

Translation note: This version of the interim report is a translation from the original, which was prepared in Lithuanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views the original language version of the document takes precedence over this translation

EPSOG

2024

Q1

Interim report



Consolidated interim report, consolidated and condensed interim financial information (unaudited) of the Company for the three-month period ended 31 March 2024, prepared in accordance with International Financial Reporting Standards as adopted by the European Union

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CONSOLIDATED THREE-MONTH INTERIM REPORT OF EPSO-G AND THE GROUP COMPANIES OF 2024

The consolidated interim report of the holding company EPSO-G and the Group companies was prepared for the three-month period ended on 31 March 2024

1. GENERAL INFORMATION ON EPSO-G GROUP

Company name	UAB "EPSO-G"
Legal form	Private limited company
Date and place of	25 July 2012, the Register of Legal Entities of the Republic of Lithuania
Undertaking code	302826889
Registered office address	Laisvės pr. 10, LT-01103 Vilnius
Telephone	+370 685 84866
Email	info@epsog.lt
Website	www.epsog.lt
Authorised share capital	EUR 189,631,000
Sole shareholder	The Republic of Lithuania, the property and non-property rights of which are implemented by the Ministry of Energy of the Republic of Lithuania

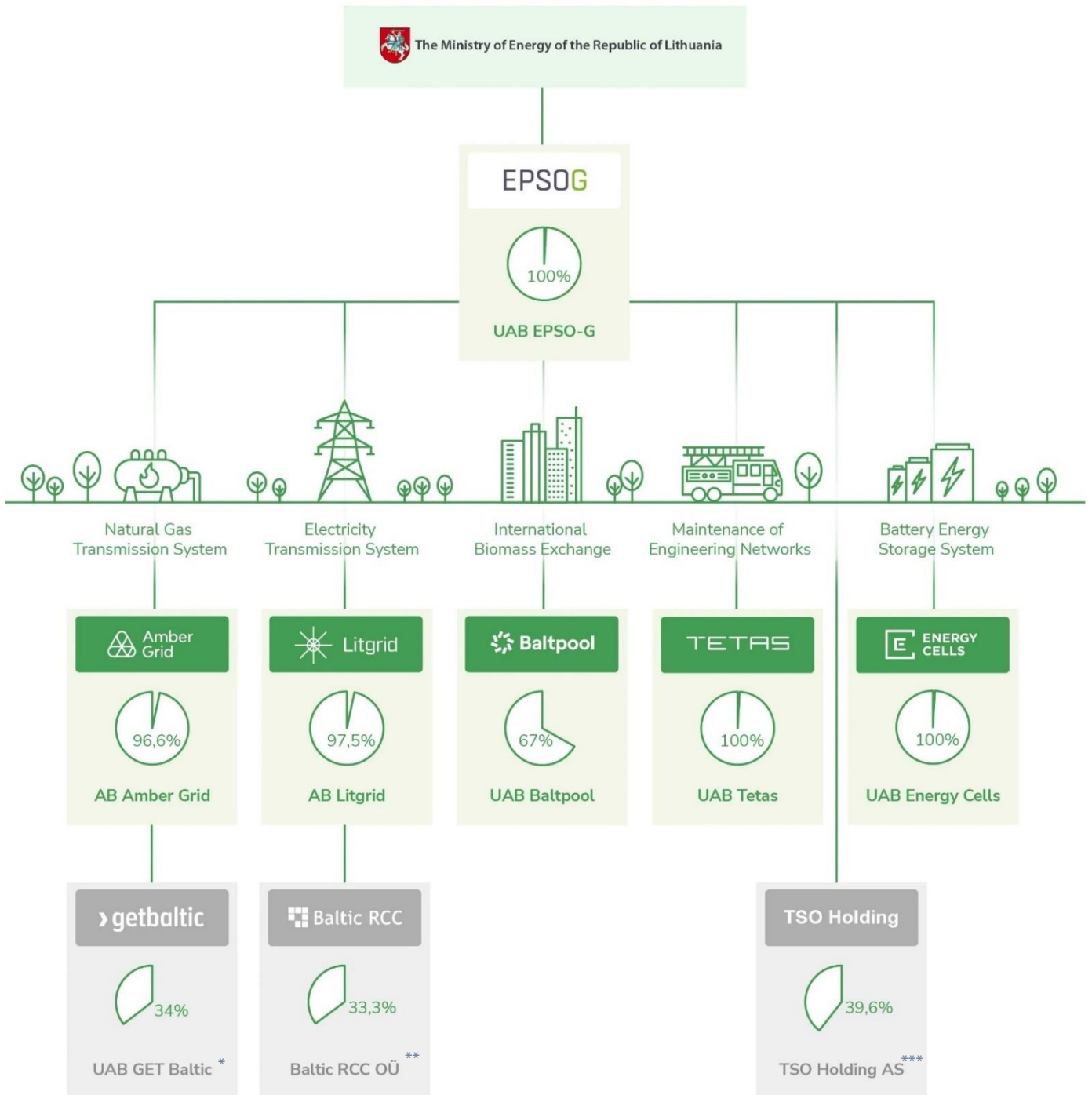
EPSO-G is a 100 % state-owned Group of energy transmission and exchange companies. The rights and obligations of EPSO-G holding shareholder are implemented by the Ministry of Energy of the Republic of Lithuania.

The core business of the EPSO-G Group is to ensure the uninterrupted, stable transmission of electricity via high-voltage networks and natural gas via high-pressure pipelines, and 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 the companies belonging to the EPSO-G Group are responsible for effective and timely implementation of the projects of energy transmission and exchange infrastructure development that are important for the state by contributing to the implementation of the goals set in the National Energy Strategy thus creating a sustainable long-term value for the shareholder – the State of Lithuania, people and the economy of the country.

As at 31 December 2023 the EPSO-G Group (the "Group") consisted of the holding company EPSO-G UAB ("EPSO-G" or the "Company"), five directly controlled companies of the Group: (LITGRID AB ("Litgrid"), Amber Grid AB ("Amber Grid"), BALTPPOOL UAB ("Baltpool"), TETAS UAB ("Tetas"), Energy Cells UAB ("Energy Cells"). EPSO-G and its Group companies also hold shares in GET Baltic, UAB, Baltic RCC OÜ and TSO Holding AS.

Structure of the EPSO-G Group



* **GET Baltic** is a licensed natural gas exchange operator, 66% of whose shares are held by the European Energy Exchange and 34% by Amber Grid.

****Baltic RCC OÜ** is a Baltic electricity transmission system operator company established in 2022 to provide security and reliability services for the electricity system and to coordinate the transmission network operators in the Baltic region.

*****TSO HOLDING AS** is a minority shareholder with a 34% stake in Nord Pool Holding, a company based in Norway. Nord Pool Holding owns 100% of the shares in the Nord Pool electricity exchange. Nord Pool provides electricity exchange services in Central and Western Europe, the UK, the Nordic countries and Baltic states. The Exchange trades electricity and provides clearing and settlement services. In 2022, EPSO-G increased its shareholding in TSO Holding to 39.6%.

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Name	Amber Grid AB	LITGRID AB	BALTPool UAB	TETAS UAB	Energy cells UAB
Legal form	Public limited company	Public limited company	Private limited company	Private limited company	Private limited company
Date and place of incorporation	11 June 2013, the Register of Legal Entities of the Republic of Lithuania	16 November 2010, the Register of Legal Entities of the Republic of Lithuania	10 December 2009, the Register of Legal Entities of the Republic of Lithuania	8 December 2005, the Register of Legal Entities of the Republic of Lithuania	26 January 2021, the Register of Legal Entities of the Republic of Lithuania
Undertaking code	303090867	302564383	302464881	300513148	305689545
Registered office address	Laisvės pr. 10, LT-04215 Vilnius	Karlo Gustavo Emilio Manerheimo g. 8, LT-05131 Vilnius	Žalgirio g. 90, LT-09303, Vilnius	Senamiesčio g. 102B, LT-35116 Panevėžys	Ozo g. 12A-1, LT-08200, Vilnius
Telephone	+370 5 236 0855	+370 707 02171	+370 5 239 3157	+370 45 504 670	+370 659 00748
Email	info@ambergrid.lt	info@litgrid.eu	info@baltpool.eu	info@tetas.lt	info@energy-cells.eu
Website	www.ambergrid.lt	www.litgrid.eu	info@baltpool.eu	www.tetas.lt	www.energy-cells.eu
Nature of the activity	Natural Gas Transmission System Operator	Electricity Transmission System Operator	Energy exchange operator, administrator of the funds of services of public interest	Specialised services of maintenance, repair and installation of transformer substations and distribution points, works of testing and tests, design of energy objects	Providing the electricity transmission system operator with the electricity reserve guarantee service required for the isolated operation of electricity system
Shares held by EPSO-G	96.6%	97.5%	67.0%	100.0%	100.0%

2.

PERFORMANCE REVIEW

- 2.1. Performance indicators
- 2.2. Consolidated financial indicators
- 2.3. Significant events of the reporting period



2. PERFORMANCE REVIEW

2.1. Performance indicators

In 2024, the EPSO-G Group's financial performance was mainly driven by lower electricity and natural gas prices than those included in the tariff, which reduced gas and electricity procurement costs for process and captive use, higher electricity transmission volumes and higher capacity reservation revenues.

The volume of electricity transmitted via high voltage transmission networks to households and businesses during the period was 2.8 terawatt hours (TWh), which was 5.9% less compared to the same period in 2023. The increase in electricity consumption was due to the colder weather in January.

Litgrid has met the targets for the reliability of electricity supply by maintaining and managing the electricity transmission system. The AIT (*Average Interruption Time*) is 0.34 minutes, of which 0.34 minutes for reasons attributable to the TSO (0.21 and 0.01 minutes respectively in 2023), whereas the ENS (*Energy Not Supplied*) - 10.60 MWh, of which 10.60 MWh due to reasons attributable to the transmission system operator (TSO) (6.80 and 0.20 MWh respectively in 2023). In January-March 2024, the TSO experienced two events leading to non-supply of electricity that were attributable to the TSO. The NERC has set the AIT for the year at 0.934 minutes and the ENS at 27.251 MWh.

In 2024, an overall availability of the interconnections with Sweden and Poland NordBalt and LitPol Link was 99.7% and 94.9%, respectively. The biggest impact on the availability of the links was due to planned work - the annual maintenance of LitPol Link. NordBalt availability was reduced by the repair works due to an unplanned fault on the Swedish side.

According to the data of the electricity transmission operator, in the first quarter of 2024, the permitted generation capacity of solar power plants connected to the Lithuanian electricity transmission and distribution grids increased by 251 MW (from 1108 MW to 1359 MW), while the permitted generation capacity of wind power plants increased by 76 MW (from 1228 MW to 1304 MW). The total capacity of solar and wind resources increased by 327 MW, from 2336 MW to 2663 MW.

Lithuania is an important gas transmission hub for neighbouring countries. In total, 15.7 TWh of natural gas was transported through the Lithuanian gas transmission system in the first quarter of 2024 (17.4 TWh in the corresponding period in 2023).

In January-March 2024, the gas transmission operator transferred 5.5 TWh of gas to Lithuanian gas consumers, or 72% more than in the corresponding period in 2023 (3.2 TWh). Demand for gas has increased due to slightly colder winter weather than last year and lower gas prices on the market. The latter has led to higher gas consumption in fertiliser production.

While domestic consumption grew, the volume of gas transported to Lithuania declined, mainly due to the closure of the Balticconnector pipeline, which has been shut down since last October due to a fault on the Baltic Sea seabed. For this reason, gas suppliers have not had the opportunity to use the system to supply the Finnish market. In the first three months of this year, 7.8 TWh of gas were delivered to Lithuania, excluding transit to Königsberg. This is 21% less than at the same time last year, when 9.9 TWh of gas was transported to Lithuania.

The Klaipėda LNG terminal, the main source of gas imports for Lithuania and the other Baltic countries, supplied 72% or 5.6 TWh of the total gas transported into the system in January-March 2024, compared to 90% or 8.9 TWh in the corresponding period of 2023. 1 TWh of gas was transferred to the Inčukalns Underground Gas Storage Facility for the needs of Latvia and Estonia and for gas storage. 1 TWh of gas was transported to Europe via the GIPL pipeline connecting Lithuania and Poland.

As Lithuania stopped the import of Russian gas in 2022, only gas destined for Königsberg is transported via the Lithuania-Belarus interconnector. Gas transit to the Königsberg region amounted to 8.1 TWh in January-March 2024 (7.7 TWh in the corresponding period of 2023).

Key performance indicators of the EPSO-G Group

Performance indicators	January- March 2024	January- March 2023	Change		January- March 2022
			+/-	%	
Electricity					
Volume of electricity transmitted, GWh	2,782	2,627	155	5.9	2,886
ENS (electricity not transmitted), MWh *	10.60	0.20			2.96
AIT (average transmission interruption time), min. *	0.34	0.01			0.09
ENS (electricity not transmitted), MWh **	10.60	6.80			22.79
AIT (average transmission interruption time), min. **	0.34	0.21			0.67
NordBalt availability, %***	100	99.8			100
LitPol Link availability, %***	94.9	99.9			99.9
Natural gas					
Volume of natural gas transported to the domestic exit point, GWh	5,523	3,214	2,309	71.8	5,720
Volume of natural gas transported to the adjacent transmission systems, GWh****	10,181	14,221	-4,040	-28.4	10,932
Number of unplanned gas transmission outages due to operator's responsibility	0	0	0	-	0
Total duration of unplanned gas transmission interruptions due to the operator's responsibility, hours and minutes	0	0	0	-	0
Biofuels					
Traded volume of biofuel on energy exchange, GWh	1,339	1,267	72	5.7	1,726
Biofuels sold on the Energy Exchange to foreign markets, GWh****	457	237	220	92.8	24

*Only for reasons attributable to the operator's responsibility.

