

EPSOG

CONSOLIDATED AND THE COMPANY'S CONDENSED
INTERIM FINANCIAL STATEMENTS FOR THE TWELVE
MONTHS PERIOD ENDED 31 DECEMBER 2022 (UNAUDITED),
PROVIDED TOGETHER WITH CONSOLIDATED INTERIM
REPORT

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The financial statements has been approved on 15 February 2023

Mindaugas Keizeris
Chief Executive Officer

Žydrūnas Augutis
Chief financier

	Notes	GROUP		COMPANY	
		At 30 Dec 2022	At 31 Dec 2021	At 30 Dec 2022	At 31 Dec 2021
ASSETS					
Non-current assets					
Intangible assets	5	8 422	9 754	57	66
Property, plant and equipment	6	652 468	603 103	3	7
Right-of-use assets	7	11 329	11 127	235	213
Investments subsidiaries and joint ventures	8	13 960	-	337 950	323 566
Deferred income tax assets		67 292	27 018	820	479
Granted non-current loans		-	-	2700	-
Non-current amounts receivable		10	4		
Financial assets measured at fair value		-	781	-	-
Total non-current assets		753 481	651 787	341 765	324 331
Current assets					
Inventories		16 211	18 997	5	6
Prepayments and contract assets		6 973	3 712	40	204
Trade receivables		86 533	74 674	197	114
Other amounts receivable		59 909	106 767	21 059	11 339
Other financial assets		54 691	65 385	-	-
Cash and cash equivalents		248 096	41 284	244 310	36 868
Total Current assets		472 413	310 819	265 611	48 531
Assets of the disposal group	9	203 778		-	
TOTAL ASSETS		1 429 672	962 606	607 376	372 862
EQUITY AND LIABILITIES					
Share capital	10	189 631	22 483	189 631	22 483
Revaluation reserve		277	310	-	-
Legal reserve		16 600	16 600	2 248	2 248
Other reserves		40 864	59 546	50	50
Retained earnings		(29 536)	160 775	6 304	168 002
Equity attributable to shareholders of the parent company		217 836	259 714	198 233	192 783
Non-controlling interest		10 762	11 884	-	-
Total equity		228 598	271 598	198 233	192 783
Non-current liabilities					
Non-current borrowings	11	182 586	142 843	74 805	-
Lease liabilities		9 640	9 028	142	136
Congestion management funds		64 095	88 267	-	-
Provisions		2 956	1 877	-	-
Other non-current amounts payable and liabilities		35 663	3 584	-	-
Total non-current liabilities		294 940	245 599	74 947	136
Current liabilities					
Current portion of non-current borrowings	11	24 038	24 399	-	-
Current borrowings	11	-	-	331 562	94 652
Current portion of other financial liabilities	12	-	84 128	-	84 128
Current portion of lease liabilities		1 721	1 395	94	83
Trade payables		97 596	75 433	222	284
Advance amounts received		38 816	57 867	-	-
Income tax liability		20 689	2 265	-	-
Current portion of congestion management funds		287 400	20 820	-	-
Provisions		1 901	3 795	-	-
Other current amounts payable and liabilities		231 376	175 307	2 318	796
Total current liabilities		703 537	445 409	334 196	179 943
Liabilities of the disposal group	9	202 597		-	
Total liabilities		1 201 074	691 008	409 143	180 079
TOTAL EQUITY AND LIABILITIES		1 429 672	962 606	607 376	372 862

(All amounts are in EUR thousands unless otherwise stated)

	Notes	GROUP			
		For the period of three months ended 31 Dec 2022	For the period of three months ended 31 Dec 2021	For the period of twelve months ended 31 Dec 2022	For the period of twelve months ended 31 Dec 2021
Revenue		144 790	132 760	588 457	358 638
Other income		605	1 844	1 545	3 965
Dividend income		-	-	43	307
Total revenue , other income		145 395	134 604	590 045	362 910
Operating expenses					
Expenses for purchase of balancing and regulating electricity		(77 314)	(48 512)	(203 588)	(91 007)
Expenses for electricity system services		(44 419)	(15 644)	(111 633)	(61 860)
Expenses for electricity technological needs		(24 184)	(19 894)	(99 576)	(40 165)
Expenses for natural gas system balancing service		16 214	(4 237)	(26 827)	(8 914)
Expenses for natural gas technological needs		(3 152)	(339)	(13 007)	(2 354)
Depreciation and amortisation	5,6,7	(8 810)	(8 812)	(35 056)	(34 765)
Wages and salaries and related expenses		(12 474)	(10 415)	(45 072)	(35 423)
Repair and maintenance expenses		(2 801)	(2 438)	(8 394)	(6 469)
Levies and compulsory payments		(4 016)	(2 957)	(7 897)	(6 559)
Telecommunications and IT maintenance expenses		(1 186)	(1 246)	(4 695)	(3 966)
Transport expenses		(1 140)	(1 079)	(5 614)	(3 021)
Write-off expenses of property, plant and equipment		(322)	230	(540)	(109)
Impairment expenses of property, plant and equipment		(53)	17	(112)	(272)
Other expenses		14 177	(10 335)	(74 972)	(23 226)
Total operating expenses		(149 480)	(125 661)	(636 983)	(318 110)
Operating profit (loss)		(4 085)	8 943	(46 938)	44 800
Financing activities					
Interest income		190	-	213	44
Interest expenses		(1 029)	(469)	(3 232)	(1 748)
Total finance costs, net value		(839)	(469)	(3 019)	(1 704)
Profit before income tax		(4 924)	8 474	(49 957)	43 096
Income tax					
Current year income tax expenses		(19 100)	(3 204)	(32 776)	(9 814)
Deferred income tax benefit/(expenses)		20 101	1 638	40 764	6 536
Total income tax		1 001	(1 566)	7 988	(3 278)
Profit (loss) for the period		(3 923)	6 908	(41 969)	39 818
Total other comprehensive income					
Total comprehensive income (cost) for the period		(3 923)	6 908	(41 969)	39 818
Profit (loss) for the period is attributable to:					
Shareholders of the parent company		(3 857)	6 466	(41 312)	38 326
Non-controlling interest		(66)	442	(657)	1 492
		(3 923)	6 908	(41 969)	39 818
Total comprehensive income (cost) for the period is attributable to:					
Shareholders of the parent company		(3 857)	6 466	(41 312)	38 326
Non-controlling interest		(66)	442	(657)	1 492
		(3 923)	6 908	(41 969)	39 818

The accompanying notes are an integral part of the financial statements

	Notes	COMPANY			
		For the period of three months ended 31 Dec 2022	For the period of three months ended 31 Dec 2021	For the period of twelve months ended 31 Dec 2022	For the period of twelve months ended 31 Dec 2021
Revenue		243	166	725	493
Other income		-	-	-	-
Dividend income		-	-	14 479	16 129
Total revenue , other income and gains		243	166	15 204	16 622
Operating expenses					
Depreciation and amortisation	5,6,7	(22)	(26)	(110)	(103)
Wages and salaries and related expenses		(1 015)	(735)	(3 590)	(2 408)
Levies and compulsory payments		(18)	6	(31)	-
Telecommunications and IT maintenance expenses		(46)	(30)	(149)	(75)
Transport expenses		(11)	(9)	(41)	(31)
Other expenses		(443)	(281)	(1 090)	(673)
Total operating expenses		(1 555)	(1 075)	(5 011)	(3 290)
Operating profit		(1 312)	(909)	10 193	13 332
Financing activities					
Interest income		278	45	430	170
Interest expenses		(585)	(136)	(1 662)	(613)
Impairment of investments subsidiaries		(3 447)	-	(3 447)	-
Total finance costs, net value		(3 754)	(91)	(4 679)	(443)
Profit before income tax		(5 066)	(1 000)	5 514	12 889
Income tax					
Current year income tax expenses		-	-	-	-
Deferred income tax benefit/(expenses)		237	133	782	445
Total income tax		237	133	782	445
Profit (loss) for the period		(4 829)	(867)	6 296	13 334
Total other comprehensive income					
		-	-	-	-
Total comprehensive income for the period		(4 829)	(867)	6 296	13 334
Profit (loss) for the period is attributable to:					
Shareholders of the parent company		(4 829)	(867)	6 296	3 334
Non-controlling interest		-	-	-	-
		(4 829)	(867)	6 296	13 334
Total comprehensive income for the period is attributable to:					
Shareholders of the parent company		(4 829)	(867)	(6 296)	13 334
Non-controlling interest		-	-	-	-
		(4 829)	(867)	6 296	13 334

(All amounts are in EUR thousands unless otherwise stated)

GROUP	Equity attributable to shareholders of the Group							Total
	Share capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Subtotal	Non-controlling interest	
Balance at 1 January 2021	22 483	406	16 522	22 616	160 232	222 259	10 805	233 064
Comprehensive income								
Profit for the period	-	-	-	-	38 326	38 326	1 492	39 818
Depreciation of revaluation reserve and amounts written off	-	(96)	-	-	96	-	-	-
Transfer to retained earnings	-	-	-	-	-	-	-	-
Transfer to reserves	-	-	78	36 930	(37 008)	-	-	-
Dividends	-	-	-	-	(777)	(777)	(413)	(1 190)
Change in minority share	-	-	-	-	(94)	(94)	-	(94)
Balance at 31 December 2021	22 483	310	16 600	59 546	160 775	259 714	11 884	271 598
Balance at 1 January 2022	22 483	310	16 600	59 546	160 775	259 714	11 884	271 598
Comprehensive income								
Profit for the period	-	-	-	-	(41 312)	(41 312)	(657)	(41 969)
Depreciation of revaluation reserve and amounts written off	-	(33)	-	-	33	-	-	-
Other equity changes	-	-	-	-	280	280	-	280
Transfer to reserves	-	-	-	(18 682)	18 682	-	-	-
Dividends	-	-	-	-	(845)	(845)	(465)	(1 310)
Increase of share capital	167 148	-	-	-	(167 148)	-	-	-
Balance at 31 December 2022	189 631	277	16 600	40 864	(29 536)	217 836	10 762	228 598

