

**AB AMBER GRID**  
**CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS**  
**AS OF 30 SEPTEMBER 2019**  
**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**  
**AS ADOPTED BY THE EUROPEAN UNION**

## CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2019

(all amounts are in euro thousand unless stated otherwise)

## Statement of financial position

		Notes	Group		Company	
			As of 30 September 2019	As of 31 December 2018	As of 30 September 2019	As of 31 December 2018
<b>ASSETS</b>						
<b>A.</b>	<b>Non-current assets</b>		<b>207,566</b>	<b>206,885</b>	<b>207,630</b>	<b>207,117</b>
I.	Intangible assets	4	2,897	2,699	2,462	2,259
II.	Property, plant and equipment	4	201,639	200,031	201,463	200,028
II.1.	Land		125	125	125	125
II.2.	Buildings		5,154	5,288	5,154	5,288
II.3.	Plant and equipment		142,374	141,518	142,374	141,518
II.4.	Machinery and equipment		38,223	39,922	38,223	39,922
II.5.	Motor vehicles		828	952	828	952
II.6.	Other		2,217	2,124	2,209	2,121
II.7.	The right-of-use assets	4	786	-	618	-
II.8.	Construction in progress	5	11,932	10,102	11,932	10,102
III.	Non-current financial assets		-	998	675	1,673
III.1	Investment in the subsidiary	1	-	-	675	675
III.2.	Non-current trade receivables	6	-	998	-	998
IV.	A deferred tax asset		3,030	3,157	3,030	3,157
<b>B.</b>	<b>Current assets</b>		<b>29,944</b>	<b>38,670</b>	<b>27,547</b>	<b>28,299</b>
I.	Inventories and prepayments		1,695	3,129	1,631	3,118
I.1.	Raw materials, spare parts and other inventories		1,402	2,795	1,402	2,795
I.2.	Prepayments		293	334	229	323
II.	Accounts receivable		26,123	23,302	25,900	23,524
II.1.	Trade receivables	6,17	4,965	6,038	4,782	6,113
II.2.	Other receivables	7,17	21,158	17,262	21,118	17,411
III.	Corporate income tax paid in advance		-	1,569	-	1,567
IV.	Other financial assets	8	1,629	10,143	3	56
V.	Cash and cash equivalents		497	529	13	34
<b>Total assets</b>			<b>237,510</b>	<b>245,555</b>	<b>235,177</b>	<b>235,416</b>

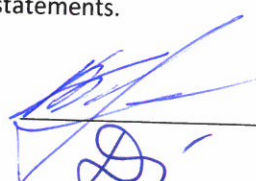

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The accompanying notes are an integral part of these financial statements.

**Statement of financial position (cont'd)**

		Group		Company	
		As of 30 September 2019	As of 31 December 2018	As of 30 September 2019	As of 31 December 2018
EQUITY AND LIABILITIES					
C.	Equity	133,781	131,242	134,107	131,596
I.	Share capital	51,731	51,731	51,731	51,731
II.	Reserves	74,638	99,990	74,638	99,990
II.1.	Legal reserve	5,173	5,173	5,173	5,173
II.2.	Other reserves	69,465	94,817	69,465	94,817
III.	Retained earnings (deficit)	7,412	(20,479)	7,738	(20,125)
D.	Accounts payable and liabilities	103,729	114,313	101,070	103,820
I.	Amounts payable after one year and non-current liabilities	52,829	55,805	52,674	55,805
I.1.	Non-current borrowings	51,739	55,357	51,739	55,357
	A right-of-use asset and corresponding liability	642	-	487	-
I.3.	Non-current employee benefits	448	448	448	448
I.4.	Deferred income tax liability	-	-	-	-
II.	Accounts payable within one year and short-term liabilities	50,900	58,508	48,396	48,015
II.1.	Current financial liability	1,161	6,791	1,161	6,791
II.2.	Current portion of non-current borrowings	25,063	17,976	25,063	17,976
II.3.	A right-of-use asset and corresponding liability	145	-	131	-
II.4.	Current year portion of non-current employee benefits	83	83	83	83
II.5.	Trade payables	4,095	6,273	3,309	5,970
II.6.	Advance amounts	3,076	10,099	1,450	12
II.7.	Income tax payable	305	-	307	-
II.8.	Payroll related liabilities	1,929	1,355	1,859	1,305
II.9.	Other payables and current liabilities	15,043	15,931	15,033	15,878
Total equity and liabilities		237,510	245,555	235,177	235,416

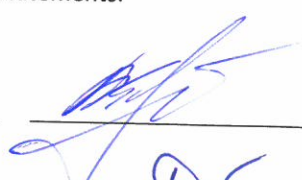

The accompanying notes are an integral part of these financial statements.

