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RASA BALTARAGIENĖ
2024-02-29 16:32:18 GMT+2
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Kvalifikuotas elektroninis parašas
GYTIS FOMINAS
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NEMUNAS BIKNIUS
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Amber Grid

AB AMBER GRID

INTERIM CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS AS OF 31 DECEMBER 2023 PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS AS ADOPTED BY THE EUROPEAN UNION

CONFIRMATION OF RESPONSIBLE PERSONS

29 February 2024

Following the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Nemunas Biknius, Chief Executive Officer of AB Amber Grid, Gytis Fominas, Chief Financial Officer of AB Amber Grid and Rasa Baltaragienė, Head of accounting of AB Amber Grid, hereby confirm that, to the best of our knowledge, the attached AB Amber Grid unaudited interim condensed consolidated and separate financial statements for the period ended 31 December 2023 are prepared in accordance with International Financial Reporting Standards, adopted by the European Union, present a true and fair view of the group's assets, liabilities, financial position, profit and cash flows.

Chief Executive Officer — Nemunas Biknius

(The document is signed with a qualified electronic signature)

Chief Financial Officer — Gytis Fominas

(The document is signed with a qualified electronic signature)

Head of Accounting — Rasa Baltaragienė

(The document is signed with a qualified electronic signature)

Interim condensed consolidated and separate statement of financial position
(All amounts are in EUR '000 unless otherwise stated)

		Notes	Group		Company	
			As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
ASSETS						
A.	**Non-current assets**		**297,908**	**292,179**	**297,908**	**292,179**
I.	Intangible assets	6	2,559	2,584	2,559	2,584
II.	Property, plant and equipment	7	284,353	281,089	284,353	281,089
II.1.	Land		136	125	136	125
II.2.	Buildings		7,647	6,526	7,647	6,526
II.3.	Structures and equipment		228,189	229,892	228,189	229,892
II.4.	Plant and machinery		37,702	33,831	37,702	33,831
II.5.	Vehicles		135	220	135	220
II.6.	Other PP&E		4,668	3,849	4,668	3,849
II.7.	Construction work in progress		5,876	6,646	5,876	6,646
III.	Right-of-use assets	9	3,100	3,365	3,100	3,365
IV.	Non-current financial assets		3,810	-	3,810	-
IV.1.	Investments in subsidiaries and associates	8	3,644	-	3,644	-
IV.2.	Derivatives	10	166	-	166	-
V.	Deferred tax asset	34	4,086	5,141	4,086	5,141
B.	**Current assets**		**34,421**	**256,177**	**34,421**	**53,168**
I.	Inventories and prepayments		5,668	13,735	5,668	13,735
I.1.	Inventories	11	4,874	12,833	4,874	12,833
I.2.	Prepayments		794	902	794	902
II.	Receivables		28,104	38,220	28,104	38,220
II.1.	Trade receivables	12	9,030	18,498	9,030	18,498
II.2.	Other receivables	13	19,074	19,722	19,074	19,722
III.	Prepaid income tax		-	-	-	-
IV.	Other financial assets	14	528	423	528	423
V.	Cash and cash equivalents	15	121	21	121	21
VI.	Assets held for resale (assets of disposal group)	16	-	203,778	-	769
Total assets			**332,329**	**548,356**	**332,329**	**345,347**

(cont'd on the next page)

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

Interim condensed consolidated and separate statement of financial position (continued)
(All amounts are in EUR '000 unless otherwise stated)

		Notes	Group		Company	
			As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
EQUITY AND LIABILITIES						
C.	**Equity**		**186,664**	**183,804**	**186,664**	**183,392**
I.	Issued capital	17	51,731	51,731	51,731	51,731
II.	Reserves		122,370	115,999	122,370	115,941
II.1.	Legal reserve	19	5,173	5,231	5,173	5,173
II.2.	Other reserves	19	114,430	110,768	114,430	110,768
II.3.	Revaluation reserve	7,19	2,767	-	2,767	-
III.	Retained earnings (deficit)		12,563	16,074	12,563	15,720
D.	**Payables and liabilities**		**145,665**	**364,552**	**145,665**	**161,955**
I.	Payables after one year and non-current liabilities		66,092	78,777	66,092	78,777
I.1.	Non-current borrowings	21	60,962	73,496	60,962	73,496
I.2.	Lease liabilities	22	2,933	3,012	2,933	3,012
I.3.	Contract liabilities	23	1,530	1,271	1,530	1,271
I.4.	Provisions	24	667	998	667	998
II.	Payables within one year and current liabilities		79,573	285,775	79,573	83,178
II.1.	Current borrowings	21	25,435	9,571	25,435	9,571
II.2.	Current portion of non-current borrowings	21	5,649	17,895	5,649	17,895
II.3.	Current portion of lease liabilities	22	317	502	317	502
II.4.	Trade payables	25	5,335	13,668	5,335	13,668
II.5.	Prepayments received and contract liabilities	26	548	882	548	882
II.6.	Income tax liability		-	-	-	-
II.7.	Employment-related liabilities		2,853	2,754	2,853	2,754
II.8.	Other payables and current liabilities	27	38,973	37,142	38,973	37,142
II.9.	Provisions	24	463	764	463	764
II.10.	Liabilities of disposal group	16	-	202,597	-	-
Total equity and liabilities			**332,329**	**548,356**	**332,329**	**345,347**

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

Interim condensed consolidated statement of comprehensive income

(All amounts are in EUR '000 unless otherwise stated)

	Notes	Group			
		For the period of three months ended 31 December 2023	For the period of three months ended 31 December 2022	For the period of twelve months ended 31 December 2023	For the period of twelve months ended 31 December 2022
Revenue	28	19,685	46,109	80,921	97,600
Other income	29	909	140	1,308	606
Total revenue and other income		**20,594**	**46,249**	**82,229**	**98,206**
Purchase of natural gas and other services	31	(3,295)	(28,663)	(25,352)	(39,834)
Payroll and related expenses		(3,864)	(3,588)	(14,096)	(12,423)
Purchase of repair and maintenance services	4	(1,084)	(921)	(3,055)	(3,149)
Other expenses	4,32	(4,685)	(3,471)	(13,450)	(10,763)
Total expenses:		**(12,928)**	**(36,643)**	**(55,953)**	**(66,169)**
EBITDA		**7,666**	**9,606**	**26,276**	**32,037**
Dividend income	30	-	-	-	-
Result on transfer of control and revaluation of associates	8	-	-	8,419	-
Depreciation and amortization		(3,212)	(3,360)	(12,680)	(13,045)
Revaluation of property, plant and equipment	6,7,9	(7,940)	-	(7,940)	-
Impairment and write-down losses on tangible fixed assets	4	(205)	-	(229)	-
Impairment and write-off losses on inventories, receivables	4	(8)	(38)	31	(143)
Operating profit (loss) (EBIT)		**(3,699)**	**6,208**	**13,877**	**18,849**
Finance income		11	35	504	45
Finance costs at fair value		(477)	(257)	(1,818)	(764)
Finance costs at fair value	33	**(466)**	**(222)**	**(1,314)**	**(719)**
Share of net profit of associates	8	295	-	295	-
Profit/(loss) before income tax		**(3,870)**	**5,986**	**12,858**	**18,130**
Income tax		-	-	-	-
Current year income tax expenses		-	(51)	(140)	(98)
Deferred tax benefit (expenses)		604	(870)	(567)	(2,367)
Total income tax	34	**604**	**(921)**	**(707)**	**(2,465)**
Net profit/(loss)		**(3,266)**	**5,065**	**12,151**	**15,665**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain on revaluation of non-current assets		**3,255**	**-**	**3,255**	**-**
Deferred tax (expenses)		**(488)**	**-**	**(488)**	**-**
Total other comprehensive income		**2,767**	**-**	**2,767**	**-**
Total comprehensive income for the period		**(499)**	**5,065**	**14,918**	**15,665**

he accompanying notes form an integral part of these financial statements.

Interim condensed consolidated statement of comprehensive income (continued)
(All amounts are in EUR '000 unless otherwise stated)

	For the period of three months ended 31 December 2023	For the period of three months ended 31 December 2022	For the period of twelve months ended 31 December 2023	For the period of twelve months ended 31 December 2022
Net profit (loss) attributable to:				
Shareholders of the parent company	(3,154)	4,892	11,735	15,129
Non-controlling interests	(112)	173	416	536
	(3,266)	**5,065**	**12,151**	**15,665**
Total comprehensive income attributable to:				
Shareholders of the parent company	(482)	4,892	14,408	15,129
Non-controlling interests	(17)	173	510	536
	(499)	**5,065**	**14,918**	**15,665**

Interim condensed separate statement of comprehensive income
All amounts are in EUR '000 unless otherwise stated)

	Notes	Company			
		For the period of three months ended 31 December 2023	For the period of three months ended 31 December 2022	For the period of twelve months ended 31 December 2023	For the period of twelve months ended 31 December 2022
Revenue	28	19,685	45,602	80,029	96,046
Other income	29	909	140	1,308	606
Total revenue and other income		**20,594**	**45,742**	**81,337**	**96,652**
Purchase of natural gas and other services	31	(3,295)	(28,663)	(25,352)	(39,834)
Payroll and related expenses		(3,864)	(3,417)	(13,840)	(11,942)
Purchase of repair and maintenance services	4	(1,084)	(921)	(3,055)	(3,149)
Other expenses	4,32	(4,685)	(3,495)	(13,382)	(10,619)
Total expenses:		**(12,928)**	**(36,496)**	**(55,629)**	**(65,544)**
EBITDA		**7,666**	**9,246**	**25,708**	**31,108**
Dividend income	30	-	-	542	598
Result on transfer of control and revaluation of associates	8	-	-	9,076	-
Depreciation and amortization		(3,212)	(3,309)	(12,595)	(12,854)
Revaluation of property, plant and equipment	6,7,9	(7,940)	-	(7,940)	-
Impairment and write-down losses on tangible fixed assets	4	(205)	-	(229)	-
Impairment and write-off losses on inventories, receivables	4	(8)	(38)	31	(143)
Operating profit (loss) (EBIT)		**(3,699)**	**5,899**	**14,593**	**18,709**
Finance income		11	11	59	21
Finance costs at fair value		(477)	(257)	(1,817)	(642)
Finance costs at fair value	33	**(466)**	**(246)**	**(1,758)**	**(621)**
Share of net profit of associates	8	**295**	**-**	**295**	**-**
Profit/(loss) before income tax		**(3,870)**	**5,653**	**13,130**	**18,088**
Income tax					
Current year income tax expenses		-	-	-	(1)
Deferred tax benefit (expenses)		604	(870)	(567)	(2,367)
Total income tax	34	**604**	**(870)**	**(567)**	**(2,368)**
Net profit/(loss)		**(3,266)**	**4,783**	**12,563**	**15,720**
Other comprehensive income					
Items that will not be reclassified to profit or loss					
Gain on revaluation of non-current assets		**3,255**	**-**	**3,255**	**-**
Deferred tax (expenses)		**(488)**	**-**	**(488)**	**-**
Total other comprehensive income		**2,767**	**-**	**2,767**	**-**
Total comprehensive income for the period		**(499)**	**4,783**	**15,330**	**15,720**

he accompanying notes form an integral part of these financial statements.

Interim condensed separate statement of comprehensive income (continued)
All amounts are in EUR ’000 unless otherwise stated)

	For the period of three months ended 31 December 2023	For the period of three months ended 31 December 2022	For the period of twelve months ended 31 December 2023	For the period of twelve months ended 31 December 2022
Net profit (loss) attributable to:				
Shareholders of the parent company	(3,154)	4,619	12,133	15,182
Non-controlling interests	(112)	164	430	538
	(3,266)	**4,783**	**12,563**	**15,720**
Total comprehensive income attributable to:				
Shareholders of the parent company	(482)	4,619	14,806	15,182
Non-controlling interests	(17)	164	524	538
	(499)	**4,783**	**15,330**	**15,720**

he accompanying notes form an integral part of these financial statements.

Interim condensed consolidated statement of changes in equity
(All amounts are in EUR '000 unless otherwise stated)

	Issued capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	Total
Balance as at 31 December 2021	**51,731**	**5,210**	**97,505**	**-**	**23,594**	**178,040**
Reserves established	-	21	13,263	-	(13,284)	-
Dividends declared	-	-	-	-	(9,901)	(9,901)
Total transactions with owners	-	21	13,263	-	(23,185)	(9,901)
Net profit (loss) for the year	-	-	-	-	*15,665*	*15,665*
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income /(loss) for the period	-	-	-	-	15,665	15,665
Balance as at 31 December 2022	**51,731**	**5,231**	**110,768**	**-**	**16,074**	**183,804**
Reserves established	-	-	3,662	-	(3,662)	-
Dividends declared	-	-	-	-	(12,058)	(12,058)
Eliminating the impact of loss of control	-	(58)	-	-	58	-
Total transactions with owners	-	(58)	3,662	-	(15,662)	(12,058)
Net profit (loss) for the year	-	-	-	-	*12,151*	*12,151*
Other comprehensive income	-	-	-	2,767	-	2,767
Total comprehensive income /(loss) for the period	-	-	-	2,767	12,151	14,918
Balance as at 31 December 2023	**51,731**	**5,173**	**114,430**	**2,767**	**12,563**	**186,664**

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

Interim condensed separate statement of changes in equity
(All amounts are in EUR ’000 unless otherwise stated)

	Issued capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	Total
Balance as at 31 December 2021	**51,731**	**5,173**	**97,505**	**-**	**23,164**	**177,573**
Reserves established	-	-	13,263	-	(13,263)	-
Dividends declared	-	-	-	-	(9,901)	(9,901)
Total transactions with owners	-	-	13,263	-	(23,164)	(9,901)
Net profit (loss) for the year	-	-	-	-	*15,720*	*15,720*
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income /(loss) for the period	-	-	-	-	15,720	15,720
Balance as at 31 December 2022	**51,731**	**5,173**	**110,768**	**-**	**15,720**	**183,392**
Reserves established	-	-	3,662	-	(3,662)	-
Dividends declared	-	-	-	-	(12,058)	(12,058)
Total transactions with owners	-	-	3,662	-	(15,720)	(12,058)
Net profit (loss) for the year	-	-	-	-	*12,563*	*12,563*
Other comprehensive income	-	-	-	2,767	-	2,767
Total comprehensive income /(loss) for the period	-	-	-	2,767	12,563	15,330
Balance as at 31 December 2023	**51,731**	**5,173**	**114,430**	**2,767**	**12,563**	**186,664**

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

Interim condensed consolidated and separate statement of cash flows
(All amounts are in EUR ’000 unless otherwise stated)

		Notes	Group 2023	Group 2022	Company 2023	Company 2022
I.	**Cash flows from operating activities**					
I.1.	Net profit (loss)		12,151	15,665	12,563	15,720
	Adjustments for non-cash items and other corrections:					
I.2.	Depreciation and amortization	6,7,9	12,680	13,045	12,595	12,854
I.3.	Loss (profit) on disposal and write-off of property, plant and equipment, doubtful trade receivables and inventories		(122)	97	(122)	97
I.4.	Impairment (reversal of impairment) of property, plant and equipment, financial assets, doubtful trade receivables and inventories		7,953	1	7,953	1
I.5.	Income tax expenses (benefit)	34	707	2,465	567	2,368
I.6.	Grants recognised as income		(54)	(101)	(54)	(101)
I.7.	Increase (decrease) in provisions		37	-	37	-
I.8.	Elimination of other non-cash items		3	(8)	-	(8)
	Elimination of results of financing and investing activities:					
I.9.	Dividend income	30	-	-	(542)	(598)
I.10.	Result on loss of control and revaluation of associate	8	(8,419)	-	(9,076)	-
I.11.	Share of results of associate	8	(295)	-	(295)	-
I.12.	Interest expenses	33	1,778	757	1,778	635
I.13.	Interest income	33	(454)	-	(9)	-
	Changes in working capital:					
I.14.	(Increase) decrease in inventories, prepayments and other current assets		8,173	(4,822)	8,167	(4,822)
I.15.	(Increase) decrease in trade receivables		18,664	(9,845)	9,466	(7,757)
I.16.	(Increase) decrease in other receivables		(1,277)	655	1,109	1,286
I.17.	(Decrease) increase in trade payables		(52,811)	36,567	(6,079)	4,189
I.18.	(Decrease) increase in other payables and current liabilities		(114,248)	103,338	1,484	(5,754)
I.19.	(Increase) decrease in other financial assets		155,560	(137,878)	(105)	882
I.20.	Income tax (paid)		(95)	(168)	-	-
	Net cash flows from operating activities	8	**39,931**	**19,768**	**39,437**	**18,992**

The accompanying notes form an integral part of these financial statements.
(cont’d on the next page)

Interim condensed consolidated and separate statement of cash flows (continued)
(All amounts are in EUR '000 unless otherwise stated)

		Notes	Group 2023	Group 2022	Company 2023	Company 2022
II.	**Cash flows from investing activities**					
II.1.	(Acquisition) of property, plant and equipment and intangible assets		(37,633)	(14,467)	(37,625)	(14,363)
II.2.	Proceeds from disposal of property, plant and equipment		749	69	749	69
II.3.	Grants received		14,259	9,429	14,259	9,429
II.4.	Sale (acquisition) of subsidiaries (associates)	8	6,500	-	6,500	-
II.5.	Elimination of change in cash of subsidiary due to loss of control	8	(376)	-	-	-
II.6	Loans granted (repayments received)		-	-	-	-
II.7.	Interest received		453	-	8	-
II.8	Dividends received		-	-	542	598
	Net cash flows used in investing activities	8	**(16,048)**	**(4,969)**	**(15,567)**	**(4,267)**
III.	**Cash flows from financing activities**					
III.1.	Dividends (paid)		(12,051)	(9,900)	(12,051)	(9,900)
III.2.	Proceeds from borrowings		-	-	-	-
III.3.	(Repayments) of borrowings		(24,780)	(10,174)	(24,780)	(10,174)
III.4.	Change in overdraft		15,437	6,287	15,437	6,287
III.5.	Interest (paid)		(1,864)	(664)	(1,864)	(542)
III.6.	Liabilities settled in relation to right-of-use assets		(525)	(416)	(512)	(387)
III.7.	Other cash flows from financing activities		-	-	-	-
	Cash flows from/used in financing activities	8	**(23,783)**	**(14,867)**	**(23,770)**	**(14,716)**
IV.	**Change in cash and cash equivalents included in disposal group**		-	(817)	-	-
V.	**Net increase (decrease) in cash and cash equivalents**		100	(885)	100	9
VI.	**Cash and cash equivalents at the beginning of the year**	15	21	906	21	12
VII.	**Cash and cash equivalents at the end of the period**	15	**121**	**21**	**121**	**21**

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

Notes to the interim condensed consolidated and separate financial statements
(All amounts are in EUR ’000 unless otherwise stated)

1. General information

Amber Grid AB (hereinafter the “Company”) is a public limited liability company registered in the Republic of Lithuania.
Registered office address:
Laisvės ave. 10,
LT – 04215, Vilnius,
Lithuania.

