



Litgrid

LITGRID AB

CONDENSED INTERIM CONSOLIDATED AND THE
COMPANY'S FINANCIAL STATEMENTS, PREPARED
ACCORDING TO INTERNATIONAL FINANCIAL REPORTING
STANDARDS AS ADOPTED BY THE EUROPEAN UNION
(UNAUDITED), FOR THE THREE-MONTHS PERIOD ENDED
31 MARCH 2019

CONFIRMATION OF RESPONSIBLE PERSONS

May 8, 2019 Vilnius

Following Article 24 of the Law on Securities of the Republic of Lithuania and Rules on Information Disclosure approved by the Bank of Lithuania, we, Daivis Virbickas, Chief Executive Officer of LITGRID AB, Vytautas Tauras, Director of Finance Department of LITGRID AB and Raimonda Duobuvienė, Head of Accounting Division, hereby confirm that, to the best of our knowledge, the attached LITGRID AB unaudited interim consolidated and the Company's financial statements for the three months period ended 31 March 2019 are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the LITGRID AB and consolidated group assets, liabilities, financial position, profit and cash flows.

Daivis Virbickas



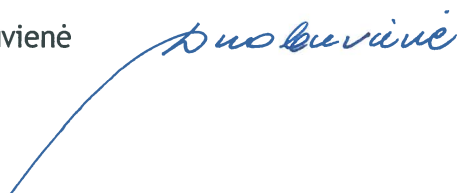
Chief Executive Officer

Vytautas Tauras



Director of Finance Department

Raimonda Duobuvienė



Head of Accounting Division



Litgrid

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The condensed interim financial statements were signed on 8 May 2019.



Dainis Virbickas
Chief executive officer



Vytautas Tauras
Director of Finance Department



Raimonda Duobuviene
Head of Accounting Division



I. General information

This consolidated report has been prepared for the three months period ended 31 March 2019.

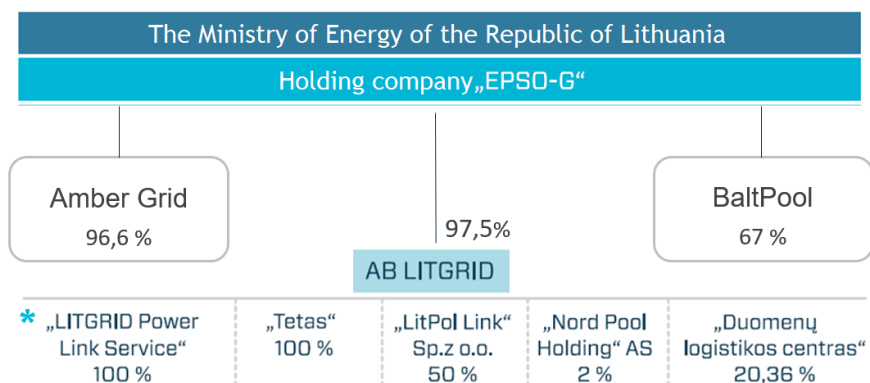
I.1. The Issuer and its contact details:

Name	LITGRID AB (hereinafter referred to as “Litgrid” or the “Company”)
Legal form	Public limited liability company
Date and place of registration	16 November 2010, the Register of Legal Entities of the Republic of Lithuania
Company code	302564383
Registered office address	A.Juozapavičiaus Str. 13, LT-09311, Vilnius
Telephone	+370 707 02171
Fax	+370 5 272 3986
E-mail	info@litgrid.eu ; www.litgrid.eu

Activities of Litgrid

Litgrid, Lithuanian electricity transmission system operator (the TSO), ensures the stable operation of the national electric power system, controls electricity flows and creates conditions for competition in the open electricity market. Litgrid is responsible for the integration of the Lithuanian electric power system with the European electricity infrastructure and the single market for electricity. Litgrid has implemented the strategic projects on electricity cross-border links, namely, NordBalt (Lithuania-Sweden) and LitPol Link (Lithuania-Poland), and prepares to launch a new interconnection project called “Harmony Link” and expand the LitPol Link interconnection. In its work aimed at the consolidation of the country’s energy independence, Litgrid fosters a culture of responsibility, rational creativity and dialogue. As the backbone of the national electric power sector, Litgrid is not only responsible for maintaining the balance between electricity consumed and produced in the system and reliable transmission of electricity, but also implements strategic national electricity projects. Its vision and strategic operating guidelines are based on the long-term goals identified in the National Energy Independence Strategy. The most important activity areas and responsibilities of the Lithuanian TSO include the maintenance of the country’s electricity infrastructure and its integration with the Western and Northern European electricity infrastructure; development of the electricity market and participation in the creation of a single electricity market of the Baltic and European countries; and the integration of the electricity systems of Lithuania and continental Europe for synchronous operations.

Litgrid - part of the EPSO-G Group



* Activity suspended since August 2018.



CONSOLIDATED INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2019

EPSO-G is a state-owned group of energy transmission and exchange companies. The rights and obligations of EPSO-G shareholder are implemented by the Ministry of Energy of the Republic of Lithuania. EPSO-G has 97,5 % of shares of the transmission system operator Litgrid AB.

The Litgrid AB Group consists of the following companies:

Name	Tetas	Litgrid Power Link Service
Legal form	Private company	Private company
Registration date and place	08/12/2005, Register of Legal Entities of the Republic of Lithuania	24/02/2014, Register of Legal Entities of the Republic of Lithuania
Country of establishment	Republic of Lithuania	Republic of Lithuania
Company code	300513148	303249180
Registered office address	Senamiesčio str. 102B, LT-35116, Panevėžys	A. Juozapavičiaus str.13, LT-09311, Vilnius
Telephone	+370 640 38334	+370 707 020947
Type of activities	Specialized services of transformer substations' and distribution stations', overhead electricity lines' design, reconstruction, repair and maintenance.	By the decision of the sole shareholder, company's activities have been suspended since August 1, 2018. From this date, the control and operation of the power system's links with Polish and Swedish systems have been organized organized by Litgrid.
Country of operations	Lithuania	Lithuania
Litgrid shares	100%	100%


Other shares held by Litgrid Group as of 31 March 2019:

Name	LitPol Link Sp.z.o.o	UAB Duomenų logistikos centras	Nord Pool Holding AS
Country of establishment	Republic of Poland	Republic of Lithuania	Kingdom of Norway
Registered office address	Warszawska 165, 05-520, Konstancin-Jeziorna, Poland	Žvejų st. 14, LT-09310 Vilnius	PO Box 121, NO-1325 Lysaker, Norway
Country of operations	Lithuania and Poland	Lithuania	Norway, Sweden, Finland, Denmark, Lithuania, Latvia, Estonia, United Kingdom, Poland, Germany, Netherlands
Litgrid shares	50% of shares and voting rights attached thereto	20.36% of shares and voting rights attached thereto	2% of shares and voting rights and a board member on rotation basis

1.2. The strategy of Litgrid AB


On 20 December 2018, the Board of Litgrid approved the strategy of Litgrid for the years 2019-2028.

Constant changes in the electricity system encourage the organization to develop, increase its efficiency and meet the challenges of a rapidly changing environment. The Company aims to be innovative and progressive, having a long-term vision of becoming Europe's Smartest Transmission System Operator (TSO).



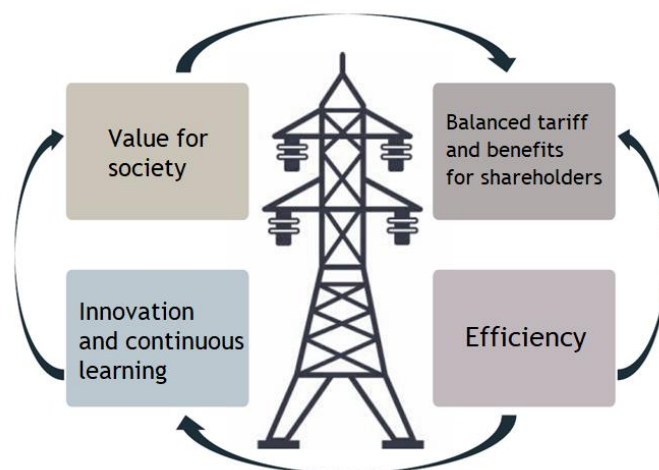
Vision:
Europe's smartest TSO.

The company consolidates its commitments in the mission - to ensure reliable transmission of high-quality electricity in the European market by creating value for the society. In accordance with this goal Litgrid continues intensive development of the electricity market, deepening integration into the European market and applying European standards. Existing rules are being developed in order to open up new market opportunities and services to its participants, empower new users, ensure equal conditions and complete integration of the Lithuanian electricity market into the European electricity market.



Mission:
To ensure a reliable transmission of high-quality electricity in the European market by creating value to society.

The following are the strategic goals and priorities for 2019-2028 for Litgrid:

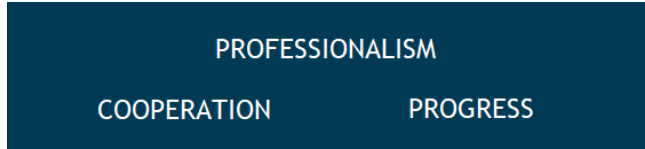




Litgrid

CONSOLIDATED INTERIM REPORT FOR THE PERIOD ENDED 31 MARCH 2019

The following values are observed in the Company:



Values are reflected in behaviour of personnel:

Professionalism - I do my job better than it is expected from me; I say what I do, and I do what I say; I deliver my promises.

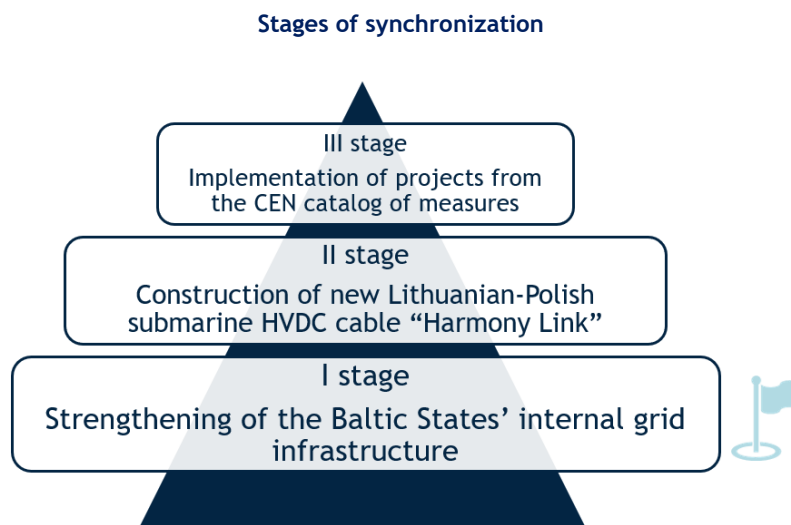
Cooperation - I communicate clearly and understandably; I show my position and respect others; I help others to achieve the result.

Progress - I take the initiative and learn from mistakes; I am looking for new ideas and implementing them; I am constantly strengthening my skills and sharing them.

II. Value for the society

Integration of the national electric power system into the European electricity infrastructure

Following a full-fledged integration of Lithuanian grid into the European electricity system, European system management standards will be introduced in the electricity sector ensuring management of electricity flows based on market principles and participation in maintaining the system's frequency. The aim is to achieve synchronous operation of the system of the Baltic countries within the electricity grids of continental Europe.



