities			56,001	62,709
I.1. Non-current borrowings	10		51,802	59,333
I.2. Grants (deferred revenue)	12		1,475	1,501
I.3. Non-current employee benefits			321	321
I.4. Deferred income tax liability			2,403	1,554
II. Accounts payable within one year and short-term liabilities			49,414	45,468
II.1. Current financial liability			5,657	-
II.2. Current portion of non-current borrowings	10		23,976	17,889
II.3. Current year portion of non-current employee benefits			91	91
II.4. Trade payables	13		4,426	9,934
II.5. Advance amounts			696	725
II.6. Income tax payable			-	142
II.7. Payroll related liabilities			1,432	1,422
II.8. Other payables and current liabilities	14		13,136	15,265
Total equity and liabilities			264,802	280,198

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

Director General

Saulius Bilys

14 November 2018

Chief Accountant

Dzintra Tamulienė

14 November 2018

COMPANY'S CONDENSED FINANCIAL STATEMENTS

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(all amounts are in euro thousand unless stated otherwise)

Income statement

			For the period of three months ended	For the period of three months ended	For the period of nine months ended	For the period of nine months ended
		Notes	30 September 2018 (unaudited)	30 September 2017 (unaudited)	30 September 2018 (unaudited)	30 September 2017 (unaudited)
I.	Revenue	16	11,482	14,147	38,877	46,764
II.	Expenses		(10,335)	(10,100)	(30,126)	(29,716)
II.1.	Cost of natural gas		(2,448)	(2,384)	(7,214)	(5,514)
II.2.	Depreciation and amortization		(3,156)	(3,572)	(9,453)	(10,860)
II.3.	Remuneration and related social security tax expenses		(2,192)	(1,969)	(6,345)	(5,924)
II.4.	Repair and technical maintenance expenses		(1,260)	(1,037)	(3,659)	(4,078)
II.5.	Taxes other than income tax		(481)	(456)	(1,362)	(1,344)
II.6.	Telecommunications and IT systems expenses		(152)	(183)	(466)	(485)
II.7.	Other expenses		(646)	(499)	(1,627)	(1,511)
III.	Operation profit (loss)		1,147	4,047	8,752	17,048
IV.	Financial activity		(79)	(80)	(237)	(237)
IV.1.	Income		6	3	20	23
IV.2.	Expense		(85)	(83)	(257)	(260)
	Profit (loss) before income tax		1,068	3,967	8,515	16,811
VI.	Income tax		88	(583)	(849)	(2,552)
VI.1.	Current period income tax		601	(335)	-	(1,414)
VI.2.	Deferred income tax		(513)	(248)	(849)	(1,138)
VII.	Net profit (loss)		1,156	3,384	7,666	14,259
	Basic and diluted earnings (loss) per share (Eur)				0,04	0,06

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

Director General

Saulius Bilys

14 November 2018

Chief Accountant

Dzintra Tamulienė

14 November 2018

COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of comprehensive income

	For the period of three months ended 30 September 2018 (unaudited)	For the period of three months ended 30 September 2017 (unaudited)	For the period of nine months ended 30 September 2018 (unaudited)	For the period of nine months ended 30 September 2017 (unaudited)
I. Net profit (loss)	1,156	3,384	7,666	14,259
II. Total comprehensive income (loss)	1,156	3,384	7,666	14,259

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

Director General	Saulius Bilys		14 November 2018
Chief Accountant	Dzintra Tamulienė		14 November 2018

COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of changes in equity

	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance as of					
31 December 2016 (audited)	51,731	5,173	124,978	20,928	202,810
Dividends declared	-	-	-	(20,928)	(20,928)
Total comprehensive income (loss)	-	-	-	14,259	14,259
<i>Net profit (loss) for the year</i>	-	-	-	14,259	14,259
Balance as of					
30 September 2017 (unaudited)	51,731	5,173	124,978	14,259	196,141
Total comprehensive income (loss)	-	-	-	(24,120)	(24,120)
<i>Net profit (loss) for the year</i>	-	-	-	(24,120)	(24,120)
Balance as of					
31 December 2017 (audited)	51,731	5,173	124,978	(9,861)	172,021
Transfer from other reserves	-	-	(30,161)	30,161	-
Dividends declared	-	-	-	(20,300)	(20,300)
Total comprehensive income (loss)	-	-	-	7,666	7,666
<i>Net profit (loss) for the year</i>	-	-	-	7,666	7,666
Balance as of					
30 September 2018 (unaudited)	51,731	5,173	94,817	7,666	159,387