Acting Chief Executive Officer	Nemunas Biknius		6 November 2019
Chief Accountant	Dzintra Tamulienė		6 November 2019

**Income statement**

		Group			
	Notes	For the period of three months ended 30 September 2019	For the period of three months ended 30 September 2018	For the period of nine months ended 30 September 2019	For the period of nine months ended 30 September 2018
<b>I. Revenue</b>	<b>3</b>	<b>12,685</b>	<b>11,560</b>	<b>38,650</b>	<b>39,126</b>
<b>II. Expenses</b>		<b>(9,408)</b>	<b>(10,410)</b>	<b>(29,063)</b>	<b>(30,343)</b>
II.1. Cost of natural gas		(2,282)	(2,448)	(8,185)	(7,214)
II.2. Depreciation and amortization		(2,566)	(3,182)	(7,581)	(9,527)
II.3. Remuneration and related social security tax expenses		(2,292)	(2,237)	(7,202)	(6,460)
II.4. Repair and technical maintenance expenses		(961)	(1,260)	(2,289)	(3,659)
II.5. Taxes other than income tax		(462)	(481)	(1,374)	(1,362)
II.6. Telecommunications and IT systems expenses		(246)	(166)	(665)	(509)
II.7. Other expenses		(599)	(636)	(1,767)	(1,612)
<b>III. Operation profit (loss)</b>		<b>3,277</b>	<b>1,150</b>	<b>9,587</b>	<b>8,783</b>
<b>IV. Financial activity</b>		<b>(80)</b>	<b>(80)</b>	<b>(263)</b>	<b>(238)</b>
IV.1. Income	3	3	6	11	20
IV.2. Expense		(83)	(86)	(274)	(258)
<b>V. Profit (loss) before income tax</b>		<b>3,197</b>	<b>1,070</b>	<b>9,324</b>	<b>8,545</b>
<b>VI. Income tax</b>		<b>(484)</b>	<b>88</b>	<b>(1,559)</b>	<b>(849)</b>
VI.1. Current period income tax		(409)	601	(1,433)	-
VI.2. Deferred income tax		(75)	(513)	(126)	(849)
<b>VII. Net profit (loss)</b>		<b>2,713</b>	<b>1,158</b>	<b>7,765</b>	<b>7,696</b>
Basic and diluted earnings (loss) per share (Eur)					
	14			0,04	0,04

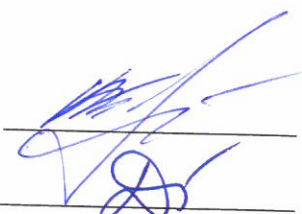

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Acting Chief Executive Officer	Nemunas Biknius		6 November 2019
Chief Accountant	Dzintra Tamulienė		6 November 2019

**Statement of comprehensive income**

		Group			
		For the period of three months ended 30 September 2019	For the period of three months ended 30 September 2018	For the period of nine months ended 30 September 2019	For the period of nine months ended 30 September 2018
<b>I.</b>	<b>Net profit (loss)</b>	<b>2,713</b>	<b>1,158</b>	<b>7,765</b>	<b>7,696</b>
<b>II.</b>	<b>Total comprehensive income (loss)</b>	<b>2,713</b>	<b>1,158</b>	<b>7,765</b>	<b>7,696</b>

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Chief Accountant	Dzintra Tamulienė		6 November 2019

CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS



AS OF 30 SEPTEMBER 2019

(all amounts are in euro thousand unless stated otherwise)

Income statement

		Notes	Company			
			For the period of three months ended 30 September 2019	For the period of three months ended 30 September 2018	For the period of nine months ended 30 September 2019	For the period of nine months ended 30 September 2018
I.	Revenue	3	12,622	11,482	38,255	38,877
II.	Expenses		(9,291)	(10,335)	(28,697)	(30,125)
II.1.	Cost of natural gas		(2,282)	(2,448)	(8,185)	(7,214)
II.2.	Depreciation and amortization		(2,531)	(3,156)	(7,486)	(9,453)
II.3.	Remuneration and related social security tax expenses		(2,224)	(2,192)	(6,998)	(6,345)
II.4.	Repair and technical maintenance expenses		(961)	(1,260)	(2,289)	(3,659)
II.5.	Taxes other than income tax		(461)	(481)	(1,373)	(1,362)
II.6.	Telecommunications and IT systems expenses		(232)	(152)	(622)	(466)
II.7.	Other expenses		(600)	(646)	(1,744)	(1,626)
III.	Operation profit (loss)		3,331	1,147	9,558	8,752
IV.	Financial activity		(79)	(79)	(261)	(237)
IV.1.	Income	3	3	6	12	20
IV.2.	Expense		(82)	(85)	(273)	(257)
V.	Profit (loss) before income tax		3,252	1,068	9,297	8,515
VI.	Income tax		(484)	88	(1,559)	(849)
VI.1.	Current period income tax		(409)	601	(1,433)	-
VI.2.	Deferred income tax		(75)	(513)	(126)	(849)
VII.	Net profit (loss)		2,768	1,156	7,738	7,666
Basic and diluted earnings (loss) per share (Eur)			14		0,04	0,04

