



**CONFIRMATION OF RESPONSIBLE PERSONS**

16 May 2018 No. *5-310-15*

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 March 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 MARCH 2018**

**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**

**AS ADOPTED BY THE EUROPEAN UNION**

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 2018

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position

		As of 31 March 2018 (unaudited)	As of 31 December 2017 (audited)
	<b>Notes</b>		
<b>ASSETS</b>			
<b>A.</b>	<b>Non-current assets</b>	<b>242,712</b>	<b>244,654</b>
I.	Intangible assets	938	1,008
II.	Property, plant and equipment	240,101	241,973
II.1.	Land	125	125
II.2.	Buildings	5,403	5,464
II.3.	Plant and equipment	173,788	174,971
II.4.	Machinery and equipment	49,278	50,111
II.5.	Motor vehicles	921	999
II.6.	Other	2,467	2,058
II.7.	Construction in progress	8,119	8,245
III.	Non-current financial assets	1,673	1,673
III.1.	Investment in the subsidiary	675	675
III.2.	Non current trade receivables	998	998
<b>B.</b>	<b>Current assets</b>	<b>29,080</b>	<b>35,544</b>
I.	Inventories and prepayments	2,496	2,168
I.1.	Raw materials, spare parts and other inventories	2,255	2,028
I.2.	Prepayments	241	140
II.	Accounts receivable	20,150	26,559
II.1.	Trade receivables	5,594	7,485
II.2.	Other receivables	14,556	19,074
III.	Other financial assets	202	91
IV.	Cash and cash equivalents	6,232	6,726
	<b>Total assets</b>	<b>271,792</b>	<b>280,198</b>

(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 MARCH 2018

(all amounts are in euro thousand unless stated otherwise)

## Statement of financial position (cont'd)

	Notes	As of 31 March 2018 (unaudited)	As of 31 December 2017 (audited)
<b>EQUITY AND LIABILITIES</b>			
<b>C. Equity</b>		<b>177,256</b>	<b>172,021</b>
I. Share capital		51,731	51,731
II. Reserves		130,151	130,151
II.1. Legal reserve		5,173	5,173
II.2. Other reserves		124,978	124,978
III. Retained earnings (deficit)		(4,626)	(9,861)
III.1. Current year profit (loss)		5,235	(9,861)
III.2. Previous year profit (loss)		(9,861)	-
<b>D. Accounts payable and liabilities</b>		<b>94,536</b>	<b>108,177</b>
I. Amounts payable after one year and non-current liabilities		63,062	62,709
I.1. Non-current borrowings	10	59,333	59,333
I.2. Grants (deferred revenue)	12	1,492	1,501
I.3. Non-current employee benefits		321	321
I.4. Deferred income tax liability		1,916	1,554
Accounts payable within one year and short-term liabilities		31,474	45,468
II.1. Current financial liability		-	-
II.2. Current portion of non-current borrowings	10	11,444	17,889
II.3. Current year portion of non-current employee benefits		91	91
II.4. Trade payables	13	3,613	9,934
II.5. Advance amounts		732	725
II.6. Income tax payable		84	142
II.7. Payroll related liabilities		2,024	1,422
II.8. Other payables and current liabilities	14	13,486	15,265
<b>Total equity and liabilities</b>		<b>271,792</b>	<b>280,198</b>

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

Director General	Saulius Bilys		16 May 2018
Chief Accountant	Dzintra Tamulienė		16 May 2018

COMPANY'S CONDENSED FINANCIAL STATEMENTS



AS OF 31 MARCH 2018

(all amounts are in euro thousand unless stated otherwise)

Income statement

	Notes	For the period of three months ended 31 March 2018 (unaudited)	For the period of three months ended 31 March 2017 (unaudited)
<b>I. Revenue</b>	16	<b>15,600</b>	<b>19,292</b>
<b>II. Expenses</b>		<b>(9,444)</b>	<b>(9,828)</b>
II.1. Cost of natural gas		(2,118)	(1,592)
II.2. Depreciation and amortization		(3,122)	(3,660)
II.3. Remuneration and related social security tax expenses		(2,005)	(2,009)
II.4. Repair and technical maintenance expenses		(1,176)	(1,500)
II.5. Taxes other than income tax		(440)	(442)
II.6. Telecommunications and IT systems expenses		(145)	(136)
II.7. Other expenses		(438)	(489)
<b>III. Operation profit (loss)</b>		<b>6,156</b>	<b>9,464</b>
<b>IV. Financial activity</b>		<b>(75)</b>	<b>31</b>
IV.1. Income		8	134
IV.2. Expense		(83)	(103)
<b>V. Profit (loss) before income tax</b>		<b>6,081</b>	<b>9,495</b>
<b>VI. Income tax</b>		<b>(846)</b>	<b>(1,394)</b>
VI.1. Current period income tax		(484)	(764)
VI.2. Deferred income tax		(362)	(630)
<b>VII. Net profit (loss)</b>		<b>5,235</b>	<b>8,101</b>
Basic and diluted earnings (loss) per share (Eur)	15	0.03	0.05