Amber Grid AB was registered on 25 June 2013 as a result of unbundling of natural gas transmission activity (including assets, rights and obligations attributed thereto) from Lietuvos Dujos AB. The Company has been actively operating since 1 August 2013. After obtaining a favourable decision from the European Commission, on 10 April 2015 the National Control Commission for Prices and Energy (the National Energy Regulatory Council (hereinafter the “Council”) as from 1 July 2019) granted to the Company an energy operator licence No L2-3 (GDP) to engage in natural gas transmission activities for indefinite term in the territory of Lithuania.

Acting as a natural gas transmission system operator, the Company provides the following services to the system users, other operators and gas market participants:

- natural gas transmission in the territory of Lithuania;
- natural gas flow balancing within the transmission system;
- administration of funds intended to compensate the construction and fixed operating expenses of the liquefied natural gas (LNG) terminal, its infrastructure, connector, and the reasonable supply costs of the required quantity of liquefied natural gas incurred by the designated supplier;
- administration of the register of guarantees of origin of gas produced from renewable energy sources.

The Company’s clients are large companies (operating in the sectors of electricity, district heating, and industry) and medium sized local businesses, as well as natural gas suppliers receiving natural gas transmission services.

All the shares of the Company are ordinary registered shares with the nominal value of EUR 0.29 each. As at 31 December 2023 and 2022, all the shares had been fully paid. The Company had no its own shares. Since 1 August 2013, the Company’s shares have been traded on stock exchange and have been quoted on the Baltic Secondary List of NASDAQ Vilnius. (ISIN – LT0000128696, LEI code 097900BGMP0000061061, ticker AMG1L).

As at 31 December 2023 and 2022, the Company’s shareholders were as follows:

	Number of shares held	Ownership interest, (%)
EPSO-G UAB (company code 302826889, Gedimino ave. 20, Vilnius)	172,279,125	96,58
Other shareholders	6,103,389	3,42
	178,382,514	100

EPSO-G UAB is a state-owned group of energy transmission and exchange companies (www.epsog.lt). The rights and duties of the sole shareholder of the holding company EPSO-G UAB are exercised by the Ministry of Energy of the Republic of Lithuania (www.enmin.lt).

The Group consists of the parent company Amber Grid AB and its subsidiary GET Baltic. On 31 May 2023, upon sale of 66% shares in GET Baltic UAB (hereinafter "GET Baltic"), the Company lost control in GET Baltic. The retained investment in GET Baltic is accounted for as investment in associate. The more detailed information about the loss of control and accounting for the retained shareholding is provided in Note 8.

In the Group's financial statements for the year ended 31 December 2022, the Company's investment in the subsidiary was accounted for as asset held for sale (disposal group) at the carrying amount of the investment that was lower than the fair value of the investment.

Information on the shareholding in GET Baltic as at 31 December 2023 and 2022 is disclosed as follows:

Company name	Company's registered office	Shareholding		
		As at 31 December 2023	As at 31 December 2022	Profile of activities
GET Baltic UAB	Geležinio Vilko st. 18A, LT-08104 Vilnius, the Republic of Lithuania	34%	100%	Licensed activities of natural gas market operator trading natural gas short-term and long-term products.

As at 31 December 2023 and 2022, the issued capital of GET Baltic UAB amounted to EUR 580,450 and was divided into 3,055,000 shares with a nominal value of EUR 0.19 each.

As at 31 December 2023, the average number of employees on payroll at the Company was 340 (31 December 2022: 328).

1 Summary of significant accounting principles

The principal accounting principles applied in the preparation of the Company's financial statements for the period of twelve months ended 31 December 2023 are set out below:

1 2.1 Basis of preparation

These condensed interim consolidated and separate financial statements, including the statement of financial position and statements of comprehensive income, cash flow statement and the statements of changes in equity for the period of twelve months ended 31 December 2023 have not been audited. The consolidated and separate financial statements for the period ended 31 December 2022 have been audited and prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in European Union and are in compliance thereof.

For a better understanding of the information presented in these financial statements, these interim condensed consolidated and separate financial statements should be read together with the annual consolidated and separate financial statements for the period ended 31 December 2022. PricewatehouseCoopers UAB carried out an audit of Consolidated and separate Financial Statements for the period ended on 31 December 2022.

These condensed interim consolidated financial statements as of 31 December 2023 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The Company have been following the same accounting principles as the ones that were followed in the preparation of financial statements for the year 2022.

These financial statements have been prepared on a historical cost basis, except for property, plant and equipment which is recorded at revalued amount, less accumulated depreciation and estimated impairment loss and derivative financial instruments carried at fair value.

Accounting policies adopted in the preparation of the financial statements are consistent with those of the previous financial year except as follows:

a) *Adoption of new and/or amended IFRS and interpretations of the International Financial Reporting Interpretations Committee (IFRIC)*

The following IFRSs, amendments and IFRIC interpretations were adopted by the Group and the Company for the first time in the financial year ended 31 December 2023:

Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). IAS 1 was amended to require companies to disclose their material accounting policy information rather than their significant accounting policies. The amendment provided the definition of material accounting policy information. The amendment provided illustrative examples of accounting policy information that is likely to be considered material to the entity's financial statements. The amendment also clarified that accounting policy information is expected to be material if, without it, the users of the financial statements would be unable to understand other material information in the financial statements. Further, the amendment to IAS 1 clarified that immaterial accounting policy information need not be disclosed. However, if it is disclosed, it should not obscure material accounting policy information. To support this amendment, IFRS Practice Statement 2 *Making Materiality Judgements* was also amended to provide guidance on how to apply the concept of materiality to accounting policy disclosures. Based on the Group's and the Company's assessment, the amendments will have no significant impact on the financial statements. The Group and the Company have assessed these changes in preparing the financial statements.

Amendments to IAS 8: Definition of accounting estimates (issued on 12 February 2021 and effective for annual periods beginning on or after 1 January 2023). The amendment to IAS 8 clarified how companies should distinguish changes in accounting policies from changes in accounting estimates. Based on the Group's and the Company's assessment, the amendments will have no significant impact on the financial statements.

Deferred tax related to assets and liabilities arising from a single transaction – Amendments to IAS 12 (issued on 7 May 2021 and effective for annual periods beginning on or after 1 January 2023). The amendments to IAS 12 specify how to account for deferred tax on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognising deferred tax when they recognise assets or liabilities for the first time. The amendments clarify that the exemption does not apply and that entities are required to recognise deferred tax on such transactions. The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. Based on the Group's and the Company's assessment, the amendments will have no impact on the financial statements.

IAS 12 Income tax: International Tax Reform - Pillar Two Model Rules (Amendments) (issued on 23 May 2023). This amendment was introduced in response to the imminent implementation of the Pillar Two model rules released by the Organisation for Economic Co-operation and Development's (OECD) as a result of international tax reform. The amendments provide a temporary exception from the requirement to recognise and disclose deferred taxes arising from enacted or substantively enacted tax law that implements the Pillar Two model rules. Companies may apply the exception immediately, but disclosure requirements are required for annual periods commencing on or after 1 January 2023. Based on the Group's and the Company's assessment, the amendments will have no significant impact on the financial statements.

b) *Standards, interpretations and amendments that have been endorsed by the European Union, yet they have not been early adopted by the Group and the Company:*

Amendments to IFRS 16 *Leases* – Lease Liability in a Sale and Leaseback (issued on 22 September 2022 and effective for annual periods beginning on or after 1 January 2024). The amendments relate to sale and leaseback transactions which satisfy the requirements of IFRS 15 to be accounted for as a sale. The amendments require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognise any amount of the gain or loss that relates to the right of use it retains. This means deferral of such a gain even if the obligation is to make variable payments that do not depend on an index or a rate The Group and the Company are currently assessing the impact of these amendments on the financial statements.

Amendments to IAS 1: Classification of liabilities as current or non-current (originally issued on 23 January 2020 and subsequently amended on 15 July 2020 and 31 October 2022, ultimately effective for annual periods beginning on or after 1 January 2024). These amendments clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Liabilities are non-current if the entity has a substantive right, at the end of the reporting period, to defer settlement for at least twelve months. The guidance no longer requires such a right to be unconditional. The October 2022 amendment established that loan covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Management's expectations whether they will subsequently exercise the right to defer settlement do not affect classification of liabilities. A liability is classified as current if a condition is breached at or before the reporting date even if a waiver of that condition is obtained from the lender after the end of the reporting period. Conversely, a loan is classified as non-current if a loan covenant is breached only after the reporting date. In addition, the amendments include clarifying the classification requirements for debt a company might settle by converting it into equity "Settlement" is defined as the extinguishment of a liability with cash, other resources embodying economic benefits or an entity's own equity instruments. There is an exception for convertible instruments that might be converted into equity, but only for those instruments where the conversion option is classified as an equity instrument as a separate component of a compound financial instrument. The Group and the Company are currently assessing the impact of these amendments on the financial statements.

c) ***New and amended standards, and interpretations that have not been endorsed by the European Union and early adopted by the Group and the Company:***

IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments. Disclosure* - Supplier Finance Arrangements (Amendments) (issued on 25 May 2023). These amendments require the disclosures of the entity's supplier finance arrangements that would enable the users of financial statements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The amendments do not affect recognition or measurement principles but only disclosure requirements. The new disclosure requirements will be effective for the annual reporting periods beginning on or after 1 January 2024. The Group and the Company are currently assessing the impact of these amendments on the financial statements.

Amendments to IAS 21 Lack of Exchangeability (issued on 15 August 2023). In August 2023, the IASB issued amendments to IAS 21 to help entities assess exchangeability between two currencies and determine the spot exchange rate, when exchangeability is lacking. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. By the amendments it is required to translate the affected amounts at estimated spot exchange rates at the date of initial application, with an adjustment to retained earnings or to the reserve for cumulative translation differences. The Group and the Company are currently assessing the impact of these amendments on the financial statements.

IFRS 14 Regulatory Deferral Accounts (effective for annual periods beginning on or after 1 January 2016). The standard permits first-time adopters to continue to recognise amounts related to rate regulation in accordance with their previous GAAP requirements when they adopt IFRS. The transition to IFRS was made in prior periods, therefore, the provisions of this new standard are not relevant to the Group and the Company.

Amendment in IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (effective for annual reporting periods beginning on or after a date to be determined by the IASB). These amendments address an inconsistency between the requirements in IFRS 10 and those in IAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognised when a transaction involves a business. A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. Based on the Group's and the Company's assessment, the amendments will have no significant impact on the Group's and the Company's financial statements.

2.1 Presentation currency

All amounts in these financial statements have been measured and presented in the euros (EUR), which is an official currency of the Republic of Lithuania. Amounts in these financial statements are presented in thousands of euro (EUR), unless otherwise stated.

2.2 Basis of consolidation

The Group's consolidated financial statements included Amber Grid AB and its subsidiary GET Baltic UAB until the loss of control. The financial statements of GET Baltic UAB have been prepared for the same reporting period and using the same accounting policies consistent with those applied by the parent company.

2.3 Investments in subsidiaries and associates in the Company's separate financial statements

Investments in subsidiaries are accounted for in the parent company's balance sheet at cost less impairment loss, when the carrying amount of investment reported in the parent company's balance sheet exceeds the expected recoverable amount.

Investments in associates are accounted for using the equity method in the separate financial statements of the parent. Under the equity method, after initial recognition, the carrying amount of an investment in an associate is increased or decreased by the post-acquisition changes in the net assets in the associate less any impairment of the investment.

2.4 Intangible assets

The Group's and the Company's intangible assets are recognised if it is probable that future economic benefits associated with the asset will flow to the Group and the Company and the cost of the asset can be measured reliably. Intangible assets are carried at cost, see Note 6.

The useful lives of intangible assets other than those with indefinite useful lives are 4 to 8 years.

After initial recognition, intangible assets are stated at cost less accumulated amortisation and impairment losses, if any.

Intangible assets mainly consist of software, licences and other intangible assets used in the Group's and the Company's activities.

Special land use conditions (protected areas)

In its financial statements for the year ended 31 December 2020, the Company recognised as intangible assets a commitment to register and a right to use the land parcels of third parties on the basis of the special land use conditions. The special land use conditions mean conditions involving certain restrictions or limitations on the activities carried out on the land parcel, which depend on the geographic location, the principal purpose of use, the method of use of the land parcel, and on the environmental and public health needs. The special land use conditions apply for as long as there is an object, in respect of which the protected areas have been established, irrespective of the physical condition of such object. Special land use conditions may be established when there is an intention to implement a project. The special land use conditions remain in force for indefinite period. Since the useful life of the intangible assets is indefinite, such assets are not amortised. The useful life is not limited because the special land use conditions are established for the land parcels for indefinite period.

A provision for non-current liabilities in relation to the commitment to register the special land use conditions (protected areas) has been formed under IAS 37 (see Note 24).

Maintenance costs and other subsequent expenditures of intangible assets

Maintenance costs of intangible assets are recognised as expenses in the reporting period when they are incurred. Updating and development costs of intangible assets incurred subsequent to their acquisition or creation are recognised as expenses in the reporting period when they are incurred, except for software updating, modification, upgrading or new version installation costs that are capitalised by adding them to the cost of that software or recognising as a separate item of non-current intangible assets. In such case, the remaining useful life of the former software is re-measured and impairment is recognised for the remaining net book amount, if any.

2.5 Property, plant and equipment

Assets with a useful life longer than one year are classified as property, plant and equipment.

The Company's items of property, plant and equipment are stated at revalued amounts, based on periodic (at least every 5 years) valuations performed by independent valuers, less accumulated depreciation and impairment losses (Note 7).

Any accumulated depreciation and impairment losses at the date of revaluation are eliminated against gross carrying amount of the asset and net amount is restated to the revalued amount of the assets.

Increases in the carrying amount arising on the first revaluation of property, plant and equipment are credited to revaluation reserve directly in equity and decreases are recognised in the profit and loss account. Decreases in the carrying amount arising on the subsequent revaluation of property, plant and equipment that offset previous increases of the same asset are charged against revaluation reserve directly in equity, whereas all other decreases are charged to the profit and loss account. Revaluation increases in property plant and equipment value that offset previous decreases are taken to the profit and loss account. All other increases in the carrying amount arising on subsequent revaluations of property, plant and equipment are credited to revaluation reserve. Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the statement of comprehensive income and depreciation based on the asset's original cost is transferred from revaluation reserve to retained earnings, after considering the effect of deferred income tax. Upon the sale or write-off of an asset item, any balance related to these assets is transferred from revaluation reserve to retained earnings.

