



AB AMBER GRID

**INTERIM CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS OF 31 MARCH 2024
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION**

CONFIRMATION OF RESPONSIBLE PERSONS

10 May 2024

Following the Law on Securities of the Republic of Lithuania and the Rules on Information Disclosure of the Bank of Lithuania, we, Nemunas Biknius, Chief Executive Officer of AB Amber Grid, Gytis Fominas, Chief Financial Officer of AB Amber Grid and Rasa Baltaragienė, Head of accounting of AB Amber Grid, hereby confirm that, to the best of our knowledge, the attached AB Amber Grid unaudited interim condensed consolidated and separate financial statements for the period ended 31 March 2024 are prepared in accordance with International Financial Reporting Standards, adopted by the European Union, present a true and fair view of the group's assets, liabilities, financial position, profit and cash flows.

Chief Executive Officer

Nemunas Biknius

(The document is signed with a qualified electronic signature)

Chief Financial Officer

Gytis Fominas

(The document is signed with a qualified electronic signature)

Head of accounting

Rasa Baltaragienė

(The document is signed with a qualified electronic signature)

Consolidated and separate statement of financial position

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

	Notes	Group		Company	
		At 31 March 2024	At 31 December 2023	At 31 March 2024	At 31 December 2023
ASSETS					
A. Non-current assets		297,680	298,968	297,680	298,968
I. Intangible assets	6	2,401	2,559	2,401	2,559
II. Property, plant and equipment	7	282,287	284,353	282,287	284,353
II.1. Land		136	136	136	136
II.2. Buildings		7,572	7,647	7,572	7,647
II.3. Structures and equipment		226,643	228,189	226,643	228,189
II.4. Plant and machinery		36,815	37,702	36,815	37,702
II.5. Vehicles		114	135	114	135
II.6. Other PP&E		4,254	4,668	4,254	4,668
II.7. Construction work in progress		6,753	5,876	6,753	5,876
III. Right-of-use assets	9	4,548	3,100	4,548	3,100
IV. Non-current financial assets		4,780	4,870	4,780	4,870
IV.1. Investments in subsidiaries and associates	8	3,845	3,644	3,845	3,644
IV.2. Derivatives	10	935	1,226	935	1,226
V. Deferred tax assets		3,664	4,086	3,664	4,086
B. Current assets		32,803	34,421	32,803	34,421
I. Inventories and prepayments		4,506	5,668	4,506	5,668
I.1. Inventories	11	3,825	4,874	3,825	4,874
I.2. Prepayments		681	794	681	794
II. Receivables		21,749	28,104	21,749	28,104
II.1. Trade receivables	12	7,925	9,030	7,925	9,030
II.2. Other receivable	13	13,824	19,074	13,824	19,074
III. Prepaid income tax		-	-	-	-
IV. Other financial assets	14	6,495	528	6,495	528
V. Cash and cash equivalents	15	53	121	53	121
Total assets		330,483	333,389	330,483	333,389

(cont'd on the next page)

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

Consolidated and separate statement of financial position

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

		Group		Company	
		At 31 March 2024	At 31 December 2023	At 31 March 2024	At 31 December 2023
EQUITY AND LIABILITIES					
C.	Equity	191,490	187,526	191,490	187,526
I.	Issued capital	51,731	51,731	51,731	51,731
II.	Reserves	122,306	122,370	122,306	122,370
II.1.	Legal reserve	5,173	5,173	5,173	5,173
II.2.	Other reserves	114,430	114,430	114,430	114,430
II.3.	Revaluation reserve	2,703	2,767	2,703	2,767
III.	Retained earnings (deficit)	17,453	13,425	17,453	13,425
D.	Payables and liabilities	138,993	145,863	138,993	145,863
I.	Payables after one year and non-current liabilities	65,107	66,092	65,107	66,092
I.1.	Non-current borrowings	59,006	60,962	59,006	60,962
I.2.	Lease liabilities	3,921	2,933	3,921	2,933
I.3.	Contract liabilities	1,513	1,530	1,513	1,530
I.4.	Provisions	667	667	667	667
II.	Payables within one year and current liabilities	73,886	79,771	73,886	79,771
II.1.	Current borrowings	14,956	25,435	14,956	25,435
II.2.	Current portion of non-current borrowings	5,649	5,649	5,649	5,649
II.3.	Current portion of lease liabilities	797	317	797	317
II.4.	Trade payables	2,912	5,335	2,912	5,335
II.5.	Prepayments received and contract liabilities	769	622	769	622
II.6.	Income tax liability	275	-	275	-
II.7.	Employment-related liabilities	3,728	2,853	3,728	2,853
II.8.	Other payables and current liabilities	44,337	39,097	44,337	39,097
II.9.	Provisions	463	463	463	463
	Total equity and liabilities	330,483	333,389	330,483	333,389

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

Consolidated and separate statement of comprehensive income

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

	Notes	Group		Company	
		For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023 (reclassified)	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023 (reclassified)
Revenue	24	20,567	26,116	20,567	25,444
Other income	25	11	85	11	85
Total revenue and other income		20,578	26,201	20,578	25,529
Purchases of natural gas and other services	26	(4,945)	(13,697)	(4,945)	(13,697)
Payroll and related expenses		(3,416)	(3,386)	(3,416)	(3,237)
Purchases of repair and maintenance services	4	(441)	(528)	(441)	(528)
Other expenses	4,27	(2,768)	(2,680)	(2,768)	(2,645)
Total expenses:		(11,570)	(20,291)	(11,570)	(20,107)
EBITDA		9,008	5,910	9,008	5,422
Dividend income		-	-	-	542
Gain (loss) on derivatives		(312)	-	(312)	-
Depreciation and amortisation	6,7,9	(3,677)	(3,243)	(3,677)	(3,193)
Revaluation of property, plant and equipment		-	-	-	-
Loss on impairment and write-off of property, plant and equipment		(1)	-	(1)	-
Operating profit (loss) (EBIT)		5,018	2,667	5,018	2,771
Finance income		12	307	12	3
Finance costs		(569)	(385)	(569)	(385)
Total finance costs, net		(557)	(78)	(557)	(382)
Share of results of associates	8	201	-	201	-
Profit (loss) before income tax		4,662	2,589	4,662	2,389
Income tax					
Current year income tax expenses		(276)	(111)	(276)	-
Deferred tax benefit (expenses)		(422)	(590)	(422)	(590)
Total income tax	28	(698)	(701)	(698)	(590)
Net profit (loss)		3,964	1,888	3,964	1,799
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		3,964	1,888	3,964	1,799
Basic and diluted earnings /(loss) per share (EUR)	29	0.02	0.01	0.02	0.01