COMPANY	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2021	22 483	2 248	50	155 446	180 227
Profit for the period	-	-	-	13 334	13 334
Dividends	-	-	-	(777)	(777)
Transfer to reserves	-	-	-	-	-
Balance at 31 December 2021.	22 483	2 248	50	168 002	192 783
Balance at 1 January 2022	22 483	2 248	50	168 002	192 783
Profit for the period)	-	-	-	6 296	6 296
Dividends	-	-	-	(845)	(845)
Increase of share capital	167 148	-	-	(167 148)	-
Balance at 31 December 2022	189 631	2 248	50	6 304	198 233

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

	GROUP		COMPANY	
	For the period of twelve months ended 31 Dec 2022	For the period of twelve months ended 31 Dec 2021	For the period of twelve months ended 31 Dec 2022	For the period of twelve months ended 31 Dec 2021
Cash flows from operating activities				
Profit/(loss) for the period	(41 969)	39 818	6 296	13 334
Adjustments for non-cash items:			-	-
Depreciation and amortisation expenses	35 056	34 765	110	103
Impairment of PPE	97	17	-	-
Impairment (reversal) of other assets	15	(79)	-	-
Impairment of investments subsidiaries, financial assets	-	213	3 447	-
Income tax expenses	(7 988)	3 278	(782)	(445)
Grants recognised as revenue adjustment	(227)	(144)		
Profit on disposal/write-off of property, plant and equipment	227	431		
<i>Elimination of results of financing and investing activities:</i>				
Interest income	(213)	(44)	(430)	(170)
Interest expenses	3054	1 748	1 662	613
Dividend income	(43)	(307)	(14 479)	(16 129)
Other finance (income)/costs	178	-		
Changes in working capital:				
(Increase)/decrease in trade and other amounts receivables	11 747	(65 499)	94	(275)
Increase)/decrease in inventories, prepayments and other current assets	2 895	(15 137)	165	(78)
Increase/(decrease) in other amounts payable, advance amounts received, trade payables	195 488	202 927	1 460	345
Changes in other financial assets	(178 274)	(24 637)		-
Income tax (paid)/received	(14 789)	(12 669)	440	380
Net cash flows from/(used in) operating activities	5 567	164 404	(2 017)	(2 322)
Cash flows from investing activities				
(Acquisition) of property, plant and equipment and intangible assets	(113 219)	(114 633)	(13)	(65)
Disposal of property, plant and equipment and intangible assets	99	251		
(Acquisition)/disposal of subsidiaries, joint ventures	(13 875)		(17 830)	(2 375)
Congestion management funds received	272 502	44 505		
Grants received	107 795	57 548		
(Loans (granted)/loan repayments received			(12 596)	16 535
Interest received	194	28	430	170
Dividends received	43	307	14 479	16 129
Other cash flows from investing activities	(660)			
Net cash flows from/(used in) investing activities	252 879	(11 994)	(15 530)	30 394
Cash flows from financing activities				
Issued bonds	74 805		74 805	-
Proceeds from borrowings			236 910	94 017
Repayments of borrowings	(35 423)	(26 959)		(2 560)
Lease payments	(1 614)	(1 694)	(91)	(90)
Overdraft/current borrowings		(20 019)	-	(20 019)
Interest paid	(3 010)	(1 939)	(1 662)	(656)
Dividends paid	(1 302)	(1 147)	(845)	(777)
Repayment of other financial liabilities	(84 273)	(64 481)	(84 128)	(64 481)
Net cash flows from/(used in) financing activities	(50 817)	(116 239)	224 989	5 434
Cash and cash equivalents included in disposal group	(817)	-	-	-
Net increase/(decrease) in cash and cash equivalents	206 812	36 171	207 442	33 506
Cash and cash equivalents at the beginning of the period	41 284	5 113	36 868	3 362
Cash and cash equivalents at the end of the period	248 096	41 284	244 310	36 868

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

1. General information

EPSO-G UAB (the “Company”) is a private limited liability company registered in the Republic of Lithuania. The registered office address is Gedimino pr. 20, LT- 01103, Vilnius, Lithuania. The Company is a profit-seeking limited civil liability entity registered on 25 July 2012 with the Register of Legal Entities, company code 302826889.

EPSO-G is the parent company responsible for the activities of the group companies that include assurance of an uninterrupted, stable transmission of electricity over high voltage networks and transportation of natural gas via high pressure gas pipelines, as well as ensurance of management, maintenance and development of these transmission systems as well as organisation of trade on the natural gas and biofuel exchanges; and installation and management of electricity storage facilities operating as the primary capacity reserve and ensuring reliable, stable and consumer-focused operation of the Lithuanian electricity system.

Under the Resolution of the Government of the Republic of Lithuania of 23 August 2021, the Company was designated as an operator of the project of special importance to the state, i.e., the construction of the physical barrier at the border with Belarus (the “Project”). In performing the functions of the operator, the Company incurred the project administration expenses that are compensated by the client of the project – the State Border Guard Service under the Ministry of Interior of the Republic of Lithuania. Scopes of works performed and services provided (expenses incurred) by the Company and the Group until 31 December 2022 are disclosed in Note No. 16.

EPSO-G provides management services to the subsidiaries and the lower-tier subsidiaries. The purpose of the provision of management services is to increase the efficiency of operations of the EPSO-G group companies, optimise the use of resources, and implement uniform standards of operations. These services are provided in accordance with the agreements concluded through a public procurement process.

By decision of the General Meeting of Shareholders of 27 April 2022, the Company's authorised capital was increased from retained earnings to EUR 189,631,000 by issuing 576,373,467 new ordinary registered shares with a nominal value of EUR 0.29 each. As of 31 December 2022, the Company's authorised capital consisted of 653 900 000 ordinary registered shares with a nominal value of EUR 0,29 each. All shares, including the newly issued shares, were held by the Company's sole shareholder, the Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania.

As at 31 December 2021, the Company’s share capital amounted to EUR 22,482,695.

As at 31 December 2022 and at 31 December 2021 all Company's shares were fully paid.

The Company’s shareholder	At 31 December 2022		At 31 December 2021	
	Share capital (EUR)	%	Share capital (EUR)	%
Republic of Lithuania represented by the Ministry of Energy of the Republic of Lithuania	189,631,000	100	22,482,695	100

As at 31 December 2022, the EPSO-G group had 1,271 employees (31 December 2021: 1,278 employees) and the Company had 60 employees (31 December 2021: 74 employees).

The EPSO-G group (the “Group”) consists of the Company, directly and indirectly controlled subsidiaries set out below.

Company name	Registered office address	Ownership interest (%)		Profile of activities
		At December 2022	At 31 December 2021	
LITGRID AB	Karlo Gustavo Emilio Manerheimo g. 8, Vilnius,	97,5	97,5	Electricity transmission system operator
AB „Amber Grid“	Laisvės pr. 10, Vilnius, Lithuania	96,6	96,6	Natural gas transmission system operator
BALTPPOOL UAB	Žalgirio g. 90, Vilnius, Lithuania	67,0	67,0	Operator of the exchange for trading in energy resources (biomass products), the administrator of PSO funds
UAB „TETAS“	Senamiesčio g. 102B, LT-35116, Panevėžys, Lithuania	100	100	Transformer substation, distribution station and electricity line design, construction, reconstruction and maintenance services
UAB GET Baltic (controlled through AB „Amber Grid“)	Geležinio Vilko g. 18A, Vilnius, Lithuania	96,6	96,6	Organisation of trading on the natural gas exchange
Energy cells, UAB	Ozo g. 12A-1, Vilnius, Lithuania	100	-	Installation and management of electricity ty storage facilities

On 9th December 2022, by Company’s as ultimate shareholder decision was increased subsidiary’s UAB „TETAS“ share capital by issuance of new 1 000 units shares emission, each 1 Eur nominal value and paying them Eur 4 000 thousand in cash.

In accordance with Regulation (EU) 2019/943 of the European Parliament and Council on the internal market of electricity dated on 5th of the June 2019 (hereinafter Regulation), electricity transmission system operators: Litgrid, Elering and AST, 3 May 2022 established joint venture - the Baltic Regional Coordination Center Baltic RCC OÜ (hereinafter Center), which is responsible for the provision and coordination of security and reliability services for the electricity system among transmission system operators in the Baltic region. As stipulated in the Regulation, Center will implement five main tasks: coordinate capacity of power lines between countries, assess the reliability and adequacy of electricity system, to plan and coordinate of the line outages and develop a common network model. As at 31 December the Group company LITGRID had invested Eur 45 thousand.

As at 31 December 2021 Group and Company have no investments in associates and joint ventures.

On 30 November 2022 the Company from subsidiary LITGRID acquired 39,6% package of shares of Norwegian company TSO Holding for EUR 13.8 million.

On 31 October 2022 the Group company LITGRID completed contracts with Danish and Finnish energy transmission system operators Energinet and Fingrid in acquisition of two share packages of shares, both of 18.8 percent (total 37.6 percent). TSO Holding is a minority shareholder in Nord Pool Holding, a company based in Norway, with a 34% stake in Nord Pool Holding. Nord Pool Holding owns 100 % of the Nord Pool electricity exchange.