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

Director General	Saulius Bilys		14 November 2018
Chief Accountant	Dzintra Tamulienė		14 November 2018

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of cash flows



	30 September 2018 (unaudited)	30 September 2017 (unaudited)
I. Cash flows from (to) operating activities		
I.1. Net profit (loss)	7,666	14,259
Adjustments of non-cash items and other corrections:		
I.2. Depreciation and amortisation	9,453	10,860
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(12)	(12)
I.4. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	(15)	34
I.5. Income tax expenses (income)	849	2,552
I.6. Interest (income)	(20)	(4)
I.7. Interest expenses	257	260
I.8. Amortisation of grants (deferred revenue)	(96)	(853)
I.9. Elimination of other non-cash items	-	(19)
	18,082	27,077
Changes in working capital:		
I.10. Decrease (increase) in inventories	252	(783)
I.11. Decrease (increase) in trade accounts receivable	2,916	1,440
I.12. Decrease (increase) in other accounts receivable and prepayments	2,164	1,807
I.13. Increase (decrease) in trade accounts payable	(75)	12
I.14. Increase (decrease) in other accounts payable and other current liabilities	(2,120)	(2,245)
I.15. Decrease (increase) in other financial assets	(102)	1,647
I.16. Income tax (paid)	(1,620)	(2,161)
Total changes in working capital	1,415	(283)
Net cash flows from operating activities	19,497	26,794
II. Cash flows from (to) investing activities		
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(16,639)	(6,287)
II.2. Proceeds from sales of property, plant and equipment	17	12
II.3. Grants received	6,818	3,576
II.4. Loans granted	(30)	(120)
II.5. Interest received	16	3
Net cash flows (to) investing activities	(9,818)	(2,816)

The accompanying notes are an integral part of these financial statements.
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Statements of cash flows (cont'd)

	30 September 2018 (unaudited)	30 September 2017 (unaudited)
III. Cash flows from (to) financing activities		
III.1. Dividends (paid)	(20,290)	(20,984)
III.2. Proceeds from borrowings	10,657	-
III.3. (Repayments) of borrowings	(6,444)	(16,444)
III.5. Interest (paid)	(329)	(323)
III.6. Other cash flows from (to) financial activities	4	19
Net cash flows from (to) financing activities	(16,402)	(37,732)
IV. Net increase (decrease) in cash and cash equivalents	(6,723)	(13,754)
V. Cash and cash equivalents at the beginning of the period	6,726	13,966
VI. Cash and cash equivalents at the end of the period	3	212

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

Director General	Saulius Bilys		14 November 2018
Chief Accountant	Dzintra Tamulienė		14 November 2018

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Notes to the Financial Statements

1 General information

AB Amber Grid (hereinafter referred to as the 'Company') was registered on 25 June 2013 after the spin-off from AB Lietuvos Dujos of the natural gas transmission activity with respective assets, rights and obligations attributed to the activity in question. The Company's operations date back to 1 August 2013.

On 13 January 2015, the National Commission for Energy Control and Prices (hereinafter referred to as the 'NCC') stated that AB Amber Grid's transmission activity unbundling was in compliance with provisions of the Law on Natural Gas. On 10 April 2015, upon the obtaining of a positive decision from the European Commission, the NCC issued in respect of the Company an open-ended License No. L2-3 (GDP) for the engagement in the Transmission System Operator's activity within the territory of Lithuania.

The Company's largest shareholder is UAB EPSO-G. UAB EPSO-G is 100-percent owned by the Republic of Lithuania and is managed by trust by the Ministry of Energy of the Republic of Lithuania. UAB EPSO-G is in charge of the management of the shareholdings of the electricity and gas transmission system operators of the Republic of Lithuania.