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

Consolidated statement of changes in equity

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

	Issued capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	Total
Balance as at 31 December 2022	51,731	5,231	110,768	-	16,074	183,804
<i>Net profit (loss) for the year</i>	-	-	-	-	1,888	1,888
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income /(loss) for the period	-	-	-	-	1,888	1,888
Balance as at 31 March 2023	51,731	5,231	110,768	-	17,961	185,691
Reserves established	-	-	3,662	-	(3,662)	-
Dividends declared	-	-	-	-	(12,058)	(12,058)
Eliminating the impact of loss of control	-	(58)	-	-	58	-
Total transactions with owners	-	(58)	3,662	-	(15,662)	(12,058)
<i>Net profit (loss) for the year</i>	-	-	-	-	11,125	11,125
Other comprehensive income	-	-	-	2,767	-	2,767
Total comprehensive income /(loss) for the period	-	-	-	2,767	11,125	13,892
Balance as at 31 December 2023	51,731	5,173	114,430	2,767	13,425	187,526
Transfer of revaluation reserve to retained earnings net of tax	-	-	-	(64)	64	-
Total transactions with owners	-	-	-	(64)	64	-
<i>Net profit (loss) for the year</i>	-	-	-	-	3,964	3,964
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	3,964	3,964
Balance as at 31 March 2024	51,731	5,173	114,430	2,703	17,453	191,490

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

Separate statement of changes in equity

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

	Issued capital	Legal reserve	Other reserves	Revaluation reserve	Retained earnings	Total
Balance as at 31 December 2022	51,731	5,173	110,768	-	15,720	183,392
<i>Net profit (loss) for the year</i>	-	-	-	-	1,799	1,799
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	1,799	1,799
Balance as at 31 March 2023	51,731	5,173	110,768	-	17,519	185,191
Reserves established	-	-	3,662	-	(3,662)	-
Dividends declared	-	-	-	-	(12,058)	(12,058)
Total transactions with owners	-	-	3,662	-	(15,720)	(12,058)
<i>Net profit (loss) for the year</i>	-	-	-	-	11,626	11,626
Other comprehensive income	-	-	-	2,767	-	2,767
Total comprehensive income/(loss) for the period	-	-	-	2,767	11,626	14,393
Balance as at 31 December 2023	51,731	5,173	114,430	2,767	13,425	187,526
Transfer of revaluation reserve to retained earnings net of tax	-	-	-	(64)	64	-
Total transactions with owners	-	-	-	(64)	64	-
<i>Net profit (loss) for the year</i>	-	-	-	-	3,964	3,964
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/(loss) for the period	-	-	-	-	3,964	3,964
Balance as at 31 March 2024	51,731	5,173	114,430	2,703	17,453	191,490

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

Consolidated and separate statement of cash flows

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

	Notes	Group		Company	
		For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
I. Cash flows from operating activities					
I.1. Net profit/(loss)		3,964	1,888	3,964	1,799
Adjustments for non-cash items and other corrections:					
I.2. Depreciation and amortisation	6,7,9	3,677	3,243	3,677	3,193
I.3. Revaluation of property, plant and equipment		-	-	-	-
I.4. Loss on impairment and gain/loss on disposal/write-off of property, plant and equipment		1	(12)	1	(12)
I.5. Gain/loss on impairment and write-off of inventories, trade receivables		(26)	(5)	(26)	(5)
I.6. Income tax expenses (benefit)	28	698	701	698	590
I.7. Grants recognised as income		(4)	(13)	(4)	(13)
I.8. Increase (decrease) in provisions		-	-	-	-
I.9. Elimination of other non-cash items		-	-	-	-
Elimination of results of financing and investing activities:					
I.10. Dividend income		-	-	-	(542)
I.11. Gain/loss on derivatives		312	-	312	-
I.12. Share of results of associate	8	(201)	-	(201)	-
I.13. Total finance costs, net		557	78	557	382
Changes in working capital:					
I.14. (Increase) decrease in inventories, prepayments and other current assets		1,085	4,668	1,085	4,674
I.15. (Increase) decrease in trade receivables		1,110	12,209	1,110	7,464
I.16. (Increase) decrease in other receivables		1,614	2,553	1,614	6,548
I.17. (Decrease) increase in trade payables		(2,003)	(46,948)	(2,003)	(7,546)
I.18. (Decrease) increase in other payables and current liabilities		6,227	(98,764)	6,227	(1,594)
I.19. (Increase) decrease in other financial assets		(152)	135,870	(152)	(24)
I.20. Income tax (paid)		-	-	-	-
Net cash flows from operating activities		16,859	15,468	16,859	14,914

The accompanying notes form an integral part of these financial statements.
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Consolidated and separate statement of cash flows (continued)

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

	Notes	Group		Company	
		For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
II. Cash flows from investing activities					
II.1. (Acquisition) of property, plant and equipment and intangible assets		(1,680)	(7,628)	(1,680)	(7,628)
II.2. Proceeds from disposal of property, plant and equipment		1	7	1	7
II.3. Grants received	19	3,743	2,446	3,743	2,446
II.4. Sale (acquisition) of subsidiaries (associates)		-	-	-	-
II.5. Loans granted (repayments received)		-	-	-	-
II.6. Interest received		-	304	-	-
II.7. Dividends received		-	-	-	542
II.8. Decrease (increase) in deposits	14	(5,815)	-	(5,815)	-
Net cash flows used in investing activities		(3,751)	(4,871)	(3,751)	(4,633)
III. Cash flows from financing activities					
III.1. Dividends (paid)		(3)	-	(3)	-
III.2. Proceeds from borrowings		-	-	-	-
III.3. (Repayments) of borrowings		(1,956)	(8,087)	(1,956)	(8,087)
III.4. Change in overdraft		(10,273)	(1,648)	(10,273)	(1,648)
III.5. Interest (paid)		(774)	(423)	(774)	(423)
III.6. Liabilities settled in relation to right-of-use assets		(172)	(125)	(172)	(118)
III.7. Other cash flows from financing activities		2	3	2	3
Cash flows from/used in financing activities		(13,176)	(10,280)	(13,176)	(10,273)
IV. Change in cash and cash equivalents included in disposal group		-	(309)	-	-
V. Net increase (decrease) in cash and cash equivalents		(68)	8	(68)	8
VI. Cash and cash equivalents at the beginning of the year	15	121	21	121	21
VII. Cash and cash equivalents at the end of the period	15	53	29	53	29

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

Notes to the consolidated and separate financial statements

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

1. General information

Amber Grid AB (hereinafter the “Company”) is a public limited liability company registered in the Republic of Lithuania.

Its registered office address is as follows:

Laisvės pr. 10,
 LT – 04215, Vilnius,
 Lithuania.

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

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

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

Since 1 August 2013, the Company’s shares have been traded on stock exchange and have been quoted on the Baltic Secondary List of NASDAQ Vilnius. (ISIN – LT0000128696, LEI code 097900BGMP0000061061, ticker AMG1L).

As at 31 March 2024 and 31 December 2023, the Company’s shareholders were as follows:

	Number of shares held	Ownership interest, (%)
EPSO-G UAB (company code 302826889, Laisvės ave. 10, Vilnius)	172.279.125	96.58
Other shareholders	6.103.389	3.42
	<u>178.382.514</u>	<u>100</u>

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

The consolidated and separate financial statements disclose the combined financial position and results of operations of Amber Grid AB (hereinafter - the “Company”) and the Group consisting of Amber Grid AB and its subsidiary GET Baltic UAB (hereinafter - the “Group”) up to the date of the change of control (31 May 2023).

