



Litgrid

COMPANY'S CONDENSED INTERIM FINANCIAL
STATEMENTS, PREPARED ACCORDING TO
INTERNATIONAL FINANCIAL REPORTING STANDARDS AS
ADOPTED BY THE EUROPEAN UNION (UNAUDITED), FOR
THE THREE-MONTHS PERIOD ENDED 31 MARCH 2023



CONFIRMATION OF RESPONSIBLE PERSONS

May 5, 2023 Vilnius

Following the Law on Securities of the Republic of Lithuania and Rules on Information Disclosure approved by the Bank of Lithuania, we, Rokas Masiulis, Chief Executive Officer of LITGRID AB, Vytautas Tauras, Director of Finance Department of LITGRID AB and Asta Vičkačkienė, Head of Accounting Division of LITGRID AB, hereby confirm that, to the best of our knowledge, the attached LITGRID AB unaudited condensed interim financial statements for the three months period ended 31 March 2023 are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the LITGRID AB assets, liabilities, financial position, profit (loss) and cash flows.

Rokas Masiulis
Chief Executive Officer

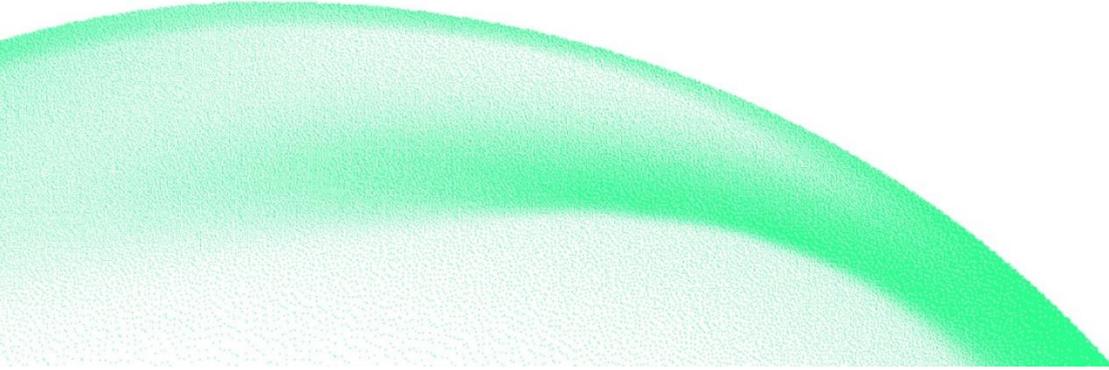
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Vytautas Tauras
Director of Finance Department

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Asta Vičkačkienė
Head of Accounting Division

(The document is signed by a qualified electronic signature)



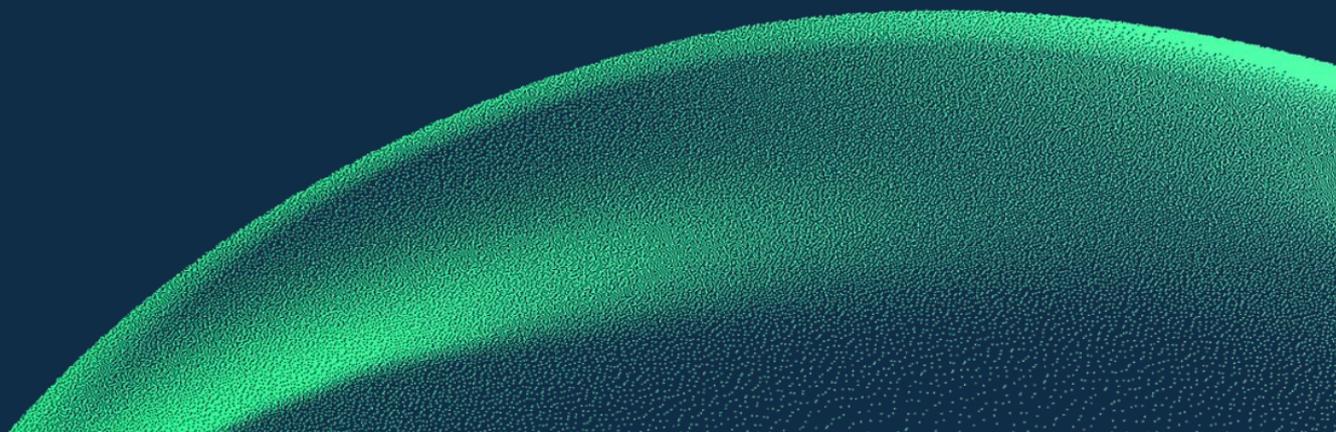
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The condensed interim financial statements were signed on 5 May 2023.

