



CONFIRMATION OF RESPONSIBLE PERSONS

6 February 2020 No. *7-310-161*

Following the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Nemunas Biknius, Acting 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 condensed consolidated and the Company's financial statements for the period ended 31 December 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.

Acting Chief Executive Officer

Nemunas Biknius

Chief Financial Officer

Gytis Fominas

AB AMBER GRID
CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS
AS OF 31 DECEMBER 2019
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2019

(all amounts are in euro thousand unless stated otherwise)

Statement of financial position

		Notes	Group	Company		
			As of 31 December 2019	As of 31 December 2018	As of 31 December 2019	As of 31 December 2018
ASSETS						
A.	Non-current assets		208.080	206.885	207.949	207.117
I.	Intangible assets	4	2.910	2.699	2.262	2.259
II.	Property, plant and equipment	4	202.102	200.031	201.944	200.028
II.1.	Land		125	125	125	125
II.2.	Buildings		5.183	5.288	5.183	5.288
II.3.	Plant and equipment		147.770	141.518	147.770	141.518
II.4.	Machinery and equipment		37.714	39.922	37.714	39.922
II.5.	Motor vehicles		773	952	773	952
II.6.	Other		2.641	2.124	2.634	2.121
II.7.	The right-of-use assets	4	736	-	585	-
II.8.	Construction in progress	5	7.160	10.102	7.160	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		3.068	3.157	3.068	3.157
B.	Current assets		46.781	38.820	28.094	28.299
I.	Inventories and prepayments		2.651	3.129	2.640	3.118
I.1.	Raw materials, spare parts and other inventories		2.119	2.795	2.119	2.795
I.2.	Prepayments		532	334	521	323
II.	Accounts receivable		25.249	23.450	25.253	23.524
II.1.	Trade receivables	6,17	5.860	6.188	5.865	6.113
II.2.	Other receivables	7,17	19.389	17.262	19.388	17.411
III.	Corporate income tax paid in advance		-	1.569	-	1.567
IV.	Other financial assets	8	18.648	10.630	4	56
V.	Cash and cash equivalents		233	42	197	34
Total assets			254.861	245.705	236.043	235.416

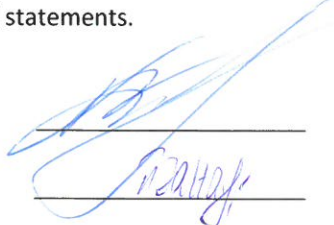
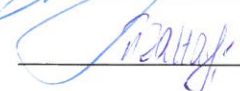
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The accompanying notes are an integral part of these financial statements.

Statement of financial position (cont'd)

		Group		Company	
	Notes	As of 31 December 2019	As of 31 December 2018	As of 31 December 2019	As of 31 December 2018
EQUITY AND LIABILITIES					
C.	Equity	137.863	131.242	138.182	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)	11.494	(20.479)	11.813	(20.125)
D.	Accounts payable and liabilities	116.998	114.463	97.861	103.820
I.	Amounts payable after one year and non-current liabilities	52.805	55.805	52.675	55.805
I.1.	Non-current borrowings	51.739	55.357	51.739	55.357
I.2.	A right-of-use asset and corresponding liability	585	-	455	-
I.3.	Non-current employee benefits	481	448	481	448
I.4.	Deferred income tax liability	-	-	-	-
II.	Accounts payable within one year and short-term liabilities	64.193	58.658	45.186	48.015
II.1.	Current financial liability	6.452	6.791	6.272	6.791
II.2.	Current portion of non-current borrowings	13.618	17.976	13.618	17.976
II.3.	A right-of-use asset and corresponding liability	154	-	132	-
II.4.	Current year portion of non-current employee benefits	53	83	53	83
II.5.	Trade payables	6.966	6.423	4.191	5.970
II.6.	Advance amounts	17.103	10.099	1.431	12
II.7.	Income tax payable	688	-	688	-
II.8.	Payroll related liabilities	1.723	1.355	1.655	1.305
II.9.	Other payables and current liabilities	17.436	15.931	17.146	15.878
	Total equity and liabilities	254.861	245.705	236.043	235.416

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

Acting Chief Executive Officer	Nemunas Biknius		6 February 2020
Head of accounting	Rasa Baltaragienė		6 February 2020

CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

AS OF 31 DECEMBER 2019

(all amounts are in euro thousand unless stated otherwise)

Income statement

		Notes	Group			
			For the period of three months ended 31 December 2019	For the period of three months ended 31 December 2018	For the period of twelve months ended 31 December 2019	For the period of twelve months ended 31 December 2018
I.	Revenue	3	16.106	15.437	54.756	54.563
II.	Expenses		(11.489)	(49.923)	(40.552)	(80.266)
II.1.	Cost of natural gas		(3.151)	(3.203)	(11.336)	(10.417)
II.2.	Depreciation and		(2.565)	(3.192)	(10.146)	(12.719)
II.3.	amortization					
II.3.	Remuneration and related					
	social security tax expenses		(2.576)	(2.596)	(9.778)	(9.056)
II.4.	Repair and technical					
	maintenance expenses		(1.284)	(1.597)	(3.573)	(5.256)
II.5.	Taxes other than income tax		(451)	(462)	(1.825)	(1.824)
II.6.	Telecommunications and IT		(345)	(370)	(1.010)	(879)
	systems expenses					
	Revaluation loss of fixed					
II.7.	assets			(37.686)		(37.686)
II.8.	Other expenses		(1.117)	(817)	(2.884)	(2.429)
III.	Operation profit (loss)		4.617	(34.486)	14.204	(25.703)
IV.	Financial activity		(60)	(86)	(323)	(324)
IV.1.	Income		1	6	12	26
IV.2.	Expense		(61)	(92)	(335)	(350)
V.	Profit (loss) before income tax		4.557	(34.572)	13.881	(26.027)
VI.	Income tax		(475)	5.268	(2.034)	4.419
VI.1.	Current period income tax		(512)	(292)	(1.945)	(292)
VI.2.	Deferred income tax		37	5.560	(89)	4711
VII.	Net profit (loss)		4.082	(29.304)	11.847	(21.608)
Basic and diluted earnings (loss) per share (Eur)		14			0,07	(0,12)

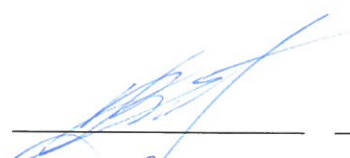
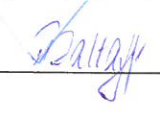
The accompanying notes are an integral part of these financial statements.

Acting Chief Executive Officer	Nemunas Biknius		6 February 2020
Head of accounting	Rasa Baltaragienė		6 February 2020

Statement of comprehensive income

		Group			
		For the period of three months ended 31 December 2019	For the period of three months ended 31 December 2018	For the period of twelve months ended 31 December 2019	For the period of twelve months ended 31 December 2018
I.	Net profit (loss)	4.082	(29.304)	11.847	(21.608)
II.	Total comprehensive income (loss)	4.082	(29.304)	11.847	(21.608)

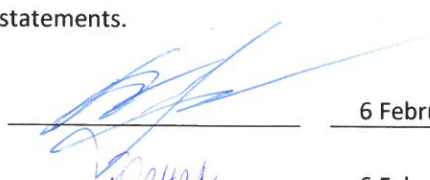
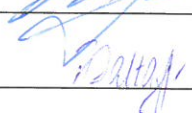
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Acting Chief Executive Officer	Nemunas Biknius		6 February 2020
Head of accounting	Rasa Baltaragienė		6 February 2020

Income statement

			Company			
		Notes	For the period of three months ended	For the period of three months ended	For the period of twelve months ended	For the period of twelve months ended
			31 December 2019	31 December 2018	31 December 2019	31 December 2018
I.	Revenue	3	15.962	15.413	54.217	54.290
II.	Expenses		(11.354)	(49.853)	(40.051)	(79.978)
II.1.	Cost of natural gas		(3.151)	(3.203)	(11.336)	(10.417)
II.2.	Depreciation and amortization		(2.533)	(3.166)	(10.019)	(12.619)
II.3.	Remuneration and related social security tax expenses		(2.505)	(2.527)	(9.503)	(8.872)
II.4.	Repair and technical maintenance expenses		(1.284)	(1.597)	(3.573)	(5.256)
II.5.	Taxes other than income tax		(451)	(462)	(1.824)	(1.824)
II.6.	Telecommunications and IT systems expenses		(332)	(358)	(954)	(824)
II.7.	Revaluation loss of fixed assets		-	(37.686)	-	(37.686)
II.8.	Other expenses		(1.098)	(854)	(2.842)	(2.480)
III.	Operation profit (loss)		4.608	(34.440)	14.166	(25.688)
IV.	Financial activity		(60)	(86)	(321)	(323)
IV.1.	Income		1	7	13	27
IV.2.	Expense		(61)	(93)	(334)	(350)
V.	Profit (loss) before income tax		4.548	(34.526)	13.845	(26.011)
VI.	Income tax		(473)	5.268	(2.032)	4.419
VI.1.	Current period income tax		(510)	(292)	(1.943)	(292)
VI.2.	Deferred income tax		37	5.560	(89)	4.711
VII.	Net profit (loss)		4.075	(29.258)	11.813	(21.592)
Basic and diluted earnings (loss) per share (Eur)			14		0,07	(0,12)