Preparing consolidated financial statements for the period ended on 31 December 2022, the Group company Get Baltic was recognised as disposal group, as it meets the following criteria: (1) all necessary approvals for the proposed share transfer transaction have been obtained, i.e. the board of the Group approved the initial conditions to dispose of shares and initiation of the process; (2) disposal group is available for immediate sale in its present condition and to terms that are usual and customary for sales of such disposal groups; (3) an active sales have been initiated (potential buyer that have been selected are preparing the initial offers; (4) the sale of the disposal group is probable, and transfer of disposal group is expected to qualify for recognition as a completed sale within one year;

(5) the disposal group can be sold in the market at a price that is reasonable in relation to its current fair value; and
(6) actions required to complete the sale plan indicate that it is unlikely that significant changes to the sale plan will be made or that the sale will be withdrawn.

The disposal group does not meet the criteria for discontinued operations, as intended to dispose Group company is not considered as a major (significant) line of Group business or geographical area of operation, so the impact of discontinued operations is not disclosed in the profit (loss) and cash flow statements. The assets and liabilities of the disposal group in the consolidated statement of financial position were reclassified from certain items of assets and liabilities to disposal group assets and disposal group liabilities items.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the Group's and the Company's condensed interim financial statements for the period of twelve months, ended 31 December 2022 are presented below:

2.1 Basis of preparation

These condensed interim Company's and consolidated financial statements, for the period ended 31 December 2022 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“).

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

In order to better understand the data presented in these condensed interim financial statements, these financial statements should be read in conjunction with the audited Consolidated and Company's financial statements for the year 2021, prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union

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 financial assets which are carried at fair value.

These financial statements for the period ended 31 December 2022 are not audited. Financial statements for the year ended 31 December 2021 were audited by the external auditor UAB „PricewaterhouseCoopers“.

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

The Group and the Company have been following the same accounting principles as the ones that were followed in the preparation of financial statements for the year 2021.

The Group company acting as natural gas transmission system operator (hereinafter – TSO) and following the provisions of the Regulation establishing a Network Code on Gas Balancing of Transmission Networks, on 1 March 2022 started to apply the neutrality charge to system users, causing the imbalance of natural gas in the transmission system. The neutrality charge is a charge paid by or to the transmission system operator for the balancing of the transmission system. This charge consists of the difference between the transmission system operator's costs and the revenue from balancing activities. Neutrality charges can be both positive and negative. In the event of a negative neutrality charge, the TSO pays the neutrality charge to the system users. In the event of a positive neutrality charge, the TSO receives a neutrality charge from the system users. The purpose of neutrality charge is to ensure the transmission system operators financial neutrality. In the assessment of the Groups's management due to the changes in balancing regulation of natural gas transmission system, the TSO acts as an agent and presents the net result of balancing activity (income are netted with expenses) in the financial statements. The "net" principle for balancing activity is applied from 1 March 2022.

2.2 Principles of consolidation

Subsidiaries are all entities that the Company has a power to exercise control over the entity to which investment is made (i.e., has effective rights that at the current moment grant the right to control relevant activities). The Company controls an entity when it can or has a right to receive variable returns from this relation and it can have impact on these returns due to the power to govern the entity to which the investment is made.

The consolidated financial statements of the Group include EPSO-G and its subsidiaries. The financial statements of the subsidiaries have been prepared for the same reporting periods and using uniform accounting policies as those of the parent company's financial statements.

Subsidiaries are consolidated from the date on which control is transferred to the Company. They are de-consolidated from the date that control ceases. All intercompany transactions, balances and unrealised gains or losses on transactions between the Group companies are eliminated.

The preparation of financial statements according to International Financial Reporting Standards requires management to make estimates and assumptions that affect the accounting policies applied, the reported amounts of assets, liabilities, income and expenses, and the disclosures of contingencies. 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.

Preparing these condensed interim financial statements management used significant estimates and assumptions for accounting policies were the same as used preparing financial statements for the year 2021.

3. The impact of events in Ukraine on the financial statements

Considering that the Group Companies have no suppliers or customers in Russia, Belarus and Ukraine, the events in Ukraine did not have a direct impact on the Group's financial results for twelve months period of 2022. Since the fourth quarter of 2021, in the market is observed a quite significant increase in electricity prices, which also causes a significant increase in the costs of compensating the Group company's LITGRID technological losses. The outbreak of hostilities, among other factors, is also contributing to high electricity prices and thus to higher costs of compensation for technological losses. In the future, the impact of the war could become more pronounced in the event of a disconnection from the BRELL. In this case, it is likely that costs of system services and technological losses are likely to increase. However, if this were to happen, the impact on the Group's financial performance would be short term, as the higher costs would be offset by the inclusion of the costs in the prices of regulated services in subsequent years.

As contractors no longer use materials or components imported from Russia, Belarus or Ukraine, the war has increased the value of some investment projects. Group company LITGRID plans to finance the increased demand for investment funds with increased congestion revenue due to high electricity market prices.

4. 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 of the operating segments, has been identified as the Board of directors that makes strategic decisions.

Management assesses the Group's performance based on three business segments which are consistent with the business directions stipulated in the Group's strategy:

- The electricity transmission segment comprises the activities conducted by LITGRID AB;
- The natural gas transmission segment comprises the activities conducted by Amber Grid AB;
- The segment of other activities that comprises:
 - activities conducted by energy sources exchange operator Baltpool, UAB;
 - activities conducted by natural gas exchange operator GET Baltic UAB;
 - activities conducted by energy facilities construction and contracting company TETAS UAB;
 - activities conducted by parent company EPSO-G UAB,

Considering that revenue, profit measure (EBITDA) and total assets after consolidation adjustments of the entities which comprise the segment of other activities do not reach 10% of the specified financial indicators of all segments, all elements are aggregated to a single segment of other activities.

The Group has a single geographical segment – the Republic of Lithuania. The Group's operations in foreign countries is not material for the Group. The chief operating decision-maker monitors the results with reference to the financial reports that have been prepared using the same accounting policies as those used for the preparation of the financial statements, i.e., information on profit or loss, including the reported amounts of income and expenses. The key

performance indicators are profit and profit before interest, taxes, depreciation and amortisation (EBITDA), operating expenses, excluding electricity, gas and related expenses, depreciation, write-off and impairment expenses. All indicators are calculated on the basis of data reported in the financial statements. For the twelve months period ended 31 December 2022, revenue from the Lithuanian clients accounted for 87% of the Company's total revenue (31 December 2021: 85%).

The table below contains the Group's information on segments for the twelve months period ended 31 December 2022:

	Transmission of electricity	Transmission of natural gas	Other activities	Elimination of intersegment transactions	Total
Revenue and other income	420 308	96 653	83 084	(10 043)	590 002
Operating expenses, excluding electricity, gas and related expenses, depreciation, write-off and impairment expenses	(36 715)	(25 711)	(90 569)	11 660	(141 335)
EBITDA	(36 513)	31 108	(7 484)	1 615	(11 274)
Total adjustments to profit (loss) for the period	(12 816)	(15 388)	12 626	(15 116)	(30 695)
Depreciation and amortisation	(20 582)	(12 854)	(1 620)	-	(35 056)
Assets write-offs, impairment	(411)	(142)	(99)	-	(653)
Interest income	63	20	460	(330)	213
Interest expenses	(827)	(642)	(2 052)	291	(3 230)
Income tax	8 898	(2 368)	1 458	-	7 988
Dividend income and gain on disposal of associates	43	598	14 479	(15 077)	43
Profit (loss) for the period	(49 329)	15 720	5 142	(13 502)	(41 969)
Total assets	739 412	345 347	1 030 421	(685 508)	1 429 672
Net debt	(45 631)	(104 455)	(174 325)	354 522	30 111
Additions in Property, plant and equipment and Intangible assets	(74 157)	(14 362)	(22 028)	(2 672)	(113 219)

The table below contains the Group's information on segments for the twelve months period ended 31 December 2021:

	Transmission of electricity	Transmission of natural gas	Other activities	Elimination of intersegment transactions	Total
Revenue and other income	270 588	66 973	36 759	(11 717)	362 603
Operating expenses, excluding electricity, gas and related expenses, depreciation, write-off and impairment expenses	(31 348)	(21 197)	(36 966)	10 847	(78 664)
EBITDA	46 206	34 508	(201)	(874)	79 639
Total adjustments to profit (loss) for the period	(26 193)	(11 344)	14 323	(16 607)	(39 821)
Depreciation and amortisation	(21 337)	(11 882)	(1 546)	-	(34 765)
Assets write-offs, impairment	(344)	(101)	64	-	(381)
Interest income	21	2	176	(155)	44
Interest expenses	(752)	(388)	(763)	155	(1 748)
Income tax	(4 088)	547	263	-	(3 278)
Dividend income and gain on disposal of associates	307	478	16 129	(16 607)	307
Profit (loss) for the period	20 013	23 164	14 122	(17 481)	39 818
Total assets	489 825	318 520	593 152	(438 891)	962 606
Net debt	(68 544)	(108 727)	(149 242)	105 746	(220 767)
Additions in Property, plant and equipment and Intangible assets	(57 664)	(45 707)	(10 086)	1 285	(112 172)

5. Intangible assets

Group	<u>Intangible assets</u>
Net book amount at 31 December 2020	11 135
Additions	1 974
Write-offs	(6)
Reclassification from PPE	516
Value adjustment due to a change in assumptions	(1 188)
Offsetting with grants	(313)
Amortisation charge	(2 364)
Net book value at 31 December 2021	9 754
Additions	3 191
Reclassification from PPE	89
Value adjustment due to a change in assumptions	(1 684)
Write-offs	(19)
Reclassification to disposal group assts	(474)
Amortisation charge	(2 435)
Net book value at 31 December 2022	8 422

Intangible assets is accounted at cost, less accumulated depreciation and estimated impairment loss, if any. As at 31 December 2021, the provision of EUR 3,825 thousand for protection zones and for servitudes and the related intangible assets were established, using the discount rate of 0.62%. As at 31 December 2022, the Group revaluated provision and related intangible assets over the expected term of fulfilment of the obligation using a discount rate of 1.24 percent. Due to clearer legal regulation, the scope of protection zone registration services has been reduced, therefore the value of the provision and related intangible assets were reduced by EUR 1 684 thousand. The Company's intangible assets amounted to EUR 57 thousand as at 31 December 2022 (at 31 December 2021: EUR 66 thousand).