Rokas Masiulis
Chief Executive Officer

Vytautas Tauras
Director of Finance Department

Asta Vičkačkienė
Head of Accounting Division



CONDENSED INTEREM STATEMENT OF FINANCIAL POSITION
(All amounts in EUR thousands unless otherwise stated)

		31-03-2023	31-12-2022
ASSETS			
Non-current assets			
Intangible assets	3	6,047	5,484
Property, plant and equipment	4	360,148	361,718
Right-of-use assets	5	5,551	5,592
Investments in a joint venture		45	45
Deferred income tax assets		9,078	11,085
Total non-current assets		380,869	383,924
Current assets			
Inventories		3	3
Prepayments		6,029	1,622
Trade receivables under contracts with customers	7	19,498	61,080
Trade receivables	8	2,852	2,558
Other amounts receivable		1,813	892
Loans granted	6	230,948	232,008
Other financial assets		5,361	7,361
Cash and cash equivalents	9	7	499
Total current assets		290,263	334,621
TOTAL ASSETS		671,132	718,545
EQUITY AND LIABILITIES			
Equity			
Share capital		146,256	146,256
Share premium		8,579	8,579
Legal reserve		14,626	14,626
Other reserves		47,003	47,003
Retained earnings (deficit)		(36,572)	(49,484)
Total equity		179,892	166,980
Liabilities			
Non-current liabilities			
Non-current borrowings	10	34,285	34,285
Lease liabilities	11	5,249	5,299
Liabilities of congestion management revenue	12	76,243	64,095
Provisions		941	941
Other non-current amounts payable and liabilities		35,327	34,392
Total non-current liabilities		152,045	139,012
Current liabilities			
Current portion of non-current borrowings	10	6,143	6,143
Current portion of lease liabilities	11	419	403
Trade payables	13	34,997	70,146
Current portion liabilities of congestion management revenue	12	251,825	287,400
Advance amounts received		35,973	35,506
Provisions		222	648
Other current amounts payable and liabilities		9,616	12,307
Total current liabilities		339,195	412,553
Total liabilities		491,240	551,565
TOTAL EQUITY AND LIABILITIES		671,132	718,545

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

CONDENSED INTEREM STATEMENT OF COMPREHENSIVE INCOME
(All amounts in EUR thousands unless otherwise stated)

		31-03-2023	31-03-2022
Revenue			
Revenue from electricity transmission and related services	15	86,336	67,607
Other income	16	475	159
Total revenue		86,811	67,766
Expenses			
Expenses of electricity transmission and related services	17	(24,403)	(26,481)
Expenses for electricity ancillary (system) services	17	(21,536)	(12,157)
Expenses for electricity technological needs	17	(11,623)	(17,624)
Expenses of electricity transmission and related services		(27)	(471)
Depreciation and amortization	3,4,5	(4,933)	(5,225)
Wages and salaries and related expenses		(4,466)	(3,574)
Repair and maintenance expenses		(1,838)	(1,166)
Telecommunications and IT maintenance expenses		(593)	(505)
Transport expenses		(73)	(61)
Write-off expenses of property, plant and equipment		(12)	(87)
Impairment of inventories and accounts receivables		(105)	-
Other expenses		(2,399)	(2,348)
Total expenses		(72,008)	(69,699)
Operating profit (loss)		14,803	(1,933)
Finance income		480	2
		(126)	(307)
Profit (loss) before income tax		15,157	(2,238)
Income tax			
Current year income tax expenses		(238)	(681)
Deferred income tax income (expenses)		(2,007)	904
Total income tax		(2,245)	223
Net profit (loss)		12,912	(2,015)
Total other comprehensive income that will not be reclassified to profit or loss		-	-
Total comprehensive income (expenses)		12,912	(2,015)
Basic and diluted earnings/(deficit) per share (in EUR)	19	0.026	(0.004)

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
(All amounts in EUR thousands unless otherwise stated)

	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2022	146,256	8,579	14,626	32,034	20,013	221,508
Comprehensive income (expenses) for the year	-	-	-	-	(2,015)	(2,015)
Transfer to reserves	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Balance at 31 March 2022	146,256	8,579	14,626	32,034	17,998	219,493
Balance at 1 January 2023	146,256	8,579	14,626	47,003	(49,484)	166,980
Comprehensive income (expenses) for the year	-	-	-	-	12,912	12,912
Balance at 31 March 2023	146,256	8,579	14,626	47,003	(36,572)	179,892

