



CONFIRMATION OF RESPONSIBLE PERSONS

8 May 2019 No. *5-310-9*

Following the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Andrius Dagys, Technical Director acting as Chief Executive Officer of AB Amber Grid, and Gytis Fominas, Chief Financial Officer of AB Amber Grid, hereby confirm that, to the best of our knowledge, the attached AB Amber Grid unaudited interim consolidated and the Company's financial statements for the period ended 31 March 2019 are prepared accordance with International Financial Reporting Standards adopted by the European Union, give a true and fair view of the AB Amber Grid assets, liabilities, financial position, profit and cash flows.

Technical Director acting as CEO

Andrius Dagys

Chief Financial Officer

Gytis Fominas

AB AMBER GRID

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
AS OF 31 MARCH 2019
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

COMPANY'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position

		Notes	Group		Company	
			As of 31 March 2019	As of 31 December 2018	As of 31 March 2019	As of 31 December 2018
ASSETS						
A.	Non-current assets		206,346	206,885	206,604	207,117
I.	Intangible assets	4	3,227	2,699	2,8148	2,259
II.	Property, plant and equipment	4	198,980	200,031	198,976	200,028
II.1.	Land		125	125	125	125
II.2.	Buildings		5,276	5,288	5,276	5,288
II.3.	Plant and equipment		143,011	141,518	143,011	141,518
II.4.	Machinery and equipment		39,947	39,922	39,947	39,922
II.5.	Motor vehicles		938	952	938	952
II.6.	Other		2,550	2,124	2,546	2,121
II.7.	The right-of-use assets		715	-	715	-
II.8.	Construction in progress	5	6,418	10,102	6,418	10,102
III.	Non-current financial assets		998	998	1,673	1,673
III.1	Investment in the subsidiary	1	-	-	675	675
III.2.	Noncurrent trade receivables	6	998	998	998	998
IV.	A deferred tax asset		3,141	3,157	3,141	3,157
B.	Current assets		31,776	38,670	24,935	28,299
I.	Inventories and prepayments		3,076	3,129	3,063	3,118
I.1.	Raw materials, spare parts and other inventories		2,747	2,795	2,747	2,795
I.2.	Prepayments		329	334	316	323
II.	Accounts receivable		20,935	23,302	20,899	23,524
II.1.	Trade receivables	6,18	5,057	6,038	5,023	6,113
II.2.	Other receivables	7,18	15,878	17,264	15,876	17,411
III.	Corporate income tax paid in advance		960	1,567	958	1,567
IV.	Other financial assets	8	1	56	1	56
V.	Cash and cash equivalents	9	6,804	10,616	14	34
Total assets			238,122	245,555	231,539	235,416

(cont'd on the next page)

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

COMPANY'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position (cont'd)

		Group		Company	
		As of 31 March 2019	As of 31 December 2018	As of 31 March 2019	As of 31 December 2018
Notes					
EQUITY AND LIABILITIES					
C.	Equity	135,954	131,243	136,163	131,596
I.	Share capital	51,731	51,731	51,731	51,731
II.	Reserves	99,990	99,990	99,990	99,990
II.1.	Legal reserve	5,173	5,173	5,173	5,173
II.2.	Other reserves	94,817	94,817	94,817	94,817
III.	Retained earnings (deficit)	(15,767)	(20,467)	(15,558)	(20,125)
III.1.	Current year profit (loss)	4,711	-	4,567	-
III.2.	Previous year profit (loss)	(20,478)	(20,478)	(20,125)	(20,125)
D.	Accounts payable and liabilities	102,168	114,312	95,376	103,820
I.	Amounts payable after one year and non-current liabilities	55,336	55,805	55,336	55,805
I.1.	Non-current borrowings	10	54,270	55,357	54,270
I.2.	A right-of-use asset and corresponding liability	12	618	-	618
I.3.	Non-current employee benefits		448	448	321
I.4.	Deferred income tax liability		-	-	-
II.	Accounts payable within one year and short-term liabilities		46,832	58,507	40,040
II.1.	Current financial liability		647	6,791	647
II.2.	Current portion of non-current borrowings		19,063	17,976	19,063
II.3.	A right-of-use asset and corresponding liability		106	-	106
II.4.	Current year portion of non-current employee benefits	10	83	83	83
II.5.	Trade payables	13	6,916	6,273	2,813
II.6.	Advance amounts		2,536	10,099	-
II.7.	Income tax payable		-	-	-
II.8.	Payroll related liabilities		2,238	1,355	2,158
II.9.	Other payables and current liabilities	14	15,244	15,930	15,170
Total equity and liabilities			238,122	245,555	231,539
					235,416

