

AB AMBER GRID
CONDENSED CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS
AS OF 31 MARCH 2022
PREPARED ACCORDING TO INTERNATIONAL FINANCIAL REPORTING STANDARDS
AS ADOPTED BY THE EUROPEAN UNION

Consolidated and separate statement of financial position

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

		Group		Company	
		At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
ASSETS					
A.	Non-current assets	269,735	272,087	269,867	272,202
I.	Intangible assets	4,497	4,742	3,974	4,210
II.	Property, plant and equipment	254,850	255,984	254,845	255,978
II.1.	Land	125	125	125	125
II.2.	Buildings	6,455	6,529	6,455	6,529
II.3.	Plant and equipment	205,200	199,940	205,200	199,940
II.4.	Machinery and equipment	35,438	37,143	35,438	37,143
II.5.	Motor vehicles	334	373	334	373
II.6.	Other	3,846	4,066	3,841	4,060
II.7.	Construction in progress	3,452	7,808	3,452	7,808
III.	The right-of-use assets	3,724	3,849	3,619	3,737
IV.	Non-current financial assets	4	4	769	769
IV.1	Investment in the subsidiary	-	-	769	769
IV.2.	Non-current trade receivables	-	-	-	-
IV.3	Other non-current financial assets	4	4	-	-
V.	A deferred tax asset	6,660	7,508	6,660	7,508
B.	Current assets	119,415	108,127	45,557	46,318
I.	Inventories and prepayments	4,700	8,818	4,676	8,801
I.1.	Raw materials, spare parts and other inventories	4,010	8,101	4,010	8,101
I.2.	Prepayments	690	717	666	700
II.	Accounts receivable	59,374	45,946	39,676	35,257
II.1.	Trade receivables	34,828	21,424	15,149	10,736
II.2.	Other receivables	24,546	24,522	24,527	24,521
III.	Corporate income tax paid in advance	943	943	943	943
IV.	Other financial assets	53,126	51,514	249	1,305
V.	Cash and cash equivalents	1,272	906	13	12
Total assets		389,150	380,214	315,424	318,520

(cont'd on the next page)

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

Consolidated and separate statement of financial position (cont'd)

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

	Notes	Group		Company	
		At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
EQUITY AND LIABILITIES					
C. Equity		183,296	178,040	182,602	177,573
I. Share capital		51,731	51,731	51,731	51,731
II. Reserves		102,715	102,715	102,678	102,678
II.1. Legal reserve		5,210	5,210	5,173	5,173
II.2. Other reserves		97,505	97,505	97,505	97,505
III. Retained earnings (deficit)		28,850	23,594	28,193	23,164
D. Accounts payable and liabilities		205,854	202,174	132,822	140,947
I. Amounts payable after one year and non-current liabilities		96,438	97,661	96,363	97,578
I.1. Non-current borrowings	12	90,304	91,391	90,304	91,391
I.2. A right-of-use asset and corresponding liability	13	3,367	3,494	3,292	3,411
I.3. Contract liabilities	14	1,296	1,305	1,296	1,305
I.4. Non-current employee benefits		530	530	530	530
I.5. Deferred income tax liability		-	-	-	-
I.6. Other non-current liabilities		-	-	-	-
I.7. Provisions		941	941	941	941
II. Accounts payable within one year and short-term liabilities		109,416	104,513	36,459	43,369
II.1. Current financial liability	12	-	3,284	-	3,284
II.2. Current portion of non-current borrowings	12	10,174	10,174	10,174	10,174
II.3. A right-of-use asset and corresponding liability	14	477	432	445	401
II.4. Current year portion of non-current employee benefits		72	72	72	72
II.5. Trade payables	16	46,810	32,476	7,562	8,439
II.6. Advance amounts and contract liabilities	14, 17	33,333	37,284	2,025	829
II.7. Income tax payable		126	86	-	-
II.8. Payroll related liabilities		3,940	2,943	3,783	2,826
II.9. Other payables and current liabilities	18	13,277	16,546	11,191	16,128
II.10. Provisions		1,207	1,216	1,207	1,216
Total equity and liabilities		389,150	380,214	315,424	318,520

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

Chief Executive Officer	Nemunas Biknius	5 May 2022
Head of accounting	Rasa Baltaragienė	5 May 2022