Since 1 August 2013, the Company's shares have been traded on a stock exchange; they are listed on the Baltic Secondary Trading List of NASDAQ OMX Vilnius Stock Exchange (ISIN code LT0000128696, instrument AMG1L).

As of 30 September 2018, the Company's shareholders were as follows:

	Number of shares owned	Ownership share (percent)
UAB EPSO-G (Company Code 302826889, A. Juozapavičiaus g. 13, Vilnius)	172,279,125	96.58
Other shareholders	6,103,389	3.42
	178,382,514	100.00

The Company's share capital amounts to EUR 51,730,929.06. It is divided into 178,382,514 ordinary registered shares with par value of EUR 0.29 each.

AB Amber Grid has a single subsidiary, UAB GET Baltic. In the financial statements as of 30 September 2018 and 2017, UAB GET Baltic was accounted for at acquisition cost.

GET Baltic UAB is a licensed natural gas market operator with a status of Registered Reporting Mechanism (RRM) provided by the Agency for the Cooperation of Energy Regulators (ACER). The Company is the administrator of the electronic trade system in the Lithuanian, Latvian, and Estonian bidding areas. The system is engaged in trade in short-term and long-term natural gas products

As at 30 September 2018, UAB GET Baltic's authorised share capital amounted to EUR 580,450 and was composed of 3,055,000 units of ordinary registered shares with par value of EUR 0.19 each.

Company	Company code	Registered address of the company	Stake of shares held as of 30 September 2018	Stake of shares held as of 30 September 2017
UAB GET Baltic	302861178	Savanorių pr. 28, Vilnius	100 %	100 %

In accordance to the exemption provisions of Article 6.1 of the Law on Consolidated Financial Statements, the financial statements of the subsidiary were not subject to consolidation since from the point of view of the Company they are negligent, as of the end of the financial year, the value of the subsidiary's assets did not exceed 5 percent of the value of the Company's assets and the subsidiary's net income from Sales did not exceed 5 percent of the Company's net income over the same period.

UAB GET Baltic's condensed financial statements as of 30 September 2018 were drawn up in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and have not been audited.

1 General information (cont'd)

The Company is engaged in the natural gas transmission system operator's activity and provides system users, other operators, and gas market players with the following services:

- transmission of natural gas in the territory of the Republic of Lithuania;
- balancing of flows of natural gas in the transmission system;
- administration of the funds intended to compensate for the installation and fixed operating costs of the Liquefied Natural Gas Terminal, its infrastructure and connector and, as from 2016, for reasonable costs of the designated supplier for the supply of an obligatory quantity of liquefied natural gas.

As of 30 September 2018, the Company was party to 103 natural gas transmission service contracts with natural gas transmission system users (consumers of natural gas, natural gas distribution system operators, natural gas companies which supply gas up to consumer systems). As regards natural gas businesses that trade in natural gas, but do not transmit gas via the transmission system, the Company had entered with such companies into 3 natural gas balancing agreements.

AB Amber Grid's condensed financial statements, including the financial statements as of 30 September 2018, the profit (loss) accounts, the comprehensive income statements, the cash flow statements and the statement of changes in equity have not been audited. The Company's financial statements as of 31 December 2017 have been audited; they were prepared in accordance with International Financial Reporting Standards (IFRS). For a better understanding of the information contained in these condensed financial statements it is highly recommended to read the present AB Amber Grid's condensed financial statements in conjunction with the Company's annual financial statements of 2017. The audit of the annual financial statements for the year ended 31 December 2017 was made by UAB PricewaterhouseCoopers.

2 Accounting principles

The Company's condensed financial statements as of 30 September 2018 were prepared in accordance with the International Accounting Standard 34 *Interim Financial Reporting*. The Company has been following the same accounting principles as the ones that were followed in the preparation of financial statements for the year 2017. The financial statements present the figures in thousand euros. The Company's financial year equals a calendar year. The statements were prepared based on acquisition cost, except for the non-current assets, which were presented at revalued amounts.

