



**AB AMBER GRID
INTERIM CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS OF 30 JUNE 2023
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

CONFIRMATION OF RESPONSIBLE PERSONS

25 August 2023

Following the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Nemunas Biknius, Chief Executive Officer of AB Amber Grid, and Rasa Baltaragienė, Head of accounting, acting as Chief Financial Officer of AB Amber Grid, hereby confirm that, to the best of our knowledge, the attached AB Amber Grid unaudited interim condensed consolidated and separate financial statements for the period ended 30 June 2023 are prepared in accordance with International Financial Reporting Standards, adopted by the European Union, present a true and fair view of the group's assets, liabilities, financial position, profit and cash flows. Consolidated interim report for the six months period ended 30 June 2023 gives a true and fair view of group business developments and operating activities and Company's and group condition including a survey report of the principal risks and uncertainties.

Chief Executive Officer

Nemunas Biknius

(The document is signed with a qualified electronic signature)

Head of accounting, acting as Chief Financial Officer

Rasa Baltaragienė

(The document is signed with a qualified electronic signature)

Interim condensed consolidated and separate statement of financial position

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

	Notes	Group		Company	
		At 30 June	At 31	At 30 June	At 31
		2023	December	2023	December
		2022	2022	2023	2022
ASSETS					
A. Non-current assets		299 122	292 179	299 122	292 179
I. Intangible assets	6	2 761	2 584	2 761	2 584
II. Property plant and equipment	6	285 318	281 089	285 318	281 089
II.1. Land		125	125	125	125
II.2. Buildings		6 381	6 526	6 381	6 526
II.3. Structures and equipment		228 339	229 892	228 339	229 892
II.4. Plant and machinery		32 172	33 831	32 172	33 831
II.5. Motor vehicles		161	220	161	220
II.6. Other PP&E		3 355	3 849	3 355	3 849
II.7. Construction work in progress		14 785	6 646	14 785	6 646
III. Right-of-use assets	8	3 185	3 365	3 185	3 365
IV. Non-current financial assets	7	3 348	-	3 348	-
IV.1. Investments in subsidiaries and associates		3 348	-	3 348	-
IV.2. Other non-current financial assets	10	-	-	-	-
V. Deferred income tax assets		4 510	5 141	4 510	5 141
B. Current assets		29 332	256 177	29 332	53 168
I. Inventories and prepayments		6 975	13 735	6 975	13 735
I.1. Inventories	9	6 208	12 833	6 208	12 833
I.2. Prepayments		767	902	767	902
II. Amounts receivable		21 846	38 220	21 846	38 220
II.1. Trade receivables	10	6 819	18 498	6 819	18 498
II.2. Other amounts receivable	11	15 027	19 722	15 027	19 722
III. Prepaid income tax		-	-	-	-
IV. Other financial assets	12	503	423	503	423
V. Cash and cash equivalents		8	21	8	21
VI. Assets held for resale (assets of disposal group)	7	-	203 778	-	769
Total assets		328 454	548 356	328 454	345 347

(cont'd on the next page)

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

Interim condensed consolidated and separate statement of financial position (cont'd)

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

	Notes	Group		Company	
		At 30 June	At 31	At 30 June	At 31
		2023	December	2023	December
		2022	2022		
EQUITY AND LIABILITIES					
C. Equity		183 911	183 804	183 911	183 392
I. Share capital		51 731	51 731	51 731	51 731
II. Reserves		119 603	115 999	119 603	115 941
II.1. Legal reserve		5 173	5 231	5 173	5 173
II.2. Other reserves		114 430	110 768	114 430	110 768
III. Retained earnings (deficit)		12 577	16 074	12 577	15 720
D. Amounts payable and liabilities		144 543	364 552	144 543	161 955
I. Amounts payable after one year and non-current liabilities		68 971	78 777	68 971	78 777
I.1. Non-current borrowings	13	63 786	73 496	63 786	73 496
I.2. Lease liabilities	14	2 932	3 012	2 932	3 012
I.3. Contract liabilities		1 255	1 271	1 255	1 271
I.4. Provisions		998	998	998	998
II. Amounts payable within one year and current liabilities		75 572	285 775	75 572	83 178
II.1. Current borrowings	13	25 609	9 571	25 609	9 571
II.2. Current portion of non-current borrowings	13	5 518	17 895	5 518	17 895
II.3. Current portion of lease liabilities	14	401	502	401	502
II.4. Trade payables	18	4 895	13 668	4 895	13 668
II.5. Advance amounts received and contract liabilities	19	900	882	900	882
II.6. Income tax liability		-	-	-	-
II.7. Employment-related liabilities		3 212	2 754	3 212	2 754
II.8. Other amounts payable and current liabilities	20	34 299	37 142	34 299	37 142
II.9. Provisions		738	764	738	764
II.10. Liabilities of disposal group	7	-	202 597	-	-
Total equity and liabilities		328 454	548 356	328 454	345 347

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

Interim condensed consolidated statement of profit or loss

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

	Notes	Group			
		For the period of three months ended 30 June 2023	For the period of three months ended 30 June 2022 (reclassified)	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022 (reclassified)
Revenue	4,21	17 182	15 566	43 298	42 585
Other income	4,21	214	164	299	434
Total revenue and other income		17 396	15 730	43 597	43 019
Purchase of natural gas and other services	4,22	(4 207)	(3 344)	(17 903)	(14 925)
Salaries and related expenses		(3 966)	(3 217)	(7 352)	(6 132)
Purchase of repair and maintenance services	4	(839)	(637)	(1 367)	(1 431)
Other expenses	4,23	(3 105)	(2 520)	(5 788)	(5 012)
Total expenses:		(12 117)	(9 718)	(32 410)	(27 500)
EBITDA	4	5 279	6 012	11 187	15 519
Dividend income		-	-	-	-
Result on transfer of control and revaluation of associates	7	8 419	-	8 419	-
Depreciation and amortisation	6,8	(3 131)	(3 185)	(6 375)	(6 422)
Asset write-off expenses		-	-	-	-
Impairment (reversal of impairment) expenses	4	73	(89)	78	(70)
Operating profit (loss) (EBIT)	4	10 640	2 738	13 309	9 027
Finance activity					
Finance income	4	142	4	449	6
Finance costs		(437)	(107)	(823)	(304)
Finance costs at fair value	4	(295)	(103)	(374)	(298)
Profit/(loss) before income tax		10 345	2 635	12 935	8 729
Income tax					
Current period income tax		(28)	(52)	(140)	(48)
Deferred tax (expenses)/benefit		(40)	(362)	(630)	(1 211)
Total income tax		(68)	(414)	(770)	(1 259)
Net profit/(loss)		10 277	2 221	12 165	7 470
Total other comprehensive income (loss) for the period		10 277	2 221	12 165	7 470
Net profit/(loss) attributable to:					
Equity holders of the parent		9 926	2 145	11 749	7 215
Non-controlling interests		351	76	416	255
		10 277	2 221	12 165	7 470
Total comprehensive income (loss) attributable to:					
Equity holders of the parent		9 926	2 145	11 749	7 215
Non-controlling interests		351	76	416	255
		10 277	2 221	12 165	7 470