In Lithuania, the following projects are implemented for the synchronisation:

1. New 330 kV line Vilnius (LT) - Neris (LT).
2. New 400/330 kV autotransformers in Alytus (LT).
3. New 330 kV (LT) switchyard of Mūša.
4. 330 kV line Klaipėda (LT) - Bitėnai (LT) reconstruction.
5. 330 kV line Bitėnai (LT) - Jurbarkas (LT) reconstruction.
6. New 330 kV line Kruonis HAE (LT) - Jurbarkas (LT).
7. 330 kV overhead line reconstruction from Lietuvos Elektrinė to Vilnius.
8. Optimization of the electricity transmission grid in the Northern Lithuania and preparation for synchronous operation with the energy system of continental Europe.

On Baltic level Litgrid is actively involved in such projects:

1. Voltage and inertia control measures in the Baltic countries.
2. Automatic Generation Management (AGV) and Frequency Stability Monitoring System (FSAS) in the Baltic States.
3. System Development Studies.

On European level the activities were as follows:

On 21 December 2018, Lithuanian and Polish electricity transmission system operators agreed on the implementation of the new maritime interconnection project. The management of Litgrid and PSE signed an agreement committing to launching the preparatory phase of the project of construction of new Polish-Lithuanian submarine high-voltage DC (HVDC) cable. Lithuanian and Polish representatives decided to name the new maritime interconnection as "Harmony Link".

During the preparatory phase of the project, actions will be taken on the basis of which investment decisions will be made, the procurement procedure will be announced to purchase the cable laying works and other preparatory works will be carried out. The investment decision should be made in 2020.



Social responsibility

Litgrid implements social responsibility through the initiative and volunteering of employees.

On the occasion of the Energy Day, the Company cherishes a tradition - every year in the chosen Lithuanian region, in a wooded territory where Litgrid is engaged in its activities - where overhead lines are built, substations are installed, etc., the Company is planting trees. On 19th April Company's employees were planting trees in the signing Jagelonys forest in Trakai municipality.

Litgrid employees and their children planted more than 5 thousand of spruce trees.

In total Litgrid employees already planted more than 16 000 birch, spruce and pine trees in traditional tree planting event.

Litgrid carries out educative and training activities and attracts future interns and employees by introducing electric power system to the schoolchildren, students and other interested persons.

Litgrid organizes tours for groups of 8 to 20 people. They take place at the System Control Centre (dispatcher office) in Vilnius; converter stations LitPol Link in Alytus and NordBalt in Klaipėda.

Tours are guided by Litgrid special prepared employees who explain properly and clearly what electricity is, how dispatchers work in the System Control Centre, how to treat electricity safety.

In February 2019 Litgrid joined the initiative of the State Labour Inspectorate, called „I will work safely”. Litgrid employees visited schools in the areas where Litgrid operates transmission lines or substations in Ukmergė, Ignalina, Panevėžys, Pasvalys. The lessons were held for schoolchildren and teachers on safe behaviour nearby electricity lines, safe work and usage of electricity gadgets, about Synchronisation Project and its importance for the country.

III. Efficiency

Electricity interconnections

Reliably functioning intersystem connections are an essential part of the system, providing an opportunity to operate together with the energy systems of other Western and Nordic countries and to develop a common European market.

LitPol Link is a double-circuit transmission line from Alytus in Lithuania to Elk in Poland and the Alytus back-to-back converter. LitPol Link interconnection was available to the market 99.98% of the time throughout the three months of 2019.

NordBalt electricity interconnection is one of the longest sea cables in the world, the operation of which significantly increases safety of energy supply to Lithuania and the Baltic countries. In the first three months of 2019, NordBalt interconnection was available to the market 100% of the time.

Reliability of the transmission network

Based on the requirements for the electricity transmission reliability and service quality approved by the National Commission for Prices and Energy Control, two indicators are used to measure the electricity transmission reliability level: ENS (Energy not Supplied due to interruptions) and AIT (Average Interruption Time). For the first quarter of 2019 ENS was 5.54 MWh, ATI 0.19 min.

Development of the modern organization

In 2017, the Company started to implement the LEAN principles in its daily activities, thus improving the speed and quality of solutions to problems, communication, employee engagement, collaboration, creating value for society.

In the first quarter of the year 230 Mini Kaizen were registered, 120 implemented, and it saved 210 hours per month. Every day there are 42 Lean meetings at Litgrid, where employees share the information, follow KPI's. It all helps to work more efficient, faster and improve quality.

Reconstruction of the electricity grid

The electricity transmission grid of Lithuania is well-developed and reliable in meeting the needs of electricity users. Optimal investments in the national grid ensure the integration of new electricity producers, safe transmission of electricity, and the reliable operation of the system.

Litgrid operates high-voltage (400-330-110 kV) transmission lines with the length of 6,946 km and 236 transformer substations and switchyards in Lithuania.

In the first quarter of 2019 these projects were started:

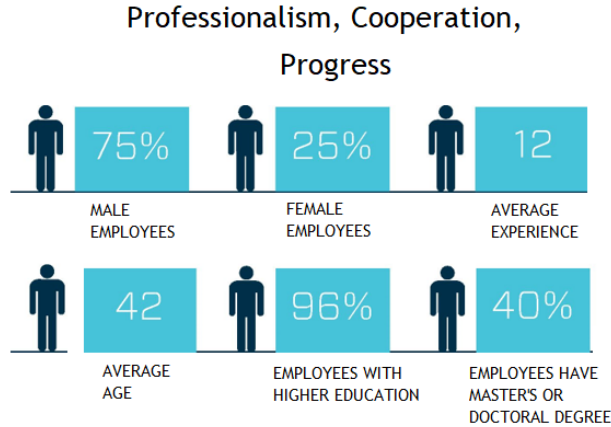
Mažeikiai 6 kV closed switchyard reconstruction, 330-110 kV Bitėnai TP AT1 equipment (from Utena1x200 MVA). Preparations were made to start: 330 kV EPL Kruonis HAE-Bitėnai construction, 330 kV switchyard Mūša construction, 330 kV switchyard Darbėnai construction, 330kV EPL Darbėnai-Bitėnai construction.

Research and development activities of the Litgrid Group

Every year Litgrid prepares the electric power system long-term development plans aimed at ensuring the reliable operation of the transmission grid and increasing the safety of electricity supply. The reconstruction of energy facilities involves the replacement of old equipment by installing modern equipment and the implementation of modern systems for relay protection, system automation, management, data collection and accounting. Plans for the construction and reconstruction of facilities are made for a 10-year period and being updated every year. These plans are publicly available and can be found on the corporate company website www.litgrid.eu.

Information about personnel

Litgrid is building a value-based organisational culture and advocates equal rights for employees and equal opportunities at work, regardless of gender, ethnicity, race, nationality, social status, age, disability, membership in a political party or association, religious beliefs or sexual orientation.



As at 31 March 2019, the Litgrid Group had 658 employees: Litgrid - 267, Tetas - 389 and Litgrid Power Link Service - 2. The wage fund of Litgrid for the reporting period amounted to EUR 1,856 thousand.

	IQ 2019		IQ 2018	
	Number of employees	Average monthly wage, in EUR	Number of employees	Average monthly wage, in EUR
Chief executive officer	1	10,023	1	9,660
Top-level managers	6	6,978	6	6,647
Mid-level managers	35	3,503	33	3,360
Experts-specialists	225	2,094	192	1,980
Total	267	2,427	232	2,336

The total wage fund of Litgrid Group for the reporting period amounted to EUR 3,343 thousand.

	IQ 2019		IQ 2018	
	Number of employees	Average monthly wage, in EUR	Number of employees	Average monthly wage, in EUR
Chief executive officer	2	8,108	3	6,815
Top-level managers	9	5,945	10	5,630
Mid-level managers	50	3,442	52	3,144
Experts-specialists	385	1,918	340	1,824
Workers	212	1,190	172	1,228
Total	658	1,900	577	1,855

Note: the information on the remuneration of employees is calculated based on the article of Social insurance Law of the Republic of Lithuania which states that the social insurance tax transferred to employees working with employment agreements, i.e. applying index 1.289. In order to have comparable data, remuneration data of 2018 is recalculated using the same methodology and index.



Remuneration policy and performance evaluation

The common remuneration policy of the EPSO-G Group has been introduced at Litgrid and it is applicable to all employees of the Company. The remuneration policy is approved and amended by the decision of the Company's Board taking into consideration recommendations of the Remuneration and Appointment Committee of EPSO-G. The Remuneration and Appointment Committee of EPSO-G regularly reviews provisions of the remuneration policy, its effectiveness, implementation and application.

Information about Remuneration policy, Employees performance evaluation, wages and Company goals are published regularly on the corporate website www.litgrid.eu.

Social responsibility in regard of personnel, Collective agreement

Litgrid employees are united and their interests are represented by the Trade Union of Employees of the Electricity Transmission Network. In order to achieve closer cooperation and partnership, it was agreed in 2018 on the periodic meetings between trade union representatives and company management to discuss issues of mutual interest.

In the first quarter of 2019, there were 96 members in the Trade Union of Employees of the Electricity Transmission Network, which is more than one third of the Company's employees.

Litgrid recognises the right of employees to voluntarily unite into trade unions or associations, as well as the right to negotiate with the employer, and supports a constructive social dialogue.

On 20 February 2018, an updated Collective Agreement between Litgrid and the newly established trade union of Company employees was signed. The document defines and ensures a fair remuneration policy and balance between work and rest and regulates social and economic relations between the employer and the employee. The Collective Agreement also contains provisions on how the Company supports employees when important or painful life events occur.

Meetings between trade union representatives and Company management are held periodically to discuss issues of relevance to the trade union.

Line of Trust

We encourage our employees, customers, business partners and other concerned parties to report the breaches of legal acts. The Company has a trust line, where is the possibility to make round-the-clock call by the indicated phone. Number and e-mail address published in the Company's website and intranet.

Ethics Committee

The Ethics Committee has been established in the Company, the Code of Ethics and Conduct (published on the Company's website, www.litgrid.eu) is upheld, the values of which are in principle respected not only within the Company but also in cooperation with third parties

IV. Balanced activities, value for the shareholders

Information on the share capital and the shareholders and their rights

Since 22 December 2010, Litgrid shares are traded on the Secondary List on the NASDAQ OMX Vilnius exchange, ISIN code of securities: LT0000128415.

The share capital of Litgrid amounted to EUR 146,256,100.20 and it was divided into 504,331,380 ordinary registered shares with the nominal value of EUR 0.29 each.

Litgrid has not acquired own shares. During the reporting period Litgrid neither acquired nor disposed of its own shares. The Company's subsidiaries have not acquired the Company's shares.

The authorised capital of Litgrid amounts to EUR 146,256,100.2, and it is divided into 504,331,380 ordinary registered shares with the nominal value of EUR 0.29 each.

EPSO-G UAB (A. Juozapavičiaus 13, LT-09310 Vilnius, company code 302826889), a company wholly-owned by the Ministry of Energy of the Republic of Lithuania, controls 100% of Litgrid shares. EPSO-G UAB possesses a decisive vote in making decisions at the General Meeting of Shareholders.