2.1 Changes in accounting policies and adjustment of comparative figures

Before 31 December 2017, property, plant and equipment was carried at acquisition cost, less accumulated depreciation and accumulated impairment losses. Starting from 2017, based on changes in the accounting policy made to ensure consistency with the principles of accounting of property, plant and equipment as applied by the EPSO-G UAB group, the Company's property, plant and equipment is stated at revalued amount, less accumulated depreciation and impairment losses. In the opinion of the Company's management the recognition of property, plant and equipment at revalued amount will result in a more fair presentation of its economic value. The Company applied an exception established by IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors* to account for the change in the accounting policy as a revaluation in the year when the policy is changed.

Starting from 2017, the Company changed accounting policy in respect of grants. Before 2017, grants for non-current assets were recognised as deferred revenue in the statement of financial position and starting from 2017 grants are recognised by reducing the carrying amount of the underlying assets. Also, the management has further assessed the substance of the cash flows from grants received to finance the acquisition of property, plant and equipment, and has determined that these cash flows should be presented within investing cash flows, close to cash outflows on acquisition of the property, plant and equipment; thus the presentation will be consistent in the cash flow statement and statement of financial position. This change was applied retrospectively and comparative figures were adjusted. This change had no impact on the profit (loss) statement.

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

3 Information by segments

The Company is engaged in natural gas transmission activity and operates as one segment. All non-current assets of the Company are located in Lithuania, where the Company carries out its activity.

During the nine months of 2018, the Company earned 68 percent of its revenue from Lithuanian system users (in 2017: 76 percent) and 32 percent of its revenue was received from the transit service, i.e. transportation of gas to the Kaliningrad Region of the Russian Federation and in the direction of Latvia (in 2017: 24 percent).

4 Property, plant and equipment and non-current intangible assets

Non-current assets were accounted by subtracting from the revalued assets the value the amount of grants received / receivable and used for the acquisition of the assets in question as at 30 September 2018 – EUR 68,523 thousand (as at 31 December 2017: EUR 65,602 thousand).

The present income (loss) statement represents the grant depreciation amount by cross-covering the asset depreciation cost of pertinent assets with the grant income. As at 30 September 2018 it stood at EUR 1,480 thousand (as at 31 September 2018: EUR 1,352 thousand).

	As of 30 September 2018 incl. subsidised assets (unaudited)	As of 30 September 2018 excl. subsidised assets (unaudited)	As 31 December 2017 incl. subsidised assets (audited)	AS 31 December 2017 excl. subsidised assets (audited)
Property, plant and equipment /Non-current intangible assets	308,886	240,363	308,583	242,981
Intangible assets	1,231	981	1,098	1,008
Property, plant and equipment	307,655	239,382	307,485	241,973
Land	125	125	125	125
Buildings	5,490	5,283	5,680	5,464
Plant and equipment	225,455	171,278	230,054	174,971
Machinery and equipment	50,360	46,885	53,601	50,111
Motor vehicles	865	865	999	999
Other	2,895	2,037	2,538	2,058
Construction in progress	22,465	12,909	14,488	8,245
Deferred revenue	69,998	1,475	67,104	1,501

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

5 Construction in progress

The largest objects of construction in progress of the Company as of 30 September 2018 were as follows:

Object	As of 30 September 2018 excl. subsidised assets (unaudited)	As of 31 December 2017 m. excl. subsidised assets (audited)
Implementation of the Gas Interconnection Poland-Lithuania (GIPL) Project in the territory of the Republic of Lithuania	4,014	3,998
Modernisation of Panevėžys Gas Compressor Station	939	605
Modernisation of gas transmission pipelines line block valves	4,120	1,776
Reconstruction of Jonava and Alytus M/R Stations	1,782	1,146
Construction of a gas transmission pipeline link between Vilnius-Kaunas and Kaunas-Šakiai pipelines	551	551
Replacement of gas transmission pipeline line block valves	592	-
Automation of gas transmission pipeline cathodic protection system including installation of a remote control and monitoring system	-	77
A part breakdown of gas transmission pipeline to Kaliningrad in the territory of the Free Economic Zone of Kaunas	558	-
Other	933	672
* Less: Impairment of construction in progress	(580)	(580)
	12,909	8,245

* Impairment for the Project "Construction of interconnection between the gas transmission pipelines Vilnius-Kaunas and Kaunas-Šakiai (spatial planning and design services)" was made for the amount of EUR 551 thousand because the construction of the pipeline was postponed for later periods and there arose certain uncertainties regarding the resolution of its funding issues and its further development.