6. Property, plant and equipment

Group	<u>Property, plant and equipment</u>
Net book amount at 31 December 2020	574 227
Additions	98 391
Prepayments for PPE	11 807
Disposals and write-offs	(2 085)
Reclassification to inventories	(268)
Reclassification to intangible assets	(516)
Offsetting with grants	(47 678)
Depreciation charge	(30 775)
Net book value at 31 December 2021	603 103
Additions	136 810
Prepayments for PPE	15 581
Disposals and write-offs	(1 384)
Reclassification to inventories	(122)
Reclassification to intangible assets	(89)
Reclassification from the right of use assets	785
Offsetting with grants	(71 154)
Reclassification to disposal group assts	(4)
Depreciation charge	(31 058)
Net book value at 31 December 2022	652 468

PPE is accounted at revalued amount of assets, less accumulated depreciation and estimated impairment loss, if any. The carrying amount of PPE is reduced by grants received for acquisition of those assets from government and EU structural, funds for the connection of new customers/generators to the electricity transmission network (in accordance with the accounting policy in force before 1 July 2009), public service obligations (PSO) funds, allocated to the Group for the preparation and implementation of the strategic projects and a portion of congestion management funds, which is used to finance investments agreed with the National Energy Regulatory Council.

After the start of commercial flows through the GIPL gas pipeline Eur 27,045 thousand contribution (hereinafter - CBCA contribution), determined according to cross-border cost allocation principles, was accumulated in the value of additions of fixed assets. The CBCA contribution will be paid to the Polish transmission system operator upon completion of the pipeline construction works on the territory of Poland, after recording and auditing the value of the construction works.

The Company's PPE amounted to Eur 3 thousand at 31 December 2022 (Eur 7 thousand at 31 December 2021).

7. Right-of-use-assets

Group	
Net book amount at 31 December 2020	9 829
Additions	3 006
Write-offs	(82)
Depreciation charge	(1 626)
Net book value at 31 December 2021	11 127
Additions	2 669
Write-offs	(33)
Reclassification to disposal group assts	(85)
Reclassification to PPE	(785)
Depreciation charge	(1 564)
Net book value at 31 December 2022	11 329

The Group recognised in right-of-use assets the following assets held under lease agreements: buildings, vehicles, other assets and public land held under non-auction leases from municipalities. 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 to the end of the lease term. In 2022 and 2022 year the Group concluded new contracts for the lease of office premises and motor vehicles.

8. Investments in subsidiaries and associates

As at 31 December 2022 and at 31 December 2021 the Company had a shareholding in the following Group companies:

Group company	Acquisition cost	Impairment	Carrying amount	Ownership interest (%)
At 31 December 2022				
Subsidiaries				
LITGRID AB	217 215	26 090	191 125	97,5
AB „Amber Grid“	126 529	-	126 529	96,6
UAB „Baltpool“	388	-	388	67
UAB „TETAS“	7 150	3 447	3 703	100
Energy cells, UAB	2 375	-	2 375	100
Iš viso	353 657	29 537	324 120	
Associates				
TSO Holding AS	13 830	-	13 830	39,6

Group company	At 31 December 2021			
	Acquisition cost	Impairment	Carrying amount	Ownership interest (%)
LITGRID AB	217 215	26 090	191 125	97,5
AB „Amber Grid“	126 529	-	126 529	96,6
UAB „Baltpool“	388	-	388	67
UAB „TETAS“	3 150	-	3 150	100
Energy cells, UAB	2 375	-	2 375	100
Iš viso	349 657	26 090	323 567	

As indicated in the note No.1, in 2022 year the Company performed additional Eur 4.000 thousand contribution to the share capital of subsidiary Tetas. The Company performed forecast of UAB „Tetas“ future activity and cash flows. As the result Eur 3.447 thousand impairment in the investment was accounted.

As indicated in the note No.1, on 30 November 2022 the Company from subsidiary Litgrid acquired 39.6 percent package of shares of Norwegian company TSO Holding AS for Eur 13.8 million.

9. Assets and liabilities of the disposal group

As at 31 December 2022 the following assets and liabilities of Group company Get Baltic have been reclassified to the disposal group assets and liabilities items in the statement of financial position:

	Group
	At 31 December 2022
Non-current assets	
Intangible assets	474
Property, plant and equipment	4
The right of use assets	85
Other non current financial assets	4
Current assets	
Trade receivables	26
Other receivables	13 399
Other financial assets	188 969
Cash and cash equivalents	817
Total assets of the disposal group	203 778
Non-current liabilities	
Lease liabilities	57
Current liabilities	
Current portion of lease liabilities	29
Trade payables	56 415
Advance amounts received	145 932
Income tax liability	15
Payroll related liabilities	136
Other current amounts payable and liabilities	13
Total liabilities of disposal group:	202 597

10. Share capital

As at 31 December 2022 the share capital of the Company amounted to EUR 189 631 000 Eur and it was divided into 653 900 000 ordinary registered shares with the nominal value of EUR 0.29 each.

As at 31 December 2021 the share capital of the Company amounted to EUR 22,482,694.57 and it was divided into 77,526,533 ordinary registered shares with the nominal value of EUR 0.29 each. All the shares as at 31 December 2022 and at 31 December 2021 were fully paid.

As indicated in Note 1, the Company's General Shareholders Meeting resolved on 27 April 2022 to increase the Company's share capital by Eur 167,148,305 by issuing 576,373,467 ordinary registered shares of EUR 0.29 each. All new shares were issued free of charge to the Company's sole shareholder.

11. Borrowings

The Group's and the Company's borrowings comprise as follows:

	Group		Company	
	At 31 December 2022-	At 31 December 2021	At 31 December 2022-	At 31 December 2021
Non-current borrowings				
Bonds issued	74 805		74 794	
Bank borrowings	107 781	142 843	-	-
Current borrowings				
Current portion of non-current borrowings	24 038	24 399	-	-
Overdraft	-	-	-	-
Current borrowing from the Group companies			331 562	94 652
Total borrowings	206 624	167 242	406 367	94 652

Non-current borrowings by maturity:

	Group		Company	
	At 31 December 2022-	At 31 December 2021	At 31 December 2022-	At 31 December 2021
Between 1 and 2 years	12 251	32 120	-	-
Between 2 and 5 years	107 272	37 552	74 805	-
Over 5 years	63 063	73 171	-	-
Total	182 586	142 843	74 805	-

On 1 June 2022, the Company issued EUR 75 million sustainability-related bonds with a five year term to maturity. The bonds will bear interest at 3.117% per annum. As at 31 December 2022, the net cash proceeds from the bonds amounted to EUR 74 805 thousand or 99.7% of the nominal value of the bond issue. During the twelve months period ended 31 December 2022, the interest expense on the bonds issued amounted to EUR 15 thousand and the accrued amount of coupon payable amounted to EUR 1325.5 thousand as at 31 December 2022.

To balance the liquid funds, Group companies under the cashpool agreements had borrowed from EPSO-G Eur 20,991 thousand as at 31 December 2022.

Borrowings received by the Company from the subsidiaries under the cashpool agreements amounted to EUR 331,562 thousand as at 31 December 2022.

The Company prolonged committed overdraft facility agreement with SEB bankas and concluded additional committed overdraft facility agreement with OP Corporate Bank. Combined maximum amount which could be drawn is EUR 51 million, including EUR 50 million amount covered by agreements which are valid for more than 12 months.

12. Other non-current financial liabilities

The Group and the Company on notifying and obtaining approval from Ignitis Grupė made an early repayment of a final settlement for the shares of Litgrid AB under the agreement of 27 September 2012 with Ignitis Grupė on 31 March 2022 and paying related interest. Ignitis Grupė confirmed that the Company has fully and properly fulfilled all obligations laid down in the agreement.

13.Revenue

The Group's revenue included as follows:

	Group	
	The twelve months period ended at 31 December 2022	The twelve months period ended at 31 December 2021
The Group's revenue from contracts with customers		
Revenue from electricity transmission and related services		
Electricity transmission services	72 516	80 070
Trade in balancing/imbalance electricity	175 145	71 720
System services	137 175	91 653
Revenue from other sales of electricity and related services	3 186	2 618
Total revenue from electricity transmission and related services	388 022	246 061
Revenue from natural gas transmission and related services		
Natural gas transmission services	65 383	53 748
Revenue from balancing services in the transmission system	30 569	12 540
Revenue from connection of new customers	-	-
Total revenue from natural gas transmission and related services	95 952	66 288
Other revenue from contracts with customers		
Revenue from construction, repair and technical maintenance services	70 843	22 827
Revenue from trading on the gas exchange and related services	1 364	1 476
Revenue from the biofuel exchange, thermal energy auctions, PSO funds administration and other income	1 345	789
Total other revenue	73 552	25 092
The Group's total revenue from contracts with customers	557 526	337 441
The Group's revenue not attributable to contracts with customers		
PSO services*	28 893	19 978
Congestion revenue	1 896	590
Other services related to electricity	129	629
Revenue from connection of producers and relocation of electrical installations	13	-
Total revenue not attributable to contracts with customers:	30 931	21 197
Total revenue	588 457	358 638

The Company's revenue from contracts with customers comprised revenue from the provision of management services and it amounted to EUR 725 thousand in twelve months period ended 31 December 2022 (31 December 2021: EUR 493 thousand).