** For all reasons (including *force majeure* and external influences).

*** Overall availability of LPL/NB interconnection – availability of interconnection at both sides, Lithuania and the other country.

**** Transmission systems in Latvia, Poland and the Königsberg Region of the Russian Federation.

In the first quarter of 2024, biofuel trading on the energy exchange Baltpool grew by 19.3%, with almost 1.8 TWh traded in January-March 2024, compared to 1.5 TWh traded in the same period in 2023. The exchange had 2.8 thousand transactions with a value of EUR 37 million. A significant part of the growth in biofuel trade was driven by the recovery in the Estonian and Latvian markets. The major biofuel market players in these countries have satisfied part of their demand through participation in the biofuel exchange. The calendar year 2024 continues the trend of 2023, with prices on the Lithuanian biofuel market continuing to decline. Since the beginning of the year, the price of biofuels has fallen by almost 16%.

More than 2.5 GWh of heat sales and purchases were transacted in the company's heat auction data management system in Q1 2024 (2.1 GWh transacted during the same period in 2023), while just over 1.7 thousand transactions were transacted in the electronic timber sales system for 0.6 million Ktm (to compare with 1.0 thousand transactions for 0.26 million Ktm during the same period in 2023).

2.2. Consolidated financial indicators

Financial indicators, EUR million	January-March 2024	January-March 2023	Change		January-March 2022
			+/-	%	
Revenue	140.4	120.8	19.6	16.2	119.5
Operating expenses ⁹	112.1	101.5	10.6	10.4	113.4
EBITDA ¹	38.3	28.0	10.3	36.8	12.0
Adjusted EBITDA ²	20.9	20.0	0.9	4.6	18.1
Net profit	23.5	16.6	6.9	41.4	2.0
Adjusted net profit ²	8.9	9.9	-1.0	-10.2	7.3
Cash flow from operating activities (FFO) ³	38.0	10.8	27.2	251.3	3.9
Investments ⁴	39.2	26.2	13.1	49.9	15.1
Financial ratios					
EBITDA margin ⁵	27.3	23.2			10.3
ROE (last 12 months), %	20.9	-10.7			8.4
ROE adjusted (last 12 months), %	7.9	9.4			10.5
Financial performance indicators, EUR thousand	As at 31 March 2024	As at 31 December 2023	+/-	%	As at 31 December 2022
Assets	1,100.1	1,078.5	23.5	7.6	1,425.7
Non-current assets	758.7	756.2	2.5	0.3	709.5
Current assets	341.4	322.3	19.1	5.9	515.5
Equity	331.4	307.9	23.5	7.6	227.8
Liabilities	768.7	770.6	-1.9	-0.2	1,198.0
Net debt ⁶	60.4	83.5	-23.1	-27.7	-28.3
Working capital ¹²	-16.0	-25.7	-9.7	-37.6	-21.5
Financial ratios					
Assets turnover ratio ⁷	45.2	49.5			44.3
Net debt-to-equity ratio, %	18.2	n/a			n/a
FFO to net debt ratio, % ¹⁰	180.6	n/a			n/a
Net debt to EBITDA ratio ¹¹	0.5	15.2			n/a
Net debt to adjusted EBITDA ratio	1.0	1.3			n/a
Equity-to-assets ratio, %	30.1	20.4			16.0
Total liquidity ratio ⁸	1.13	0.84			0.74

1) EBITDA = profit (loss) before tax + finance costs – finance income + depreciation and amortization charges + impairment charges (including a negative revaluation of non-current tangible assets) + asset write-offs - impact of atypical activities.

2) Regulated revenue, expenses and profitability indicators are recalculated due to temporary regulatory deviations from the regulated profitability indicator approved by the NERC, the result of the revaluation of fixed assets, and other atypical gains or losses.

3) Cash flow from operations (FFO) = EBITDA + interest earned - interest paid - income tax paid

4) Investments = additions in PP&E + additions in non-current intangible assets, before consideration of offsets with grants received/receivable intended for acquisition of the related assets+change in the balance of advance payments during the year

5) EBITDA margin = EBITDA/Revenue

6) Net debt = non-current borrowings + current borrowings + lease liabilities – short-term investments – term deposits – cash and cash equivalents

7) Asset turnover = Income (last 12 months)/Assets

8) Total liquidity ratio = Current assets/Current liabilities

9) Depreciation of assets is included in operating expenses

10) FFO to net debt ratio = FFO (last 12 months)/net debt

11) Net debt/EBITDA ratio = Net debt/EBITDA (last 12 months)

12) Working capital = inventories + advance payments and contract assets + trade receivables + other receivables + corporate tax paid in advance + trade debts + advance payments received + provisions + other current payables and liabilities - PSO payables - PSO and Rapid Intervention fund accruals - PSO receivables

2.2.1 Revenue

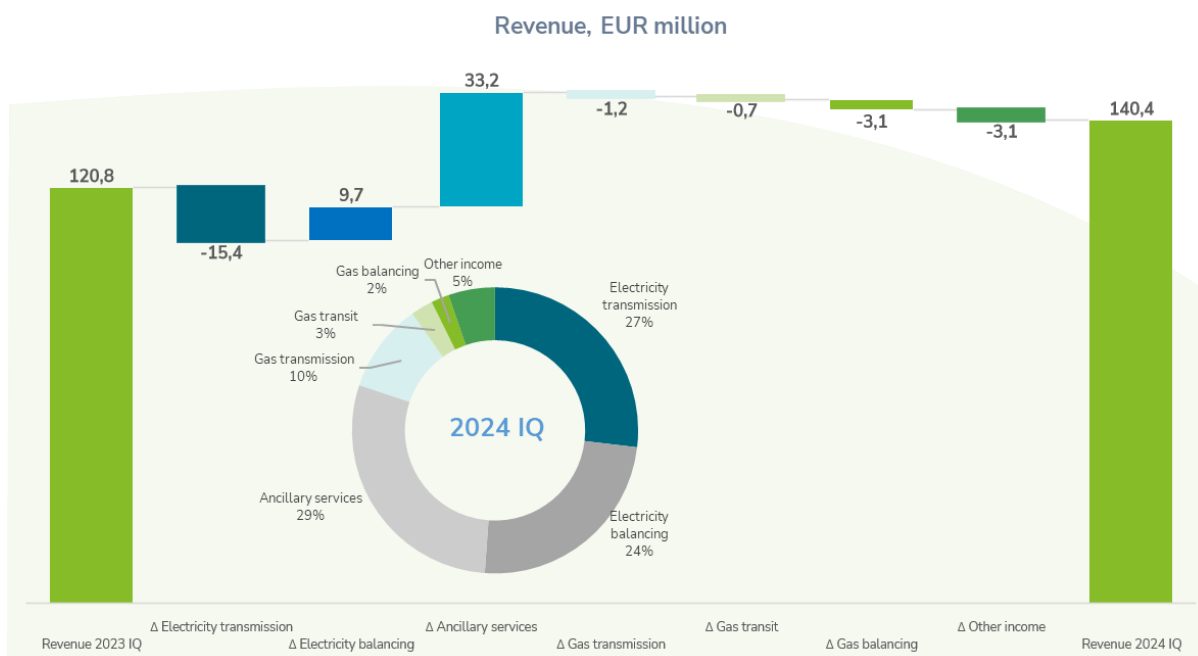
EPSO-G Group's consolidated revenue increased by EUR 19.6 million or 16.2% in Q1 2024 compared to the same period in 2023, i.e. from EUR 120.8 million to EUR 140.4 million. Revenues from regulated activities remained at a similar level, accounting for around 97% of the Group's total revenues.

Revenue by segment, EUR million	January- March 2024	January- March 2023	Change	
			+/-	%
Group revenue:	140.4	120.8	19.6	16.2
Litgrid	113.0	86.8	26.2	30.1
Amber Grid	20.6	25.5	-4.9	19.4
Elimination of other and inside transactions	6.8	8.5	-1.7	-19.3

Litgrid's revenues from electricity transmission and related services in January-March 2024 were 30.1% higher than in the corresponding period of 2023, amounting to EUR 113.1 million, and accounted for 80.6% of the total revenues of the EPSO-G Group. Despite a 5.9% increase in electricity transmission in the first quarter of 2024, transmission revenues decreased by 29% to EUR 37.7 million due to the use of EUR 35.6 million of congestion management revenues in the quarter to reduce the 2023 electricity tariff. Despite the decrease in revenues from electricity transmission, the overall increase in revenues was driven by revenues from ancillary services, which increased from EUR 7.4 million to EUR 40.7 million (almost 5.5 times) due to the higher purchase of ancillary services imposed by NERC, and an increase in imbalance and balancing electricity revenues from EUR 24.3 million to EUR 34.1 million (+40.0%), driven by a 78% increase in the volume of energy transmitted.

In the first quarter of 2024, the EPSO-G Group's revenues from natural gas transportation and related services was EUR 20.6 million or decreased by EUR 4.9 million, representing 14.6% of the EPSO-G Group's total revenues. The main reason for the decrease in revenues was the decrease in revenues from balancing products by almost 2.1 times, from EUR 5.9 million to EUR 2.8 million due to the decrease in gas prices. Revenue from natural gas transmission for the reporting period was EUR 14.1 million, a decrease of EUR 1.2 million or 7.6% compared to the corresponding period in 2023. This was due to lower volumes of natural gas transferred to the transmission systems of neighbouring countries, which was not offset by an increase in the volume of natural gas transported at the internal point.

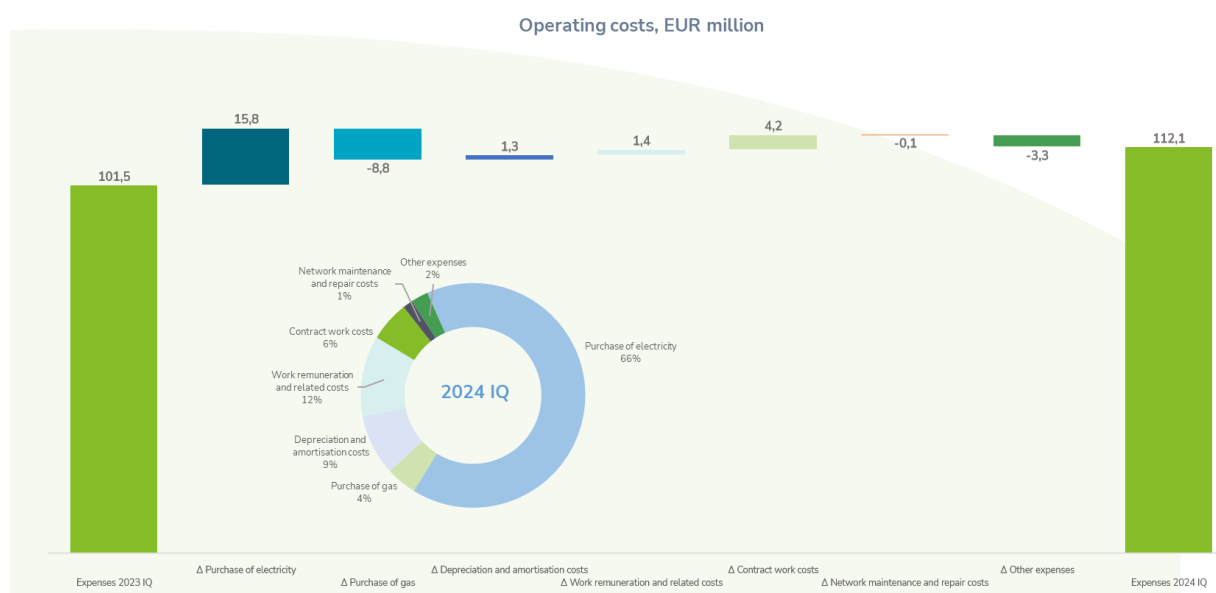
The other group's revenue decreased by 19.3% or EUR 1.7 million and amounted to EUR 6.8 million. This was mainly due to the late payment interest (almost EUR 3.8 million) charged to the Energy cells contractor in the first quarter of 2023 due to delays in the works.



2.2.2 Operating expenses

The Group's operating costs for the period January-March 2024 amounted to EUR 112.1 million and were EUR 10.6 million or 10.4% higher than for the corresponding period in 2023 (EUR 101.5 million). The increase was mainly due to the cost of electricity purchases due to higher transmission volumes and significant overcapacity (colder weather in January), and the cost of Tetras's contracted works (higher volumes of works than in the previous year).

The largest part of the operating costs was the purchase of energy resources and related services for technological purposes, amounting to EUR 78.4 million or 70% of total costs. Wages and related costs amounted to EUR 13.0 million, depreciation and amortisation to EUR 9.8 million, contracting and subcontracting and materials to EUR 6.5 million, network maintenance and repair to EUR 1.6 million, and the remaining costs to EUR 2.8 million.