Interest and other borrowing costs (the bank's administration charges, etc.) are included in the acquisition cost of property, plant and equipment if they are directly attributable to the acquisition of a qualifying asset. A qualifying asset is asset that is developed on the basis of a project with the value of not less than EUR 1 million and that necessarily takes no less than 12 months to get ready for its intended use or sale.

Variable considerations, which depend on future events, are excluded from the carrying amount of the asset at the time it is ready for its intended use, and no liability is recognised in respect of those variable considerations. Variable considerations are capitalised as part of the cost of the asset at the time they are paid.

Property, plant and equipment also includes the minimum quantity of natural gas contained in the gas pipelines (line pack) which is necessary to ensure a stable functioning of the transmission system. This part of property, plant and equipment is not depreciated, because the Company will be able to sell such natural gas at the end of the useful life of the gas transmission pipeline, and accordingly, the value of such natural gas represents the residual value of the gas transmission pipeline.

Emergency reserve inventories meeting the criteria of non-current assets are classified as property, plant and equipment. The carrying amount of inventories written off during repair, technical maintenance and emergency liquidation are recorded in the statement of profit or loss or added to the carrying amount of assets under maintenance.

Depreciation is calculated on a straight-line basis over the following estimated useful lives:

Land	-
Buildings	25-60 years
Other structures and engineering networks	18-25 years
Gas pipelines and associated equipment	55-70 years
Plant and machinery	5-25 years
Vehicles	7 years
Other PP&E	4-10 years

The useful lives, residual values and depreciation method are reviewed annually to ensure that they are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The Company has land with indefinite useful life, which is not depreciated.

Construction work in progress includes items of property, plant and equipment that are under construction. The cost of such assets includes designing, construction works, equipment intended for assembly and installation, and other direct costs. Construction work in progress is not depreciated until the construction of asset is completed and the asset is put into operation. Prepayments for non-current assets are classified as non-current assets because they are used in long-term activities and are presented in the balance sheet line item "construction work in progress".

Maintenance, repair, reconstruction and other subsequent costs of property, plant and equipment

Maintenance costs of property, plant and equipment are recognised as expenses of the reporting period when they are incurred. The costs of the day-to-day servicing of an item of PP&E are not included in the cost of that item. Rather, these costs are recognised as expenses when they are incurred. The purpose of these expenditures is often described as for the 'repairs and maintenance' of the property, plant and equipment. When property, plant and equipment is subject to reconstruction (major enhancement), such reconstruction/major enhancement works are recognised as a separate component of PP&E and the net book amount of the component of the replaced part of assets is written off. A condition of continuing to operate an item of property, plant, and equipment may be performing regular major inspections for faults regardless of whether parts of the item are replaced, its cost is recognized in the carrying amount of the item of property, plant, and equipment as a separate component if the recognition criteria are satisfied and the costs of such inspection are material. Any remaining carrying amounts of the cost of previous inspection (as distinct from physical parts) are written-off to operating expenses of the reporting period in the statements of profit or loss and other comprehensive income.

Impairment of property, plant and equipment and intangible assets

At each reporting date, the Group and the Company review the carrying amounts of their property, plant and equipment and intangible assets to determine whether there are any indications that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The recoverable value is the higher of an asset's fair value less costs to sell and the value in use. In assessing the value in use, the expected future cash flows are discounted to their present value using the discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a decrease of revaluation reserve.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as an increase in revaluation reserve (without exceeding the amount of previous impairment).

2.6 Financial assets

The Group and the Company recognise a financial asset in the statement of financial position only when they become a party to the contractual provisions of the financial instrument, the purchase or sale of the financial asset is recognised or derecognised using the accounting at the trade date.

At initial recognition, the Group and the Company measure the financial assets at fair value, except for trade receivables that do not include a significant component of financing. Initial measurement of financial assets other than those measured at fair value through profit or loss, includes the fair value of the instrument and transaction costs directly attributable to the acquisition of the financial asset.

Transaction costs include all fees and commissions that the Group and the Company would not have paid if they had not entered into a financial instrument contract.

<u>Financial assets measured at amortised cost</u>

Loans and receivables are recognised as current assets, except for the loans and receivables with maturity term of more than 12 months after the date of the statement of financial position, in which case they are recognised as non-current assets.

Loans and receivables are initially recognised at cost (fair value of the amount receivable) and subsequently amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of profit or loss when the assets are derecognised or impaired, as well as through the amortisation process.

<u>Financial assets measured at fair value through profit or loss</u>

The Group and the Company account for financial assets measured at fair value through profit or loss using a business model, the goal of which is achieved through the collection of contractual cash flows and the sale of financial assets.

The Group and the Company do not have financial assets held for trading that are acquired for the purpose of selling in the near future, and within such category only classify the financial asset that arises on disposal of a business or investment and that represents a non-equity contingent consideration.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating the interest income in the statement of profit or loss over the relevant period.

When calculating the effective interest rate, the Group and the Company estimate the expected cash flows considering all contractual terms of the financial instrument contract (for example, prepayment, extension, call and similar options), but without considering future credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs, and all other premiums or discounts. When calculating the effective interest rate, there is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. When it is not possible to estimate reliably the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group and the Company use the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

Expected credit losses

The Group and the Company seek to recognise the expected credit losses for the period before the financial instrument becomes past due. Normally, credit risk increases significantly before a financial instrument becomes past due or other delay factors are observed from the debtor (such as restructuring, bankruptcy, other economic difficulties of a client, etc.). Therefore, if there is a considerable amount of cost or effort to obtain reasonable and reliable information that is more forward-looking than past due payments, it should be based on the assessment of credit risk changes.

Expected credit losses are recognised based on individually or collectively assessed credit risk of loans and trade receivables, the assessment of which is based on all reasonable and supportable information, including forward-looking information.

Lifetime expected credit losses of trade receivables are assessed taking into consideration the level of credit risk. The individual assessment basis is applied to debts with a high level of credit risk concentration or when there is a significant increase in the probability of credit losses. During the individual assessment, information on the credit history of a particular borrower, its financial position as at the date of assessment is analysed, including forward-looking information that would allow to timely determine whether there has been a significant increase in the credit risk of that particular borrower, thus enabling making judgement on the recognition of lifetime expected credit losses in respect of that particular borrower.

Lifetime expected credit losses for trade receivables are recognised at the time of recognition of receivables.

Credit-impaired financial assets

Financial asset is considered as credit-impaired as a result of one or more events that adversely affect the estimated future cash flows of that financial asset. Evidence of credit-impaired financial asset is based on observations of data on the following events:

a) significant financial difficulties for the debtor;

b) breach of contract, such as late payment of instalments or full amount of debt;

c) a discount granted to the debtor which the lender would not otherwise have granted for economic or contractual reasons related to the debtor’s financial difficulties;

d) increased likelihood of bankruptcy or other financial reorganisation of the debtor;

e) active market no longer exists for financial assets as a result of financial difficulties;

f) financial assets are purchased or granted at a significant discount, thereby showing credit losses incurred.

Lifetime expected credit losses for loans receivable and trade receivables are accounted for through profit or loss using the contra account for doubtful receivables.

Loans receivable and trade receivables are written off when the Group and the Company lose the right to the contractual cash flows from the financial assets.

Derecognition of financial assets

A financial asset is derecognised by the Group and the Company when:

- the rights to receive cash flows from the asset have expired;
- the rights to receive cash flows are retained, but there is an obligation to pay the full amount to a third party under a *passthrough* agreement in a short period of time; or
- the Group and the Company have transferred their rights to receive cash flows from the asset and either (a) have transferred substantially all the risks and rewards of the asset, or (b) have neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset:
  - if the Group and the Company do not retain control of the financial asset, such asset is derecognised by the Group and the Company, whereas all the rights and obligations established or retained at the time of transfer are recognised separately as assets or liabilities.
  - if the Group and the Company retain control of the financial asset, they continue recognising it for as long as they retain control of the financial asset.

When assessing whether the Group and the Company have retained control of the asset transferred, consideration is given to the capacity of the recipient to sell the asset. If the recipient has in practice the capacity to sell all assets to an unrelated third party unilaterally, and such disposal is not subject to any additional restrictions, it is considered that the Group and the Company have not retained the control. In all other cases, the Group and the Company retain the control.

Trade payables and other financial liabilities, borrowings

Financial liabilities, borrowings

Financial liabilities, including borrowings, are recognised initially at fair value, less transaction costs.

Subsequently, financial liabilities are carried at amortised cost using the effective interest rate method. Interest expense is recognised using the effective interest rate method.

If a financing agreement concluded before the date of the statement of financial position proves that the liability was non-current as of the date of the statement of financial position, such financial liability is classified as non-current.

Trade payables

Trade payables represent commitments to pay for goods and services acquired from suppliers in the ordinary course of business. Trade payables are classified as current liabilities if the term of their settlement is no longer than one year; otherwise, they are included in non-current liabilities.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.7 Inventories

Inventories consist of spare parts, consumables, and natural gas contained in the gas pipelines used in the activities and for provision of services. Inventories also include waste or metal scrap which is fit for use and was retrieved from written off items of property, plant and equipment.

Inventories are initially recorded at cost. Subsequent to initial recognition, inventories are stated at the lower of cost and net realisable value.

The cost of inventories includes acquisition price and related taxes that are not subsequently recovered from tax administration authorities and costs associated with bringing inventory into their current condition and location. Other costs are included in the cost of inventories to the extent they are related to bringing inventory into their current condition and location. The cost of inventories is determined net of trade discounts.

The cost of inventories, except for natural gas, is determined using the first-in, first-out (FIFO) method, according to which write-offs are firstly carried out in respect of the same type of inventories that were acquired first.

The cost of inventories which consist of natural gas contained in the gas pipelines is determined using the weighted average costing method. The cost of one unit of energy of natural gas (kWh) is determined by applying the weighted average costing method using the following formula:

The cost of one energy unit of natural gas (kWh) = (opening balance of natural gas (quantity * price) + purchases of natural gas over the period (quantity * price)) / opening balance of natural gas + purchases of natural gas over the period).

Purchases of natural gas during the period from 1 March 2022 exclude gas purchased for the balancing of the system user.

2.8 Cash and cash equivalents

Cash includes cash at banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash. Such investments mature in less than three months and are subject to insignificant risk of change in value.

If there are indications that cash and cash equivalents may not be recoverable, impairment is accounted for. Impairment is recorded in the statement of profit or loss within operating expenses for the period during which it occurred.

2.9 Grants

Grants represent financial and material support provided by the government and the European Union for the specific purpose. Gratuitous assets are also classified as grants.

Grants are recognised when the Group and the Company comply with all conditions attached to the grants, as set out in the respective grant agreement, and when there is a reasonable assurance that the grant will be received.

Grants may be of two types:

- grants related to assets;
- grants related to income.

Government grants or grants received from the EU in a form of non-current assets or intended for purchase of non-current assets are considered as grants related to assets.

At the Group and the Company grants are recognised by deducting them from the asset's carrying amount. For the purpose of the statement of profit or loss and other comprehensive income, grants are recognised over the useful life of the related asset as a deduction from depreciation expenses.

Accumulated grants receivable are classified as other receivables when, according to the agreement, the European Commission undertakes a commitment to fund strategic projects and there is strong evidence that the funding will be received.

Grants received as a compensation for the expenses or unearned income in the current or previous reporting periods, also all grants other than grants related to assets, are considered as grants related to income. Income-related grants are recognised as utilised to the extent of the expenses incurred during the reporting period or unearned income to be compensated by that grant.

For the purpose of the statement of profit or loss, income-related grants are recognised when related costs are incurred, for which the grant was intended to compensate, by adding them to other income. If no connection can be established between the grants and incurred costs or deferred expenses, they are recognised as income during the period they are received or when the Group and the Company comply with all the conditions attached to grants, as established in the respective grant agreement, and there is a reasonable assurance that the grant will be received.

2.10 Assets held for sale and discontinued operations

The Group classifies its long-lived assets and disposal groups as assets held for sale if:

1. It is expected that the carrying amount of the asset will be recovered principally through a sale transaction rather than through continuing use;
2. The asset is available for immediate sale; and
3. The sale of the asset is highly probable in its present condition and subject to terms that are usual and customary for sales of such assets (or disposal group).

The sale is considered as highly probable if:

- management is committed to a plan to sell an asset (or a disposal group);
- an active programme to locate a buyer and complete the plan has been initiated;
- the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value; and
- the sale is expected to qualify for recognition as a completed sale within one year from the date of classification as assets held for sale.

Non-current assets held for sale are stated at the lower of the carrying amount and fair value less costs to sell.

Discontinued operations represent a component of operations and cash flows that can be clearly distinguished from the rest of operations and cash flows of the Company and that either has been disposed of, or is classified as held for sale, and:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to resale.

When eliminating intragroup transactions, the Group and the Company consider whether the elimination of intragroup transactions should be performed from the assets and liabilities of disposal group/whether from assets and liabilities unassigned to disposal group. If the intragroup transactions and balances are expected after the disposal, the elimination entries will be made from the assets and liabilities of disposal group. If it is unlikely that the intragroup transactions will be conducted after the disposal, the elimination entries will be made from the assets/liabilities unassigned to disposal group.

2.11 Lease liabilities

Initial measurement of lease liability

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date.

The lease payments are discounted using the incremental borrowing rate. The incremental borrowing rate is determined as the rate at which the Group and the Company would be able to borrow funds for the purpose of acquiring certain assets for a respective period.

At the commencement date, the lease payments included in the measurement of lease liability comprise the following payments:

- fixed payments, less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be payable by the Group and the Company under residual value guarantees;
- the exercise price of a purchase option if the Group and the Company are reasonably certain to exercise that option;
- payments of penalties for terminating the lease, if the lease term reflects the Group and the Company exercising an option to terminate the lease.

Subsequent measurement of lease liability

Subsequent to initial recognition, the Group and the Company recognise a change in the value of the lease liability by:

- increasing the carrying amount to reflect interest on the lease liability;
- reducing the carrying amount to reflect the lease payments made; and

- remeasuring the carrying amount to reflect any lease modifications or revised lease payments.

Reassessment of the lease liability

After the commencement date, the Group and the Company remeasure the lease liability to reflect changes to the lease payments. The Group and the Company recognise the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group and the Company recognise any remaining amount of the remeasurement in profit or loss.

Revised discount rate

If there is a change in the lease term or in the assessment of an option to purchase the underlying asset, the Group and the Company determine the revised discount rate as the lessee's incremental borrowing rate at the date of reassessment.

Unchanged discount rate

When discounting the revised lease payments, the Group and the Company use an unchanged discount rate, unless the change in lease payments results from a change in variable interest rates. In that case, the Group and the Company use a revised discount rate that reflects changes in the interest rate.

Lease modifications

The Group and the Company account for a lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification the Group and the Company:

- allocate the consideration in the modified contract;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

For a lease modification that is not accounted for as a separate lease, the Group and the Company account for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. The Group and the Company recognise in profit or loss any gain or loss relating to the partial or full termination of the lease;
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

The Group and the Company present its lease liabilities separately from other liabilities in the statement of financial position. Interest expense on the lease liability is presented separately from the depreciation charge for the right-of-use assets. The interest expense on the lease liability is a component of finance costs recognised in the statement of comprehensive income.

2.12 Long-term employee benefits

a) Social security contributions

The Group and the Company pay social security contributions to the State Social Security Fund (the Fund) on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. The defined contribution is a plan under which the Group and the Company pay fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. Social security contributions are recognised as expenses on an accrual basis and included in payroll expenses.

b) Pension benefits to employees of retirement age

Each employee of retirement age who terminates his/her employment with the Group and the Company upon retirement receives the payment, the amount of which is established by the Lithuanian laws. A liability for such payments is recognised in the balance sheet and it reflects the present value of these payments at the date of the financial statements. The non-current liability for payments to employees at the date of the financial statements is estimated with reference to actuary valuations using the projected relative unit method. The present value of the defined non-current liability for payments to employees is determined by discounting the estimated future cash flows using the effective interest rates as set for government debentures denominated in a currency in which payments to employees are expected to be made and with maturity similar to that of the related liability.