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

Director General	Saulius Bilys		16 May 2018
Chief Accountant	Dzintra Tamulienė		16 May 2018

**Statement of comprehensive income**

	<b>For the period of three months ended 31 March 2018 (unaudited)</b>	<b>For the period of three months ended 31 March 2017 (unaudited)</b>
I. <b>Net profit (loss)</b>	<b>5,235</b>	<b>8,101</b>
II. <b>Total comprehensive income (loss)</b>	<b>5,235</b>	<b>8,101</b>

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

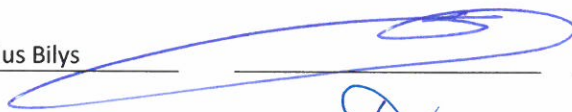
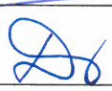
Director General	Saulius Bilys		16 May 2018
Chief Accountant	Dzintra Tamulienė		16 May 2018

Statement of changes in equity

	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
<b>Balance as of</b>					
<b>31 December 2016 (audited)</b>	<b>51,731</b>	<b>5,173</b>	<b>124,978</b>	<b>20,928</b>	<b>202,810</b>
Total comprehensive income (loss)	-	-	-	8,101	8,101
<i>Net profit (loss) for the year</i>	-	-	-	<i>8,101</i>	<i>8,101</i>
<b>Balance as of</b>					
<b>31 March 2017 (unaudited)</b>	<b>51,731</b>	<b>5,173</b>	<b>124,978</b>	<b>(29,029)</b>	<b>210,911</b>
Dividends declared	-	-	-	(20,928)	(20,928)
Total comprehensive income (loss)	-	-	-	17,962	17,962
<i>Net profit (loss) for the year</i>	-	-	-	<i>17,962</i>	<i>17,962</i>
<b>Balance as of</b>					
<b>31 December 2017 (audited)</b>	<b>51,731</b>	<b>5,173</b>	<b>124,978</b>	<b>(9,861)</b>	<b>172,021</b>
Total comprehensive income (loss)	-	-	-	5,235	5,235
<i>Net profit (loss) for the year</i>	-	-	-	<i>5,235</i>	<i>5,235</i>
<b>Balance as of</b>					
<b>31 March 2018 (unaudited)</b>	<b>51,731</b>	<b>5,173</b>	<b>124,978</b>	<b>(4,626)</b>	<b>177,256</b>

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

\* Result of share capital conversion into the euro.

Director General	Saulius Bilys		16 May 2018
Chief Accountant	Dzintra Tamulienė		16 May 2018

## Statement of cash flows

	31 March 2018 (unaudited)	31 March 2017 (unaudited)
<b>I. Cash flows from (to) operating activities</b>		
I.1. Net profit (loss)	5,235	8,101
<b>Adjustments of non-cash items and other corrections:</b>		
I.2. Depreciation and amortisation	3,122	3,660
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(14)	(10)
I.4. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	2	25
I.5. Income tax expenses (income)	846	1,394
I.6. Interest (income)	(8)	-
I.7. Interest expenses	82	103
I.8. Amortisation of grants (deferred revenue)	(11)	(11)
I.9. Elimination of other non-cash items	-	(132)
	<b>9,254</b>	<b>13,130</b>
<b>Changes in working capital:</b>		
I.10. Decrease (increase) in inventories	(228)	(414)
I.11. Decrease (increase) in trade accounts receivable	1,890	400
I.12. Decrease (increase) in other accounts receivable and prepayments	1,885	2,181
I.13. Increase (decrease) in trade accounts payable	228	95
I.14. Increase (decrease) in other accounts payable and other current liabilities	(1,117)	(2,044)
I.15. Decrease (increase) in other financial assets	(111)	1,627
I.16. Income tax (paid)	(543)	(358)
<b>Total changes in working capital</b>	<b>2,004</b>	<b>1,484</b>
<b>Net cash flows from operating activities</b>	<b>11,258</b>	<b>14,614</b>
<b>II. Cash flows from (to) investing activities</b>		
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(8,722)	(3,803)
II.2. Proceeds from sales of property, plant and equipment	15	10
II.3. Grants received	3,556	2,737
II.4. Loans granted	(30)	-
II.5. Interest received	6	-
<b>Net cash flows (to) investing activities</b>	<b>(5,175)</b>	<b>(1,056)</b>