The Group's other income comprised as follows:

	Group	
	The twelve months period ended at 31 December 2022	The twelve months period ended at 31 December 2021
Income from lease of assets	775	661
Penalties and default charges	543	2 877
Other income	227	427
Total other income	1 545	3 965

14.Dividends

On 27 April 2022, the Ordinary General Shareholders Meeting of UAB EPSO-G, when approving the distribution of profit for 2021, resolved to pay a dividend of EUR 845.04 thousand, i.e. EUR 0.0109 per share.

On 11 May 2021, the Ordinary General Shareholders Meeting of UAB EPSO-G, when approving the distribution of profit for 2020, resolved to pay a dividend of EUR 777.2 thousand, i.e. EUR 0.0101 per share.

15.Income tax

Profit (loss) for the twelve months period ended 31 December 2022 is subject to corporate income tax at a rate of 15 per cent (2021: 15 per cent) in accordance with the tax legislation of the Republic of Lithuania.

On 14 January 2022, an agreement was signed between the parent company UAB EPSO-G and LITGRID AB on the cancellation of UAB EPSO-G's tax loss transfer transaction for 2019. Under the agreement, EPSO-G UAB reimbursed LITGRID AB EUR 15 % of the amount of the transferred tax loss for 2019, i.e. EUR 385,000. On 19 December 2022 an agreement was signed between the parent company UAB EPSO-G and AB Amber Grid LITGRID AB on the transfer transaction of UAB EPSO-G's tax loss for 2019. The Company also transferred part of the 2021 tax loss to LITGRID AB in 2022 for a consideration of EUR 440 thousand.

In 2021, the remuneration received by EPSO-G for LITGRID AB's transfer of tax losses for 2020 amounted to EUR 380 thousand.

16. Related – party transactions

As at 31 December 2022 and 31 December 2021, the Group's and the Company's ultimate controlling party was the Republic of Lithuania represented by the Ministry of Energy of the Republic of Lithuania. For the purposes of the related-party disclosure the Republic of Lithuania excludes central and local government authorities. Disclosures comprise transactions and balances on transactions with the shareholder, the subsidiaries (in the Company's transactions), all state-controlled or significantly influenced companies (the list of such companies is published at <https://vkc.sipa.lt/apie-imones/vvi-sarasas> and transactions are disclosed only when the amount of transactions exceeds EUR 100 thousand during a calendar year) and the management and their family members.

Transactions with related parties are carried out in line with the tariffs approved under relevant legal acts or in accordance with the requirements of the Law on Public Procurement. The settlement period is set as 30-60 days. Transactions with related parties are carried out in line with the tariffs approved under relevant legal acts or in accordance with the requirements of the Law on Public Procurement.

UAB „EPSO-G“

Company code 302826889 Gedimino pr.20, Vilnius

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS

FOR TWELVE MONTHS PERIOD ENDED 31 DECEMBER 2022.

(All amounts are in EUR thousands unless otherwise stated)

The Group's related party transactions and balances for the twelve-month period ended 31 December 2022 were as follows

Related party	Purchases of services	Purchases of gas in exchange, PSO funds, LNG funds *	Sales of services	Sales of gas in exchange, PSO funds, LNG funds*	Amounts payable for services	Accounts payable for gas, PSO funds, LNG fund*	Amounts receivable for services	Receivables for gas, PSO funds, LNG funds	Finance costs
Ignitis group companies:									
AB „Ignitis grupė“							-		67
AB Energijos skirstymo operatorius	188 763	5 844	236 181	10 587	1 001		34 599	493	
UAB Ignitis	133 667	18 996	99 071	6 163	2 384	3 660	15 863	402	
AB Ignitis gamyba	1 613	59 119	99 084	6 368	110 066		4 733	1 566	
UAB Ignitis grupės paslaugų centras	6		299				27		
UAB Vilniaus kogeneracinė jėgainė	579		220	2	250		9		
UAB Kauno kogeneracinė jėgainė	771		202	1	81		1		
UAB Transporto valdymas	688				62				
Other state-owned companies::									
VĮ Ignalinos atominė elektrinė			1 156	98			159		
AB Klaipėdos nafta		10 729	4			3 975	1		
VĮ Geoterma									
AB „LTG Infra“			652	37	15		127		
State Border Guard Service under the Ministry of the Interior			52 751				2		
Other state-owned companies	1 254		214	203	581		86		
Total	327 341	94 688	489 834	23 459	114 440	7 635	55 607	2 461	67

* Gas purchases and gas sales in exchange, Group purchases and sales of PSO funds and LNG funds are not included in the Group's Statement of profit and loss, as the Group acts as intermediary, collecting and allocating mentioned funds.

The Group's related party transactions and balances for the twelve months period ended 31 December 2021 were as follows:

Susijusios šalys-	Purchases of services	Purchases of gas in exchange, PSO funds, LNG funds*	Sales of services	Sales of gas in exchange, PSO funds, LNG funds*	Amounts payable for services	Accounts payable for gas, PSO funds, LNG fund*	Other liabilities	Amounts receivable for services	Receivables for gas, PSO funds, LNG funds	Finance costs
Ignitis group companies:										
AB „Ignitis grupė“	-						84 220	174		470
AB Energijos skirstymo operatorius	27 187	23 043	274 082	104 787	995	721		23 309	19 966	2
UAB Ignitis	6 474	35607	29 623	33 754	3 146	7 315		15 343	1 318	
AB Ignitis gamyba	67 007	7 924	18 965	72 525	19 072	4 931		4 996	15 561	
UAB Ignitis grupės paslaugų centras	8		278		1			30		
UAB Vilniaus kogeneracinė jėgainė	243		437		175			1		
UAB Kauno kogeneracinė jėgainė	262		128		43					
UAB Transporto valdymas	816				98					
Other state-owned companies:										
AB Lietuvos geležinkeliai										
VĮ Ignalinos atominė elektrinė	128		984	725	10			99	74	
AB Klaipėdos nafta		27 732				7 005				
VĮ Geoterma								45	65	
AB „LTG Infra“	826		499	242	826			69	37	
State Border Guard Service under the Ministry of the Interior			6 835		19,592			2 151		
Other state-owned companies	181		140		516			5		
Total	103 132	94 306	331 971	212 033	44 474	19 972	84 220	46 222	37 021	472

* Gas purchases and gas sales in exchange, Group purchases and sales of PSO funds and LNG funds are not included in the Group's Statement of profit and loss, as the Group acts as intermediary, collecting and allocating mentioned funds.

The Company's transactions conducted with the related parties during the twelve months period of 2022 and balances arising on these transactions as at 31 December 2022 were as follows:

Related party	Accounts payable and accrued costs	Accounts receivable and accrued income	Sales	Purchases	Loans granted	Income from financial activities	Costs of financial activities
AB „Ignitis grupė“							67
State controlled companies							
UAB „Transporto valdymas“				25			
State Border Guard Service under the Ministry of the Interior			974				
Group companies							
Litgrid AB	25	79	242		232 008	4 917	20
AB Amber Grid		-	127		(9 625)	9 643	
UAB Tetas		77	134		8 793	172	
UAB Baltpool		9	72		(99 554)		
UAB GET Baltic		2	29				
Energy cells, UAB		39	123		5 327	41	
Total:	25	206	1 701	25	136 949	14 773	87

The Company's transactions conducted with the related parties during the twelve months period of 2021 and balances arising on these transactions as at 31 December 2021 were as follows:

Related party	Accounts payable and accrued costs	Accounts receivable and accrued income	Sales	Purchases	Loans granted	Income from financial activities	Costs of financial activities
AB „Ignitis grupė“	84 220	174	-	-	-		470
State controlled companies							
UAB „Transporto valdymas“	3			34	-		-
Group companies							
Litgrid AB	-	53	247	-	(43 594)	16 129	-
AB Amber Grid	-	32	110	-	3 284	99	-
UAB Tetas		10	44	-	(5 973)	38	-
UAB Baltpool		7	33	-	(45 084)	28	-
UAB GET Baltic		2	7				
State Border Guard Service under the Ministry of the Interior		203	308				
Energy cells, UAB		30	52		7 811	5	-
Total:	84 223	511	801	34	(83 556)	16 299	470

	Group		Company	
	The twelve months period ended at 31 Dec 2022	The twelve months period ended at 31 Dec 2021	The twelve months period ended at 31 Dec 2022	The twelve months period ended at 31 Dec 2021
Payments to key management personnel				
Payments to key management personnel	3 401	2 848	744	653
Employment-related payments	227	67	114	7
Whereof: termination benefits	31	28	6	6

During the twelve months of 2022 and 2021, there were no loans, guarantees, other disbursements or accruals or transfers of assets to the management of the Group and the Company.

Management is defined as the heads of administration and departmental directors. During the twelve months period of 2022, the benefits paid to members of the collegiate management bodies amounted to EUR 395 thousand (EUR 253 thousand for the twelve months of 2021).

17.Events after the end of the reporting period

On 13 January 2023 in Pasvalys district there was a fire in the gas transmission pipeline of the Group. The event did not affect on the transmission system operator continuity and income. All obligations to system users have been fulfilled. The causes of the incident are being investigated both by the Group's specialists and by the responsible institutions. The losses incurred during the fire are being assessed. The TSO has insured its property and general civil liability

CONSOLIDATED INTERIM REPORT OF EPSO-G AND THE GROUP OF COMPANIES FOR THE TWELVE MONTH PERIOD OF 2022

The interim consolidated report of the EPSO-G Group prepared for the period of twelve months ended 31 December 2022.