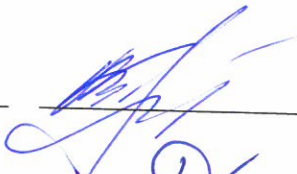
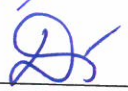
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Chief Accountant	Dzintra Tamulienė		6 November 2019

**Statement of comprehensive income**

		Company			
		For the period of three months ended 30 September 2019	For the period of three months ended 30 September 2018	For the period of nine months ended 30 September 2019	For the period of nine months ended 30 September 2018
I.	<b>Net profit (loss)</b>	<b>2,768</b>	<b>1,156</b>	<b>7,738</b>	<b>7,666</b>
II.	<b>Total comprehensive income (loss)</b>	<b>2,768</b>	<b>1,156</b>	<b>7,738</b>	<b>7,666</b>

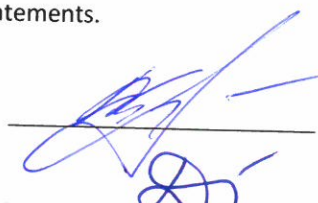

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Acting Chief Executive Officer	Nemunas Biknius		6 November 2019
Chief Accountant	Dzintra Tamulienė		6 November 2019

**Statement of changes in equity**

Group	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
<b>Balance as of 31 December 2017</b>	<b>51,731</b>	<b>5,173</b>	<b>124,978</b>	<b>(10,199)</b>	<b>171,683</b>
Transfer from other reserves	-	-	(30,161)	30,161	-
Dividends declared	-	-	-	(20,300)	(20,300)
Total comprehensive income (loss)	-	-	-	7,696	7,696
<i>Net profit (loss) for the year</i>	-	-	-	7,696	7,696
<b>Balance as of 30 September 2018</b>	<b>51,731</b>	<b>5,173</b>	<b>94,817</b>	<b>7,358</b>	<b>159,079</b>
<i>Impact of IFRS15 application</i>	-	-	-	1,467	1,467
Total comprehensive income (loss)	-	-	-	(29,304)	(29,304)
<i>Net profit (loss) for the year</i>	-	-	-	(29,304)	(29,304)
<b>Balance as of 31 December 2018</b>	<b>51,731</b>	<b>5,173</b>	<b>94,817</b>	<b>(20,479)</b>	<b>131,242</b>
Transfer from other reserves	-	-	(25,352)	25,352	-
Dividends declared	-	-	-	(5,227)	(5,227)
Total comprehensive income (loss)	-	-	-	7,765	7,765
<i>Net profit (loss) for the year</i>	-	-	-	7,765	7,765
<b>Balance as of 30 September 2019</b>	<b>51,731</b>	<b>5,173</b>	<b>69,465</b>	<b>7,412</b>	<b>133,781</b>

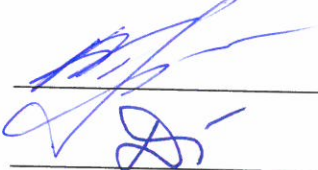

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Chief Accountant	Dzintra Tamulienė		6 November 2019

**Statement of changes in equity**

Company	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
<b>Balance as of 31 December 2017</b>	<b>51,731</b>	<b>5,173</b>	<b>124,978</b>	<b>(9,681)</b>	<b>172,021</b>
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
<b>Balance as of 30 September 2018</b>	<b>51,731</b>	<b>5,173</b>	<b>124,978</b>	<b>7,666</b>	<b>159,387</b>
<i>Impact of IFRS15 application</i>	-	-	-	1,467	1,467
Total comprehensive income (loss)	-	-	-	(29,258)	(29,258)
<i>Net profit (loss) for the year</i>	-	-	-	(29,258)	(29,258)
<b>Balance as of 31 December 2018</b>	<b>51,731</b>	<b>5,173</b>	<b>94,817</b>	<b>(20,125)</b>	<b>131,596</b>
Transfer from other reserves			(25,352)	25,352	-
Dividends declared				(5,227)	(5,227)
Total comprehensive income (loss)	-	-	-	7,738	7,738
<i>Net profit (loss) for the year</i>	-	-	-	7,738	7,738
<b>Balance as of 30 September 2019</b>	<b>51,731</b>	<b>5,173</b>	<b>69,465</b>	<b>7,738</b>	<b>134,107</b>