Operating costs by segment, EUR million	January- March 2024	January- March 2023	Change	
			+/-	%
Group operating expenses:	112.1	101.5	10.6	10.4
Litgrid	89.1	72.0	17.1	23.8
Cost of electricity and related services	73.4	57.6	15.8	27.5
Wages and salaries	5.0	4.5	0.5	12.6
Depreciation and amortisation	5.5	4.9	0.6	10.9
Other	5.2	5.0	0.2	3.8
Amber Grid	15.2	23.3	-8.1	-34.6
Natural gas purchase costs	4.9	13.7	-8.8	-63.9
Wages and salaries	3.4	3.2	0.2	5.5
Depreciation and amortisation	3.7	3.2	0.5	15.2
Other	3.2	3.2	0	0
Other segments and elimination of inside transactions	7.7	6.2	1.5	25.4
t. t. Tetas' (sub)contracted works and materials	6.5	2.3	4.2	180.0

Litgrid's operating expenses increased by EUR 17.1 million or 23.8% and amounted to EUR 89.1 million or 80% of the Group's operating expenses. The increase is mainly due to the cost of purchasing electricity and related services, which is a result of higher volumes of electricity transmitted and capacity overruns.

Amber Grid's operating expenses decreased by EUR 8.1 million or 34.6% and amounted to EUR 15.2 million or 14% of the Group's operating expenses. This is mainly due to lower procurement costs of natural gas for technological use, driven by lower gas prices on the market, and lower gas consumption for technological use due to lower flows to Poland. The weighted average price of natural gas on the GET Baltic exchange's day-ahead market in the first quarter of 2024 (EUR 36/MWh) decreased by almost 40% compared to the same period in 2023 (EUR 60/MWh).

Operating expenses of other segments within the Group increased by EUR 1.5 million or 25.4% and amounted to EUR 7.7 million or 6% of the Group's operating expenses. The increase was mainly due to works contracted and subcontracted by Tetas.

2.2.3 Results of operations

The Group's earnings before interest, tax, depreciation and amortisation (EBITDA) for the first quarter of 2024 amounted to EUR 38,3 million (in the corresponding period of 2023, EBITDA was EUR 28.0 million).

The EBITDA margin in January-March 2024 was 27.3% (23.2% in the same period in 2023).

Financial results by segment, million EUR	January- March 2024	January- March 2023	Change	
			+/-	%
Group's EBITDA:	38.3	28.0	10.3	36.8
Litgrid	29.4	19.7	9.7	48.7
Amber Grid	9.0	5.4	3.6	66.1
Other segments and elimination of inside transactions	-0.1	2.8	-2.9	n/a
Group's net profit/(loss)	23.5	16.6	6.9	41.4
Litgrid	21.5	12.9	8.6	66.6
Amber Grid	4.0	1.8	2.2	120.3
Other segments and elimination of inside transactions	-2.0	1.9	-3.9	n/a

Litgrid's EBITDA increased by EUR 9.7 million or 49% to EUR 29.4 million compared to the first quarter of 2023, and accounted for almost 77% of the EBITDA of the EPSO-G Group. This was driven by increased revenues from imbalance and balancing and ancillary services activities.

Amber Grid's EBITDA increased by EUR 3.6 million or 66% to EUR 9.0 million and accounted for 24% of the Group's EBITDA mainly due to a lower loss from balancing activities, which is directly impacted by the decrease in natural gas market prices.

2.2.4. Adjusted results of operations

Regulated revenue, expenses and profitability indicators are recalculated due to temporary regulatory deviations from the regulated profitability indicator approved by the NERC. The calculation of adjusted indicators involves estimating adjustments for previous period revenue, which has already been approved by the decision of the NERC when determining regulated transmission prices for the reporting period. It also includes estimating deviations of the actual profitability from the regulated profitability approved by the NERC, which will be taken into consideration when determining transmission prices for future periods, as well as eliminating asset revaluation results and other atypical profit/loss.

- Adjusted EBITDA in Q1 2024: EUR 20.9 million (Q1 2023: EUR 20.0 million).
- Adjusted net profit in Q1 2024: EUR 8.9 million (Q1 2023: EUR 9.9 million).
- Adjusted average return on equity (ROE) for the last twelve months of 7.9% (9.4% in 2023).

Despite the higher return on investment approved by the regulator (the WACC for both the electricity transmission operator and the natural gas transmission operator increased by approximately 1 percentage point), the Group's adjusted EBITDA increased moderately, as the results for the first quarter of 2023 included one-off non-regulated interest income (EUR 3.8 million) due to the delay in the implementation of the Energy cells project.

Adjusted financial results by segment, EUR million	January-March 2024	January-March 2023	Change	
			+/-	%
Group's adjusted EBITDA:	20.9	20.0	0.9	4.6
Litgrid	12.8	9.4	3.4	36.3
Amber Grid	8.2	7.8	0.4	4.0
Elimination of other and inside transactions	-0.1	2.7	-2.8	n/a
Group's adjusted net profit/loss	8.9	9.9	-1.0	-10.2
Litgrid	7.4	4.0	3.4	84.7
Amber Grid	3.4	3.9	-0.5	-12.2
Elimination of other and inside transactions	-1.9	2.0	-3.9	n/a

Detailed adjustments to calculate Adjusted EBITDA and Adjusted Net Profit/Loss are disclosed below.

EBITDA adjustment, EUR million	January-March 2024	January-March 2023
Group's EBITDA	38.3	28.0
Refunding of ROI deviation in relation to previous periods	1.9	2.7
Payment to Poland for GIPL was included in 2022 revenue	-1.4	-3.4
Amber Grid		
Current year difference between actual revenue and revenue set by the NERC	-0.6	-2.1
Current year actual balancing result	0.8	3.5
Current year difference between actual technological losses and those set in the pricing	-1.9	1.7

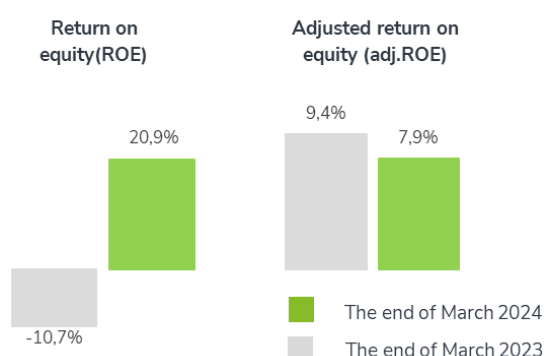
	Other adjustments for difference between current year actual rates and those set in the pricing	0.4	0.0
	Refunding of ROI deviation from transmission activities in relation to previous periods	3.3	-1.0
Litgrid	Current year difference between actual technological losses and those set in the pricing	-1.2	-23.7
	Other ROI deviations from transmission activities	-5.6	0.2
	Refunding of ROI deviations from additional services in relation to previous periods	0.0	6.8
	Current year difference in regulatory rate of return from additional services	-13.0	7.3
	Group's adjusted EBITDA	20.9	20.0

Adjustment of net profit (loss), EUR million		January-March 2024	January-March 2023
	Group's net profit/(loss)	23.5	16.6
Amber Grid	Adjusted EBITDA	-0.8	2.4
	Current year difference between regulatory and financial depreciation of PP&E	0.2	0.0
	Current year difference between actual taxes and those set in the pricing	0.1	-0.3
Litgrid	Adjusted EBITDA	-16.6	-10.5
	Current year difference between actual taxes and those set in the pricing	2.5	1.6
	Group's adjusted net profit/(loss)	8.9	9.9

2.2.5 Return on equity

The adjusted return on equity in 2024 decreased by 1.5 percentage points compared to the corresponding period in 2023 due to:

- In the first quarter of 2023, the contractor of Energy cells was charged almost EUR 3.8 million in late interest due to delays in work, which increased net profit;
- a decrease in Amber Grid's transit revenues due to lower natural gas prices on the market;
- an increase in average equity used in the calculation of the indicator (increased from EUR 259.0 million to EUR 287.9 million or 11.2%), which is due to Litgrid's significant temporary outperformance of the return on investment earned in 2023-2024.
-



The adjusted return on equity was positively impacted (but not exceeding the negative effects mentioned above) by the higher regulatory return. Regulatory returns increased due to an increase in the Regulated Asset Base (RAB) of the electricity and gas TSOs and an increase in the rate of return on investment set by NERC for 2024 compared to that set for 2023.

2.2.6. Statement of financial position

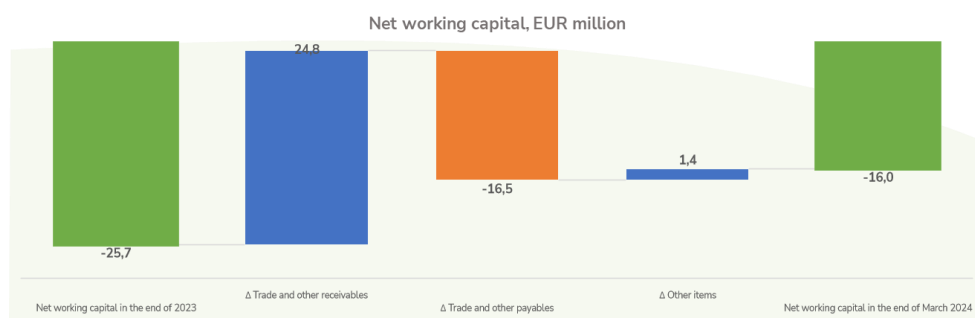
As at 31 March 2024, the Group's assets amounted to EUR 1,100.1 million, an increase of 7.6% or EUR 23.5 million compared to the end of 2023. The increase was mainly due to an increase in trade receivables from the electricity transmission operator under customer contracts (+ EUR 16.4 million), driven by a 5.5-fold increase in ancillary services and a 2-fold increase in the price of transmission services. Litgrid also experienced an increase in other receivables (+EUR 14.1 million) due to a significant increase in grants receivable as a result of intensive investments in the transmission network.

The Group's non-current assets amounted to EUR 758.7 million and represented 69.0% of the Group's total assets. Fixed assets increased by 0.3% or EUR 2.5 million compared to the end of 2023 due to investments made in the electricity transmission system.

As at 31 March 2024, long-term liabilities amounted to EUR 467.7 million and increased by 5.5% or EUR 24.3 million compared to 31 December 2023. The increase is due to the long-term congestion management revenue liability of the TSO (+EUR 23.3 million), driven by the congestion management revenue received in the first quarter of 2024 (EUR 30 million).

Compared to year-end 2023, Shareholders' equity increased by 7.6% or EUR 23.5 million and amounted to EUR 331.4 million as a result of the net profit earned during the reporting period, and the share of equity in the Group's assets as at the end of March 2024 was 30.1%.

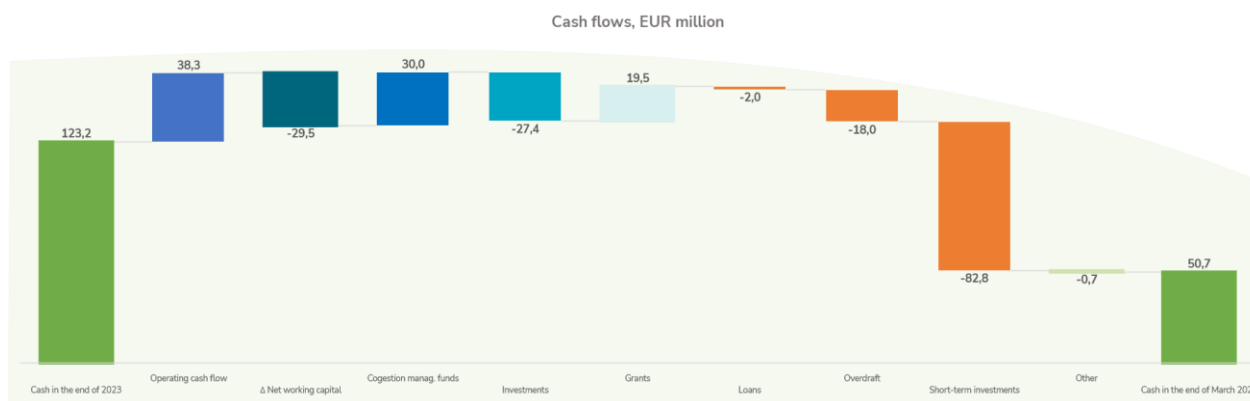
In the first quarter of 2024, working capital investment grew marginally, mainly due to an increase in the electricity transmission operator's transmission and ancillary services rate.



At the end of March 2024, the Group's net financial liabilities to creditors, including lease liabilities, amounted to EUR 188.1 million. Mainly as a result of Litgrid's cumulative congestion revenues, cash and cash equivalents and term deposits and short-term investments at the end of the period amounted to EUR 127.7 million, and the net financial debt decreased by EUR 60.4 million.

Net debt, EUR million	As at 31 March	As at 31 December	Change	
	2024	2023	+/-	%
Group's net debt:	60.4	83.5	-23.1	-27.7
Long-term and short-term loans	176.1	195.9	-19.8	-10.1
Lease liabilities	12.1	10.9	1.2	11.0
Cash and cash equivalents	127.7	123.3	4.5	3.6

2.2.7 Cash flows



In the first quarter of 2024, the Group's cash flow from operating activities amounted to EUR 38.3 million (EUR 28.0 million in the corresponding period in 2023). The Group has allocated EUR 27.4 million to investments in fixed assets (EUR 59.0 million in the same period in 2023). In the reporting period 2024, EU funding of EUR 19.5 million was received for investment projects (EUR 3.0 million in the first quarter of 2023).

In January-March 2024, Litgrid received congestion management revenues of EUR 30.0 million, which were 1.4 times higher compared to the same period in 2023 due to higher regional electricity price differences. This revenue is not accounted for as revenue and does not directly contribute to the Company's operating result, and its use is governed by Regulation (EC) No 2019/943 of the European Parliament and of the Council and the methodology adopted by the Agency for the Cooperation of Energy Regulators in the European Union (ACER). Congestion management revenues are mainly used to part-finance the company's investments to increase interconnection capacity. The use of congestion management revenue for investments amounted to EUR 6.6 million.

