



CONFIRMATION OF RESPONSIBLE PERSONS

14 February 2019 No. *5-310-6*

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 31 December 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 31 DECEMBER 2018

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

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position

			As of 31 December 2018 (unaudited)	As of 31 December 2017 (audited)
	Notes			
ASSETS				
A. Non-current assets			207,117	244,654
I. Intangible assets	4		2,259	1,008
II. Property, plant and equipment	4		200,028	241,973
II.1. Land			125	125
II.2. Buildings			5,288	5,464
II.3. Plant and equipment			141,518	174,971
II.4. Machinery and equipment			39,922	50,111
II.5. Motor vehicles			952	999
II.6. Other			2,120	2,058
II.7. Construction in progress	5		10,102	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
IV. Deferred income tax asset			3,157	-
B. Current assets			28,299	35,544
I. Inventories and prepayments			3,118	2,168
I.1. Raw materials, spare parts and other inventories			2,795	2,028
I.2. Prepayments			323	140
II. Accounts receivable			25,091	26,559
II.1. Trade receivables	6,18		6,113	7,485
II.2. Prepaid income tax			1,567	-
II.3. Other receivables	7,18		17,411	19,074
IV. Other financial assets	8		56	91
V. Cash and cash equivalents	9		34	6,726
Total assets			235,416	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 31 DECEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position (cont'd)

			As of 31 December 2018 (unaudited)	As of 31 December 2017 (audited)
	Notes			
EQUITY AND LIABILITIES				
C. Equity			130,129	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)			(21,592)	(9,861)
III.1. Current year profit (loss)			(21,592)	(9,861)
III.2. Previous year profit (loss)			-	-
D. Accounts payable and liabilities			105,287	108,177
I. Amounts payable after one year and non-current liabilities			57,272	62,709
I.1. Non-current borrowings	10		55,357	59,333
I.2. Grants (deferred revenue)	12		1,467	1,501
I.3. Non-current employee benefits			448	321
I.4. Deferred income tax liability			-	1,554
II. Accounts payable within one year and short-term liabilities			48,015	45,468
II.1. Current financial liability			6,791	-
II.2. Current portion of non-current borrowings	10		17,976	17,889
II.3. Current year portion of non-current employee benefits			83	91
II.4. Trade payables	13		5,970	9,934
II.5. Advance amounts			12	725
II.6. Income tax payable			-	142
II.7. Payroll related liabilities			1,305	1,422
II.8. Other payables and current liabilities	14		15,878	15,265
Total equity and liabilities			235,416	280,198

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

Director General

Saulius Bilys

14 February 2019

Chief Accountant

Dzintra Tamulienė

14 February 2019

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 twelve months ended	For the period of twelve months ended
		Notes	31 December 2018 (unaudited)	31 December 2017 (unaudited)	31 December 2018 (unaudited)	31 December 2017 (audited)
I.	Revenue	16	15,413	17,558	54,290	64,322
II.	Expenses		(49,853)	(46,322)	(79,978)	(76,038)
II.1.	Cost of natural gas		(3,203)	(2,434)	(10,417)	(7,948)
II.2.	Depreciation and amortization		(3,166)	(3,577)	(12,619)	(14,437)
II.3.	Remuneration and related social security tax expenses		(2,527)	(1,970)	(8,872)	(7,894)
II.4.	Repair and technical maintenance expenses		(1,597)	(1,518)	(5,256)	(5,596)
II.5.	Taxes other than income tax		(462)	(467)	(1,824)	(1,811)
II.6.	Telecommunications and IT systems expenses		(358)	(202)	(824)	(687)
II.7.	Loss on revaluation of non-current assets		(37,686)	(35,507)	(37,686)	(35,507)
II.8.	Other expenses		(854)	(647)	(2,480)	(2,158)
III.	Operation profit (loss)		(34,440)	(28,764)	(25,688)	(11,716)
IV.	Financial activity		(86)	(102)	(323)	(339)
IV.1.	Income		7	6	27	29
IV.2.	Expense		(93)	(108)	(350)	(368)
	Profit (loss) before income tax		(34,526)	(28,866)	(26,011)	(12,055)
V.	Income tax		5,268	4,746	4,419	2,194
VI.1.	Current period income tax		(292)	(556)	(292)	(1,970)
VI.2.	Deferred income tax		5,560	5,302	4,711	4,164
VII.	Net profit (loss)		(29,258)	(24,120)	(21,592)	(9,861)
	Basic and diluted earnings (loss) per share (Eur)				(0,12)	(0,06)

