

**AB AMBER GRID**  
**CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS**  
**AS OF 31 DECEMBER 2020**  
**PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS**  
**AS ADOPTED BY THE EUROPEAN UNION**

**Consolidated and Company's Statement of financial position**

	Notes	Group		Company	
		As of 31	As of 31	As of 31	As of 31
		December	December	December	December
		2020	2019	2020	2019
<b>ASSETS</b>					
<b>A. Non-current assets</b>		<b>253,372</b>	<b>209,346</b>	<b>253,264</b>	<b>209,215</b>
I. Intangible assets	4	2,654	2,910	2,010	2,262
II. Property, plant and equipment	4	241,624	201,362	241,620	201,359
II.1. Land		125	125	125	125
II.2. Buildings		5,427	5,183	5,427	5,183
II.3. Plant and equipment		146,003	147,770	146,003	147,770
II.4. Machinery and equipment		34,583	37,714	34,583	37,714
II.5. Motor vehicles		542	773	542	773
II.6. Other		3,171	2,637	3,167	2,634
II.7. Construction in progress		51,773	7,160	51,773	7,160
III. The right-of-use assets	6	2,335	2,001	2,204	1,850
IV. Non-current financial assets		4	4	675	675
IV.1. Investment in the subsidiary		-	-	675	675
IV.2. Non-current trade receivables	7	-	-	-	-
IV.3. Other non-current financial assets		4	4	-	-
V. A deferred tax asset		6,755	3,069	6,755	3,069
<b>B. Current assets</b>		<b>60,614</b>	<b>46,783</b>	<b>49,144</b>	<b>28,094</b>
I. Inventories and prepayments		2,626	2,651	2,611	2,640
I.1. Raw materials, spare parts and other inventories		1,897	2,119	1,897	2,119
I.2. Prepayments		729	532	714	521
II. Accounts receivable		47,377	25,251	45,356	25,253
II.1. Trade receivables	7	7,870	5,860	5,851	5,865
II.2. Other receivables	7	39,507	19,391	39,505	19,388
III. Corporate income tax paid in advance		1,171	-	1,171	-
IV. Other financial assets	9	8,687	18,648	3	4
V. Cash and cash equivalents		753	233	3	197
<b>Total assets</b>		<b>313,986</b>	<b>256,129</b>	<b>302,408</b>	<b>237,309</b>

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

**Consolidated and Company's Statement of financial position (cont'd)**

	Notes	Group		Company	
		As of 31	As of 31	As of 31	As of 31
		December	December	December	December
		2020	2019	2020	2019
<b>EQUITY AND LIABILITIES</b>					
<b>C. Equity</b>		<b>155,995</b>	<b>137,854</b>	<b>155,575</b>	<b>138,172</b>
I. Share capital		51,731	51,731	51,731	51,731
II. Reserves		74,638	74,638	74,638	74,638
II.1. Legal reserve		5,173	5,173	5,173	5,173
II.2. Other reserves		69,465	69,465	69,465	69,465
III. Retained earnings (deficit)		29,626	11,485	29,206	11,803
<b>D. Accounts payable and liabilities</b>		<b>157,991</b>	<b>118,275</b>	<b>146,833</b>	<b>99,137</b>
I. Amounts payable after one year and non-current liabilities		104,027	54,075	103,917	53,945
I.1. Non-current borrowings	10	101,565	51,739	101,565	51,739
I.2. A right-of-use asset and corresponding liability	6	1,953	1,849	1,843	1,719
I.3. Non-current employee benefits		509	487	509	487
I.4. Deferred income tax liability		-	-	-	-
I.5. Other non-current liabilities		-	-	-	-
II. Accounts payable within one year and short-term liabilities		53,964	64,200	42,916	45,192
II.1. Current financial liability		7,852	6,452	7,852	6,272
II.2. Current portion of non-current borrowings	10	10,174	13,618	10,174	13,618
II.3. A right-of-use asset and corresponding liability	6	410	160	387	138
II.4. Current year portion of non-current employee benefits		39	53	39	53
II.5. Trade payables	12	10,429	6,967	8,151	4,191
II.6. Advance amounts	13	8,524	17,103	278	1,431
II.7. Income tax payable		51	688	-	688
II.8. Payroll related liabilities		2,140	1,723	2,054	1,655
II.9. Other payables and current liabilities	14	14,345	17,436	13,981	17,146
<b>Total equity and liabilities</b>		<b>313,986</b>	<b>256,129</b>	<b>302,408</b>	<b>237,309</b>

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

	Chief Executive Officer	Nemunas Biknius	4 February 2021
	Head of accounting	Rasa Baltaragienė	4 February 2021

**Consolidated and Company's Income statement**

		Group			
		For the period of three months ended 31 December 2020	For the period of three months ended 31 December 2019	For the period of twelve months ended 31 December 2020	For the period of twelve months ended 31 December 2019
<b>I.</b>	<b>Revenue</b>	<b>14,085</b>	<b>16,106</b>	<b>52,252</b>	<b>54,756</b>
<b>II.</b>	<b>Expenses</b>	<b>(10,328)</b>	<b>(11,489)</b>	<b>(37,337)</b>	<b>(40,544)</b>
II.1.	Cost of natural gas	(1,285)	(3,151)	(6,345)	(11,336)
II.2.	Depreciation and amortization	(2,811)	(2,568)	(11,126)	(10,159)
II.3.	Remuneration and related social security tax expenses	(2,871)	(2,582)	(10,254)	(9,784)
II.4.	Repair and technical maintenance expenses	(1,517)	(1,284)	(3,405)	(3,573)
II.5.	Taxes other than income tax	(499)	(443)	(1,954)	(1,798)
II.6.	Telecommunications and IT systems expenses	(457)	(345)	(1,561)	(1,010)
II.7.	Other expenses	(888)	(1,116)	(2,692)	(2,884)
<b>III.</b>	<b>Operation profit (loss)</b>	<b>3,757</b>	<b>4,617</b>	<b>14,915</b>	<b>14,212</b>
<b>IV.</b>	<b>Financial activity</b>	<b>(54)</b>	<b>(64)</b>	<b>(363)</b>	<b>(341)</b>
IV.1.	Income	1	1	3	12
IV.2.	Expense	(55)	(65)	(366)	(353)
<b>V.</b>	<b>Profit (loss) before income tax</b>	<b>3,703</b>	<b>4,553</b>	<b>14,552</b>	<b>13,871</b>
<b>VI.</b>	<b>Income tax</b>	<b>978</b>	<b>(474)</b>	<b>3,589</b>	<b>(2,033)</b>
VI.1.	Current period income tax	(29)	(512)	(98)	(1,945)
VI.2.	Deferred income tax	1,007	38	3,687	(88)
<b>VII.</b>	<b>Net profit (loss)</b>	<b>4,681</b>	<b>4,079</b>	<b>18,141</b>	<b>11,838</b>
	Basic and diluted earnings (loss) per share (Eur)			0,10	0,07