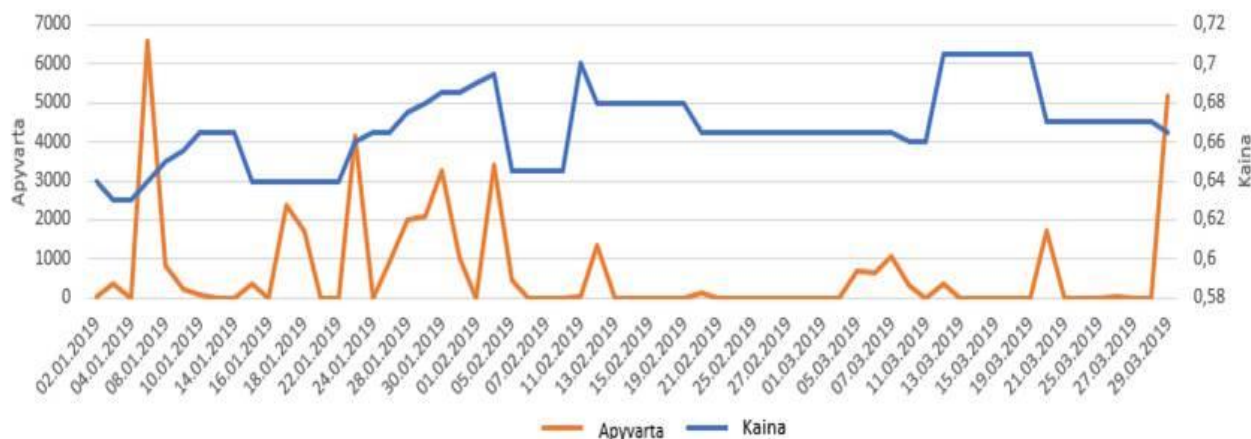
The Company has not received any information on mutual agreements between the shareholders due to which restrictions on transfer of securities and/or voting rights may be imposed. There are no restrictions regarding voting rights at the Company.

SEB Bankas AB is the provider of accounting and related services for Litgrid securities for the period from 8 September 2017 until 7 September 2020.

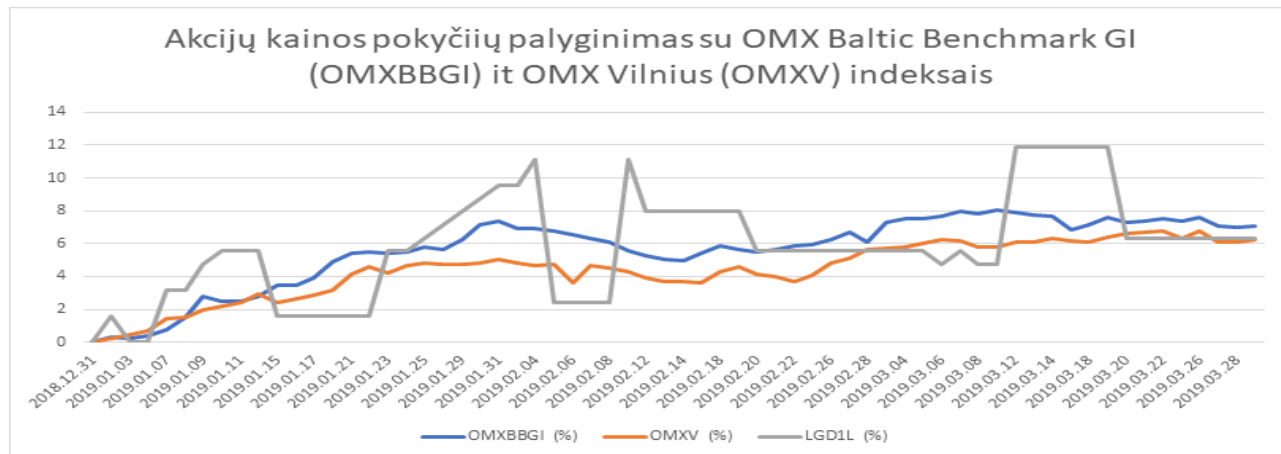
Securities of the subsidiaries of the Company are not traded on securities exchanges.

Data on trading in Litgrid securities on the regulated markets:

„Litgrid“ akcijų apyvarta ir kaina, eurais:



The comparison of the price of Litgrid shares (LGD1L) with the OMX Baltic Benchmark GI (OMXBBGI) and OMX Vilnius (OMXV) indexes during the reporting period:



Dividends

On 18 August 2017, the Board of Litgrid passed a decision regarding the application of the EPSO-G UAB Group dividend policy, which was approved by the Board of EPSO-G UAB on 14 July 2017, at Litgrid AB in its entirety.

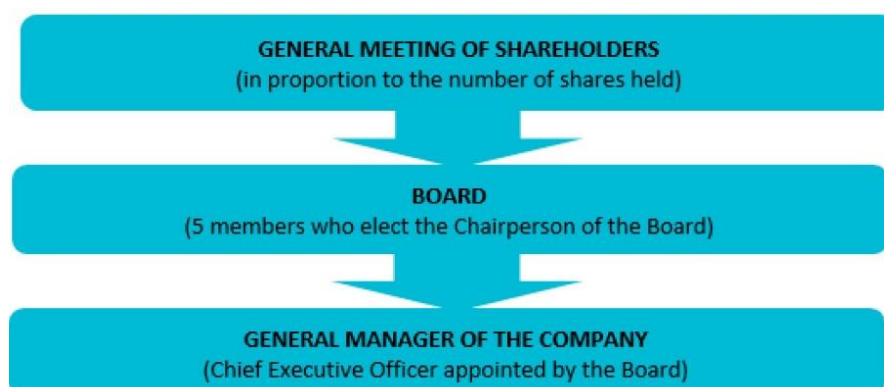
Based on the EPSO-G UAB dividend policy the amount of dividends payable was directly linked with the effective use of the company's equity, i.e. the higher benefits created by the Company for the shareholder are, the larger portion of profit can be allocated by the Company for a further development or implementation of other significant projects.

On 23 April 2019, the ordinary General Meeting of Shareholders of Litgrid was held, during which it was decided to pay out dividends amounting to EUR 2.622.523 million or EUR 0,0052 per share.

The Company's management bodies

The system of the Company's management bodies (Figure) is defined in the Articles of Association and it consists of the following bodies: General Meeting of Shareholders, the Board and the General Manager (a single-person management body).

The Company's Articles of Association stipulate that since the Company is part of the group of companies and the Supervisory Board of the parent company carries out the review of the functioning of the internal control system and risk management at the group level, the Company's General Meeting of Shareholders and the Board may take into consideration proposals and comments of the Supervisory Board of the parent company that are presented on the issues relating to the competence of the respective management body of the Company. The Audit Committee formed at the parent company functions as the Audit Committee of the entire group and, also carries out the functions of the Company's Audit Committee.



Corporate governance principles

The main corporate governance principles are established by the Civil Code of the Republic of Lithuania, the Law on Companies and the Company's Articles of Association. The following matters shall fall within the competence of the Company's General Meeting of Shareholders: amendment of the Company's Articles of Association and the authorised share capital, conversion of shares, election of the Board and the auditor, approval of the annual financial statements, appropriation of profit, adoption of decisions on the most significant transactions and other matters. The following matters shall fall within the competence of the Company's Board: establishment of the Company's organisational structure, election of the General Manager, approval of the operational strategy, budget, investments, adoption of decisions on the conclusion of significant transactions and other important management issues. The General Manager is a single-person management body of the Company. The General Manager organises the Company's business activities and conducts the Company's transactions. A detailed description of the competences of the Company's management bodies is presented in the Company's Articles of Association.

The Articles of Association

The Articles of Association of Litgrid shall be amended in the manner prescribed by the Republic of Lithuania Law on Companies.

On 30 April 2018, revised edition of articles of association were registered (due to change of the requirements for the Board members).

The General Meeting of Shareholders

The General Meeting of Shareholders is the supreme management body of the Company. The competence of the General Meeting of Shareholders, the rights of shareholders and their implementation are laid down in the Law on Companies of the Republic of Lithuania and the Statutes of the Company.

The scope of competence of the General Meeting of Shareholders, the procedure of its convocation and decision-making are established by laws, other legal acts and the Articles of Association.

The Company's Board

The Board consists of five members and is elected for a four-year term of office. The term of office of the Board starts after the end of the General Meeting of Shareholders at which the Board was elected and ends on the date of the Ordinary General Meeting of Shareholders held in the last year of the Board's term of office.

Where the Board or its member is recalled, resigns or for any other reason ceases to perform its duties before the expiry of the term of office, a new Board/Board member is elected for the remainder of the Board's term of office. In accordance with the new version of the Articles of Association, when electing new board members, it is ensured that there are not less than 2 (two) independent members, establishing their independence by taking into account the criteria set forth in the Governance Code and the Policy on the Managing Interests of Collegiate Bodies, Management and Employees of the Group of Companies and the requirements of other applicable legal acts; it is ensured that at least 3 (three) members of the Board are unrelated to the employment relationship with the Company and, if possible, the Company's employees are not appointed to the Board.

The Chairperson of the Board is elected from the members of the Board.

The Board works in accordance with laws, other legal acts, the Articles of Association, decisions of the General Meeting of Shareholders and the Board's Rules of Procedure.

The Board is a collegial management body of the Company. The scope of competence of the Board, the procedure of decision making, election and removal of its members are established by laws, other legal acts and the Articles of Association. The Board is accountable to the General Meeting of Shareholders.

Areas of activities of the Board

The Board considers and approves the Company's strategy, a three-year operational plan of the Company, a ten-year transmission grid development plan, the budget of the Company, the procedure for granting support and charity, and other documents governing strategic operations of the Company. The Board decides on the Company's undertaking of new types of activities or ceasing to carry out certain activities to the extent that this does not contradict the objective of the Company's operations. It also makes decisions on the issue of bonds, transfer of the Company's shares to other entities, and financial transactions exceeding EUR 3 million in value. The Board also decides other matters within its scope of competence as stated in the Articles of Association.

Areas of activities of the General Manager

The General Manager acts as a single-person management body of the Company. The General Manager organises and directs operations of the Company, acts on its behalf, and has the right to conclude transactions single-handedly. The scope of competence of the General Manager, the procedure of his/her election and removal are established by laws, other legal acts and the Articles of Association.

Diversity Policy does not apply to the election of the CEO, management and supervisory bodies of the Company, but applies the Social Responsibility Policy (social responsibility in relations with employees), which defines fundamental principles, such as non-discrimination, fair remuneration, etc. All policies applied by the Company are published on the website www.litgrid.eu

As at 31 March 2019: Litgrid Board members, the General Manager and the Chief Financier:

<i>Position</i>	<i>Name, surname</i>	<i>Start date</i>	<i>End date</i>	<i>Number of shares</i>
Chairman of the board	Rimvydas Štilinis	2016 07 29		-
Board member	Nemunas Biknius	2016 07 29		-
Independent Board member	Domas Sidaravičius	2016 07 29		-
Independent Board member	Šarūnas Nedzinskas	2018 09 07		-
Board member	Algirdas Juozaponis	2018 09 07		-
Chief executive officer	Daivis Virbickas	2013 09 10		-
Chief Financier	Žydrūnas Augutis	2017 06 05		-

CV's of the Board members and the CEO
(information is also available on Litgrid.eu)



Rimvydas Štilinis
Chairperson of the Board

Born in 1978.