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

Interim condensed separate statement of profit or loss

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

	Notes	Company			
		For the period of three months ended 30 June 2023	For the period of three months ended 30 June 2022 (reclassified)	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022 (reclassified)
Revenue	4,21	16 962	15 254	42 406	41 766
Other income	4,21	214	164	299	434
Total revenue and other income		17 176	15 418	42 705	42 200
Purchase of natural gas and other services	4,22	(4 207)	(3 344)	(17 903)	(14 925)
Salaries and related expenses		(3 859)	(3 113)	(7 096)	(5 926)
Repair and maintenance expenses	4	(839)	(637)	(1 367)	(1 431)
Other expenses	4,23	(3 070)	(2 457)	(5 720)	(4 898)
Total expenses:	4	(11 975)	(9 551)	(32 086)	(27 180)
EBITDA		5 201	5 867	10 619	15 020
Dividend income	7	-	598	542	598
Result on transfer of control and revaluation of associates	7	9 076	-	9 076	-
Depreciation and amortisation	6,8	(3 096)	(3 140)	(6 290)	(6 333)
Asset write-off expenses		-	-	-	-
Impairment (reversal of impairment) expenses	4	73	(89)	78	(70)
Operating profit (loss) (EBIT)	4	11 254	3 236	14 025	9 215
Finance activity		-	-	-	-
Finance income	4	1	4	4	6
Finance costs		(437)	(107)	(822)	(209)
Finance costs at fair value	4	(436)	(103)	(818)	(203)
Profit/(loss) before income tax		10 818	3 133	13 207	9 012
Income tax		-	-	-	-
Current period income tax		-	(1)	-	(1)
Deferred tax (expenses)/benefit		(40)	(362)	(630)	(1 211)
Total income tax		(40)	(363)	(630)	(1 212)
Net profit/(loss)		10 778	2 770	12 577	7 800
Total other comprehensive income (loss) for the period		10 778	2 770	12 577	7 800
Net profit/(loss) attributable to:					
Equity holders of the parent		10 409	2 675	12 147	7 533
Non-controlling interests		369	95	430	267
		10 778	2 770	12 577	7 800
Total comprehensive income (loss) attributable to:					
Equity holders of the parent		10 409	2 675	12 147	7 533
Non-controlling interests		369	95	430	267
		10 778	2 770	12 577	7 800

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

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

Group	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance at 31 December 2021	51 731	5 210	97 505	23 594	178 040
Net profit/(loss) for the period	-	-	-	7 470	7 470
Other comprehensive income	-	-	-	-	-
Total comprehensive income /(loss) for the period	-	-	-	7 470	7 470
Reserves established	-	21	13 263	(13 284)	-
Dividends approved	-	-	-	(9 901)	(9 901)
Total transactions with owners	-	21	13 263	(23 185)	(9 901)
Balance at 30 June 2022	51 731	5 231	110 768	7 879	175 609
Net profit/(loss) for the period	-	-	-	8 195	8 195
Other comprehensive income	-	-	-	-	-
Total comprehensive income /(loss) for the period	-	-	-	8 195	8 195
Reserves established	-	-	-	-	-
Dividends approved	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance at 31 December 2022	51 731	5 231	110 768	16 074	183 804
Net profit/(loss) for the period	-	-	-	12 165	12 165
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	12 165	12 165
Reserves established	-	-	3 662	(3 662)	-
Dividends approved	-	-	-	(12 058)	(12 058)
Eliminating the impact of loss of control	-	(58)	-	58	-
Total transactions with owners	-	(58)	3 662	(15 662)	(12 058)
Balance at 30 June 2023	51 731	5 173	114 430	12 577	183 911

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

Interim condensed separate statement of changes in equity

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

Company	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance at 31 December 2021	51 731	5 173	97 505	23 164	177 573
Net profit/(loss) for the period	-	-	-	7 800	7 800
Other comprehensive income	-	-	-	-	-
Total comprehensive income /(loss) for the period	-	-	-	7 800	7 800
Reserves established	-	-	13 263	(13 263)	-
Dividends approved	-	-	-	(9 901)	(9 901)
Total transactions with owners	-	-	13 263	(23 164)	(9 901)
Balance at 30 June 2022	51 731	5 173	110 768	7 800	175 472
Net profit/(loss) for the period	-	-	-	7 920	7 920
Other comprehensive income	-	-	-	-	-
Total comprehensive income /(loss) for the period	-	-	-	7 920	7 920
Reserves established	-	-	-	-	-
Dividends approved	-	-	-	-	-
Total transactions with owners	-	-	-	-	-
Balance at 31 December 2022	51 731	5 173	110 768	15 720	183 392
Net profit/(loss) for the period	-	-	-	12 577	12 577
Other comprehensive income	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	12 577	12 577
Reserves established	-	-	3 662	(3 662)	-
Dividends approved	-	-	-	(12 058)	(12 058)
Total transactions with owners	-	-	3 662	(15 720)	(12 058)
Balance at 30 June 2023	51 731	5 173	114 430	12 577	183 911

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

Interim condensed consolidated and separate statement of cash flows

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

	Notes	Group		Company	
		For the period of six months ended	For the period of six months ended	For the period of six months ended	For the period of six months ended
		30 June 2023	30 June 2022	30 June 2023	30 June 2022
I. Cash flows from operating activities					
I.1. Net profit (loss)		12 165	7 470	12 577	7 800
Adjustments for non-cash items and other corrections:					
I.2. Depreciation and amortisation	6,8	6 375	6 422	6 290	6 333
I.3. Loss (profit) on disposal and write-off of property, plant and equipment, doubtful trade receivables and inventories		(13)	(8)	(13)	(8)
I.4. Impairment (reversal of impairment) of property, plant and equipment, financial assets, doubtful trade receivables and inventories		(81)	70	(81)	70
I.5. Income tax expenses (benefit)		770	1 259	630	1 212
I.6. Interest (income)		(445)	-	-	-
I.7. Interest expenses		821	303	821	208
I.8. Dividend income		-	-	(542)	(598)
I.9. Gain on disposal of investments in subsidiaries and revaluation of associates	7	(8 419)	-	(9 076)	-
I.10. Income of grants		(31)	(82)	(31)	(82)
Elimination of other non-cash items		4	1	1	1
I.11. Changes in working capital:					
I.12. Decrease (increase) in inventories		6 724	(1 425)	6 718	(1 425)
I.13. (Increase) decrease in trade receivables		20 877	3 483	11 679	1 396
I.14. (Increase) decrease in other receivables and prepayments		3 532	5 083	5 918	5 775
I.15. (Decrease) increase in trade payables		(55 289)	(4 777)	(8 557)	(1 420)
I.16. (Decrease) increase in other payables and current liabilities		(118 277)	(13 934)	(2 545)	(6 988)
I.17. (Increase) decrease in other financial assets		155 586	10 253	(79)	1 305
I.18. Income tax (paid)		(95)	(112)	-	-
Net cash flows from operating activities	7	24 204	14 006	23 710	13 579
II. Cash flows from investing activities					
II.1. (Acquisition) of property, plant and equipment and intangible assets		(19 039)	(5 018)	(19 031)	(4 959)
II.2. Proceeds on disposal of property, plant and equipment		12	31	12	31
II.3. Grants received		7 379	1 466	7 379	1 466
II.4. Sale (acquisition) of subsidiaries (associates)	7	6 500	-	6 500	-
II.5. Elimination of change in cash of subsidiary due to loss of control	7	(376)	-	-	-
II.6. Loans granted (repayments received)		-	-	-	-
II.7. Interest received		445	-	-	-
II.8. Dividends received		-	-	542	598
Net cash flows (used) in investing activities	7	(5 079)	(3 521)	(4 598)	(2 864)