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

Technical Director acting as
CEO

Andrius Dagys

Deputy Chief Accountant

Kristina Aladaite

8 May 2019

8 May 2019

COMPANY'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

Income statement

	Not es	Group		Company	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
I. Revenue	16	15,036	15,642	14,778	15,600
II. Expenses		(9,217)	(9,498)	(9,103)	(9,444)
II.1. Cost of natural gas		(2,420)	(2,118)	(2,420)	(2,118)
II.2. Depreciation and amortization		(2,441)	(3,146)	(2,414)	(3,122)
II.3. Remuneration and related social security tax expenses		(2,415)	(2,029)	(2,351)	(2,0054)
II.4. Repair and technical maintenance expenses		(783)	1,176	(783)	(1,176)
II.5. Taxes other than income tax		(453)	(440)	(453)	(440)
II.6. Telecommunications and IT systems expenses		(208)	(145)	(193)	(145)
II.7. Other expenses		(497)	(444)	(489)	(438)
III. Operation profit (loss)		5,819	6,144	5,675	6,156
IV. Financial activity		(102)	(76)	(102)	(75)
IV.1. Income		3	7	3	8
IV.2. Expense		(105)	(83)	(105)	(83)
V. Profit (loss) before income tax		5,717	6,068	5,573	6,081
VI. Income tax		(1,006)	(846)	(1,006)	(846)
VI.1. Current period income tax		(991)	(484)	(991)	(484)
VI.2. Deferred income tax		(15)	(362)	(15)	(362)
VII. Net profit (loss)		4,711	5,222	4,567	5,235
Basic and diluted earnings (loss) per share (Eur)	15	0,03	0,03		

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

Technical Director acting as
CEO

Andrius Dagys

8 May 2019

Deputy Chief Accountant

Kristina Aladaitė

8 May 2019

COMPANY'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

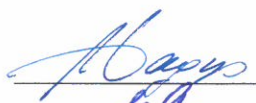
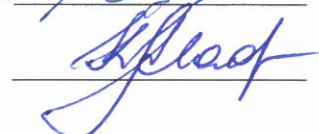
AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

Statement of comprehensive income

		Group		Company	
		31 March 2019	31 March 2018	31 March 2019	31 March 2018
I.	Net profit (loss)	4,711	5,222	4,567	5,235
II.	Total comprehensive income (loss)	4,711	5,222	4,567	5,235

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

Technical Director acting as CEO	Andrius Dagys		8 May 2019
Deputy Chief Accountant	Kristina Aladaitė		8 May 2019

COMPANY'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

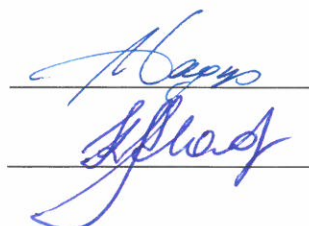
Statement of changes in equity

Group	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance as of 31 December 2017	51,731	5,173	124,978	(10,199)	171,683
Total comprehensive income (loss)	-	-	-	5,222	5,222
<i>Net profit (loss) for the year</i>	-	-	-	5,222	5,222
Balance as of 31 March 2018	51,731	5,173	124,978	(4,977)	176,905
Transfer from other reserves	-	-	(30,161)	30,161	-
Dividends declared	-	-	-	(20,300)	(20,300)
<i>Impact of IFRS15 application</i>	-	-	-	1,467	1,467
Total comprehensive income (loss)	-	-	-	(26,829)	(26,829)
<i>Net profit (loss) for the year</i>	-	-	-	(26,829)	(26,829)
Balance as of 31 December 2018	51,731	5,173	94,817	(20,478)	131,243
Total comprehensive income (loss)	-	-	-	4,711	4,711
<i>Net profit (loss) for the year</i>	-	-	-	4,711	4,711
Balance as of 31 March 2019	51,731	5,173	94,817	(15,767)	135,954