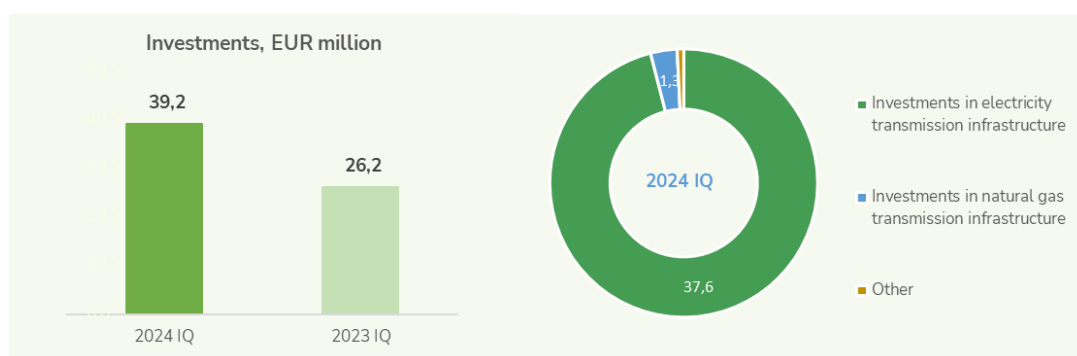
In January-March 2024, the Group repaid EUR 2.0 million of long-term loans (January-March 2023: EUR 8.1 million) and no new long-term loans were raised. In the first quarter of 2024, the Group repaid EUR 18 million of the overdraft, which was temporarily used at the end of 2023. The Group effectively managed its cash balance during the quarter by acquiring short-term financial instruments (bonds) for EUR 82.8 million.

2.2.8 Investments

In Q1 2024, EPSO-G Group's investments (non-current assets carried at cost, before consideration of offsets with grants received/receivable for acquisition of the related assets) amounted to EUR 39.2 million, and was higher by EUR 13.0 million or 49.9% compared to the same period in 2023 (EUR 26.2 million).

Litgrid's investments amounted to EUR 37.6 million (64% of which was spent on strategic and nationally important electricity projects, 36% on transmission network reconstruction and development and operational support).

Amber Grid's investments in the reconstruction and modernisation of the trunk network amounted to almost EUR 1.3 million (including EUR 0.4 million for the upgrade of cathodic protection systems, EUR 0.4 million for the reconstruction of the control room building, EUR 0.2 million for the installation of pipeline shut-off devices and Scada, etc.).



2.3. Significant events of the reporting period

01

JANUARY

3 January. The European gas transmission system operators Gasgrid Finland (Finland), Elering (Estonia), Conexus Baltic Grid (Latvia), Amber Grid (Lithuania), GAZ-SYSTEM (Poland), and ONTRAS (Germany), which are involved in the international Nordic-Baltic Hydrogen Corridor project, signed an agreement on a feasibility study for a green hydrogen corridor.

12 January. Litgrid and KTU have completed innovative battery and thermal storage tests.

15 January. Litgrid has signed a cooperation agreement to prepare the electricity transmission network for the electrification of Rail Baltica.

26 January. Amber Grid and the Latvian gas operator Conexus Baltic Grid have completed the ELLI project, a strategic project to increase the capacity of the gas pipeline interconnector between Latvia and Lithuania.

02

FEBRUARY

1 February. A new electronic system for the registry of guarantees of origin of green gas, administered by Amber Grid, became operational.

8 February. Litgrid has completed the 8th synchronisation project: the electricity transmission network has been reinforced with a new Automatic Generation Management System.

12 February. According to Litgrid, electricity generation in Lithuania grew by one-third in 2023, the highest since 2010, and renewable energy plants produced a record high amount of electricity, accounting for 70 percent of the country's total generation.

03

MARCH

13 March. On 12 March 2024, Mrs Asta Sungailienė, an independent member of the EPSO-G Board, announced her resignation as a member of the EPSO-G Board and as Chairperson of the Remuneration and Nomination Committee, with effect from 27 March 2024 for personal reasons.

15 March. The updated version of EPSO-G's Articles of Association is registered in the Register of Legal Entities.

Significant events after the end of the financial period

04

APRIL

9 April. Litgrid has connected to the grid a solar park under construction in Molėtai district, with an authorised generation capacity of 80 MW and installed capacity of 100 MW. It is the second solar park in the country connected to the electricity grid and the largest in terms of authorised generation capacity.

25 April. Litgrid has completed the reconstruction of the 330 kV Klaipėda-Šyša line.

As of 30 April 2024, members have been elected to the Boards of the companies within EPSO-G Group Amber Grid, Baltpool and Litgrid for a term of 4 (four) years.

30 April. EPSO-G's General Meeting of Shareholders decided on the distributable profit. Dividend payments amounted to EUR 196.170 thousand.

05

MAY

9 May. Litgrid's planned expansion of the north-western electricity transmission network has been granted the status of key national significance.

The Board of Amber Grid elected Paulius Butkus, a member of the Board of Amber Grid and Head of Development and Innovation at EPSO-G Group, as Chair of the Board at its meeting held on 10 May.

3.

STAFF AND REMUNERATION

3.1. Staff

3.2. Remuneration

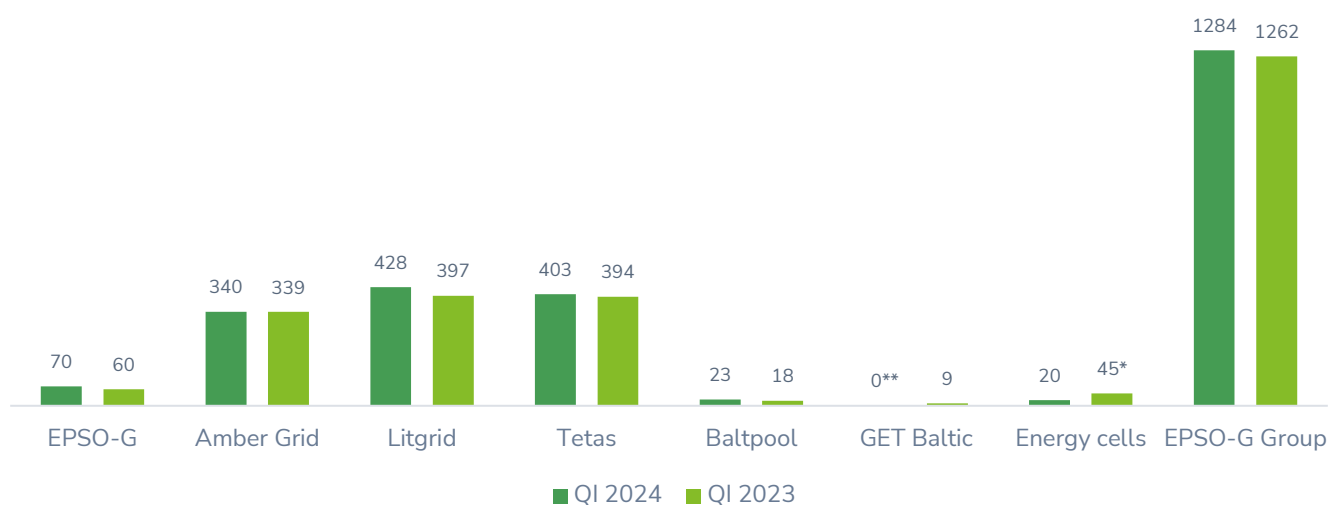


3. STAFF AND REMUNERATION

3.1. Employees

The EPSO-G group had 1,284* staff as of 31 March 2024 (1,262 on 31 March 2023):

Number of employees in the EPSO-G Group and separate companies



** Due to the specifics of the project work, most of the employees of Energy Cells work under fixed-term contracts and part-time in 2023. In FTE terms, the company has 20,7 FTEs at 31 March 2023.

** On 31 May, Amber Grid's transaction with the European Energy Exchange for the sale and purchase of a 66% stake in GET Baltic was legally completed.

3.2. Information on remuneration

Salary information for EPSO-G and the EPSO-G management company for three months in 2024. The wage bill of the EPSO-G Group in the first quarter of 2024 was EUR 13,270 thousand (EUR 11,188 thousand in the first quarter of 2023).

Salary information for the EPSO-G Group

Average monthly pay by category of employees	Group			
	Number of employees (end of period)		Average monthly pay (including variable pay component)	
	January-March 2024	January-March 2023	January-March 2024	January-March 2023
Executives	6	7	10,354	8,913
Senior management	26	27	7,767	7,361
Middle-level management	152	144	5,257	4,826
Specialists	797	781	3,292	2,955
Workers	303	303	2,176	1,693
Total	1,284	1,262	3,371	2,986
Wage Guarantee Fund, EUR thousand			13,270	11,188

Salary information for the EPSO-G Group

Average monthly pay by category of employees	Company			
	Number of employees (end of period)		Average monthly pay (including variable pay component)	
	January-March 2024	January-March 2023	January-March 2024	January-March 2023
Chief Executive Officer	1	1	12,612	10,700
Senior management	6	6	8,336	8,063
Middle-level management	18	15	6,518	6,225
Specialists	45	38	3,841	3,688
Total	70	60	5,103	4,877
Wage Guarantee Fund, EUR thousand			1,047	895

4.

SHAREHOLDERS



4. SHAREHOLDERS

The Republic of Lithuania is the sole shareholder of EPSO-G (100% of the shares). The property and non-property rights of the shareholder, in accordance with Clause 2.3 of the Resolution No 826 On the Establishment of a Private Limited Liability Company and Investment of State-Owned Capital of the Government of the Republic of Lithuania of 4 July 2012, are implemented by the Ministry of Energy of the Republic of Lithuania represented by the Minister of Energy of the Republic of Lithuania.

There were no changes to EPSO-G's shareholder structure in the first quarter of 2024.

As of 31 March 2024, the share capital of EPSO-G amounted to EUR 189,631,000.

Shareholder of the company	Number of shares	Nominal value per share, EUR	Share capital, EUR	Shareholding
The Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania	653,900,000	EUR 0.29	189,631,000	100%

EPSO-G shares are not subject to any restrictions on the transfer of securities other than those provided for by law. No convertible securities have been issued by EPSO-G or Group companies. EPSO-G has not acquired any of its shares. EPSO-G did not acquire or dispose of any of its shares during the reporting period. The Company's subsidiaries have also not acquired shares in the Company. The shareholder of EPSO-G does not have any special rights of control other than those provided for by the legislation of the Republic of Lithuania.

Shares of EPSO-G's 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	SEB bankas AB
Amber Grid, AB	LT0000128696	AMG1L	BALTIC SECONDARY LIST	SEB bankas AB

EPSO-G launched a sustainability-related bond issue in June 2022, which is listed on Nasdaq's Baltic Debt Securities List.

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

5.

CONDENSED INTERIM FINANCIAL INFORMATION

- 5.1. Condensed Interim Statements of Financial Position
- 5.2. Condensed Interim Statements of Comprehensive Income
- 5.3. Condensed Interim Statements of Changes in Equity
- 5.4. Condensed Interim Statements of Cash Flows
- 5.5. Notes to the Condensed Interim Financial Statements



5. CONDENSED INTERIM FINANCIAL INFORMATION

5.1. Condensed Interim Statements of Financial Position

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (all amounts are in EUR thousand unless otherwise stated)

	Notes	Group		Company	
		As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
ASSETS					
Non-current assets					
Intangible assets	6	8,156	8,175	75	77
Property, plant and equipment	7	712,305	707,229	79	83
Right-of-use assets	8	11,982	10,810	655	694
Investments in subsidiaries	9	-	-	351,526	351,526
Investments in associates	9	17,879	17,677	13,830	13,830
Deferred tax assets	20	8,185	12,105	51	45
Long-term loans granted		10	10	-	-
Receivables after one year		166	166	-	-
Total non-current assets		758,683	756,172	366,216	366,255
Current assets					
Inventories		6,027	7,556	-	-
Prepayments and contract assets	10	7,386	6,148	70	69
Trade receivables	11	56,946	41,888	436	383
Other receivables	12	105,509	98,643	39,712	46,225
Prepaid income tax		17,816	28,916	-	-
Other financial assets	13	96,922	15,898	76,988	-
Cash and cash equivalents	14	50,744	123,236	47,462	120,015
Total current assets		341,350	322,285	164,668	166,692
TOTAL ASSETS		1,100,033	1,078,457	530,884	532,947
EQUITY AND LIABILITIES					
Issued capital	15	189,631	189,631	189,631	189,631
Revaluation reserve		25,796	26,504	-	-
Legal reserve		14,341	14,341	2,524	2,524
Other reserves		38,993	38,993	50	50
Retained earnings (loss)		49,390	25,874	27,859	30,001
Equity attributable to shareholders of the parent company		318,151	295,343	220,064	222,206
Non-controlling interest		13,246	12,546	-	-
Total equity		331,397	307,889	220,064	222,206
Non-current liabilities					
Non-current borrowings and issued bonds	17	162,009	163,954	74,860	74,849
Lease liabilities	18	10,042	9,282	515	552
Congestion management revenue		287,522	264,173	-	-
Provisions		2,528	2,528	-	-
Other non-current payables and liabilities		5,590	3,411	-	-
Total non-current liabilities		467,691	443,348	75,375	75,401
Current liabilities					
Current portion of non-current borrowings	17	11,792	11,792	-	-
Current borrowings	17	2,300	20,147	233,246	234,114
Current portion of lease liabilities	18	2,037	1,599	149	149
Trade payables	19	63,208	68,341	726	153
Prepayments received		28,891	44,412	-	-
Current portion of congestion management funds		36,901	36,901	-	-
Provisions		14,935	12,210	-	-
Other current payables and liabilities	21	140,881	131,818	1,324	924
Total current liabilities		300,945	327,220	235,445	235,340
Total liabilities		768,636	770,568	310,820	310,741
TOTAL EQUITY AND LIABILITIES		1,100,033	1,078,457	530,884	532,947