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Director General

Saulius Bilys

14 February 2019

Chief Accountant

Dzintra Tamulienė

14 February 2019

COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 31 DECEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of comprehensive income

	For the period of three months ended 31 December 2018 (unaudited)	For the period of three months ended 31 December 2017 (unaudited)	For the period of twelve months ended 31 December 2018 (unaudited)	For the period of twelve months ended 31 December 2017 (audited)
I. Net profit (loss)	(29,258)	(24,120)	(21,592)	(9,861)
II. Total comprehensive income (loss)	(29,258)	(24,120)	(21,592)	(9,861)

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

Director General	Saulius Bilys		14 February 2019
Chief Accountant	Dzintra Tamulienė		14 February 2019

COMPANY'S CONDENSED FINANCIAL STATEMENTS

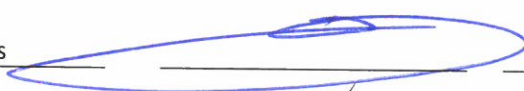
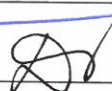
AS OF 31 DECEMBER 2018

(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)	-	-	-	(9,861)	(9,861)
<i>Net profit (loss) for the year</i>	-	-	-	(9,861)	(9,861)
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)	-	-	-	(21,592)	(21,592)
<i>Net profit (loss) for the year</i>	-	-	-	(21,592)	(21,592)
Balance as of					
31 December 2018 (unaudited)	51,731	5,173	94,817	(21,592)	130,129

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Director General	Saulius Bilys		14 February 2019
Chief Accountant	Dzintra Tamulienė		14 February 2019

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of cash flows

	31 December 2018 (unaudited)	31 December 2017 (audited)
I. Cash flows from (to) operating activities		
I.1. Net profit (loss)	(21,592)	(9,861)
Adjustments of non-cash items and other corrections:		
I.2. Depreciation and amortisation	12,619	14,437
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(10)	(11)
I.4. Loss on revaluation of property, plant and equipment	37,686	35,507
I.5. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	(125)	24
I.6. Income tax expenses (income)	(4,419)	(2,194)
I.7. Interest (income)	(27)	(29)
I.8. Interest expenses	350	367
I.9. Amortisation of grants (deferred revenue)	(125)	(41)
I.10. Elimination of other non-cash items	-	-
	24,357	38,199
Changes in working capital:		
I.11. Decrease (increase) in inventories	(609)	(570)
I.12. Decrease (increase) in trade accounts receivable	1,342	(662)
I.13. Decrease (increase) in other accounts receivable and prepayments	(899)	(716)
I.14. Increase (decrease) in trade accounts payable	1,194	(90)
I.15. Increase (decrease) in other accounts payable and other current liabilities	(113)	(189)
I.16. Decrease (increase) in other financial assets	35	1,567
I.17. Income tax (paid)	(2,001)	(2,704)
Total changes in working capital	(1,051)	(3,364)
Net cash flows from operating activities	23,306	34,835
II. Cash flows from (to) investing activities		
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(20,455)	(8,020)
II.2. Proceeds from sales of property, plant and equipment	69	12
II.3. Grants received	8,173	3,874
II.4. Loans granted	(30)	(120)
II.5. Interest received	22	4
Net cash flows (to) investing activities	(12,221)	(4,250)

The accompanying notes are an integral part of these financial statements.
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COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 31 DECEMBER 2018

(all amounts are in euro thousand unless stated otherwise)

Statements of cash flows (cont'd)

	31 December 2018 (unaudited)	31 December 2017 (audited)
III. Cash flows from (to) financing activities		
III.1. Dividends (paid)	(20,291)	(20,999)
III.2. Proceeds from borrowings	20,000	-
III.3. (Repayments) of borrowings	(23,889)	(16,444)
III.4. Account balance (overdraft)	6,791	-
III.5. Interest (paid)	(393)	(402)
III.6. Other cash flows from (to) financial activities	5	20
Net cash flows from (to) financing activities	(17,777)	(37,825)
IV. Net increase (decrease) in cash and cash equivalents	(6,692)	(7,240)
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	34	6,726

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

Director General	Saulius Bilys		14 February 2019
Chief Accountant	Dzintra Tamulienė		14 February 2019

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 DECEMBER 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 31 December 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 31 December 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 31 December 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 31 December 2018	Stake of shares held as of 31 December 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 31 December 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 31 December 2018, the Company was party to 106 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 31 December 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 31 December 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 31 DECEMBER 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 year 2018, the Company earned 66 percent of its revenue from Lithuanian system users (in 2017: 76 percent) and 34 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**Impairment of fixed assets**

When preparing financial statements of 2018 and determining whether there are any new indications of impairment of fixed assets, the Company assessed potential internal and external indications of impairment and also whether the events which occurred in 2018 and future events are likely to change the assumptions used for determining the fair value of tangible fixed assets at the end of 2017. In the opinion of the Company, certain changes have taken place in the regulatory environment and in the expected future cash flows, therefore the value of assets was tested for impairment – the recoverable amount of fixed assets was assessed applying the value in use (discounted cash flows) approach.