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

Technical Director acting
as CEO

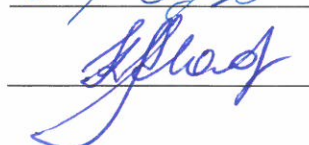
Andrius Dagys



8 May 2019

Deputy Chief Accountant

Kristina Aladaitė



8 May 2019

COMPANY'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

Statement of changes in equity

Company	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance as of 31 December 2017	51,731	5,173	124,978	(9,681)	172,021
Total comprehensive income (loss)	-	-	-	5,235	5,235
<i>Net profit (loss) for the year</i>	-	-	-	5,235	5,235
Balance as of 31 March 2018	51,731	5,173	124,978	(4,626)	177,256
Transfer from other reserves	-	-	(30,161)	30,161	-
Dividends declared	-	-	-	(20,300)	(20,300)
<i>Impact of IFRS15 application</i>	-	-	-	1,467	1,467
Total comprehensive income (loss)	-	-	-	(26,827)	(26,827)
<i>Net profit (loss) for the year</i>	-	-	-	(26,827)	(26,827)
Balance as of 31 December 2018	51,731	5,173	94,817	(20,125)	131,596
Total comprehensive income (loss)	-	-	-	4,567	4,567
<i>Net profit (loss) for the year</i>	-	-	-	4,567	4,367
Balance as of 31 March 2019	51,731	5,173	94,817	(15,558)	136,163

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

Technical Director acting
as CEO

Andrius Dagys





8 May 2019

Deputy Chief Accountant

Kristina Aladaitė

8 May 2019

COMPANY'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

Statement of cash flows

	Group		Company	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
I. Cash flows from (to) operating activities				
I.1. Net profit (loss)	4,711	5,222	4,567	5,235
Adjustments of non-cash items and other corrections:				
I.2. Depreciation and amortisation	2,441	3,146	2,414	3,122
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(2)	(15)	(2)	(14)
I.4. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	(6)	2	(6)	2
I.5. Income tax expenses (income)	1,006	846	1,006	846
I.6. Interest (income)	(3)	(8)	(3)	(8)
I.7. Interest expenses	105	82	105	82
I.8. Amortisation of grants (deferred revenue)	(24)	(11)	(24)	(11)
I.9. Elimination of other non-cash items		-	-	-
	8,228	9,264	8,057	9,254
Changes in working capital:				
I.10. Decrease (increase) in inventories	190	(228)	190	(228)
I.11. Decrease (increase) in trade accounts receivable	1,471	1,890	1,084	1,890
I.12. Decrease (increase) in other accounts receivable and prepayments	1,430	1,883	936	1,885
I.13. Increase (decrease) in trade accounts payable	(6,734)	70	(1,992)	228
I.14. Increase (decrease) in other accounts payable and other current liabilities	203	(1,129)	151	(1,117)
I.15. Decrease (increase) in other financial assets	54	(111)	54	(111)
I.16. Income tax (paid)	(381)	(543)	(381)	(543)
Total changes in working capital	(3,767)	1,832	42	2,004
Net cash flows from operating activities	4,461	11,096	8,099	11,258
II. Cash flows from (to) investing activities				
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(3,013)	(8,722)	(3,009)	(8,722)
II.2. Proceeds from sales of property, plant and equipment	25	15	25	15
II.3. Grants received	1,021	3,556	1,021	3,556
II.4. Loans granted	-	-	150	(30)
II.5. Interest received	6	6	6	6
Net cash flows (to) investing activities	(1,961)	(5,145)	(1,807)	(5,175)

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

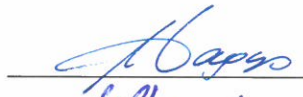
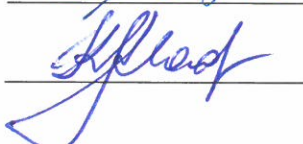
AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

Statements of cash flows (cont'd)