5.2. Condensed Interim Statements of Comprehensive Income

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (all amounts are in EUR thousand unless otherwise stated)

	Notes	GROUP	
		For the of three months ended 31 March 2024	For the of three months ended 31 March 2023 (reclassified)
Revenue	22	140,011	116,760
Other income	22	358	4,049
Total revenue and other income		140,369	120,809
Purchase of electricity and natural gas services	23	(76,768)	(71,286)
Purchase of contracting services		(3,489)	(1,372)
Wages and salaries and related expenses		(13,007)	(11,571)
Purchases of repair and maintenance services		(1,605)	(1,713)
Other expenses	23	(7,212)	(6,875)
Total expenses		(102,081)	(92,817)
EBITDA		38,288	27,992
Dividend income		-	-
Result on loss of control and revaluation of shares in associates		-	-
Depreciation and amortisation	6,7,8	(9,843)	(8,565)
Impairment of non-current assets		(80)	(98)
Loss on write-off of non-current assets		(89)	(17)
Operating profit (loss) (EBIT)		28,276	19,312
Share of results of associates	9	201	-
Total finance costs, net	24	(721)	(17)
Profit (loss) before income tax		27,756	19,295
Income tax			
Current year income tax expenses	20	(312)	(349)
Deferred tax benefit (expenses)	20	(3,921)	(2,304)
Total income tax		(4,233)	(2,653)
Net profit (loss)		23,523	16,642
Other comprehensive income		-	-
Total comprehensive income for the period		23,523	16,642
Net profit (loss) attributable to:			
Shareholders of the parent company		22,823	16,319
Non-controlling interest		700	323
		23,523	16,642
Comprehensive income attributable to:			
Shareholders of the parent company		22,823	16,319
Non-controlling interest		700	323
		23,523	16,642

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

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (all amounts are in EUR thousand unless otherwise stated)

	Notes	COMPANY	
		For the of three months ended 31 March 2024	For the of three months ended 31 March 2023 (reclassified)
Revenue	22	489	216
Other income	22	-	-
Dividend income		-	-
Total revenue , other income and dividend		489	216
Wages and salaries and related expenses		(1,201)	(1,006)
Other expenses	23	(208)	(292)
Total expenses		(1,409)	(1,298)
EBITDA		(920)	(1,082)
Depreciation and amortisation		(52)	(30)
Operating profit (loss) (EBIT)		(972)	(1,112)
Total finance costs, net	24	(1,176)	(12)
Profit (loss) before income tax		(2,148)	(1,124)
Income tax			
Current year income tax expenses		-	-
Deferred tax benefit (expenses)		6	198
Total income tax		6	198
Net profit (loss)		(2,142)	(926)
Total comprehensive income for the period		(2,142)	(926)

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

5.3. Consolidated and the Company's Statements of Changes in Equity

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (all amounts are in EUR thousand unless otherwise stated)

GROUP	Notes	Share capital	Revaluation reserve	Legal reserve	Other reserves	Retained earnings	Subtotal	Non-controlling interest	Total
Balance as at 31 December 2022		189,631	277	16,621	41,128	(30,629)	217,028	10,746	227,774
Comprehensive income (expenses)									
Net profit (loss) for the year		-	-	-	-	16,319	16,319	323	16,642
Total comprehensive income (expenses) for the period		-	-	-	-	16,319	16,319	323	16,642
Depreciation of revaluation reserve and amounts written off	18	-	(6)	-	-	6	-	-	-
Balance as at 31 March 2023		189,631	271	16,621	41,128	(14,304)	233,347	11,069	244,416
Balance as at 31 December 2022		189,631	26,504	14,341	38,993	25,874	295,343	12,546	307,889
Comprehensive income (expenses)									
Net profit (loss) for the year		-	-	-	-	22,823	22,823	700	23,523
Total comprehensive income (expenses) for the period		-	-	-	-	22,823	22,823	700	23,523
Depreciation of revaluation reserve and amounts written off	18	-	(708)	-	-	708	-	-	-
Other equity changes		-	-	-	-	(15)	(15)	-	(15)
Balance as at 31 March 2024		189,631	25,796	14,341	38,993	49,390	318,151	13,246	331,397
COMPANY	Notes	Share capital	Legal reserve	Other reserves	Retained earnings	Total			
Balance as at 31 December 2022		189,631	2,248	50	5,514	197,443			
Profit for the period		-	-	-	(926)	(926)			
Total comprehensive income for the period		-	-	-	(926)	(926)			
Balance as at 31 March 2023		189,613	2,248	50	4,588	196,517			
Balance at 31 December 2023		189,631	2,524	50	30,001	222,206			
Profit for the period		-	-	-	(2,142)	(2,142)			
Total comprehensive income for the period		-	-	-	(2,142)	(2,142)			
Balance as at 31 March 2024		189,631	2,524	50	27,859	220,064			

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

5.4. Condensed Interim Statements of Cash Flows

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024 (all amounts are in EUR thousand unless otherwise stated)

	Notes	Group		Company	
		As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Cash flows from operating activities					
Net profit (loss)		23,523	16,642	(2,142)	(926)
Adjustments for non-cash items:					
Depreciation and amortisation expenses	6,7,8	9,843	8,565	52	30
Impairment of property, plant and equipment		-	-	-	-
Loss on write-off of property, plant and equipment		60	17	-	-
Loss on impairment and write-off of inventories, trade receivables and other assets		83	97	-	-
Profit (loss) on disposal/write-off of property, plant and equipment		-	-	-	-
Income tax expenses	20	4,233	2,653	(6)	(198)
Increase in provisions		-	-	-	-
Grant income (amortisation)		(4)	-	-	-
Elimination of results of financing and investing activities:					
Total finance costs, net		721	(1)	1,176	12
Elimination of share of results of associates		(201)	-	-	-
Changes in working capital:					
(Increase) decrease in trade and other receivables		(10,383)	50,118	963	(286)
(Increase) decrease in inventories, prepayments and other current assets		(1,495)	4,611	(1)	(9)
Increase (decrease) in trade and other payables, grants, deferred income and prepayments received		(19,353)	(216,478)	319	709
Changes in other financial assets		1,179	161,097	-	-
Income tax received (paid)		-	(5)	-	-
Net cash flows from operating activities		8,806	27,316	361	(668)
(Acquisition) of property, plant and equipment and intangible assets		(27,364)	(59,048)	(8)	(7)
Disposal of property, plant and equipment and intangible assets		1	142	-	-
Grants received		19,470	3,001	-	-
Congestion management funds received		30,013	20,566	-	-
Loans (granted)/recovered		-	-	5,497	(27,760)
Acquisition of short-term financial investments		(95,804)	(200,000)	(89,989)	(200,000)
Repayment of short-term financial investments		13,001	-	13,001	-
Interest received		667	1,642	1,192	1,239
Net cash flows used in investing activities		(60,016)	(233,697)	(70,307)	(226,528)
Issue of bonds		-	-	-	-
Proceeds from borrowings		-	-	17,196	14,262
Loans repaid		(1,956)	(8,087)	-	-
Repayment of lease liabilities	18	(550)	(477)	(37)	(23)
Overdraft		(17 981)	-	(17 981)	-
Interest paid		(914)	(1,008)	(1,766)	(664)
Dividends paid		-	(2)	-	-
Other cash flows from financing activities		119	-	(19)	-
Net cash flows from/used in financing activities		(21,282)	(9,574)	(2,607)	13,575
Change in cash and cash equivalents in disposal group		-	(309)	-	-
Increase/(decrease) in cash and cash equivalents		(72,492)	(216,264)	(72,553)	(213,621)
Cash and cash equivalents at the beginning of the period		123,236	248,096	120,015	244,310
Cash and cash equivalents at the end of the period		50,744	31,832	47,462	30,689

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

5.5. Notes to the condensed Consolidated and the Company's Financial Statements

FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2024

1. General information

EPSO-G UAB is a private limited liability company registered in the Republic of Lithuania. Registered office: Gedimino ave. 20, LT-01103 Vilnius, Lithuania. EPSO-G UAB (hereinafter "EPSO-G" or 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 by ensuring the uninterrupted, stable transmission of electricity over high voltage networks and transportation of natural gas via high pressure gas pipelines, as well as by ensuring the management, maintenance and development of these transmission systems and organisation of trade on the natural gas and biofuel exchanges; 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.

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.

As at 31 March 2024 and 31 December 2023, the Company's issued capital consisted of 653,900,000 ordinary registered shares with the nominal value of EUR 0.29 each. All shares, including 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 March 2024 and 31 December 2023, all shares of the Company were fully paid.

The Company's shareholder	As at 31 March 2024		As at 31 December 2023	
	Issued capital, EUR	%	Issued capital, EUR	%
Republic of Lithuania represented by the Ministry of Energy of the Republic of Lithuania	189 631 000	100	189 631 000	100

As at 31 March 2024 the EPSO-G Group had 1,284 employee (as at 31 December 2023, 1,261 employee), and the Company had 70 employees (as at 31 December 2023, 66 employees).

The EPSO-G group (hereinafter the "Group") consists of the Company, directly and indirectly controlled subsidiaries, associates and joint ventures, as listed below:

Company name	Registered office address	Ownership interest (%)		Profile of activities
		As at 31 March 2024	As at 31 December	
SUBSIDIARIES				
„Litgrid“ AB	Karlo Gustavo Emilio Manerheimo st. 8, Vilnius, Lithuania	97,5	97,5	Electricity transmission system operator
AB „Amber Grid“	Laisvės ave. 10, Vilnius, Lithuania	96,6	96,6	Natural gas transmission system operator
BALTPPOOL UAB	Žalgirio st. 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 st. 102B, Panevėžys, Lithuania	100	100	Transformer substation, distribution station and electricity
GET Baltic UAB (controlled through Amber Grid AB)	Geležinio Vilko st. 18A, Vilnius, Lithuania	34,0	96,6	Organisation of trading on the natural gas exchange

Company name	Registered office address	Ownership interest (%)		Profile of activities
		As at 31 March 2024	As at 31 December	
Energy cells, UAB	Ozo st. 12A-1, Vilnius	100	100	Installation and management of electricity storage facilities
ASSOCIATES				
GET Baltic UAB (controlled through Amber Grid AB)	Geležinio Vilko st. 18A, Vilnius, Lithuania	34,0	96,6	Organisation of trading on the natural gas exchange
TSO Holding AS	Lilleakerveien 2A, 0283 Oslo, Norway	39,6	39,6	Holding company holding a minority interest in equities of the electricity exchange operator and the market coupling operator
JOINT VENTURES				
Baltic RCC OÜ	Kadaka tee 42 12915 Tallinn Eesti	33,33	33,33	Provision of services ensuring safety and reliability of the electricity system and coordination between the transmission network operators of the Baltic region

Investments in subsidiaries and in associates are described in more detail in Note 9.

2. Basis of preparation of Financial Statements

The Group's and the Company's financial statements for the three months period, ended 31 March 2024 were prepared in accordance with International Accounting Standard 34 Interim Financial Reporting. 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.

These condensed interim consolidated and separate financial statements have not been audited. PricewaterhouseCoopers UAB carried out an audit of Consolidated and separate Financial Statements for the period ended on 31 December 2023.

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 2023.

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 2023.

Amounts in these financial statements are presented in thousands of euro (EUR), unless otherwise stated.

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

3. Reclassification of comparative information in financial statements

In 2023, the Group and the Company reclassified the grouping of the statement of comprehensive income:

The Group presented additional financial ratios of EBITDA and EBIT in the statement of comprehensive income, as the Group believes that these financial ratios provide valuable information to the Group's and the Company's management and stakeholders in making operational decisions. These financial ratios are not a substitute for the mandatory items in the statement of comprehensive income as defined by IFRS, but are presented in addition to the required information. After the reclassification, the statement of comprehensive income includes only the major expense items, with a more detailed classification presented in a separate note to the financial statements.

EBITDA is profit before interest, taxes, depreciation and amortisation, loss on revaluation, impairment and write-off of property, plant and equipment.

EBIT is operating profit before interest, taxes and passive income from investment activities (e.g. share of results of associates). EBIT measures the operating profit of the Company and the Group, by ignoring finance expenses.