Information on the subsidiary as at 31 March 2024 and 31 December 2023 is presented below:

Company name	Company’s registered office	Shareholding		Profile of activities
		As at 31 March 2024	As at 31 December 2023	
GET Baltic UAB	Geležinio Vilko st. 18A, LT-08104 Vilnius, the Republic of Lithuania	34%	34%	Licensed activities of natural gas market operator trading natural gas short-term and long-term products.

As at 31 March 2024 and 31 December 2023, the share capital of GET Baltic UAB amounted to EUR 580,450, and it was divided into 3,055,000 shares with a par value of EUR 0.19 each.

On 31 May 2023, upon sale of 66% shares in GET Baltic UAB (hereinafter “GET Baltic”), the Company lost control in GET Baltic. The retained investment in GET Baltic is accounted for as investment in associate.

As at 31 March 2024, the average number of employees on payroll at the Company was 343 (31 December 2023: 340).

2. Summary of material accounting policies

The principal accounting policies applied in the preparation of the Company’s and the Group’s financial statements for the year ended 31 March 2024 are set out below:

2.1 Basis of preparation

These condensed interim consolidated and separate financial statements, including the statement of financial position and statements of comprehensive income, cash flow statement and the statements of changes in equity for the period of three months ended 31 March 2024 have not been audited. The consolidated and separate financial statements for the period ended 31 December 2023 have been audited and prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in European Union and are in compliance thereof.

For a better understanding of the information presented in these financial statements, these interim condensed consolidated and separate financial statements should be read together with the annual consolidated and separate financial statements for the period ended 31 December 2023. PricewaterhouseCoopers UAB carried out an audit of Consolidated and separate Financial Statements for the period ended on 31 December 2023.

These condensed interim consolidated financial statements as of 31 March 2024 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The Company have been following the same accounting principles as the ones that were followed in the preparation of financial statements for the year 2023.

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

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

The Company’s and the Group’s financial year coincides with the calendar year.

2.2 Presentation currency

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

3. Accounting estimates and assumptions

The preparation of financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingencies. Future events may occur which may cause the assumptions used in arriving at the estimates to change. The effect of any changes in estimates will be recorded in the financial statements, when determinable.

GET Baltic’s share options

On 31 May 2023, the Company purchased a put option enabling the Company to sell the remaining shareholding in GET Baltic at a fixed price within period of 48 months of the of entry into force of the shareholder’s agreement. Under the same option agreement, the Company issued a call option for the investor to purchase the remaining shares of GET Baltic at a fixed price within 24 months of the date on which the obligations under the shareholders’ agreement are fulfilled. The investor’s obligations shall be fulfilled within 24 months from the date of entry into force of the shareholder’s agreement. In the Company management’s assessment, these options meet the definition of derivatives. The put option creates a non-current financial asset for the Company that is measured at fair value. The investor’s call option creates a financial liability for the Company that can be exercised at any time after the investor has fulfilled its obligations. Based on the Company management’s estimates, the expected exercise period of the call option is 24 months from the put option date, i.e. upon fulfilment of the contractual

obligations by the investor. As the Company does not have an irrevocable right to defer the put option, the liability is recognised as a current liability and measured at fair value. More information on options fair value is disclosed in Note 10.

4. Reclassification of comparative figures in the financial statements

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

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.

Bellow is the effect of reclassification on the item of the Company's and the Group's statement of comprehensive income for the period of three months ended 31 March 2023:

	Group		
	For the period of three months ended 31 March 2023		
	Before reclassification	Reclassification	After reclassification
Revenue	26,116	-	26,116
Other income	85	-	85
Dividend income	-	-	-
Total revenue and other income	26,201	-	26,201
Natural gas system balancing products expenses	(9,425)	9,425	-
Natural gas technological needs expenses	(4,272)	4,272	-
Purchases of natural gas		(13,697)	(13,697)
Depreciation and amortisation	(3,243)	3,243	-
Payroll and related expenses	(3,386)	-	(3,386)
Purchases of repair and maintenance services	(893)	365	(528)
Taxes other than income tax	(747)	747	-
Telecommunications and IT system expenses	(509)	509	-
Other expenses	(1,059)	(1,621)	(2,680)
Total expenses:	(23,534)	3,243	(20,291)
EBITDA	-	-	5,910
Dividends	-	-	-
Depreciation and amortisation	-	(3,243)	(3,243)
Assets write-off expenses (reversal)	-	-	-
Operating profit (loss) (EBIT)	2,667	-	2,667
Total finance costs, net	(78)	-	(78)
Profit (loss) before tax	2,589	-	2,589
Income tax			-
Current income tax expense for the reporting year	(111)	-	(111)
Deferred income tax (expense) benefit	(590)	-	(590)
Total income tax	(701)	-	(701)
Net profit (loss)	1,888	-	1,888

	Company		
	For the period of three months ended 31 March 2023		
	Before reclassification	Reclassification	After reclassification
Revenue	25,444	-	25,444
Other income	85	-	85
Dividend income	542	(542)	-
Total revenue and other income	26,071	(542)	25,529
Natural gas system balancing products expenses	(9,425)	9,425	-
Natural gas technological needs expenses	(4,272)	4,272	-
Purchases of natural gas		(13,697)	(13,697)
Depreciation and amortisation	(3,193)	3,193	-
Payroll and related expenses	(3,237)	-	(3,237)
Purchases of repair and maintenance services	(893)	365	(528)
Taxes other than income tax	(747)	747	-
Telecommunications and IT system expenses	(478)	478	-
Other expenses	(1,055)	(1,590)	(2,645)
Total expenses:	(23,300)	3,193	(20,107)
EBITDA	-	-	5,422
Dividends	-	542	542
Depreciation and amortisation	-	(3,193)	(3,193)
Assets write-off expenses (reversal)	-	-	-
Operating profit (loss) (EBIT)	2,771	-	2,771
Total finance costs, net	(382)	-	(382)
Profit (loss) before tax	2,389	-	2,389
Income tax			-
Current income tax expense for the reporting year	-	-	-
Deferred income tax (expense) benefit	(590)	-	(590)
Total income tax	(590)	-	(590)
Net profit (loss)	1,799	-	1,799

5. Segment reporting

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

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

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

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

The Board as the main decision-making body monitors the results with reference to the financial reports that have been prepared using the same accounting policies as those used for the preparation of the financial statements, i.e., information on profit or loss, including the reported amounts of income and expenses.

Key performance indicators are net profit and profit before interest, taxes, depreciation and amortisation, loss on revaluation, impairment and write-off of property, plant and equipment (EBITDA). These indicators are calculated on the basis of data reported in the financial statements.

The Board also monitors adjusted performance indicators, particularly the adjusted EBITDA. Adjusted EBITDA ratio is EBITDA ratio further adjusted by adding management's adjustments. That is non-IFRS alternative performance measure. Management's adjustments include temporary regulatory differences resulting from the Council's decisions. Management's adjustments may have both positive and negative impact on the adjusted ratios for the period. In management's view, adjusted EBITDA ratio more accurately presents results of the operations and allows for an objective comparison of the results between the periods as revenue and costs have been adjusted due to the regulator's decisions or are of a one-off nature.