The accompanying notes are an integral part of these financial statements.
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Interim condensed consolidated and separate statement of cash flows (cont'd)

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

	Group		Company	
	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
III. Cash flows from financing activities				
III.1. Dividends (paid)	(12 049)	(9 893)	(12 049)	(9 893)
III.2. Proceeds from borrowings	-	-	-	-
III.3. (Repayments) of borrowings	(22 087)	(5 087)	(22 087)	(5 087)
III.4. Change in overdraft	16 038	4 616	16 038	4 616
III.5. Interest (paid)	(775)	(295)	(775)	(200)
III.6. Liabilities settled in relation to right-of-use assets	(265)	(164)	(252)	(149)
III.7. Other cash flows from financing activities	-	-	-	-
Net cash flows from (used in) financing activities	7 (19 138)	(10 823)	(19 125)	(10 713)
IV. Net increase (decrease) in cash and cash equivalents	(13)	(338)	(13)	2
V. Cash and cash equivalents at the beginning of the year	21	906	21	12
VI. Cash and cash equivalents at the end of the period	8	568	8	14

The accompanying notes are an integral part of these financial statements.
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Notes to the interim condensed consolidated and separate financial statements

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

1 General information

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

Amber Grid was registered on 25 June 2013 after the spin-off from AB Lietuvos Dujos of the natural gas transmission activity with respective assets, rights and obligations attributed to the activity in question. The Company's operations date back to 1 August 2013.

On 10 April 2015, upon the obtaining of a positive decision from the European Commission, the National Energy Regulatory Council (before National Commission for Energy Control and Prices) issued in respect of the Company an open-ended License No. L2-3 (GDP) for the engagement in the Transmission System Operator's activity within the territory of Lithuania.

The Company is engaged in the natural gas transmission system operator's activity and provides to system users, other operators, and gas market players the following services:

- transmission of natural gas in the territory of the Republic of Lithuania;
- balancing of natural gas flows in the transmission system;
- administration of the funds intended to compensate for the installation and fixed operating costs of the Liquefied Natural Gas Terminal, its infrastructure and connector and, as from 2016, for reasonable costs of the designated supplier for the supply of an obligatory quantity of liquefied natural gas;
- register of guarantees of origin of green gas.

On 30 June 2023, the Company had 127 contracts for natural gas transmission services with the users of natural gas transmission system (natural gas customers, natural gas distribution system operators, natural gas supply companies that supply gas up to customers systems). In addition, Company had entered into natural gas balancing agreements with 1 natural gas trade companies that trade natural gas, but do not use Company's transmission system infrastructure.

The Company's largest shareholder is UAB EPSO-G (www.epsog.lt). The rights and obligations of the sole shareholder of the management company UAB EPSO – G (hereinafter referred to as the 'EPSO-G') are implemented by the Ministry of Energy of the Republic of Lithuania.

Since 1 August 2013, the Company's shares have been traded on a stock exchange; they are listed on the Baltic Secondary Trading List of NASDAQ OMX Vilnius Stock Exchange (ISIN code LT0000128696, instrument AMG1L, LEI code 097900BGMP0000061061).

As of 30 of June 2023 and 31 December 2022, the Company's shareholders were as follows:

	Number of shares owned	Ownership share (percent)
UAB EPSO-G (Company Code 302826889, Gedimino ave. 20, Vilnius)	172 279 125	96,58
Other shareholders	6 103 389	3,42
	<u>178 382 514</u>	<u>100,00</u>

The Company's share capital amounts to EUR 51 730 929,06. It is divided into 178 382 514 ordinary registered shares with par value of EUR 0.29 each.

The Group consists of the parent company Amber Grid AB and its subsidiary GET Baltic UAB. As at 31 May 2023 on disposal of 66% percent stake in GET Baltic UAB (hereinafter referred to as the 'GET Baltic'), the Company lost control

of GET Baltic. The remaining investment in GET Baltic is accounted as an investment in an associated company. More information on loss of control is provided in the Note 7.

Information on the stake of shares in GET Baltic as at 30 June 2023 and 31 December 2022 is presented below:

Company	Company code	Registered address of the company	Stake of shares held as of 30 June 2023	Stake of shares held as of 31 December 2022
UAB GET Baltic	302861178	Geležinio Vilko st. 18 A, Vilnius	34 percent	100 percent

On 30 June 2022 and on 31 December 2021 the share capital of GET Baltic was valued of EUR 580,450 and it consists of 3,055,000 ordinary registered shares with a nominal value of EUR 0,19.

On 30 June 2023 the average number of employees of the Company consisted of 334 employees (as at 30 June 2022 – 325).

2 Summary of significant accounting principles

The principal accounting principles applied in the preparation of the Company's financial statements for the period of six months ended 30 June 2023 are set out below:

2.1 Basis of preparation

These condensed interim consolidated and separate financial statements, including the statement of financial position and statements of profit or loss, statements of comprehensive income, cash flow statement and the statements of changes in equity for the period of six months ended 30 June 2023 have not been audited. The consolidated and separate financial statements for the period ended 31 December 2022 have been audited and prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in European Union and are in compliance thereof.

From 31 May 2023 the Company lost control of GET Baltic and, in accordance with IFRS 10 "Consolidated financial statements", consolidated financial statements include the Group's financial data up to the moment of loss of control. The remaining investment in GET Baltic is recognized as an investment in an associated company and is accounted for at equity method in accordance with the provisions of IAS 28 "Investments in Associates and Joint Ventures".