The following is a restatement of the comparative figures in the consolidated and the Company's statement of comprehensive income for the three months period ended 31 March 2023 for the above reasons:

Group	The three-month period ending on 31 March 2023		
	Before restatement	Restatement effect	After restatement
Revenue	116,592	168	116,760
Other income	4,217	(168)	4,049
Total revenue and other income:	120,809	-	120,809
Expenses for purchase of balancing and regulating electricity	(24,403)	24,403	-
Expenses for electricity system services	(21,536)	21,536	-
Expenses for electricity technological needs	(11,623)	11,623	-
Expenses for other electricity services	(27)	27	-
Expenses for natural gas system balancing service	(9,425)	9,425	-
Expenses for natural gas technological needs	(4,272)	4,272	-
Purchase of electricity and natural gas services	-	-	(71,286)
Purchase of contracting services	-	-	(1,372)
Depreciation and amortisation	(8,565)	8,565	-
Wages and salaries and related expenses	(11,571)	-	(11,571)
Purchases of repair and maintenance services	(1,713)	-	(1,713)
Taxes and charges	(1,409)	1,409	-
Telecommunication and IT expenses	(1,268)	1,268	-
Transport expenses	(752)	752	-
Write-off expenses of property, plant and equipment	(17)	17	-
Impairment of Non-current assets	(97)	97	-
Other expenses	(4,819)	(2,057)	(6,876)
Total expenses	(101,497)	8,679	(92,818)
EBITDA			(27,991)
Depreciation and amortisation	-	(8,565)	(8,565)
Impairment of Non-current assets	-	(97)	(97)
Non-current assets write-offs	-	(17)	(17)
Operating profit (loss) EBIT	19,312	-	(19,312)
Interest income	1,642	(1,642)	-
Interest expenses	(1,659)	1,659	-
Total finance costs, net	(17)	-	(17)
Profit (loss) before income tax	19,295	-	(19,295)
Current year income tax expenses	(349)	-	(349)
Deferred tax benefit (expenses)	(2,304)	-	(2,304)
Total income tax	(2,653)	-	(2,653)
Net profit (loss)	16,642	-	16,642

Company	The three-month period ending on 31 March 2023		
	Before restatement	Restatement effect	After restatement
Revenue	216	-	216
Other income	-	-	-
Total revenue and other income:	216	-	216
Wages and salaries and related expenses	(1,006)	-	(1,006)
Taxes and charges	(6)	6	-
Telecommunication and IT expenses	(50)	50	-
Transport expenses	(10)	10	-
Depreciation and amortisation	(30)	30	-
Other expenses	(226)	(66)	(292)
Total expenses	(1,328)	30	(1,298)
EBITDA	-	-	1,082
Depreciation and amortisation	-	(30)	(30)
Operating profit (EBIT)	(1,112)	-	(1,112)
Financing activities			
Interest income	1,239	(1,239)	-
Interest expenses	(1,251)	1,251	-
Total finance costs, net	(12)	-	(12)
Profit (loss) before income tax	(1,124)	-	(1,124)
Deferred income tax benefit	198	-	198
Net profit (loss)	(926)	-	(926)

5. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Group's chief operating decision-maker, who is responsible for allocating resources and assessing performance 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 until 31 May 2023;
 - activities conducted by energy facilities construction and contracting company TETAS UAB;
 - activities conducted by operator of electricity storage facilities Energy Cells UAB;
 - activities conducted by parent company EPSO-G UAB.

Considering that revenue, profit measure (EBITDA) and total assets after consolidation adjustments of the individual elements 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 are insignificant for the Group.

The key performance indicators are profit before interest, taxes, depreciation (amortisation), loss on impairment and write-off of property, plant and equipment (EBITDA), and net profit operating expenses, excluding electricity, gas and related expenses. These indicators are calculated on the basis of data reported in the financial statements.

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

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

Over three months period of 2024, revenue from the Lithuanian clients accounted for 89% of the Company's total revenue (during three months period of 2023: 87%).

The table below contains the Group's information on segments for the three months period ended 31 March 2024:

	Transmission of electricity	Transmission of natural gas	Other activities	Elimination of intersegment transactions	Total
Revenue and other income	112,960	20,578	13,884	(7,053)	140,369
Operating expenses, excluding electricity, gas and related expenses, depreciation, write-off and impairment	(10,179)	(6,625)	(6,902)	1,882	(21,824)
EBITDA	29,371	9,008	101	(192)	38,288
Adjusted EBITDA	12,809	8,164	101	(192)	20,882
Temporary regulatory differences for previous periods	(2,333)	502	-	-	(1,831)
Temporary regulatory differences for reporting period	(14,229)	(1,346)	-	-	(15,575)
Overall effect of management's adjustments on EBITDA	(16,562)	(844)	-	-	(17,406)
Reconciliation of EBITDA and net profit/loss	(7,861)	(5,044)	(2,173)	313	(14,765)
Depreciation and amortisation	(5,472)	(3,678)	(693)	-	(9,843)
Loss on impairment and write-off of non-current assets	(59)	(1)	(109)	-	(169)
Total finance costs, net	1,309	(556)	(1,474)	-	(721)
Share of results of associates	-	201	-	-	201
Derivatives result	-	(313)	313	-	-
Income tax	(3,639)	(697)	103	-	(4,233)
Net profit (loss)	21,510	3,964	(1,759)	(192)	23,523
Total assets	725,744	330,483	670,925	(627,119)	1,100,033
Net financial debt	(39,692)	(84,208)	(284,198)	270,730	(137,368)
Investments (additions of property, plant and equipment and intangible assets)	(37,647)	(1,260)	(189)	(118)	(39,214)

The Group's information on segments for the three months period ended 31 March 2023:

	Transmission of electricity	Transmission of natural gas	Other activities	Elimination of intersegment transactions	Total
Revenue and other income	86,811	25,529	11,703	(3,234)	120,809
Operating expenses, excluding electricity, gas and related expenses, depreciation, write-off and impairment	(9,369)	(6,415)	(8,888)	3,140	(21,532)
EBITDA	19,853	5,417	2,816	(94)	27,992
Adjusted EBITDA	9,397	7,846	2,816	(94)	19,965
Temporary regulatory differences for previous periods	5,929	3,150	-	-	9,079
Temporary regulatory differences for reporting period	(16,385)	(721)	-	-	(17,106)
Overall effect of management's adjustments on EBITDA	(10,456)	2,429	-	-	(8,027)
Reconciliation of EBITDA and net profit/loss	(6,941)	(3,618)	(249)	(542)	(11,350)
Depreciation and amortisation	(4,933)	(3,193)	(439)	-	(8,565)
Asset write-offs, impairment	(117)	5	(2)	-	(115)
Interest income	480	3	1,543	(384)	1,642
Interest expenses	(126)	(385)	(1,532)	384	(1,659)
Income tax	(2,245)	(590)	182	-	(2,653)
Dividend income	-	542	-	(542)	-
Net profit (loss)	12,912	1,799	2,567	(636)	16,642
Total assets	671,132	329,580	920,008	(724,127)	1,196,593
Net financial debt	(46,089)	(94,617)	(436,367)	397,275	(179,798)
Investments (additions of property, plant and equipment and intangible assets)	(18,690)	(7,628)	(32,825)	95	(59,048)

6. Intangible assets

Group	Goodwill	Patents and licences	Computer software	Other intangible assets	Statutory servitudes and protection zones	Total
Net book amount as at 31 December 2022	61	322	4,805	251	2,981	8,420
Additions	-	7	887	7	-	901
Reclassification between categories	-	733	(723)	-	-	(10)
Amortisation charge	-	(56)	(353)	(299)	-	(438)
Net book amount at 31 March 2023	61	1,006	4,616	231	2 981	8,895
Acquisition cost	61	1,686	15,284	483	2 981	20,495
Accumulated amortisation	-	(680)	(10,668)	(252)	-	(11,600)
Net book amount at 31 March 2023	61	1,006	4,616	231	2 981	8,895
Net book amount as at 31 December 2023	61	884	3,949	187	3,094	8,175
Additions	-	9	356	7	-	372
Reclassification between categories	-	-	12	-	-	12
Amortisation charge	-	(104)	(273)	(26)	-	(403)
Net book amount at 31 March 2024	61	789	4,044	168	3 094	8,156
Acquisition cost	61	1,850	13,421	530	3,094	18,956
Accumulated amortisation	-	(1,061)	(9,255)	(341)	-	(10,657)
Accumulated impairment	-	-	(122)	(21)	-	(143)
Net book amount at 31 March 2024	61	789	4,044	168	3,094	8,156

Intangible assets are carried at cost, less accumulated amortisation and accumulated impairment losses, if any.

As at 31 March 2024, the Company's intangible assets amounted to EUR 75 thousand (as at 31 March 2023, EUR 77 thousand).

7. Property, plant, and equipment

Group						Other property,	Construction in progress	Total
	Land	Buildings	Structures and machinery	Vehicles	plant and equipment			
Net book amount as at 31 December 2022	682	26,062	536,679	1,473	13,327	77,497	655,720	
Additions	-	128	2,368	-	1,060	19,266	22,822	
Prepayments for PP&E	-	-	-	-	-	2,787	2,787	
Sales	-	-	(110)	(13)	(1)	-	(124)	
Write-offs	-	-	(14)	-	(6)	(1)	(21)	
Put into operation (from construction work in progress)	-	-	333	-	22	(355)	-	
Reclassification to/from inventories	-	-	2	-	(144)	-	(142)	
Reclassification (from intangible assets)	-	-	-	-	-	(10)	(10)	
Off-set of grants against non-current assets	-	(128)	(2,803)	-	(121)	(13,435)	(16,487)	
Depreciation charge	-	(240)	(6,421)	(100)	(861)	-	(7,622)	
Net book amount at 31 March 2023	682	25,822	530,034	1,360	13,276	85,749	656,923	
Net book amount as at 31 December 2022	682	26,062	536,679	1,473	13,327	77,497	655,720	
Acquisition/revaluation amount	682	29,902	636,511	3,976	28,077	85,656	784,804	
Accumulated depreciation	-	(4,080)	(106,477)	(2,616)	(14,801)	-	(127,974)	
Net book amount at 31 March 2023	682	25,822	530,034	1,360	13,276	85,656	656,830	
Net book amount as at 31 December 2023	682	28,155	564,847	1,588	16,477	95,472	707,230	
Additions	-	-	1,592	28	802	38,086	40,508	
Change in prepayments for PP&E	-	-	-	-	-	(1,666)	(1,666)	
Sales	-	-	-	-	(1)	-	(1)	
Write-offs	-	-	(60)	-	-	-	(60)	
Put into operation (from construction work in progress)	-	164	1,230	-	189	(1,583)	-	
Reclassification to/from inventories	-	-	(96)	-	-	763	968	
Reclassification to intangible assets	-	-	-	-	-	(12)	(12)	
Off-set of grants against non-current assets	-	5	(1,549)	-	-	(24,335)	(25,779)	
Depreciation charge	-	(235)	(7,515)	(109)	(1,024)	-	(8,883)	
Net book amount at 31 March 2024	691	28,089	558,641	1,507	16,552	106,825	712,305	
Net book amount as at 31 December 2023	691	28,155	564,847	1,588	16,477	95,472	707,230	
Acquisition/revaluation amount	691	28,327	566,390	1,644	17,685	106,825	721,562	
Accumulated depreciation after revaluation	-	(238)	(7,749)	(137)	(1,133)	-	(9,257)	
Net book amount at 31 March 2024.	691	28,089	564 851	1,507	16,552	106,825	712,305	

The Group's property, plant and equipment is carried at a revalued amount, less accumulated depreciation and impairment loss.

Prepayments for property, plant, equipment (PPE), included in the under “Construction work in progress”:

	As at 31 March 2024	As at 31 December 2023
Carrying amount at the beginning of the period	17,725	26,304
Prepayments paid for PPE over the period	294	15,386
Transfer to construction work in progress	(2,097)	(23,965)
Carrying amount at the end of the period	15,922	17,725

The table below presents the net book amounts of the Group’s property, plant and equipment, which would have been recognised had the historical cost method been used, less grants received and negative revaluations that would be treated as an impairment equivalent, as at 31 March 2024 and 31 December 2023:

	Land	Buildings	Structures and machinery	Transport	Other property, plant and equipment	Construction in progress	Total
As at 31 March 2024	680	26,943	529,841	1,491	16,483	74 683	650 121
As at 31 December 2023	680	27,001	535,424	1,567	16,398	61 762	642 832

Had the value of the Group’s property, plant and equipment not been reduced by the amount of grants, its carrying amount would have been EUR 691,689 thousand higher as at 31 March 2024 (EUR 672,845 thousand as at 31 December 2023). The following table shows information on property, plant and equipment, the value of which was reduced by the amount of grants received/receivable:

	As at 31 March 2024	As at 31 December 2023
Carrying amount at the beginning of the period	672 845	532 859
Additions	25 781	157 942
Depreciation charge	(6 937)	(17 594)
Write-off	-	(362)
Carrying amount at the end of the period	691 689	672 845

As at 31 March 2024, the Company’s property, plant and equipment amounted to EUR 79 thousand, as at 31 December 2023 – EUR 83 thousand. The Company’s other property, plant and equipment comprised computer hardware and furniture.