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

The table below contains information on the Group's operating segments for the year ended 31 March 2024:

	Transmission of natural gas
Revenue and other income	20,578
Operating expenses, excl. depreciation, write-off and impairment	(11,570)
EBITDA	9,008
Adjusted EBITDA	8,164
Temporary regulatory differences for previous periods	502
Temporary regulatory differences for reporting period	(1,346)
Overall effect of management's adjustments on EBITDA	(844)
EBITDA (under IFRS) reconciliation to Net profit/loss	(5,044)
Depreciation and amortisation	(3,677)
Revaluation of property, plant and equipment	-
Loss on impairment and write-off of property, plant and equipment	(1)
Finance income	12
Finance costs	(569)
Income tax	(698)
Dividend income	-
Result on loss of control and revaluation of associates	-
Gains (losses) on derivative financial instruments	(312)
Share of net profit of associates	201
Net profit/(loss)	3,964
Total assets	330,483
Investments (additions of property, plant and equipment)	84,276
Investments (additions of property, plant and equipment and intangible assets)	1,260

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

	Transmission of natural gas	Natural gas exchange operator's activities	Total
Revenue and other income	25,529	672	26,201
Operating expenses, excl. depreciation, write-off and impairment	(20,107)	(184)	(20,291)
EBITDA	5,422	488	5,910
Adjusted EBITDA	7,851	488	8,339
Temporary regulatory differences for previous periods	(721)	-	(721)
Temporary regulatory differences for reporting period	3,150	-	3,150
Overall effect of management's adjustments on EBITDA	2,429	-	2,429
EBITDA (under IFRS) reconciliation to Net profit/loss	(3,623)	(399)	(4,022)
Depreciation and amortisation	(3,193)	(50)	(3,243)
Revaluation of property, plant and equipment	-	-	-
Loss on impairment and write-off of property, plant and equipment	-	-	-
Finance income	3	304	307
Finance costs	(385)	-	(385)
Income tax	(590)	(111)	(701)
Dividend income	542	(542)	-
Result on loss of control and revaluation of associates	-	-	-
Gains (losses) on derivative financial instruments	-	-	-
Share of net profit of associates	-	-	-
Net profit/(loss)	1,799	89	1,888
Total assets	329,580	66,629	396,209
Net debt	94,617	-	94,617
Investments (additions of property, plant and equipment and intangible assets)	9,062	-	9,062

6. Intangible assets

Movements on intangible assets account during the current and previous reporting period were as follows:

	Patents and licences	Computer software	Other intangible assets	Protected areas	Total
As at 31 December 2022	6	1,288	-	1,290	2,584
Cost (revalued amount)	51	4,808	5	1,290	6,154
Accumulated amortisation	(45)	(3,520)	(5)	-	(3,570)
Net book value as at 31 December 2022	6	1,288	-	1,290	2,584
Additions	-	110	-	-	110
Write-offs	-	-	-	-	-
Adjustment for changes in assumptions	-	-	-	-	-
Amortisation charge	(1)	(188)	-	-	(189)
Off-set of grants against non-current assets	-	-	-	-	-
As at 31 March 2023	5	1,210	-	1,290	2,505
Acquisition/revaluation amount	51	4,918	5	1,290	6,264
Accumulated amortisation	(46)	(3,708)	(5)	-	(3,759)
Net book value as at 31 March 2023	5	1,210	-	1,290	2,505
Net book value as at 31 December 2023	7	1,526	-	1,026	2,559
Additions	-	24	-	-	24
Write-offs	-	-	-	-	-
Adjustment for changes in assumptions	-	-	-	-	-
Amortisation charge	(1)	(181)	-	-	(182)
Off-set of grants against non-current assets	-	-	-	-	-
As at 31 March 2024	6	1,369	-	1,026	2,401
Acquisition/revaluation amount	55	5,595	5	1,026	6,681
Accumulated amortisation	(49)	(4,226)	(5)	-	(4,280)
Net book value as at 31 March 2024	6	1,369	-	1,026	2,401

Depreciation of grants in amount of EUR 44 thousand as at 31 March 2024 (31 March 2023: EUR 59 thousand) was reported in the statement of profit or loss as an offsetting of depreciation of related assets against proceeds from grants.

Given the lower volumes for protected zone registration services, lower prices of services for establishment and registration of protected zones and class location areas, changes in prices of services provided by the State Enterprise Centre of Registers (e-delivery, submission of registration data), the Company in 2023 reviewed the estimated cost of establishing special land use conditions and remeasures the intangible asset and liability over the expected term of fulfilment of obligation. Due to changes in assumptions, the value of provision and related intangible assets was reduced by EUR 264 thousand as at 31 December 2023. As at 31 March 2024 no changes in assumptions affecting the amount of the provision have been identified.

7. Property, plant and equipment

Movements on the property, plant and equipment account during the current and previous reporting period were as follows:

	Land	Buildings	Structures and equipment	Plant and machinery	Vehicles	Other PP&E	Construction work in progress	Total
As at 31 December 2022	125	6,527	229,891	33,831	220	3,849	6,646	281,089
Acquisition/revaluation amount	125	7,720	250,016	47,571	967	8,702	6,646	321,747
Accumulated depreciation	-	(1,193)	(20,125)	(13,740)	(747)	(4,853)	-	(40,658)
Net book value as at 31 December 2022	125	6,527	229,891	33,831	220	3,849	6,646	281,089
Additions	-	-	-	3	-	15	8,934	8,952
Write-offs	-	-	-	-	-	-	(1)	(1)
Sales	-	-	-	-	-	-	-	-
Reclassification from/to inventories	-	-	2	-	-	-	-	2
Reclassification from/to intangible assets	-	-	-	-	-	-	-	-
Reclassifications between categories	-	-	1	-	-	34	(35)	-
Depreciation charge	-	(74)	(1,531)	(843)	(30)	(401)	-	(2,879)
Off-set of grants against non-current assets	-	-	-	-	-	-	(3,964)	(3,964)
As at 31 March 2023	125	6,453	228,363	32,991	190	3,497	11,580	283,199
Acquisition/revaluation amount	125	7,720	250,019	47,574	967	8,751	11,580	326,736
Accumulated depreciation	-	(1,267)	(21,656)	(14,583)	(777)	(5,254)	-	(43,537)
Net book value as at 31 March 2023	125	6,453	228,363	32,991	190	3,497	11,580	283,199
Net book value as at 31 December 2023	136	7,647	228,189	37,702	135	4,668	5,876	284,353
Additions	-	-	-	20	3	34	1,179	1,236
Write-offs	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	(1)	-	(1)
Reclassification from/to inventories	-	-	-	96	-	-	-	96
Reclassification from/to intangible assets	-	-	-	-	-	-	-	-
Reclassifications between categories	-	-	155	-	-	26	(181)	-
Depreciation charge	-	(80)	(1,723)	(1,003)	(24)	(473)	-	(3,303)
Off-set of grants against non-current assets	-	5	22	-	-	-	(121)	(94)
As at 31 March 2024	136	7,572	226,643	36,815	114	4,254	6,753	282,287
Acquisition/revaluation amount	136	7,652	228,366	37,818	138	4,727	6,753	285,590
Accumulated depreciation after revaluation	-	(80)	(1,723)	(1,003)	(24)	(473)	-	(3,303)
Net book value as at 31 March 2024	136	7,572	226,643	36,815	114	4,254	6,753	282,287

Depreciation of grants in amount of EUR 1,269 thousand as at 31 March 2024 (31 March 2023: EUR 1,059 thousand) was reported in the statement of profit or loss as an offsetting of depreciation of related assets against proceeds from grants.