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

CONDENSED INTERIM STATEMENT OF CASH FLOWS
(All amounts in EUR thousands unless otherwise stated)

	31-03-2023	31-03-2022
Cash flows from operating activities		
Profit (loss) for the year	12,912	(2,015)
Adjustments for non-cash items and other adjustments:		
Depreciation and amortization expenses	3,4,5 4,933	5,225
(Reversal of) / impairment of assets	105	-
Income tax expenses	2,245	(223)
(Gain) loss on disposal/write-off of property, plant and equipment	12	87
Elimination of results of financing and investing activities:		
Interest income	(479)	-
Interest expenses	125	162
Other finance costs (income)	-	143
Changes in working capital:		
(Increase) decrease in trade receivables and other amounts receivable	40,789	26,170
(Increase) decrease in inventories, prepayments and other current assets	245	(478)
Increase (decrease) in amounts payable, grants, deferred income and advance amounts received	(67,196)	(33,870)
Increase (decrease) in revenue generated from congestion management	20,566	-
Changes in other financial assets	2,000	(419)
Income tax (paid)	-	(2,240)
Net cash flows from operating activities	16,257	(7,458)
Cash flows from investing activities		
(Purchase) of property, plant and equipment and intangible assets	(18,690)	(8,760)
Grants received	555	1,026
Loans to related parties	1,060	(15,297)
Revenue generated from congestion management	-	30,070
Interest received	479	-
Net cash flows from investing activities	(16,596)	7,039
Cash flows from financing activities		
Repayments of borrowings	-	(1,100)
Lease payments	(119)	(76)
Interest paid	(32)	(41)
Dividends paid	(2)	(2)
Other cash flows from financing activities	-	(145)
Net cash flows from financing activities	(153)	(1,364)
Increase (decrease) in cash and cash equivalents	(492)	(1,783)
Cash and cash equivalents at the beginning of the period	9 499	1,819
Cash and cash equivalents at the end of the period	9 7	36

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

1. General information

LITGRID AB (hereinafter “the Company”) is a public limited liability company registered in the Republic of Lithuania. The address of its registered office is: Karlo Gustavo Emilio Manerheimo str. 8, LT-05131, Vilnius, Lithuania. The Company was established as a result of the unbundling of Lietuvos Energija AB operations. The Company was registered with the Register of Legal Entities on 16 November 2010. The Company’s code is 302564383.

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

On 27 August 2013, the National Energy Regulatory Council granted a license to the Company to engage in electricity transmission activities for indefinite term.

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

As at 31 March 2023, the Company’s authorized share capital amounted to EUR 146,256,100.20 and it was divided into 504,331,380 ordinary registered shares with the nominal value of EUR 0.29 each. All shares are fully paid.

As at 31 March 2023 and 31 December 2022, the Company’s shareholders structure was as follows:

Company’s shareholders	Number of shares held	Number of shares held (%)
UAB EPSO-G	491,736,153	97.5
Other shareholders	12,595,227	2.5
Total:	504,331,380	100.0

The ultimate controlling shareholder of EPSO-G UAB (company code 302826889, address Gedimino Ave. 20, Vilnius, Lithuania) is the Ministry of Energy of the Republic of Lithuania.

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

Company’s investments in joint ventures comprised of the following:

Company	Address of the company’s registered office	Shareholding as at 31 March 2023	Shareholding as at 31 December 2022	Profile of activities
Baltic RCC OÜ	Kadaka tee 42 12915 Tallinn Eesti	33.33 %	33.33 %.	Responsible for the provision and coordination of security and reliability services for the electricity system among transmission system operators in the Baltic region

As at 31 March 2023, the Company had 392 employees (31 December 2022: 389).

2. Summary of principal accounting policies

2.1. Basic of preparation

These condensed interim Company’s financial statements for the three months period, ended 31 March 2023 are prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union and applicable to interim financial statements (IAS 34 „Interim Financial Reporting“).

In order to better understand the data presented in this condensed interim financial statements, this financial statements should be read in conjunction with the audited Company’s financial statements for the year 2022.

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

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

These financial statements have been prepared on a historical cost basis, except for property, plant and equipment which is recorded at revalued amount, less accumulated depreciation and estimated impairment loss, and financial assets which are carried at fair value.