8. Right-of-use assets

Group	Land	Buildings	Vehicles	Total
Net book amount as at 31 December 2022	5,834	2,271	3,224	11,329
New contracts	-	29	68	97
Indexation	-	75	105	180
Write-offs	-	(10)	(1)	(11)
Depreciation charge	(16)	(157)	(281)	(454)
Net book amount as at 31 March 2023	5,818	2,208	3,115	11,141
Acquisition cost	6,070	3,967	5,443	15,480
Accumulated depreciation	(252)	(1,759)	(2,328)	(4,339)
Net book amount as at 31 March 2023	5,818	2,208	2,960	11,141
Net book amount as at 31 December 2023	5,833	2,587	2,390	10,810
New contracts	-	77	1,612	1,689
Indexation	-	40	-	40
Depreciation charge	(15)	(180)	(362)	(557)
Net book amount as at 31 March 2024	5,818	2,524	3,640	11,982
Acquisition cost	6,131	4,371	6,305	16,807
Accumulated depreciation	(313)	(1,847)	(2,665)	(4,825)
Net book amount as at 31 March 2024	5,818	2,524	3,640	11,982

Company		Buildings	Vehicles	Total
Net book amount as at 31 December 2022		135	100	235
Depreciation charge	-	(17)	(6)	(23)
Net book amount as at 31 March 2023	-	118	94	212
Acquisition cost	-	369	107	476
Accumulated depreciation	-	(251)	(13)	(264)
Net book amount as at 31 March 2023	-	118	94	212
Net book amount as at 31 December 2023	-	608	86	694
Depreciation charge	-	(31)	(8)	(39)
Net book amount as at 31 March 2024	-	577	78	655
Acquisition cost	-	629	125	754
Accumulated depreciation	-	(52)	(47)	(99)
Net book amount as at 31 March 2024	-	577	78	655

9. Investments in subsidiaries and associates

As at 31 March 2024 and 31 December 2023, the Company had a shareholding in the following Group companies:

Group companies	Acquisition cost	Impairment	Carrying amount	Ownership interest (%)
As at 31 March 2024				
Subsidiaries				
LITGRID AB	217,215	-	217,215	97.5
AB „Amber Grid“	126,529	-	126,529	96.6
UAB „Baltpool“	388	-	388	67
UAB „TETAS“	16,150	11,130	5,020	100
Energy cells, UAB	2,375	-	2,375	100
Total	362,656	11,130	351,526	
Associates				
TSO Holding AS*	13,830		13,830	39.6
As at 31 December 2023				
Subsidiaries				
LITGRID AB	217,215	-	217,215	97.5
AB „Amber Grid“	126,529	-	126,529	96.6
UAB „Baltpool“	388	-	388	67
UAB „TETAS“	16,150	11,130	5,020	100
Energy cells, UAB	2,375	-	2,375	100
Total	362,656	11,130	351,526	
Associates				
TSO Holding AS	13,830		13,830	39.6

The Group's investments in associates and joint ventures in the consolidated financial statements included the following:

Company name	Nature of investment	Ownership interest (%)	Investment value as at 31 December 2023	Fair value of the investment after loss of control	Dividends received	Share of results of associate	Investment value as at 31 March 2024
„TSO Holding“ AS	Associate	39.6	13,989	-	-	-	13,989
UAB „GET Baltic“	Associate	34	-	3,644	-	201	3,845
Baltic RCC OU	Joint venture	33.3	45	-	-	-	45
Total investments:			13,960	3,644	-	201	17,879

Below is the summarized statement of comprehensive income of GET Baltic, given the results during three months period, ended 31 March 2024 and from the date of loss of control until 31 December 2023:

	1 January – 31 March 2024	1 June – 31 December 2023
Revenue	667	1,111
Profit before income tax	699	1 027
Income tax benefit (expenses)	(108)	(159)
Net profit (loss)	591	868
Other comprehensive income	-	-
Total comprehensive income for the period	591	868
Balance of comprehensive income attributable to the Group	201	295

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

	As at 31 March 2024	As at December 2023
Carrying amount at the beginning of the period	3,644	-
Acquisition	-	3,347
Associate;s net profit (loss)	201	295
Associate's other comprehensive income	-	-
Dividends received	-	-
Carrying amount at the end of the period	3,845	3,644

10. Prepayments and contract assets

	Group	
	As at 31 March 2024	As at 31 December 2023
Prepayments	1,171	699
Deferred expenses	3,135	2,842
Contract assets	3,080	2,607
Accrued revenue from contract works	3,080	930
Accrued revenue from natural gas transmission and related services	-	1,677
Carrying amount	7,386	6,148

11. Trade receivables

Trade receivables comprised:

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
I. Trade receivables under contracts with customers				
<i>I.1. Trade receivables after one year</i>	10	10	-	-
Less: expected credit losses of non-current receivables	-	-	-	-
Net book amount of receivables after one year:	10	10	-	-
<i>I.2. Current trade receivables</i>				
Receivables for electricity transmission and related services	35,889	19,058	-	-
Receivables for transmission and transit of natural gas	7,938	6,770	-	-
Receivables for contract works and other services	6,016	5,195	383	383
Less: expected credit losses of trade receivables	(268)	(249)	-	-
Net book amount of trade receivables under contracts with customers	49,575	30,774	383	383
II. Trade receivables under other contracts:	-	-	-	-
Accrued receivables for the services related to electricity transmission	5,903	10,270	-	-
Congestion management revenue receivable	767	770	-	-
Other trade receivables	853	74	-	-
Less: expected credit losses of trade receivables	(152)	-	-	-
Net book amount of trade receivables under other contracts:	7,371	11,114	-	-
Total current trade receivables:	56,946	41,888	383	197

Current trade receivables/Expected credit losses of trade receivables

In three months period, of 2024, the Group accounted for expected credit losses of EUR 171 thousand with regard to late payments.

As at 31 March 2024, trade receivables for electricity transmission and related services from contracts with customers were 88% higher than as at 31 December 2023. Trade receivables for electricity transmission and related services at 31 March 2024 compared to 31 December 2023 increased as the price for ancillary services was 5,5 times higher and the price for electricity transmission was 2 times higher.

The Company did not recognise any doubtful debts.

The Group applies a simplified credit risk assessment approach as required by IFRS 9 and accounts for loss allowances for lifetime credit losses from initial recognition of receivables. To determine credit losses of receivables, the Group applies the individual assessment and a loss coefficient matrix. The loss ratio matrix is based on historical data for a period exceeding 36 months on settlements of debts by customers. The loss ratios may be adjusted in view of macroeconomic forecasts. The loss ratios are classified into separate groups of receivables on the basis of credit risk characteristics and overdue period.

Trade receivables	Not past due	Past due				Total
		1-30 days	31-90 days	91-180 days	181 and more days	
As at 31 March 2024						
Current portion of trade receivables, of which:	55 768	667	9	502	-	56 946
State-owned companies	40 086	452	-	-	-	40 538
<i>Expected credit losses, %</i>	0%	0%	0%	0%	0%	0%
Other customers	15 682	215	9	502	-	16 408
<i>Trade receivables assessed individually</i>	12 479	152	9	502	0	13 142
<i>Impairment</i>	36	152	2	230	-	420
<i>Trade receivables assessed collectively</i>	3 203	63	0	0	0	3 266
<i>Expected credit losses, %</i>	0	1%	0%	0%	0%	

<i>Impairment</i>	-	1	0	0	0	0
Total expected credit losses	36	153	2	230	0	420

Movements in impairment recognised for the Group's trade receivables during the three months period of 2024 and the year 2023 were as follows:

	2024	2023
Carrying amount at the beginning of period	249	17
Increase in impairment (reversal of impairment)	171	232
Carrying amount at the end of period	420	249

12. Other receivables

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
Administered PSO funds receivable	30,592	33,429	-	-
Administered LNG terminal funds receivable	10,080	9,377	-	-
VAT receivable from the state budget	852	1,050	-	-
Grants receivable	63,120	52,199	-	-
Loans to subsidiaries	-	-	39,681	44,889
Other receivables	888	2,611	31	1,336
Less: expected credit losses of other receivables	(23)	(23)	-	-
Carrying amount	105,509	98,643	39,712	46,225

The fair value of other receivables approximates their carrying amount.

One major part of the Group's other receivables and receivables past due consisted of PSO and LNG terminal funds receivable. The Group is not exposed to credit risk in collecting PSO and LNG terminal funds as its acts as an administering entity, therefore expected credit losses are not formed for these past due amounts.

The line item of grants receivable includes grants receivable from the EU structural funds for the projects being implemented by the Group. The essential amounts of receivable grants as at 31 March 2024 included: grant of EUR 48,576 thousand receivable under the instrument Connecting Europe Facility (CEF) for the compensation of expenses incurred in the synchronisation projects; receivable support of EUR 10,833 thousand under the Recovery and Resilience Facility (RRF) for the installation of electricity storage facilities; EUR 3,711 thousand for the implementation of the projects on the development of the natural gas transmission network.

13. Other financial assets

	Group	
	As at 31 March 2024	As at 31 December 2023
Administered LNG terminal funds	2	-
Funds deposited for guarantees and deposits	14,117	15,898
Term deposit and short-term investments	82,803	-
Funds of the exchange participants	-	-
Carrying amount	96,922	15,898

As at 31 March 2024 the Group's the main part of other financial assets comprised of longer than 3 months period term deposits (EUR 5,815 thousand) and other short term investments (less than 3 months period).

14. Cash and cash equivalents

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
Cash at bank	50,744	123,236	47,462	120,015
Carrying amount	50,744	123,236	47,462	120,015

The fair value of cash and cash equivalents is equal to their nominal and carrying amounts.

As at 31 March 2024, the Company had term deposit agreement with the credit institution of the Bank of Lithuania in amount of EUR 47,451 thousand (as at 31 December 2023 – EUR 120,000 thousand) with maturity up to 90 days. Short-term investments were made with the aim of optimizing return on excess cash balances, taking into account projected need for cash and liquidity forecasts. In management's assessment, short-term deposits (up to 90 days) should be accounted for under cash equivalents, since they can be used to finance the Group's and the Company's operations in the short term without significant financial costs.

15. Issued capital

As at 31 March 2024 and 31 December 2023, the issued capital of the Company amounted to EUR 189,631 thousand and was divided into 653,900,000 ordinary registered shares with the nominal value of EUR 0.29 each. All the shares as at 31 March 2024 and as at 31 December 2023 were fully paid.

16. Dividendai

2024 On 30 April, the Ordinary General Meeting of Shareholders of EPSO-G UAB approved the distribution of the Company's profit (loss) for 2023. EUR 196,2 thousand was allocated to dividends for the year ended 31 December 2023. Dividends per share amounted to EUR 0.0003.

2023 On 13 April, the Ordinary General Meeting of Shareholders of EPSO-G UAB approved the distribution of the Company's profit (loss) for 2022. EUR 66 thousand was allocated to dividends for the year ended 31 December 2022. Dividends per share amounted to EUR 0.0001.

17. Borrowings

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

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
Non-current borrowings				
Bonds issued	74,860	74,849	74,860	74,849
Bank borrowings	87,149	89,105	-	-
Current borrowings				
Current portion of non-current borrowings	11,792	11,792	-	-
Accrued interest	2,300	2,166	1,909	1,992
Current borrowing from the Group companies	-	-	231,337	214,141
Overdraft	-	17,981	-	17,981
Total borrowings	176,101	195,893	308,716	308,963

Non-current borrowings by maturity:

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
Between 1 and 2 years	11,792	11,792	-	-
Between 2 and 5 years	103,809	103,900	74,860	74,849
More than 5 years	46,408	48,262	-	-
Total	162,909	163,954	74,860	74,849

On 1 June 2022, the Company placed a EUR 75 million worth five years' duration sustainability-linked bond issue. The bonds pay an annual yield of 3.117%. During three months period ended 31 Mrch 2024, expenses related to interest on the bonds issued amounted to EUR 1,909 thousand. Borrowings received by the Company from the subsidiaries under the cash pool agreements amounted to EUR 231,337 thousand as at 31 March 2024.

18. Lease liabilities

The Group's and the Company's lease liabilities and their movements:

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
Carrying amount at the beginning of the period	10,881	11,361	701	236
Concluded lease contracts	1,688	1,254	-	629
Terminated lease contracts	-	(120)	-	(74)
Interest charged	52	154	7	6
Lease payments (principal and interest)	(582)	(1,994)	(44)	(115)
Indexation	40	226	-	19
Carrying amount at the end of the period	12,079	10,881	664	701
Non-current lease liabilities	10,042	9,282	515	552
Current lease payments	2,037	1,599	149	149

Future lease payments under non-cancellable lease contracts are as follows:

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
Total lease liabilities:	12,079	10,881	664	701
Current portion	2,037	1,599	149	149
Repayment terms of non-current liabilities:	10,042	9,282	515	552
Between 1 and 2 years	1,758	1,211	154	154
Between 2 and 3 years	1,295	961	150	150
Between 3 and 5 years	677	743	211	248
Over 5 year	6,312	6,367	-	-

The Group's interest calculated on lease liabilities and included in finance costs amounted to EUR 52 thousand during three months period ended at 31 March 2024.

19. Trade payables

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
Payables for electricity	28,259	26,684	-	-
Payables for natural gas	544	1	-	-
Payables in performing natural gas balancing	970	2,416	-	-
Payables for property, plant and equipment	30,791	29,530	-	-
Payables for repairs, services	2,348	9,414	-	-
Other trade payables	296	296	726	153
Carrying amount	63,208	68,341	726	153

The fair value of trade payables approximates their carrying amounts.

20. Current and deferred income tax

In accordance with tax legislation of the Republic of Lithuania, the Group's and Company's profit (loss) for the first three months period of 2024 and 2023 was subject to a 15% income tax.

For the purpose of calculating income tax for the first three months of 2024, the taxable profit of Electricity transmission operator was reduced by unused tax losses for previous periods by EUR 1,683 thousand and unutilised investment relief by EUR 2,321 thousand.