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

Chief Executive Officer	Nemunas Biknius	4 February 2021
Head of accounting	Rasa Baltaragienė	4 February 2021

**Consolidated and Company's Statement of comprehensive income**

		Group			
		For the period of three months ended 31 December	For the period of three months ended 31 December	For the period of twelve months ended 31 December	For the period of twelve months ended 31 December
<b>I.</b>	<b>Net profit (loss)</b>	<b>4,681</b>	<b>4,079</b>	<b>18,141</b>	<b>11,838</b>
<b>II.</b>	<b>Total comprehensive income (loss)</b>	<b>4,681</b>	<b>4,079</b>	<b>18,141</b>	<b>11,838</b>

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

Chief Executive Officer	Nemunas Biknius	4 February 2021
Head of accounting	Rasa Baltaragienė	4 February 2021

## Income statement

		Company				
		For the period of three months ended	For the period of three months ended	For the period of twelve months ended	For the period of twelve months ended	
		31 December 2020	31 December 2019	31 December 2020	31 December 2019	
	Notes					
<b>I.</b>	<b>Revenue</b>	16	<b>13,597</b>	<b>15,962</b>	<b>50,797</b>	<b>54,217</b>
<b>II.</b>	<b>Expenses</b>		<b>(10,144)</b>	<b>(11,355)</b>	<b>(36,674)</b>	<b>(40,044)</b>
II.1.	Cost of natural gas		(1,285)	(3,151)	(6,345)	(11,336)
II.2.	Depreciation and amortization		(2,762)	(2,536)	(10,934)	(10,032)
II.3.	Remuneration and related social security tax expenses		(2,777)	(2,511)	(9,905)	(9,509)
II.4.	Repair and technical maintenance expenses		(1,517)	(1,284)	(3,405)	(3,573)
II.5.	Taxes other than income tax		(499)	(443)	(1,953)	(1,798)
II.6.	Telecommunications and IT systems expenses		(436)	(332)	(1,483)	(954)
II.7.	Other expenses		(868)	(1,098)	(2,649)	(2,842)
<b>III.</b>	<b>Operation profit (loss)</b>		<b>3,453</b>	<b>4,607</b>	<b>14,123</b>	<b>14,173</b>
<b>IV.</b>	<b>Financial activity</b>		<b>(53)</b>	<b>(64)</b>	<b>(360)</b>	<b>(339)</b>
IV.1.	Income		1	1	3	13
IV.2.	Expense		(54)	(65)	(363)	(352)
<b>V.</b>	<b>Profit (loss) before income tax</b>		<b>3,400</b>	<b>4,543</b>	<b>13,763</b>	<b>13,834</b>
<b>VI.</b>	<b>Income tax</b>		<b>1,007</b>	<b>(472)</b>	<b>3,640</b>	<b>(2,031)</b>
VI.1.	Current period income tax		-	(510)	(47)	(1,943)
VI.2.	Deferred income tax		1,007	38	3,687	(88)
<b>VII.</b>	<b>Net profit (loss)</b>		<b>4,407</b>	<b>4,071</b>	<b>17,403</b>	<b>11,803</b>
	Basic and diluted earnings (loss) per share (Eur)	15			0,10	0,07

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

Chief Executive Officer	Nemunas Biknius	4 February 2021
Head of accounting	Rasa Baltaragienė	4 February 2021

**Statement of comprehensive income**

		Company			
		For the period of three months ended 31 December	For the period of three months ended 31 December	For the period of twelve months ended 31 December	For the period of twelve months ended 31 December
I.	<b>Net profit (loss)</b>	<b>4,407</b>	<b>4,071</b>	<b>17,403</b>	<b>11,803</b>
II.	<b>Total comprehensive income (loss)</b>	<b>4,407</b>	<b>4,071</b>	<b>17,403</b>	<b>11,803</b>

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

Chief Executive Officer	Nemunas Biknius		4 February 2021
Head of accounting	Rasa Baltaragienė		4 February 2021

**Consolidated and Company's Statement of changes in equity**

Group	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
<b>Balance as of 31 December 2018</b>	<b>51,731</b>	<b>5,173</b>	<b>94,817</b>	<b>(20,478)</b>	<b>131,243</b>
Transfer from other reserves	-	-	(25,352)	25,352	-
Dividends declared	-	-	-	(5,227)	(5,227)
Total comprehensive income (loss)	-	-	-	11,838	11,838
<i>Net profit (loss) for the year</i>	-	-	-	11,838	11,838
<b>Balance as of 31 December 2019</b>	<b>51,731</b>	<b>5,173</b>	<b>69,465</b>	<b>11,485</b>	<b>137,854</b>
Transfer from other reserves	-	-	-	-	-
Dividends declared	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	18,141	18,141
<i>Net profit (loss) for the year</i>	-	-	-	18,141	18,141
<b>Balance as of 31 December 2020</b>	<b>51,731</b>	<b>5,173</b>	<b>69,465</b>	<b>29,626</b>	<b>155,995</b>

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

<u>Chief Executive Officer</u>	<u>Nemunas Biknius</u>	<u>4 February 2021</u>
<u>Head of accounting</u>	<u>Rasa Baltaragienė</u>	<u>4 February 2021</u>