These financial statements for the three months period ended 31 March 2023 are not audited. Financial statements for the year ended 31 December 2022 are audited by the external auditor UAB „PricewaterhouseCoopers“.

3. Intangible assets

	Intangible assets
Net book amount at 31 December 2021	4,952
Additions	64
Reclassifications from PP&E	-
Amortization charge	(328)
Net book amount at 31 March 2022	4,688
Net book amount at 31 December 2022	5,484
Additions	764
Reclassifications from PP&E	10
Amortization charge	(211)
Net book amount at 31 March 2023	6,047

4. Property, plant and equipment

	Property, plant and equipment
Net book amount at 31 December 2021	338,051
Additions	5,196
Prepayments for PPE	7,476
Write-offs	(87)
Transfer to inventories	(4)
Transfer to intangible assets	-
Off-set of connection revenue against non-current assets	(12)
Set-off of grants against non-current assets	(12,347)
Depreciation charge	(4,832)
Net book amount at 31 March 2022	333,441
Net book amount at 31 December 2022	361,718
Additions	13,616
Prepayments for PPE	2,043
Write-offs	(18)
Transfer to inventories	(144)
Transfer to intangible assets	(10)
Off-set of connection revenue against non-current assets	(3,075)
Set-off of grants against non-current assets	(9,368)
Depreciation charge	(4,614)
Net book amount at 31 March 2023	360,148

Property, plant, and equipment is stated at acquisition cost, less grants received/receivable for the acquisition of property, property, plant, and equipment. Grants comprise financing from the EU support funds, a portion of congestion management revenue designated for the financing of investments, payments for the expenses incurred during the connection of producers to the transmission network and performance of works for the relocation/reconstruction of the transmission network's installations initiated by customers.

Had the value of property, plant and equipment not been reduced by the amount of grants, the carrying amount would be higher by EUR 364,271 thousand as at 31 March 2023 (EUR 344,213 thousand as at 31 March 2022). Below is information about property, plant and equipment, the value of which was reduced by the amount of grants received/receivable:

	2023	2022
Opening balance at 1 January	354,323	334,322
Additions	12,489	12,359
Depreciation charge	(2,541)	(2,455)
Write-offs	-	(13)
Closing balance at 31 March	364,271	344,213

5. Right-of-use assets

	Right-of-use assets
Net book amount at 31 December 2021	4,509
Additions	-
Depreciation	(65)
Net book amount at 31 March 2022	4,444
Net book amount at 31 December 2022	5,592
Additions	68
Write-offs	(58)
Depreciation	(108)
Depreciation write-offs	57
Net book amount at 31 March 2023	5,551

6. Loans granted

	31-03-2023	31-12-2022
Loan to EPSO-G, UAB (Group intercompany borrowing agreement)	230,948	232,008
Carrying amount	230,948	232,008

After the issuing of the permission by the NERC, the Company and EPSO-G UAB concluded the group account (cashpool) agreement on 26 February 2021. The agreement establishes the possibility to use free congestion management revenue for intercompany lending and borrowing purposes. The agreement valid until 26 February 2022 and contained two possible extensions of 12 months each.

On 26 February 2023 the company extended the borrowing agreement with UAB "EPSO-G" for the second time until 26 February 2024, applying from 1 March 2023 variable interest rate linked to ESTR (euro short-term rate).

Under the group account agreement the Company's positive funds balance transferred to the disposal of EPSO-G UAB is accounted for as amounts receivable (loans granted) in the statement of financial position and is not included in the line item of cash and cash equivalents.

7. Trade receivables under contracts with customers

	31-03-2023	31-12-2022
Amounts receivable for electricity transmission and related services	15,217	58,414
Accumulated amounts receivable for electricity transmission and related services	4,281	2,666
Carrying amount	19,498	61,080

8. Trade receivables

	31-03-2023	31-12-2022
Amounts receivable for services related to electricity transmission	376	17
Congestion management revenue receivable	1,157	649
PSO funds receivable	-	354
Accumulated amounts receivable for services related to electricity transmission	1,102	1,477
Other trade receivables	217	61
Carrying amount	2,852	2,558

9. Cash and cash equivalents

	31-03-2023	31-12-2022
Cash at bank	7	499
Carrying amount	7	499

10. Borrowings

Borrowings of the Company were as follows:

	31-03-2023	31-12-2022
Non-current borrowings		
Borrowings from banks	34,285	34,285
Current borrowings		
Current portion of non-current borrowings	6,143	6,143
Total	40,428	40,428

Maturity of non-current borrowings:

	31-03-2023	31-12-2022
Between 1 and 2 years	6,143	6,143
From 2 to 5 years	14,142	14,142
After 5 years	14,000	14,000
Total	34,285	34,285

As at 10 March 2023 the weighted average interest rate on the Company's borrowings was 0,94 % (0,94 % as at 31 December 2022).