The cost of PP&E in 2024 included: the renovation of cathodic protection systems amounting to EUR 366 thousand; the reconstruction of the Dispatching Building amounting to EUR 350 thousand; the installation of the gas pipeline shutoff devices and the remote control systems (SCADA) amounting to EUR 189 thousand.

In the first quarter of 2023, part of the Company's capitalised borrowing costs (interest) were added to the cost of PP&E and amounted to EUR 40 thousand. In the first quarter of 2024 no borrowing costs (interest) were added to the cost of PP&E.

Had the value of the Company's PP&E been not reduced by the amount of grants, the carrying amount of PP&E as at 31 March 2024 would be higher by EUR 136,276 thousand (31 December 2023: EUR 137,451 thousand). Information on grants received/receivable used to reduce the value of property, plant and equipment:

	As at 31 March 2024	As at 31 December 2023
Carrying amount at the beginning of the period	137,451	127,087
Grants used for the acquisition of fixed assets	94	14,686
Depreciation charge	(1,269)	(4,293)
Write-offs	-	(29)
Carrying amount at the end of the period	136,276	137,451

8. Loss of control of subsidiary

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

The Company lost control of GET Baltic following the completion of the share sale transaction on 31 May 2023. The remaining part of the investment in GET Baltic after the loss of control is recognised as an investment in an associate and measured at fair value at the time of loss of control. The fair value of investment in GET Baltic was determined on the basis of the sale of 66% of the shares.

Investment in an associate in consolidated and separate financial statements is accounted for using the equity method.

Summarized statement of financial position of GET Baltic as at 31 March 2024 and 31 December 2023:

	As at 31 March 2024	As at 31 December 2023
Non-current assets	338	353
Current assets	46,854	74,900
Total assets:	47,192	75,253
Non-current liabilities	61	36
Current liabilities	44,243	72,920
Total liabilities:	44,304	72,956
Net assets	2,888	2,297
Group's share, %	34%	34%
Group's share of net assets	982	781
Carrying amount of investment in associate	3,845	3,644

Summarized statement of comprehensive income of GET Baltic for the period of three months 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 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
Total comprehensive income attributable to the Company/ Group	201	295
Dividends paid to Company/Group	-	-
Changes in carrying amount of the investment in associate due to the application of the equity method:		

	As at 31 March 2024	As at 31 December 2023
Carrying amount at the beginning of the period	3,644	-
Acquisition	-	3,348
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

9. Right-of-use assets

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

To mitigate the environmental impact, the Company renewed its fleet of cars by replacing polluting vehicles with electric cars or less polluting vehicles. As at 31 March 2024, the initial cost of vehicles recognised as right of use assets amounted to EUR 1,612 thousand, lease period was 3 years.

From 1 January 2024 the Company has reviewed the value of right of use assets (office premises) for rent indexation. The rent for the office premises may be revalued based on the average change in the consumer price index in line with inflation, but may not exceed 2 per cent.

	Buildings	Land	Vehicles	Total
Net book amount of assets recognised at 31 December 2022	1,495	1,478	392	3,365
New leases	-	-	-	-
Indexation	31	-	-	31
Write-offs	-	-	-	-
Depreciation charge	(45)	(4)	(76)	(125)
Net book amount as at 31 March 2023	1,481	1,474	316	3,271
Net book amount of assets recognised at 31 December 2023	1,346	1,462	292	3,100
New leases	-	-	1,612	1,612
Indexation	28	-	-	28
Write-offs	-	-	-	-
Depreciation charge	(46)	(4)	(142)	(192)
Net book amount as at 31 March 2024	1,328	1,458	1,762	4,548
Initial cost	1,775	1,534	1,971	5,280
Accumulated depreciation	(447)	(76)	(209)	(732)
Net book value at 31 March 2024	1,328	1,458	1,762	4,548

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

10. Derivatives

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

	As at 31 March 2024	As at 31 December 2023
Non-current assets		
Put option of GET Baltic	935	1,226
Total non-current derivative assets:	935	1,226
Current liabilities		
Call option of GET Baltic	384	364
Total current derivative liabilities:	384	364

Information on the fair values of derivatives is presented below:

	Share option	Subscription date	Maturity	Exercise price	Fair value of option	
					As at 31 March 2024	As at 31 December 2023
Put Option		As at 31 May 2023	As at 31 May 2027	4.07	935	1226
Call Option		As at 31 May 2023	As at 31 May 2025	3.62	384	364

The call option can be exercised at any time after the investor has fulfilled its obligations, therefore this obligation is classified as a current liability. The fair value was determined based on the most likely option exercise period of 24 months estimated by the management.

11. Inventories

	As at 31 March 2024	As at 31 December 2023
Raw materials, spare parts and other inventories	1,096	1,052
Natural gas	3,226	4,339
Assets held for sale	-	-
Inventories, gross	4,322	5,391
Less: impairment	(497)	(517)
	3,825	4,874

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

The acquisition cost of the Company's inventories accounted for at net realisable value as at 31 March 2024 amounted to EUR 1,096 thousand (31 December 2023: EUR 1,052 thousand). Inventory write-down allowance was included in other expenses.

12. Trade receivables

	As at 31 March 2024	As at 31 December 2023
I. Trade receivables under contracts with customers		
I.1 Receivables after one year	-	-
Net book of receivables after one year:	-	-
I.2. Current trade receivables		
Receivables for transmission of natural gas	6,854	6,770
Receivables for natural gas	-	713
Receivables for balancing of transmission system	1,081	1,553
Receivables for other services	3	2
Less: expected credit losses for trade receivables	(14)	(19)
Trade receivables under contracts with customers	7,924	9,019
II. Trade receivables under other contracts		
Other trade receivables	1	11
Less: impairment of trade receivables	-	-
Total trade receivables under other contracts	1	11
Total trade receivable	7,925	9,030

Current trade receivables are interest free and their settlement term is typically between 7 and 20 calendar days. Impairment allowance of EUR 14 thousand was established for trade receivables as at 31 March 2024 (31 December 2023: EUR 19 thousand). The decrease in trade receivables resulted from falling natural gas prices.

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

To determine credit losses for receivables, the Company applies an individual assessment and a provision matrix. Entities in bankruptcy and/or liquidation are subject to a credit loss ratio of 100%.