2.13 Provisions

Provisions are recognised when the Group and the Company have a legal obligation or irrevocable commitment, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the estimate of the expenditure required to settle the obligation (the expected value). Where the effect of the time value of money is material, the amount of a provision is discounted using a pre-tax effective interest rate that, if necessary, reflects the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognised as borrowing cost.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the changes in circumstances. If the amount of the provision is discounted, the amount reversed at each reporting period is equal to the discounting effect (interest expenses). If circumstance change and the provision is no longer necessary, the provision is reversed in the statement of profit or loss and other comprehensive income through the expense line item where it has been recorded initially at the time of establishment.

Provisions are classified as non-current liabilities, if the Group’s and the Company’s management expect to settle them after twelve months from the date of the statement of financial position, and as current liabilities, if the Group’s and the Company’s management expect to settle them within twelve months from the date of the statement of financial position.

2.14 Income tax

Income tax expense for the period comprises current and deferred income tax.

Income tax

The income tax expense for the current year is calculated on the current year’s profit before tax, as adjusted for certain non-deductible expenses/non-taxable income. Income tax is calculated using the tax rate effective as at the date of issue of the financial statements. Income tax rate of 15% was used in 2023 and 2022. Current year income tax may be reduced by tax losses carried forward. In addition, the Company can take over tax losses from the Group companies, provided it meets the requirements laid down in the Law on Corporate Income Tax.

Deferred income tax

Deferred taxes are calculated using the balance sheet liability method. Deferred taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax liability is recognised for all temporary differences that will increase taxable profit in the future, and deferred tax asset is recognised only to the extent it is likely to reduce the taxable income in the future.

The Group’s deferred tax asset calculation base includes the following:

- impairment of non-current assets;
- revaluation (impairment) of non-current assets;
- write-down allowance for inventories;
- impairment of receivables;
- long-term employee benefits;

- vacation accruals;
- other accruals;
- tax incentive not utilised on investment projects;
- unutilised tax losses that can be utilised by the Company in the future;
- other.

The Group's deferred tax liabilities typically include the following:

- revaluation (increase in value) of non-current assets;
- differences in depreciation rates of non-current assets;
- interest capitalisation effects;
- other.

Deferred tax assets are reviewed at each financial reporting date, and if it is not probable that the Group and the Company will generate sufficient taxable profit to realize these assets, they are reduced to an amount which is likely to reduce the taxable profit in future. Deferred tax assets and liabilities are estimated using the tax rate that has been applied when calculating income tax for the year when the related temporary differences are to be realised or settled.

Deferred tax assets and liabilities are offset only where they relate to income tax assessed by the same fiscal authority or where there is a legally enforceable right to offset current tax assets and current tax liabilities.

Current income tax and deferred income tax

Current income tax and deferred income tax are recognised as income or expenses and included in net profit or loss for the reporting period, except for the cases when tax arises from a transaction or event that is recognized directly in equity or in other comprehensive income, in which case taxes are also recorded in equity and other comprehensive income respectively.

2.15 Revenue recognition

Recognition and measurement of the Group's and the Company's revenue is based on a five-step revenue recognition model which is applied to all contracts with customers. The Group's and the Company's revenue is recognised at a point in time or over time, during which the performance obligation is settled, i.e. the control of services or goods is transferred to the customer.

The Group's revenue includes as follows:

- revenue from natural gas transmission and related services;
- revenue from administration of the LNG terminal funds;
- revenue from the activities of the natural gas exchange operator;
- other income;
- finance income.

Revenue from natural gas transmission and related services

Revenue from transmission services

Revenue from system users for natural gas transmission services is recognised over time based on the reported data on natural gas quantities distributed to the system users connected to the distribution system, and based on the statements of transmitted natural gas that were signed with the system users directly connected to the transmission system.

Revenue from balancing services

The Company's revenue from system balancing products consists of technical balancing revenue, transit flow balancing revenue, and system users balancing revenue.

In transactions of balancing providing technical balancing and transit flow balancing services, the Company acts as principal. Below is described the revenue recognition for the provision of system user's balancing services.

Based on the EC regulation establishing a network code on gas balancing of transmission networks (the "Regulation"), the system users bear the responsibility of balancing their inputs against their off-takes. If the system users fail to balance gas at the entry/exit points, the Company is entitled to undertake the balancing actions as set forth in the Regulation. In accordance with the Regulation, the Company undertakes the balancing actions in respect of the system users with reference to measures on each gas day.

Revenue from balancing services is recognised when the transmission system user's imbalance quantity becomes negative, thereby causing natural gas shortfall. Expenses from balancing services are recognised when the transmission system user's imbalance quantity becomes positive, thereby causing natural gas surplus. As the Company seeks to ensure financial neutrality, it levies a neutrality charge for each reporting month with effect from 1 March 2022. Neutrality charge means a charge payable to/by the transmission system operator due to performance of its balancing activities. The neutrality charge represents the difference between the expenses and revenue of the transmission system operator from the balancing activities. The neutrality charge may be both positive and negative. When the neutrality charge is negative, the transmission system operator pays the neutrality charge to the system users. When the neutrality charge is positive, the system users pay the neutrality charge to the transmission system operator. The purpose of the neutrality charge is to ensure financial neutrality of the transmission system operator.

Due to amendments introduced in regulation of balancing activities with effect from 1 March 2022, the Company acts as an agent in its gas purchase/sale transactions and reports net result of balancing activities in the financial statements. The neutrality charge is expected to ensure a zero gain/(loss) from balancing activities. Acting as an agent in balancing gas purchase/sale transactions is explained by limited control of the balancing services and purchases of gas, absence of economic benefits, no discretion in establishing the price for the balancing services since the pricing is governed by law, no discretion in choosing a counterparty and inability to regulate demand. In addition, the activities of the Company, as the transmission system operator, are not associated with trade in natural gas, and the regulated balancing actions are performed for the benefit of all system users rather than for the benefit of a specific system user.

Revenue from administration of the LNG terminal funds

Based on the provisions of Article 5(2) of the Republic of Lithuania Law on Liquefied Natural Gas Terminal, the Company carries out the function of administration of the LNG terminal funds. The administration of the LNG terminal funds is performed in accordance with the Description of the procedure for the administration of funds intended to compensate for the construction and fixed operating expenses of the liquefied natural gas terminal, its infrastructure and connector, including subsequent amendments and supplements thereto (the title was changed on 18 December 2015 under the Council's Resolution No 03-653 of 17 December 2015), as approved by the Council's Resolution No O3-294 of 9 October 2012. The Company collects and administers the LNG terminal funds and acts as an intermediary on behalf of the State, and such activities do not generate any revenue/profit for the Company in the ordinary course of business. The LNG terminal funds are collected and transferred to the recipients of the LNG terminal funds: The share of the LNG terminal funds intended solely to cover the administration expenses of the LNG terminal funds is considered as the Company's revenue. The amount of administration of the LNG terminal funds is calculated as the amount of costs that are expected to be incurred, by taking into account the actual costs incurred in the previous periods, and such amount is specified in the Council's certificate. The LNG terminal funds are not treated as the Company's revenue/expenses, but they are rather accounted for as other receivables/other payables and other financial assets.

Revenue from the activities of the natural gas exchange operator

The amounts collected by the exchange operator for the services provided in the course of trading are recognised as revenue of the exchange operator, based on the following service fees agreed with the Council:

- Initial registration fee: a one-off fee payable upon becoming an exchange participant which is recognised as revenue at a point in time when a service is rendered;
- Annual membership fee: a fixed membership fee payable annually by an exchange participant. The annual membership fee is payable for the calendar year (adjusted in proportion to the remaining number of days in a year in case the market participant joins the exchange at some point of time in the course of a year). This revenue is recognised over a period of time, during which the membership right is exercised;

- Floating trading fee: a fee estimated as EUR per 1 MWh, which is payable by a participant who is a party to the transaction for the quantity of natural gas purchased and/or sold on the exchange. It is recognised as revenue at a point in time when a service is rendered.

Other income

Connection fees on connection of new consumers and producers to the gas transmission network

The connection "service" is considered as a single performance obligation together with the future gas transmission services, as defined in IFRS 15 Revenue from contracts with customers, because the pricing of the connection fee is directly linked to the pricing of the transmission services. Therefore revenue (including the compensation for the connection to the grid) are recognised in profit or loss over time during the useful life (or lives) of the connection assets constructed / built by Company and compensated by a consumer.

Accounting for the connection fees on connection of new producers is based on the accounting policies for grants (IAS 20 Accounting for government grants and disclosure of government assistance), and the acquisition cost of the assets is reduced by the amount of the connection fee.

Relocation (reconstruction) of infrastructure facilities owned under the title by the Company upon a customer's request

Upon a customer's request, the Company carries out relocation or reconstruction of infrastructure facilities and incurs related expenses. Such relocation work does not give rise to any economic benefits for the Company, and all expenses related to such work are compensated in full by a customer through acquisition of energy facility relocation service from the Company.

Based on IFRS and the Company's accounting policies, there are two approaches for recognition of such transactions by the

1. When relocation of assets involves substantial improvement of assets. Under IAS 16 *Property, plant and equipment,* the relocation expenses incurred by the Company are added to the acquisition cost of the related assets. Accounting for the compensation (i.e. relocation fee) due from a customer is based on the accounting policies for grants (IAS 20 Government grants and disclosure of government assistance) and the acquisition cost of the assets is reduced by the amount of the relocation fee. Since all relocation costs are compensated in full for the Company by a customer, such transaction results in a zero impact on the Company's profit or loss, i.e. the Company neither incurs additional expenses nor earns additional revenue from such transaction.

2. When relocation of assets does not involve substantial improvement of assets. Under IFRS 15 *Revenue from contracts with customers*, the Company earns revenue from relocation service (i.e. revenue is recognised at the time of rendering the service) and incurs relocation service expenses (i.e. all costs incurred on relocation of assets are recognised as expenses in the same period as revenue from relocation service). Since all relocation costs are covered in full for the Company by a customer, such transaction results in a zero impact on the Company's profit or loss, i.e. revenue earned by the Company equals expenses incurred by the Company.

Gain from disposal of property, plant and equipment, lease income, income from sale of other goods and provision of other services, income from default charges and fines collected from the contractors as a result of late fulfilment of work, income-related grants are recognised by the Group as other income.

2.16 Expense recognition

Expenses incurred in relation to revenue earned during the reporting period are recognised by the Group and the Company on an accrual basis, and based on the following principles: (1) the costs are recognised as expenses to the extent of the value of goods sold or services rendered, since the criterion for recognition of expenses is that they have been incurred to earn revenue of the reporting period; (2) the costs incurred by the Group company during the reporting period are recognised as expenses of the reporting period immediately, unless they can be linked to earning of the specific revenue, and no income is expected to be earned in relation to such expenses in the next periods.

The Group and the Company use expense classification by type.

Taxes such as real estate tax, land tax, land rent tax, taxes related to environmental pollution, non-deductible value added tax, etc. are recognized as expenses.

2.17 Finance income and costs

Finance income

Finance income includes income earned by the Company from financing activities, such as foreign exchange gain, interest income on cash balance.

The Group's and the Company's finance costs include as follows:

- foreign exchange loss,
- interest on borrowings,
- undisputed fines and interest on late payments.

2.18 Cash flows

The Group and the Company report cash flows using the indirect method. Reporting of cash flows from operating activities based on the indirect method means that net profit/(loss) for the reporting period is presented as cash inflows or outflows from operating activities of the Group and the Company for the reporting period. Cash inflows and outflows from investing and financing activities for the reporting period are presented separately unless cash flows are presented on a net basis.

For the purpose of the Group's and the Company's financial statements, dividends paid are reported as cash flows of financing activities, whereas dividends received are reported as cash flows of investing activities.

For the purpose of the Group's and the Company's financial statements, interest paid is reported as cash flows of financing activities, whereas interest received is reported as cash flows of investing activities.

2.19 Foreign currencies

Foreign currency transactions are accounted for at the official exchange rates prevailing at the date of the transactions. Gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies on the balance sheet date are recognised in the statement of profit or loss. Such balances are translated at the period-end exchange rates.

2.20 Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value measurement hierarchy described below. The fair value measurement hierarchy is based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The Group's and the Company's financial assets not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables, and loans granted and borrowings.

As at 31 December 2023 and 2022, the carrying amount of the financial assets approximated their fair value.

2.21 Contingencies

Contingent liabilities are not recognised, but are disclosed in the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote.

A contingent asset is not recognised in the financial statements but disclosed when an inflow or economic benefits is probable.

2.22 Events after the reporting period

Events after the reporting period that provide additional information about the Group's and the Company's position at the date of the statement of financial position (adjusting events) are reflected in the financial statements. Events after the reporting period that are non-adjusting events are disclosed in the notes when material.

2.23 Inter-company offsetting

When preparing the financial statements, assets and liabilities, as well as income and expenses are not offset, except for those cases where a certain standard specifically permits or requires such offsetting.

3. Accounting estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies. The significant areas of estimation used in the preparation of these financial statements relate to measurement of depreciation and determination of revalued amount of property, plant and equipment (Notes 3.1, 7), loss of the control in the subsidiary and revaluation of the investment retained (Notes 3.2 and 8), GET Baltic's share options (Notes 3.3 and 10), accounting policies applicable to balancing of system users (Note 3.4). Future events may occur which may cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

3.1 Valuation of property, plant and equipment

As at 31 December 2023, the Company revalued its property, plant and equipment by recognising a EUR 4,685 thousand revaluation losses. An increase in value of property, plant and equipment of EUR 3,255 thousand was recognised in other comprehensive income, and the loss of revaluation of EUR 7,940 thousand was recognised in profit or loss. Details of the revaluation are disclosed in Note 7.

3.2 Loss of control of a subsidiary

On 31 May 2023, upon sale of 66% shares in the subsidiary, the Company lost control in GET Baltic. The retained investment in GET Baltic was recognised at fair value at the time of loss of control, with the revaluation result of the remaining part of the investment recognised in profit or loss. More information on the loss of control is disclosed in Note 8. As at 31 December 2023, the investment in the associate GET Baltic is accounted for using the equity method in the separate and consolidated financial statements.

In the financial statements for the year ended 31 December 2022, the investment in the subsidiary GET Baltic was recorded as an asset held for sale (disposal group).

The disposal group did not qualify as discontinued operations because the subsidiary did not represent a separate major line of business or geographical area of operations, and accordingly, the effects of discontinued operations were not recognised in the statement of profit or loss and cash flow statement.

For the purpose of the consolidated financial statements for the year ended 31 December 2022 and 31 December 2023, intercompany transactions with GET Baltic will be eliminated from the disposal group.

3.3 GET Baltic's share options

On 31 May 2023, the Company issued a put option enabling the Company to sell the remaining shareholding in GET Baltic at a fixed price within 24 months of the date of the put option. Under the same option agreement, the investor issued a call option to purchase the remaining shares of GET Baltic at a fixed price, subject to the fulfilment of the obligations set out in the shareholders' agreement, within 24 months of the date of the put option. In the Company management's assessment, these options meet the definition of derivatives. The put option, given the 24-month option expiration term, creates a non-current financial asset for the Company that is measured at fair value. The investor's call option creates a financial liability for the Company that can be settled within 24 months from the put option date, i.e. at any time after the investor has fulfilled its obligations. As the Company does not have an irrevocable right to defer the put option, the liability is recognised as a current liability and measured at fair value. More information on options is disclosed in Note 10.

3.4 Accounting policies for balancing of system users

Following the amendments introduced in regulation of balancing activities with effect from 1 March 2022, the Company assessed whether it acts as a principal or as an agent in its transactions of balancing services. The Company's management concluded that with effect from 1 March 2022 it acts as an agent in its transactions of balancing services (see Note 2.16), and therefore, the net result of the balancing activities is reported in the financial statements. Before 1 March 2022, the Company acted as a principal in its transactions of balancing services, and therefore, revenue and expenses from transmission and balancing services were reported in the financial statements.