General information about the EPSO-G Group of companies

Company name	UAB EPSO-G
Legal form	Private limited liability company
Registration date and place	25 June 2012, Register of Legal Entities of the Republic of Lithuania
Company code	302826889
Address	Gedimino av. 20, LT-01103 Vilnius
Phone	8 685 84866
Email	info@epsog.lt
Website	www.epsog.lt
Authorised capital	EUR 189,631,000
Sole shareholder	Republic of Lithuania, the property and non-property rights of which are implemented by the Ministry of Energy of the Republic of Lithuania the Ministry of Energy of the Republic of Lithuania

EPSO-G is a 100 % state-owned Group of energy transmission and exchange companies. The rights and obligations of EPSO-G holding shareholder are implemented by the Ministry of Energy of the Republic of Lithuania.

The core business of EPSO-G Group as a team of 1,271 employees, is to ensure the uninterrupted, stable transmission of electricity via high-voltage networks and natural gas via high-pressure pipelines, as well as the efficient management, maintenance, contracting and development of these transmission systems. The Group's companies operate and develop trading platforms for biofuels, natural gas and timber to ensure transparent competition in the energy and timber markets. It also carries out electricity contracting projects and provides infrastructure operation services to low-, medium- and high-voltage grid operators.

All EPSO-G Group companies have a duty to implement efficiently and on time the energy transmission and exchange infrastructure development projects of national importance set out in the shareholder's Letter of Expectations, contributing to the achievement of the objectives set out in the National Energy Strategy, and thus to the creation of sustainable and long-term value to the Republic of Lithuania as a shareholder, to Lithuanian people and to the national economy.

As at 31 December 2022, the EPSO-G Group (hereinafter – the Group) consisted of the holding company EPSO-G UAB (hereinafter – EPSO-G or the Company), five directly controlled companies of the Group: (LITGRID AB (hereinafter – Litgrid), Amber Grid AB (hereinafter – Amber Grid), BALTPOOL UAB (hereinafter – Baltpool), TETAS UAB (hereinafter – Tetas), Energy Cells UAB (hereinafter – Energy Cells), and the indirectly controlled company GET Baltic UAB (hereinafter – GET Baltic).

Name	LITGRID AB	Amber Grid AB	BALTPPOOL UAB	TETAS UAB	UAB GET Baltic	Energy cells, UAB
Legal form	Public limited liability company	Public limited liability company	Private limited liability company	Private limited liability company	Private limited liability company	Private limited liability company
Registration date and place	2010-11-16, Register of Legal Entities of the Republic of Lithuania	2013-06-11, Register of Legal Entities of the Republic of Lithuania	2009-12-10, Register of Legal Entities of the Republic of Lithuania	2005-12-08, Register of Legal Entities of the Republic of Lithuania	2012-09-13, Register of Legal Entities of the Republic of Lithuania	2021-01-26, Register of Legal Entities of the Republic of Lithuania
Company code	302564383	303090867	302464881	300513148	302861178	305689545
Registered office address	Karlo Gustavo Emilio Manerheimo g. 8, LT-05131 Vilnius	Laisvės pr. 10, LT-04215 Vilnius	Žalgirio g. 90, LT-09303 Vilnius	Senamiesčio g. 102B, LT-35116 Panevėžys	Geležinio Vilko g. 18 A, LT-08104 Vilnius	Ozo g. 12A-1, 08200 Vilnius
Phone	8 707 02171	8 5 236 0855	8 5 239 3157	8 45 504 670	8 5 236 0000	8 659 00748
Email	info@litgrid.eu	info@ambergrid.lt	info@baltpool.eu	info@tetas.lt	info@getbaltic.com	info@energy-cells.eu
Website	www.litgrid.eu	www.ambergrid.lt	www.baltpool.eu	www.tetas.lt	www.getbaltic.com	www.energy-cells.eu
Type of activities	Electricity Transmission System Operator	Natural Gas Transmission System Operator	Energy exchange operator, administrator of the funds of services of public interest	Specialised maintenance, repair and installation services for transformer substations, switching stations, testing and testing works, design of energy facilities	Operator of Natural Gas Exchange	Providing the electricity transmission system operator with the electricity reserve guarantee service required for the isolated operation of electricity system
Shareholding of EPSO-G	97.5 %	96.6 %	67.0 %	100.0 %	96.6 % (Shareholding by Amber Grid - 100 %)	100.0 %

Significant events of the reporting period

January

6 January. Rolandas Zukas, CEO of EPSO-G, has left the Group. The Board appointed Algirdas Juozaponis, the company's Chief Financial Officer, as acting Chief Executive Officer.

27 January. The Coordination Committee of the European Union's infrastructure networks fund, the Connecting Europe Facility (CEF), have the highest score to the joint application of the Lithuanian, Latvian, Estonian and Polish TSOs, paving the way for the largest possible funding of EUR 170 million. These funds will ensure the continued smooth implementation of key infrastructure projects and allow the Baltic electricity systems to start operating independently on the same frequency as Poland and other continental European countries already in 2025.

February

1 February. Amber Grid has launched the selection of a strategic partner of GET Baltic regional gas exchange for its subsidiary. The aim of the partnership is to exploit the potential of the opening European gas market and to provide the opportunity to offer customers of GET Baltic the cutting-edge gas trading solutions.

28 February. Robertas Vyšniauskas, an independent member of the EPSO-G Board, was elected the Chairman of the Board. The current Chairman, Gediminas Almantas, will continue to serve on the Board until the end of his term of office.

March

2 March. Litgrid and other Baltic transmission network operators have decided to reduce commercial flows from Russian networks. The operation of the electricity system will be ensured by local generation of electricity in Lithuania and imports from strategic partners – the European Union countries through existing interconnections with Sweden, Poland and Latvia.

23 March. A new version of the articles of association of the EPSO-G management company was registered in the Register of Legal Entities, which established the right of the EPSO-G board to decide on the issue of the company's bonds (other than convertible bonds). The amendment was made in order to ensure a smooth and efficient preparation for the bond issue process. Other editorial corrections have been made.

31 March. EPSO-G has repaid earlier than scheduled the balance of EUR 84 million of the debt owed to Ignitis Group, thus fulfilling their obligations in exchange for shares in the transmission operator Litgrid. The former final repayment of the debt was scheduled for autumn 2022.

April

2 April. Since the beginning of April, the Lithuanian gas transmission system has been operating without Russian gas imports.

11 April. The energy infrastructure development and maintenance company Tetas announced the selection to the position of the CEO. The selection was announced following the termination of employment and resignation of the former CEO of the company, Gediminas Mažeika.

15 April. The funding of €87.6 million was granted to Energy cells. The funding was provided under the Recovery and Resilience Facility (RRF) of the European Union (EU).

26 April. The rating agency Moody's Investors Service assigned EPSO-G Baa1 credit rating with a stable outlook.

27 April. Ramūnas Abazorius, fund manager at Braitin and head of Akmenės laisvosios ekonominės zonos valdymas, joins the board of EPSO-G.

May

5 May. The Lithuanian–Polish gas pipeline GIPL was officially opened, breaking the energy isolation of the Baltic States and Finland and integrating the countries into the single gas network of the European Union.

6 May. Tomas Daukantas, Head of the Legal and Personnel Group at the Ministry of Energy, joins the Board of EPSO-G.

18 May. At the first board meeting of the company Energy Cells, Viktoras Baltuškonis, a member of the board nominated by EPSO-G, was elected the Chairman of the Board. The Energy Cells Board, which started its work in April, also includes Darius Klimašauskas, an independent member of the Board, and Dovilė Kapačinskaitė, who was elected to the civil servant's position of a Board member.

23 May. Nord Pool, the electricity exchange operator, has decided to suspend the trading of Russian electricity by the companies of Inter RAO group, as the only ones importing electricity from Russia to the Baltic States. Since then, Russian electricity is no longer imported to Lithuania.

23 May. A new version of the articles of association of the EPSO-G was registered in the Register of Legal Entities, providing for an increase in EPSO-G's capital from EUR 22,482,694.57 to EUR 189,631,000. In view of the increase in the authorised capital and the legal requirements applicable to State-Owned Enterprises, adjustments have accordingly been made to the values (amounts) of transactions to be decided by the Board of Directors, providing that the Board of Directors will decide on those transactions with a value (amount) exceeding EUR 3 000 000.

June

1 June. EPSO-G has distributed the sustainability-linked bond issue, raising EUR 75 million. This is the first sustainability-linked bond issue in the Baltics. The five-year bonds were acquired by institutional investors from Lithuania, Latvia, Estonia and Sweden. The European Bank for Reconstruction and Development (EBRD) acquired almost a third of the issue for EUR 22.5 million.

15 June. Sustainability-linked bonds issued by EPSO-G were listed on Nasdaq Baltic Debt Securities List. This is the first sustainability-linked bond issue in the Baltics.

29 June. Energy cells started the installation of the first battery farms in the Baltic States with the burial of a symbolic capsule. Preparatory construction operations commenced at transformer substations in Vilnius, Šiauliai, Alytus and Utena.

July

1 July. The member of the Board of EPSO-G Ramūnas Abazorius has declared his resignation due to professional and investment activities.

11 July. Ramūnas Papinigis took up the CEO position at Tetas.

12 July. EPSO-G Group companies Amber Grid, Litgrid and Tetas signed the cooperation agreement with Lithuanian universities and colleges and provided more than EUR 100,000 in scholarships for engineering students.

August

22 August. Mindaugas Keizeris took up the CEO position at EPSO-G.

At the end of August, EPSO-G installed the last segments of the Physical Barrier at the Lithuanian border with Belarus. As planned, the Physical Barrier was installed along the 550-kilometre-long border section.

September

16 September. EPSO-G announced its intention to acquire about one third of TSO Holding shares this year. TSO Holding, together with another shareholder, exercises indirect control over the Nord Pool electricity exchange. With this move, the EPSO-G group intends to increase the shareholding in TSO Holding to 39.6%.