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Chief Accountant	Dzintra Tamulienė		6 November 2019

## Statement of cash flows

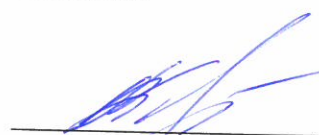
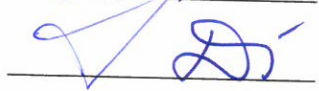
	Group		Company	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b>I. Cash flows from (to) operating activities</b>				
I.1. Net profit (loss)	7,765	7,696	7,738	7,666
<b>Adjustments of non-cash items and other corrections:</b>				
I.2. Depreciation and amortisation	7,581	9,527	7,486	9,453
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(6)	(12)	(6)	(12)
I.4. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	17	(15)	17	(15)
I.5. Income tax expenses (income)	1,559	849	1,559	849
I.6. Interest (income)	(1)	(20)	(1)	(20)
I.7. Interest expenses	273	257	273	257
I.8. Amortisation of grants (deferred revenue)	751	(96)	751	(96)
I.9. Elimination of other non-cash items	(11)	(2)	(11)	-
	<b>17,928</b>	<b>18,184</b>	<b>17,806</b>	<b>18,082</b>
<b>Changes in working capital:</b>				
I.10. Decrease (increase) in inventories	1,512	252	1,512	252
I.11. Decrease (increase) in trade accounts receivable	1,069	2,048	1,328	2,916
I.12. Decrease (increase) in other accounts receivable and prepayments	616	1,487	862	2,164
I.13. Increase (decrease) in trade accounts payable	(1,258)	1,802	(1,741)	(75)
I.14. Increase (decrease) in other accounts payable and other current liabilities	1,288	(2,083)	1,160	(2,120)
I.15. Decrease (increase) in other financial assets	53	(102)	53	(102)
I.16. Income tax (paid)	(510)	(1,620)	(510)	(1,620)
<b>Total changes in working capital</b>	<b>2,770</b>	<b>1,784</b>	<b>2,664</b>	<b>1,415</b>
<b>Net cash flows from operating activities</b>	<b>20,698</b>	<b>19,968</b>	<b>20,470</b>	<b>19,497</b>
<b>II. Cash flows from (to) investing activities</b>				
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(14,853)	(16,701)	(14,777)	(16,639)
II.2. Proceeds from sales of property, plant and equipment	25	17	25	17
II.3. Grants received	1,907	6,818	1,907	6,818
II.4. Loans granted	-	-	150	(30)
II.5. Interest received	6	16	6	16
<b>Net cash flows (to) investing activities</b>	<b>(12,915)</b>	<b>(9,850)</b>	<b>(12,689)</b>	<b>(9,818)</b>

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

	Group		Company	
	30 September 2019	30 September 2018	30 September 2019	30 September 2018
<b>III. Cash flows from (to) financing activities</b>				
III.1. Dividends (paid)	(5,226)	(20,290)	(5,226)	(20,290)
III.2. Proceeds from borrowings	10,000	10,657	10,000	10,657
III.3. (Repayments) of borrowings	(6,531)	(6,444)	(6,531)	(6,444)
III.4. The overdraft	(5,631)	-	(5,631)	-
III.5. Interest (paid)	(322)	(329)	(322)	(329)
III.6. The right-of-use assets	(114)	-	(101)	-
III.7. Other cash flows from (to) financial activities	9	6	9	4
<b>Net cash flows from (to) financing activities</b>	<b>(7,815)</b>	<b>(16,400)</b>	<b>(7,802)</b>	<b>(16,402)</b>
<b>IV. Net increase (decrease) in cash and cash equivalents</b>	<b>(32)</b>	<b>(6,282)</b>	<b>(21)</b>	<b>(6,723)</b>
<b>V. Cash and cash equivalents at the beginning of the period</b>	<b>529</b>	<b>6,972</b>	<b>34</b>	<b>6,726</b>
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>497</b>	<b>690</b>	<b>13</b>	<b>3</b>

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

Acting Chief Executive Officer	Nemunas Biknius		6 November 2019
Chief Accountant	Dzintra Tamulienė		6 November 2019

## Notes to the Financial Statements

### 1 General information

The consolidated financial statements disclose the financial position and performance of the Company and its subsidiary UAB GET Baltic (hereinafter - GET Baltic).

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

- transmission of natural gas in the territory of the Republic of Lithuania;
- balancing of natural gas flows 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.

On 30 September 2019, the Company had 105 contracts for natural gas transmission services with the users of natural gas transmission system (natural gas costumers, natural gas distribution system operators, natural gas supply companies that supply gas up to costumers systems). In addition, Company had entered into natural gas balancing agreements with 2 natural gas trade companies that trade natural gas, but do not use Company's transmission system infrastructure.