	Group		Company	
	31 March 2019	31 March 2018	31 March 2019	31 March 2018
III. Cash flows from (to) financing activities				
III.1. Dividends (paid)	-	-	-	-
III.2. Proceeds from borrowings	-	-	-	-
III.3. (Repayments) of borrowings	-	(6,444)	-	(6,444)
III.4. The overdraft	(6,145)	-	(6,145)	-
III.5. Interest (paid)	(134)	(123)	(134)	(123)
III.6. The right-of-use assets	(35)	-	(35)	-
III.7. Other cash flows from (to) financial activities	2	(9)	2	(10)
Net cash flows from (to) financing activities	(6,312)	(6,576)	(6,312)	(6,576)
IV. Net increase (decrease) in cash and cash equivalents	(3,812)	(625)	20	(494)
V. Cash and cash equivalents at the beginning of the period	10,616	7,350	34	6,726
VI. Cash and cash equivalents at the end of the period	6,804	6,725	14	6,232

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

Technical Director acting as CEO	Andrius Dagys		8 May 2019
Deputy Chief Accountant	Kristina Aladaitė		8 May 2019

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(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 March 2019, 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.

Following the recommendation of the auditors of UAB Deloitte Lietuva, starting 2019 the Company prepares consolidated and Company's financial statements. The consolidated financial statements disclose the financial position and performance of the Company together with the managed subsidiary UAB GET Baltic (hereinafter - GET Baltic).

GET Baltic is a Joint Stock Company registered in the Republic of Lithuania. The Company was registered in the Register of Legal Entities on 13 September 2012.

The Company is the sole shareholder of GET Baltic, which owns 100% of the authorized capital.

On 31 March 2019 and in 2018 the authorized capital of GET Baltic was valued of EUR 580,450 and it consists of 3,055,000 ordinary registered shares with a nominal value of EUR 0.19.

On 31 March 2019 subsidiary GET Baltic was incorporated into the Company's Group.

Company	Company code	Registered address of the company	Stake of shares held as of 31 March 2019	Stake of shares held as of 31 March 2018
UAB GET Baltic	302861178	Savanorių pr. 28, Vilnius	100 %	100 %

GET Baltic is a licensed natural gas market operator with a status of Registered Reporting Mechanism status provided by the ACER. The Company administrates the electronic trading system for trading spot and forward natural gas products with physical delivery in the market areas located in Lithuania, Latvia, and Estonia. The Company also provides the following services to wholesale natural gas market participants:

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

1 General information (cont'd)

- Providing REMIT data to the ACER;
- Providing inside information;
- Distribution of indirect natural gas transmission capacity at interconnection points between the Baltic States;
- organizing LNG auction;
- announcement of balancing marginal pricing.

On 31 March 2019 Get Baltic had 77 registered stock exchange participants.

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 March 2019, the Company was party to 105 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.

On 31 March 2019 the average number of employees of the Group and the Company consisted 334 (as at 31 December 2018 – 343); on 31 March 2019 the Company consisted of 328 employees (as at 31 December 2018 - 339).

2 Accounting principles

The financial statements present the figures in thousands of euros. The financial year of the Group and the Company coincides with the calendar year.

These condensed interim financial statements, including the 31 March 2019 statements of financial standing and profit (loss) accounts, statements of comprehensive income, cash flow statement and the statements of changes in equity have not been audited. The financial statements as of 31 December 2018 of the Company and Get Baltic have been audited and prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements as of 31 December 2018 of the Group also haven't been audited. For a better understanding of the information presented in these financial statements, these condensed financial statements should be read together with the annual financial statements of 2018 of the Company and Get Baltic. UAB Deloitte Lietuva carried out an audit of Annual Financial Statements for the year that ended on 31 December 2018.

The Group's and the Company's condensed interim consolidated financial statements as of 31 March 2019 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The Group and the Company have been following the same accounting principles as the ones that were followed in the preparation of financial statements for the year 2018.

The Company applied IFRS 16 starting from 1 January 2019. On initial application of IFRS 16, the lease liability will be initially measured at the present value of the remaining lease payments, discounted using the lessee's additional borrowing rate at the date of initial application. The Company recognizes an asset that is controlled by the right to use with value that is equal to the lease liabilities.

The Company applies the new standard using a modified retrospective method, which means that the comparative figures are not recalculated. The general impact of applying IFRS 16 is recognized in 1 January 2019.