**Statement of changes in equity**

Company	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
<b>Balance as of 31 December 2018</b>	<b>51,731</b>	<b>5,173</b>	<b>94,817</b>	<b>(20,125)</b>	<b>131,596</b>
Transfer from other reserves			(25,352)	25,352	-
Dividends declared				(5,227)	(5,227)
Total comprehensive income (loss)	-	-	-	11,803	11,803
<i>Net profit (loss) for the year</i>	-	-	-	11,803	11,803
<b>Balance as of 31 December 2019</b>	<b>51,731</b>	<b>5,173</b>	<b>69,465</b>	<b>11,803</b>	<b>138,172</b>
Transfer from other reserves	-	-	-	-	-
Dividends declared	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	17,403	17,403
<i>Net profit (loss) for the year</i>	-	-	-	17,403	17,403
<b>Balance as of 31 December 2020</b>	<b>51,731</b>	<b>5,173</b>	<b>69,465</b>	<b>29,206</b>	<b>155,575</b>

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

Chief Executive Officer	Nemunas Biknius		4 February 2021
Head of accounting	Rasa Baltaragienė		4 February 2021

## Consolidated and Company's Statement of cash flows

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>I. Cash flows from (to) operating activities</b>				
I.1. Net profit (loss)	18,141	11,838	17,403	11,803
<b>Adjustments of non-cash items and other corrections:</b>		-		
I.2. Depreciation and amortisation	11,126	10,159	10,934	10,032
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(123)	(110)	(123)	(110)
I.4. Revaluation loss of fixed assets	-	-	-	-
I.5. Impairment losses (reversal of impairment) for property, plant and equipment, financial assets, allowance for doubtful trade accounts receivable and inventories	(39)	56	(39)	56
I.6. Income tax expenses (income)	(3,589)	2,031	(3,640)	2,031
I.7. Interest (income)	-	-	-	-
I.8. Interest expenses	291	353	291	352
I.9. Amortisation of grants (deferred revenue)	-	661	-	661
I.10. Elimination of other non-cash items	-	35	-	34
	<b>25,807</b>	<b>25,023</b>	<b>24,826</b>	<b>24,859</b>
<b>Changes in working capital:</b>				
I.11. Decrease (increase) in inventories	294	950	294	950
I.12. Decrease (increase) in trade accounts receivable	(2,010)	322	14	243
I.13. Decrease (increase) in other accounts receivable and prepayments	3,689	(1,609)	3,688	(1,455)
I.14. Increase (decrease) in trade accounts payable	62	7,737	560	(102)
I.15. Increase (decrease) in other accounts payable and other current liabilities	(11,252)	3,451	(3,918)	3,044
I.16. Decrease (increase) in other financial assets	9,961	(8,019)	1	51
I.17. Income tax (paid)	(1,906)	(639)	(1,906)	(639)
<b>Total changes in working capital</b>	<b>(1,162)</b>	<b>2,193</b>	<b>(1,267)</b>	<b>2,092</b>
<b>Net cash flows from operating activities</b>	<b>24,645</b>	<b>27,216</b>	<b>23,559</b>	<b>26,951</b>
<b>II. Cash flows from (to) investing activities</b>				
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(86,308)	(19,915)	(86,136)	(19,665)
II.2. Proceeds from sales of property, plant and equipment	173	27	173	27
II.3. Grants received	15,065	6,941	15,065	6,941
II.4. Loans recovered	-	-	-	150
II.5. Interest received	-	5	-	5
<b>Net cash flows (to) investing activities</b>	<b>(71,070)</b>	<b>(12,942)</b>	<b>(70,898)</b>	<b>(12,542)</b>

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**Consolidates and Company's statements of cash flows (cont'd)**

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>III. Cash flows from (to) financing activities</b>				
III.1. Dividends (paid)	(3)	(5,228)	(3)	(5,228)
III.2. Proceeds from borrowings	60,000	10,000	60,000	10,000
III.3. (Repayments) of borrowings	(13,798)	(17,976)	(13,618)	(17,976)
III.4. The overdraft change	1,580	(339)	1,580	(519)
III.5. Interest (paid)	(421)	(374)	(421)	(373)
III.6. The right-of-use assets	(413)	(166)	(393)	(150)
III.7. Other cash flows from (to) financial activities	-	-	-	-
<b>Net cash flows from (to) financing activities</b>	<b>46,945</b>	<b>(14,083)</b>	<b>47,145</b>	<b>(14,246)</b>
<b>IV. Net increase (decrease) in cash and cash equivalents</b>	<b>520</b>	<b>191</b>	<b>(194)</b>	<b>163</b>
<b>V. Cash and cash equivalents at the beginning of the period</b>	<b>233</b>	<b>42</b>	<b>197</b>	<b>34</b>
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>753</b>	<b>233</b>	<b>3</b>	<b>197</b>

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

<u>Chief Executive Officer</u>	<u>Nemunas Biknius</u>	<u>4 February 2021</u>
<u>Head of accounting</u>	<u>Rasa Baltaragienė</u>	<u>4 February 2021</u>

## Notes to the consolidated and the Company's financial Statements

### 1 General information

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

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

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

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

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

On 31 December 2020, the Company had 108 contracts for natural gas transmission services with the users of natural gas transmission system (natural gas customers, natural gas distribution system operators, natural gas supply companies that supply gas up to customers systems). In addition, Company had entered into natural gas balancing agreements with 2 natural gas trade companies that trade natural gas, but do not use Company's transmission system infrastructure.

The Company's largest shareholder is UAB EPSO-G ([www.epsog.lt](http://www.epsog.lt)). The rights and obligations of the sole shareholder of the management company UAB EPSO - G are implemented by the Ministry of Energy of the Republic of Lithuania.

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

As of 30 of September 2020 and 31 December 2019, the Company's shareholders were as follows:

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

The Company's share capital amounts to EUR 51,730,929,06, It is divided into 178,382,514 ordinary registered shares with par value of EUR 0,29 each.

GET Baltic is a Joint Stock Company registered in the Republic of Lithuania. The Company was registered in the Register of Legal Entities on 13 September 2012. The Company is the sole shareholder of GET Baltic, which owns 100% of the authorized capital.

Company	Company code	Registered address of the company	Stake of shares held as of 31 December 2020	Stake of shares held as of 31 December 2019
UAB GET Baltic	302861178	Geležinio Vilko st. 18 A, Vilnius	100 %	100 %

On 31 December 2020 and 31 December 2019 the authorized capital of GET Baltic was valued of EUR 580,450 and it consists of 3,055,000 ordinary registered shares with a nominal value of EUR 0,19.