Rimvydas Štilinis holds Master's degree of electrical engineering from Kaunas University of Technology. He worked at Lietuvos energija UAB from 2002 to 2014. From 2008 to 2014, he served as Director of Nuclear energy, Construction and Infrastructure department and Head of General Infrastructure Competence Centre. In 2014-2015, R.Štilinis was CEO of VAE SPB. He is Director for Infrastructure of EPSO-G, the company which owns 97.5% of Litgrid shares and Member of the Board of Amber Grid, the Lithuanian natural gas transmission system operator. On 24 May 2018, he was appointed as an Independent Member of the Board of the State Enterprise Ignalina Nuclear Power Plant, and on 5 July, he was elected as a Chairman of Litgrid Board.

R. Štilinis holds no Litgrid shares.



Nemunas Biknius
Board member
Born in 1978.

N. Biknius holds Master's degree of energy and thermo engineering from Vilnius Gediminas Technical University. His previous experience involves positions in the Ministries of Energy and Economy and Lietuvos dujos, where he served as Member of the Board and Director for Service and Development. N. Biknius is Chairman of the Board at Lithuanian gas transmission operator Amber Grid, Member of the Board at the operator of the Lithuanian Energy Exchange Baltpool and Director of Strategy and Development at EPSO-G.

N. Biknius holds no Litgrid shares.



Domas Sidaravičius
Independent Board
member

Born in 1975.

D. Sidaravičius holds a bachelor's degree of business administration and management and a Master's degree of international trade from Vilnius University. D. Sidaravičius has a long-term experience of financial and insurance services, business risk management. Since March 2016, Mr. Sidaravičius has been Member of the Board and CEO of ERGO Invest SIA.

D. Sidaravičius holds no Litgrid shares.



Algirdas Juozaponis
Board member

He worked as Economist and Senior Economist at Rytų skirtisomeji tinklai AB from 2005 to 2008, Finance Analyst at LEO LT AB from 2008 to 2010, Product Manager at Energijos tiekimas UAB from 2010 to 2011, Managing Director from 2011 to 2015 and Board Member from 2012 to 2013 at Energijos tiekimas UAB, Board Member at GETON Energy SIA (Latvia) and GETON Energy OU (Estonia) from 2013 to 2015, since 2015 has been working as Director of Finance and Board Member from 2016 to 2018 at EPSO-G UAB. During 2014-2015, he served as Member

of the Council at National Association of Lithuanian electricity.

A. Juozaponis holds Bachelor degree since 2005 and Master degree since 2007 from Vilnius University (Banking program).

A. Juozaponis holds no Litgrid shares



Šarūnas Nedzinskas
Independent Board
member

He worked as Head of Credit Risk Management and Board Member at DNB bank (previously - Lietuvos žemės ūkio bank) from 1994 to 1997. During 1998-1999, he served as Deputy Chairman of the Board and Head of Credit Risk Management at bank Hermis AB, during 2000-2003 he worked as Head of Business Development department at SEB bank. During 2004-2007, he served as Head of Credit Risk Management and Corporate Customers and Board Member at Lietuvos draudimas AB, Chairman of the Board from 2007 to 2008 at bank Finasta AB, during 2008-2016 he served as Advisor to the President of the bank, Executive Vice President, Board Member, Head of Retail Banking at DNB bank. Since 2016, he holds position Head of Banking Portfolios, Baltics at Intrum Lietuva UAB.

Š. Nedzinskas holds PhD degree (Strategic management) from ISM since 2013, Master's degree from BMI since 2007 and Master's degree from Vilnius University, Faculty of Economics (Business planning and management) since 1993. Š. Nedzinskas holds no Litgrid shares.



Daivis Virbickas Chief
Executive Officer

Born in 1978.

Daivis Virbickas holds Master of Science, Power System Control and Management from Kaunas University of Technology. Since 2013, he serves as Managing Director at Litgrid. During 2011 - 2013, he worked as Business Director at Switzerland holding Alpiq AG. He served as Chief Technology Officer at Litgrid AB from 2010 to 2011, Director of System Management and Control department at Lietuvos energija AB from 2000 to 2009. He was a Board Member from

2013 to 2018 and served as Chairman of the Board from 2016 to 2018 at Litgrid AB.

Since 2002 he is actively involved in the activities of ENTSO-E organization (served as member of System Operations Committee and System Development Committee), member of Expert group at European Commission.

D. Virbickas holds no Litgrid shares.

Governance and control

The requirements for the governance of the Company are set forth by the Lithuanian Government's resolutions on the governance of state-owned or state-controlled companies, insofar as they apply to the EPSO-G group companies, and the Governance Code, insofar as the Company's Articles of Association do not state otherwise.

In accordance with the integrated planning and monitoring policy of the EPSO-G group companies, which was approved at the meeting of the Board of the Company No 12 held on 19 May 2017 and which is directly applied at the Company in its entirety, the Company is preparing the strategy of the Company for a period of 5-10 years. The period of the strategy must coincide with the period of the parent company's strategy. The prepared strategy of the Company currently covers the period of 10 years up to 2027. The implementation of the strategic objectives set out in the strategy of the Company is ensured by the Company's performance, control, and risk management systems. The strategy of the Company is approved, and its implementation is controlled by the Board. The Board of the Company prepares (updates) and approves the operational plan for a period of 3 years before the end of the current year. A monthly strategy implementation supervision system is introduced at the Company and is linked with the Company's administrative staff remuneration system. The composition of the Company's Board is disclosed on the Company's website.

The Company's activities of the transmission system operator are regulated by the national regulatory authority, i.e. the National Commission for Energy Control and Prices (hereinafter "the Commission"). Within its competence, the Commission performs the functions of the state regulation in the electricity sector in the Republic of Lithuania, by ensuring, inter alia, the supervision of and control over the performance of regulated activities in the energy sector, as well as the proper implementation of the rights and duties of electricity undertakings and consumers.

The strategy and operational plan of the Company are implemented by and the activities of the Company's administrative staff are organised by the Company's General Manager. The Company's administrative management consists of the General Manager, Finance Department Director, System Management Department Director, Transmission Network Department Director, Strategic Infrastructure Department Director, Strategy Department Director, and ITC and Administration Department Director. The composition of the Company's management is disclosed on the Company's website.

Corporate governance accommodates the principles of good governance practice and the policies on the governance of state-controlled companies. The Board of the Company approves the following policies, the implementation of which is to be ensured by the administrative staff of the Company: corruption prevention, remuneration, remuneration for activities in the management bodies of the group companies, assessment of employees' performance, project management, integrated planning and monitoring, corporate governance, accounting, support, dividends, transport, technological property, transparency and communication, protection of sensitive information, management of interests of collegial management bodies, management and employees, treasury management and financial risks, risk management, social responsibility, etc.

The internal control systems of the Company are supported by the organisational structure, management culture and implemented good governance practices, as well as process management which is currently being implemented. It should be noted that the supervisory functions are carried out by the Board of EPSO-G UAB, meanwhile recommendations, proposals and conclusions on matters which are key to the Company's activities are provided by the Remuneration and Appointment Committee and the Audit Committee. The internal control system is initiated by the Company's Board and implemented by the administrative staff, assisted by the Audit Committee of EPSO-G UAB, the external independent audit, and divisions supporting the principal activity. The procedures and policies effective at the Company ensure the reliability of accounting and financial reporting, the compliance of the Company's activities to legal acts, operational efficiency, and achievement of operational objectives.

The Minister of Energy of the Republic of Lithuania by Order No 1-212 of 7 September 2015 approved the Corporate Governance Guidelines for the State-Owned Group of Energy Companies (hereinafter "the Guidelines"). The Guidelines establish uniform principles of corporate governance to be applied to the entire EPSO-G group of companies and prescribe the purpose of the group of companies, its operational objectives, corporate governance organisation model, governance structure, as well as the system for accountability, supervision and control of operations. These Corporate Governance Guidelines are intended to support and further improve the procedures and policies of good governance practice applied at the Company.

Risk factors and their management

Risk is the possibility of unplanned events that may affect the achievement of the strategy and business objectives, both negatively and positively. Risk may have one or more consequences. No organization is protected from risk; therefore, it is necessary to take a proactive (take action to manage risk before risk occurs) and integrated approach to the risk management in order to achieve the objectives set.

The Company has implemented a system for risk management that comprises the identification of risks, their analysis, assessment and determination of control measures, preparation of the risk management action plan and implementation of measures stipulated in the plan, monitoring and supervision of the risk management process.

Risk identification, analysis and assessment are carried out regularly on a quarterly basis, and a comprehensive risk assessment is usually performed once a year (in the context of the strategy update and operational planning process) when preparing a new risk management plan. There is also ongoing monitoring of the implementation of the measures planned to manage risks.

In the fourth quarter of 2018, the risk management measures plan of LITGRID AB was approved for 2019, covering the most relevant risks and their management tools when the Company implements the 2019 and future strategic objectives.

V. Significant events of the first quarter of 2019

In executing its duties in accordance with the applicable legislation regulating the securities market, the Company publishes information on significant events and other regulated information on the EU-wide basis. This information is available on the website of the Company (www.litgrid.eu) and the website of NASDAQ Vilnius stock exchange (www.nasdaqbaltic.com).

Most important events for the first quarter of 2019:

1st January 2019 National Commission for Energy and Prices (NCC) confirmed prices for electricity and gas transmission. Average price for energy transmission increased by 6.3 percent to 0,658 cents for kWh. It was caused by objective factors - servitude compensation, autotransformer moving costs, increasing costs for purchasing electricity for own needs, and costs for maintaining technological equipment.

23rd January European Commission set the financing for the first stage of the Synchronisation of Baltic states system with the Continental Europe. In total for the projects with the first stage the value of the projects is EUR 432.5 million. European financing will amount to EUR 323 million. For the Lithuanian grid enforcement at the first stage there will be invested EUR 167 million, EU will allocate EUR 125 million.

24th January ACER (Agency for the Cooperation of Energy Regulators) decided to confirm methodology for capacity and overflow management methodology, which is set to decide upon intraday capacity calculation rules. The aim of this methodology is to harmonise day-ahead and intraday trading intersystem capacity calculation principles.

20th March Lithuanian TSO Litgrid and UAB „Žilinskis ir Co” signed the contract for LitPol Link expansion project design and construction. It is planned that the Lithuanian and Polish interconnection LitPol Link will be expanded adding 400/330 kV autotransformers, expanding Alytus 400 kV and 330 kV switchyards, some overhead lines, and 400 Kv switchyard for own needs. The contract value is EUR 26.193 million, works must be finished until the end of 2020.

19th March Baltic transmission system operators and INEA managing director signed the agreement for financing the first stage of Synchronization of Baltic states and the Continental Europe (Connecting Europe Facility, CEF).

VI. Important events after reporting period

9th April 2019 Litgrid and Lietuvos energija agreed to renew the sale process of Duomenų logistikos centras (DLC). Litgrid will sell 20.36 of owned shares, Lietuvos Energija will sell 79.64 percent of owned shares.

23rd of April 2019 in the ordinary shareholder meeting was held and the decisions were made to approve the consolidated report and financial statements of the Company for 2018, profit distribution and to settle the rates for the remuneration of the independent Board members.