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

These condensed interim consolidated financial statements as of 30 June 2023 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The Company have been following the same accounting principles as the ones that were followed in the preparation of financial statements for the year 2022.

The statements were prepared based on an acquisition cost, excluding tangible fixed assets, which were presented at revalued amount.

In accordance with the accounting principles of fixed assets of EPSO–G UAB group companies, assets are accounted at revalued amount deducting accumulated depreciation and impairment losses, whereas grants are accounted for by reducing the carrying amount of the related asset.

The financial year of the Company coincides with the calendar year.

2.2 Presentation currency

All amounts in these financial statements have been measured and presented in the euros (EUR), which is an official currency of the Republic of Lithuania. These financial statements are presented in EUR '000 unless otherwise stated.

3 Accounting estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies. 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.

Accounting principles applying to system user's balancing

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

4 Reclassification of comparative figures in the financial statements

The Group and the Company, in order to enter and disclose the EBITDA and EBIT indicators in the profit and loss statement, reclassified operating income and expenses. Applying the agent principle to the balancing activity of the system users, the comparative data are reported by presenting the net result of the balancing activity. Hereinafter there is presented the impact of the reclassification to the Group's and Company's income statement items for the period of the first half of 2022 year. A detailed classification of revenue is presented in Note 21.

	Group		
	For the period of six months ended 30 June 2022 Before reclassification	Reclassification	For the period of six months ended 30 June 2022 After reclassification
Revenue	56 497	(13 912)	42 585
Other income	-	434	434
Total revenue and other income	56 497	(13 478)	43 019
Purchase of natural gas and other services	(28 403)	13 478	(14 925)
Salaries and related expenses	(6 132)	-	(6 132)
Purchase of repair and maintenance services	(2 079)	648	(1 431)
Taxes other than income tax	(1 384)	1 384	-
Telecommunications and IT system expenses	(930)	930	-
Other expenses	(2 120)	(2 892)	(5 012)
Total expenses:	(41 048)	13 548	(27 500)
EBITDA	15 519	-	15 519
Dividend income	-	-	-
Depreciation and amortisation	(6 422)	-	(6 422)
Asset write-off expenses	-	-	-
Impairment (reversal of impairment) expenses	-	(70)	(70)
Operating profit (loss) (EBIT)	9 027	-	9 027
Finance activity	-	-	-
Finance income	6	-	6
Finance costs	(304)	-	(304)
Finance costs at fair value	(298)	-	(298)
Profit/(loss) before income tax	8 729	-	8 729
Income tax			

Current period income tax	(48)	-	(48)
Deferred tax (expenses)/benefit	(1 211)	-	(1 211)
Total income tax	(1 259)	-	(1 259)
Net profit/(loss)	7 470	-	7 470

	Company		
	For the period of six months ended 30 June 2022	Reclassification	For the period of six months ended 30 June 2022
	Before reclassification		After reclassification
Revenue	55 678	(13 912)	41 766
Other income	-	434	434
Total revenue and other income	55 678	(13 478)	42 200
Purchase of natural gas and other services	(28 403)	13 478	(14 925)
Salaries and related expenses	(5 926)	-	(5 926)
Purchase of repair and maintenance services	(2 079)	648	(1 431)
Taxes other than income tax	(1 384)	1 384	-
Telecommunications and IT system expenses	(879)	879	-
Other expenses	(2 057)	(2 841)	(4 898)
Total:	(40 728)	13 548	(27 180)
EBITDA	15 020	-	15 020
Dividend income	-	598	598
Depreciation and amortisation	(6 333)	-	(6 333)
Asset write-off expenses	-	-	-
Impairment (reversal of impairment) expenses	-	(70)	(70)
Operating profit (loss) (EBIT)	9 215	-	9 215
Finance activity			
Finance income	604	(598)	6
Finance costs	(209)	-	(209)
Finance costs at fair value	395	(598)	(203)
Profit/(loss) before income tax	9 012	-	9 012
Income tax			
Current period income tax	(1)	-	(1)
Deferred tax (expenses)/benefit	(1 211)	-	(1 211)
Total income tax	(1 212)	-	(1 212)
Net profit/(loss)	7 800	-	7 800

5 Information by segments

The Group singles out two operating segments: 1) natural gas transmission operations and 2) natural gas exchange operator activities. At the first half of 2023 and 2022 year, the Group generated 98 % of its total revenue from the transmission activity, 2% of revenue originated from the services provided by the natural gas exchange operator.

The company carries out the activities of natural gas transmission and related services and operates as one activity segment. The main measure of segment performance is net profit.

All non-current assets of the Company are located in Lithuania, where the activities are carried out.

Company revenue and other income by customer geography at 30 June 2023 and 30 June 2022 consisted of:

	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
Lithuania	13 442	22 073
Switzerland	1 019	-
Czech	1	-
Germany	362	766
Denmark	141	-
Estonia	4 020	1 919
Latvia	3 324	1 785
Norway	2 797	840
Poland	2 713	1 228
Russia	14 886	13 589
Total:	42 705	42 200

6 Non-current tangible and intangible assets

	Patents and licences	Computer software	Other intangible assets	Protected areas	Total
At 31 December 2021	9	2 022	-	2 179	4 210
Cost (revalued amount)	51	4 493	5	2 179	6 728
Accumulated amortisation	(42)	(2 471)	(5)	-	(2 518)
Net book amount at 31 December 2021	9	2 022	-	2 179	4 210
Additions	-	74	-	-	74
Write-offs	-	-	-	-	-
Reclassification from/to PP&E	-	-	-	-	-
Amortisation	(1)	(532)	-	-	(533)
Offsetting of grants against non-current assets	-	-	-	-	-
At 30 June 2022	8	1 564	-	2 179	3 751
Cost (revalued amount)	51	4 567	5	2 179	6 802
Accumulated amortisation	(43)	(3 003)	(5)	-	(3 051)
Net book amount at 30 June 2022	8	1 564	-	2 179	3 751
At 31 December 2022	6	1 288	-	1 290	2 584
Additions	-	608	-	-	608
Adjustment for changes in assumptions	-	-	-	-	-
Amortisation	(1)	(296)	-	-	(297)
Offsetting of grants against non-current assets	-	(134)	-	-	(134)
At 30 June 2023	5	1 466	-	1 290	2 761
Cost (revalued amount)	51	5 282	5	1 290	6 628
Accumulated amortisation	(46)	(3 816)	(5)	-	(3 867)
Net book amount at 30 June 2022	5	1 466	-	1 290	2 761

Company's non-current intangible assets consist of provision and the related intangible assets for the establishment of the special land use conditions (protected areas) in amount of EUR 1,290 thousand.

At the first half of 2023 year, there was no change in assumptions affecting the size of the provision identified, the value of the provision was not adjusted.