11. Lease liabilities

	31-03-2023	31-03-2022
Non-current lease liabilities	5,249	4,400
Current lease liabilities	419	134
Total lease liabilities	5,668	4,534

Lease liabilities and their movement were as follows:

	2023	2022
Carrying amount at the beginning of the period at 1 January	5,702	4,594
Concluded lease contracts	68	-
Terminated contracts	(2)	-
Expenses of interest charged	19	16
Lease payments (principal and interest)	(119)	(76)
Carrying amount at the end of the period at 31 March	5,668	4,534

12. Liabilities of congestion management revenue

	31-03-2023	31-03-2022
Non-current portion of congestion management revenue included in liabilities	76,243	109,361
Current portion of congestion management revenue included in liabilities	251,825	20,820
Total liabilities of congestion management revenue	328,068	130,181

	2023	2022
Opening balance liabilities of congestion management revenue at 1 January	351,495	109,087
Congestion management revenue received during the period	21,052	32,625
Congestion management revenue used for investments in property, plant and equipment	(8,877)	(11,360)
Congestion management revenue recognized as income during the period	(35,602)	(171)
Closing balance liabilities of congestion management revenue at 31 March	328,068	130,181

13. Trade payables

	31-03-2023	31-12-2022
Amounts payable for electricity	24,394	53,737
Amounts payable for contractual works, services	4,027	4,900
Amounts payable for property, plant and equipment	6,576	11,509
Carrying amount	34,997	70,146

14. Information by segments

The Company is engaged in electricity transmission and related services activities and operates as one segment. All non-current assets of the Company are located in Lithuania, where the Company carries out its activity. During the three months of 2023, revenue from the Lithuanian clients accounted for 85 % of the Company's total revenue (during the three months of 2022: – 85 %).

15. Revenue from electricity transmission and related services

Revenue from contracts with customers	31-03-2023	31-03-2022
Revenue from electricity transmission and related services		
Electricity transmission services	53,146	20,372
Trade in balancing/imbalance electricity	24,325	21,182
Electricity ancillary (system) services	7,436	19,686
Revenue from other sales of electricity and related services	1,374	392
Total revenue from electricity transmission and related services	86,281	61,632
Other income from contracts with customers		
Income from administration of guarantees of origin	25	34
Total other income	25	34
Total revenue from contracts with customers	86,306	61,666
Revenue not attributable to contracts with customers		
PSO services*	-	5,473
Congestion revenue	27	171
Other electricity-related services	-	294
Revenue from connection of producers and relocation of electrical installations	3	3
Total revenue not attributable to contracts with customers	30	5,941
Total revenue	86,336	67,607

All revenues are recognized over – time.

Revenue from electricity transmission and related services increased by 28.1% in the first three months of 2023 compared to the same period of 2022.

Revenue growth resulted mainly from a EUR 32.8 million (2.6 times) increase in revenue from transmission services including EUR 35.6 million congestion revenues accounted as income and used to reduce the transmission tariff, although the volume sold was 9% lower.

Revenue from electricity ancillary (system) services decreased by EUR 12.3 million (62.0%) to EUR 7.4 million as a result of a 57.2% decrease in an average price.

16. Other income

	31-03-2023	31-03-2022
Income from lease of assets	137	133
Interest and defaults	324	20
Other income	14	6
Total	475	159

17. Significant changes in operating expenses

	31-03-2023	31-03-2022
Expenses for purchase of imbalance and balancing electricity	24,403	26,481
Expenses for electricity ancillary (system) services	21,535	12,157
Expenses for electricity technological needs	11,623	17,624

Expenses of purchase of electricity and related services accounted for a major portion of the Company's operating expenses – 80 % of the Company's total expenses. These expenses increased 1.5 % in the first three months of 2023 compared to the same period of 2022 to EUR 57.6 million.

Expenses for electricity ancillary (system) services increased by 77.1% to EUR 21.5 million.