October

28 October. Litgrid signed contracts with Danish and Finnish energy transmission operators Energinet and Fingrid to acquire two 18.8 % shareholdings in TSO Holding (37.6 % in total). Following the completion of these transactions, the block of shares held by Litgrid in TSO Holding increased to 39.6 %. EPSO-G has decided to acquire all of Litgrid's newly acquired shares as well as 2 % of shares in TSO Holding held to date.

November

At the beginning of November, Energy cells, the operator of the system of electricity storage facilities, started testing the first battery farm system in the Baltic States.

December

2 December. Algirdas Juozaponis has decided to step down as CFO of EPSO-G from January.

7 December. Amber Grid's Enhancement of Latvia-Lithuania Interconnection (ELLI) project, completed a year ahead of schedule, increased the pipeline's capacity by a third.

16 December. „EPSO-G's Board of Directors approves the Supplier Code of Conduct, which will guide the Group's companies in assessing the practices of suppliers involved in procurement.

22 December. Mindaugas Keizeris, CEO of EPSO-G, is elected as a member of Litgrid's Management Board.

29 December. Tomas Varneckas, Head of Infrastructure, is elected Chairman of the Board of Litgrid.

29 December. A new version of EPSO-G's Articles of Association was approved by a decision of the sole shareholder and registered in the Register of Legal Entities on 5 January 2023. The following substantive changes were made to the new version of the Articles of Association: clarification of how EPSO-G carries

out its patronage functions, revision of competences of EPSO-G's General Meeting of Shareholders, the Board of Directors and the CEO, clarification of the provisions relating to the formation of EPSO-G management committees, clarification of the provisions concerning the composition of the Board and the organisation of its activities, the possibility for the EPSO-G's Board to set up a Group Management Committee.

30 December. EPSO-G has signed the final deed of works for the installation of the Physical Barrier at the border with Belarus with the State Border Guard Service. The Project Supervisory Commission concluded that the physical barrier was installed on time, to a high quality and within the budget, and that in November and December the project savings were used to purchase the necessary materials for the repair and further maintenance of the barrier and to take additional technical security measures to reinforce the barrier.

Significant events after the end of the financial period

January

2 January. Ministry of Energy announces the selection of EPSO-G board members for the new term of office

2 January. EPSO-G opens the selection process for the Tetas Board.

13 January. In an incident in Pasvalys district, Amber Grid's main gas pipeline was damaged and the gas it contained caught fire. No people were injured in the incident and the gas supply was ensured by a parallel gas pipeline. Following the rehabilitation of the damaged pipeline, the gas supply was restored on 16 January.

16 January. Darius Kašauskas takes up the post of Head of Finance and Operational Planning at EPSO-G.

February

3 February. Initial testing of the Energy Cells energy storage system has been completed.

9 February. EPSO-G's sustainability-related bond issue at the Nasdaq Baltic Market Awards 2023 recognised as a key event in the Baltic capital market.

Performance indicators

In 2022, EPSO-G's financial performance was negatively impacted by record high electricity and natural gas prices, which increased the cost of gas and electricity purchases for process and captive use, the offsetting of which will be included in the regulated services revenue in future periods. The geopolitical situation related to the war in Ukraine has also had a significant impact on energy flows through the networks, with a decrease in both electricity and gas consumption in Lithuania and an increase in gas transport flows in the Lithuania-Latvia and Lithuania-Poland directions. The corresponding change in the structure of gas transmission flows in the respective segment resulted in higher revenues.

10.2 terawatt-hours (TWh) of electricity were transmitted through the country's high-voltage electricity transmission networks to meet the needs of the country's residents and businesses during the period, a 6.4% decrease compared to the 12-month period in 2021. The decrease in electricity consumption was due to savings by residents and businesses and the growth of renewable electricity consumers connected to the distribution grid.

The management of the electricity transmission system has met the targets set for the reliability of electricity supply indicators. Preliminary data show that the average interruption time (AIT) and energy not supplied (ENS) indicators were higher than the 2021 indicators. The AIT was 0.356 minutes last year (0.11 minutes in 2021) and the ENS was 10.617 MWh last year (3.36 MWh in 2021). NERC has set the AIT for the whole year at 0.934 minutes and the EIT at 27.251 MWh. The increase in ENS and EIT compared to the previous period is partly due to changes in NERC methodology.

The overall availability of the NordBalt and LitPol Link interconnectors with Sweden and Poland in 2022 was 98.26% and 98.34%, respectively.

Key performance indicators of the EPSO-G Group:

	January – December 2022	January- December	Change		January – December 2020
			+/-	%	
ELECTRICITY					
Quantity of electricity transmitted, GWh	10 234	10 936	702	-6,4%	10 089
ENS (electricity not supplied due to interruptions), MWh *	10,62	3,36			6,21
AIT (average interruption time), min. *	0,36	0,11			0,21
Availability of NordBalt, %.**	98,3%	97,3%			95,6%
Availability of LitPol Link.**	98,3%	87,5%			92,4%
GAS					
Quantity of gas transported to the domestic exit point, GWh	15 576	24 136	-8 560	-35,5%	25 144
Quantity of gas transported to adjacent transmission systems, GWh***	48 213	28 595	19 618	68,6%	32 861
Turnover of the natural gas exchange, GWh	6 946	7 957	-1 011	-12,7%	7 206
BIOMASS					
Quantity of biomass traded on the energy exchange, GWh	6 828	5 781	1 047	18,1%	5 466

* Only for the reasons falling within the responsibility of the operator and for unidentified reasons.

** Overall availability of the LPL/NB interconnection - availability of the interconnection on both the Lithuanian and the other side.

*** Transmission systems of Latvia and the Kaliningrad Region of the Russian Federation.

A total of 40.4 terawatt hours (TWh) of natural gas was transported to Lithuanian, Baltic, Finnish and Polish consumers in 2022, excluding gas transport to the Kaliningrad region. Lithuanian consumers received 15.6 TWh of gas (35% less than in 2021).

In 2022, the Klaipėda LNG terminal supplied 79% of the total injected gas volume for Lithuanian and other Baltic consumers (32.1 TWh). Almost 8% (3.3 TWh) of the gas from Latvia was transported to the Lithuanian gas transmission system via the interconnector, while around 8% (3.1 TWh) was transported from Belarus in January-March. Since 1 April. After Lithuania stopped importing Russian gas, only gas destined for Kaliningrad will be transported via the Lithuania-Belarus interconnector.

Last year, the outbreak of the war in Ukraine led to a dramatic increase in gas flows towards Latvia. In 2022, 18.4 TWh of gas will be transported to the Baltic States and Finland, ten times more than the 1.9 TWh transported to the Nordic countries in 2021. The GIPL pipeline, in operation since May last year, transported 6.4 TWh of gas to Poland in May-December and 2.3 TWh to Lithuania.

The availability of the natural gas transmission network to system users was 100 %.

In 2022, GET Baltic's natural gas exchange trading volume in Lithuania, Latvia, Estonia and Finland amounted to almost 7 terawatt hours (TWh). Compared to the same period in 2021, trading volumes decreased by almost 13% due to geopolitical developments in the region, high natural gas prices and a decrease in gas demand in the region. While annual gas demand in the region decreased by around 40%, the volume traded on GET Baltic increased by 5% regionally and accounted for around 17% of the total demand in the Baltic States and Finland (12% in 2021).

Biomass trading on the Baltpool energy exchange increased by 18% in 2022, with 6.8 terawatt hours (TWh) traded in 2022 and 5.8 TWh in 2021. 8,400 trades were made on the exchange, worth almost €253 million. The company's heat auction data management system traded more than 5 GWh of heat, while the electronic timber sales system traded 4.1 thousand transactions for 1.9 m³ of wood.

Consolidated financial indicators

Financial indicators, EUR thousand	January – December 2022	January – December 2021	Change		January – December 2020
			+/-	%	
Revenue	590 045	362 910	227 135	62,6%	270 519
Operating expenses	636 983	318 110	318 873	100,2%	230 058
EBITDA ¹	-11 274	79 639	-90 913	-114,2%	74 549
Net profit	-41 969	39 818	-81 787	-205,4%	40 085
Assets	1 429 672	962 606	467 066	48,5%	787 532
Non-current assets	753 481	651 787	101 694	15,6%	635 287
Current assets	472 413	310 819	161 594	52,0%	152 245
Equity	228 598	271 598	-43 000	-15,8%	233 066
Liabilities	998 477	691 008	307 469	44,5%	554 466
Net debt ²	-30 111	220 509	-250 620	-113,7%	366 881
Financial ratios					
EBITDA margin ³	-1,9%	22%			27,6%
Return on equity ⁴	41,3%	37,7%			34,4%
Net debt to equity ratio	-13,2%	81,2%			157,4%
Equity / assets ratio	16,0%	28,2%			29,6%
Current ratio ⁵	0,7	0,7			0,8

1) EBITDA = Profit (loss) before tax + financial income - financial expenses + depreciation and amortisation expense + asset impairment charges (including negative revaluation of property, plant and equipment) + asset retirement charges

2) Net debt = Long-term financial debt + Short-term financial debt + Lease liabilities + Liability to Ignitis, UAB for the acquisition of shares in Litgrid AB - Short-term investments - Time deposits - Cash and cash equivalents

3) EBITDA margin = EBITDA/Revenue

4) Asset turnover = Revenue/Assets

5) Current ratio = Current assets/Current liabilities

Revenue

Consolidated revenues of the EPSO-G Group in 2022 increased from EUR 362.9 million to EUR 590 million compared to the same period in 2021, an increase of EUR 227.1 million, or 62.6 per cent.