Consolidated and separate statement of profit or loss

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

		Group		Company	
		For the period of three months ended 31 March 2022	For the period of three months ended 31 March 2021	For the period of three months ended 31 March 2022	For the period of three months ended 31 March 2021
	Notes				
I.	Revenue	29,588	19,190	29,081	18,599
II.	Expenses	(23,299)	(9,786)	(23,103)	(9,585)
II.1.	Cost of natural gas	(13,880)	(1,920)	(13,880)	(1,920)
II.2.	Depreciation and amortization	(3,237)	(2,888)	(3,193)	(2,843)
II.3.	Remuneration and related social security tax expenses	(2,915)	(2,758)	(2,814)	(2,656)
II.4.	Repair and technical maintenance expenses	(1,138)	(660)	(1,138)	(660)
II.5.	Taxes other than income tax	(695)	(498)	(695)	(498)
II.6.	Telecommunications and IT systems expenses	(435)	(353)	(407)	(332)
II.7.	Other expenses	(999)	(709)	(976)	(676)
III.	Operation profit (loss)	6,289	9,404	5,978	9,014
IV.	Financial activity	(144)	(59)	(100)	(53)
IV.1.	Income	2	1	2	1
IV.2.	Expense	(146)	(60)	(102)	(54)
V.	Profit (loss) before income tax	6,145	9,345	5,878	8,961
VI.	Income tax	(889)	(291)	(849)	(291)
VI.1.	Current period income tax	(40)	-	-	-
VI.2.	Deferred income tax	(849)	(291)	(849)	(291)
VII.	Net profit (loss)	5,256	9,054	5,029	8,670
	Basic and diluted earnings (loss) per share (Eur)	0,03	0,05	0,03	0,05

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

	Nemunas Biknius		5 May 2022
Chief Executive Officer	Rasa Baltaragienė		5 May 2022
Head of accounting			

Consolidated and separate statement of comprehensive income

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

	Group		Company	
	For the period of three months ended 31 March 2022	For the period of three months ended 31 March 2021	For the period of three months ended 31 March 2022	For the period of three months ended 31 March 2021
I. Net profit (loss)	5,256	9,054	5,029	8,670
II. Total comprehensive income (loss)	5,256	9,054	5,029	8,670

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

<u>Chief Executive Officer</u>	<u>Nemunas Biknius</u>	<u>5 May 2022</u>
<u>Head of accounting</u>	<u>Rasa Baltaragienė</u>	<u>5 May 2022</u>

Consolidated statement of changes in equity

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

Group	Share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance as of 31 December 2020	51,731	5,173	69,465	28,461	154,830
<i>Net profit (loss) for the period</i>	-	-	-	9,054	9,054
Total comprehensive income (loss)	-	-	-	9,054	9,054
Balance as of 31 March 2021	51,731	5,173	69,465	37,515	163,884
Formed reserves	-	37	28,040	(28,077)	-
<i>Net profit (loss) for the period</i>	-	-	-	14,157	14,157
Total comprehensive income (loss)	-	-	-	14,157	14,157
Balance as of 31 December 2021	51,731	5,210	97,505	23,594	178,040
Formed reserves	-	-	-	-	-
Dividends	-	-	-	-	-
<i>Net profit (loss) for the period</i>	-	-	-	5,256	5,256
Total comprehensive income (loss)	-	-	-	5,256	5,256
Balance as of 31 March 2022	51,731	5,210	97,505	28,850	183,296

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

Chief Executive Officer	Nemunas Biknius		5 May 2022
Head of accounting	Rasa Baltaragienė		5 May 2022

Company's statement of changes in equity

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

Company	Share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance as of 31 December 2020	51,731	5,173	69,465	28,041	154,410
<i>Net profit (loss) for the period</i>	-	-	-	8,670	8,670
Total comprehensive income (loss)	-	-	-	8,670	8,670
Balance as of 31 March 2021	51,731	5,173	69,465	36,711	163,080
Formed reserves	-	-	28,040	(28,040)	-
<i>Net profit (loss) for the period</i>	-	-	-	14,494	14,494
Total comprehensive income (loss)	-	-	-	14,494	14,494
Balance as of 31 December 2021	51,731	5,173	97,505	23,164	177,573
Formed reserves	-	-	-	-	-
Dividends	-	-	-	-	-
<i>Net profit (loss) for the period</i>	-	-	-	5,029	5,029
Total comprehensive income (loss)	-	-	-	5,029	5,029
Balance as of 31 March 2022	51,731	5,173	97,505	28,193	182,602