Expected credit losses of trade receivables as at 31 March 2024 were as follows:

	Not past due	1-30 days	31-90 days	91-180 days	181 and more days	Total:
Trade receivables assessed individually	2,980	-	-	-	-	2,980
Expected credit losses	(11)	-	-	-	-	(11)
Trade receivables assessed collectively						
State-owned companies	1,708	-	-	-	-	1,708
Loss ratio (%)	0%	0%	0%	0%	0%	
Expected credit losses	-	-	-	-	-	-
Other entities	3,203	47	-	-	1	3,251
Loss ratio (%)	0,04%	2,99%	5,83%	17,55%	100%	1
Expected credit losses	(1)	(1)	-	-	(1)	(3)
Total trade receivables	7,891	47	-	-	1	7,939
Total expected credit losses	(12)	(1)	-	-	(1)	(14)

Expected credit losses of trade receivables as at 31 December 2023 were as follows:

	Not past due	1-30 days	31-90 days	91-180 days	181 and more days	Total:
Trade receivables assessed individually	2,945	-	-	-	-	2,945
Expected credit losses	(7)	-	-	-	-	(7)
Trade receivables assessed collectively						
State-owned companies	2,174	-	-	-	-	2,174
Loss ratio (%)	0%	0%	0%	0%	0%	
Expected credit losses	-	-	-	-	-	-
Other entities	3,764	6	159	-	1	3,930
Loss ratio (%)	0,04%	2,99%	5,83%	17,55%	100%	
Expected credit losses	(2)	-	(9)	-	(1)	(12)
Total trade receivables	8,883	6	159	-	1	9,049
Total expected credit losses	(9)	-	(9)	-	(1)	(19)

Movement on impairment allowance account of the Group's trade receivables:

	As at 31 March 2024	As at 31 December 2023
Carrying amount at the beginning of the period	19	17
Impairment (reversal of impairment)	(5)	2
Carrying amount at the end of the period	14	19

13. Other amounts receivable

	As at 31 March 2024	As at 31 December 2023
Non-financial assets		
LNG terminal funds receivable	10,080	9,377
Grants receivable	3,711	7,360
Taxes receivable	-	37
Total non-financial assets	13,791	16,774
Contract assets	-	1,798
Financial assets		
Other receivables	33	502
Total financial assets	33	502
Total other receivables	13,824	19,074

As at 31 March 2024, LNG terminal funds receivable included an overdue amount of EUR 6,821 thousand, whereof overdue amount of Achema AB amounted to EUR 6,667 thousand. As at 31 December 2023, the overdue amount included in LNG terminal funds receivable amounted to EUR 6,582 thousand of which EUR 6,432 thousand of AB Achema debt. The legal dispute with Achema AB is disclosed in Note 30.

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

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

14. Other financial assets

As at 31 March 2024 and 31 December 2023, the Company's other financial assets comprised fixed-term deposits, security deposits collected from the system users and LNG terminal funds. Part of security deposits received from the system users are held in the form of term bank deposits: two term deposit agreements for EUR 503 thousand (12-month term deposit) and EUR 130 thousand (3-month term deposit). On 26 March 2024, the Company entered into a term deposit agreement for EUR 5,815 thousand for a period of 6 months.

	As at 31 March 2024	As at 31 December 2023
LNG terminal funds	2	-
Deposits received	678	528
Fixed-term deposits	5,815	-
Total other financial assets	6,495	528

15. Cash and cash equivalents

	As at 31 March 2024	As at 31 December 2023
Cash at bank	53	121
	53	121

The Company keeps its cash balances on bank accounts. As at 31 March 2024, the cash balance was not material due to the Company's and the Group's treasury management policy aimed at maintaining minimum cash balances.

16. Share capital

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

17. Dividends

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

18. Reserves

Legal reserve

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

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

Other reserves

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

Revaluation reserve

Below is the impact of revaluation of property, plant and equipment on revaluation reserve as at 31 December 2023 and changes in the revaluation reserve over 2024.

	As at 31 March 2024	As at 31 December 2023
Carrying amount at the beginning of the period	2,767	-
PP&E revaluation impact	-	3,255
Transfer of revaluation reserve to retained earnings	(75)	-
Effect of deferred income tax	11	(488)
Carrying amount at the end of the period	2,703	2,767

Pursuant to Articles 39, 42, 51 and 59 of the Law on Companies of the Republic of Lithuania, no part of the revaluation reserve may be distributed, either directly or indirectly, it may be used only to increase the issued capital. The general meeting of shareholders may not adopt a decision to pay dividends if the equity capital of the company is lower or upon payment of dividends would become lower than the revaluation reserve, i.e. the use of the revaluation reserve for profit/loss allocation is prohibited.

19. Grants

Grants comprise grants for the acquisition of non-current assets and compensation of expenses. Movements in grants in 2024 and 2023 were as follows:

	As at 31 March 2024	As at 31 December 2023
Opening balance		
Grants receivable (Note 13)	7,360	6,976
Grants received in advance (current liabilities)	(10)	(107)
	7,350	6,869
Recognised grants		
Transfer to property, plant and equipment (Note 7)	94	14,686
Transfer to intangible assets (Note 6)	-	-
Write-off	-	-
Grants used for compensation of expenses	4	54
	98	14,740
Grants received		
Grants received as cash	3,743	14,259
	3,743	14,259
Grants received in the form of assets	-	-
Closing balance		
Grants receivable (Note 13)	3,711	7,360
Grants received in advance (current liabilities)	(6)	(10)
	3,705	7,350

20. Borrowings

To balance its working capital, on 1 March 2022 the Company and EPSO-G entered into a cash pool contract, based on which the maximum borrowing limit (overdraft) from EPSO-G was set in amount of EUR 40,000 thousand. On 12 July 2023, an additional arrangement was made to increase the borrowing limit to EUR 70,000 thousand. As at 31 March 2024, the Company's borrowings under this contract amounted to EUR 14,736 thousand (31 December 2023: EUR 25,009 thousand).

As at 31 March 2024, the weighted average interest rate on the Company's borrowings was 2.33% (31 December 2023: 2.60%).

	As at 31 March 2024	As at 31 December 2023
Non-current borrowings	59,006	60,962
Current borrowings	20,605	31,084
Current borrowings (EPSO-G UAB)	14,736	25,009
Current portion of non-current borrowings	5,649	5,649
Accrued interest payable	220	426
Total borrowings	79,611	92,046

Long-term loan repayment terms:

	As at 31 March 2024	As at 31 December 2023
Between 1 and 2 years	5,649	5,649
Between 2 and 5 years	16,949	16,949
After 5 years	36,408	38,364
Total	59,006	60,962

All borrowings of the Company were obtained in the euros, and therefore, the outstanding balances of borrowings were denominated in the euros for the period of 31 March 2024 and 31 December 2023, thereby resulting in no foreign exchange effect.

There are no third-party guarantees or assets pledged by the Company as a collateral for bank borrowings.