6 Trade receivables

	30 September 2018 (unaudited)	31 December 2017 (audited)
Non-current trade receivables		
Other trade receivables	998	998
Current trade receivables		
Gas transmission services receivables	4,613	7,499
Other trade receivables	12	43
Less: allowance for the decrease in value of trade receivables	(57)	(57)
	5,566	8,483

Non-current trade receivables amounting to EUR 998 thousand comprise the payment for the connection of Intergaz UAB to be paid by 31 December 2021. The fulfilment of obligations is secured by the issued guarantee by bank.

Current trade receivables do not include any interest; their payment period is 15 calendar days. In 2017, impairment of EUR 41 thousand was established in respect of Geoterma UAB, a producer of thermal energy. See Note 17 "Commitments and contingencies" for more information about the receivable amount from Geoterma UAB.

7 Other receivables

	30 September 2018 (unaudited)	31 December 2017 (audited)
LNG terminal funds receivable (administered by the Company)	12,537	14,186
Other receivables (grants)	1,776	4,124
Receivables accrued for natural gas transportation	-	575
Other receivables	216	189
	14,529	19,074

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

7 Other receivables (cont'd)

The LNG terminal funds receivable as at 30 September 2018 include the overdue amount of EUR 4,173 thousand, of which total the overdue amount of AB Achema's was EUR 4,044 thousand, the overdue amount of UAB "Geros dujos" was EUR 12 thousand, and the overdue amount of UAB Geoterma was EUR 65 thousand, and the overdue amount of UAB Nemėžio Komunalininkas was EUR 41 thousand. For more information about AB Achema and about UAB Geoterma see Note 17 "Commitments and contingencies".

For the Company's Other Receivables no impairment loss was formed.

8 Other financial assets

As of 30 September 2018, the Company's Other Financial Assets consisted of the cash received from the natural gas supply security-related extra tariff component added to the natural gas transmission price (surcharge), for the sake of brevity referred to as the LNG terminal funds. The aforesaid funds were received from system users, they are kept in a separate LNG terminal funds bank account fully compliant with legislative requirements and are designated to be paid out to the beneficiaries of the LNG terminal funds: to the operator of the LNG terminal (AB Klaipėdos Nafta), to the designated supplier (UAB Litgas) and to AB Amber Grid (in order to compensate for the administration cost of the LNG terminal funds). On 24 May 2018, by Resolution No O3E-168, the NCC adopted a new additional security-related price component to be added to the regular natural gas price, which started to be applied to system users as from 1 July 2018.

9 Cash and cash equivalents

	30 September 2018 (unaudited)	31 December 2017 (audited)
Cash at bank	3	6,726
	3	6,726

The Company keeps its cash balance in bank accounts. Nevertheless, where there is such a possibility, the Company invests in deposits with the shortest term possible (overnight). As of 30 September 2018, the Company had no overnight deposit contracts.

10 Loans

	30 September 2018 (unaudited)	31 December 2017 (audited)
Long-term loans		
Loans from credit institutions of Lithuania	27,889	34,333
Loan from international financial institutions	23,913	25,000
Short-term loans		
Loans from credit institutions of Lithuania	5,657	-
Current portion of long-term loans	23,976	17,889
	81,435	77,222

In January of 2018, the Company repaid prior to maturity part (EUR 6,444 thousand) of its long-term loan to Swedbank, AB. After the repayment, the outstanding loan to Swedbank, AB amounted to EUR 45,778 thousand.

In order to balance its working capital, on 1 March 2017, the Company concluded an overdraft contract for the amount of EUR 10,000 thousand. As of 30 September 2018, the overdraft amount used stood at EUR 5,657 thousand.

In May of 2018, the Company concluded a long-term loan (overdraft) agreement with OP Corporate Bank plc Lithuania Branch for the maximum amount of EUR 30,000 thousand. The loan amount used as of 30 September 2018 stood at EUR 5,000 thousand.