The main assumptions used for value impairment testing as at 31 December 2018:

a) cash flows generated by assets were discounted to the discount rate calculated by the Company (WACC after taxes), which is 3.99 %. The discount rate was calculated using the long-term borrowing market rate and the equity price;

b) the actual change (decrease) in the investment rate of return on a regulated market from 2019 was assessed in respect of the expected future cash flows – the investment return is assessed using the return on investment set the National Control Commission for Prices and Energy (NCCPE) in 2019, which is 3.33%, assuming that during the subsequent years of the new price regulation period the return will change only to the extent possible according to the investment return calculation methodology approved by the NCCPE – will increase due the forecasted rise in the cost of borrowed capital in the Company;

c) the growth rate was excluded from the continuity value estimates and the impact of potential changes in gas transmission volumes was assessed directly in the calculations.

Impairment of non-current tangible assets of EUR 37,686 thousand was shown in the income statement as impairment of fixed assets expenses.

Non-current assets were accounted by subtracting from the of grants received/receivable and used for the acquisition of the assets in question as at 31 December revalued assets the value the amount 2018 – EUR 69,285 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 31 December 2018 it stood at EUR 1,993 thousand (as at 31 December 2017: EUR 1,815 thousand).

	31 December 2018 incl. subsidised assets (unaudited)	31 December 2018 excl. subsidised assets (unaudited)	31 December 2017 incl. subsidised assets (audited)	31 December 2017 excl. subsidised assets (audited)
Property, plant and equipment /Non-current intangible assets	271,570	202,287	308,583	242,981
Intangible assets	2,729	2,259	1,098	1,008
Property, plant and equipment	268,841	200,028	307,485	241,973
Land	125	125	125	125
Buildings	5,567	5,288	5,680	5,464
Plant and equipment	195,461	141,518	230,054	174,971
Machinery and equipment	45,313	39,922	53,601	50,111
Motor vehicles	952	952	999	999
Other	2,996	2,121	2,538	2,058
Construction in progress	18,427	10,102	14,488	8,245
Deferred revenue	70,752	1,467	67,104	1,501

COMPANY'S CONDENSED FINANCIAL STATEMENTS

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(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 31 December 2018 were as follows:

Object	31 December 2018 excl. subsidised assets (unaudited)	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	4,019	3,998
Modernisation of Panevėžys Gas Compressor Station	-	605
Modernisation of gas transmission pipelines line block valves	4,576	1,776
Reconstruction of Jonava and Alytus M/R Stations	991	1,146
Construction of a gas transmission pipeline link between Vilnius-Kaunas and Kaunas-Šakiai pipelines	551	551
Automation of gas transmission pipeline cathodic protection system including installation of a remote control and monitoring system	-	77
Other	545	672
* Less: Impairment of construction in progress	(580)	(580)
	10,102	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

	31 December 2018 (unaudited)	31 December 2017 (audited)
Non-current trade receivables		
Other trade receivables	998	998
Current trade receivables		
Gas transmission services receivables	6,076	7,499
Other trade receivables	124	43
Less: allowance for the decrease in value of trade receivables	(87)	(57)
	7,111	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, was established impairment in respect of EUR 41 thousand of Geoterma UAB, in 31 December 2018 of EUR 16 thousand of BAB "Medienos plaušas" and of EUR 30 thousand of UAB "Geros dujos". See Note 17 "Commitments and contingencies" for more information about the receivable amount from UAB "Geros dujos".