VII. FINANCIAL INFORMATION

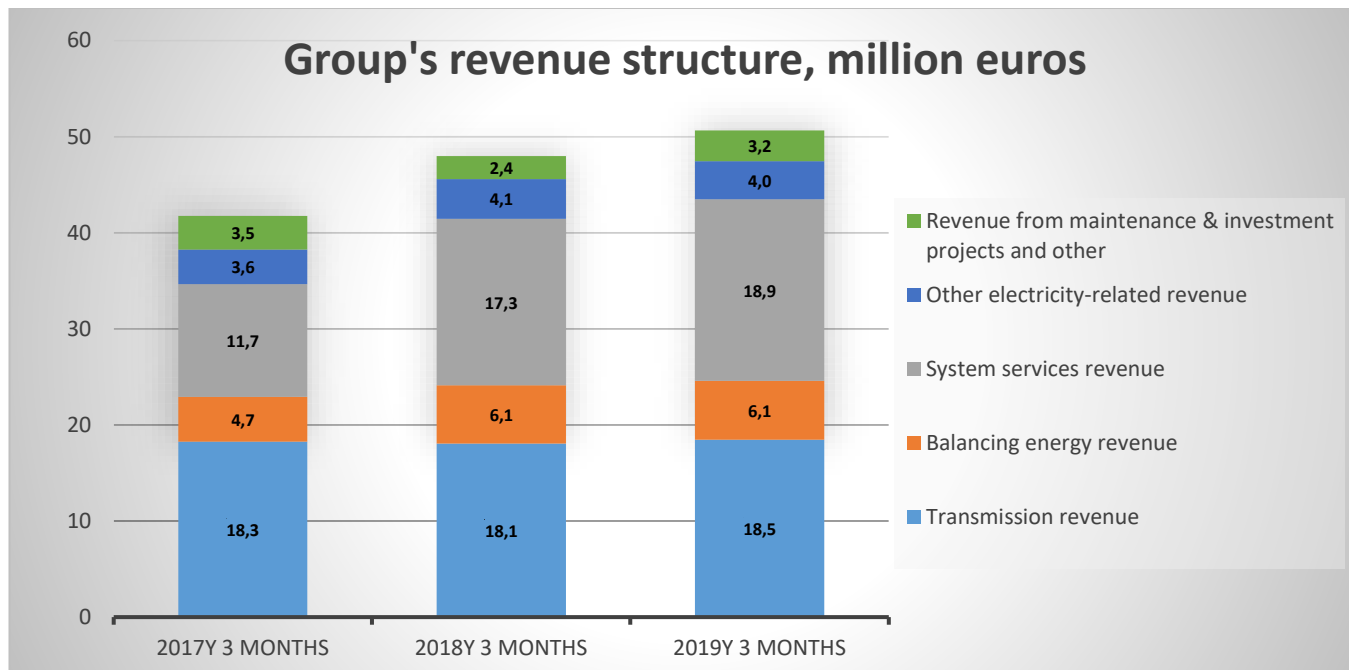
Main financial indicators of the Group and the Company

	2019 January-March		2018 m. January-March		2017 m. January-March	
	Group	Company	Group	Company	Group	Company
Financial indicators, EUR '000						
Revenue from electricity transmission and related services	47,454	47,454	45,595	45,595	38,259	38,259
Other income	3,190	193	2,402	176	3,498	362
EBITDA*	9,529	9,478	11,943	12,338	12,789	13,692
Profit (loss) before income tax	3,883	4,063	4,978	5,514	5,765	6,740
Net profit (loss)	3,197	3,334	4,206	4,668	4,516	5,534
Net cash flows from operating activities	8,474	8,380	11,708	10,955	12,627	13,650
Ratios						
EBITDA margin %	18.8	19.9	24.9	27.0	30.6	35.5
Operating profit margin, %	8.2	9.1	11.1	12.7	14.6	18.2
Return on equity %, for 12 months period	-18.0	-17.5	3.6	2.7	7.7	7.5
Return on assets %, for 12 months period	-10.2	-10.1	2.1	1.6	4.1	4.1
Shareholder's equity / Assets, %	54.2	55.0	59.1	59.7	56.9	57.8
Financial liabilities / Equity, %	58.6	57.7	52.1	51.4	59.7	58.4
Liquidity ratio	0.52	0.48	0.85	0.84	0.88	0.87

* EBITDA = operating profit + depreciation and amortisation + impairment expenses of assets + write-off expenses of assets

Revenue

Revenue earned by the Litgrid group in the first quarter of 2019 amounted to EUR 50.6 million, a 5.5 % increase compared to 2018.



Revenue from electricity transmission increased by 2.3 % up to EUR 18.5 million compared to 2018. Revenue from electricity transmission accounted for 36 % of the Group's total revenue. Income growth was driven by 4.8% higher average actual electricity transmission price, as the amount of transmitted electricity decreased by 2.3 percent to 2,713 million kWh.

Revenue from balancing (regulating) electricity remained almost unchanged at EUR 6.1 million.

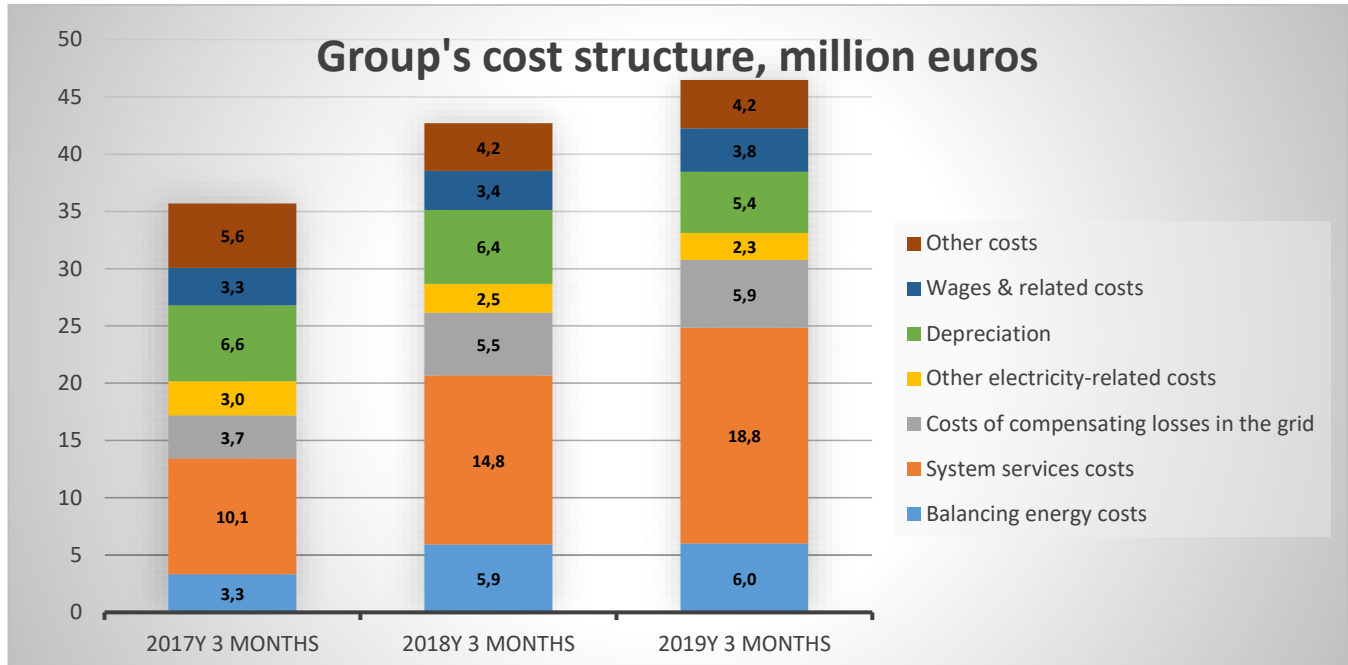
Revenue from system services grew by 9% to EUR 18.9 million. The main growth driver was the tariff for system services which had been increased 16% by the National Commission on Energy Control and Prices from 1 January 2019, but the volume of system services decreased by 5%.

Other revenue related to transmission activity consists of: fee for electricity imported from or exported to countries other than the EU and inter-EU transit compensation revenue from ITC fund (ITC income - income resulting from participation in the European Inter-Transmission Operator Compensation Mechanism) - EUR 1.3 million; Public service obligations income - EUR 2 million; reactive energy income - EUR 0.4 million; connection of new producers/customers and equipment replacement - EUR 0.3 million.

Income from services provided by Tetas, a subsidiary of Litgrid, account for the largest part of income from repair works, investment projects etc.

Expenses

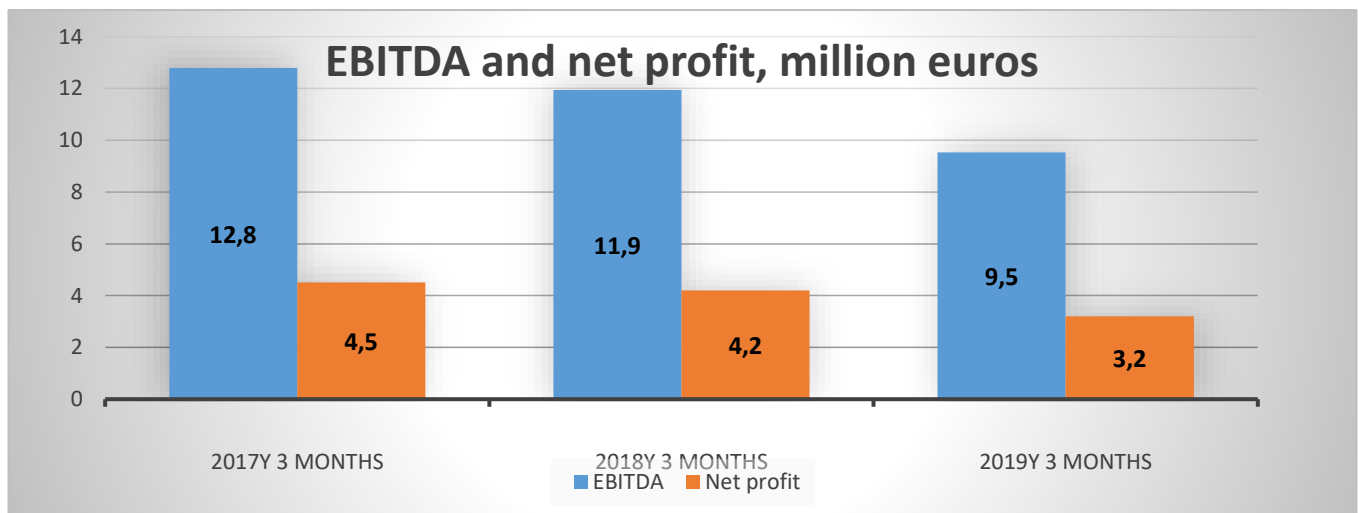
The Group's operating expenses totalled EUR 46.5 million in the first quarter of 2019, 9% higher compared to 2018.



Costs of purchase of electricity and related services accounted for a major share of the Group's operating expenses: EUR 33.1 million or 71% of total expenses. These costs increased by 15 % compared to 2018. Balancing (regulating) electricity costs increased by 2% to EUR 6 million. The system service costs increased by 27% to EUR 18.8 million. Costs for electricity purchase for compensating technological losses in the transmission grid increased by 8% to EUR 5.9 million. Transit (ITC) costs were EUR 0.4 million, public service obligation costs EUR 2 million.