Due to an increase in the quantity, expenses for imbalance and balancing electricity rose 16.0% to EUR 24.4 million.

Expenses of compensating for electricity purchase technological losses in the transmission network decreased 16.1% to EUR 11,6 million due to 34.1% lower average purchase price of electricity and 17.2% higher technological losses.

18. Related-party transactions

The Company's related parties were as follows:

- EPSO-G (the parent company). 100% of EPSO-G share capital is owned by the Ministry of Energy of the Republic of Lithuania;
- Epso-G UAB Group companies:
 - Amber Grid AB (common shareholders);
 - Tetas UAB (common shareholders);
 - Baltpool UAB (common shareholders).
- Ignitis grupė UAB companies
- Other state-controlled companies:
 - VĮ Ignalinos atominė elektrinė;
 - Other state-controlled companies or those under significant influence.
- Management.

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

NOTES TO THE CONDENSED INTEREM FINANCIAL STATEMENTS
(All amounts in EUR thousands unless otherwise stated)

The Company's transactions with related parties between January and March of 2023 and balances arising from these transactions as at 31 March 2023 were as follows:

Related parties	Receivables and accrued income	Amounts payable and accrued charges	Loans granted	Purchase	Sales
<u>EPSO-G UAB group companies</u>					
EPSO-G UAB	-	57	231,388	76	479
TETAS UAB	370	1,192	-	1,355	268
BALTPOOL UAB	-	-	-	-	-
UAB ENERGY CELLS	40	48	-	5	94
<u>State-controlled companies</u>					
Energijos skirstymo operatorius AB	11,572	1,087	-	294	24,286
Ignitis gamyba AB	1,899	11,617	-	27,209	807
Ignitis grupės paslaugų centras UAB	27	-	-	-	72
Ignitis UAB	6	809	-	3,084	1,927
Vilniaus kogeneracinė jėgainė UAB	1	146	-	84	7
Kauno kogeneracinė jėgainė UAB	13	43	-	56	38
Transporto valdymas UAB	-	-	-	-	-
Lietuvos automobilių kelių direkcija VĮ	125	707	-	-	368
Ignalinos atominė elektrinė VĮ	58	-	-	-	143
LGT Infra AB	32	15	-	-	83
VĮ Registrų centras	-	2	-	390	-
	14,143	15,723	231,388	32,553	28,572

The Company's transactions with related parties between January and March of 2022 and balances arising from these transactions as at 31 March 2022 were as follows:

Related parties	Receivables and accrued income	Amounts payable and accrued charges	Loans granted	Purchase	Sales
<u>EPSO-G UAB group companies</u>					
EPSO-G UAB	-	36	58,891	54	-
TETAS UAB	826	366	-	1,449	7
BALTPOOL UAB	739	-	-	-	2,944
<u>State-controlled companies</u>					
Energijos skirstymo operatorius AB	15,777	1,149	-	268	38,363
Ignitis gamyba AB	1,768	8,939	-	18,164	3,795
Ignitis grupės paslaugų centras UAB	26	-	-	-	69
Ignitis UAB	3,882	103	-	1,359	5,704
Vilniaus kogeneracinė jėgainė UAB	1	132	-	72	20
Kauno kogeneracinė jėgainė UAB	-	39	-	86	20
Transporto valdymas UAB	-	18	-	45	-
Lietuvos automobilių kelių direkcija VĮ	-	321	-	-	-
Ignalinos atominė elektrinė VĮ	98	10	-	-	219
LGT Infra AB	42	-	-	-	123
	23,159	11,113	58,891	21,497	51,264

Payments to the key management personnel

	31-03-2023	31-03-2022
Employment-related payments of the key managers	224	149
Whereof: termination benefits	-	-
Number of the key managers (average annual)	9	7

During the first three months of 2023 and 2022 the Management of the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

Key management personnel consists of managers, i. e. the CEO, directors of departments and centers equivalent to them, and Board members. Payments to the Board members for the first three months of 2023 amounted to EUR 12.7 thousand (compared to EUR 9.45 thousand for the first three months of 2022).

19. Basic and diluted earnings per share

During the first three months of 2023 and 2022, the Company's basic and diluted earnings per share were as follows:

	31-03-2023	31-03-2022
Net profit (loss) attributable to the Company's shareholders (EUR thousands)	12,912	(2,015)
Weighted average number of shares (units)	504,331,380	504,331,380
Basic and diluted earnings (deficit) per share (in EUR)	0.026	(0.004)