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

11 Deferred revenue

	Deferred revenue	Revenue-related grants	Total
Balance as at 31 December 2017	1,501	-	1,501
Received / receivable	-	70	70
Depreciation/amortisation	(26)	(70)	(96)
Balance as at 30 September 2018	1,475	-	1,475

Deferred revenue amounted to EUR 1,475 thousand (as at 31 December 2018: EUR 1,501 thousand) for connection of new customers to the gas transmission system (according to the accounting policies applicable until 1 July 2009).

12 Income tax

In 2018, the standard corporate income tax rate applicable to the companies of the Republic of Lithuania was 15 per cent (in 2017: 15 per cent). The income tax expenses for the period comprise the current income tax and the deferred income tax.

In accordance with amendments to the Law on Corporate Income Tax, which provide for a possibility of taking advantage of the corporate income tax relief on investments in new technologies, as at 30 September 2018, the Company had calculated a corporate income tax relief amounting to EUR 601 thousand (as at 30 September 2017: EUR 1,064 thousand).

13 Trade payables

	30 September 2018 (unaudited)	31 December 2017 (audited)
Payables to suppliers under investment programme (new construction)	-	1
Payables to suppliers under investment programme (reconstruction and modernisation)	2,721	8,153
Payables to suppliers of goods and providers of services	613	907
Payables to providers of repairs services under non-current assets repairs programme	251	352
Payables to suppliers of natural gas	841	522
	4,426	9,934

As at 30 September 2018, the trade payables were interest-free and the payment terms of the largest share of them ranged from 30 to 60 days.

14 Other payables and current liabilities

	30 September 2018 (unaudited)	31 December 2017 (audited)
Payable LNG terminal funds administrated by the Company	11,897	11,356
Accrued LNG terminal funds subject to administration by the Company*	832	2,924
Real Estate Tax payable	-	432
Value Added Tax (VAT) payable	130	286
Other payables	277	267
	13,136	15,265

*Accrued LNG terminal funds subject to administration by the Company are accounted when natural gas transmission system users are issued VAT invoices. Accrued funds subject to administration by the Company are included into the account of LNG terminal funds payable when AB Klaipėdos Nafta and UAB Litgas issue a VAT invoice to the Company in respect of the security-of-supply-related extra tariff component added to the regular natural gas tariff.

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15 Earnings per share

Basic earnings per share reflect the Company's net profit divided by the weighted average number of shares. There are no diluting instruments, therefore basic and diluted earnings per share are equal. Calculations of the basic earnings per share are presented below:

	30 September 2018 (unaudited)	30 September 2017 (unaudited)
Net profit (loss) attributable to the shareholders (EUR thousand)	7,666	14,259
Weighted average number of shares (thousand)	178,383	178,383
Earnings per share (EUR)	0.04	0.08

16 Revenue

	For the period of three months ended 30 September 2018 (unaudited)	For the period of three month ended 30 September 2017 (unaudited)	For the period of nine months ended 30 September 2018 (unaudited)	For the period of nine month ended 30 September 2017 (unaudited)
Income from natural gas transmission in the territory of Lithuania	9,526	11,443	32,329	40,616
Income from balancing services in the transmission system	1,861	1,796	6,293	5,033
Grants recognised as income	72	834	96	853
Income from LNG terminal fund administration	11	31	33	89
Other income	12	43	126	173
	11,482	14,147	38,877	46,764

17 Commitments and contingenciesLitigations

The Company had initiated two civil cases on the award of the additional natural gas supply security component to be included in the natural gas transmission price (hereinafter "LNG terminal funds") from Achema AB. Legal proceedings are currently held with respect to overdue amounts receivable. One case was adjourned until the enactment of the final ruling at the General Court of the European Union. Preparations are being made for the investigation of the other case, however, it is likely it might be adjourned as well. The resolution of the cases is not clear yet.

On 21 June 2017, AB Amber Grid filed the application with the District Court of Klaipėda City for the issue of the court order regarding the payment of the debtor's UAB Geoterma debt of EUR 106 thousand, the penalty of EUR 6 thousand, the annual interest of 6% on the ordered amount from the initiation of the case before the Court until the full enforcement of the Court's order, and the costs of litigation in the amount of EUR 0.4 thousand. On 22 June 2017, the District Court of Klaipėda City granted the request of AB Amber Grid, ordered the payment of the specified amount and decided to apply interim measures.