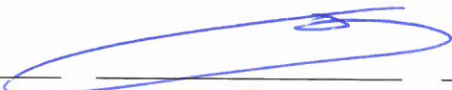

The accompanying notes are an integral part of these financial statements.  
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Statements of cash flows (cont'd)

	31 March 2018 (unaudited)	31 March 2017 (unaudited)
<b>III. Cash flows from (to) financing activities</b>		
III.1. Dividends (paid)	-	-
III.2. Proceeds from borrowings	-	-
III.3. (Repayments) of borrowings	(6,444)	(11,444)
III.5. Interest (paid)	(123)	(143)
III.6. Other cash flows from (to) financial activities	(10)	133
<b>Net cash flows from (to) financing activities</b>	<b>(6,577)</b>	<b>(11,454)</b>
<b>IV. Net increase (decrease) in cash and cash equivalents</b>	<b>(494)</b>	<b>2,104</b>
<b>V. Cash and cash equivalents at the beginning of the period</b>	<b>6,726</b>	<b>13,966</b>
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>6,232</b>	<b>16,070</b>

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

Director General	Saulius Bilys		16 May 2018
Chief Accountant	Dzintra Tamulienė		16 May 2018

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 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 March 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 March 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 March 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 March 2018	Stake of shares held as of 31 March 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 March 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 March 2018, the Company was party to 103 natural gas transmission service contracts with natural gas transmission system users (consumers of natural gas, natural gas distribution system operators, natural gas companies which supply gas up to consumer systems). As regards natural gas businesses that trade in natural gas, but do not transmit gas via the transmission system, the Company had entered with such companies into 3 natural gas balancing agreements.

AB Amber Grid's condensed financial statements, including the financial statements as of 31 March 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 March 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, except for the non-current assets, which were recorded at revalued amount less accumulated depreciation and taking into account impairment loss.

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 MARCH 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 first three months of 2018, the Company earned 71 percent of its revenue from Lithuanian system users (in 2017: 76 percent) and 29 percent of its revenue was received from the transit service, i.e. transportation of gas to the Kaliningrad Region of the Russian Federation and in the direction of Latvia (in 2017: 24 percent).

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

Non-current assets were accounted by subtracting from the revalued assets the value the amount of grants received / receivable and used for the acquisition of the assets in question as at 31 March 2018—EUR 66,127 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 March 2018 it stood at EUR 467 thousand (in 2017: EUR 483 thousand).

	As of 31 March 2018 incl. subsidised assets (unaudited)	As of 31 March 2018 excl. subsidised (unaudited)	As 31 Dec 2017 Incl. subsidised assets (audited)	AS 31 Dec 2017 excl. subsidised assets (audited)
<b>Property, plant and equipment /Non-current intangible assets</b>	<b>307,166</b>	<b>241,039</b>	<b>308,583</b>	<b>242,981</b>
Intangible assets	1,028	938	1,098	1,008
Property, plant and equipment	306,138	240,101	307,485	241,973
Land	125	125	125	125
Buildings	5,617	5,403	5,680	5,464
Plant and equipment	228,617	173,788	230,054	174,971
Machinery and equipment	53,054	49,278	53,601	50,111
Motor vehicles	921	921	999	999
Other	3,482	2,467	2,538	2,058
Construction in progress	14,322	8,119	14,488	8,245
<b>Deferred revenue</b>	<b>67,621</b>	<b>1,492</b>	<b>67,104</b>	<b>1,501</b>

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 2018

(all amounts are in euro thousand unless stated otherwise)

**5 Construction in progress**

The largest objects of construction in progress of the Company as of 31 March 2018 were as follows:

Object	As of 31 March 2018 excl. subsidised assets (unaudited)	As of 31 December 2017 m. excl. subsidised assets (audited)
Implementation of the Gas Interconnection Poland-Lithuania (GIPL) Project in the territory of the Republic of Lithuania	3,998	3,998
Modernisation of Panevėžys Gas Compressor Station	144	605
Modernisation of gas transmission pipelines line block valves	2,150	1,776
Reconstruction of Jonava and Alytus M/R Stations	1,211	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	645	672
* Less: Impairment of construction in progress	(580)	(580)
	<b>8,119</b>	<b>8,245</b>