Non-current tangible assets

	Land	Buildings	Structu-res and equip- ment	Plant and machine- ry	Motor vehicles	Other PP&E	Construc- tion work in progress	Total
At 31 December 2020	125	6 529	199 940	37 143	373	4 060	7 808	255 978
Cost (revalued amount)	125	6 805	205 308	40 518	541	5 349	7 808	266 454
Accumulated depreciation	-	(276)	(5 368)	(3 375)	(168)	(1 289)	-	(10 476)
Net book amount at 31 December 2021	125	6 529	199 940	37 143	373	4 060	7 808	255 978
Additions	-	-	27 105	-	-	70	3 528	30 703
Write-offs	-	-	(20)	-	-	-	-	(20)
Disposals	-	-	-	-	-	-	-	-
Reclassification from/to inventories	-	-	(8)	(1)	-	-	-	(9)
Reclassification between groups	-	-	874	(874)	-	-	-	-
Reclassifications	-	36	5 829	56	-	157	(6 078)	-
Depreciation	-	(146)	(2 838)	(1 735)	(77)	(767)	-	(5 563)
Offsetting of grants against non-current assets	-	-	-	-	-	-	(886)	(886)
At 30 June 2022	125	6 419	230 882	34 589	296	3 520	4 372	280 203
Cost (revalued amount)	125	6 841	239 088	39 699	541	5 576	4 372	296 242
Accumulated depreciation	-	(422)	(8 206)	(5 110)	(245)	(2 056)	-	(16 039)
Net book amount at 30 June 2022	125	6 419	230 882	34 589	296	3 520	4 372	280 203
At 31 December 2022	125	6 527	229 891	33 831	220	3 849	6 646	281 089
Additions	-	-	-	26	-	24	18 232	18 282
Write-offs	-	-	-	-	-	(1)	-	(1)
Disposals	-	-	-	-	-	(1)	-	(1)
Reclassification from/to inventories	-	-	(10)	-	-	-	-	(10)
Reclassifications	-	-	1 527	-	-	266	(1 793)	-
Depreciation	-	(146)	(3 069)	(1 685)	(59)	(782)	-	(5 741)
Offsetting of grants against non-current assets	-	-	-	-	-	-	(8 300)	(8 300)
At 30 June 2023	125	6 381	228 339	32 172	161	3 355	14 785	285 318
Cost (revalued amount)	125	6 527	231 408	33 857	220	4 137	14 785	291 059
Accumulated depreciation	-	(146)	(3 069)	(1 685)	(59)	(782)	-	(5 741)
Net book amount at 30 June 2023	125	6 381	228 339	32 172	161	3 355	14 785	285 318

In the Group and the Company, non-current assets are accounted at revalued amount of assets, reducing the grants received for that asset.

In the additions of PP& at the first half of 2023 year are included reconstruction of separate sections of the main gas pipeline Vilnius-Kaunas amounting to EUR 7 054 thousand, replacement of above-ground crossings with underground ones and deepening of non-deepened sections of the main gas pipeline (MD A2 stage II) amounting to EUR 2 490 thousand, reconstruction of the Grigiškės, Kėdainiai, Vievis, Šiauliai, Telšiai GDSs amounting to EUR 4 683 thousand, replacement of shot-off devices and connection to Scada amounting to EUR 1 550 thousand and etc.

The amount of the depreciation of the grants in the income statement is reflected by deducting the depreciation costs of the related assets with the grant income, as of 30 June 2023 it stood at EUR 2 218 thousand (as of 30 June 2022 - EUR 2 216 thousand).

The Company's natural gas transmission activities are regulated by the State, and the regulatory decisions have significant impact on the fair value of the assets. According to the provisions of the WACC Methodology, the ROI rate applicable to the Company is revised annually by the NERC. The ROI rate set for the Company by the NERC for 2023 and 2024 year is 3.96%. In the opinion of the management, there were no significant changes in the regulatory environment during the first half of 2023. As from 2024, a new regulatory period 2024-2028 will start. The management believes that a higher ROI rate will be set given the rising borrowing costs.

7 Loss of control of the subsidiary

Starting the sale activity of GET Baltic, the investment in Get Baltic, which was accounted for at acquisition cost, less to impairment, in the separate financial statements for the period ending 30 September 2022 was reclassified to assets held for sale as all recognition criteria applicable to assets held for sale were met. The assets held for sale was carried out at a carrying amount that is lower than its fair value.

At the general meeting of shareholders held on 11 April 2023 after the shareholders approved the sale of stake in Get Baltic and the essential conditions of the sale of shares, on 31 May 2023 the sale of 66% stake in UAB GET Baltic transaction was completed.

On 31 May 2023, following the completion of the share sale transaction, the Company lost control of GET Baltic. The loss of control is associated with existing rights that give it the current ability to direct the relevant activities and make the most important management decisions of the Company. The remaining part of the investment in GET Baltic is recognized as an investment in an associated company, which is accounted for at equity method and measured at its fair value at the time of loss of control. The gain on disposal of investment in subsidiary and revaluation of associate represented in the consolidated profit (loss) statement amounts to EUR 8 419 thousand of which the gain on disposal amounts to EUR 5 777 thousand, gain on revaluation of associate amounts to EUR 2 862 thousand. The gain on disposal of investment in subsidiary and revaluation of associate represented in the separate profit (loss) statement amounts to EUR 9 076 thousand of which the gain on disposal amounts to EUR 5 989 thousand, gain on revaluation of associate amounts to EUR 3 087 thousand.

Effect of loss of control on cash flow statement items:

	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
Gain on disposal of subsidiary, cash	6 500	-
Revaluation of the remaining part of the investment	3 348	-
Fair value of the loss of control transaction	9 848	-
Net assets of subsidiary	(1 429)	-
Gain on loss of control and revaluation of associates	8 419	-

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

	At 31 May 2023
Non-current assets	498
Intangible assets	409
Tangible assets	3
The right-of-use assets	82
Non-current financial assets	4
Current assets	41 791
Prepayments	20
Trade and other receivable	7 274
Other financial assets	33 304
Cash and cash equivalents	1 193
Total assets:	42 289

Non-current liabilities	48
A right-of-use asset and corresponding liability	48
Short-term liabilities	40 812
A right-of-use asset and corresponding liability	34
Trade payables, advance amounts and other payables and current liabilities	40 602
Income tax payable	59
Payroll related liabilities	117
Total liabilities of the disposal group:	40 860
Net assets:	1 429

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

	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
Net cash flows from operating activities	494	427
Cash flows from investing activities	437	(59)
Cash flows from financing activities	(555)	(708)
Net increase in cash generated by the subsidiary	376	(340)

8 The right-of-use assets and lease liabilities

As described below, the Group and the Company have taken on lease office premises, motor vehicles, and land. Lease periods for premises, motor vehicles and land are 5-10 years, 4 years, and 99 years, respectively.