GET Baltic is a licensed natural gas market operator with a status of Registered Reporting Mechanism status provided by the ACER. The Company administrates the electronic trading system for trading spot and forward natural gas products with physical delivery in the market areas located in Lithuania, Latvia, Estonia and Finland. The Company also provides the following services to wholesale natural gas market participants:

- Providing REMIT data to the ACER;
- Providing inside information;
- Distribution of indirect natural gas transmission capacity at interconnection points between the Baltic States;
- Organizing LNG auction;
- Announcement of balancing marginal pricing.

On 31 December 2020 Get Baltic had 99 registered stock exchange participants.

On 31 December 2020 the average number of employees of the Group and the Company consisted 325 (as at 31 December 2019 – 329); on 31 December 2020 the Company consisted of 318 employees (as at 31 December 2019 - 323).

## 2 Accounting principles

The financial statements present the figures in thousands of euros. The financial year of the Group and the Company coincides with the calendar year.

These condensed interim consolidated and the Company's financial statements, including the statements of financial standing and profit (loss) accounts, statements of comprehensive income, cash flow statement and the statements of changes in equity for the period ended 31 December 2020 have not been audited. The consolidated and the Company's financial statements for the period ended 31 December 2019 have been audited and prepared in accordance with International Financial Reporting Standards (IFRS).

For a better understanding of the information presented in these financial statements, these condensed financial statements should be read together with the annual consolidate and the Company's financial statements for the period ended 31 December 2019. UAB Deloitte Lietuva carried out an audit of Consolidated and Company's Financial Statements for the period ended on 31 December 2019.

The Group's and the Company's condensed interim consolidated financial statements as of 31 December 2020 were prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting*. The Group and the Company have been following the same accounting principles as the ones that were followed in the preparation of financial statements for the year 2019.

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

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

1 January 2019, the Company and the Group first adopted IFRS 16 and its amendments using a modified retrospective method, in which rights-of-use assets and liabilities were recognized in equal amounts, without any adjustment to equity.

### 3 Information by segments

The Group singles out 2 operating segments: 1) natural gas transmission operations and 2) natural gas exchange operator activities.

All non-current assets of the Group are located in Lithuania, where the Company operates.

As of 31 December 2020, the Group generated 72 % (31 December 2019: 70 %) of its total revenue from the system users in Lithuania, and 25 % (31 December 2019: 29 %) of revenue totalled from transportation of gas to adjacent transmission systems accounted for 3% (31 December 2019: 1%) of revenue originated from the revenue from services provided by the Natural Gas Exchange.

The Group's information on segments for the twelve months period ended on 31 December 2020 is disclosed below:

	Transfer activity	Activities of the gas exchange	Total
Revenues	50,797	1,503	52,300
Income having eliminated the income of Group entities	50,797	1,455	52,252
Profit / loss from operating activities	14,123	792	14,915
Net financing income (costs)	(360)	(3)	(363)
Profit / loss before tax	13,763	789	14,552
Income tax	3,640	(51)	3,589
Net earnings (loss)	17,403	738	18,141
Depreciation / amortisation costs	(10,934)	(192)	(11,126)
Write-offs of non-current tangible assets	(25)	-	(25)

The Group's information on segments for the twelve months period ended on 31 December 2019 is disclosed below:

	Transfer activity	Activities of the gas exchange	Total
Revenues	54.217	595	54.812
Income having eliminated the income of Group entities	54.213	543	54.756
Profit / loss from operating activities	14.173	39	14.212
Net financing income (costs)	(339)	(2)	(341)
Profit / loss before tax	13.834	37	13.871
Income tax	(2.031)	(2)	(2.033)
Net earnings (loss)	11.803	35	11.838
Depreciation / amortisation costs	(10.032)	(127)	(10.159)
Write-offs of non-current tangible assets	(84)	-	(84)

### 4 Non-current tangible and intangible assets

Non-current intangible assets	Group	Company
<b>Residual value as of 31 December 2018</b>	<b>2,699</b>	<b>2,259</b>
Additions	1,115	798
Amortization	(866)	(757)
Netting of grants with the non-current assets	(38)	(38)
<b>Residual value as of 31 December 2019</b>	<b>2,910</b>	<b>2,262</b>
<b>Residual value as of 31 December 2019</b>	<b>2,910</b>	<b>2,262</b>
Additions	897	719
Write-offs	(15)	-
Amortization	(960)	(794)
Netting of grants with the non-current assets	(177)	(177)
<b>Residual value as of 31 December 2020</b>	<b>2,655</b>	<b>2,010</b>

Non-current tangible assets	Group	Company
<b>Residual value as of 31 December 2018</b>	<b>200,031</b>	<b>200,028</b>
Additions	17,226	17,224
Depreciation	(9,128)	(9,128)
Sales	(1)	(1)
Write-offs	(284)	(282)
Netting of grants with the non-current assets	(6,482)	(6,482)
<b>Residual value as of 31 December 2019</b>	<b>201,362</b>	<b>201,359</b>
<b>Residual value as of 31 December 2019</b>	<b>201,362</b>	<b>201,359</b>
Additions	88,958	88,955
Depreciation	(9,727)	(9,727)
Sales	(24)	(24)
Write-offs	(59)	(57)
Netting of grants with the non-current assets	(38,886)	(38,886)
<b>Residual value as of 31 December 2020</b>	<b>241,624</b>	<b>241,620</b>

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

In 2020 year construction of the gas pipeline connection between Poland and Lithuania has been started. During 2020 year the value of procurement of construction works, materials, etc, services for the implementation of the project was amounted to EUR 76,977 thousand, EUR, recognized amount of the grants receivables - EUR 34,437 thousand.

The amount of the depreciation of the grants in the income statement is reflected by deducting the depreciation costs of the related assets with the grant income, as of 31 December 2020, it stood at EUR 2,646 thousand (as of 31 December 2019 - EUR 2,460 thousand).