Vilnius Regional Court is hearing the case further to the action of the applicant UAB Kauno termofikacijos elektrinė (hereinafter – KTE) of 5 April 2018 whereby KTE requires to acknowledge that the defendant AB Amber Grid (hereinafter – the Company) has no rights of claim in the amount of EUR 133 thousand to the applicant KTE for exceeding the natural gas consumption capacities in 2017 and asks the Court to obligate the Company to

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17 Commitments and contingencies (cont'd)

recalculate the amount of the additional price component for exceeding the natural gas consumption capacities in 2017. The Company disagrees with the claims brought by KTE and has respectively submitted the reply to Vilnius Regional Court requiring to dismiss the action as ill-founded. Vilnius Regional Court set the court sitting date on 25 July 2018 m.

By decision of 18 August 2018, Vilnius Regional Court dismissed the action of KTE as ill-founded and ordered to pay the costs of litigation to the Company. On 12 September 2018, KTE brought the appeal with the Court of Appeal of Lithuania regarding the aforementioned decision of the Court.

18 Related party transactions

The parties are considered to be related where one party has a possibility to control the other one or may have a significant influence over the other party in making financial and operating decisions.

As of 30 September 2018 and as of 30 September 2017, the related parties of the Company were as follows:

- UAB GET Baltic (a subsidiary of AB Amber Grid);
- UAB EPSO-G (the parent company);
- LITGRID AB (a subsidiary of UAB EPSO-G);
- UAB Baltpool (a subsidiary of UAB EPSO-G);
- UAB Tetas (a subsidiary of AB LITGRID);
- UAB LITGRID Power Link Service (a subsidiary of AB LITGRID);
- UAB Duomenų Logistikos Centras (an associated company of AB LITGRID Group);
- Lit Pol Link Sp.z.o.o. (a joint venture co-owned by AB LITGRID and the Polish electricity network operator PSE S.A.);
- The Management.

The tables below present the Company's balances and transactions with the related parties as of 30 September 2018 and as of 30 September 2017:

As of 30 September 2018 (unaudited)	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	4,765 ¹⁾	19	154	688
UAB EPSO-G	93	-	-	29
	4,858	19	154	717

As of 30 September 2017 (unaudited)	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	2,217 ¹⁾	13	122	731
UAB EPSO-G	77	-	-	31
	2,294	13	122	762

¹⁾ The Company is a participant of the Natural Gas Exchange operated by Get Baltic UAB and has a participation agreement. The agreement is on standard terms and the under the same terms and conditions as with the other participants. The amount represents the procurements made through this Exchange.

On 30 March 2017, AB Amber Grid and GET Baltic signed a loan agreement under which AB Amber Grid may extend to GET Baltic UAB a loan of up to EUR 200 (two hundred thousand). The annual interest rate on the loan is variable consisting of a variable interest rate of 1 (one) month EURIBOR plus a fixed-rate margin of 1.5 percent (one point five percent). The contractual maturity date of the loan is 31 March 2019.

As at 30 September 2018, AB Amber Grid's loan granted to UAB GET Baltic amounted EUR 150 (one hundred and fifty thousand). The interest accrued for the nine months of 2018 for the loan used amounted to EUR 2 thousand. There were no guarantees either provided or received for receivables from the related parties or for payables to them. As at 30 September 2018, the Company did not form and did not account any impairment loss allowances for receivables from any related parties.

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Benefits to the Management

During the period of nine months ended 30 September 2018, the Company's benefits to the Management of the Company amounted to EUR 314 thousand (during the period of nine months ended 30 September 2017: EUR 308 thousand). The Company's Management consists of the Chief Executive Officer (Director General) and his four deputies. The Management of the Company were not given any loans or guarantees and were not subject to any asset transfers.

During the period of nine months ended 30 September 2018, benefits paid to the members of the Company Board amounted to EUR 14 thousand (during the period of nine months ended 30 September 2017: EUR 22 thousand).

19 Subsequent events

On 8 October 2018, the Company submitted the reply to the appeal brought by the applicant KTE. The date for hearing of the appeal of KTE has not been set yet.