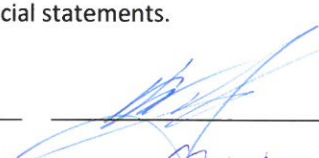

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Acting Chief Executive Officer	Nemunas Biknius		6 February 2020
Head of accounting	Rasa Baltaragienė		6 February 2020

Statement of comprehensive income

		Company			
		For the period of three months ended 31 December 2019	For the period of three months ended 31 December 2018	For the period of twelve months ended 31 December 2019	For the period of twelve months ended 31 December 2018
I.	Net profit (loss)	4.075	(29.258)	11.813	(21.592)
II.	Total comprehensive income (loss)	4.075	(29.258)	11.813	(21.592)

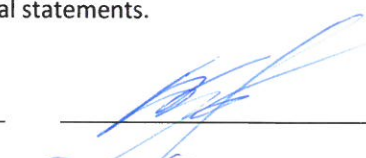
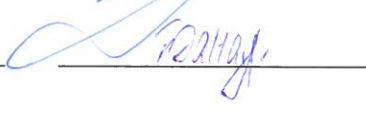
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Acting Chief Executive Officer	Nemunas Biknius		6 February 2020
Head of accounting	Rasa Baltaragienė		6 February 2020

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
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
Balance as of					
31 December 2018	51.731	5.173	94.817	7.358	159.079
Impact of IFRS15 application	-	-	-	1.467	1.467
Total comprehensive income (loss)	-	-	-	(29.304)	(29.304)
<i>Net profit (loss) for the year</i>	-	-	-	(29.304)	(29.304)
Balance as of					
31 December 2018	51.731	5.173	94.817	(20.479)	131.242
Transfer from other reserves	-	-	(25.352)	25.352	-
Dividends declared	-	-	-	(5.227)	(5.227)
Total comprehensive income (loss)	-	-	-	11.847	11.847
<i>Net profit (loss) for the year</i>	-	-	-	11.847	11.847
Balance as of					
31 December 2019	51.731	5.173	69.465	11.494	137.863

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Head of accounting	Rasa Baltaragienė		6 February 2020

CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS

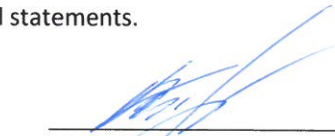
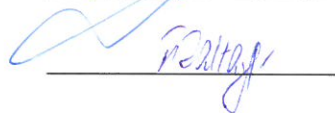
AS OF 31 DECEMBER 2019

(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	(9.861)	172.021
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)	-	-	-	(21.592)	(21.592)
<i>Net profit (loss) for the year</i>	-	-	-	(21.592)	(21.592)
Balance as of					
31 December 2018	51.731	5.173	94.817	(20.125)	131.596
Transfer from other reserves	-	-	(25.352)	25.352	-
Dividends declared	-	-	-	(5.227)	(5.227)
Total comprehensive income (loss)	-	-	-	11.813	11.813
<i>Net profit (loss) for the year</i>	-	-	-	11.813	11.813
Balance as of					
31 December 2019	51.731	5.173	69.465	11.813	138.182

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Acting Chief Executive Officer	Nemunas Biknius		6 February 2020
Head of accounting	Rasa Baltaragienė		6 February 2020