## 5 Construction in progress

The largest objects of construction in progress of the Group and Company as of 31 December 2020 and 31 December 2019 were as follows:

Object	Group	
	31 December 2020	31 December 2019
Implementation of the gas interconnection Poland-Lithuania in the territory of Lithuania	83,799	6,822
Installation of control device releasing and receiving chambers	4,446	764
Implementation of operative technological control of gas transmission system	2,776	1,970
Construction of the gas transmission pipeline Vilnius-Kaunas and the connection Kaunas-Šakiai	551	551
Other	1,691	1,857
Recognized grants (netting of grants with the non-current assets)	(40.910)	(4.224)
<sup>1)</sup> Less: impairment of construction in progress	(580)	(580)
	<b>51,773</b>	<b>7,160</b>

<sup>1)</sup> Impairment for the Project "Construction of interconnection between the gas transmission pipelines Vilnius-Kaunas and Kaunas-Šakiai (spatial planning and design services)" was made for the amount of EUR 551 thousand because the construction of the pipeline was postponed for later periods and there arose certain uncertainties regarding the resolution of its funding issues and its further development, 29 thousand EUR impairment was performed for reconstruction of dispatch building,

## 6 The right-of-use assets and lease liabilities

As stated below, the Group and the Company leases office space, vehicles, and land, Lease terms for premises - 8-9 years, vehicles - 4 years, land - 99 years. The Group and the Company, in recognizing its right-of-use assets and lease liabilities by determining the lease terms assessed the likelihood of contract extension. Preparing these condensed financial statements, the Company has reviewed the lease term for the office space based on reasonable assumptions that the lease will not be renewed and reassessed the lease obligations.

	Group			
	Buildings	Land	Motor vehicles	Total
<b>Initial value of recognized assets at 1 January 2019*</b>	<b>749</b>	<b>1,278</b>	-	<b>2,027</b>
Acquisitions	152	-	16	168
Write-offs	(30)	-	-	(30)
Amortization	(148)	(13)	(3)	(164)
<b>Residual value at 31 December 2019</b>	<b>723</b>	<b>1,265</b>	<b>13</b>	<b>2,001</b>
<b>Residual value of recognized assets at 31 December 2019</b>	<b>723</b>	<b>1,265</b>	<b>13</b>	<b>2,001</b>
Acquisitions	4	-	1,119	1,123
Write-offs	(354)	-	-	(354)
Amortization	(152)	(13)	(270)	(435)
<b>Residual value at 31 December 2020</b>	<b>221</b>	<b>1,252</b>	<b>862</b>	<b>2,335</b>
Initial value	521	1,278	1,136	2,935
Accumulated depreciation	(300)	(26)	(274)	(600)
<b>Residual value at 31 December 2020</b>	<b>221</b>	<b>1,252</b>	<b>862</b>	<b>2,335</b>

\* The Company and its subsidiary as at 1 January 2019 and in prior periods did not have non-current assets held on a finance lease basis.

	Company			
	Buildings	Land	Motor vehicles	Total
<b>Initial value of recognized assets at 1 January 2019*</b>	<b>749</b>	<b>1,278</b>	-	<b>2,027</b>
Acquisitions	-	-	-	-
Write-offs	(30)	-	-	(30)
Amortization	(134)	(13)	-	(147)
<b>Residual value at 31 December 2019</b>	<b>585</b>	<b>1,265</b>	-	<b>1,850</b>
<b>Residual value of recognized assets at 31 December 2019</b>	<b>585</b>	<b>1,265</b>	-	<b>1,850</b>
Acquisitions	-	-	1,119	1,119
Write-offs	(354)	-	-	(354)
Amortization	(132)	(13)	(266)	(411)
<b>Residual value at 31 December 2020</b>	<b>99</b>	<b>1,252</b>	<b>853</b>	<b>2,204</b>
Initial value	366	1,278	1,119	2,763
Accumulated depreciation	(267)	(26)	(266)	(559)
<b>Residual value at 31 December 2020</b>	<b>99</b>	<b>1,252</b>	<b>853</b>	<b>2,204</b>

\* The Company as at 1 January 2019 and in prior periods did not have non-current assets held on a finance lease basis,



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

	Group	Company
	At 31 December 2020	At 31 December 2020
<b>Carrying amount of lease liabilities at 31 December, 2019</b>	2,008	1,857
Recognition of lease liabilities under IFRS 16	4	
Concluded lease contracts	1,119	1,119
Termination of leases (write-offs of debts and accrued interest)	(354)	(354)
Interest expenses	26	24
Lease payments (Principal and Interest)	(440)	(416)
<b>Carrying amount of lease liabilities at 31 December, 2020</b>	<b>2,363</b>	<b>2,230</b>
Non-current lease liabilities	1,953	1,843
Current lease liabilities	410	387

	Group	
	At 31 December 2020	At 31 December 2019
Lease liabilities		
Current year	410	160
Repayment terms of non-current liabilities:	1,953	1,849
Between 1 and 2 years	310	161
From 2 to 3 years	312	162
From 3 to 5 years	84	248
After 5 years	1,247	1,278

	Company	
	At 31 December 2020	At 31 December 2019
Lease liabilities		
Current year	387	138
Repayment terms of non-current liabilities:	1,843	1,719
Between 1 and 2 years	287	138
From 2 to 3 years	289	139
From 3 to 5 years	46	209
After 5 years	1,221	1,233

Interest calculated on lease liabilities reflected in Group's financial operating expenses on 31 December 2020 is EUR 26 thousand.

The Group and the Company had no leases with variable payments not included in the value of lease obligations. In 2020, the Group made lease payments worth EUR 414 thousand.

## 7 Trade receivables

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Non-current trade receivables</b>				
Other trade receivables	-	-	-	-
<b>Current trade receivables</b>				
Gas transmission services receivables	5,745	5,508	5,799	5,524
Other trade receivables	2,195	422	122	411
Less: allowance for the decrease in value of trade receivables	(70)	(70)	(70)	(70)
	<b>7,870</b>	<b>5,860</b>	<b>5,851</b>	<b>5,865</b>

Short-term trade receivables were interest-free; their payment period ranged from 9 to 30 calendar days. In 2020 impairment of EUR 41 thousand was established in respect of "Geoterma" UAB, a producer of thermal energy, whereas "Geros dujos" UAB formed impairment of EUR 29 thousand.

## 8 Other receivables

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
LNG terminal funds receivable (administered by the Company)	12,834	16,020	12,834	16,020
Grants receivable	25,628	2,754	25,628	2,754
Receivables accrued for natural gas transportation	965	541	965	541
Other receivables	80	76	78	73
	<b>39,507</b>	<b>19,391</b>	<b>39,505</b>	<b>19,388</b>

The LNG terminal funds receivable as at 31 December 2020 include the overdue amount of EUR 5,253 thousand (as at 31 December 2019 - EUR 4,701) of which total the overdue amount of AB "Achema's" was EUR 5,168 thousand, the overdue amount of UAB "Geros dujos" was EUR 19 thousand, the overdue amount of UAB "Geoterma" was EUR 65 thousand, other - EUR 1 thousand. For more information about AB "Achema" see note 18 Commitments and Contingencies.