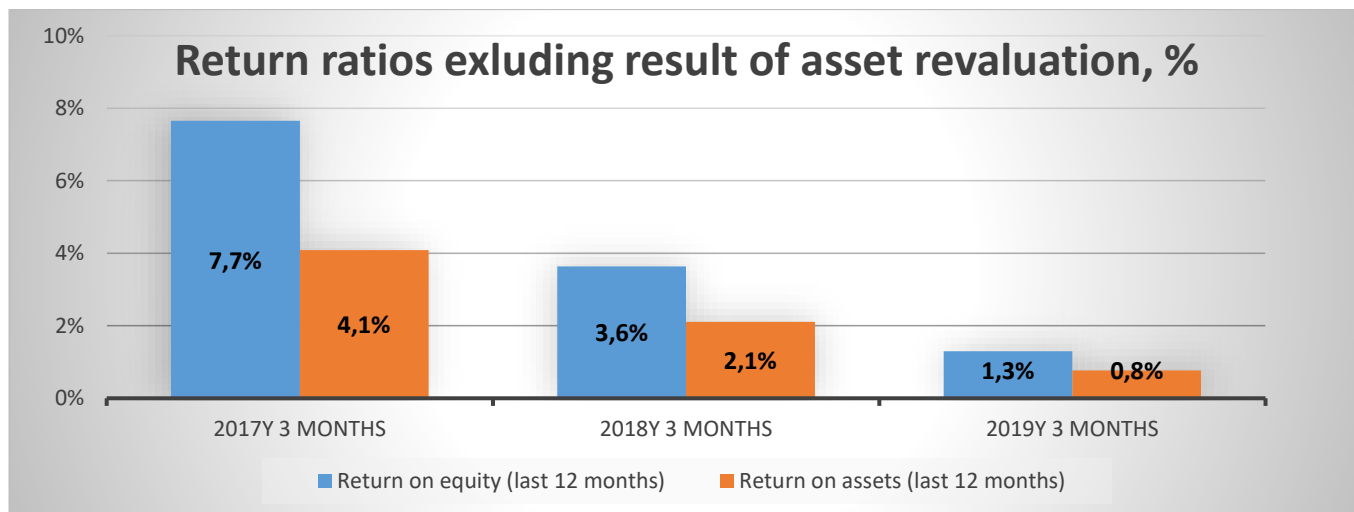
Depreciation and amortisation expenses decreased by 17% compared to 2018 due to revaluation of the Company's tangible fixed assets at the end of 2018 and amounted to EUR 5.4 million. Other expenses increased by 6% and amounted to EUR 8 million.

Profit and return ratios



The EBITDA in the first quarter of 2019 amounted to EUR 9.5 million. Compared to 2018, the EBITDA decreased by EUR 2.4 million or 20%; the EBITDA margin decreased to 18.8% (in 2018 - 24.9%). The Group's net profit in the first quarter of 2019 was EUR 3.2 million (in 2018 - EUR 4.2 million).

The main reason for the decrease of the Group's EBITDA is EUR 2.5 million worse balance of system services revenue and costs - in the first quarter of 2019 the balance was EUR 0.1 million, while in 2018 - EUR 2.6 million.



In the first quarter of 2019 annual ROE and ROA (excluding the revaluation of the Company's tangible fixed assets) ratios decreased compared to 2018 from 3.6% to 1.3% and from 2.1% to 0.8% respectively.

Balance sheet and cash flows

As of 31st March 2019 the Group's assets amounted to EUR 366 million. The Group's non-current assets amounted to 92% of the Group's total assets. Shareholders' equity accounted for 54% of the total assets of the Group.

As of 31 March 2019, the Group's financial liabilities to credit institutions amounted to EUR 116.2 million (a decrease of EUR 5.6 million compared to 31st December 2018). Financial liabilities to equity ratio was 59%. Financial debts repayable within one year accounted for 20% of the total financial debts. Cash and cash equivalents totalled EUR 1.3 million and the unwithdrawn Group's account balance was EUR 15.4 million.

The Group's net cash flows from operating activities in the first quarter of 2019 amounted to EUR 8.6 million, while payments for non-current tangible and intangible assets were EUR 6.7 million; EUR 1.1 million were received as subsidies and EUR 2.7 million as congestion income for the financing of fixed assets investments, EUR 0.8 million of them was used.

The Group's net cash flow in the first quarter of 2019 (excluding cash flows from financial activities) totalled EUR 5.8 million.

Investments in non-current assets

The investments of transmission system operator Litgrid in the first quarter of 2019 (works performed and assets acquired irrespective of terms of payment) amounted to EUR 4.8 million, of which 56% were earmarked for the implementation of electricity projects of strategic and high national importance, and 44% for the reconstruction and development of the electricity transmission grid.

Dividends

On 18 August 2017, the Board of Litgrid made a decision apply in full the dividend policy of the EPSO-G UAB group, which was approved by the Board of EPSO-G UAB on 14 July 2017.

On 23 April 2019, the ordinary General Meeting of Shareholders of Litgrid was held, during which it was decided to pay out dividends amounting to EUR 2.6 million or EUR 0,0052 per share.

STATEMENTS OF FINANCIAL POSITION
(All amounts in EUR thousands unless otherwise stated)

	Notes	Group		Company	
		31-03-2019	31-12-2018	31-03-2019	31-12-2018
ASSETS					
Non-current assets					
Intangible assets	3	6,324	6,593	6,257	6,529
Property, plant and equipment	4	308,202	309,741	305,362	307,047
Right-of-use assets	5	1,177	-	678	-
Investments in subsidiaries	6	-	-	1,174	1,174
Deferred income tax assets		5,051	4,505	4,973	4,469
Loans granted		-	-	2,203	2,203
Available-for-sale financial assets		2,693	2,693	2,693	2,693
Other non-current financial assets	7	12,319	10,439	12,319	10,439
Total non-current assets		335,766	333,971	335,659	334,554
Current assets					
Inventories		570	1,107	107	107
Prepayments		948	527	893	468
Trade receivables		19,211	20,861	17,044	17,012
Other amounts receivable		210	1,243	57	47
Prepaid income tax		18	478	-	460
Other financial assets	8	7,951	7,443	7,951	7,443
Cash and cash equivalents		1,342	627	147	397
Total current assets		30,250	32,286	26,199	25,934
TOTAL ASSETS		366,016	366,257	361,858	360,488
EQUITY AND LIABILITIES					
Equity					
Authorised share capital		146,256	146,256	146,256	146,256
Share premium		8,579	8,579	8,579	8,579
Revaluation reserve		192	222	-	-
Reserve for changes in fair value of financial assets		655	655	655	655
Legal reserve		14,626	14,626	14,626	14,626
Other reserves		63,309	63,309	63,309	63,309
Retained earnings (deficit)		(35,395)	(38,622)	(34,254)	(37,588)
Total equity		198,222	195,025	199,171	195,837
Liabilities					
Non-current liabilities					
Non-current borrowings	9	93,028	94,128	93,028	94,128
Non-current lease liability		1,324	599	451	-
Congestion management revenue		13,039	10,832	13,039	10,832
Other non-current amounts payable and liabilities		2,109	1,931	2,056	1,878
Total non-current liabilities		109,500	107,490	108,574	106,838
Current liabilities					
Current portion of non-current borrowings	9	14,225	14,225	14,225	14,225
Current borrowings	9	8,973	12,615	7,584	12,517
Current lease liability		637	221	227	-
Trade payables		18,480	22,173	17,475	17,909
Share of congestion management revenue of the current year		4,922	4,922	4,922	4,922
Advance amounts received		641	929	641	829
Income tax liability		99	-	99	-
Other current amounts payable and liabilities		10,317	8,657	8,940	7,411
Total current liabilities		58,294	63,742	54,113	57,813
Total liabilities		167,794	171,232	162,687	164,651
TOTAL EQUITY AND LIABILITIES		366,016	366,257	361,858	360,488

The accompanying notes are an integral part of this condensed interim financial statements.

STATEMENTS OF COMPREHENSIVE INCOME
(All amounts in EUR thousands unless otherwise stated)

	Group		Company	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Revenue				
Revenue from electricity transmission and related services	47,454	45,595	47,454	45,595
Other income	3,190	2,402	193	176
Total revenue	10 50,644	47,997	47,647	45,771
Expenses				
Expenses of electricity transmission and related services	(33,112)	(28,683)	(33,112)	(28,683)
Depreciation and amortisation	3,4,5 (5,352)	(6,449)	(5,147)	(6,322)
Wages and salaries and related expenses	(3,796)	(3,398)	(2,347)	(1,998)
Repair and maintenance expenses	(559)	(661)	(979)	(1,010)
Telecommunications and IT maintenance expenses	(458)	(397)	(413)	(356)
Property, plant and equipment write-off expenses	(18)	(187)	(15)	(187)
Other expenses	(3,191)	(2,915)	(1,318)	(1,386)
Total expenses	(46,486)	(42,690)	(43,331)	(39,942)
Operating profit/(loss)	4,158	5,307	4,316	5,829
Financing activities				
Finance income	2	2	13	8
Finance costs	(277)	(331)	(266)	(323)
Total finance costs	(275)	(329)	(253)	(315)
Profit/(loss) before income tax	3,883	4,978	4,063	5,514
Income tax				
Current year income tax expenses	(1,235)	(1,545)	(1,235)	(1,538)
Deferred income tax (expenses)/income	549	773	506	692
Total income tax	11 (686)	(772)	(729)	(846)
Profit/(loss) for the period	3,197	4,206	3,334	4,668
Other comprehensive income that will not be reclassified to profit or loss	-	-	-	-
Total comprehensive income/(expenses) for the period	3,197	4,206	3,334	4,668
Basic and diluted earnings/(deficit) per share (in EUR)	0.006	0.008	0.007	0.009

The accompanying notes are an integral part of this condensed interim financial statements.

STATEMENTS OF CHANGES IN EQUITY
(All amounts in EUR thousands unless otherwise stated)

Group	Share capital	Share premium	Revaluation reserve	Reserve of	Legal reserve	Other reserves	Retained earnings	Total
				changes in fair value of financial assets				
Balance at 1 January 2018	146,256	8,579	5,380	655	14,790	62,767	8,171	246,598
Comprehensive income/(expenses) for the period	-	-	-	-	-	-	4,206	4,206
Depreciation of revaluation reserve and amounts written off	-	-	(180)	-	-	-	180	-
Transfer to retained earnings	-	-	-	-	(164)	-	164	-
Balance at 31 March 2018	146,256	8,579	5,200	655	14,626	62,767	12,721	250,804
Balance at 1 January 2019	146,256	8,579	222	655	14,626	63,309	(38,622)	195,025
Comprehensive income/(expenses) for the period	-	-	-	-	-	-	3,197	3,197
Depreciation of revaluation reserve and amounts written off	-	-	(30)	-	-	-	30	-
Balance at 31 March 2019	146,256	8,579	192	655	14,626	63,309	(35,395)	198,222

Company	Share capital	Share premium	Revaluation reserve	Reserve of	Legal reserve	Other reserves	Retained earnings	Total
				changes in fair value of financial assets				
Balance at 1 January 2018	146,256	8,579	4,999	655	14,626	62,767	8,257	246,139
Comprehensive income/(expenses) for the period	-	-	-	-	-	-	4,668	4,668
Depreciation of revaluation reserve and amounts written off	-	-	(136)	-	-	-	136	-
Balance at 31 March 2018	146,256	8,579	4,863	655	14,626	62,767	13,061	250,807
Balance at 1 January 2019	146,256	8,579	-	655	14,626	63,309	(37,588)	195,837
Comprehensive income/(expenses) for the period	-	-	-	-	-	-	3,334	3,334
Balance at 31 March 2019	146,256	8,579	-	655	14,626	63,309	(34,254)	199,171

The accompanying notes are an integral part of this condensed interim financial statements.