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

2 Accounting principles (cont'd)

Subsequently, the Company recognised depreciation of right-of-use assets and interest on lease liabilities in the profit (loss) statement; and separate the total amount of cash paid into a principal portion and interest, both presented in separate lines within financing activities in the statement of cash flows.

The only material operating lease agreement relates to rent of premises and car parking spaces for the registered office of the Company. The Company holds an option to extend the lease term by up to 3 years. If extended for the full period of the option, the lease term would end in May 2024. Management estimates that the Company will use this opportunity and therefore included the period covered by the option into the lease term when measuring the lease liability and right-of-use asset. The summary of the financial impact on adopting IFRS 16 is presented in the table below (related only to leases entered or modified before 1 January 2019):

	1 January 2019	31 March 2019
Right-of-use assets	750	715
Lease liability – current portion	141	106
Lease liability – non-current portion	618	618
Expected impact on profit (loss) statement:		
- Increase of depreciation		35
- Increase of interest expense		1
- Decrease of other expenses		(35)
Expected impact on statement of cash flows:		
- Increase of net cash flow from operating activities		35
- Decrease of net cash flows from financing activities		(35)

The Company also makes payments to municipalities for use of state-owned land, which hosts certain equipment of the Company. Generally, the Company obtains a right to use such land for 99 years with a possibility to extend the term. Amounts to be paid to the state treasury are calculated as a product of a) the cadastral value of land which can be reassessed by municipalities every 3 years, and b) tax rate determined by municipalities. Taking into account the right of municipalities to recalculate the rent, changing the specified amounts with a period of 3 years, the lease of land has features of variable payments that are not related to the intensity of use of the property. Also, these payments generally do not reflect the market rate for rent of similar land. The Company made total payments of EUR 25 thousand for use of approximately 200 plots of state-owned land in 2018. The Company is currently evaluating whether these agreements are in scope of IFRS 16 or whether they are effectively a form of land tax.

The statements were prepared based on an acquisition cost, excluding tangible fixed assets, which were presented at revalued amount.

As of 2017, after the Group and the Company changed its accounting policy in accordance with the accounting principles of fixed assets of EPSO–G UAB group companies, assets are accounted at revalued amount deducting accumulated depreciation and impairment losses, whereas grants are accounted for by reducing the carrying amount of the related asset.

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 first three months of 2019, the Group and Company earned 74 percent of its revenue from Lithuanian system users (in 2018: 66 percent) and 25 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 2018: 34 percent) and 1 percent mediation service revenue from gas exchange transactions.

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 2019

(all amounts are in euro thousand unless stated otherwise)

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

In the Group and the Company, long-term assets are accounted at revalued amount of assets, reducing the grants received for that asset. On 31 March 2019 – EUR 69.258 thousand (On 31 December 2018: EUR 69,283 thousand).

The amount of the depreciation of the grants in the income statement is reflected by deducting the depreciation costs of the related assets with the grant income. As of 31 March 2019, it stood at EUR 566 thousand (in 2018 - EUR 467 thousand).

Group	As of 31 March, 2019 incl. subsidised assets with	As of 31 March, 2019 excl. subsidised assets	As 31 Dec 2018 Incl. subsidised assets	AS 31 Dec 2018 excl. subsidised assets
Property, plant and equipment /Non-current intangible assets	271,465	202,207	272,013	202,730
Intangible assets	3,663	3,227	3,169	2,699
Property, plant and equipment	267,802	198,980	268,844	200,031
Land	125	125	125	125
Buildings	5,628	5,276	5,567	5,288
Plant and equipment	199,192	143,011	195,461	141,518
Machinery and equipment	46,079	39,947	45,313	39,922
Motor vehicles	938	938	952	952
Other	4,010	2,550	2,999	2,124
A right-of-use managed asset	715	715	-	-
Construction in progress	11,115	6,418	18,427	10,102
Deferred revenue	69,258	-	69,283	-