4. Reclassification of comparative figures in the financial statements

The Group and the Company presented additional financial ratios of EBITDA and EBIT in the statement of comprehensive income, as the Group believes that these financial ratios provide valuable information to the Group's and the Company's management

and stakeholders in making operational decisions. These financial ratios are not a substitute for the mandatory items in the statement of comprehensive income as defined by IFRS, but are presented in addition to the required information. After the reclassification, the statement of comprehensive income includes only the major expense items, with a more detailed classification presented in a separate note to the financial statements. Bellow is the effect of reclassification on the item of the Company's and the Group's statement of comprehensive income in 2022:

	Group		
	2022 before reclassification	Reclassification	2022 after reclassification
Revenue	97,600	-	97,600
Other income	606	-	606
Total revenue and other income	**98,206**	**-**	**98,206**
Purchases of natural gas	(39,834)	-	(39,834)
Payroll and related expenses	(12,423)	-	(12,423)
Purchases of repair and maintenance services	(4,646)	1,497	(3,149)
Taxes other than income tax	(2,812)	2,812	-
Telecommunications and IT system expenses	(1,953)	1,953	-
Other expenses	(4,644)	(6,119)	(10,763)
Total expenses:	**(66,312)**	**143**	**(66,169)**
EBITDA	**-**	**-**	**32,037**
Dividends	-	-	-
Depreciation and amortisation	(13,045)	-	(13,045)
Assets write-off expenses (reversal)	-	-	-
Impairment (reversal of impairment) expenses		(143)	(143)
Operating profit (loss) (EBIT)	**-**	**(143)**	**18,849**
Total finance costs, net	**(719)**	**-**	**(719)**
Profit (loss) before tax	**18,130**	**-**	**18,130**
Total income tax	**(2,465)**	**-**	**(2,465)**
Net profit (loss)	**15,665**	**-**	**15,665**

	Company		
	2022 before reclassification	Reclassification	2022 after reclassification
Revenue	96,046	-	96,046
Other income	606	-	606
Total revenue and other income	**96,652**	**-**	**96,652**
Purchases of natural gas	(39,834)	-	(39,834)
Payroll and related expenses	(11,942)	-	(11,942)
Purchases of repair and maintenance services	(4,646)	1,497	(3,149)
Taxes other than income tax	(2,808)	2,808	-
Telecommunications and IT system expenses	(1,840)	1,840	-
Other expenses	(4,617)	(6,002)	(10,619)
Total expenses:	**(65,687)**	**143**	**(65,544)**
EBITDA	**-**	**-**	**31,108**
Dividends	598	-	598
Depreciation and amortisation	(12,854)	-	(12,854)
Assets write-off expenses (reversal)	-	-	-
Impairment (reversal of impairment) expenses	-	(143)	(143)
Operating profit (loss) (EBIT)	**-**	**(143)**	**18,709**
Total finance costs, net	**(621)**	**-**	**(621)**
Profit (loss) before tax	**18,088**	**-**	**18,088**
Total income tax	**(2,368)**	**-**	**(2,368)**
Net profit (loss)	**15,720**	**-**	**15,720**

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance, has been identified as the Board of Directors that makes strategic decisions.

The Group has two business segments which are consistent with the business directions stipulated in the Group's strategy:

- Natural gas transmission segment;
- Natural gas exchange operator's segment (activities of GET Baltic until 31 May 2023).

The Group has a single geographical segment – the Republic of Lithuania. All non-current assets of the Group are domiciled in Lithuania, where the Group operates.

The key performance indicators are net profit and and earnings before interest, tax, depreciation and amortisation, revaluation of property, plant and equipment, impairment and write-down losses and impairment losses on inventories and receivables (EBITDA), operating earnings before interest, tax, and passive income from investing activities (EBIT). These indicators are calculated on the basis of data reported in the financial statements.

The Management Board also monitors adjusted performance indicators, i.e. adjusted EBITDA, which is non-IFRS alternative performance measure. Management's adjustments include temporary regulatory differences resulting from the Council's decisions. Adjusted EBITDA is EBITDA further adjusted by adding management's adjustments. Management's adjustments may have both positive and negative impact on the reporting period results. In management's view, Adjusted EBITDA more accurately present results of the operations and enable a better comparison of the results between the periods as they indicate the amount that was actually earned by the Group in the reporting year.

Management also analyses investments and net debt of each individual segment.

The table below contains information on the Group's operating segments for the year ended 31 December 2023:

	Transmission of natural gas	Natural gas exchange operator's activities	Total
Revenue and other income	81,337	892	82,229
Operating expenses, excl. depreciation, write-off and impairment	(55,629)	(324)	(55,953)
EBITDA	**25,708**	**568**	**26,276**
Adjusted EBITDA	**24,650**	**568**	**25,218**
Temporary regulatory differences for previous periods	(2,883)		(2,883)
Temporary regulatory differences for reporting period	1,825		1,825
Overall effect of management's adjustments on EBITDA	**-**	**-**	**-**
EBITDA (under IFRS) reconciliation to Net profit/loss	**(13,145)**	**(980)**	**(14,125)**
Depreciation and amortisation	(12,595)	(85)	(12,680)
Asset write-offs, impairment	(8,138)		(8,138)
Finance income	59	445	504
Finance costs	(1,817)	(1)	(1,818)
Income tax	(567)	(140)	(707)
Dividend income	542	(542)	
Result on loss of control and revaluation of associates	9,076	(657)	8,419
Share of results of associate	295		295
Net profit (loss)	**12,563**	**(412)**	**12,151**
Total assets	332,329		332,329
Net financial debt	95,175		95,175
Investments (additions of property, plant and equipment and intangible assets)	35,703		35,703

The table below contains information on the Group's operating segments for the year ended 31 December 2022:

	Transmission of natural gas	Natural gas exchange operator's activities	Total
Revenue and other income	96,652	1,554	98,206
Operating expenses, excl. depreciation, write-off and impairment	(65,544)	(625)	(66,169)
EBITDA	**31,108**	**929**	**32,037**
Adjusted EBITDA	35,024	929	35,953
Temporary regulatory differences for previous periods	**8,776**	**-**	**8,776**
Temporary regulatory differences for reporting period	**(4,860)**	**-**	**(4,860)**
Overall effect of management's adjustments on EBITDA	**-**	**-**	**-**
EBITDA (under IFRS) reconciliation to Net profit/loss	**(15,388)**	**(984)**	**(16,372)**
Depreciation and amortisation	(12,854)	(191)	(13,045)
Asset write-offs, impairment	(143)		(143)
Finance income	5	24	45
Finance costs	(642)	(122)	(764)
Income tax	(2,368)	(97)	(2,465)
Dividend income	598	(598)	

Net profit (loss)	**15,720**	**(55)**	**15,665**
Total assets	345,347	203,009	548,356
Net financial debt	104,630	-	104,630
Investments (additions of property, plant and equipment and intangible assets)	42,852	-	42,852

As at 31 December 2023, there were two customers of the Company each generating over 10% of the Company's total revenue. Revenue from customers totalled EUR 37,738 thousand, whereof:

Customer A – EUR 24,713 thousand;
Customer B – EUR 13,025 thousand;

As at 31 December 2022, there were three customers of the Company each generating over 10% of the Company's total revenue. Revenue from customers totalled EUR 78,594 thousand, whereof:

Customer A – EUR 41,840 thousand;
Customer B – EUR 22,754 thousand;
Customer C – EUR 14,000 thousand.

6. Intangible assets

Movements in Company's intangible assets during the current and previous reporting period were as follows:

	Company				
	Patents and licences	**Computer software**	**Other intangible assets**	**Protected areas**	**Total**
As at 31 December 2021	**9**	**2,022**	**-**	**2,179**	**4,210**
Acquisition/revaluation amount	51	4,493	5	2,179	6,728
Accumulated amortisation	(42)	(2,471)	(5)	-	(2,518)
Net book value as at 31 December 2021	**9**	**2,022**	**-**	**2,179**	**4,210**
Additions	-	315	-	-	315
Write-offs	-	-	-	-	-
Adjustment for changes in assumptions	-	-	-	(889)	(889)
Amortisation charge	(3)	(1,049)	-	-	(1,052)
Off-set of grants against non-current assets	-	-	-	-	-
As at 31 December 2022	**6**	**1,288**	**-**	**1,290**	**2,584**
Acquisition/revaluation amount	51	4,808	5	1,290	6,154
Accumulated amortisation	(45)	(3,520)	(5)	-	(3,570)
Net book value as at 31 December 2022	**6**	**1,288**	**-**	**1,290**	**2,584**
Additions	4	767	-	-	771
Write-offs	-	(4)	-	-	(4)
Adjustment for changes in assumptions	-	-	-	(264)	(264)
Amortisation charge	(3)	(525)	-	-	(528)
Off-set of grants against non-current assets	-	-	-	-	-
As at 31 December 2023	**7**	**1,526**	**-**	**1,026**	**2,559**
Acquisition/revaluation amount	55	5,571	5	1,026	6,657
Accumulated amortisation	(48)	(4,045)	(5)	-	(4,098)
Net book value as at 31 December 2023	**7**	**1,526**	**-**	**1,026**	**2,559**

The Company's intangible assets with the acquisition cost of EUR 101 thousand as at 31 December 2023 (31 December 2022: EUR 441 thousand) was fully amortised but still in use.

Depreciation of grants in amount of EUR 205 thousand as at 31 December 2023 (31 December 2022: EUR 352 thousand) was reported in the statement of profit or loss as an offsetting of depreciation of related assets against proceeds from grants.

Given that lower volumes for protected zone registration services were established to ensure more clarity in legal regulation, relevant services were acquired by way of a public procurement procedure in order to fulfil the actions necessary for the establishment and registration of protected zones and class location areas and the value of contracts for those services was lower than the preliminary value applied in the assumptions used for provisioning purposes, an taking into account changes in the prices of services provided by the State Enterprise Centre of Registers (e-delivery, submission of registration data), the Company reviews the estimated cost of establishing special land use conditions and remeasures the intangible asset and liability over the expected term of fulfilment of obligation. Due to changes in assumptions the value of provision and related intangible assets was reduced by EUR 264 thousand as at 31 December 2023, and by EUR 889 thousand as at 31 December 2022.

7. Property, plant and equipment

Movements in Company's property, plant and equipment during the current and previous reporting period were as follows:

	Land	Buildings	Structures and equipment	Plant and machinery	Vehicles	Other PP&E	Construc-tion work in progress	Total
As at 31 December 2021	**125**	**6,529**	**199,940**	**37,143**	**373**	**4,060**	**7,808**	**255,978**
Acquisition/revaluation amount	125	6,805	205,308	40,518	541	5,349	7,808	266,454
Accumulated depreciation	-	(276)	(5,368)	(3,375)	(168)	(1,289)	-	(10,476)
Net book value as at 31 December 2021	**125**	**6,529**	**199,940**	**37,143**	**373**	**4,060**	**7,808**	**255,978**
Additions	-	-	26,844	-	-	277	15,416	42,537
Write-offs	-	-	(27)	-	-	-	-	(27)
Sales	-	-	-	-	-	-	-	-
Reclassification from/to inventories	-	-	(44)	(7)	-	-	-	(51)
Reclassifications between categories	-	289	9,086	130	-	1,050	(10,555)	-
Depreciation charge	-	(291)	(5,908)	(3,435)	(153)	(1,538)	-	(11,325)
Off-set of grants against non-current assets	-	-	-	-	-	-	(6,023)	(6,023)
As at 31 December 2021	**125**	**6,527**	**229,891**	**33,831**	**220**	**3,849**	**6,646**	**281,089**
Acquisition/revaluation amount	125	6,818	235,799	37,266	373	5,387	6,646	292,414
Accumulated depreciation	-	(291)	(5,908)	(3,435)	(153)	(1,538)	-	(11,325)
Net book value as at 31 December 2022	**125**	**6,527**	**229,891**	**33,831**	**220**	**3,849**	**6,646**	**281,089**
Additions	-	-	83	25	2	55	34,767	34,932
Write-offs	-	(13)	(440)	(183)	-	(9)	-	(645)
Disposals	-	-	-	-	-	(1)	-	(1)
Impairment (reversal) of assets	-	-	(57)	-	-	-	11	(46)
Revaluation	11	85	(8,821)	4010	21	9	-	(4,685)
Reclassification from/to inventories	-	-	(38)	(12)	-	(1)	-	(51)
Reclassifications between categories	-	1,343	13,727	3,414	-	2,378	(20,862)	-
Depreciation charge	-	(295)	(6,156)	(3,383)	(108)	(1,612)	-	(11,554)
Off-set of grants against non-current assets	-	-	-	-	-	-	(14,686)	(14,686)
As at 31 December 2023	**136**	**7,647**	**228,189**	**37,702**	**135**	**4,668**	**5,876**	**284,353**
Acquisition/revaluation amount	136	7,647	228,189	37,702	135	4,668	5,876	284,353
Accumulated depreciation	-	-	-	-	-	-	-	-
Net book value as at 31 December 2023	**136**	**7,647**	**228,189**	**37,702**	**135**	**4,668**	**5,876**	**284,353**

Group's part of property, plant and equipment with the carrying amount of EUR 94 thousand as at 31 December 2023 (31 December 2022: EUR 133 thousand) was fully depreciated but still in use.

The cost of PP& in 2023 included: the reconstruction of separate sections of the main gas pipeline Vilnius-Kaunas amounting to EUR 13,233 thousand; the replacement of overground passes with the underground passes and deepening of not deepened sections of main gas pipeline (MD A2 stage II) amounting to EUR 3,237 thousand; investments in the reconstruction of the Grigiškės, Kėdainiai, Vievis, Šiauliai, Telšiai GDSs amounting to EUR 6,699 thousand; the reconstruction of the main gas pipelines based on diagnostics results amounting to EUR 1,252 thousand; and reconstructions of a pressure relief valve in the main gas pipeline branch to the Marijampolė gas distribution station amounting to EUR 1,011 thousand.

Depreciation of grants in amount of EUR 4,293 thousand as at 31 December 2023 (31 December 2022: EUR 4,109 thousand) was reported in the statement of profit or loss as an offsetting of depreciation of related assets against proceeds from grants.

In 2023, part of the Company's capitalised borrowing costs (interest) were added to the cost of PP&E and amounted to EUR 329 thousand (2022: EUR 21 thousand). The annual interest capitalisation rate in 2023 was 3.834% (2022: 0.652%).

Had the value of the Company's PP&E been not reduced by the amount of grants, the carrying amount of PP&E as at 31 December 2023 would be higher by EUR 137,451 thousand (31 December 2022: EUR 127,087 thousand). Information on grants received/receivable used to reduce the value of property, plant and equipment:

	As at 31 December 2023	As at 31 December 2022
Carrying amount at the beginning of the period	**127,087**	**125,179**
Additions	14,686	6,023
Depreciation charge	(4,293)	(4,109)
Write-off	(29)	(6)
Carrying amount at the end of the period	**137,451**	**127,087**

The table below presents the net book amounts of the Company's property, plant and equipment, which would have been recognised under the historical cost method, excluding prepayments and less grants received and negative revaluations which would be equivalent to impairment as at 31 December 2023 and 2022:

	Land	**Buildings**	**Structures and equipment**	**Plant and machinery**	**Vehicles**	**Other PP&E**	**Construction work in progress**	**Total**
As at 31 December 2023	125	8,227	384,053	37,608	114	4,659	6,413	441,199
As at 31 December 2022	125	7,089	384,533	38,497	257	3,427	6,902	440,830

The revaluation impact on profit or loss and other comprehensive income is presented below:

	Recognised in other comprehensive income (revaluation reserve)	Recognised through profit or loss	Total revaluation impact
Increase in net book value as at 31 December 2023	3,255	-	3,255
Decrease) in net book value as at 31 December 2023	-	(7,940)	(7,740)
Total revaluation result as at 31 December 2023	3,255	(7,940)	(4,685)

8. Loss of control in subsidiary, investment in associate

In the separate financial statements for the year ended 31 December 2022, the investment in GET Baltic was recorded as asset held for sale, as all the criteria for recognition as asset held for sale were met. The asset held for sale was measured at carrying amount that was lower than the fair value of the investment. For the purpose of the consolidated financial statements, the investment in GET Baltic was recorded as a disposal group.

Once the General Meeting of Shareholders approved the sale of shares in GET Baltic and the material terms and conditions thereof on 11 April 2023, the sale of a 66 % shareholding in GET Baltic was completed on 31 May 2023.

The Company lost control of GET Baltic following the completion of the share sale transaction on 31 May 2023. The loss of control is linked to existing rights to direct significant activities and make key management decisions. The remaining part of the investment in GET Baltic after the loss of control is recognised as an investment in an associate, which is accounted for using the equity method and measured at fair value at the time of loss of control. In the consolidated statement of comprehensive income, the result of disposal of the subsidiary and revaluation of the remaining part of investment in associate was EUR 8,419 thousand, of which gain on disposal of control was EUR 5,557 thousand, and gain on revaluation of investment in associate was EUR 2,862 thousand. In the separate financial statements, the result of disposal of the subsidiary and revaluation of the remaining part of investment in associate was EUR 9,076 thousand, of which gain on disposal of control was EUR 5,989 thousand, and gain on revaluation of investment in associate was EUR 3,087 thousand.