Statement of cash flows

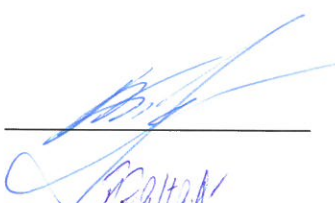
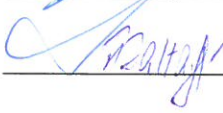
	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
I. Cash flows from (to) operating activities				
I.1. Net profit (loss)	11.847	(20.141)	11.813	(20.125)
Adjustments of non-cash items and other corrections:				
I.2. Depreciation and amortisation	10.146	12.719	10.019	12.619
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(110)	(10)	(110)	(10)
I.4. Revaluation loss of fixed assets		37.686		37.686
I.5. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	56	(125)	56	(125)
I.6. Income tax expenses (income)	2.032	(4.419)	2.032	(4.419)
I.7. Interest (income)	-	(25)	-	(27)
I.8. Interest expenses	335	350	334	350
I.9. Amortisation of grants (deferred revenue)	661	(125)	661	(125)
I.10. Elimination of other non-cash items	36	-	34	-
	25.003	25.910	24.839	25.824
Changes in working capital:				
I.11. Decrease (increase) in inventories	950	(609)	950	(609)
I.12. Decrease (increase) in trade accounts receivable	322	1.015	243	1.342
I.13. Decrease (increase) in other accounts receivable and prepayments	(1.609)	(1.199)	(1.455)	(899)
I.14. Increase (decrease) in trade accounts payable	7.737	11.681	(102)	1.194
I.15. Increase (decrease) in other accounts payable and other current liabilities	3.445	(1.505)	3.038	(1.580)
I.16. Decrease (increase) in other financial assets	(8.019)	(9.933)	51	35
I.17. Income tax (paid)	(639)	(2.001)	(639)	(2.001)
Total changes in working capital	2.187	(2.551)	2.086	(2.518)
Net cash flows from operating activities	27.190	23.359	26.925	23.306
II. Cash flows from (to) investing activities				
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(19.914)	(20.546)	(19.644)	(20.455)
II.2. Proceeds from sales of property, plant and equipment	27	69	27	69
II.3. Grants received	6.941	8.173	6.941	8.173
II.4. Loans recovered	-	-	150	(30)
II.5. Interest received	5	22	5	22
Net cash flows (to) investing activities	(12.941)	(12.282)	(12.541)	(12.221)

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

	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
III. Cash flows from (to) financing activities				
III.1. Dividends (paid)	(5.228)	(20.291)	(5.228)	(20.291)
III.2. Proceeds from borrowings	10.180	20.000	10.000	20.000
III.3. (Repayments) of borrowings	(17.976)	(23.889)	(17.976)	(23.889)
III.4. The overdraft	(519)	6.791	(519)	6.791
III.5. Interest (paid)	(374)	(395)	(373)	(393)
III.6. The right-of-use assets	(141)	-	(125)	-
III.7. Other cash flows from (to) financial activities	-	5	-	5
Net cash flows from (to) financing activities	(14.058)	(17.779)	(14.221)	(17.777)
IV. Net increase (decrease) in cash and cash equivalents	191	(6.702)	163	(6.692)
V. Cash and cash equivalents at the beginning of the period	42	6.744	34	6.726
VI. Cash and cash equivalents at the end of the period	233	42	197	34

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

Acting Chief Executive Officer	Nemunas Biknius		6 February 2020
Head of accounting	Rasa Baltaragienė		6 February 2020

Notes to the Financial Statements

1 General information

The consolidated financial statements disclose the financial position and performance of the AB Amber Grid (hereinafter referred to as the 'Company') and its subsidiary UAB GET Baltic (hereinafter together referred to as the 'Group').

AB Amber Grid 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 National Energy Regulatory Council (before National Commission for Energy Control and Prices) 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 31 December 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 customers 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 31 December 2019 and 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.

Company	Company code	Registered address of the company	Stake of shares held as of 31 December 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 31 December 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 administers 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 31 December 2019 Get Baltic had 93 registered stock exchange participants.

On 31 December 2019 the average number of employees of the Group and the Company consisted 329 (as at 31 December 2018 – 343); on 31 December 2019 the Company consisted of 323 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 December 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 31 December 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.