\* 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 March 2018 (unaudited)	31 December 2017 (audited)
<b>Non-current trade receivables</b>		
Other trade receivables	998	998
<b>Current trade receivables</b>		
Gas transmission services receivables	5,573	7,499
Other trade receivables	78	43
Less: allowance for the decrease in value of trade receivables	(57)	(57)
	<b>6,592</b>	<b>8,483</b>

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

**7. Other receivables**

	31 March 2018 (unaudited)	31 December 2017 (audited)
LNG terminal funds receivable (administered by the Company)	12,786	14,186
Other receivables (grants)	1,562	4,124
Receivables accrued for natural gas transportation	-	575
Other receivables	208	189
	<b>14,556</b>	<b>19,074</b>

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 2018

(all amounts are in euro thousand unless stated otherwise)

**7. Other receivables (cont'd)**

The LNG terminal funds receivable as at 31 March 2018 include the overdue amount of EUR 4,174 thousand, of which total the overdue amount of AB Achema's was EUR 3,838 thousand, the overdue amount of UAB Kauno Termofikacinė Elektinė was EUR 251 thousand, and the overdue amount of UAB Geoterma was EUR 65 thousand, and the overdue amount of UAB Nemėžio Komunalininkas was EUR 20 thousand. For more information about AB Achema and about UAB Geoterma see Note 17 "Commitments and contingencies".

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

**8 Other financial assets**

As of 31 December 2017, the Company's Other Financial Assets consisted of the cash received from the natural gas supply security-related extra tariff component added to the natural gas transmission price (surcharge), for the sake of brevity referred to as the LNG terminal funds. The aforesaid funds were received from system users, they are kept in a separate LNG terminal funds bank account fully compliant with legislative requirements and are designated to be paid out to the beneficiaries of the LNG terminal funds: to the operator of the LNG terminal (AB Klaipėdos Nafta), to the designated supplier (UAB Litgas) and to AB Amber Grid (in order to compensate for the administration cost of the LNG terminal funds). On 7 December 2017, by Resolution No O3E-583, the NCC adopted a new additional security-related price component to be added to the regular natural gas price, which started to be applied to system users as from 1 January 2018.

**9 Cash and cash equivalents**

	<b>31 March 2018 (unaudited)</b>	<b>31 December 2017 (audited)</b>
Cash at bank	6,232	6,726
	<b>6,232</b>	<b>6,726</b>

The Company keeps its cash balance in bank accounts. Nevertheless, where there is such a possibility, the Company invests in deposits with the shortest term possible (overnight). As of 31 March 2018, the Company had no overnight deposit contracts.

**10 Loans**

	<b>31 March 2018 (unaudited)</b>	<b>31 December 2017 (audited)</b>
<b>Long-term loans</b>		
Loans from credit institutions of Lithuania	34,333	34,333
Loan from international financial institutions	25,000	25,000
<b>Short-term loans</b>		
Loans from credit institutions of Lithuania	-	-
Current portion of long-term loans	11,444	17,889
	<b>70,777</b>	<b>77,222</b>

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

In order to balance its working capital, on 1 March 2017 the Company concluded an overdraft contract for the amount of up to EUR 10,000 thousand. As at 31 March 2018, the overdraft was not used

COMPANY'S CONDENSED FINANCIAL STATEMENTS

AS OF 31 MARCH 2018

(all amounts are in euro thousand unless stated otherwise)

**11. Deferred revenue**

	Deferred revenue	Revenue- related grants	Total
<b>Balance as at 31 December 2017</b>	<b>1,501</b>	-	<b>1,501</b>
Received / receivable	-	2	2
Depreciation/amortisation	(9)	(2)	(11)
<b>Balance as at 31 March 2018</b>	<b>1,492</b>	-	<b>1,492</b>

Deferred revenue amounted to EUR 1,492 thousand (in 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 March 2018, the Company had calculated a corporate income tax relief amounting to EUR 485 thousand (as at 31 March 2017: EUR 764 thousand).