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 end 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
	<b>178,382,514</b>	<b>100.00</b>

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.

Company	Company code	Registered address of the company	Stake of shares held as of 30 September 2019	Stake of shares held as of 31 December 2018
UAB GET Baltic	302861178	Geležinio Vilko 18 A, Vilnius	100 %	100 %

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 30 September 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.

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:

- 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 30 September 2019 Get Baltic had 75 registered stock exchange participants.

On 30 September 2019 the average number of employees of the Group and the Company consisted 332 (as at 31 December 2018 – 343); on 30 September 2019 the Company consisted of 326 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 30 September 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). In previous periods, GET Baltic was not required to be consolidated in financial statements for insignificance according to national legislation, which complies with Seventh Council Directive.

Consolidated financial statement have been prepared from 1 January 2019, including retrospective reflection for previous periods. 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 30 September 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 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.

The Group and 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 Group and 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 IFRS 16 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.

The Group and 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 the Group and the Company to rent of premises and car parking spaces for the registered office of the Company. The Group and 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 the Company would be end in May 2024, or the GET Baltic end in April 2027. Management estimates that the Group and 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:

	Group		Company	
	30 September 2019	1 January 2019	30 September 2019	1 January 2019
Right-of-use assets	786	749	618	749
Lease liability – current portion	144	131	131	131
Lease liability – non-current portion	642	618	487	618
Expected impact on profit (loss) statement:				
- Increase of depreciation	114	-	102	-
- Other changes	151	-	(29)	-

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, or during the first nine months of 2019 total payments of EUR 23 thousand. The Company is currently evaluating whether these agreements are in scope of IFRS 16 or whether they are effectively a form of land tax.

### 3 Information by segments

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

During the first nine months of 2019, the Group earned 73 percent of its revenue from Lithuanian system users (in 2018: 66 percent) and 27 percent of its revenue was received from the transit service, i.e. transportation of gas to adjacent transmission systems (in 2018: 34 percent) and 1 percent revenue from gas exchange transactions.

The segment information for the period ended on 30 September 2019 is presented below:

2019	Transmission activity	Activities of the gas exchange	Total
Revenues	38,255	438	38,693
Income having eliminated the income of Group entities	38,251	399	38,650
Profit / loss from operating activities	9,558	29	9,587
Net financing income (costs)	(261)	(2)	(263)
Profit / loss before tax	9,297	27	9,324
Income tax	(1,559)	-	(1,559)
Net earnings (loss)	7,738	27	7,765
Depreciation / amortisation costs	(7,486)	(95)	(7,581)
Write-offs of non-current tangible assets	20	-	20

## CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2019

(all amounts are in euro thousand unless stated otherwise)

The segment information for the period ended on 30 September 2018 is presented below:

2018	Transfer activity	Activities of the gas exchange	Total
Revenues	38.877	291	39.168
Income having eliminated the income of Group entities	38,869	257	39,126
Profit / loss from operating activities	8,752	31	8,783
Net financing income (costs)	(237)	(1)	(238)
Profit / loss before tax	8.515	30	8.545
Income tax	(849)	-	(849)
Net earnings (loss)	7,666	30	7,696
Depreciation / amortisation costs	(9,453)	(74)	(9,527)
Write-offs of non-current tangible assets	5	-	5

#### 4 Non-current tangible and intangible assets

Non-current intangible assets	Group	Company
<b>Residual value as of 31 December 2017</b>	<b>1,455</b>	<b>1,008</b>
Additions	396	337
Amortisation	(279)	(206)
Netting of grants with the non-current assets	(158)	(158)
<b>Residual value as of 30 September 2018</b>	<b>1,414</b>	<b>981</b>
<b>Residual value as of 31 December 2019</b>	<b>2,699</b>	<b>2,259</b>
Additions	883	807
Amortisation	(733)	(652)
Netting of grants with the non-current assets	48	48
<b>Residual value as of 30 September 2019</b>	<b>2.897</b>	<b>2.462</b>
Non-current tangible assets	Group	Company
<b>Residual value as of 31 December 2017</b>	<b>241,976</b>	<b>241,973</b>
Additions	10,898	10,896
Depreciation	(10,727)	(10,726)
Netting of grants with the non-current assets	(2,761)	(2,761)
<b>Residual value as of 30 September 2018</b>	<b>239,386</b>	<b>239,382</b>
<b>Residual value as of 31 December 2018</b>	<b>200,031</b>	<b>200,028</b>
Additions	14.039	13.852
Depreciation	(8,673)	(8,659)
Sales	(1)	(1)
Write-offs	(196)	(196)
Netting of grants with the non-current assets	(3,561)	(3,561)
<b>Residual value as of 30 September 2019</b>	<b>201,639</b>	<b>201,463</b>

In the Group and the Company, long-term assets are accounted at revalued amount of assets, reducing the grants received for that asset, on 30 September 2019 – EUR 72,792 thousand (On 30 September 2018: EUR 68,523 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 30 September 2019, it stood at EUR 1,825 thousand (in 2018 - EUR 1,480 thousand).

## CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2019

(all amounts are in euro thousand unless stated otherwise)

	Non-current intangible assets	Non-current tangible assets	Total non-current tangible and intangible assets
<b>Residual value as of 31 December 2017</b>	<b>90</b>	<b>65,512</b>	<b>65,602</b>
Additions	161	4,240	4,401
Depreciation	(1)	(1,479)	(1,480)
<b>Residual value as of 30 September 2018</b>	<b>250</b>	<b>68,273</b>	<b>68,523</b>
<b>Residual value as of 31 December 2018</b>	<b>468</b>	<b>68,814</b>	<b>69,282</b>
Additions	40	5,296	5,339
Depreciation	(90)	(1,735)	(1,825)
Sales	-	-	-
Write-offs	-	-	-
<b>Residual value as of 30 September 2019</b>	<b>418</b>	<b>72,374</b>	<b>72,792</b>
<b>Assets managed under the right of use</b>		<b>Group</b>	<b>Company</b>
<b>Residual value as of 1 January 2019</b>		<b>749</b>	<b>749</b>
Additions		151	(29)
Depreciation		114	(102)
<b>Residual value as of 30 September 2019</b>		<b>786</b>	<b>618</b>

The assets managed under the right of use consists of the intangible assets and the lease of vehicles.

## 5 Construction in progress

The largest objects of construction in progress of the Group and Company as of 30 September 2019 were as follows:

Object	Group	
	30 September 2019	31 December 2018
Implementation of the Gas Interconnection Poland-Lithuania (GIPL) Project in the territory of the Republic of Lithuania	4,036	4,019
Reconstruction of separate sections of Riga-Panevėžys-Vilnius gas transmission pipeline	3,956	-
Reconstruction of main pipelines according to the results of the diagnostics	899	-
Replacement of the closing devices at the main pipeline to Kaliningrad and the branches to Utena, Praviėna, Kaišiadorys, Elektrėnai and Vievis DSS, and connection to SCADA	730	-
Launch of monitoring devices and installation of receiving cameras	-	4,576
Reconstruction of Jonava and Alytus M/R Stations	-	991
Construction of a gas transmission pipeline link between Vilnius-Kaunas and Kaunas-Šakiai pipelines	551	551
Installation of remote gas process control system and gas metering system data collection system	198	-
Heat insulation and modernisation of engineering systems of the administrative building (Gudelių St. 49, Vilnius)	444	-
Other	1,698	545
* Less: Impairment of construction in progress	(580)	(580)
	<b>11,932</b>	<b>10,102</b>

## CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2019

(all amounts are in euro thousand unless stated otherwise)

\* 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	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Non-current trade receivables</b>				
Other trade receivables	-	998	-	998
<b>Current trade receivables</b>				
Gas transmission services receivables	4,809	6,076	4,809	6,076
Other trade receivables	226	49	43	124
Less: allowance for the decrease in value of trade receivables	(70)	(87)	(70)	(87)
	<b>4,965</b>	<b>7,036</b>	<b>4,782</b>	<b>7,111</b>

At the end of 2018, Intergas UAB and Mažeikiai Oil Refinery (Orlen Lietuva, AB) signed a connection to the natural gas system agreement, 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 quantities has increased significantly, compared to the minimum parameters specified in the agreement.

Following these new circumstances, on 3 April 2019 Company and Intergas UAB concluded amendment to the agreement. In accordance with the terms of the amendment, the Company shall issue a credit invoice for the remaining part of the connection fee and return the received bank guarantee.

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.

**7. Other receivables**

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
LNG terminal funds receivable (administered by the Company)	14,225	14,942	14,225	14,942
Grants receivable	6,535	1,715	6,535	1,715
Receivables accrued for natural gas transportation	285	493	285	493
Other receivables	113	112	73	261
	<b>21,158</b>	<b>17,262</b>	<b>21,118</b>	<b>17,411</b>

The LNG terminal funds receivable as at 30 September 2019 include the overdue amount of EUR 4,578 thousand of which total the overdue amount of AB "Achema's" was EUR 4,494 thousand, the overdue amount of UAB "Geros dujos" was EUR 19 thousand, and the overdue amount of UAB "Geoterma" was EUR 65 thousand. For more information about AB "Achema" see note 16 Commitments and Contingencies.