For the Company's Other Receivables, no impairment loss was formed.

## 9 Other financial assets

As of 31 December 2020, the Group other financial assets consisted of cash collected from the additional natural gas supply security component to be included in the natural gas transmission price, referred to as the LNG terminal funds. These funds are received from the system users, kept in line with the requirements of legal acts in a separate bank account for the administered LNG terminal funds and designated for the payment to the recipients of the LNG terminal funds – i.e, the LNG terminal operator (Klaipėdos Nafta AB), the designated supplier (UAB "Ignitis") and Company – to cover the administration expenses of the LNG terminal funds, Based on the State Energy Regulatory Councils Resolution No. O3E-766 of 25 November 2019 (amendment Resolution No, O3E-924 of 31 December 2019) the new natural gas supply security component has been effect from 1 January 2020.

The advance payment funds received by gas exchange members as at 31 December 2020 are accounted for EUR 8,684 thousand (as at 31 December 2019 – EUR 18,644).

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	Group	
	31 December 2020	31 December 2019
Funds of the LNG terminal	3	4
Funds transferred by the gas exchange members	8,684	18,644
	<b>8,687</b>	<b>18,648</b>

The Group and the Company keeps its cash in the accounts of those banks, which meet reliability requirements.

## 10 Loans

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
<b>Long-term loans</b>				
Loans from credit institutions of Lithuania	22,000	30,000	22,000	30,000
Loans from international financial institutions	79,565	21,739	79,565	21,739
<b>Short-term loans</b>				
Loans from credit institutions of Lithuania	-	-	-	-
Short-term loan (EPSO-G UAB)	7,852	6,452	7,852	6,272
Current portion of long-term loans	10,174	13,618	10,174	13,618
	<b>119,591</b>	<b>71,809</b>	<b>119,591</b>	<b>71,629</b>

For the balancing of working capital on 27 February 2019 the Company and EPSO-G UAB entered into lending and borrowing via cash pool agreement, in which a maximum borrowing limit of EUR 15,000 thousand from EPSO-G UAB has been set. On 31 March 2020 an additional agreement was signed, which increased the maximum borrowing limit to 35,000 thousand euros and on 29 June 2020 according another supplementary agreement - to 40,000 thousand euros.

On 30 June 2020 AB Amber Grid signed up to 65 million euros long-term financing agreement with the European Investment Bank (EIB) for the construction of a gas pipeline connection between Poland and Lithuania in the territory of the Republic of Lithuania. On 31 December 2020 used part of loan amounted to 60,000 thousand.

The weighted average of the interest of the Group and Company loans as of 31 December 2020 was at 0,39 per cent (31 December 2019 was at 0,49 per cent).

## 11 Income tax

In 2020, the standard corporate income tax rate applicable to the companies of the Republic of Lithuania was 15 per cent (in 2019: 15 per cent). The income tax expenses for the period comprise the current income tax and the deferred income tax.

On investments in new technologies, as at 31 December 2020, the Company had calculated a corporate income tax relief amounting to EUR 5,888 thousand (as at 31 December 2019: EUR 218 thousand).

## 12 Trade payables

	Group		Company	
	31 December 2020	31 December 2019	31 December 2020	31 December 2019
Payables to suppliers under investment programme (reconstruction and modernisation)	4,810	1,440	4,810	1,440
Payables to suppliers of goods and providers of services	2,106	1,280	2,007	1,195
Payables to providers of repairs services under non-current assets repairs programme	265	396	265	396
Payables to suppliers of natural gas	3,248	3,851	1,069	1,160
	<b>10,429</b>	<b>6,967</b>	<b>8,151</b>	<b>4,191</b>

Ensuring the implementation of the strategic project, construction works of the gas pipeline connection between Poland and Lithuania (see Note 4), obligations to suppliers (contractors) regarding the implementation of the project on 31 December 2020 were amounted to EUR 3,282 thousand.

As at 31 December 2020, the trade payables were interest-free and the payment terms of the largest share of them ranged from 30 to 60 days.

### 13 Received advanced payments

Prepayments received by the Group on 31 December 2020 was in amount of EUR 8,524 thousand (as of 31 December 2019 EUR -17,103 thousand). Advance payments received by the Company are the payments received from the EU for investment projects, advance payments for the provision of transmission services and gas exchange members.

GET Baltic advance payments paid by the participants of Exchange are accounted for as prepayments received from the exchange participants and are used on the settlement date, unless a request is made from the participants not to use the advance paid for reduction of the amount due for gas and exchange services. An unused advance or part thereof remains with the other participant's settlements. If the participant does not use the advance for more than 1 year, it is returned back to him.

### 14 Other payables and current liabilities

	Group		Company	
	31 December 2019	31 December 2019	31 December 2020	31 December 2019
Payable LNG terminal funds administrated by the Company	10,670	13,562	10,670	13,562
Accrued LNG terminal funds subject to administration by the Company*	2,175	2,461	2,175	2,461
Real Estate Tax payable	453	432	453	432
Value Added Tax (VAT) payable	582	501	278	222
Other payables	465	480	405	469
	<b>14,345</b>	<b>17,436</b>	<b>13,981</b>	<b>17,146</b>

\*Accrued LNG terminal funds subject to administration by the Company are accounted when natural gas transmission system users are issued VAT invoices. Accrued funds subject to administration by the Company are included into the account of LNG terminal funds payable when AB "Klaipėdos Nafta" and UAB "Ignitis" former UAB „Lietuvos energijos tiekimas“ issue a VAT invoice to the Company in respect of the security-of-supply-related extra tariff component added to the regular natural gas tariff.