STATEMENTS OF CASH FLOWS

(All amounts in EUR thousands unless otherwise stated)

	Group		Company	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Cash flows from operating activities				
Profit/(loss) for the period	3,197	4,206	3,334	4,668
Adjustments for non-cash items and other adjustments:				
Depreciation and amortisation expenses	3,4,5 5,352	6,449	5,147	6,322
Income tax expenses	686	772	729	846
(Gain)/loss on disposal/write-off of property, plant and equipment	15	187	15	187
Elimination of results of financing and investing activities:				
Interest income	-	-	(12)	(6)
Interest expenses	276	330	265	322
Other finance (income)/costs	(1)	(1)	-	(1)
Changes in working capital:				
(Increase) decrease in trade receivables and other amounts receivable	2,643	(906)	(82)	(4,331)
(Increase) decrease in inventories, prepayments and other current assets	127	(430)	(414)	(337)
Increase (decrease) in amounts payable, grants, deferred income and advance amounts received	(644)	2,124	2,518	4,283
Changes in other financial assets	(2,388)	81	(2,388)	81
Income tax (paid)	(675)	(1,104)	(675)	(1,079)
Net cash generated from (used in) operating activities	8,588	11,708	8,437	10,955
Cash flows from investing activities				
(Purchase) of property, plant and equipment and intangible assets	(6,651)	(5,807)	(6,349)	(5,738)
Proceeds from sale of property, plant and equipment and intangible assets	4	-	-	-
Grants received	1,118	13,748	1,118	13,748
Revenue generated from congestion management	2,693	2,532	2,693	2,532
Interest received	-	-	24	-
Net cash generated from (used in) investing activities	(2,836)	10,473	(2,514)	10,542
Cash flows from financing activities				
Repayments of borrowings	(1,100)	(1,100)	(1,100)	(1,100)
Overdraft	(98)	(20,230)	-	(19,842)
Borrowings from related parties	(3,544)	-	(4,933)	-
Lease payments	(207)	(280)	(57)	-
Interest paid	(84)	(116)	(79)	(108)
Dividends paid	(4)	(1)	(4)	(1)
Net cash generated from (used in) financing activities	(5,037)	(21,727)	(6,173)	(21,051)
Increase (decrease) in cash and cash equivalents	715	454	(250)	446
Cash and cash equivalents at the beginning of the period	627	696	397	434
Cash and cash equivalents at the end of the period	1,342	1,150	147	880

The accompanying notes are an integral part of this condensed interim financial statements.

1. General information

Litgrid AB (hereinafter “the Company”) is a public limited liability company registered in the Republic of Lithuania. The address of its registered office is: A. Juozapavičiaus g. 13, LT-09311, Vilnius, Lithuania. The Company was established as a result of the unbundling of Lietuvos Energija AB operations and was registered with the Register of Legal Entities on 16 November 2010, entity’s code is 302564383.

Litgrid is an operator of electricity transmission system, operating electricity transmissions in the territory of Lithuania and ensuring the stability of operation of the whole electric power system. In addition, the Company is also responsible for the integration of the Lithuanian power system into the European electricity infrastructure and common electricity market.

On 27 August 2013, the National Commission for Energy Control and Prices (hereinafter - „NCC“) issued in respect of the Company an open - ended License for the engagement in activity of Transmission electric power.

The principal objectives of the Company’s activities include ensuring the stability and reliability of the electric power system in the territory of Lithuania within its areas of competence, creation of objective and non-discriminatory conditions for the use of the transmission networks, management, use and disposal of electricity transmission system assets and its appurtenances.

As at 31 March 2019 the share capital of the Company amounted to EUR 146,256,100.20. It was divided into 504,331,380 ordinary registered shares with the nominal value of EUR 0.29 each. All the shares of the Company were fully paid. The Company has not acquired any own shares.

As at 31 March 2019 and 31 December 2018, the Company’s shareholders structure was as follows:

Company’s shareholders	Number of shares held	Number of shares held (%)
UAB EPSO-G	491,736,153	97.5
Other shareholders	12,595,227	2.5
Total:	504,331,380	100

The ultimate controlling shareholder of EPSO-G UAB (company code 302826889, address A. Juozapavičiaus g. 13, Vilnius, Lithuania) is the Ministry of Energy of the Republic of Lithuania.

As from 22 December 2010, the shares of the Company are listed on the additional trading list of NASDAQ OMX Vilnius Stock Exchange, issue ISIN code LT0000128415.

As at 31 March 2019 and 31 December 2018 the Group included Litgrid, its directly controlled subsidiaries, associates and joint ventures, listed below:

Company	Address of the company’s registered office	Shareholding as at 31 March 2019	Shareholding as at 31 December 2018	Profile of activities
Tetas UAB	Senamiesčio g. 102B, Panevėžys, Lithuania	100%	100%	Transformer substation and distribution station, power lines design, reconstruction, repair and maintenance services
Litgrid Power Link Service UAB	A. Juozapavičiaus g. 13, Vilnius, Lithuania	100%	100%	Management and operation of High Voltage Direct Current interconnection facilities. By decision of ultimate shareholder, from 1 st August 2018 Company’s activity is suspended, starting this date Litgrid will organise maintenance activity of mentioned interconnection facilities itself.
Duomenų Logistikos Centras UAB	Žvejų g. 14, Vilnius, Lithuania	20%	20%	IT services
LitPol Link Sp.z.o.o	Wojciecha Gorskiego 900-033 Warsaw, Poland	50%	50%	Implementation and co-ordination of joint assignments in relation to operation of current interconnection Lithuania-Poland, planned development of the network and other fields of co-operation.

Due to Company’s active steps on purpose to sell shares of associated entity UAB Duomenų logistikos centras, Company’s investment in this entity was accounted in the item Other financial assets of Statement of financial position.

As at 31 March 2019, the Group had 658 employees (31 December 2018: 638), and the Company had 267 employees (31 December 2018: 267).

2. Summary of principal accounting policies

These condensed interim Consolidated and the Company's financial statements, for the period ended 31 March 2019 are prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union and applicable to interim financial statements (IAS 34 „Interim Financial Reporting“).

In order to better understand the data presented in this condensed interim financial statements, this financial statements should be read in conjunction with the audited Consolidated and the Company's financial statements for the year 2018, prepared according to International Financial Reporting Standards as adopted by the European Union.

When preparing these financial statements the Company and the Group first time adopted the requirements of IFRS 16 Leases. In other respects, the same accounting principles have been followed as in the preparation of financial statements for 2018.

The presentation currency is euro. These financial statements are presented in thousands of euro, unless otherwise stated.

The financial year of the Company and other Group companies coincides with the calendar year.

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 available-for-sale financial assets which are carried at fair value.

These financial statements for the three-months period ended 31 March 2019 are not audited. Financial statements for the year ended 31 December 2018 are audited by the external auditor UAB Deloitte Lietuva.

Adoption of new standards effective after 1 January 2019

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

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

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

The right-of-use assets by the Company and the Group consist of transport and real estate assets. Currently, the Company and the Group has not taken a decision on the application of the provisions of the standard for state land lease transactions.

The summary of the financial impact on adopting IFRS 16 is presented in the table below:

	Group		Company	
	31-03-2019	01-01-2019	31-03-2019	01-01-2019
Right-of-use assets	1,177	1,289	678	734
Current lease liability	396	452	227	227
Non - current lease liability	871	837	541	507
Expected impact on profit (loss) statement:				
Increase of depreciation	113		56	
Increase of interest expense	3		1	
Decrease of other expenses	(114)		(57)	
Expected impact on statement of cash flows:				
Increase of net cash flow from operating activities	114		57	
Decrease of net cash flows from financing activities	(114)		(57)	

3. Intangible assets

	<u>Group</u>	<u>Company</u>
Net book amount at 31 December 2017	3,650	3,647
Additions	422	422
Amortization charge	(230)	(229)
Net book amount at 31 March 2018	3,842	3,840
Net book amount at 31 December 2018	6,593	6,529
Additions	41	38
Amortization charge	(310)	(310)
Net book amount at 31 March 2019	6,324	6,257

4. Property, plant and equipment

	<u>Group</u>	<u>Company</u>
Net book amount at 31 December 2017	378,403	376,028
Additions	4,652	4,647
Prepayments for property, plant, equipment	144	144
Write-offs	(188)	(188)
Transfer to inventories	(13)	(13)
Set-off of grants with non-current assets	(2,880)	(2,880)
Depreciation charge	(6,219)	(6,093)
Net book amount at 31 March 2018	373,899	371,645
Net book amount at 31 December 2018	309,741	307,047
Additions	5,046	4,747
Prepayments for property, plant, equipment	315	315
Disposals	(4)	-
Write-offs	(18)	(18)
Transfer to inventories	(8)	(8)
Set-off of grants with non-current assets	(1,940)	(1,940)
Depreciation charge	(4,930)	(4,781)
Net book amount at 31 March 2019	308,202	305,362

Property, plant, and equipment value are carried at the asset acquisition cost less grants received or receivable. Grants include the EU structural funds, the funds of connecting new consumers (producers) to electricity transmission network (applicable for fees received until 1 July 2009), the PSO funds and congestion revenue funds. If the value of the Property, plant, and equipment was not reduced by the grants, the book value of these assets as of 31 March 2019 would be higher by EUR 296,688 thousand (31 March 2018: EUR 298,609 thousand). Information about the Property, plant, and equipment the value of which has been reduced by the grants received/receivable is presented below:

Net book amount at 31 December 2017	297,649
Additions	2,880
Depreciation charge	(1,920)
Net book amount at 31 March 2018	298,609
Net book amount at 31 December 2018	296,763
Additions	1,940
Depreciation charge	(2,015)
Net book amount at 31 March 2019	296,688

5. Right-of-use assets

	Group	Company
Net book amount at 1 January 2019	1,289	734
Depreciation charge	(112)	(56)
Net book amount at 31 March 2019	<u>1,177</u>	<u>678</u>

Right-of-use assets consist of transport and real estate assets.

6. Investments in subsidiaries

As at 31 March 2019 and 31 December 2018 the Company's investments comprised as following:

Subsidiaries	Investment cost	Impairment	Carrying amount	Ownership interest, %
At 31 March 2019				
TETAS UAB	4,754	(3,754)	1,000	100
Litgrid Power Link Service UAB	174	-	174	100
Total	<u>4,928</u>	<u>(3,754)</u>	<u>1,174</u>	
At 31 December 2018				
TETAS UAB	4,754	(3,754)	1,000	100
Litgrid Power Link Service UAB	174	-	174	100
Total	<u>4,928</u>	<u>(3,754)</u>	<u>1,174</u>	

7. Other non-current financial assets

The long-term share of the balance of the unused funds of the congestion management revenue amounted to EUR 12,319 thousand as of 31 March 2019 (EUR 10,439 thousand as of 31 December 2018) and in the financial situation report it is accounted for in Other non-current financial assets. The short-term share of the funds of the congestion management revenue (aimed to use within 12 months) amounted to EUR 4,922 thousand as of 31 March 2019 and 31 December 2018 and in the financial situation report it is accounted for in Other financial assets.