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

**8 Other financial assets**

As of 30 September 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 "Ignitis" former UAB „Lietuvos energijos tiekimas“), and Amber Grid AB – to cover the administration expenses of the LNG terminal funds. Based on the Resolution No O3E-479 of 31 December 2018 the new natural gas supply security component has been effect from 1 January 2019.

The advance payment funds received by gas exchange members accounted for EUR 1,626 thousand.

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Funds of the LNG terminal	3	56	3	56
Funds transferred by the gas exchange members	1,626	10,087	-	-
	<b>1,629</b>	<b>10,143</b>	<b>3</b>	<b>56</b>

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

## 9 Loans

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
<b>Long-term loans</b>				
Loans from credit institutions of Lithuania	30,000	31,444	30,000	31,444
Loan from international financial institutions	21,739	23,913	21,739	23,913
<b>Short-term loans</b>				
Loans from credit institutions of Lithuania	-	6,791	-	6,791
Short-term loan (EPSO-G UAB)	1,161	-	1,161	-
Current portion of long-term loans	25,063	17,976	25,063	17,976
	<b>77,963</b>	<b>80,124</b>	<b>77,963</b>	<b>80,124</b>

For the balancing of working capital on 27 February 2019 the Company and EPSO-G UAB entered into lending and borrowing via cash pool agreement. The agreement sets a maximum borrowing limit of EUR 15,000 thousand from EPSO-G UAB.

The weighted average of the interest of the Group and Company loans as of 30 September 2019 was at 0.46 per cent (0.48 per cent as of and 31 December 2018).

## 10. 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 30 September 2019, the Company had calculated a corporate income tax relief amounting to EUR 58 thousand (as at 30 September 2018: EUR 1,382 thousand).

### 11. Trade payables

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Payables to suppliers under investment programme (reconstruction and modernisation)	2,176	2,995	2,176	2,995
Payables to suppliers of goods and providers of services	1,377	1,422	591	1,119
Payables to providers of repairs services under non-current assets repairs programme	104	295	104	295
Payables to suppliers of natural gas	438	1,561	438	1,561
	<b>4,095</b>	<b>6,273</b>	<b>3,309</b>	<b>5,970</b>

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

### 12. Received advanced payments

Advance payments received by the Company are the payments received from the EU for investment projects. GET Baltic 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.

### 13. Other payables and current liabilities

	Group		Company	
	30 September 2019	31 December 2018	30 September 2019	31 December 2018
Payable LNG terminal funds administrated by the Company	13,391	12,310	13,391	12,311
Accrued LNG terminal funds subject to administration by the Company*	836	2,684	836	2,684
Real Estate Tax payable	1	429	1	429
Value Added Tax (VAT) payable	433	28	433	-
Other payables	382	479	372	454
	<b>15,043</b>	<b>15,931</b>	<b>15,033</b>	<b>15,878</b>

\*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 "Ignitis" former 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.

### 14. 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	
	30 September 2019	30 September 2018
Net profit (loss) attributable to the shareholders (EUR thousand)	7,765	7,696
Weighted average number of shares (thousand)	178,383	178,383
Earnings per share (EUR)	<b>0,04</b>	<b>0,04</b>

## 15 Dividends

The annual meeting of shareholders of the Company of 23 April 2019 approved the dividends for the year ended 31 December 2018; the dividends accounted for EUR 5,227 thousand or EUR 0.0293 per share.

## 16 Commitments and contingencies

### Legal disputes

The Company has brought two civil actions regarding a recovery from AB Achema of a component for gas supply security additional to natural gas transmission price (hereinafter – the LNG terminal funds). The Company acts only as the administrator of the LNG terminal's funds, and transfers the LNG terminal funds to the payees only after it collects the payments from the customers, therefore the Company does not face any credit risk regarding the contested amounts.

### Contingencies related to commitments to purchase non-current assets

As at 31 December 2019, the Company had agreements on purchase of non-current assets that are not recognised in these financial statements in the amount of EUR 431 thousand (31 December 2018: EUR 2,427 thousand).

## 17 Related party transactions

For the purpose of disclosure of related parties in accordance with the Article 37<sup>2</sup> 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 30 September 2019 were the following:

- 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,);
- Lietuvos Energija UAB group (UAB "Ignitis group, AB "Energijos skirstymo operatorius", UAB Litgas);
- Ministry of Energy (,AB "Klaipėdos Nafta", VĮ Ignalinos atominė);
- Other state-owned companies(UAB "Geoterma");
- The Management.

## CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

AS OF 30 SEPTEMBER 2019

(all amounts are in euro thousand unless stated otherwise)

As of 30 September, 2019	Group			
	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB „EPSO - G“	60	-	-	33
UAB „Ignitis gamyba“	8	16,245	2,031	504
AB „Energijos skirstymo operatorius“	132	717	85	8
UAB „Ignitis“	44,249 <sup>2)</sup>	31,216 <sup>2)</sup>	3,578 <sup>2)</sup>	3,734 <sup>2)</sup>
AB „Klaipėdos nafta“	50,964 <sup>2)</sup>	2 <sup>1)</sup>	-	10,036 <sup>2)</sup>
VĮ Ignalinos atominė	-	180 <sup>2)</sup>	26 <sup>2)</sup>	-
VĮ „Geoterma“	-	-	110 <sup>2)</sup>	-
	<b>95,413</b>	<b>48,360</b>	<b>5,830</b>	<b>14,315</b>
As of 30 September, 2018	Group			
	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB „EPSO - G“	93	-	-	29
UAB „Ignitis gamyba“	-	19,326 <sup>1)</sup>	2,239 <sup>1)</sup>	570
AB „Energijos skirstymo operatorius“	181	615	73	5
UAB „Ignitis“	4,755 <sup>2)</sup>	29,819 <sup>2)</sup>	3,152 <sup>2)</sup>	154 <sup>2)</sup>
UAB Litgas	17,476 <sup>2)</sup>	640 <sup>1)</sup>	192 <sup>1)</sup>	2,999 <sup>2)</sup>
AB „Klaipėdos nafta“	47,440 <sup>2)</sup>	-	-	9,397 <sup>2)</sup>
VĮ Ignalinos atominė	-	164 <sup>2)</sup>	26 <sup>2)</sup>	-
VĮ „Geoterma“	-	-	110 <sup>2)</sup>	-
	<b>69,945</b>	<b>50,564</b>	<b>5,792</b>	<b>13,154</b>
As of 30 September, 2019	Company			
	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	5,148 <sup>1)</sup>	66 <sup>1)</sup>	-	349 <sup>1)</sup>
UAB „EPSO - G“	60	-	-	33
UAB „Ignitis gamyba“	8	14,948	2,031	3 <sup>1)</sup>
AB „Energijos skirstymo operatorius“	132	717	85	8
UAB „Ignitis“	23,247 <sup>2)</sup>	30,952 <sup>2)</sup>	3,577 <sup>2)</sup>	3,408 <sup>2)</sup>
AB „Klaipėdos nafta“	50,964 <sup>2)</sup>	-	-	10,036 <sup>2)</sup>
VĮ Ignalinos atominė	-	180 <sup>2)</sup>	26 <sup>2)</sup>	-
VĮ „Geoterma“	-	-	110 <sup>2)</sup>	-
	<b>79,559</b>	<b>46,863</b>	<b>5,829</b>	<b>13,837</b>
As of 30 September, 2018	Company			
	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	4,765 <sup>1)</sup>	19 <sup>1)</sup>	154	688
UAB „EPSO - G“	93	-	-	29
UAB „Ignitis gamyba“	-	17,028	2,239	-
AB „Energijos skirstymo operatorius“	181	615	73	5
UAB „Ignitis“	2,197 <sup>2)</sup>	26,225 <sup>2)</sup>	3,152 <sup>2)</sup>	154 <sup>2)</sup>
UAB Litgas	17,476 <sup>2)</sup>	571 <sup>2)</sup>	191 <sup>2)</sup>	2,500 <sup>2)</sup>
AB „Klaipėdos nafta“	47,440 <sup>2)</sup>	-	-	9,397 <sup>2)</sup>
VĮ Ignalinos atominė	-	164 <sup>2)</sup>	26 <sup>2)</sup>	-
VĮ „Geoterma“	-	-	110 <sup>2)</sup>	-
	<b>44,622</b>	<b>5,945</b>	<b>12,773</b>	<b>72,152</b>

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 purchases and sales 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 30 September 2019 the Company and Group 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. 30 September	2018 m. 30 September	2019 m. 30 September	2018 m. 30 September
Earnings-related benefits	427	341	384	314
Benefits for Board Members	16	14	16	14
	<b>443</b>	<b>355</b>	<b>400</b>	<b>328</b>

The management of the Group and the Company includes the CEO and the Directors of Technical, Legal and Administrative, Commercial and Finance, No loans, guarantees or assets have been granted to the Management of the Group and the Company.

#### 18 Subsequent events

On 28 October 2019, Saulius Bilys, the General Manager of the Company resigned from his position. The Board of Amber Grid AB appointed Nemunas Biknius, the Chair of the Board as the acting Chief Executive Officer.

The Board of Directors of the Company on 29<sup>th</sup> of October 2019 repealed the decision of 6<sup>th</sup> August 2019 regarding the approval of the essential contract terms and conditions for construction works of the gas connection between Poland and Lithuania. The Company will re-evaluate final proposals in the tender for construction works of the gas connection between Lithuania and Poland. The decision was taken considering comments provided in the Public Procurement Office conclusion.