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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	
	31 December 2019	1 January 2019	31 December 2019	1 January 2019
Right-of-use assets	736	749	585	749
Lease liability – current portion	154	131	132	131
Lease liability – non-current portion	585	618	455	618
Expected impact on profit (loss) statement:				
Increase of depreciation	151	-	134	-
Other changes	(30)	-	(30)	-

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. The Company is currently evaluating whether land lease payments to municipalities in substance are variable payments and are not linked to any ratio or index, reflecting changes in any rental market, therefore these agreements aren't in scope of IFRS 16. The Company made total payments of EUR 25 thousand for use of approximately 200 plots of state-owned land in 2018, or during the period ended on 31 December 2019 total payments of EUR 26 thousand.

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 period ended on 31 December 2019, the Group earned 70 percent of its revenue from Lithuanian system users (in 2018: 66 percent) and 29 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 Group segment information for the period ended on 31 December 2019 is presented below:

2019	Transmission activity	Activities of the gas exchange	Total
Revenues	54.217	595	54.812
Income having eliminated the income of Group entities	54.213	543	54.756
Profit / loss from operating activities	14.166	38	14.204
Net financing income (costs)	(321)	(2)	(323)
Profit / loss before tax	13.845	36	13.881
Income tax	(2.032)	(2)	(2.034)
Net earnings (loss)	11.813	34	11.847
Depreciation / amortisation costs	(10.019)	(127)	(10.146)

Write-offs of non-current tangible assets	84	-	84
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The Group segment information for the period ended on 31 December 2018 is presented below:

2018	Transfer activity	Activities of the gas exchange	Total
Revenues	54.290	379	54.669
Income having eliminated the income of Group entities	54.279	284	54.563
Profit / loss from operating activities	(25.688)	(15)	(25.703)
Net financing income (costs)	(323)	(1)	(324)
Profit / loss before tax	(26.011)	(16)	(26.027)
Income tax	4.419	-	4.419
Net earnings (loss)	(21.592)	(16)	(21.608)
Depreciation / amortisation costs	(12.619)	(100)	(12.719)
Write-offs of non-current tangible assets	59	-	59

4 Non-current tangible and intangible assets

Non-current intangible assets	Group	Company
Residual value as of 31 December 2017	1.455	1.008
Additions	2.016	1.924
Amortisation	(392)	(293)
Netting of grants with the non-current assets	(380)	(380)
Residual value as of 31 December 2018	2.699	2.259
Residual value as of 31 December 2018	2.699	2.259
Additions	1.117	800
Amortisation	(988)	(879)
Netting of grants with the non-current assets	82	82
Residual value as of 31 December 2019	2.910	2.262
Non-current tangible assets	Group	Company
Residual value as of 31 December 2017	241.976	241.973
Additions	13.456	13.455
Depreciation	(14.321)	(14.320)
Write-offs	(90)	(90)
Netting of grants with the non-current assets	(3.304)	(3.304)
Revaluation loss of fixed assets	(37.686)	(37.686)
Residual value as of 31 December 2018	200.031	200.028
Residual value as of 31 December 2018	200.031	200.028
Additions	17.235	17.229
Depreciation	(11.467)	(11.465)
Sales	(1)	(1)
Write-offs	(282)	(282)
Netting of grants with the non-current assets	(4.150)	(4.150)
Residual value as of 31 December 2019	201.366	201.359

In the Group and the Company, non-current assets are accounted at revalued amount of assets, reducing the grants received for that asset, on 31 December 2019 – EUR 73,347 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 December 2019, it stood at EUR 2,460 thousand (in 2018 - EUR 1,995 thousand).

	Non-current intangible assets	Non-current tangible assets	Total non-current tangible and intangible assets
Residual value as of 31 December 2017	90	65.512	65.602
Additions	381	5.295	5.676
Depreciation	(3)	(1.992)	(1.995)
Residual value as of 31 December 2018	468	68.815	69.283
Residual value as of 31 December 2018	468	68.815	69.283
Additions	39	6.485	6.524
Depreciation	(122)	(2.338)	(2.460)
Sales	-	-	-
Write-offs	-	-	-
Residual value as of 31 December 2019	385	72.962	73.347

Assets managed under the right of use	Group	Company
Residual value as of 1 January 2019	749	749
Additions	138	(30)
Depreciation	(151)	(134)
Residual value as of 31 December 2019	736	585

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 31 December 2019 were as follows:

Object	Group	
	31 December 2019	31 December 2018
Implementation of the Gas Interconnection Poland-Lithuania (GIPL) Project in the territory of the Republic of Lithuania	4.304	4.019
Replacement of the closing devices at the main pipeline to Kaliningrad and the branches to Praviena, Kaišiadorys, Elektrėnai, Žiežmariai and Vievis DSS, and connection to SCADA	767	-
Launch of monitoring devices and installation of receiving cameras	102	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	76	-
Renovation of control measuring columns	251	-
Heat insulation and modernisation of engineering systems of the administrative building (Gudelių St. 49, Vilnius)	588	-
Other	1.101	545
* Less: Impairment of construction in progress	(580)	(580)
	7.160	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 December 2019	31 December 2018	31 December 2019	31 December 2018
Non-current trade receivables				
Other trade receivables	-	998	-	998
Current trade receivables				
Gas transmission services receivables	5.524	6.075	5.524	6.076
Other trade receivables	406	200	411	124
Less: allowance for the decrease in value of trade receivables	(70)	(87)	(70)	(87)
	5.860	7.186	5.865	7.111

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 issued 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	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
LNG terminal funds receivable (administered by the Company)	16.020	14.942	16.020	14.942
Grants receivable	2.754	1.715	2.754	1.715
Receivables accrued for natural gas transportation	541	493	541	493
Other receivables	74	112	73	261
	19.389	17.262	19.388	17.411

The LNG terminal funds receivable as at 31 December 2019 include the overdue amount of EUR 4,701 thousand of which total the overdue amount of AB "Acherna's" was EUR 4.614 thousand, the overdue amount of UAB "Geros dujos" was EUR 19 thousand, the overdue amount of UAB "Geoterma" was EUR 65 thousand and the overdue amount of UAB "Roalsa" was EUR 3 thousand. For more information about AB "Acherna" see note 16 Commitments and Contingencies.

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

8 Other financial assets

As of 31 December 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 are accounted for EUR 15.676 thousand.

	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Funds of the LNG terminal	4	56	4	56
Funds transferred by the gas exchange members	15.672	10.087	-	-
	15.676	10.143	4	56

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

9 Loans

	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Long-term loans				
Loans from credit institutions of Lithuania	30.000	31.444	30.000	31.444
Loans from international financial institutions	21.739	23.913	21.739	23.913
Short-term loans				
Loans from credit institutions of Lithuania	-	6.791	-	6.791
Short-term loan (EPSO-G UAB)	6.452	-	6.272	-
Current portion of long-term loans	13.618	17.976	13.618	17.976
	71.809	80.124	71.629	80.124

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 31 December 2019 was at 0,49 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 31 December 2019, the Company had calculated a corporate income tax relief amounting to EUR 218 thousand (as at 31 December 2018: EUR 1.653 thousand).

11. Trade payables

	Group		Company	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Payables to suppliers under investment programme (reconstruction and modernisation)	1.440	2.995	1.440	2.995
Payables to suppliers of goods and providers of services	1.279	1.070	1.195	1.119
Payables to providers of repairs services under non-current assets repairs programme	396	295	396	295
Payables to suppliers of natural gas	3.851	2.063	1.160	1.561
	6.966	6.423	4.191	5.970

As at 31 December 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

Prepayments received by the Group on 31 December 2019 was in amount of EUR 17.103 thousand (as of 31 December 2018 EUR -10.099 thousand). Advance payments received by the Company are the payments received from the EU for investment projects, advance payments for the provision of transmission services and gas exchange members.

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	
	31 December 2019	31 December 2018	31 December 2019	31 December 2018
Payable LNG terminal funds administrated by the Company	13.562	12.311	13.562	12.311
Accrued LNG terminal funds subject to administration by the Company*	2.461	2.684	2.461	2.684
Real Estate Tax payable	432	429	432	429
Value Added Tax (VAT) payable	501	28	222	-
Other payables	480	479	469	454
	17.436	15.931	17.146	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 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	
	31 December 2019	31 December 2018
Net profit (loss) attributable to the shareholders (EUR thousand)	11.847	(21.608)
Weighted average number of shares (thousand)	178.383	178.383
Earnings per share (EUR)	0,07	(0,12)

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 137.418 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 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/>,

On 31 December 2019 and 31 December 2018 related parties to the Group and the Company were the following:

- Parent company EPSO-G, 100% shares of which are owned by the Ministry of Energy of the Republic of Lithuania;
- UAB GET Baltic (a subsidiary of AB Amber Grid);
- Litgrid AB (joint shareholders);
- UAB Tetas (joint shareholders);
- The Management.
- Other state-owned or significantly influenced companies.