8. Other financial assets

	Group		Company	
	31-03-2019	31-12-2018	31-03-2019	31-12-2018
Funds deposited for guarantees and deposits	2,277	1,769	2,277	1,769
Fund received for congestion management	4,922	4,922	4,922	4,922
Financial assets held for sale (The shares of UAB „Duomenų logistikos centras“)	752	752	752	752
Total	<u>7,951</u>	<u>7,443</u>	<u>7,951</u>	<u>7,443</u>

9. Borrowings

Borrowings of the Group/Company were as follows:

	Group		Company	
	31-03-2019	31-12-2018	31-03-2019	31-12-2018
Non-current borrowings				
Borrowings from banks	93,028	94,128	93,028	94,128
Current borrowings				
Current portion of non-current borrowings	14,225	14,225	14,225	14,225
Borrowings from related parties	8,973	12,517	7,584	12,517
Overdraft	-	98	-	-
Total borrowings	<u>116,226</u>	<u>120,968</u>	<u>114,837</u>	<u>120,870</u>

Maturity of non-current borrowings:

	Group		Company	
	31-03-2019	31-12-2018	31-03-2019	31-12-2018
Between 1 and 2 years	14,225	14,225	14,225	14,225
From 2 to 5 years	41,576	42,676	41,576	42,676
After 5 years	37,227	37,227	37,227	37,227
Total	93,028	94,128	93,028	94,128

On 27 September 2018 the Company entered into a cash pool agreement with the shareholder UAB EPSO-G. The Agreement sets forth the maximum borrowing limit for UAB EPSO-G - up to EUR 23 million and the lending limit for LITGRID AB - up to EUR 20 million. As at 31 March 2019 the outstanding balance of borrowing is equal to EUR 7,584 thousand (31 December 2018: EUR 12,517 thousand).

On 6 March 2019 the Company's subsidiary Tetas UAB entered into a cash pool agreement with the shareholder UAB EPSO-G. The Agreement sets forth the maximum borrowing limit for UAB EPSO-G - up to EUR 1.4 million and the lending limit for Tetas UAB - up to EUR 1 million. As at 31 March 2019 the outstanding balance of borrowing is equal to EUR 1,389 thousand.

As at 31 March 2019, the weighted average interest rate on the Group's and the Company's borrowings was 0.97% (31 December 2018: 0.95%).

As at 31 March 2019, the Group's unwithdrawn balance of loans and overdrafts amounted to EUR 15,427 thousand (31 December 2018: EUR 11,785 thousand), the Company's unwithdrawn balance of loans - EUR 15,416 thousand (31 December 2018: EUR 10,483 thousand).

10. Segment information

The Group has distinguished the following 5 segments:

- electricity transmission;
- trade in balancing/regulating electricity;
- provision of system (capacity reserve) services;
- provision of services under PSO (public service obligation) scheme;
- repair and maintenance activities.

The Company's segments coincide with the electricity transmission, trade in balancing/regulating electricity, provision of system (capacity reserve) services and provision of services under PSO (public service obligation) scheme segments distinguished within the Group. Segments of the Group and the Company are not aggregated.

The electricity transmission segment is engaged in transmitting electricity over high voltage (330-110 kV) networks from producers to users or suppliers not in excess of the limit established in the contract. The main objective of these activities is to ensure a reliable, effective, high quality, transparent and safe electricity transmission to distributions networks, large network users from power stations and neighbouring energy systems.

Trade in balancing/regulating electricity is a service ensuring the balancing of electricity generation/import and demand/export levels.

Provision of system (capacity reserve) services. In order to ensure a reliable work of the system, the Company purchases from electricity producers the service of ensuring capacity reserve for power generation facilities, reaction power and voltage control, breakdown and disorder prevention and its liquidation and provides capacity reserve services to users. The capacity reserve is required in case of unexpected fall in electricity generation volumes or increase in electricity consumption.

The Company's/Group's services provided under PSO scheme comprise as follows:

- development and implementation of strategic projects for the improvement of energy security, installing interconnections between the electricity transmission systems abroad and (or) connecting the electricity transmission systems in the Republic of Lithuania with the electricity transmission systems in foreign countries (interconnections Lithuania-Sweden and Lithuania-Poland);
- connection of power generation facilities that use the renewable energy resources to transmission networks; optimisation, development and/or reconstruction of transmission networks ensuring the development of power generation that uses the renewable energy resources;
- balancing of electricity generated using the renewable energy resources.

Repair and maintenance services are carried out by the Company's subsidiaries TETAS UAB and Litgrid Power Link Service UAB (By decision of ultimate shareholder, from 1 st August 2018 Company's activity is suspended). The core line of business of Tetas UAB is provision of medium-voltage transformer substation and distribution station reconstruction, repair and maintenance

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services. The purpose of Litgrid Power Link Service UAB is a centre of competence of high qualification and specific engineering fields, and operation and management of HVDC (High Voltage Direct Current) links.

The Group's information on segments for the period ended 31 March 2019 is presented in the table below:

2019	Electricity transmission and related services activities	Repair and maintenance activities	Total
Revenue	47,647	3,433	51,080
Inter-segment revenue	-	(436)	(436)
Revenue after elimination of intercompany revenue within the Group	47,647	2,997	50,644
Operating profit/(loss)	4,316	(158)	4,158
Finance income/(cost), net*	x	x	(275)
Profit/(loss) before income tax	x	x	3,883
Income tax*	x	x	(686)
Profit/(loss) for the period	x	x	3,197
Depreciation and amortisation expenses	5,147	205	5,352
Write-offs of property, plant and equipment	15	3	18

* Income tax and finance income and costs are not allocated between the Company's operating segments and are attributed to electricity transmission operations.

The Group's information on segments for the period ended 31 March 2018 is presented in the table below:

2018	Electricity transmission and related services activities	Repair and maintenance activities	Total
Revenue	45,771	2,787	48,558
Inter-segment revenue	-	(561)	(561)
Revenue after elimination of intercompany revenue within the Group	45,771	2,226	47,997
Operating profit/(loss)	5,829	(522)	5,307
Finance income/(cost), net*	x	x	(329)
Profit/(loss) before income tax	x	x	4,978
Income tax*	x	x	(772)
Profit/(loss) for the period	x	x	4,206
Depreciation and amortisation expenses	6,322	127	6,449
Write-offs of property, plant and equipment	187	-	187

* Income tax and finance income and costs are not allocated between the Company's operating segments and are attributed to electricity transmission operations.

The Group operates in Lithuania and its revenue generated from customers in Lithuania accounts for 93% of total revenue.

11. Income tax

Income tax expenses for the period comprise current and deferred tax.

Profit for 2019 is taxable at a rate of 15 percent in accordance with Lithuanian regulatory legislation on taxation (2018: 15 percent).

On 26 February 2019, the Board of the Company adopted the decision to conclude agreements between the patronising company EPSO-G UAB and LITGRID AB regarding the transfer of tax losses for remuneration and between the subsidiary LITGRID Power Link Service UAB and LITGRID AB regarding the transfer of tax losses for free. Under agreements, the Company will pay to EPSO-G UAB 15 per cent of the amount of the transferred tax losses, i.e. EUR 380 thousand, and by transferred EUR 7 thousand tax loss of LITGRID Power Link Service UAB was decreased to State budget payable income tax. These transactions were performed following to provisions of the Law on Income Tax.

12. Related-party transactions

The Company's/Group's related parties in 2019 and 2018 were as follows:

- EPSO-G (the parent company of the Company). 100% of EPSO-G share capital is owned by the Ministry of Energy of the Republic of Lithuania;
- Subsidiaries of the Company;
- Associates and joint ventures of the Company;
- Amber Grid AB (common shareholders);
- Baltpool UAB (common shareholders);
- Management;
- All state-controlled companies or those under significant influence.

Transactions with related parties are carried out in accordance with market conditions and the tariffs approved under legislation or in accordance with the requirements of the Law on Public Procurement.

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Sales of goods and services

	Group		Company	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
The Group's parent company (EPSO-G UAB)	-	-	-	-
EPSO-G UAB group companies	904	1,717	904	1,717
Company's subsidiaries	-	-	15	32
Company's associates	65	83	65	83
Lietuvos energija, UAB companies	40,246	37,442	37,144	35,940
Other state-controlled companies	353	368	349	367
	41,568	39,610	38,477	38,139

Purchases of goods and services

	Group		Company	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
The Group's parent company (EPSO-G UAB)	53	43	50	40
EPSO-G UAB group companies	-	116	-	116
Company's subsidiaries	-	-	433	538
Company's associates	44	52	44	52
Lietuvos energija, UAB companies	18,485	15,981	18,294	15,743
Other state-controlled companies	64	56	59	54
	18,646	16,248	18,880	16,543

Amounts receivable from related parties

	Group		Company	
	31-03-2019	31-12-2018	31-03-2019	31-12-2018
The Group's parent company (EPSO-G UAB)	-	-	-	-
EPSO-G UAB group companies	425	849	425	849
Company's subsidiaries	-	-	2,214	2,226
Company's associates	26	27	26	27
Lietuvos energija, UAB companies	17,591	18,778	15,949	14,673
Other state-controlled companies	173	178	141	146
	18,215	19,832	18,755	17,921

Amounts payable to related parties

	Group		Company	
	31-03-2019	31-12-2018	31-03-2019	31-12-2018
The Group's parent company (EPSO-G UAB)	9,393	12,932	8,000	12,930
EPSO-G UAB group companies	-	-	-	-
Company's subsidiaries	-	-	342	411
Company's associates	35	35	35	35
Lietuvos energija, UAB companies	8,173	7,400	7,769	6,997
Other state-controlled companies	84	31	80	30
	17,685	20,398	16,226	20,403

Payments to the key management personnel

	Group		Company	
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
Employment-related payments	207	228	154	147
Whereof: termination benefits	-	-	-	-
Number of the key management personnel (average annual)	11	13	7	7

During the three months of the years 2019 and 2018 the Management of the Group and the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

Key management personnel consists of the Group's heads of administration and department directors.



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13. Basic and diluted earnings per share

Basic earnings per share are calculated dividing the Group net profit for the period by the weighted average number of ordinary shares during the reportable period. The Group has no financial instruments, that can be potentially converted into ordinary shares and therefore diluted earnings per share are the same as basic earnings per share. Basic and diluted earnings are provided below:

	<u>31-03-2019</u>	<u>31-03-2018</u>
Net profit (loss) attributable to the Company's shareholders (EUR thousands)	3,197	4,206
Weighted average number of shares (units)	<u>504,331,380</u>	<u>504,331,380</u>
Basic and diluted earnings (deficit) per share (in EUR)	<u><u>0.006</u></u>	<u><u>0.008</u></u>

14. Events after the end of the reporting period

During the Ordinary General Meeting of Shareholders of LITGRID AB held on 23 April 2019, the decision was made in relation to the payment of dividends in the amount of EUR 2,622,523. Dividends per share amounted to EUR 0.0052.