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

Chief Executive Officer	Nemunas Biknius		5 May 2022
Head of accounting	Rasa Baltaragienė		5 May 2022

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 2022	For the period of three months ended 31 March 2021	For the period of three months ended 31 March 2022	For the period of three months ended 31 March 2021
I. Cash flows from operating activities					
I.1. Net profit (loss)	4	5,256	9,054	5,029	8,670
Adjustments for non-cash items and other corrections:		-	-	-	-
I.2. Depreciation and amortisation	5,7	3,237	2,888	3,193	2,843
I.3. Loss (profit) on disposal and write-off of property, plant and equipment, doubtful trade receivables and inventories		-	26	-	26
I.4. Impairment (reversal of impairment) of property, plant and equipment, financial assets, doubtful trade receivables and inventories		(18)	33	(18)	33
I.5. Income tax expenses (benefit)	4	889	291	849	291
I.6. Interest (income)		-	-	-	-
I.7. Interest expenses		145	52	101	52
I.8. Dividend income		-	-	-	-
I.9. Income of grants		(18)	-	(18)	-
I.10. Elimination of other non-cash items		1	1	1	1
Changes in working capital:					
I.11. Decrease (increase) in inventories		4,101	(515)	4,101	(515)
I.12. (Increase) decrease in trade receivables		(13,395)	(211)	(4,404)	109
I.13. (Increase) decrease in other receivables and prepayments		4,589	1,757	4,607	1,980
I.14. (Decrease) increase in trade payables		15,581	3,952	370	(1,745)
I.15. (Decrease) increase in other payables and current liabilities		(6,224)	(3,128)	(2,782)	(591)
I.16. (Increase) decrease in other financial assets		(1,615)	(2,820)	1,056	(84)
I.17. Income tax (paid)		-	(472)	-	(472)
Net cash flows from operating activities		12,529	10,908	12,085	10,598
II. Cash flows from investing activities					
II.1. (Acquisition) of property, plant and equipment and intangible assets		(3,367)	(13,098)	(3,339)	(13,050)
II.2. Proceeds on disposal of property, plant and equipment		-	-	-	-
II.3. Grants received		1,378	452	1,378	452
II.4. Loans granted (repayments received)		(5,564)	-	(5,564)	-
II.5. Interest received		-	-	-	-
II.6. Dividends received		-	-	-	-
Net cash flows (used) in investing activities		(7,553)	(12,646)	(7,525)	(12,598)

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

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

	Group		Company	
	For the period of three months ended 31 March 2022	For the period of three months ended 31 March 2021	For the period of three months ended 31 March 2022	For the period of three months ended 31 March 2021
III. Cash flows from financing activities				
III.1. Dividends (paid)	(1)	-	(1)	-
III.2. Proceeds from borrowings	-	-	-	-
III.3. (Repayments) of borrowings	(1,087)	(1,087)	(1,087)	(1,087)
III.4. Change in overdraft	(3,284)	3,334	(3,284)	3,334
III.5. Interest (paid)	(156)	(135)	(112)	(135)
III.6. Liabilities settled in relation to right-of-use assets	(82)	(116)	(75)	(110)
III.7. Other cash flows from financing activities	-	-	-	-
Net cash flows from (used in) financing activities	(4,610)	1,996	(4,559)	2,002
Net increase (decrease) in cash and cash equivalents	366	258	1	2
IV. Cash and cash equivalents at the beginning of the year	906	767	12	3
V. Cash and cash equivalents at the end of the period	1,272	1,025	13	5

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

Chief Executive Officer	Nemunas Biknius	5 May 2022
Head of accounting	Rasa Baltaragienė	5 May 2022

Notes to the consolidated and separate financial Statements

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

1 General information

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

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.

On 1 October 2021, the company has changed its registered office address. As of the specified date, the registered office address of AB Amber Grid is Laisvės ave. 10, Vilnius, Lithuania.

On 31 March 2022, the Company had 112 contracts for natural gas transmission services with the users of natural gas transmission system (natural gas customers, natural gas distribution system operators, natural gas supply companies that supply gas up to customers systems). In addition, Company had entered into natural gas balancing agreements with 1 natural gas trade companies that trade natural gas, but do not use Company's transmission system infrastructure.