As from 1 January 2023 the Company increased the value of right of use asset (office premises) as consequence of revised lease payments, taking into account changes in the consumer price index. The lease rate for office premises may be revised in view of changes in the average consumer price index as a result of inflation, however, to an extent not in higher than 2%.

As at 30 June 2023 recognized the initial cost of electric cars as right of use assets amounted to EUR 41 thousand, lease period is 4 years.

	Buildings	Land	Motor vehicles	Total
Initial value of recognized assets at 31 December 2021	1 672	1 493	572	3 737
Acquisitions	-	-	-	-
Write-offs	-	-	-	-
Amortization	(89)	(8)	(140)	(237)
Residual value at 30 June 2022	1 583	1 485	432	3 500
Residual value of recognized assets at 31 December 2022	1 495	1 478	392	3 365
Acquisitions, lease modifications	31	-	41	72
Write-offs	-	-	-	-
Amortization	(90)	(8)	(154)	(252)
Residual value at 30 June 2023	1 436	1 470	279	3 185
Initial value	1 747	1 534	1 266	4 547
Accumulated depreciation	(311)	(64)	(987)	(1 362)
Residual value at 30 June 2023	1 436	1 470	279	3 185

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.

9 Inventories

	At 30 June 2023	At 31 December 2022
Raw materials, spare parts and other inventories	1 007	1 135
Natural gas	5 673	12 250
Assets held for resale	-	-
Inventories, gross	6 680	13 385
Less: write-down allowance	(472)	(552)
	6 208	12 833

The changes in the value of natural gas were mostly influenced by the falling natural gas prices.

10 Trade receivables

	At 30 June 2023	At 31 December 2022
I. Trade receivables under contracts with customers		
Net book amount of amounts receivable after one year	-	-
Current trade receivables		
Amounts receivable for transmission of natural gas	6 041	13 834
Amounts receivable for natural gas	21	
Amounts receivable for balancing of transmission system	750	4 473
Amounts receivable for other services	1	-
Less: expected credit losses for trade receivables	(16)	(11)
Net book amount of trade receivables under contracts with customers	6 797	18 296
II. Trade receivables under other contracts with customers		
Other trade receivables	22	208
Less: expected credit losses for trade receivables	-	(6)
Net book amount of trade receivables under other contracts with customers	22	202
Total trade receivable	6 819	18 498

Short-term trade receivables were interest-free; their payment period ranged from 7 to 30 calendar days. The end of the heating season affected the level of trade receivables as at 30 June 2023. Impairment allowance of EUR 16 thousand was established for trade receivables as at 30 June 2023 (as at 31 December 2022 - EUR 17 thousand).

Expected credit losses of trade receivables assessed jointly as at 30 June 2023 were amounted to:

	Not past due	Until 30 days	31 - 90 days	91 - 180 days	181 and more days	Total:
State-owned enterprises	2 048	-	-	2	-	2 050
Expected credit losses	0%	0%	0%	0%	0%	0
Impairment	0	0	0	0	0	0
Other entities	2 779	80	-	-	1	2 860
Expected credit losses	0,04%	2,99%	5,83%	17,55%	100%	
Impairment	1	2	-	-	1	4
Total trade receivables	4 827	80	-	2	1	4 910
Total expected credit losses	1	2	-	-	1	4

Expected credit losses of trade receivables assessed individually as at 30 June 2023 were amounted to:

	Trade receivables	Expected credit losses
Not past due	1 926	12
Until 30 days	0	0
31 - 90 days	0	0
91 - 180 days	0	0
181 and more days	0	0
At 30 June 2023	1 926	12

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

	Not past due	Until 30 days	31 - 90 days	91 - 180 days	181 and more days	Total:
State-owned enterprises	3 196	-	-	-	-	3 196
Expected credit losses	0%	0%	0%	0%	0%	
Impairment	-	-	-	-	-	-
Other entities	6 236	44	-	-	1	6 281
Expected credit losses	0,04%	2,99%	5,83%	17,55%	100%	
Impairment	2	1	-	-	1	4
Total trade receivables	9 432	44	0	0	1	9 477
Total expected credit losses	2	1	0	0	1	4

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

	Trade receivables	Expected credit losses
Not past due	9 038	13
Until 30 days	0	0
31 - 90 days	0	0
91 - 180 days	0	0
181 and more days	0	0
At 31 December 2022	9 038	13

11 Other receivables

	At 30 June 2023	At 31 December 2022
LNG terminal funds receivable (administered by the Company)	5 656	7 802
Grants receivable	8 007	6 976
Contract assets	-	2 780
Taxes receivable	3	2 147
Insurance benefits receivable	1 340	1
Other receivables	21	16
	15 027	19 722

The LNG terminal funds receivable as at 30 June 2023 include the overdue amount of EUR 5,656 thousand (as at 31 December 2022 - EUR 5 456 thousand). As at 30 June 2023 LNG terminal funds receivable consisted of AB "Achema's" overdue amount (see Note 27).

EUR 1,340 thousand in other receivables consists of insurance benefit receivable to compensate for the loss of natural gas, burned during the fire in the main gas pipeline on 13 January 2023.

For the Company's other receivables, no impairment loss was formed.

12 Other financial assets

	At 30 June 2023	At 31 December 2022
Funds of the LNG terminal	-	1
Deposits received	503	422
Other financial assets in total:	503	423

The LNG terminal funds collected from the system users are kept on separate bank accounts opened for LNG terminal funds as prescribed by legal acts, and they are intended for payment to the recipients of the LNG terminal funds.

Based on Resolution No. O3E-1621 of 25 November 2022 adopted by the NERC, an extra charge on natural gas transmission price related to natural gas supply equal to EUR 0 (MWh/day/year) was set with effect from 1 January 2023, therefore from 1 January 2023 the Company does not collect LNG terminal funds from system users. Based on resolution No. O3E-713 of 29 May 2023 adopted by the NERC an extra charge on natural gas transmission price related to natural gas supply equal to EUR 152.45 EUR (MWh/day/year) was set with effect from 1 July 2023.

13 Loans

	At 30 June 2023	At 31 December 2022
Long-term loans	63 786	73 496
Short-term loans	31 127	27 466
Short-term loan (EPSO-G UAB)	25 609	9 571
Current portion of long-term loans	5 518	17 895
Total loans:	94 913	100 962

Long-term loan repayment terms:	At 30 June 2023	At 31 December 2022
Between 1 -2 years	5 649	6 108
Between 2 – 5 years	16 948	18 325
After 5 years	41 189	49 063
Total:	63 786	73 496

To balance the liquid funds, on 1 March 2022 the Company and EPSO-G UAB entered into a new cash pool agreement, based on which the maximum borrowing limit from EPSO-G UAB was set in amount of EUR 40,000 thousand. In accordance with the terms of the lending and borrowing agreement, from 1 January 2023 agreement was automatically extended for another year. As at 30 June 2023, the Company's borrowings under this contract amounted to EUR 25 609 thousand (31 December 2022: EUR 9 571 thousand).