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17 Related party transactions (cont'd)

As of 31 December, 2019	Group			
	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB „EPSO - G“	108	-	-	201
UAB „TETAS“	2	-	-	1
UAB „Ignitis gamyba“	8	21.653	2.037	12.242
AB „Energijos skirstymo operatorius“	178	941	84	2
UAB „Ignitis“	58.329 ²⁾	41.165 ²⁾	4.191 ²⁾	4.937 ²⁾
AB „Klaipėdos nafta“	67.724 ²⁾	2 ¹⁾	-	10.156 ²⁾
VĮ Ignalinos atominė	-	242 ²⁾	29 ²⁾	-
VĮ „Geoterma“	-	-	110 ²⁾	-
Other state-owned companies	138	-	-	8
	126.487	64.003	6.451	27.547

As of 31 December, 2018	Group			
	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB „EPSO - G“	123	-	-	23
UAB „TETAS“	1	-	-	-
UAB „Ignitis gamyba“	-	24.818 ¹⁾	2.219 ¹⁾	570
AB „Energijos skirstymo operatorius“	264	800	78	39
UAB „Ignitis“	6.907 ²⁾	38.036 ²⁾	3.611 ²⁾	1.240 ²⁾
UAB „Energetikos paslaugų ir rangos organizacija“	2	-	-	-
UAB Litgas	31.379 ²⁾	861 ¹⁾	105 ¹⁾	2.604 ²⁾
AB „Klaipėdos nafta“	63.008 ²⁾	-	-	9.707 ²⁾
VĮ Ignalinos atominė	-	218 ²⁾	25 ²⁾	-
VĮ „Geoterma“	-	-	110 ²⁾	-
Other state-owned companies	30	934	95	1
	101.714	65.667	6.243	14.184

As of 31 December, 2019	Company			
	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	7.072 ¹⁾	80 ¹⁾	16 ¹⁾	354 ¹⁾
UAB „EPSO - G“	108	-	-	21
UAB „TETAS“	2	-	-	1
UAB „Ignitis gamyba“	8	19.934 ²⁾	2.037 ²⁾	-
AB „Energijos skirstymo operatorius“	178	940	84	2
UAB „Ignitis“	32.284 ²⁾	40.782 ²⁾	4.190 ²⁾	4.184 ²⁾
AB „Klaipėdos nafta“	67.724 ²⁾	-	-	10.156 ²⁾
VĮ Ignalinos atominė	-	242 ²⁾	29 ²⁾	-
VĮ „Geoterma“	-	-	110 ²⁾	-
Other state-owned companies	133	-	-	7
	107.509	61.978	6.466	14.725

As of 31 December, 2018	Acquisitions	Sales	Accounts receivable	Accounts payable
UAB GET Baltic	6998 ¹⁾	24 ¹⁾	152 ¹⁾	527 ¹⁾
UAB „EPSO - G“	123	-	-	23
UAB „TETAS“	1	-	-	-
UAB „Ignitis gamyba“	-	22.520 ²⁾	2.219 ²⁾	-
AB „Energijos skirstymo operatorius“	264	799 ²⁾	77 ²⁾	39
UAB „Ignitis“	4157 ²⁾	34.304 ²⁾	3.602 ²⁾	1086 ²⁾
UAB „Energetikos paslaugų ir rangos organizacija“	2	-	-	-
UAB Litgas	22.694 ²⁾	790 ²⁾	103 ²⁾	2.604 ²⁾
AB „Klaipėdos nafta“	63.008 ²⁾	-	-	9.707 ²⁾
VĮ Ignalinos atominė	-	218 ²⁾	25 ²⁾	-
VĮ „Geoterma“	-	-	110 ²⁾	-
Other state-owned companies	30	934	95	1
	97.277	59.589	6.383	13.987

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 31 December 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. 31 December	2018 m. 31 December	2019 m. 31 December	2018 m. 31 December
Earnings-related benefits	674	424	618	388
Benefits for Board Members	26	22	26	22
	700	446	644	410

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

There were no subsequent events that could materially affect the Company's financial statements prior to the date of approval of the financial statements.