Company	As of 31 March, 2018 incl. subsidised assets with	As of 31 March, 2018 excl. subsidised assets	As 31 Dec 2018 Incl. subsidised assets	AS 31 Dec 2018 excl. subsidised assets
Property, plant and equipment /Non-current intangible assets	271,048	201,790	271,570	202,287
Intangible assets	3,250	2,814	2,729	2,259
Property, plant and equipment	267,798	198,976	268,844	200,028
Land	125	125	125	125
Buildings	5,628	5,276	5,567	5,288
Plant and equipment	199,192	143,011	195,461	141,518
Machinery and equipment	46,079	39,947	45,313	39,922
Motor vehicles	938	938	952	952
Other	4,005	2,546	2,999	2,121
A right-of-use managed asset	715	715	-	-
Construction in progress	11,115	6,418	18,427	10,102
Deferred revenue	69,258	-	69,283	-

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5 Construction in progress

The largest objects of construction in progress of the Group and Company as of 31 March 2019 were as follows:

Object	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Implementation of the Gas Interconnection Poland-Lithuania (GIPL) Project in the territory of the Republic of Lithuania	4,025	4,019	4,025	4,019
Launch of monitoring devices and installation of receiving cameras	1,510	4,576	1,510	4,576
Reconstruction of Jonava and Alytus M/R Stations	-	991	-	991
Construction of a gas transmission pipeline link between Vilnius-Kaunas and Kaunas-Šakiai pipelines	551	551	551	551
Reconstruction of separate sections of Riga-Panevėžys-Vilnius gas transmission pipeline	178	-	178	-
Installation of remote gas process control system and gas metering system data collection system	197	-	197	-
Other	537	545	537	545
* Less: Impairment of construction in progress	(580)	(580)	(580)	(580)
	6,418	10,102	6,418	10,102

* 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

	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Non-current trade receivables				
Other trade receivables	998	998	998	998
Current trade receivables				
Gas transmission services receivables	4,692	6,076	4,692	6,076
Other trade receivables	436	49	402	124
Less: allowance for the decrease in value of trade receivables	(71)	(87)	(71)	(87)
	6,055	7,036	6,021	7,111

Long-term 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.

Short-term trade receivables were interest-free; their payment period ranged from 9 to 30 calendar days. In 2017, impairment of EUR 41 thousand was established in respect of Geoterma UAB, a producer of thermal energy. Whereas in December of 2018 Geros dujos UAB formed impairment of EUR 30 thousand.

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7. Other receivables

	Group		Company	
	31 March 2018	31 December 2017	31 March 2019	31 December 2018
LNG terminal funds receivable (administered by the Company)	14,545	14,942	14,545	14,942
Grants receivable	1,258	1,715	1,258	1,715
Receivables accrued for natural gas transportation	-	493	-	493
Other receivables	75	114	73	261
	15,878	17,264	15,876	17,411

The LNG terminal funds receivable as at 31 March 2019 include the overdue amount of EUR 4.919 thousand of which total the overdue amount of AB Achema's was EUR 4.262 thousand, the overdue amount of UAB Geros dujos was EUR 19 thousand, and the overdue amount of UAB Geoterma was EUR 65 thousand, and the overdue amount of UAB Kauno termofikacinė elektrinė (hereinafter KTE) was EUR 555 thousand. For more information about AB Achema and about KTE see note 17 Commitments and Contingencies.

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

8 Other financial assets

As of 31 March 2019, the Group and Company's other financial assets consisted of cash collected from the additional natural gas supply security component to be included in the natural gas transmission price, referred to as the LNG terminal funds. These funds are received from the system users, kept in line with the requirements of legal acts in a separate bank account for the LNG terminal funds and designated for the payment to the recipients of the LNG terminal funds – i.e. the LNG terminal operator (Klaipėdos Nafta AB), the designated supplier (UAB „Lietuvos energijos tiekimas“), and Amber Grid AB – to cover the administration expenses of the LNG terminal funds. Based on the Commission's Resolution No O3E-168 of 24 May 2018, the additional natural gas supply security component to be included in the natural gas transmission price was established. The latter price has been applied to the users with effect from 1 July 2018. Based on the Resolution No O3E-405 of 22 November 2018, the additional natural gas supply security component was established, which had to be applied with the effect from 1 January 2019. Based on the Resolution No O3E-479 of 31 December 2018 the abovementioned additional natural gas supply security component was revised and will be applied with the effect from 1 January 2019.

9 Cash and cash equivalents

	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Cash at bank	6,804	10,616	14	34
	6,804	10,616	14	34

The Group and the Company keeps its cash in the accounts of those banks, which meet reliability requirements.