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

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

As of 31 of March 2022 and 31 December 2021, the Company's shareholders were as follows:

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

The Company's share capital amounts to EUR 51,730,929.06. It is divided into 178,382,514 ordinary registered shares with par value of EUR 0.29 each.

The Company holds one subsidiary GET Baltic UAB. The Group consists of the parent company Amber Grid AB and its subsidiary GET Baltic UAB.

Information on the subsidiary as at 31 March 2022 and 31 December 2021 is presented below:

Company	Company code	Registered address of the company	Stake of shares held as of 31 March 2022	Stake of shares held as of 31 December 2021
UAB GET Baltic	302861178	Geležinio Vilko st. 18 A, Vilnius	100 percent	100 percent

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

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, and Estonia. 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 March 2022 Get Baltic had 98 registered stock exchange participants.

On 31 March 2022 the average number of employees of the Group and the Company consisted of 335 (as at 31 March 2021 – 325); on 31 March 2022 the average number of employees of the Company consisted of 323 employees (as at 31 March 2021 – 316).

2 Summary of significant accounting principles

The principal accounting principles applied in the preparation of the Company's and the Group's financial statements for the period of three months ended 31 March 2022 are set out below:

2.1 Basis of preparation

These condensed interim consolidated and separate financial statements, including the statements of financial position and statement of profit or loss, statements of comprehensive income, cash flow statement and the statements of changes in equity for the period of three months ended 31 March 2022 have not been audited. The consolidated and separate financial statements for the period ended 31 December 2021 have been audited and prepared in accordance with International Financial Reporting Standards (IFRS) as adopted in European Union.

For a better understanding of the information presented in these financial statements, these condensed financial statements should be read together with the annual consolidated and separate financial statements for the period ended 31 December 2021. PricewaterhouseCoopers UAB carried out an audit of Consolidated and separate Financial Statements for the period ended on 31 December 2021.

The Group's and separate condensed interim consolidated financial statements as of 31 March 2022 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 2021.

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

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

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

2.2 Presentation currency

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

3 Accounting estimates and assumptions

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

4 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 March 2022, the Group generated 69 % (31 March 2021: 75 %) of its total revenue from the transmission services to system users in Lithuania, 29 % (31 March 2021: 22 %) of revenue totaled from transportation of gas to adjacent transmission systems, 2% (31 March 2011: 3%) of revenue originated from the revenue from services provided by the natural gas exchange operator.

The Group's information on segments for the period of three months ended on 31 March 2022 is disclosed below:

	Transmission activity	Activities of the gas exchange	Total
Revenues	29,081	519	29,600
Income having eliminated the income of Group entities	29,081	507	29,588
Profit / loss from operating activities	5,990	299	6,289
Net financing income (costs)	(100)	(44)	(144)
Profit / loss before tax	5,890	255	6,145
Income tax	(849)	(40)	(889)
Net earnings (loss)	5,041	215	5,256
Depreciation / amortisation costs	(3,193)	(44)	(3,237)
Write-offs of non-current tangible assets	-	-	-

The Group's information on segments for the period of three months ended on 31 March 2021 is disclosed below:

	Transmission activity	Activities of the gas exchange	Total
Revenues	18,599	600	19,199
Income having eliminated the income of Group entities	18,599	591	19,190
Profit / loss from operating activities	9,023	381	9,404
Net financing income (costs)	(53)	(6)	(59)
Profit / loss before tax	8,970	375	9,345
Income tax	(291)	-	(291)
Net earnings (loss)	8,679	375	9,054

Depreciation / amortisation costs	(2,843)	(45)	(2,888)
Write-offs of non-current tangible assets	(26)	-	(26)

5 Non-current tangible and intangible assets

Non-current intangible assets	Group	Company
Residual value as of 31 December 2020	4,833	4,189
Additions	14	7
Write-offs	-	-
Amortisation	(256)	(217)
Netting of grants with the non-current assets	-	-
Residual value as of 31 March 2021	4,591	3,979
Residual value as of 31 December 2021	4,742	4,210
Additions	59	31
Reclassification	-	-
Amortisation	(304)	(267)
Netting of grants with the non-current assets	-	-
Residual value as of 31 March 2022	4,497	3,974

As a part of intangible assets there are the provision for the commitment to register and the right to use the third party's land areas under the land use conditions in amount of EUR 2179 thousand. The provision and related intangible assets were established under the amendments to the Regulations of the Real Property Cadastre, which were necessary for the establishment of a commitment to form a register of protected areas, as set out in the Lithuanian Law on Special Land Use Conditions, by the year 2023, and based on the *Description of the procedure for preparation and approval of the protected areas*, approved under the Lithuanian Energy Minister's Order No. 1-339 of 13 October 2020. Discounting of the provision was based on a discount rate of 0.62 percent. As at 31 March 2022 for the establishment of the special land use conditions (protected areas) were used EUR 31 thousand (provision reduction).