21. Other current payables and liabilities

	Group		Company	
	As at 31 March 2024	As at 31 December 2023	As at 31 March 2024	As at 31 December 2023
Administered PSO funds payable	56,341	68,998	-	-
Administered LNG terminal funds payable	10,080	8,906	-	-
Accrued administered LNG terminal funds	-	471	-	-
Accrued administered Emergency intervention funds	12,439	12,348	-	-
Employment-related liabilities	6,911	3,986	704	402
Accrued expenses relating to vacation reserve	5,900	4,755	417	297
VAT payable	163	135	55	35
Real estate tax payable	-	753	-	-
Dividends payable	558	561	-	-
Accrued liabilities for non-current assets (CBCA contribution)	27,450	27 450	-	-
Accrued other expenses	7,551	1,667	148	190
Other payables	13,322	2,514	-	-
Carrying amount	140,881	132,544	1,324	924

22. Revenue

The Group's revenue included as follows:

	Group	
	As at 31 March 2024	As at 31 December 2023
Group's revenue from contracts with customers		
Revenue from electricity transmission and related services		
Electricity transmission services	37,713	17,571
Trade in balancing/imbalance electricity	34,010	24,325
Electricity ancillary services	40,628	7,436
Revenue from other sales of electricity and related services	648	1,374
Total revenue from electricity transmission and related services:	112,999	50,706
Revenue from natural gas transmission and related services		
Natural gas transmission services	17,673	19,520
Revenue from transmission system balancing service	2,840	5,887
Revenue from connection of new customers	18	9
Total revenue from natural gas transmission and related services:	20,531	25,416
Other revenue from contracts with customers		
Revenue from construction, repair and technical maintenance services	6,694	3,926
Revenue from trading on the gas exchange and related services	-	617
Revenue from the biofuel exchange, thermal energy auctions, PSO funds administration and other revenue	430	266
Total other revenue:	7,124	4,809
Total Group's revenue from contracts with customers:	140,654	80,931

Group's revenue not attributable to contracts with customers

Public service obligation	-	-
Congestion revenue used to compensate the electricity transmission tariff*	-	35,575
Congestion revenue recognised compensating for the cost incurred	116	27
Other services related to electricity	(800)	-
Revenue from connection of producers and relocation of electrical installations	4	3
Other income	37	18
Total revenue not attributable to contracts with customers:	(643)	35,829
Total Group revenue:	140,011	116,760

* The congestion management funds used as income when calculating the electricity transmission tariff in 2023.

Revenue from electricity transmission and related services in the first three months 2024 compared to the first three months 2023 increased by 30% as:

- The revenue from balancing/imbalance energy sale increased by 40% due to increase the volume of electricity sold increased by 78% although decrease in the electricity sale price by 21%;
- Revenue from ancillary services increased 5,5 times for higher ancillary services acquisition component to the transmission service price;
- The electricity transmission revenue (excludes the congestion management funds used to reduce transmission tariff) decreased by 29% though the actual transmission price increase by 2 times, volume of electricity transmitted increase in 6%, because for the transmission's services tariff the transmission's services tariff reducing was used the congestion management revenue amounted to EUR 35,575 thousand.

The Company's revenue from contracts with customers for first three months period of 2024 comprised revenue from the provision of management and professional services, which amounted to EUR 489 thousand (EUR 216 thousand in 2023).

	Group	
	As at 31 March 2024	As at 31 March 2023
Revenue recognised over time		
Electricity transmission and related services	112,427	86,336
Natural gas transmission and related services	20,512	25,417
Revenue from performance of construction contracts	3,007	1,295
Revenue from membership fees	-	23
Other income	48	27
Total revenue recognised over time:	135,994	113,098
Revenue recognised at a point in time upon provision of services		
Revenue from repair and maintenance services	3,687	2,631
Revenue from trading on the exchanges	430	594
Total revenue recognised at a point in time upon provision of services:	4,117	3,662
Total revenue:	140,011	116,760

The Group's other income comprised as follows:

	Group	
	As at 31 March 2024	As at 31 March 2023
Revenue grants	4	22
Income from lease of assets	162	207
Interest on late payment and default charges	142	3,820
Other income	50	-
Total other revenue:	358	4,049

23. Costs

The Group's electricity, natural gas and contract service purchase expenses comprised the following:

	Group	
	As at 31 March 2024	As at 31 March 2023
Expenses for purchase of electricity services		
Expenses for purchase of balancing and imbalance electricity	(34,090)	(24,403)
Expenses for electricity ancillary (system) services	(25,825)	(21,536)
Expenses for electricity technological needs	(9,792)	(11,623)
Expenses for electricity and related services	(2,116)	(27)
Total expenses for purchase of electricity services:	(71,823)	(57,589)
Expenses for purchase of natural gas services		
Expenses for natural gas system balancing service	(3,656)	(9,425)
Expenses for natural gas technological needs	(1,289)	(4,272)
Total expenses for purchase of natural gas services:	(4,945)	(13,697)
Total expenses for purchasing electricity and natural gas services	(76,768)	(71,286)
Total expenses for subcontracting services and raw materials acquisitions:	(3,489)	(1,372)
Other expenses		
Taxes and charges	(2,382)	(2,357)
Telecommunication and IT expenses	(1,250)	(1,268)
Transport expenses	(793)	(752)
Premise expenses	(444)	(421)
Business protection expenses	(368)	(331)
Insurance expenses	(425)	(222)
Consultation service expenses	(298)	(183)
Business trip expenses	(227)	(157)
Personnel development costs	(172)	(132)
Membership fee	(210)	(187)
Expenses of governing bodies	(147)	(129)
Public relations	(94)	(98)
Other expenses	(402)	(638)
Total other expenses:	(7,212)	(6,875)

24. Finance expenses, net

	Group		Company	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Finance income				
Interest income	676	1,642	1,192	1,239
	676	1,642	1,192	1,239
Finance costs				
Interest on borrowings	(1,367)	(1,659)	(2,349)	(1,251)
Other finance expenses	(30)	-	(19)	-
	(1,397)	(1,659)	(2,368)	(1,251)
Total finance costs, net	(721)	(17)	(1,176)	(12)

25. Related-party transactions

As at 31 March 2024 and 31 March 2023, the Group's and the Company's parent 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://governance.lt/apie-imonas/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 under market conditions, in line with the tariffs approved under relevant legal acts or in accordance with the requirements of the Law on Public Procurement.

The Group's related party transactions and balances for the three-month period ended 31 March 2024 were as follows

Related party	Purchases of services	Purchases of gas on exchange, LNG terminal funds and PSO funds*	Sales of services	Sales of gas on exchange, LNG terminal funds and PSO funds*	Payables for services	Payables for gas, LNG terminal funds and PSO funds*	Receivables for services	Receivables for gas, LNG funds and PSO funds
Ignitis group companies:								
AB „Ignitis grupė“	-	-	-	-	-	-	-	-
AB Energijos skirstymo operatorius	-	-	-	-	-	-	-	-
UAB Ignitis	342	2,690	75,218	37	1,153	2,497	29,944	15
AB Ignitis gamyba	3,745	8,378	11,159	6,630	2,534	6,105	3,526	706
UAB Ignitis grupės paslaugų centras	33,195	-	2,506	2,142	9,562	-	411	864
Ignitis Polska Sp.z.o.o.	-	-	72	-	-	-	29	-
UAB Vilniaus kogeneracinė jėgainė	-	-	-	-	-	-	-	-
UAB Kauno kogeneracinė jėgainė	1,539	-	270	-	150	-	65	-
UAB Transporto valdymas	80	-	16	-	30	-	1	-
Other state-owned companies:	58	-	-	-	16	-	-	-
VĮ Ignalinos atominė elektrinė	-	-	-	-	-	-	-	-
AB KN Energies	-	-	319	-	-	-	121	-
AB „LTG Infra“	-	-	-	-	-	3,975	-	-
Other state-owned companies	-	-	226	-	75	-	76	-
Total	38,998	11,068	89,828	8,809	13,542	12,577	34,184	1,585

* Purchases and sales of LNG terminal funds and PSO funds are not presented in the Group's statement of profit or loss, as the Group acts as an agent in respect of these funds when collecting and allocating these funds.

The Group's related party transactions and balances for the three-month period ended 31 March 2023 were as follows

Related party	Purchases of services	Purchases of gas on exchange, LNG terminal funds and PSO funds*	Sales of services	Sales of gas on exchange, LNG terminal funds and PSO funds*	Payables for services	Payables for gas, LNG terminal funds and PSO funds*	Receivables for services	Receivables for gas, LNG funds and PSO funds	Purchases of services
Ignitis group companies:									
AB „Ignitis grupė“	-	-	-	-	-	-	-	-	-
AB Energijos skirstymo operatorius	409	21,790	26,362	1	1,089	1	13,022	485	-
UAB Ignitis	1,963	76,368	3,260	2,768	588	2,617	1,065	-	-
AB Ignitis gamyba	28,271	30,950	1,923	63,202	11,716	6,167	2,256	8	-
UAB Ignitis grupės paslaugų centras	1	-	72	-	-	-	27	-	-
UAB Vilniaus kogeneracinė jėgainė	84	-	9	-	146	150	2	-	-
UAB Kauno kogeneracinė jėgainė	56	-	40	-	43	-	14	-	-
UAB Transporto valdymas	120	-	-	-	55	-	-	-	-
Other state-owned companies:									
VĮ Ignalinos atominė elektrinė	-	102	143	-	-	41	58	-	-
AB Klaipėdos nafta	-	-	2	-	-	3,975	-	-	-
VĮ Geoterma	-	-	-	-	-	-	-	-	-
AB „LTG Infra“	-	-	83	-	15	-	32	-	-
Valstybės sienos apsaugos tarnyba prie VRM	-	-	-	-	-	-	-	-	-
Other state-owned companies	24	-	422	-	710	-	151	-	-
Total	30,928	129,210	32,316	65,971	14,362	12,950	16,627	493	-

* Purchases and sales of the gas product of the gas exchange operator as well as the Group's purchases and sales of LNG terminal funds and PSO funds are not presented in the Group's statement of profit or loss, as the Group acts as an agent in respect of these funds when collecting and allocating these funds.

The Company's transactions conducted with the related parties during the three-months period of 2023 and balances arising on these transactions as at 31 March 2024 were as follows

Related parties	Payables and accrued expenses	Receivables and accrued revenue	Sales	Purchases	Loans granted/(received)	Finance income/dividend income	Finance costs
State-owned companies							
Group companies							
Litgrid AB	505	177	226	-	(193,517)		1,410
AB Amber Grid	-	216	166	-	14,736	236	-
UAB Tetas	-	117	73	-	9,118	107	-
UAB Baltpool	105	20	44	-	(37,821)	327	-
UAB GET Baltic	-	-	-	-	-	-	-
Energy cells, UAB	-	194	65	-	15,538	185	-
Total:	610	724	574	-	(191,946)	855	1,410

The Company's transactions conducted with the related parties during the three-months period of 2023 and balances arising on these transactions as at 31 March 2023 were as follows

Related parties	Payables and accrued expenses	Receivables and accrued revenue	Sales	Purchases	Loans granted/(received)	Finance income/dividend income	Finance costs
AB „Ignitis grupė“	-	-	-	-	-	-	-
State-owned companies							
UAB „Transporto valdymas“	-	-	-	-	-	-	-
Valstybės sienos apsaugos tarnyba prie VRM	-	-	-	-	-	-	-
Group companies							
Litgrid AB	-	57	76	-	(231,388)	-	479
AB Amber Grid	-	58	50	-	7,923	50	-
UAB Tetas	-	74	36	-	5,453	100	-
UAB Baltpool	181	10	20	-	(114,876)	-	-
UAB GET Baltic	-	2	5	-	-	-	-
Energy cells, UAB	-	-	29	-	35,376	175	-
Total:	181	201	216	-	(297,512)	325	479

	Group		Company	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Payments to key management personnel				
Employment-related payments	896	770	188	177
Whereof: termination benefits	109	-	-	-
Number of key management personnel (average)	32	33	7	7

During the first three months of 2024 and 2023, there were no loans, guarantees, other disbursements or accruals or transfers of assets to the management of the Group and the Company.

Key management personnel consists of the heads of administration and departmental directors. During the three months period of 2024, the benefits paid to members of the collegiate management bodies amounted to EUR 146 thousand (EUR 88 thousand for the three months of 2023).

26. Events after the reporting period

As provided in Note 16, on 30 April 2024, the Ordinary General Meeting of Shareholders of the Company approved the distribution of the Company's profit for 2023. EUR 196.2 thousand was allocated to dividends for the year ended 31 December 2023. Dividends per share amounted to EUR 0.0003.

On 30 April 2024, the Ordinary General Meetings of Shareholders approved the distribution of subsidiaries profits for 2023 year and the below indicated decisions on dividends distribution were adopted:

- In LITGRID AB EUR 29,251 thousand was allocated to dividends for the year ended 31 December 2023. Dividends per share amounted to EUR 0.058.

- In AB „Amber Grid“ EUR 20,174 thousand was allocated to dividends for the year ended 31 December 2023. Dividends per share amounted to EUR 0.1131.
- In „Baltpool“, UAB EUR 253 thousand was allocated to dividends for the year ended 31 December 2023. Dividends per share amounted to EUR 0.354.
- In „Energy Cells“, UAB EUR 116 thousand was allocated to dividends for the year ended 31 December 2023. Dividends per share amounted to EUR 0.9242.

6.

RESPONSIBILITY STATEMENT



6. RESPONSIBILITY STATEMENT

20-05-2024

Following the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Mindaugas Keizeris, Chief Executive Officer of UAB EPSO-G, Darius Kašauskas, Chief Financial Officer of the Group and Žydrūnas Augutis, Chief Financier, hereby confirm that, to the best of our knowledge, the attached unaudited UAB EPSO-G consolidated and separate interim financial statements, for the period ended 31 March 2024, prepared in accordance with International Financial Reporting Standards adopted by the European Union, give a true and fair view of the UAB EPSO-G and Group assets, liabilities, financial position, profit and cash flows. UAB EPSO-G consolidated interim report for Q1 2024 gives a true and fair view of performance review.

Chief Executive Officer

Mindaugas Keizeris

Chief Financial Officer

Darius Kašauskas

Chief Financier

Žydrūnas Augutis