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10 Loans

	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Long-term loans				
Loans from credit institutions of Lithuania	31,444	31,444	31,444	31,444
Loan from international financial institutions	22,826	23,913	22,826	23,913
Short-term loans				
Loans from credit institutions of Lithuania	-	6,791	-	6,791
Short-term loan (EPSO-G UAB)	647	-	647	-
Current portion of long-term loans	19,063	17,976	19,063	17,976
	73,980	80,124	73,980	80,124

For the balancing of working capital on 27 February 2019 the Company and EPSO-G UAB entered into lending and borrowing via cashpool agreement. The agreement sets a maximum borrowing limit of EUR 15.000 thousand from EPSO-G UAB.

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 March 2019 stood at EUR 20.000 thousand.

11. Income tax

In 2019, the standard corporate income tax rate applicable to the companies of the Republic of Lithuania was 15 per cent (in 2018: 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 March 2019, the Company had calculated a corporate income tax relief amounting to EUR 47 thousand (as at 31 March 2018: EUR 1,653 thousand).

12. Trade payables

	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Payables to suppliers under investment programme (new construction)	-	-	-	-
Payables to suppliers under investment programme (reconstruction and modernisation)	1,830	2,995	1,830	2,995
Payables to suppliers of goods and providers of services	4,610	1,422	507	1,119
Payables to providers of repairs services under non-current assets repairs programme	221	295	221	295
Payables to suppliers of natural gas	255	1,561	255	1,561
	6,916	6,273	2,813	5,970

As at 31 March 2019, the trade payables were interest-free and the payment terms of the largest share of them ranged from 30 to 60 days.

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13. Received advanced payments

Advance payments paid by the participants of Exchange are accounted for as prepayments received from the exchange participants and are used on the settlement date, unless a request is made from the participants not to use the advance paid for reduction of the amount due for gas and exchange services. An unused advance or part thereof remains with the other participant's settlements. If the participant does not use the advance for more than 1 year, it is returned back to him.

14. Other payables and current liabilities

	Group		Company	
	31 March 2019	31 December 2018	31 March 2019	31 December 2018
Payable LNG terminal funds administrated by the Company	13,717	12,310	13,717	12,311
Accrued LNG terminal funds subject to administration by the Company*	835	2,684	835	2,684
Real Estate Tax payable	-	429	-	429
Value Added Tax (VAT) payable	383	28	343	-
Other payables	309	479	275	454
	15,244	15,930	15,170	15,878

*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 ir UAB „Lietuvos energijos tiekimas“ 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.

15. Earnings per share

Basic earnings per share reflect the Group 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:

	Group	
	31 March 2019	31 March 2018
Net profit (loss) attributable to the shareholders (EUR thousand)	4,711	5,222
Weighted average number of shares (thousand)	178,383	178,383
Earnings per share (EUR)	0.03	0.03

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16. Revenue

	Group		Company	
	For the period of three months ended 31 March 2019	For the period of three months ended 31 March 2018	For the period of three months ended 31 March 2019	For the period of three months ended 31 March 2018
Income from natural gas transmission in the territory of Lithuania	13,308	13,913	13,308	13,912
Income from balancing services in the transmission system	0,313	1,614	1,313	1,614
Grants recognised as income	24	11	24	11
Income from LNG terminal fund administration	18	11	18	11
Exchange trading income	194	39	-	-
Other income	179	54	115	52
	15,036	15,642	14,778	15,600

17 Commitments and contingenciesLitigations

The Group and the Company have commenced two civil proceedings for the award of natural gas transmission price (hereinafter referred to as LNG Terminal Funds) from AB Achema and are currently in dispute regarding overdue payments. Both proceedings have been stayed pending until a procedural decision in a proceedings brought before the General Court of the European Union becomes effective.