Non-current tangible assets	Group	Company
Residual value as of 31 December 2020	241,624	241,620
Additions	12,504	12,501
Depreciation	(56)	(56)
Write-offs	(2,521)	(2,520)
Netting of grants with the non-current assets	(5,303)	(5,303)
Residual value as of 31 March 2021	246,248	246,242
Residual value as of 31 December 2021	255,984	255,978
Additions	2,061	2,061
Depreciation	-	-
Write-offs, sales	(2,810)	(2,809)
Reclassification	-	-
Netting of grants with the non-current assets	(385)	(385)
Residual value as of 31 March 2022	254,850	254,845

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

A value of additions of non-current tangible assets in the first quarter of 2022 have been consisted of installation of solar power plant modules in amount of EUR 615 thousand; relocation of the gas pipeline in the territory of Kaunas FEZ in amount of Eur 485 thousand; investments into the gas interconnection between Poland and

Lithuania (GIPL) (pipeline pressurization with natural gas and etc.) in amount of EUR 326 thousand; ELLI-capacity enhancement for the gas interconnection between Lithuania and Latvia (expansion of the Kiemėnai gas metering station) in amount of EUR 158 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 March 2022, it stood at EUR 1,116 thousand (as of 31 March 2021 - EUR 716 thousand).

6 Construction in progress

The largest objects of construction in progress of the Group and Company as of 31 March 2022 and 31 December 2021 were as follows:

Items	At 31 March 2022	At 31 December 2021
Installation of pig launchers/receivers	1,744	10,364
Implementation of operative technological control of gas transmission system	1,494	1,487
Construction of the main gas pipeline Vilnius-Kaunas and interconnection Kaunas-Šakiai	551	551
Reconstruction of GDS (5 units)	407	407
ELLI - capacity enhancement for the gas interconnection between Lithuania and Latvia (expansion of the Kiemėnai gas metering station)	305	148
Modernization of Panevėžys gas compressor station	859	798
Installation of solar power plant modules	-	41
Relocation of gas pipeline in the territory of Kaunas FEZ	511	26
Other	716	1,189
Grants recognised (offsetting against non-current assets)	(2,538)	(6,606)
Less: impairment of construction work in progress ¹⁾	(597)	(597)
	3,452	7,808

- 1) 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 of its funding issues and its further development.

7 The right-of-use assets and lease liabilities

As described below, the Group and the Company have taken on lease office premises, motor vehicles, and land. Lease periods for premises, motor vehicles and land are 5-10 years, 4 years, and 99 years, respectively. From 1 October 2021, the Company leases new office premises located at address: Laisvės ave. 10, Vilnius. Having assessed the lease extension option, which is intended to be exercised, the lease term is 10 years. Due to increase in the land lease tax, on 2021 year the Company remeasured right-of-use assets and lease liabilities, wherefore the value of land, which is held on the lease basis and recognised as an asset, and the lease liabilities increased by EUR 257 thousand.

	Group			
	Buildings	Land	Motor vehicles	Total
Initial value of recognized assets at 31 December 2020	221	1,252	862	2,335
Acquisitions	-	-	-	-
Write-offs	-	-	-	-
Amortization	(38)	(3)	(71)	(112)
Residual value at 31 March 2021	183	1,249	791	2,223

Residual value of recognized assets at 31 December 2021	1,775	1,493	581	3,849
Acquisitions	-	-	-	-
Write-offs	-	-	-	-
Amortization	(49)	(4)	(72)	(125)
Residual value at 31 March 2022	1,726	1,489	509	3,724
Initial value	1,880	1,534	1,149	4,563
Accumulated depreciation	(154)	(45)	(640)	(839)
Residual value at 31 March 2022	1,726	1,489	509	3,724