Reconciliation of net debt to cash flows from financing activities between 2023 and 2024:

	Cash	Borrowings	Lease liabilities	Total
Net debt as at 31 December 2022	21	(100,962)	(3,514)	(104,455)
Changes in cash and cash equivalents	8	-	-	8
Loan (received)	-	-	-	-
Loan repaid	-	8,087	-	8,087
Change in overdraft	-	1,648	-	1,648
Lease payments	-	-	118	118
Concluded lease contracts	-	-	-	-
Lease modifications	-	-	(31)	(31)
Other movements	-	-	-	-
Interest charges expensed and interest capitalised	-	(417)	(8)	(425)
Interest paid	-	415	8	423
Other non-cash changes	-	2	8	10
Net debt as at 31 March 2023	29	(91,227)	(3,419)	(94,617)
	Cash	Borrowings	Lease liabilities	Total
Net debt as at 31 December 2023	121	(92,046)	(3,250)	(95,175)
Changes in cash and cash equivalents	(68)	-	-	(68)
Loans (received)	-	-	-	-
Loans repaid	-	1,956	-	1,956
Change in overdraft	-	10,273	-	10,273
Lease payments	-	-	172	172
Concluded lease contracts	-	-	(1,612)	(1,612)
Lease modifications	-	-	(28)	(28)
Other changes	-	-	-	-
Interest charges expensed and interest capitalised	-	(548)	(19)	(567)
Interest paid	-	754	19	773
Other non-cash changes	-	-	-	-
Net debt as at 31 March 2024	53	(79,611)	(4,718)	(84,276)

21. Lease liabilities

Lease liabilities and their movement were as follows:

	As at 31 March 2024	As at 31 December 2023
Carrying amount of lease liabilities as at 1 January	3,250	3,514
Indexation	28	31
Concluded lease contracts	1,612	217
Termination of lease (write-off of debt and accrued interest)	-	-
Interest charged	19	30
Lease payments (principal and interest)	(191)	(542)
Carrying amount as at 31 December	4,718	3,250
Non-current lease liabilities	3,921	2,933
Current lease liabilities	797	317

Lease liabilities	As at 31 March 2024	As at 31 December 2023
Current portion	797	317
Maturity of non-current liabilities:	3,921	2,933
Between 1 and 2 years	855	295
Between 2 and 3 years	752	291
Between 3 and 5 years	391	386
After 5 years	1,923	1,961

Interest charged on lease liabilities and included in the Group's finance costs amounted to EUR 19 thousand as at 31 March 2024 (31 March 2023: EUR 8 thousand).

The Company has a lease contract for office premises with variable lease payments not included in the value of lease liabilities. As from 1 January 2024, the lease rate for office premises revised in view of changes in the average consumer price index. As at 31 March 2024, the Company's lease payments (principal amount) totalled EUR 172 thousand (31 December 2023: EUR 118 thousand).

22. Trade payable

	As at 31 March 2024	As at 31 December 2023
Payables for property, plant and equipment	479	900
Payables for goods and services	871	1,892
Payables for repair services	48	127
Payables for natural gas	544	1
Payables for balancing services	970	2,415
	2,912	5,335

Trade payables are interest free and their settlement term is typically between 30 and 60 days. The decrease in trade debts was due to lower volumes of works in progress, purchases of goods and services, and lower differences in natural gas balancing.

23. Other amounts payable and current liabilities

	As at 31 March 2024	As at 31 December 2023
Non-financial liabilities		
Administered LNG terminal funds payable	10,080	8,906
Accrued administered LNG terminal funds ¹⁾	-	471
Real estate tax payable	-	732
Payable value added tax	-	-
Other taxes payable	34	19
Other payables	-	-
Total non-financial liabilities	10,114	10,128
Financial liabilities		
Payable CBCA contribution	27,450	27,450
Payable dividends	62	65
Other payables	1	1
Accrued expenses	6,326	1,089
Derivative liabilities	384	364
Total financial liabilities	34,223	28,969
Total other payables	44,337	39,097

Other payables of EUR 27,450 thousand include the commitment to pay CBCA contribution. In accordance with the cross-border cost allocation principles, as part of GIPL project, the CBCA contribution will be paid to the Polish transmission system operator upon receipt of its payment request based on the audited value of the GIPL pipeline construction works on the Polish

side. Accrued expenses include EUR 5,815 thousand accrued guarantee funds for the replacement of the interconnectors of the GIPL project.

24. Revenue

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

	Group		Company	
	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
Revenue under contracts with customers				
Transmission of natural gas in the territory of Lithuania	17,672	19,520	17,672	19,520
Revenue from system balancing products	2,840	5,897	2,840	5,897
Revenue from trading on exchange	-	617	-	-
Revenue from connection of new consumers (deferred revenue)	18	9	18	9
Other income	6	56	6	1
Total revenue from contracts with customers	20,536	26,099	20,536	25,427
Revenue other than under contracts with customers				
Revenue from administration of LNG terminal funds	31	17	31	17
Total revenue other than under contracts with customers	31	17	31	17
Total revenue	20,567	26,116	20,567	25,444

	Group		Company	
	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
<i>Revenue recognised over the period</i>				
Transmission of natural gas in the territory of Lithuania	17,672	19,520	17,672	19,520
Revenue from transmission system balancing service	2,840	5,897	2,840	5,897
Membership revenue	-	23	-	-
Other income	55	82	55	27
Total revenue recognised over the period	20,567	25,522	20,567	25,444
<i>Revenue recognised at a point in time, upon provision of services</i>				
Revenue from trading on exchange	-	594	-	-
Total revenue recognised at a point in time, upon provision of services:	-	594	-	-
Total revenue	20,567	26,116	20,567	25,444

The lower level of revenue in the first quarter of 2024, compared to the first quarter of 2023, was influenced by the lower volumes of gas transported to the Polish and Latvian directions as well as the decrease in the gas price.

25. Other income

The Group's other income includes as follows:

	Group		Company	
	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
Grants recognised as income	4	13	4	13
Sale of goods	-	48	-	48
Rental income	1	-	1	-
Gain on disposal of PP&E	-	7	-	7
Interest on late payment	6	5	6	5
Other income	-	12	-	12
	11	85	11	85

26. Purchase of natural gas

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

	Group		Company	
	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
Expenses for natural gas system balancing products	(3,656)	(9,425)	(3,656)	(9,425)
Expenses for natural gas technological needs	(1,289)	(4,272)	(1,289)	(4,272)
Total	(4,945)	(13,697)	(4,945)	(13,697)

The decrease in natural gas costs in the first quarter of 2024, compared to the first quarter of 2023, was influenced by the lower gas price and the lower consumption of gas for the technology due to lower flows towards Poland.

27. Other expenses

Other expenses of the Group and Company were consisted of:

	Group		Company	
	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
Telecommunications and IT system expenses	(424)	(509)	(424)	(478)
Business trips	(56)	(43)	(56)	(43)
Consulting services	(87)	(42)	(87)	(42)
Expenses of governing bodies	(23)	(23)	(23)	(23)
Management services	(166)	(50)	(166)	(50)
Personnel development	(43)	(47)	(43)	(47)
Public relations	(41)	(50)	(41)	(50)
Premise expenses	(213)	(201)	(213)	(201)
Transport	(176)	(164)	(176)	(164)
Council fee	(278)	(330)	(278)	(330)
Taxes	(805)	(747)	(805)	(747)
Business protection	(143)	(133)	(143)	(133)
Membership fees	(62)	(56)	(62)	(56)
Insurance	(173)	(69)	(173)	(69)
Other expenses	(78)	(216)	(78)	(212)
Total	(2,768)	(2,680)	(2,768)	(2,645)

28. Current and deferred income tax

Income tax expenses include as follows:

	Group		Company	
	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
Current income tax expense for the reporting year	(276)	(111)	(276)	-
Deferred income tax expenses (benefit)	(422)	(590)	(422)	(590)
Income tax expenses/(benefit) for the reporting period	(698)	(701)	(698)	(590)

29. Basic and diluted earnings per share

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

	Group	
	For the period of three months ended 31 March 2024	For the period of three months ended 31 March 2023
Net profit attributable to equity holders of the Group (EUR '000)	3,964	1,888
Weighted average number of shares ('000 units)	178.383	178.383
Basic and diluted earnings (loss) per share (EUR)	0.02	0.01

30. Off-balance sheet commitments and contingencies

Litigations

Below is information on pending civil cases:

1. Civil case regarding the award of LNG terminal funds in the amount of EUR 4,678 thousand and late payment interest in the amount of EUR 818 thousand from Achema AB under the natural gas transmission service agreements concluded on 21 December 2012 and 22 December 2014:

Kaunas Regional Court suspended the case until adoption of the European Commission's decision on the compatibility of the LNG terminal add-on funds collected for the period from 1 January 2016 to 31 December 2018 with the state aid rules under European Union law.