7 Other receivables

	31 December 2018 (unaudited)	31 December 2017 (audited)
LNG terminal funds receivable (administered by the Company)	14,942	14,186
Other receivables (grants)	1,715	4,124
Receivables accrued for natural gas transportation	493	575
Other receivables	261	189
	17,411	19,074

COMPANY'S CONDENSED FINANCIAL STATEMENTS

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(all amounts are in euro thousand unless stated otherwise)

7 Other receivables (cont'd)

The LNG terminal funds receivable as at 31 December 2018 include the overdue amount of EUR 4,681 thousand, of which the overdue amount of AB Achema's was EUR 4,150 thousand. The overdue amount of UAB "Geros dujos" was EUR 19 thousand, the overdue amount of UAB Geoterma was EUR 65 thousand, the overdue amount of UAB Nemėžio Komunalininkas was EUR 40 thousand and the overdue amount of UAB "Kauno termofikacinė elektrinė" (hereinafter – KTE) was EUR 400 thousand. For more information about AB Achema, KTE and UAB "Geros dujos" see Note 17 "Commitments and contingencies".

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

8 Other financial assets

As at 31 December 2018, other financial assets of the Company comprised monetary funds received from the extra component of natural gas supply security to the natural gas transmission price, or in abbreviated form – the funds of the LNG Terminal. The aforementioned funds were received from system users, are held in a separate bank account of the LNG Terminal which meets the requirements of legal acts and are intended for payment to recipients of funds of the LNG Terminal: the operator of the LNGT (AB Klaipėdos nafta), the designated supplier (UAB Litgas) and the Company for covering of the costs of administration of the LNGT funds. By Resolution No O3E-168 of the NCCPE of 24 May 2018, the extra component of natural gas supply security to the natural gas transmission price was set and was applied to system users from 1 July 2018. By Resolution No O3E-405 of 22 November 2018, a new extra component of natural gas supply security to the natural gas transmission price was set to be applied from 1 January 2019. By Resolution No O3E-479 of 31 December 2018, the extra component of natural gas supply security to the natural gas transmission price was adjusted and will be applied from 1 January 2019.

9 Cash and cash equivalents

	31 December.2018 (unaudited)	31 December2017 (audited)
Cash at bank	34	6,726
	34	6,726

The Company's cash balances are held in the accounts with banks that meet reliability requirements established by the Company. If there is a possibility, the Company invests cash balances in short-term deposits. As at 31 December 2018, the Company had no deposit agreements concluded.

10 Loans

	31 December 2018 (unaudited)	31 December2017 (audited)
Long-term loans		
Loans from credit institutions of Lithuania	31,444	34,333
Loan from international financial institutions	23,913	25,000
Short-term loans		
Loans from credit institutions of Lithuania	6,791	-
Current portion of long-term loans	17,976	17,889
	80,124	77,222

In January of 2018, the Company repaid prior to maturity part EUR 12,444 thousand of its long-term loan to Swedbank, AB. After the repayment, the outstanding loan to Swedbank, AB amounted to EUR 28,333 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 31 December 2018, the overdraft amount used stood at EUR 6,791 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 31 December 2018 stood at EUR 20,000 thousand.

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11 Deferred revenue

	Deferred revenue	Revenue-related grants	Total
Balance as at 31 December 2017	1,501	-	1,501
Received / receivable	-	91	91
Depreciation/amortisation	(34)	(91)	(125)
Balance as at 31 December 2018	1,467	-	1,467

Deferred revenue amounted to EUR 1,467 thousand (as at 31 December 2017: 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 31 December 2018, the Company had calculated a corporate income tax relief amounting to EUR 1,653 thousand (as at 31 December 2017: EUR 1,955 thousand).

13 Trade payables

	31 December 2018 (unaudited)	31 December 2017 (audited)
Payables to suppliers under investment programme (new construction)	-	1
Payables to suppliers under investment programme (reconstruction and modernisation)	2,995	8,153
Payables to suppliers of goods and providers of services	1,119	907
Payables to providers of repairs services under non-current assets repairs programme	295	352
Payables to suppliers of natural gas	1,561	522
	5,970	9,934

As at 31 December 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

	31 December 2018 (unaudited)	31 December 2017 (audited)
Payable LNG terminal funds administrated by the Company	12,311	11,356
Accrued LNG terminal funds subject to administration by the Company*	2,684	2,924
Real Estate Tax payable	429	432
Value Added Tax (VAT) payable	-	286
Other payables	454	267
	15,878	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:

	31 December 2018 (unaudited)	31 December 2017 (unaudited)
Net profit (loss) attributable to the shareholders (EUR thousand)	(21,592)	(9,861)
Weighted average number of shares (thousand)	178,383	178,383
Earnings per share (EUR)	(0,12)	(0,06)