Revenues from electricity transmission and related activities amounted to EUR 420.3 million in 2022, 55% higher than in 2021. The overall increase in revenues is mainly due to a 2.4-fold increase in imbalance and balancing electricity revenues (EUR 175.1 million in 2022) as a result of higher electricity market prices. Litgrid's system balancing service is always zero-marginal, and this revenue only covers the actual costs of imbalance and balancing electricity, which increased by a factor of 2.5 to EUR 174.8 million in 2022.

Revenues from gas transmission and related services and the organisation of natural gas trading amounted to EUR 98.3 million in 2022, a 43% increase on 2021. The higher level of revenues was driven by international gas flows transported through the Lithuanian gas transmission system. During 2022, the opening of the interconnector with Poland and the extension of the interconnector with Latvia transformed the activity into servicing cross-border gas flows in the region.

Other income amounted to EUR 71.4 million, mostly from the reimbursement of the costs of contract works for the Physical Barrier at the Border with Belarus project. Most of this project was carried out on de-minimis terms.

Operating expenses

The Group's general operating expenses in 2022 amounted to EUR 637 million. This was mainly due to a significant increase in average energy prices, which was 2 times higher compared to 2021. Costs were also increased in proportion to revenues by costs incurred in the Group's Physical Barrier project.

The largest part of operating costs was the purchase of energy resources and related services for technological purposes, amounting to EUR 454.6 million (the purchase of electricity and related services amounted to EUR 414.8 million and the purchase of natural gas amounted to EUR 39.8 million), or 71.4% of the total.

Depreciation and amortisation costs amounted to almost EUR 35.1 million, wages and related costs amounted to EUR 45.1 million, repairs and maintenance costs amounted to EUR 8.4 million, contracting and subcontracting costs (the most significant part of which includes the construction of the physical barrier) and materials costs amounted to EUR 59.1 million, telecommunication and ITT costs amounted to EUR 4.7 million, transport costs amounted to EUR 5.6 million, and the remainder of the costs totalled EUR 19.1 million.

Operating result

The Group's operating earnings before interest, tax, depreciation and amortisation (EBITDA) in 2022 were negative at EUR -11.3 million. Compared to 2021, EBITDA decreased by 114.2 per cent.

The EBITDA margin was negative at -1.9% in 2022 (compared with 22% in the same period in 2021).

The most significant negative impact on EBITDA was a nearly 2.2-fold increase in the cost of purchases of electricity and related services, and a 3.5-fold increase in the cost of purchases of natural gas and related services, which in turn was driven by higher energy prices.

In 2022, the EPSO-G Group posted a net loss of €42 million. This compares to a net profit of EUR 39.8 million in 2021.

The reported operating results, both negative EBITDA and net profit, were mainly due to temporary regulatory differences resulting from price and volume deviations from the levels used to determine the revenues of the regulated activities due to the energy price crisis. Under the price regulation methodology, these differences will be compensated for in the determination of the revenues of the regulated activities in future periods.

Adjusted operating results

Recalculations of regulated revenue, cost and profitability indicators are made for temporary regulatory deviations from the regulated profitability approved by NERC. The calculation of the adjusted ratios shall take into account the adjustment of revenues for prior periods, which has already been approved by a decision of NERC for the purpose of setting the regulated prices for transmission services for the reference period, and shall take into account the deviation between the profitability approved by NERC for the reference period and the actual profitability, which will be taken into account by NERC in setting the transmission tariffs for the following period.

- Adjusted EBITDA in 2022: EUR 62.6 million (EUR 63.8 million in 2021).
- Adjusted net profit in 2022: EUR 21.3 million (EUR 26.7 million in 2021).
- Adjusted average annual return on equity (ROE) in 2022: 7.6% (10.9% in 2021).

EBITDA adjustment, EUR million		2022	2021
	Group's EBITDA	-11,3	79,6
	Repayment of investment return discrepancies for prior periods	17,0	3,1
	The payment to Poland for the GIPL has been included in 2022 revenue	-8,3	0,0
Amber grid	Current year difference between actual revenue and revenue determined by NERC	-12,5	-8,7
	Actual balancing result for the current year	-3,7	-3,6
	Current year difference between actual process losses and cost	11,2	0,8
	Other adjustments between actual and price levels for the current year	0,2	0,3
	Repayment of discrepancies in the return on investment of transmission activities for previous periods	15,3	10,0
	Current year difference between actual process losses and cost	73,6	21,4
Litgrid	Discrepancies in return on investment for other transmission activities	6,6	-9,3
	Repayment of investment return discrepancies on ancillary services for previous periods	4,4	-2,4
	Current year regulatory return margin for ancillary services	-29,9	-27,4
	Adjusted Group's EBITDA	62,6	63,8

Adjusted net profit (loss), EUR million		2022	2021
	Group net profit (loss)	-42,0	39,8
	EBITDA adjustment	3,9	-8,1
Amber grid	Current year difference between regulatory and financial depreciation of tangible fixed assets	0,6	0,4
	The difference between the current year's actual taxes and the price charged	-0,7	1,2
Litgrid	EBITDA adjustment	70,0	-7,7
	The difference between the current year's actual taxes and the price charged	-10,5	1,2
	Group's adjusted net profit (loss)	21,3	26,7

Statement of financial position

As at 31 December 2022, the Group's assets amounted to EUR 1 429.7 million. The Group's non-current assets amounted to EUR 753.5 million and accounted for 53% of the Group's total assets. The main increase in non-current assets was due to investments in electricity and natural gas transmission infrastructure. Shareholders' equity decreased by 15.8 per cent to EUR 228.6 million as a result of the loss incurred in 2022, and the share of equity in the Group's consolidated assets at the end of the year was 16 per cent.

As at 31 December 2022, the Group's net financial liabilities to creditors amounted to EUR 218 million. Cash and cash equivalents due to Litgrid's cumulative congestion revenue amounted to EUR 248.1 million, which will be used to finance synchronisation projects.

EPSO-G Group's net debt (including lease liabilities) to equity ratio was -13.2% as a result of the accumulated surplus of temporarily available funds.

Investments

In 2022, the EPSO-G Group invested EUR 140 million, EUR 39.6 million more than in 2021.

In 2022, Litgrid's investments amounted to EUR 55.9 million (41% of which was allocated to strategic and nationally important electricity projects and 59% to transmission network reconstruction and development and operational support). Amber Grid's investments amounted to almost EUR 43 million (of which EUR 27.5 million was the accrued cross-border cost sharing payment to the Polish natural gas transmission system operator for the gas pipeline connection between Lithuania and Poland. Investments were made for the reconstruction and modernisation of the transmission network). Energy cells' investment in the energy storage system amounted to EUR 35.9 million.

Employees and remuneration

As at 31 December 2022, EPSO-G Group had 1,271 employees (to compare with 1,278 at the end of 2021):

- EPSO-G – 60 (74),
- Amber Grid – 332 (324),
- Baltpool – 18 (19),
- Energy Cells – 19,5 (11)*,
- GET Baltic – 10 (8),
- Litgrid – 391 (335),
- Tetas – 416 (498).

Information on remuneration in 2022

Salaries by category of employees	Group		Company	
	Number of employees (at the end of the period)	Average monthly pay	Number of employees (at the end of the period)	Average monthly pay
Chief Executive Officer	7	10 256	1	9 708
Senior management	23	7 929	3	8 897
Mid-level managers	145	4 970	17	6 058
Specialists	780	2 910	39	3 554
Workers	316	1 583		
Total:	1 271	2 857	60	4 627
Wage fund, EUR thousand		45 460		4 171

* Due to the specifics of the project work, most of the employees of "Energy cells" work under fixed-term contracts and part-time. 44 employees worked in the company with to the employment contracts on the December 31 2022 (on December 31, 2021 – 20 employees).

Shareholders

The sole shareholder of EPSO-G Management Company is the Republic of Lithuania (100 % of shares), whose property and non-property rights, in observance of paragraph 2.3 of Resolution No 826 of the Government of the Republic of Lithuania of 4 July 2012 on the establishment of the private limited liability company and investment of state assets are implemented by the Ministry of Energy of the Republic of Lithuania, represented by the Minister of Energy of the Republic of Lithuania.

In 2022, there were no changes in the shareholder structure of EPSO-G. On 27 April 2022, the General Meeting of Shareholders of the Company decided to increase the authorised capital of the Company from EUR 22,482,694.54 to EUR 189,631,000 from the Company's retained earnings. The authorised capital was increased by issuing 576,373,467 ordinary registered shares of the Company of EUR 0.29 nominal value per share. All new shares were issued free of charge to the Company's sole shareholder.

Shareholder of the company	Number of shares	Nominal value per share, EUR	Authorised capital, EUR	Shareholding (%)
Republic of Lithuania represented by the Minister of Energy of the Republic of Lithuania	653,900,000	0.29	189,631,000	100

EPSO-G shares are not subject to any restrictions on the transfer of securities other than those prescribed by legal acts.

EPSO-G or Group companies have not issued any convertible securities. EPSO-G has not acquired any of its own shares. EPSO-G did not acquire or dispose any of its shares during the reporting period. The Company's subsidiaries also did not acquire any shares in the Company.

„The shareholder of EPSO-G does not have any special rights of control other than those provided for by legal acts of the Republic of Lithuania.

Shares of EPSO-G subsidiaries Litgrid and Amber Grid are traded on Nasdaq Vilnius stock exchange:

Company	ISIN code	Securities	Trading list	Securities manager
LITGRID AB	LT0000128415	LGD1L	BALTIC SECONDARY LIST	AB SEB bankas
Amber Grid, AB	LT0000128696	AMG1L	BALTIC SECONDARY LIST	AB SEB bankas

The securities of other companies owned by EPSO-G are not traded on the stock exchange.