On 8 March 2024, the Company lodged Kaunas Regional Court with a statement of increase of the heads of claim (hereinafter referred to as the "Statement"), requesting the court to award the late payment interest in the amount of EUR 860 thousand and the of the LNG terminal add-on funds in the amount of EUR 6,590 thousand to the Company from Achema AB. The issue of acceptance of the Company's Statement will be decided by Kaunas Regional Court after the reopening of the proceedings. In the case concerning the award of LNG terminal funds and late payment interest, the Company acts only as an administrator of the LNG terminal funds, transfers the LNG terminal funds to the beneficiaries only when it collects them from the buyers, and, therefore, it does not incur any credit risk as a result of the disputed amount.

2. Civil case in which the Company is the defendant in an action brought by Alvora UAB by which Alvora UAB requests for declaration of the following documents submitted by the defendant AB Amber Grid as unreasonable and unlawful:

- 13 February 2024 demand for payment of the bank guarantee amounting to EUR 1,479 thousand under 1 April 2021 bank guarantee LTUG 015210910001;
- 13 February 2024 demand for payment of the bank guarantee amounting to EUR 3,389 thousand under 1 March 2021 bank guarantee No LTUG 015210600102.

In the present case, Amber Grid AB is obliged to lodge a statement of defence to the action until 26 April 2024. In the Company's view, the guarantees were used lawfully and in accordance with the terms of the contract, as defects in the works were identified and the Contractor refused to remedy them. The funds paid under the guarantees will be used to remedy the identified defects. In the event that the Contractor remedies the defects identified at its own expense before the outcome of the case, the Company would repay the funds received under the guarantees to the plaintiff Alvora UAB.

31. Related-party transactions

Disclosure includes transactions and their balances with the EPSO-G group companies, subsidiary GET Baltic UAB, all state-owned enterprises or entities under significant influence of the State (transactions with such entities are disclosed separately only if the amount of the transactions exceeds EUR 100,000 per calendar year), management and their close family members.

The Group's and the Company's related parties as at 31 March 2024 and 2023 were as follows:

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

EPSO-G Group companies:

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

Associate GET Baltic.

The companies of Ignitis Grupė AB:

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

Other state-owned enterprises:

- KN Energies AB;
- Other state-owned enterprises or entities under significant influence;
- Management.

The tables below present the Company's related-party transactions and their balances as at 31 March 2024 and 2023:

	Purchases	LNG terminal funds (purchases)	Sales	LNG terminal funds (sales)	Receivables	LNG terminal funds receivable	Proceeds from borrowings	Payables	LNG terminal funds payable	Dividends received	Finance costs
GET Baltic	4,355	-	314	-	19	-	-	543	-	-	-
EPSO-G	166	-	-	-	-	-	14,736	216	-	-	236
TETAS UAB	2	-	-	-	-	-	-	3	-	-	-
Ignitis gamyba AB	506	-	1,499	2,142	241	864	-	41	-	-	-
Energijos skirstymo operatorius AB	93	-	234	37	205	15	-	35	-	-	-
Ignitis UAB	1,442	8,378	3,939	6,630	1,446	706	-	439	6,105	-	-
Transporto valdymas UAB	48	-	-	-	-	-	-	8	-	-	-
KN Energies AB	-	-	-	-	-	-	-	-	3,975	-	-
Ignitis Polska sp. Z.o.o.	-	-	-	-	-	-	-	-	-	-	-
Other state-owned enterprises	-	-	-	-	-	-	-	1	-	-	-
	6,612	8,378	5,986	8,809	1,911	1,585	14,736	1,286	10,080	-	236

	Purchases	LNG terminal funds (purchases)	Sales	LNG terminal funds (sales)	Receivables	LNG terminal funds receivable	Proceeds from borrowings	Payables	LNG terminal funds payable	Dividends received	Finance costs
GET Baltic	9,176	-	1,381	-	83	-	-	794	-	542	-
EPSO-G	50	-	-	-	-	-	7,923	58	-	-	50
TETAS UAB	2	-	-	-	-	-	-	2	-	-	-
Ignitis gamyba AB	1,059	-	1,115	-	357	-	-	98	-	-	-
Energijos skirstymo operatorius AB	90	-	42	-	85	-	-	-	-	-	-
Ignitis UAB	1,958	262	3,250	194	1,065	-	-	586	1,782	-	-
Transporto valdymas UAB	100	-	-	-	-	-	-	40	-	-	-
KN Energies AB	-	-	-	-	-	-	-	-	3,975	-	-
Ignitis Polska sp. Z.o.o.	-	-	8	-	3	-	-	-	-	-	-
Other state-owned enterprises	3	-	-	-	-	-	-	1	-	-	-
	12,438	262	5,796	194	1,593	-	7,923	1,579	5,757	542	50

There were no guarantees issued or received for payables to/receivables from related parties, the settlement term was between 15 and 30 days. As at 31 March 2024, the Company neither formed nor recognised any impairment provisions for receivables from related parties.

	As at 31 March 2024	As at 31 March 2023
Employment-related payments	170	144
Payments to Board members	23	23
	193	167

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

32. Subsequent events

On 9 April 2024, Amber Grid AB applied to court for compensation of damages incurred by Alvora UAB as a result of improper performance of its obligations under the contract and requested to award the losses, procedural interest, litigation costs in the amount of EUR 4,820 thousand to Amber Grid AB from the defendant Alvora UAB and apply interim measures of protection (hereinafter referred to as the "IMP"), i.e. seizure of immovable and movable property objects, and, failing that, seizure of funds in the possession of the defendant or third parties, against Alvora UAB. On 11 April 2024, the Court adopted an order on the IMP, by which it ordered to apply the IMP, namely, seizure of the immovable property objects of Alvora UAB and, failing that, the funds in the possession of the defendant or third parties for the amount of the claim amounting to EUR 4,820 thousand. By 23 April 2024 decision of Vilnius Regional Court, the application of the IMP against Alvora UAB was annulled.

On 19 April 2024, the National Energy Regulatory Council obliged the Company to replace the interconnecting parts of the Lithuanian-Polish natural gas transmission main pipeline (GIPL).

On 30 April 2024, the General Meeting of Shareholders adopted a decision on distributable profits. The amount of EUR 20,174 thousand, i.e. EUR 0.1131 per share, has been allocated for the payment of dividends.