### 15 Earnings per share

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

	Group	
	31 December 2020	31 December 2019
Net profit (loss) attributable to the shareholders (EUR thousand)	18,141	11,838
Weighted average number of shares (thousand)	178,383	178,383
Earnings per share (EUR)	<b>0,10</b>	<b>0,07</b>

## **16 Dividends**

The annual meeting of shareholders of the Company of 23 April 2019 approved the dividends for the year ended 31 December 2018; the dividends accounted for EUR 5,227 thousand or EUR 0,0293 per share. In view of the decision of the market regulator in 2019 to set a significantly lower allowable income level for the company for 2020 year due to exceeding the return on investment in previous years and at the same time increasing the need for investments in the construction of the GIPL gas pipeline with Poland, the shareholders' meeting on 20 April 2020 approved the proposal of the Board of Amber Grid to keep the earned profit in the company. During 2020 year dividends approved by shareholders in previous periods were paid.

## **17 Commitments and contingencies**

### Litigations

Currently, the Company has initiated two civil cases on the adjudication of the additional component, regarding the security of natural gas supply, to the natural gas transmission price (hereinafter - LNG terminal funds) from Achema AB. The Company acts solely as a LNG terminal funds administrator and transfers LNG terminal funds to its recipients only after collecting them from buyers, so there is no credit risk arising from the disputed amounts.

In addition, the courts are considering a case regarding the legality of the decisions of the Company's Procurement Commission in the procurement of the GIPL project (procurement No, 381642). On 21 May 2020, the Lithuanian Court of Appeal issued a ruling by which the decision of the Vilnius Regional Court of 29 February 2020 was left unchanged (the purchase results remained unchanged). Currently, the plaintiff in the case has filed a cassation appeal, which is accepted and will be considered in the Supreme Court of Lithuania. The Supreme Court of Lithuania will announce the ruling on 3 March 2021.

## **18 Related party transactions**

As at 31 December 2020 and 31 December 2019, the parent company was EPSO-G UAB. The parent country of the latter company was the Republic of Lithuania, represented by the Ministry of Energy of the Republic of Lithuania. For the purposes of related-party disclosures, the Republic of Lithuania does not include central or local authorities. Disclosures include transactions and balances with EPSO-G Group companies, subsidiaries, all state-controlled companies or those under significant influence (transactions with such entities are disclosed separately only if the amount of transactions exceeds EUR 100,000 in a calendar year) and management, and close family members. A list of publicly-controlled entities or those under significant influence that are subject to disclosure is provided here: <https://vkc.sipa.lt/apie-imonas/vvi-sarasas/>

The Company's/Group's related parties as at 31 December 2020 and 31 December 2019 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:
  - Litgrid AB (common shareholders);
  - Tetas UAB (common shareholders);
  - Baltpool UAB (common shareholders),
  - The subsidiary of the Company GET Baltic UAB;
- Ignitis grupė UAB companies:
  - Energijos skirstymo operatorius AB;
  - Ignitis UAB;
  - Ignitis gamyba AB;
  - Energetikos paslaugų ir rangos organizacija UAB
- Other state-controlled companies:
  - Klaipėdos nafta AB;
  - State Enterprise Ignalina Nuclear Power Plant;

- State Enterprise Geoterma
- Other state-controlled companies or those under significant influence,
- Management.

The tables below show the Group's and the Company's receivables and payables from related parties as at 31 December 2020 and 31 December 2019. Transactions with related parties are disclosed for the twelve-month period ended 31 December 2020 and 31 December 2019:

	Group					
	Acquisitions	Sales	Accounts receivable	Loans granted	Accounts payable	Costs of financial operations
For the year 2020						
UAB „EPSO - G“	130	-	-	7,852	18	69
UAB „TETAS“	16	1	-	-	-	-
AB „Ignitis gamyba“	7 <sup>2)</sup>	38,726 <sup>2)</sup>	2,068 <sup>2)</sup>	-	2,365	-
AB „Energijos skirstymo operatorius“	188	468	49	-	-	-
UAB „Ignitis“	54,457 <sup>2)</sup>	35,848 <sup>2)</sup>	3,098 <sup>2)</sup>	-	4,693 <sup>2)</sup>	-
UAB „Transporto valdymas“	358	-	-	-	41	-
AB „Klaipėdos nafta“	35,729 <sup>2)</sup>	2	-	-	7,240 <sup>2)</sup>	-
VĮ Ignalinos atominė	-	160 <sup>2)</sup>	20 <sup>2)</sup>	-	-	-
VĮ „Geoterma“	-	-	110	-	-	-
Other state-owned companies	73	-	-	-	6	-
	<b>90,958</b>	<b>75,205</b>	<b>5,345</b>	<b>7,852</b>	<b>14,363</b>	<b>69</b>

	Group					
	Acquisitions	Sales	Accounts receivable	Loans granted	Accounts payable	Costs of financial operations
For the year 2019						
UAB „EPSO - G“	103	-	-	6,452	21	5
UAB „TETAS“	2	-	-	-	1	-
AB „Ignitis gamyba“	8 <sup>2)</sup>	21,653 <sup>2)</sup>	2,037 <sup>2)</sup>	-	12,242 <sup>2)</sup>	-
AB „Energijos skirstymo operatorius“	178	941	84	-	2	-
UAB „Ignitis“	58,329 <sup>2)</sup>	41,165 <sup>2)</sup>	4,191 <sup>2)</sup>	-	4,937 <sup>2)</sup>	-
AB „Klaipėdos nafta“	67,724 <sup>2)</sup>	2 <sup>1)</sup>	-	-	10,156 <sup>2)</sup>	-
VĮ Ignalinos atominė	-	242 <sup>2)</sup>	29 <sup>2)</sup>	-	-	-
VĮ „Geoterma“	-	-	110 <sup>2)</sup>	-	-	-
Other state-owned companies	138	-	-	-	8	-
	<b>126,487</b>	<b>64,003</b>	<b>6,451</b>	<b>6,452</b>	<b>27,367</b>	<b>5</b>

	Company					
	Acquisitions	Sales	Accounts receivable	Loans granted	Accounts payable	Costs of financial operations
For the year 2020						
UAB GET Baltic	3,870 <sup>1)</sup>	109 <sup>1)</sup>	54 <sup>1)</sup>	-	312 <sup>1)</sup>	-
UAB „EPSO - G“	130	-	-	7,852	18	69
UAB „TETAS“	16	1	-	-	-	-
AB „Ignitis gamyba“	2	19,063 <sup>2)</sup>	2,068 <sup>2)</sup>	-	1	-
AB „Energijos skirstymo operatorius“	188	467	49	-	-	-
UAB „Ignitis“	29,601 <sup>2)</sup>	27,004 <sup>2)</sup>	3,097 <sup>2)</sup>	-	4,155 <sup>2)</sup>	-
UAB „Transporto valdymas“	352	-	-	-	40	-
AB „Klaipėdos nafta“	35,729 <sup>2)</sup>	-	-	-	7,240 <sup>2)</sup>	-
VĮ Ignalinos atominė	-	160 <sup>2)</sup>	20 <sup>2)</sup>	-	-	-
VĮ „Geoterma“	-	-	110	-	-	-
Other state-owned companies	67	-	-	-	6	-
	<b>69,955</b>	<b>46,804</b>	<b>5,398</b>	<b>7,852</b>	<b>11,772</b>	<b>69</b>