As at 30 June 2023, the weighted average annual interest rate on borrowings of the Company and the Group was 2.30 percent (31 December 2022: 0,89 percent).

15 Lease liabilities

	At 30 June 2023	At 30 June 2022
Carrying amount of lease liabilities at the beginning of the period	3 514	3 812
Recognition of lease liabilities under IFRS 16	31	-
Concluded lease contracts	41	-
Termination of leases (write-offs of debts and accrued interest)	-	-
Interest expenses	15	15
Lease payments (Principal and Interest)	(268)	(179)
Carrying amount at the end of the period	3 333	3 648

Non-current lease liabilities	2 932	3 173
Current lease liabilities	401	475

Lease obligations include:

	At 30 June 2023	At 31 December 2022
Current year	401	502
Repayment terms of non-current liabilities:	2932	3 012
Between 1 and 2 years	235	247
From 2 to 3 years	237	222
From 3 to 5 years	403	404
After 5 years	2057	2 139

Interest on lease liabilities reflected in the Group's finance costs amounted to EUR 15 thousand as at 30 June 2023 (30 June 2022: EUR 15 thousand).

The Company has a lease contract for office premises with variable lease payments. As from 1 January 2023, the lease rate for office premises was revised in view of changes in the average consumer price index.

As at 30 June 2023, the Group's lease payments amounted to EUR 268 thousand (30 June 2022: EUR 179 thousand).

16 Net debt

Reconciliation of net debt to cash flows from financing activities as at 30 June 2022 and 30 June 2023:

	Cash	Borrowings	Lease liabilities	Total
Net debt at 31 December 2021	12	(104 917)	(3 812)	(108 717)
Movement in cash and cash equivalents	2	-	-	2
(Proceeds) from borrowings	-	-	-	-
Repayment of borrowings	-	5 087	-	5 087
Movement in overdraft	-	(4 616)	-	(4 616)
Lease payments	-	-	179	179
New leases	-	-	-	-
Lease modifications	-	-	-	-
Other movements:				
Interest charges expensed and interest capitalised	-	(195)	(15)	(210)
Interest paid	-	200	-	200
Other non-monetary movements	-	-	-	-
Net debt at 30 June 2022	14	(104 441)	(3 648)	(108 075)
Net debt at 31 December 2022	21	(101 137)	(3 514)	(104 630)
Movement in cash and cash equivalents	(13)	-	-	(13)
(Proceeds) from borrowings	-	-	-	-
Repayment of borrowings	-	22 087	-	22 087
Movement in overdraft	-	(16 038)	-	(16 038)
Lease payments	-	-	268	268
New leases	-	-	(41)	(41)
Lease modifications	-	-	(31)	(31)
Other movements:				
Interest charges expensed and interest capitalised	-	(923)	(15)	(938)
Interest paid	-	775	-	775
Other non-monetary movements	-	-	-	-
Net debt at 30 June 2023	8	(95 236)	(3 333)	(98 561)

17 Income tax

The standard corporate income tax rate applicable to the companies of the Republic of Lithuania was 15 per cent). The income tax expenses for the period comprise the current income tax and the deferred income tax.

On investments in new technologies, as at 30 June 2023, the Company had calculated a corporate income tax relief amounting to EUR 57 thousand (as at 30 June 2022: EUR 77 thousand).

18 Trade payables

	At 30 June 2023	At 31 December 2022
Payables to suppliers under investment programme	2 902	3 159
Payables to suppliers of goods and providers of services	889	2 043
Payables to providers of repairs services under non-current assets repairs programme	7	244
Payables to suppliers of natural gas	281	2 600
Payables for balancing of transmission system	816	5 622
	4 895	13 668

As at 31 March 2023, the trade payables were interest-free and the payment terms of the largest share of them ranged from 30 to 60 days.

19 Received advanced payments and contract liabilities

	At 30 June 2023	At 31 December 2022
Current contract liabilities	327	352
Grants received in advance	6	60
Deposits received	503	423
Advance amounts received from gas exchange participants	-	-
Other advance amounts received	64	47
Total advance amounts received	900	882

The Company's advance amounts received amounted to EUR 900 thousand as at 30 June 2023 (as at 31 December 2022: EUR 882 thousand).

20 Other payables and current liabilities

	At 30 June 2023	At 31 December 2022
Payable LNG terminal funds administrated by the Company	5 757	7 635
Accrued LNG terminal funds subject to administration by the Company	60	328
Real Estate Tax payable	-	666
Value Added Tax (VAT) payable	234	-
CBCA contribution payable	27 450	27 450
Other payables	798	1 063
	34 299	37 142

Other amounts payable thousand include the commitment to pay CBCA contribution in amount of EUR 27 450 thousand. 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.

21 Revenue

Revenue under contracts with customers includes as follows:

	Group		Company	
	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
<i>Revenue under contracts with customers</i>				
Transmission of natural gas in the territory of Lithuania	33 764	29 343	33 764	29 343
Revenue from natural gas system balancing products	8 589	12 376	8 589	12 376
Revenue from trading on exchange	812	736	-	-
Revenue from connection of new consumers (deferred revenue)	17	17	17	17
Other income	82	83	2	-
Total revenue under contracts with customers	43 264	42 555	42 372	41 736
<i>Revenue other than under contracts with customers</i>				
Revenue from administration of LNG terminal funds	34	30	34	30
Total revenue other than under contracts with customers	34	30	34	30
Total revenue	43 298	42 585	42 406	41 766

Other income includes as follows:

	Group		Company	
	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
Grants recognised as income	31	82	31	82
Income from sale of goods	233	247	233	247
Rental income	-	17	-	17
Gain on disposal of PP&E	11	33	11	33
Interest on late payment	6	25	6	25
Other income	18	30	18	30
Total	299	434	299	434

22 Purchase of natural gas and other services

Purchase of the Group's and Company's natural gas and other services were consisted of:

	Group		Company	
	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
Natural gas system balancing products expenses	13 472	10 731	13 472	10 731
Natural gas technological needs expenses	4 431	4 194	4 431	4 194
In total:	17 903	14 925	17 903	14 925

23 Other expenses

Other expenses of the Group and Company were consisted of:

	Group		Company	
	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
Telecommunications and IT services	1118	930	1067	879
Business trips	111	78	111	78
Consulting services	60	57	60	57
Expenses of governing bodies	46	23	46	23
Management services	117	57	117	57
Personnel development	104	56	104	56
Public relations	92	117	92	117
Utilities, cost of premises	312	282	312	282
Transport expenses	327	366	327	366
Fee to NERC	661	457	661	457
Taxes	1480	1383	1480	1383
Business protection	274	250	274	250
Membership fees	121	116	121	116
Insurance expenses	223	108	223	108
Other expenses	742	732	725	669
In total:	5 788	5 012	5 720	4 898

24 Earnings per share

Basic earnings per share reflect the Group net profit divided by the weighted average number of shares. There are no diluting instruments, therefore basic and diluted earnings per share are equal. Calculations of the basic earnings per share are presented below:

	Group	
	For the period of six months ended 30 June 2023	For the period of six months ended 30 June 2022
Net profit (loss) attributable to the shareholders (EUR thousand)	12 165	7 800
Weighted average number of shares (thousand)	178.383	178.383
Basic and diluted earnings (loss) per share (EUR)	0,07	0,04

25 Dividends

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

Under the decision of ordinary general meeting of shareholders as at 20 April 2022, EUR 9,901 thousand dividends was paid, i.e. EUR 0.0555 per share.