A case is being examined in Vilnius Regional Court in accordance with the claim submitted by the applicant Kaunas CHP Plant (hereinafter – CHPO, by which CHP requests to declare that the defendant, the Company, does not have claims of EUR 133 thousand to the Applicant CHP for exceeding natural gas consumption capacity in 2017, and asks the Court to oblige the Company to recalculate the amount of additional component for exceeding natural gas consumption capacity in 2017. The Company does not agree with the claims submitted by CHP and has accordingly provided a response to Vilnius Regional Court with a claim for dismissal as unfounded. Vilnius Regional Court appointed a court hearing for 25 July 2018. Vilnius Regional Court rejected CHP action as unfounded and ordered the Company to pay the costs to the decision of 18 August 2018. On 12 September 2018 CHP appealed to the Court of Appeal of Lithuania against the abovementioned judgment. On 8 October 2018 the Company lodged its defence against the appeal submitted by the applicant CHP. The date of appeal of CHP has not yet been appointed.

The Company only acts as the LNG Terminal Funds Administrator and transfers LNG terminal funds to their recipients only when they collect from customers and therefore do not incur credit risk due to disputed amounts.

18 Related party transactions

For the purpose of disclosure of related parties in accordance with the Article 37² of the Law on Companies of the Republic of Lithuania, the disclosures comprise transactions and their balances with EPSO-G UAB group companies, with the subsidiary Get Baltic, as well as associates, and all entities controlled by or under significant influence of the state (transactions with these entities are disclosed only if they are material), and management, as well as their close family members. A list of state-controlled or significantly affected companies is provided at: <https://vkc.sipa.lt/apie-imonas/vvi-sarasas/>.

The related parties of the Company, where one party has the opportunity to control another party or has significant influence over the other party in making financial and operating decisions on 31 March 2019 were the following:

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18 Related party transactions (cont'd)

- 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.);
- Lietuvos Energija UAB group;
- Ministry of Energy (incl. AB Klaipėdos Nafta);
- Other state-owned companies;
- The Management.

As of 31 March 2019	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	1,508 ¹⁾	48 ¹⁾	34	149
UAB EPSO-G	23	-	-	16
Lietuvos Energija, UAB group of companies	8,355 ²⁾	16,567 ²⁾	6,047 ²⁾	3,552 ²⁾
Ministry of Energy (incl. AB Klaipėdos Nafta)	17,581 ²⁾	57 ²⁾	23 ²⁾	10,264 ²⁾
Other state-owned companies	9	-	110	3
	27,476	16,672	6,214	13,984

As of 31 March, 2018	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	1,149 ¹⁾	3 ¹⁾	151	160
UAB EPSO-G	23	-	-	19
Lietuvos Energija UAB group of companies	7,648 ²⁾	16,360 ²⁾	5,865 ²⁾	3,761 ²⁾
Ministry of Energy (incl. AB Klaipėdos Nafta)	16,410 ²⁾	53 ²⁾	23 ²⁾	9,355 ²⁾
Other state-owned companies	10	276	210	4
	25,240	16,692	6,249	13,299

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⁾ LNG terminal funds included.

There have been none guaranties received to the revenue obtained and payable by the related parties. On 31 March 2019 the Company did not form and accounted the depreciation of value to the revenue received from the related parties.

Benefits to the Management

	Group		Company	
	2019 m. March 31 d.	2018 m. March 31 d.	2019 m. March 31 d.	2018 m. March 31 d.
Earnings-related benefits	114	86	100	78
Benefits for Board Members	4	5	4	5
	118	91	104	83

The management of the Group and the Company is considered to be the Head of administration and its deputies. The Group and the Management of the Company have not been granted any loans, guarantees or disposals of assets.

19 Subsequent events

On 23 April 2019 the Annual General Meeting of Shareholders of the Company took place, where there were all decisions on the agenda of the meeting adopted.

At the end of 2018, Intergas UAB and Mažeikiai Oil Refinery (Orlen Lietuva, AB) signed a Contract for connection to the natural gas system. From 1 of January 2019 after joining Orlen Lietuva AB and starting to distribute natural gas, in 2019 the amount of gas transported through the interconnection point of the Company and Intergas UAB, and the ordered capacity has increased significantly, compared to the minimum parameters specified in the Agreement.

Following these new circumstances, on 3 April 2019 there was an additional Agreement concluded with the Company and Intergas UAB. Under this Agreement, the Company shall issue a credit invoice for the additional part of the connection fee and return the received bank guarantee.

On 24 April 2019 the KTE paid overdue debts for the funds of the LNG terminal.