Effect of loss of control on consolidated cash flow statement items:

	As at 31 December 2023	As at 31 December 2022
Gain on disposal of subsidiary, cash	6,500	-
Revaluation of the remaining part of the investment	3,348	-
Fair value of the loss of control transaction	9,848	-
Net assets of subsidiary	(1,429)	-
Gain on loss of control and revaluation of associates	**8,419**	**-**

Effect of loss of control on separate cash flow statement items:

	As at 31 December 2023	As at 31 December 2022
Gain on disposal of subsidiary, cash	6,500	-
Revaluation of the remaining part of the investment	3,348	-
Fair value of the loss of control transaction	9,848	-
Net assets of subsidiary	(769)	-
Gain on loss of control and revaluation of associates	**9,079**	**-**

Main categories of assets and liabilities over which the control was lost at the time of loss of control:

Non-current assets	**498**
Intangible assets	409
Property, plant and equipment	3
Right-of-use assets	82
Non-current financial assets	4
Current assets	**41,791**
Prepayments	20
Receivables	7,274
Other current financial assets	33,304
Cash and cash equivalents	1,193
Total assets:	**42,289**
Non-current liabilities	**48**
Non-current lease liabilities	48
Current liabilities	**40,812**
Current portion of lease liabilities	34
Trade payables, prepayments received and other payables	40,602
Income tax liability	59
Employment-related liabilities	117
Total liabilities:	**40,860**
Net assets	**1,429**

Information on the cash flow generated by the subsidiary is provided below:

	As at 31 December 2023	As at 31 December 2022
Net cash flows from operating activities	494	776
Net cash flows used in investing activities	437	(104)
Net cash flows from/used in financing activities	(555)	(749)
Net increase in cash generated by the subsidiary	**376**	**(77)**

Changes in carrying amount of the investment in associate due to the application of the equity method:

	As at 31 December 2023	As at 31 December 2022
Carrying amount at the beginning of the period	-	-
Acquisition	3,349	-
Associate's net profit (loss)	295	-
Associate's other comprehensive income	-	-
Dividends received	-	-
Carrying amount at the end of the period	**3,644**	**-**

9. Right-of-use assets

As described below, the Group and the Company have taken on lease office premises, motor vehicles, and land. Lease periods for premises, motor vehicles and land are 5-10 years, 3-4 years, and 99 years, respectively. The Group and the Company assessed the probability of exercising the lease extension option when recognising right-of-use assets and lease liabilities, and when determining the lease periods.

To mitigate the environmental impact, the Company renewed its fleet of cars by replacing polluting vehicles with electric cars or less polluting vehicles. As at 31 December 2023, the initial cost of electric cars recognised as right of use assets amounted to EUR 217 thousand, lease period was 3-4 years.

	Buildings	Land	Vehicles	Total
Net book amount of assets recognised at 31 December 2021	**1,672**	**1,493**	**572**	**3,737**
New contracts	-	-	105	105
Indexation	-	-	-	-
Write-offs	-	-	-	-
Depreciation charge	(177)	(15)	(285)	(477)
Net book amount as at 31 December 2022	**1,495**	**1,478**	**392**	**3,365**
				-
Net book amount of assets recognised at 31 December 2022	**1,495**	**1,478**	**392**	**3,365**
New contracts	-	-	217	217
Indexation	31	-	-	31
Write-offs	-	-	-	-
Depreciation charge	(180)	(16)	(317)	(513)
Net book amount as at 31 December 2023	**1,346**	**1,462**	**292**	**3,100**
Initial cost	1,747	1,534	1,442	4,723
Accumulated depreciation	(401)	(72)	(1,150)	(1,623)
Net book value at 31 December 2023	**1,346**	**1,462**	**292**	**3,100**

As the useful life of the right-of-use assets is longer than the lease term, depreciation is calculated from the commencement date of the lease till the end of the lease term.

10. Derivatives

The Company's derivatives are reported under the following items of the statement of financial position:

	As at 31 December 2023	As at 31 December 2022
Non-current assets		
Put option of GET Baltic	166	-
Total non-current derivative assets:	**166**	**-**
Current liabilities		
Call option of GET Baltic	166	
Total current derivative liabilities:	**166**	**-**

The following provides information on the fair value of derivatives:

				Fair value of option	
Share option	Subscription date	Maturity	Exercise price	As at 31 May 2023	As at 31 December 2023
Put option	As at 31 May 2023	As at 31 May 2025	3.22[1)]	202	166
Call option	As at 31 May 2023	As at 31 May 2025	3.22[1)]	202	166

[1)] The share exercise price is increased at 6% annual interest rate for the period from the exercise date until final settlement for the remaining shares.

11. Inventories

	As at 31 December 2023	As at 31 December 2022
Raw materials, spare parts and other inventories	1,052	1,135
Natural gas	4,339	12,250
Assets held for sale	-	-
Inventories, gross	5,391	13,385
Less: impairment	(517)	(552)
	4,874	**12,833**

Changes in the value of natural gas inventories mostly influenced by the decrease in natural gas prices.

The acquisition cost of the Company's inventories accounted for at net realisable value as at 31 December 2023 amounted to EUR 1,052 thousand (31 December 2022: EUR 1,135 thousand).

Inventories recognised as expenses during the reporting period amounted to EUR 26,854 thousand as at 31 December 2023 (31 December 2022: EUR 40,772 thousand).

12. Trade receivables

	As at 31 December 2023	As at 31 December 2022
I. Trade receivables under contracts with customers		
I.1 Receivables after one year	-	-
Net book of receivables after one year:	**-**	**-**
I.2. Current trade receivables		
Receivables for transmission of natural gas	6,770	13,834
Receivables for natural gas	713	-
Receivables for balancing of transmission system	1,553	4,473
Receivables for other services	2	-
Less: expected credit losses for trade receivables	(19)	(17)
Trade receivables under contracts with customers	**9,019**	**18,290**
II. Trade receivables under other contracts		
Other trade receivables	11	208
Less: impairment of trade receivables	-	-
Total trade receivables under other contracts	**11**	**208**
Total trade receivable	**9,030**	**18,498**

Current trade receivables are interest free and their settlement term is typically between 7 and 20 calendar days. Impairment allowance of EUR 19 thousand was established for trade receivables as at 31 December 2023 (31 December 2022: EUR 17 thousand).

The Company applies a simplified credit risk assessment approach as required by IFRS 9, and accounts for loss allowances for lifetime credit losses from initial recognition of receivables.

To determine credit losses for receivables, the Company applies an individual assessment and a provision matrix. The loss ratio matrix is based on historical data for a period exceeding 36 months on settlements of debts by customers. The loss ratios may be adjusted in view of macroeconomic forecasts. The loss ratios are classified into separate groups of receivables on the basis of credit risk characteristics and overdue period. Entities in bankruptcy and/or liquidation are subject to a credit loss ratio of 100%.

Expected credit losses of trade receivables assessed jointly as at 31 December 2023 were amounted to:

As at 31 December 2023	Not past due	1-30 days	31-90 days	91-180 days	181 and more days	Total
State-owned companies	**2,174**	**-**	**-**	**-**	**-**	**2,174**
Loss ratio (%)	0%	0%	0%	0%	0%	
Expected credit losses	-	-	-	-	-	-
Other entities	**3,764**	**6**	**159**	-	**1**	**3,930**
Loss ratio (%)	0.04%	2.99%	5.83%	17.55%	100%	
Expected credit losses	(2)	-	(9)	-	(1)	(12)
Total trade receivable	**5,938**	**6**	**159**	-	**1**	**6,104**
Total expected credit losses	**(2)**		**(9)**		**(1)**	**(12)**

Expected credit losses of trade receivables assessed individually as at 31 December 2023 were amounted to:

	Trade receivables	Expected credit losses
Not past due	2,945	7
Up to 30 days	-	-
31–90 days	-	-
91–180 days	-	-
181 and more days	-	-
As at 31 December 2023	**2,945**	**7**

Expected credit losses of trade receivables assessed jointly as at 31 December 2022 were amounted to:

As at 31 December 2022	Not past due	1-30 days	31-90 days	91-180 days	181 and more days	Total
State-owned companies	**3,196**	**-**	**-**	**-**	**-**	**3,196**
Loss ratio (%)	0%	0%	0%	0%	0%	
Expected credit losses	-	-	-	-	-	-
Other entities	**6,236**	**44**	-	-	**1**	**6,281**
Loss ratio (%)	0.04%	2.99%	5.83%	17.55%	100%	
Expected credit losses	(2)	(1)	-	-	(1)	(4)
Total trade receivable	**9,432**	**44**		-	**1**	**9,477**
Total expected credit losses	**(2)**	**(1)**			**(1)**	**(4)**

Expected credit losses of trade receivables assessed individually as at 31 December 2022 were amounted to:

	Trade receivables	Expected credit losses
Not past due	9,038	13
Up to 30 days	-	-
31–90 days	-	-
91–180 days	-	-
181 and more days	-	-
As at 31 December 2022	**9,038**	**13**

For the purpose of the individual assessment, the range of expected credit losses was 0-1.04% in 2023 (2022: 0-1.9%). Movement on impairment allowance account of the Group's trade receivables:

	As at 31 December 2023	As at 31 December 2022
Carrying amount at the beginning of the period	**17**	**67**
Impairment (reversal of impairment)	2	(50)
Carrying amount at the end of the period	**19**	**17**

13. Other receivables

	As at 31 December 2023	As at 31 December 2022
Non-financial assets		
LNG terminal funds receivable	9,377	7,802
Grants receivable	7,360	6,976
Taxes receivable	37	2,147
Total non-financial assets	**16,774**	**16,925**
Financial assets		
Contract assets	1,798	2,780
Other receivables	502	17
Total financial assets	**2,300**	**2,797**
Total other receivables	**19,074**	**19,722**

As at 31 December 2023, LNG terminal funds receivable included an overdue amount of EUR 6,582 thousand, whereof overdue amount of Achema AB amounted to EUR 6,432 thousand. As at 31 December 2022, the overdue amount included in LNG terminal funds receivable amounted to EUR 5,456 thousand. The legal dispute with Achema AB is disclosed in Note 40.

Grants receivable include support from the EU structural funds to finance the investment projects implemented by the Company.

The Group does not recognise impairment for the LNG terminal funds receivable, since the LNG terminal funds are not treated as assets of the administrator of the LNG terminal funds based on the Description of the procedure for administration of the LNG terminal funds, and therefore, they cannot be subject to debt recovery procedures based on the obligations of the administrator of the LNG terminal funds that are not related to the administration of the LNG terminal funds. No impairment was established for the Group's other receivables.

14. Other financial assets

As at 31 December 2023, the Company's other financial assets comprised security deposits collected from the system users.

	As at 31 December 2023	As at 31 December 2022
LNG terminal funds	-	1
Security deposits received	528	422
Total other financial assets:	**528**	**423**

15. Cash and cash equivalents

	As at 31 December 2023	As at 31 December 2022
Cash at bank	121	21
	121	**21**

The Company keeps its cash balances on bank accounts. As at 31 December 2023, the cash balance was not material due to the Company's and the Group's treasury management policy aimed at maintaining minimum cash balances.

The table below presents the long-term foreign currency credit ratings of the banks with which the Group kept its cash balances as at 31 December 2023:

Bank	Cash at bank a at 31 December 2023	Credit rating agency		
		Moody's	Standart&Poor's	Fitch Ratings
SEB Bankas AB[1)]	119	Aa3	A+	AA
Swedbank AB[1)]	2	Aa3	A+	AA-

1) The ratings assigned to the parent banks as at 31 December 2023.

16. Assets held for sale, assets and liabilities of disposal group

As at 31 December 2022, below indicated assets and liabilities were reclassified to held for sale, in view of GET Baltic stock sale plan implemented by the Company:

	As at 31 December 2023	As at 31 December 2022
Non-current assets		
Intangible assets	-	474
Other property, plant and equipment	-	4
Right-of-use assets	-	85
Other non-current financial assets	-	4
Current assets	-	-
Prepayments	-	26
Trade receivables	-	12,767
Other receivables	-	632
Other current financial assets	-	188,969
Cash and cash equivalents	-	817
Total assets of disposal group:	**-**	**203,778**
Non-current liabilities		
Non-current lease liabilities	-	57
Current liabilities	-	-
Current portion of lease liabilities	-	29
Trade payables	-	56,415
Prepayments received	-	145,932
Income tax liability	-	15
Employment-related liabilities	-	136
Other payables and current liabilities	-	13
Total liabilities of disposal group:	**-**	**202,597**

17. Issued capital

The Company's issued capital amounts to EUR 51,731 thousand and it is divided into 178,382,514 ordinary registered shares with par value of EUR 0.29 each.

18. Dividends

During the Company's Ordinary General Meeting of Shareholders held on 11 April 2023, the decision was made to pay put dividends in total amount of EUR 12,059 thousand, i.e. EUR 0.0676 per share. During the Company's Ordinary General Meeting of Shareholders held on 20 April 2022, the decision was made to pay put dividends in total amount of EUR 9,901 thousand, i.e. EUR 0.0555 per share.

19. Reserves

Legal reserve

A legal reserve is a compulsory reserve under the Lithuanian legislation. Annual transfers of not less than 5% of net profit are compulsory until the reserve reaches 10% of the authorised share capital.

The Company's legal reserve amounts to EUR 5,173 thousand and represents 10% of its authorised share capital.

Other reserves

Other reserves are formed by the decision of the Annual General Meeting of Shareholders regarding the proposed appropriation of profit. When approving the proposed appropriation of profit for 2022, an unutilised reserve for support of EUR 166 thousand was reclassified back to retained earnings, a EUR 3,827 thousand was transferred to other reserves of which EUR 471 thousand a target reserve for support. When approving the proposed appropriation of profit for 2021, the total amount of profit for appropriation of EUR 13,263 thousand was transferred to other reserves of which EUR 166 thousand a target reserve for support.

Revaluation reserve

Below is the impact of revaluation of property, plant and equipment on revaluation reserve as at 31 December 2023:

	As at 31 December 2023	As at 31 December 2022
Carrying amount at the beginning of the period	-	-
PP&E revaluation impact	3,255	-
Effect of deferred income tax	(488)	-
Carrying amount at the end of the period	**2,767**	**-**

20. Grants

Grants comprise grants for the acquisition of non-current assets and compensation of expenses. Movements in grants in 2023 and 2022 were as follows:

Opening balance	As at 31 December 2023	As at 31 December 2022
Grants receivable (Note 13)	6,976	10,330
Grants received in advance (current liabilities)	(107)	(151)
	6,869	**10,179**
Recognised grants		
Transfer to property, plant and equipment (Note 7)	14,686	6,023
Transfer to intangible assets (Note 6)	-	-
Written-off	-	(5)
Grants used for compensation of expenses	**54**	**101**
	14,740	**6,119**
Grants received		
Grants received as cash	14,259	9,429
	14,259	**9,429**
Grants received in the form of assets	**-**	**-**
Closing balance		
Grants receivable (Note 13)	7,360	6,976
Grants received in advance (current liabilities)	(10)	(107)
	7,350	**6,869**

21. Borrowings

In May 2018, the Company and OP Corporate Bank pic Lithuanian branch signed an agreement on a long-term loan for amount of EUR 30,000 thousand. On 30 June 2023, the loan was repaid in full. In June 2020, the Company signed long-term financing agreement with the European Investment Bank for EUR 65,000 thousand dedicated to funding the construction of the gas interconnection between Poland and Lithuania in the territory of Lithuania.

To balance its working capital, on 1 March 2022 the Company and EPSO-G UAB entered into a cash pool contract, based on which the maximum borrowing limit (overdraft) from EPSO-G UAB was set in amount of EUR 40,000 thousand. On 12 July 2023, an additional arrangement was made to increase the borrowing limit to EUR 70,000 thousand. As at 31 December 2023, the Company's borrowings under this contract amounted to EUR 25,009 thousand (31 December 2022: EUR 9,571 thousand).

	As at 31 December 2023	As at 31 December 2022
Non-current borrowings	**60,962**	**73,496**
Current borrowings	**31,084**	**27,466**
Current borrowings (EPSO-G UAB)	25,009	9,571
Current portion of non-current borrowings	5,649	17,895
Accrued interest payable	426	-
Total borrowings	**92,046**	**100,962**

As at 31 December 2023, the weighted average interest rate on the Company's borrowings was 2.60% (31 December 2022: 1.53%). The interest rate is either fixed or linked to variable 3-6-month EURIBOR rate.

The balance of borrowings from Nordic Investment Bank, less the current portion of non-current borrowings, amounted to EUR 13,043 thousand as at 31 December 2023 (31 December 2022: EUR 15,217 thousand).

The balance of the borrowing from OP Corporate Bank PLC Lithuania branch, less the current portion of the non-current borrowing, amounted to EUR 47,918 thousand as at 31 December 2023 (31 December 2022: EUR 58,279 thousand)

As at 31 December 2023 and 2022, the Company complied with the covenants set forth in the loan agreements with the abovementioned banks.