26 Consideration of climate change impact

In order to significantly reduce the impact on environment, the composed plan of measures is consistently implemented: pilot projects are planned, market analysis is carried out, investment plans are created. The ongoing actions are focused on preparing for the new EU legal regulation of methane emissions.

In the assessment of the Company's management, the requirements related to climate change do not raise doubts on the continuity of operations, assessments and assumptions do not have a high risk of significant adjustment of net book amount of assets and liabilities, reduction of the value of long-term assets and inventories.

27 Commitments and contingencies

Litigations

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

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

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

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

As at 17 March 2023 the Company submitted an application to the Kaunas District Court regarding the increase of the claim (hereinafter - the Application), asking the court to award EUR 763 thousand late interest from AB "Achema" in favor of the Company, according to 2012 natural gas transmission service contract dated 21 December 2012, 5 655 thousand LNG terminal funds and EUR 169 thousand late interest in accordance with 22 December 2014 natural gas transmission service contract. The issue of acceptance of this Company's Application will be decided by the Kaunas District Court after resuming the proceedings.

28 Related party transactions

As at 30 June 2023 and 31 December 2022, the parent company was EPSO-G. The parent country of the latter company was the Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania. For the purposes of related-party disclosures, the Republic of Lithuania does not include central or local authorities. Disclosures include transactions and balances with EPSO-G Group companies, subsidiaries, all state-controlled companies or those under significant influence (transactions with such entities are disclosed separately only if the amount of transactions exceeds EUR 100,000 in a calendar year) and management, and close family members. A list of publicly-controlled entities or those under significant influence that are subject to disclosure is provided here: [All state-owned enterprises - GCC | Governance Coordination Center \(governance.lt\)](#).

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

- EPSO-G (the parent company), 100% of EPSO-G share capital is owned by the Ministry of Energy of the Republic of Lithuania;
- Epso-G Group companies:
- Litgrid AB (common shareholders);

- Tetas UAB (common shareholders);
- Baltpool UAB (common shareholders).
- Energy cells UAB (common shareholders);
- Associated company GET Baltic.
- Ignitis grupė UAB companies:
 - Energijos skirstymo operatorius AB;
 - Ignitis UAB;
 - Ignitis gamyba AB;
 - Transporto Valdymas UAB;
 - Ignitis Polska sp. z.o.o.
 - Other Ignitis grupė UAB companies.
- Other state-controlled companies:
 - Klaipėdos Nafta AB;
 - State Enterprise Ignalina Nuclear Power Plant;
 - Geoterma UAB (the court decision on the termination of the legal entity entered into the force on 15 October 2022);
 - Other state-controlled companies or those under significant influence.
 - Management.

The tables below show the Group's and the Company's receivables and payables from related parties as at 30 June 2023 and 30 June 2022. Transactions with related parties are disclosed for the six-month period ended 30 June 2023 and 30 June 2022.

As at 30 June 2023

	Purchases	Sales	Amounts receivable	Borrowings	Amounts payable	Payable LNG terminal funds	Dividends received	Financial activity costs
GET Baltic	12 749	2 113	79	-	285	-	542	-
UAB EPSO-G	276	-	-	25 609	111	-	-	50
UAB Tetas	2	-	-	-	-	-	-	-
AB Ignitis gamyba	1 356	2 190	679	-	165	-	-	-
AB Energijos skirstymo operatorius	273	80	100	-	-	-	-	-
UAB Ignitis	2 897	6 729	1 357	-	201	1 782	-	-
UAB Transporto valdymas	201	-	-	-	40	-	-	-
AB Klaipėdos Nafta	-	-	-	-	-	3 975	-	-
Ignitis Polska sp.z.o.o	-	101	12	-	-	-	-	-
Other state-owned enterprises	8	-	-	-	1	-	-	-
	17 762	11 213	2 227	25 609	803	5 757	542	50

As at 30 June 2022

	Purcha- ses	LNG terminal funds (purcha- ses)	Sales	LNG ter- minal funds (sales)	Amounts recei- vable	Recei- vable LNG terminal funds	Borro- wings	Amounts payable	Payable LNG terminal funds	Divi- dends re- ceived	Finan- cial activity costs
GET Baltic	14 855	-	3 810	-	560	-	-	361	-	598	-
UAB EPSO-G	57	-	-	-	-	-	7 900	16	-	-	15
UAB Tetas	3	-	20	-	1	-	-	-	-	-	-
AB Ignitis gamyba	222	-	3 085	4 224	1 443	432	-	45	-	-	-
AB Energijos skirstymo operatorius	315	-	261	77	21	8	-	34	-	-	-
UAB Ignitis UAB	4 412	9 872	14 642	3 617	1 571	371	-	318	3 187	-	-
Transporto valdymas	201	-	-	-	-	-	-	43	-	-	-
AB Klaipėdos Nafta State Enterprise Ignalina Nuclear Power Plant UAB	-	10 768	-	-	-	-	-	-	4 021	-	-
Geoterma Other state- owned enterprises	-	-	-	-	45	65	-	-	-	-	-
	23	-	-	-	-	-	-	13	-	-	-
	20 088	20 640	21 822	7 925	3 641	876	7 900	830	7 208	598	15

There have been none guaranties received to the revenue obtained and payable by the related parties. On 30 June 2023 the Company and Group did not form and accounted the depreciation of value to the revenue received from the related parties.

Benefits to the Management

	At 30 June 2023	At 30 June 2022
Earnings-related benefits	441	410
Benefits for Board Members	46	23
	487	433

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

29 Subsequent events

At 27 July 2023 the National Energy Regulatory Council (NERC) updated the methodology for determining weighted average cost of capital. According to the methodology, the NERC was calculated and published weighted average cost of capital (WACC) for 2024 year in amount of 5,04 %. Until the update of the methodology, WACC for 2024 amounted to 3.96%.