16 Revenue

	For the period of three months ended 31 December 2018 (unaudited)	For the period of three month ended 31 December 2017 (unaudited)	For the period of twelve months ended 31 December 2018 (unaudited)	For the period of twelve month ended 31 December 2017 (audited)
Income from natural gas transmission in the territory of Lithuania	11,763	15,572	44,092	57,013
Income from balancing services in the transmission system	3,538	1,931	9,831	6,964
Grants recognised as income	29	13	125	41
Income from LNG terminal fund administration	11	25	44	114
Other income	72	17	198	190
	15,413	17,558	54,290	64,322

17 Commitments and contingenciesLitigations

Company has initiated two civil cases for ordering the extra component of natural gas supply security to the natural gas transmission price (hereinafter – funds of the LNG Terminal) from AB Achema and, at present, legal disputes are pending regarding the amounts of overdue payment. Both cases were suspended until enforcement of the procedural decision in legal proceedings initiated before the General Court of the European Union.

The Company operates as the administrator of funds of the LNG Terminal and transfers the LNG Terminal's funds to their recipients only when they are collected from buyers, therefore, the Company is not exposed to any risk of the disputed amounts.

Vilnius Regional Court is hearing the case following the action of the Applicant KTE of 5 April 2018, whereby KTE asks to declare that the Defendant – the Company has no rights of claim of EUR 133 thousand to the Applicant – KTE for exceeding of natural gas consumption capacities in 2017 and seeks that the Court obligates the Company to recalculate the amount of the extra component for exceeding of natural gas consumption capacities in 2017. The Company disagrees with the claims brought by KTE and, respectively, submitted the reply to Vilnius Regional Court for dismissal of the action as unjustified. Vilnius Regional Court set the court sitting on 25 July 2018. By decision of 18 August 2018 of Vilnius Regional Court, the action of KTE was dismissed as unjustified and the payment of the litigation costs was ordered for the benefit of the Company. On 12 September 2018, KTE appealed against the aforementioned decision of the Court before the

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17 Commitments and contingencies (cont'd)

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

The Company applied to the District Court of Vilnius City for issuing the court order to the debtor UAB Geros dujos requesting from the latter the payment of EUR 31 thousand of which EUR 3 thousand – for transmission services, EUR 11 thousand – for balancing services, EUR 17 thousand – for extra component of natural gas supply security to the natural gas transmission price and EUR 0.5 thousand of interest on the outstanding amount. On 18 December 2018, the Court issued the court order. A present, the enforcement of the court order is pending.

18 Related party transactions

As at 31 December 2018 and 2017, the parent company was UAB EPSO-G. The parent country of this company was the Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania. For the purposes of provisions of Article 37² of the Law on Companies of the Republic of Lithuania, the disclosure of related party transactions includes transactions and balances with companies of UAB EPSO-G group, the subsidiary (transactions of the Company), all companies controlled or significantly influenced by the State (transactions with such companies are disclosed separately only when they are significant) and with managers and their immediate family members. The list of companies controlled or significantly influenced by the State is enclosed <https://vkc.sipa.lt/apie-imones/vvi-sarasas/>.

Related parties of the Company, when one party has a possibility to control the other party or significantly influence financial and business decisions taken by the other party, as at 31 December 2018 and 31 December 2017 were:

- 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 Tetras (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.

31 December 2018

	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	6,998 ¹⁾	24	152	527
UAB EPSO-G	123	-	-	23
Group of companies of Lietuvos energija UAB	27,117	58,413 ²⁾	6,001	3,729
Other state-owned companies	30	1,152 ²⁾	230	1
	34,268	59,589	6,383	4,280

31 December 2017

	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	3,648 ¹⁾	17	122	261
UAB EPSO-G	84	-	-	-
Group of companies of Lietuvos energija UAB	24,144	66,366 ²⁾	6,570	2,273
Other state-owned companies	37	1,571 ²⁾	203	5
	27,913	67,954	6,895	2,539

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;

²⁾ In that number include LNG terminal funds

18 Related party transactions (cont'd)

On 30 March 2017, Company and GET Baltic signed a loan agreement under which Company 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 31 December 2018, Company's loan granted to UAB GET Baltic amounted EUR 150 (one hundred and fifty thousand). The interest accrued for the twelve 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 31 December 2018, the Company did not form and did not account any impairment loss allowances for receivables from any related parties.

Benefits to the Management

During the period of twelve months ended 31 December 2018, the Company's benefits to the Management of the Company amounted to EUR 388 thousand (during the period of nine months ended 31 December 2017: EUR 385 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 twelve months ended 31 December 2018, benefits paid to the members of the Company Board amounted to EUR 22 thousand (during the period of twelve months ended 31 December 2017: EUR 32 thousand).