Borrowings grouped by maturity:

	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
	Borrowings with a fixed interest rate	Borrowings with a fixed interest rate	Borrowings with a variable interest rate	Borrowings with a variable interest rate
2023	-	1,475	-	16,420
2024	2,951	2,951	2,699	3,158
2025	2,951	2,951	2,699	3,158
2026	2,951	2,951	2,699	3,158
2027	2,951	2,951	2,699	3,158
2028	2,951	2,951	2,699	3,158
2029	2,951	2,951	2,699	3,158
2030	2,951	2,951	2,699	3,158
2031	2,951	2,951	525	984
2032	2,951	2,951	524	983
2033	2,951	2,951	524	983
2034	2,951	2,951	524	983
2035	2,951	2,951	524	983
2036	2,951	2,951	524	983
2037	2,951	2,951	524	983
2038	2,211	2,211	524	983
	43,525	**45,000**	**23,086**	**46,391**

All borrowings of the Company were obtained in the euros, and therefore, the outstanding balances of borrowings were denominated in the euros for the period from 31 December 2023 and 2022, thereby resulting in no foreign exchange effect. There are no third-party guarantees or assets pledged by the Company as a collateral for bank borrowings.

Reconciliation of net debt to cash flows from financing activities between 2023 and 2022:

	Cash	Borrowings	Lease liabilities	Total
Net debt as at 31 December 2021	**12**	**(104,917)**	**(3,812)**	**(108,717)**
Changes in cash and cash equivalents	9	-	-	9
Loan (received)	-	-	-	-
Loan repaid	-	10,174	-	10,174
Change in overdraft	-	(6,287)	-	(6,287)
Lease payments	-	-	387	387
Concluded lease contracts	-	-	(105)	(105)
Lease modifications	-	-	-	-
Other changes				
Interest charges expensed and interest capitalised	-	(623)	(30)	(653)
Interest paid	-	512	30	542
Other non-cash changes	-	4	16	20
Net debt as at 31 December 2022	**21**	**(101,137)**	**(3,514)**	**(104,630)**
Changes in cash and cash equivalents	100	-	-	100
Loans (received)	-	-	-	-
Loans repaid	-	24,780	-	24,780
Change in overdraft	-	(15,437)	-	(15,437)
Lease payments	-	-	512	512
Concluded lease contracts	-	-	(217)	(217)
Lease modifications	-	-	(31)	(31)
Other changes	-	-	-	-
Interest charges expensed and interest capitalised	-	(2,071)	(30)	(2,101)
Interest paid	-	1,834	30	1,864
Other non-cash changes	-	(15)	-	(15)
Net debt as at 31 December 2023	**121**	**(92,046)**	**(3,250)**	**(95,175)**

22. Lease liabilities

Lease liabilities and their movement were as follows:

	As at 31 December 2023	As at 31 December 2022
Carrying amount of lease liabilities as at 1 January	**3,514**	**3,812**
Indexation	31	-
Concluded lease contracts	217	105
Termination of lease (write-off of debt and accrued interest)	-	-
Interest charged	30	30
Lease payments (principal and interest)	(542)	(433)
Carrying amount as at 31 December	**3,250**	**3,514**
Non-current lease liabilities	2,933	3,012
Current lease liabilities	317	502

Lease liabilities	As at 31 December 2023	As at 31 December 2022
Current portion	317	502
Maturity of non-current liabilities:	2,933	3,012
Between 1 and 2 years	295	247
Between 2 and 3 years	291	222
Between 3 and 5 years	386	404
After 5 years	1,961	2,139

Interest charged on lease liabilities and included in the Group's finance costs amounted to EUR 30 thousand as at 31 December 2023 (31 December 2022: EUR 31 thousand).

The Company has a lease contract for office premises with variable lease payments not included in the value of lease liabilities. As from 1 January 2023, the lease rate for office premises may be revised in view of changes in the average consumer price index as a result of inflation, however, to an extent not higher than 2%. In 2023, the Company's lease payments (principal amount) totalled EUR 542 thousand (2022: EUR 433 thousand).

23. Contract liabilities

Funds from connection of new system users to the gas transmission system are recognised as liabilities under contracts with customers.

	As at 31 December 2023	As at 31 December 2022
Non-current portion of contract liabilities under connection contracts	1,530	1,271
Total non-current contract liabilities	**1,530**	**1,271**
Current portion of contract liabilities under connection contracts	70	352
Total current liabilities under contracts with customers	**70**	**352**
Total contract liabilities	**1,600**	**1,623**

24. Provisions

	As at 31 December 2023	As at 31 December 2022
Provisions for pension benefits to employees	774	738
Provisions for registration of special land use conditions (protected areas)	356	1,024
Carrying amount	**1,130**	**1,762**
Non-current provisions	667	998
Current provisions	463	764

Movement in provisions:

	Provisions for pension benefits to employees	Provisions for registration of special land use conditions (protected areas)	Total
Carrying amount as at 31 December 2021	**602**	**2,157**	**2,759**
Calculated	136		136
Revised assessment		(889)	(889)
Paid		(244)	(244)
Carrying amount as at 31 December 2022	**738**	**1024**	**1,762**

Calculated	36		36
Revised assessment		-264	-264
Paid		-404	-404
Carrying amount as at 31 December 2023	**774**	**356**	**1,130**

As at 31 December 2023, the Company's and the Group's employee benefit obligations related to payment of one-off benefits to employees leaving the Company at retirement age amounted to EUR 774 thousand (31 December 2022: EUR 738 thousand). There are no other long-term employee benefit obligations for long-term service of employees as per the collective agreement.

Key assumptions used in assessing the Company's and the Group's long-term employee benefit obligations are given below:

	As at 31 December 2023	As at 31 December 2022
Discount rate	1.24%	0.83%
Annual employee turnover rate	6.91%	7.65%
Annual salary growth	3.00%	4.00%
Average time to retirement (years)	19,81	20,06

A Companies have an obligation to register special land use conditions (protection zones). As at 31 December 2023, the provision reduced by EUR 264 thousand (31 December 2022: EUR 889 thousand). The Company's outstanding obligation to register special land use conditions (protection zones) as at 31 December 2023 amounted to EUR 356 thousand (31 December 2022: EUR 1,024 thousand).

25. Trade payables

	As at 31 December 2023	As at 31 December 2022
Payables for property, plant and equipment	900	3,159
Payables for goods and services	1,892	2,043
Payables for repair services	127	244
Payables for natural gas	1	2,600
Payables for balancing services	2,415	5,622
	5,335	**13,668**

Trade payables are interest free and their settlement term is typically between 30 and 60 days

26. Prepayments received

	As at 31 December 2023	As at 31 December 2022
Financial liabilities		
Security deposits received	528	422
Prepayments received from the exchange participants	-	-
Total financial liabilities	**528**	**422**
Non-financial liabilities		
Contract liabilities	-	352
Advance grants received	6	60
Other accrued revenue	-	47
Other prepayments received	14	1
Total non-financial liabilities	**20**	**460**
Total prepayments received and contract liabilities	**548**	**882**

As at 31 December 2023, prepayments received amounted to EUR 528 thousand and comprised security deposits received from the system users as a contract enforcement measure. The system user, before entering into the transmission contract, must provide the Company with appropriate contract enforcement measures.

27. Other payables and current liabilities

	As at 31 December 2023	As at 31 December 2022
Non-financial liabilities		
Administered LNG terminal funds payable	8,906	7,635
Accrued administered LNG terminal funds[1)]	471	328
Real estate tax payable	-	666
Payable value added tax	-	-
Other taxes payable	751	29
Other payables	74	-
Total non-financial liabilities	**10,202**	**8,658**
Financial liabilities		
Payable CBCA contribution	27,450	27,450
Payable dividends	65	58
Other payables	1	-
Accrued expenses	1,089	976
Derivative liabilities	166	-
Total financial liabilities	**28,771**	**28,484**
Total other payables	**38,973**	**37,142**

[1)] Accrued LNG terminal funds under administration are accounted for upon issuing a VAT invoice to the natural gas system users. Accrued LNG terminal funds under administration are classified as payable LNG terminal funds when a VAT invoice is issued to the Company for the extra charge on the natural gas transmission price related to natural gas supply security.

Other payables of EUR 27,450 thousand include the commitment to pay CBCA contribution. In accordance with the cross-border cost allocation principles, as part of GIPL project, the CBCA contribution will be paid to the Polish transmission system operator upon completion of construction of the interconnection in the territory of Poland, and upon fixing and auditing the value of construction works.

28. Revenue

The Group‘s and the Company‘s revenue includes as follows:

	Group		Company	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Revenue under contracts with customers				
Transmission of natural gas in the territory of Lithuania	67,364	65,383	67,364	65,383
Revenue from system balancing products	12,544	30,569	12,544	30,569
Revenue from trading on exchange	812	1,364	-	-
Revenue from connection of new consumers (deferred revenue)	42	33	42	33
Other income	90	190	10	-
Total revenue from contracts with customers	**80,852**	**97,539**	**79,960**	**95,985**
Revenue other than from contracts with customers				
Revenue from administration of LNG terminal funds	69	61	69	61
Total revenue other than from contracts with customers	69	61	69	61
Total revenue:	**80,921**	**97,600**	**80,029**	**96,046**

	Group		Company	
	As at 31 December 2023	As at 31 December 2022	As at 31 December 2023	As at 31 December 2022
Revenue recognised over the period				
Transmission of natural gas in the territory of Lithuania	67,364	65,383	67,364	65,383
Revenue from transmission system balancing service	12,544	30,569	12,544	30,569
Membership revenue	-	85	-	-
Other income	201	266	121	94
Total revenue recognised over the period:	**80,109**	**96,303**	**80,029**	**96,046**
Revenue recognised at a point in time, upon provision of services				
Revenue from trading on exchange	812	1,297	-	-
Total revenue recognised at a point in time, upon provision of services:	**812**	**1,297**	**-**	**-**
Total revenue under contracts with customers	**80,921**	**97,600**	**80,029**	**96,046**

29. Other income

The Group's other income includes as follows:

	Group		Company	
	2023	2022	2023	2022
Grants recognised as income	54	101	54	101
Sale of goods	875	248	875	248
Rental income	1	23	1	23
Gain on disposal of PP&E	19	47	19	47
Interest on late payment	40	27	40	27
Other income	319	160	319	160
	1,308	**606**	**1,308**	**606**

30. Dividend income

	Group		Company	
	2023	2022	2023	2022
Dividend income	-	-	542	598

In 2023, the Company received EUR 542 thousand in dividends (2022: EUR 598 thousand) from its subsidiary GET Baltic.

31. Purchases of natural gas and other services

Purchases of natural gas and other services comprised as follows:	Group		Company	
	2023	2022	2023	2022
Expenses for natural gas system balancing products	(18,210)	(26,827)	(18,210)	(26,827)
Expenses for natural gas technological needs	(7,142)	(13,007)	(7,142)	(13,007)
Total	**(25,352)**	**(39,834)**	**(25,352)**	**(39,834)**

32. Other expenses

The Group's and the Company's other costs comprised as follows:

	Group		Company	
	2023	2022	2023	2022
Telecommunications and IT system expenses	(2,336)	(1,953)	(2,285)	(1,840)
Business trips	(259)	(187)	(259)	(187)
Consultation services	(117)	(162)	(117)	(162)
Expenses of governing bodies	(92)	(48)	(92)	(48)
Management services	(349)	(127)	(349)	(127)
Personnel development	(227)	(149)	(227)	(149)
Public relations	(236)	(201)	(236)	(201)
Premise expenses	(1,071)	(759)	(1,071)	(759)
Transport	(702)	(735)	(702)	(735)
Council fee	(1,321)	(913)	(1,321)	(913)
Taxes	(2,979)	(2,808)	(2,979)	(2,808)
Business protection	(542)	(500)	(542)	(500)
Membership fees	(242)	(238)	(242)	(238)
Insurance	(520)	(216)	(520)	(216)
Other expenses	(2,457)	(1,767)	(2,440)	(1,736)
Total	**(13,450)**	**(10,763)**	**(13,382)**	**(10,619)**

33. Financing activities

	Group		Company	
	2023	2022	2023	2022
Interest income	454	-	9	-
Interest income on late payments	-	10	-	10
Other	13	35	13	11
Total finance income	467	45	22	21
Interest on borrowings	(1,778)	(603)	(1,778)	(603)
Other finance costs	(3)	(161)	(2)	(39)
Total finance costs	(1,781)	(764)	(1,780)	(642)
Net financial result	**(1,314)**	**(719)**	**(1,758)**	**(621)**

34. Current and deferred income tax

Income tax expenses include as follows:

	Group		Company	
	2023	2022	2023	2022
Current income tax expense for the reporting year	(140)	(98)	-	(1)
Deferred income tax expenses (benefit)	(567)	(2,367)	(567)	(2,367)
Income tax expenses/(benefit) for the reporting period	**(707)**	**(2,465)**	**(567)**	**(2,368)**

The movement in deferred tax assets and liabilities prior to offsetting the balances with the same fiscal authority was as follows:

Deferred tax asset	PP&E revaluation (impairment)	Fees on connection of new consumers	Impairment of inventories and receivables	Accrued expenses	Unutilised investment incentive	Other	Total
As at 31 December 2021	**2,490**	**201**	**71**	**261**	**4,608**	**-**	**7,631**
Recognised in profit or loss	(148)	(5)	15	42	(2,416)	145	(2,367)
Recognised in other comprehensive income	-	-	-	-	-	-	-
As at 31 December 2022	**2,342**	**196**	**86**	**303**	**2,192**	**145**	**5,264**
Recognised in profit or loss	1,068	44	(6)	61	(1,744)	56	(521)
Recognised in other comprehensive income	-	-	-	-	-	-	-
As at 31 December 2023	**3,410**	**240**	**80**	**364**	**448**	**201**	**4,743**

Deferred tax liabilities	Effect of capitalisation of interest	PP&E revaluation (impairment)	Total
As at 31 December 2021	**(122)**	**-**	**(122)**
Recognised in profit or loss	(1)	-	(1)
Recognised in other comprehensive income	-	-	-
As at 31 December 2022	**(123)**	**-**	**(123)**
Recognised in profit or loss	(46)	-	(46)
Recognised in other comprehensive income	-	(488)	(488)
As at 31 December 2023	**(169)**	**(488)**	**(657)**

	As at 31 December 2023	As at 31 December 2022
Deferred tax assets before valuation allowance	**4,743**	**5,264**
Less: valuation allowance	-	-
Less: deferred tax assets offset against deferred tax liabilities	(657)	(123)
Deferred tax asset, net	**4,086**	**5,141**

Deferred income tax, net, at 31 December 2021	7,508
Deferred income tax, net, at 31 December 2022	5,141
Deferred income tax, net, at 31 December 2023	4,086

According to the provisions of the Law on Corporate Income Tax, income tax relief may be applied to investments in non-current assets meeting the criteria set out in the Law on Corporate Income Tax. When calculating income tax for the year 2023 the Company utilised the income tax incentive and reduced the income tax expenses for the year 2023 by the total amount of EUR 40 thousand (2022: EUR 266 thousand).

Deferred tax assets and deferred tax liabilities were offset in the Group's and the Company's statement of financial position, as they were related to the same tax authority.

When estimating the components of deferred tax assets and liabilities in 2023 and 2022, the Group and the Company applied income tax rate of 15%.

The reported amount of current income tax expenses can be reconciled to the income tax expenses that would result from applying an income tax rate of 15% to profit before tax:

	2023	2022
Profit (loss) before tax	13,130	18,088
Income tax (expenses) at the effective income tax rate	(1,970)	(2,713)
Non-deductible expenses, non-taxable income	2	80
Sale of subsidiary and revaluation of remaining investment in associate	1,361	-
Investment incentive utilised during the reporting period	40	266
Other	-	-
Additional unutilised investment incentive	-	-
Adjustments to previous year income tax	-	(1)
	(567)	**(2,368)**

35. Basic and diluted earnings per share

Basic and diluted earnings (loss) per share reflect net profit (loss) divided by the weighted average number of shares. There are no diluting instruments, therefore, the basic and diluted earnings (loss) per share are the same. Calculation of basic and diluted earnings (loss) per share is presented below:

	Group	
	2023	2022
Net profit attributable to equity holders of the Group (EUR '000)	12,151	15,665
Weighted average number of shares ('000 units)	178,383	178,383
Basic and diluted earnings (loss) per share (EUR)	**0.07**	**0.09**

36. Cash flows from investing and financing activities

The impact of significant investment and financing transactions, classified as non-cash transactions, on the cash flows from financing and investing activities is disclosed below.