**13. Trade payables**

	31 March 2018 (unaudited)	31 December 2017 (audited)
Payables to suppliers under investment programme (new construction)	-	1
Payables to suppliers under investment programme (reconstruction and modernisation)	1,604	8,152
Payables to suppliers of goods and providers of services	509	907
Payables to providers of repairs services under non-current assets repairs programme	412	352
Payables to suppliers of natural gas	1,088	522
	<b>3,613</b>	<b>9,934</b>

As at 31 March 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 March 2018 (unaudited)	31 December 2017 (audited)
Payable LNG terminal funds administrated by the Company	12,153	11,356
Accrued LNG terminal funds subject to administration by the Company*	834	2,924
Real Estate Tax payable	-	432
Value Added Tax (VAT) payable	304	286
Other payables	195	267
	<b>13,486</b>	<b>15,265</b>

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**14. Other payables and current liabilities (cont'd)**

\*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.

**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:

	<b>31 March 2018 (unaudited)</b>	<b>31 March 2017 (unaudited)</b>
Net profit (loss) attributable to the shareholders (EUR thousand)	5,235	8,101
Weighted average number of shares (thousand)	178,383	178,383
Earnings per share (EUR)	<b>0.03</b>	<b>0.05</b>

**16. Revenue**

	<b>For the period of three months ended 31 March 2018 (unaudited)</b>	<b>For the period of three month ended 31 March 2017 (unaudited)</b>
Income from natural gas transmission in the territory of Lithuania	13,912	17,606
Income from balancing services in the transmission system	1,614	1,621
Grants recognised as income	11	11
Income from LNG terminal fund administration	11	31
Other income	52	23
	<b>15,600</b>	<b>19,292</b>

**17 Commitments and contingencies**

Litigations

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

The Company acts only as the administrator of the LNG terminal funds and transfers LNG terminal funds to beneficiaries only when those funds are collected from buyers. Therefore, the Company is not exposed to credit risk as regards the disputed amounts.

On 21 June 2017, Amber Grid AB filed a claim to Klaipėda City District Court whereby it requested to issue a court order in relation to the award of the debt amounting to EUR 106 thousand, interest on late payment equal to EUR



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**17 Commitments and contingencies (cont'd)**

6 thousand, 6% annual interest on the awarded amount starting from the day of bringing the case before the court until the date of full fulfilment of the court's ruling, as well as litigation expenses totalling EUR 0.4 thousand from the debtor GEOTERMA UAB. On 22 June 2017, Klaipėda City District Court satisfied the claim of Amber Grid AB, awarded the stated amount, and passed a decision on the application of provisional remedies.

**18 Related party transactions**

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

As of 31 March 2018 and as of 31 March 2017, the related parties of the Company were as follows:

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

The tables below present the Company's balances and transactions with the related parties as of 31 March 2018 and as of 31 March 2017:

<b>As of 31 March 2018 (unaudited)</b>	<b>Acquisitions</b>	<b>Sales</b>	<b>Accounts receivable</b>	<b>Accounts payable</b>
UAB GET Baltic	1,149 <sup>1)</sup>	3	151	160
UAB EPSO-G	23	-	-	19
	<b>1,172</b>	<b>3</b>	<b>151</b>	<b>179</b>

<b>As of 31 March 2017 (unaudited)</b>	<b>Acquisitions</b>	<b>Sales</b>	<b>Accounts receivable</b>	<b>Accounts payable</b>
UAB GET Baltic	7 <sup>1)</sup>	2	1	4
UAB EPSO-G	15	-	-	12
	<b>22</b>	<b>2</b>	<b>1</b>	<b>16</b>

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

On 30 March 2017, AB Amber Grid and GET Baltic signed a loan agreement under which AB Amber Grid may extend to GET Baltic UAB a loan of up to EUR 200,000 (EUR 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 March 2018, AB Amber Grid's loan granted to UAB GET Baltic amounted EUR 150,000 (EUR one hundred and fifty thousand).

The interest accrued for the three months of 2018 for the loan used amounted to EUR 0.5 thousand.

There were no guarantees either provided or received for receivables from the related parties or for payables to them. As at 31 March 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 three months ended 31 March 2018, the Company's benefits to the Management of the Company amounted to EUR 78 thousand (during the period of three months ended 31 March 2017: EUR 73 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 three months ended 31 March 2018, benefits paid to the members of the Company Board amounted to EUR 5 thousand (during the period of three months ended 31 March 2017: EUR 9 thousand).

### **18 Subsequent events**

On 24 April 2018, an Annual General Meeting of Shareholders was held, which adopted all the resolutions as per agenda.