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	<b>Acquisitions</b>	<b>Sales</b>	<b>Accounts receivable</b>	<b>Loans granted</b>	<b>Accounts payable</b>	<b>Costs of financial operations</b>
For the year 2019						
UAB GET Baltic	7,072 <sup>1)</sup>	80 <sup>1)</sup>	16 <sup>1)</sup>	-	354 <sup>1)</sup>	-
UAB „EPSO - G“	108	-	-	6,272	21	5
UAB „TETAS“	2	-	-	-	1	-
AB „Ignitis gamyba“	8	19,934 <sup>2)</sup>	2,037 <sup>2)</sup>	-	-	-
AB „Energijos skirstymo operatorius“	178	940	84	-	2	-
UAB „Ignitis“	32,284 <sup>2)</sup>	40,782 <sup>2)</sup>	4,190 <sup>2)</sup>	-	4,184 <sup>2)</sup>	-
AB „Klaipėdos nafta“	67,724 <sup>2)</sup>	-	-	-	10,156 <sup>2)</sup>	-
VĮ Ignalinos atominė	-	242 <sup>2)</sup>	29 <sup>2)</sup>	-	-	-
VĮ „Geoterma“	-	-	110 <sup>2)</sup>	-	-	-
Other state-owned companies	133	-	-	-	7	-
	<b>107,509</b>	<b>61,978</b>	<b>6,466</b>	<b>6,272</b>	<b>14,725</b>	<b>5</b>

1) The Company is a participant of the Natural Gas Exchange operated by Get Baltic UAB and has a participation agreement. The agreement is on standard terms and the under the same terms and conditions as with the other participants. The amount represents the purchases and sales made through this Exchange.

2) LNG terminal funds included.

There have been none guaranties received to the revenue obtained and payable by the related parties. On 31 December 2020 the Company and Group did not form and accounted the depreciation of value to the revenue received from the related parties.

#### **Benefits to the Management**

	<b>Group</b>		<b>Company</b>	
	<b>31 December 2020</b>	<b>31 December 2019</b>	<b>31 December 2020</b>	<b>31 December 2019</b>
Earnings-related benefits	539	440	455	384
Benefits for Board Members	38	16	38	16
	<b>577</b>	<b>456</b>	<b>493</b>	<b>400</b>

The management of the Group and the Company includes the CEO and the Directors of Technical, Legal and Administration, Commercial, Organisation Progress and Chief Financial Officer. No loans, guarantees or assets have been granted to the management of the Group and the Company.

#### **19 Assessment of the impact of COVID-19 on demand and results, significant increase in credit risk, expected credit losses**

Preparing the interim condensed financial statements for the period ended on 31 December 2020, the estimates and assumptions of the Company's management regarding the impact of COVID-19 have not changed compared to the estimates presented in the financial statements of the previous periods.

The Company's management, assessing the possible impact of the main COVID-19 factors on the Company's strategic objectives, cash flows, financial results, did not identify any threats to the Company's business continuity.

Due to the spread threat of the new coronavirus (COVID-19), business continuity and preventive measures have been reviewed and implemented by the Group and the Company: responsible personnel for monitoring the situation and providing information to the Company's management has been appointed; units and personnel performing critical functions and administering the key systems have been identified; additional organizational measures at system control centers are being applied; technical and replacement measures in case of the virus

spread have been planned, The company is constantly reviews the emergency management plan, prepares for additional continuity of critical activities.

No significant adverse effects due to COVID-19 have been identified during the monitoring of the Company's key customers. Gas transportation volumes for 9 months of 2020 year, compared to 2019 year, increased, therefore, the decrease in revenue due to the impact of COVID-19 is not identified. According to the Company, other reasons (fluctuations in air temperatures, natural gas prices in the market) have a more significant impact on the demand and volume of outsourced services than the restrictions caused by quarantine.

The Company does not forecast liquidity or credit risk issues. The main Company's clients are large companies, which are often also regulated and / or listed as risk-free. Due to the specifics of the Company's trade receivables, expected credit losses are assessed individually, taking into account the probability (risk) of non fulfillment of customer's obligation. The Company assessed the current and expected future economic condition of its main customers and did not identify any significant differences, at the time of reporting, settlements took place as usual. Expected credit losses should remain at a similar level as in 2019 year. The Company plans regularly update its credit risk assessments on economic environment changes and takes measures to strengthen payment control.

Considering that the negative impact of COVID-19 on the results of the activity and cash flows has not been identified, the Company's management believes that there are no indications of impairment of non-current assets. Even if financial results or cash flows would be deteriorated in the short term, due to the regulatory mechanism it would not have a negative impact on cash flows and impairment of fixed assets in the long run.

Short-term borrowing is guaranteed to the extent of EPSO-G UAB. The Company has a sufficient short-term borrowing limit (overdraft) ensuring current solvency.

The negative impact of COVID-19 on the financial results, cash flows and financial condition is not forecasting, as a result of which no negative impact on the performance of covenants provided in agreements with banks is not expected, Cooperation with commercial and institutional banks takes place without changeovers.

Implementation of the strategic project of the Company - the gas pipeline connection project between Poland and Lithuania (GIPL) has been performed faster than planned during the twelve months of of 2020 year.

Due to COVID-19, the Company till 31 December 2020 incurred costs in amount of EUR 88 thousand, i.e, EUR 33 thousand for additional wages and salaries and contributions to social security fund for temporarily isolated employees, EUR 51 thousand the purchase of safety equipment, the disinfection of premises and other operational needs, EUR 4 thousand for the cancellation of business trips during the quarantine period.

## **20 Subsequent events**

There were no subsequent events that could materially affect the Company's financial statements prior to the date of approval of the financial statements.