When calculating cash flows from investing and financing activities as at 31 December 2023, the Company took into consideration the following: changes in payables for non-current assets of EUR 2.260 thousand, re-measurement of provision for registration of special land use conditions and related intangible assets of EUR 264 thousand, payments made to set special land use conditions of EUR 404 thousand, and capitalised interest costs of EUR 329 thousand. Reclassification from non-current assets (including construction work in progress) to inventories and assets held for sale amounted to EUR 59 thousand, and change in grants receivable to EUR 427 thousand.

When calculating cash flows from investing and financing activities as at 31 December 2022, the Company took into consideration the following: changes in payables for non-current assets of EUR 28,468 thousand, re-measurement of provision for registration of special land use conditions and related intangible assets of EUR 889 thousand, payments made to set special land use conditions of EUR 238 thousand, and capitalised interest costs of EUR 21 thousand. Reclassification from non-current assets (including construction work in progress) to inventories and assets held for sale amounted to EUR 80 thousand, and change in grants receivable to EUR 3,410 thousand.

37. Financial assets and liabilities and risk management

The Company is exposed to financial risks in its operations. By managing the risks, the Group and the Company seek to mitigate the impact of factors that might have an adverse effect on the financial performance. The Company follows the Group's Treasury and Financial Risk Management Policy.

Financial assets	Note	As at 31 December 2023	As at 31 December 2022
Trade receivables	12	9,030	18,498
Other receivables	13	2,300	2,797
Cash and cash equivalents	15	121	21
Other financial assets	14	528	423
Total financial assets:		**11,979**	**21,739**

Financial liabilities	Note	As at 31 December 2023	As at 31 December 2022
Borrowings	21	92,046	100,962
Lease liabilities	22	3,250	3,514
Trade payables	25	5,335	13,668
Other payables and liabilities	27	29,299	28,906
Total		**129,930**	**147,050**

Liquidity risk

Liquidity risk is managed continuously by making short-term and long-term cash flow forecasts of the Group. Where necessary, the Group relies on the forecasts to make decisions aimed at ensuring its solvency, i.e. uses the credit limit on the parent's cash pool account to balance its working capital.

The Group's liquidity ratios (after elimination of effects of the LNG terminal funds under administration) were as follows as at 31 December 2023 and 2022:

	As at 31 December 2023	As at 31 December 2022
Current ratio	0.36	0.89
Quick ratio	0.28	0.84

The table below presents the Company's financial liabilities grouped by maturity as at 31 December 2022 and 2023, based on the undiscounted contractual payments (scheduled payments including interest):

	Up to 3 months	Between 3 and 12 months	Between 1 and 5 years	After 5 years	Total
Interest-bearing borrowings and liabilities	11,103	17,533	27,166	51,649	107,451
Lease liabilities	125	406	974	3,281	4,786
Other liabilities	1,456	27,450	-	-	28,906
Trade payables	13,668	-	-	-	13,668
Balance as at 31 December 2022	**26,352**	**45,389**	**28,140**	**54,930**	**154,811**
Interest-bearing borrowings and liabilities	27,653	4,427	26,129	40,501	98,710
Lease liabilities	101	251	1,075	3,081	4,508
Other current liabilities	1,849	27,450	-	-	29,299
Trade payables	5,335	-	-	-	5,335
Balance as at 31 December 2023	**34,938**	**32,128**	**27,204**	**43,582**	**137,852**

Credit risk

The maximum exposure to credit risk is equal to the amount of trade receivables (except for receivable LNG terminal funds), other receivables, cash, other financial assets, grants receivable and funds transferred by gas exchange participants, less recognised impairment losses. Delays in settlement of significant amounts of trade receivables may affect the Company's ordinary course of business and lead to search of additional financing sources. Credit risk is managed through regular monitoring procedures (individual supervision of debtors, monitoring and analysis of customers in order to identify potential solvency issues that may arise in the future, etc.). The Company has approved the description of administration of payments for the transmission services, which stipulates the specific actions and deadlines to be followed in order to reduce the outstanding balance of trade receivables. Creditworthiness of all customers is assessed, and in case of any deviations from the criteria set out in the Description of administration of payments for the transmission services, the risk is assessed individually in respect of creditworthiness of each customer, and, if necessary, additional credit enhancements are ensured to eliminate such risk. The Company is exposed to significant concentration of credit risk. The credit risk exposure is distributed among the Company's 10 major customers with trade receivables from them representing 82% of the Company's total trade receivables as at 31 December 2023 (31 December 2022: 81%).

The Group's exposure to credit risk arises from cash at bank. The level of exposure depends on the credibility of the selected bank (Note 15). The Group has an effective treasury and financial risk management policy in place.

The policy establishes the credibility level of the banks selected for partnership; the diversification limits for funds kept as deposits or invested in the investment products of banks or their subsidiaries, other securities, etc.

The credibility of the selected partners is assessed according to the procedure established at the Company. The system users assigned with the highest risk level are assessed by engaging an entity that provides specialised creditworthiness assessment services, and an exchange participant willing to make a purchase order is required to provide a credit enhancement (advance payment or bank guarantee).

The Group does not issue guarantees to secure the fulfilment of obligations of other parties.

Interest rate risk

As at 31 December 2023 and 2022, the Group had borrowings with variable interest rates. Exposure to interest rate risk arises from variable interest rates that are linked to EURIBOR. In view of the situation in market of the interbank offered rates, the Group did not enter into any financial instrument transactions intended to manage the interest rate risk during 2023 and 2022.

The table below demonstrates the sensitivity of the Company's profit before tax to theoretic potential shifts in EURIBOR interest rates, with all other variables held constant. The Company estimates sensitivity using 100 basis points, which make 1%.

There is no impact on the Company's equity, other than that on current year profit.

	Increase in EURIBOR, b.p.	Impact on profit before tax, EUR '000
As at 31 December 2023	100	(1,230)
As at 31 December 2022	100	(2,031)

Natural gas price risk

The Group is exposed to a risk arising from changes in the natural gas purchase price. Changes are caused by various fluctuations in global markets. In 2023, the Group did not take any measures to mitigate the natural gas price risk.

Fair value of financial assets and financial liabilities

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group's major financial assets and liabilities not carried at fair value are trade and other receivables, trade and other payables, current and non-current loans granted and borrowings, and finance lease.

The following methods and assumptions were used by the Group and the Company to estimate the fair value of each class of financial asset and liabilities not reflected at fair value:

(a) The carrying amount of current trade and other receivables, current trade and other payables approximates their fair value (level 3);

(b) The fair value of non-current loans received and granted is measured using the interest rate for the same or similar issues or on the current rates available for debt with the same maturity profile and similar credit risk. The Group determined that the fair value of interest-bearing non-current borrowing approximated their carrying amount (Level 3).

38. Assessment of climate change impact

According to the Company's management, more stringent EU environmental policy requirements introduced in the context of combating climate change, promotion and development of renewable energy sources and more efficient use of energy will reduce consumption of natural gas for both energetic and industrial domestic needs. However, natural gas will play an important role as a transition energy in achieving European and national targets of reducing greenhouse gas emissions. A key goal se in the Company's strategy is to work together on Lithuania's energy transformation towards a climate neutral economy. One of the main sustainability objectives of Amber Grid AB is to mitigate the environmental impact of its operations.

To significantly reduce the impact on environment, the plan of measures has been developed and consistently implemented: pilot projects are planned, market analysis is carried out, investment plans are created. Actions are focused on preparing for the new EU legal framework for methane emissions.

In the view of the Company's management, the requirements related to climate change do not cast doubt on the Company's ability to continue as a going concern, and the estimates and assumptions do not pose a significant risk of material adjustments to the carrying amounts of assets and liabilities, or of impairment of non-current assets and inventories.

39. Regulation of prices for natural gas transmission services

The Council regulates prices of natural gas transmission services by setting revenue cap for a given year. The revenue cap depends on the projected costs and volume of services for the next period, the extent to which the previous period earnings are at variance with the regulated level, and other factors.

Actual costs and volumes of regulated natural gas transmission activities during the year and may be at variance with the projected costs and volumes. And thus actual earnings from regulated activities may be at variance with the regulated level, and the resulting difference will affect the future revenue caps.

Positive regulatory deviations in revenue and expenses of the natural gas transmission services accrued as at 31 December 2023 and approved by the Council amount to EUR 7.5 million. Regulated revenue from the natural gas transmission services in 2024 have been reduced by this amount.

Regulatory deviations in revenue and expenses of the natural gas transmission services in 2023 have not yet been identified and agreed with the Council. The regulatory deviations in 2023 will be assessed by decreasing/increasing revenue cap of transmission services for 2025.

40. Off-balance sheet commitments and contingencies

Litigations

Currently, the Company is involved in one civil case regarding award of the LNG terminal funds and late interest from Achema AB.

In respect of the civil case regarding award of the LNG terminal funds, the Company acts solely as an administrator of the LNG terminal funds, transfers the LNG terminal funds to their recipients only after collecting them from the buyers, and accordingly, the Company does not incur credit risk in respect of the disputed amount.

By the decision of Kaunas Regional Court of 20 January 2022, the proceedings were suspended in respect of the claimed LNG extra charges of EUR 4,678 thousand and late interest of EUR 55 thousand arising from the natural gas transmission service contract of 22 December 2014, as it was pending the decision of the European Commission regarding the compatibility of the LNG extra charges, collected during the period from 1 January 2016 to 31 December 2018, with the state aid rules under the EU law. By decision of 17 March 2022, the Lithuanian Court of Appeal left the decision of Kaunas Regional Court of 20 January 2022 unchanged.

By the decision of Kaunas Regional Court of 20 September 2022, the proceedings were also suspended in respect of late interest of EUR 763 thousand arising from the natural gas transmission service contract of 21 December 2012 and a counterclaim, whereby Achema AB requested to declare as unlawful the Company's actions when calculating late interest under the natural gas transmission service contract of 21 December 2012 and when allocating the payments collected from Achema AB under the contract for offsetting against late interest, as it was pending the decision of the European Commission regarding the compatibility of the LNG terminal funds, charged during the period from 1 January 2016 to 31 December 2018, with the state aid rules under the EU law. As the Company disagreed with the decision of Kaunas Regional Court of 20 June 2022, it filed a separate appeal regarding the annulment of the aforementioned part of the decision. As the Lithuanian Court of Appeal investigated the Company's separate appeal, it made a decision on 8 September 2022, by which the decision of Kaunas Regional Court of 20 June 2022 was left unchanged.

On 12 September 2023, the Company submitted a statement to the Kaunas District Court regarding the increase of the claim (hereinafter the "Statement"), asking the court to award EUR 763 thousand of late interest from Achema AB in favour of the Company based on the natural gas transmission service contract dated 21 December 2012, EUR 6,024 thousand LNG of LNG extra charges and EUR 211 thousand of late interest under the natural gas transmission service contract dated 22 December 2014. The issue of acceptance of the Company's Statement will be decided by the Kaunas District Court after resuming the proceedings.

Commitments to acquire non-current assets

As at 31 December 2023, the Company had off-balance sheet contractual commitments to acquire non-current assets for the amount of EUR 1.3 million (31 December 2022: EUR 18.7 million).

41. Related-party transactions

Disclosure includes transactions and their balances with the EPSO-G group companies, subsidiary GET Baltic UAB, all state-owned enterprises or entities under significant influence of the State (transactions with such entities are disclosed separately only if the amount of the transactions exceeds EUR 100 thousand per calendar year), management and their close family members. A list of state-owned enterprises or entities under significant influence, for which a disclosure of transactions is required, is available at: Visos VVJ - VKC | Valdymo koordinavimo centras (governance.lt).

The Group's and the Company's related parties as at 31 December 2023 and 2022 were as follows:

- the Company's parent company EPSO-G UAB, which is wholly owned by the Lithuanian Ministry of Energy;

The companies of EPSO-G UAB group:

- Litgrid AB (common shareholders);
- TETAS UAB (common shareholders);
- Baltpool UAB (common shareholders);
- Energy Cells UAB (common shareholders);

Associate GET Baltic.
The companies of Ignitis Grupė AB:

- Energijos Skirstymo Operatorius AB
- Ignitis UAB
- Ignitis Gamyba UAB
- Transporto Valdymas UAB
- Ignitis Polska sp. z.o.o.
- Other companies of Ignitis Grupė AB.

Other state-owned enterprises:

- Klaipėdos Nafta AB (as from 10 January 2024, the legal name changed to KN Energies AB);
- VĮ Ignalinos Atominė Elektrinė (natural gas transmission agreement terminated on 1 February 2022);
- Other state-owned enterprises or entities under significant influence;
- Management.

The tables below present the Company's related-party transactions and their balances as at 31 December 2023 and 2022:

	Purchases	**LNG terminal funds (purcha-ses)**	**Sales**	**LNG terminal funds (sales)**	**Recei-vables**	**LNG terminal funds receivabl e**	**(Proceeds) from borro-wings**	**Payables**	**LNG terminal funds payable**	**Divi-dends received**	**Finance costs**
GET Baltic UAB	19,210	-	4,801	-	796	-	-	5	-	4	-
EPSO-G UAB	349	-	-	-	-	-	25,009	227	-	-	683
TETAS UAB	4	-	-	-	-	-	-	-	-	-	-
Ignitis Gamyba AB	2,811	-	4,947	3,172	625	640	-	293	-	-	-
Energijos Skirstymo Operatorius AB	474	-	354	58	167	12	-	21	-	-	-
Ignitis UAB	4,845	11,235	13,024	2,796	1,457	528	-	704	4,932	-	-
Transporto Valdymas UAB	401	-	-	-	-	-	-	40	-	-	-
Klaipėdos Nafta AB	-	-	-	-	-	-	-	-	3,975	-	-
Ignitis Polska sp. Z.o.o.	-	-	121	-	-	-	-	-	-	-	-
Other state-owned enterprises	184	-	-	-	-	-	-	2	-	-	-
	28,278	**11,235**	**23,247**	**6,026**	**3,045**	**1,180**	**25,009**	**1,292**	**8,907**	**4**	**683**

As at 31 December 2022

	Purchases	LNG terminal funds (purchases)	Sales	LNG terminal funds (sales)	Receivables	LNG terminal funds receivable	(Proceeds) from borrowings	Payables	LNG terminal funds payable	Dividends received	Finance costs
GET Baltic UAB	42,143	-	14,000	-	214	-	-	2,604	-	598	-
EPSO-G UAB	127	-	-	-	-	-	9,571	54	-	-	81
TETAS UAB	4	-	30	-	-	-	-	-	-	-	-
Ignitis Gamyba AB	1,475	-	7,460	6,368	1,019	432	-	378	-	-	-
Energijos Skirstymo Operatorius AB	2,630	-	270	-	49	8	-	15	-	-	-
Ignitis UAB	13,091	18,996	22,749	6,163	1,876	402	-	2,334	3,660	-	-
Transporto Valdymas UAB	402	-	-	-	-	-	-	43	-	-	-
Klaipėdos Nafta AB	-	10,729	-	-	-	-	-	-	3,975	-	-
VĮ Ignalinos Atominė Elektrinė	-	-	4	7	-	-	-	-	-	-	-
Ignitis Polska sp. Z.o.o.	74	-	214	-	38	-	-	-	-	-	-
Other state-owned enterprises	68	-	-	-	-	-	-	9	-	-	-
	60,014	**29,725**	**44,727**	**12,538**	**3,196**	**842**	**9,571**	**5,437**	**7,635**	**598**	**81**

There were no guarantees issued or received for payables to/receivables from related parties, the settlement term was between 15 and 30 days. As at 31 December 2023, the Company neither formed nor recognised any impairment provisions for receivables from related parties.

Payments to key management personnel

	2023	2022
Employment-related payments	805	673
Payments to Board members	92	48
	897	**721**

The management of the Group and the Company is deemed to include the CEO, the Technical Director, the Legal and Administration Director, the Commerce Director, the Organisational Progress Director, and the Finance Director. No loans, guarantees were issued nor were any assets transferred to the management of the Group and the Company.

42. Non audit services

In 2023, the firm conducting audit of the financial statements provided other services to the Company in the amount of EUR 15 thousand (2022: EUR 17 thousand). The cost of audit services amounted to EUR 77 thousand in 2023 and EUR 34 thousand in 2022. Audit costs are shown in the Statement of Comprehensive Income under other expenses.

43. Capital management

Under the Lithuanian Law on Companies, the Company is required to maintain its equity at no less than 50% of its authorised share capital. In 2023 and 2022, the Company and its subsidiary complied with this requirement. Under the Lithuanian Law on Companies, there are certain restrictions for distribution and payment of dividends. The Group's dividend policy defines the principles for setting, payment and declaration of dividends. There are no other external or intra-group imposed capital requirements on the Company.

44. Events after the reporting period

There were no other events after the reporting period until the date of approval of the financial statements that could have a material impact on the Company's financial statements.