	Company			
	Buildings	Land	Motor vehicles	Total
Initial value of recognized assets at 31 December 2020	99	1,252	853	2,204
Acquisitions	-	-	-	-
Write-offs	-	-	-	-
Amortization	(33)	(3)	(70)	(106)
Residual value at 31 March 2021	66	1,249	783	2,098
Residual value of recognized assets at 31 December 2021	1,672	1,493	572	3,737
Acquisitions	-	-	-	-
Write-offs	-	-	-	-
Amortization	(44)	(4)	(70)	(118)
Residual value at 31 March 2022	1,628	1,489	502	3,619
Initial value	1,716	1,534	1,119	4,369
Accumulated depreciation	(88)	(45)	(617)	(750)
Residual value at 31 March 2022	1,628	1,489	502	3,619

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.

8 Inventories

	Group	
	At 31 March 2022	At 31 December 2021
Raw materials, spare parts and other inventories	1,005	1,212
Natural gas	3,397	7,289
Assets held for resale	3	5
Inventories, gross	4,405	8,506
Less: write-down allowance	(395)	(405)
	4,010	8,101

Changes in the value of natural gas were most significantly affected by changes in natural gas volumes.

9 Trade receivables

	Group		Company	
	At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
Non-current trade receivables	-	-	-	-
Other trade receivables	-	-	-	-
Current trade receivables and other amounts receivable				
Amounts receivable for transmission of natural gas	7,480	9,424	7,480	9,574
Amounts receivable for natural gas	24,048	10,838	4,365	-
Amounts receivable for balancing of transmission system	3,288	1,222	3,288	1,222
Other trade receivables	70	7	74	7
Less: impairment of amounts receivable	(58)	(67)	(58)	(67)
Total trade receivables	34,828	21,424	15,149	10,736

Short-term trade receivables were interest-free; their payment period ranged from 9 to 30 calendar days. Impairment allowance of EUR 58 thousand was established for trade receivables as at 31 March 2022 (as at 31 December 2021 - EUR 67 thousand).

10 Other receivables

	Group		Company	
	At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
LNG terminal funds receivable (administered by the Company)	9,606	13,385	9,606	13,385
Grants receivable	9,344	10,330	9,344	10,330
Receivables accrued for natural gas transportation	-	766	-	766
Loans receivables	5,564	-	5,564	-
Other receivables	32	41	13	40
	24,546	24,522	24,527	24,521

The LNG terminal funds receivable as at 31 March 2022 include the overdue amount of EUR 5,084 thousand (as at 31 December 2021 - EUR 4,912 thousand) of which total the overdue amount of AB "Achema's" was EUR 5,019 thousand, the overdue amount of UAB "Geoterma" was EUR 65 thousand.

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

Contract assets include as follows:

	Group	
	At 31 March 2022	At 31 December 2021
Current contract assets related to transportation of natural gas	-	766
Total contract assets	-	766

11 Other financial assets

As at 31 March 2022, the Group's other financial assets consisted of cash received from the additional add-on for natural gas security of supply on the natural gas transmission price, abbreviated as LNG terminal funds, and funds transferred by natural gas exchange participants. These funds are received from system users, held in a separate bank account for LNG terminal funds administered in accordance with the legal requirements, and are intended to be disbursed to beneficiaries of the LNG terminal funds: to the LNG terminal operator (AB Klaipėdos Nafta), the designated supplier (UAB Ignitis) and to cover the costs incurred by the Company for the administration of LNG terminal funds. Resolution No O3E-1522 of the National Energy Regulatory Council of 19 November 2021 establishes an additional add-on for natural gas security of supply on the natural gas transmission price applicable from 1 January 2022 to 31 March 2022, and Resolution No O3E-438 of the National Energy Regulatory Council recalculates the additional add-on for natural gas security of supply on the natural gas transmission price applicable from 1 May 2022.

The advance payment funds received by gas exchange members as at 31 March 2022 are accounted for EUR 52,877 thousand (as at 31 December 2021 – EUR 50,209 thousand).

	Group		Company	
	At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
Funds of the LNG terminal	249	1,305	249	1,305
Funds transferred by the gas exchange members	52,877	50,209	-	-
	53,126	51,514	249	1,305

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

12 Loans

	Group		Company	
	At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
Long-term loans	90,304	91,391	90,304	91,391
Loans from credit institutions of Lithuania	14,000	14,000	14,000	14,000
Loans from international financial institutions	76,304	77,391	76,304	77,391
Short-term loans	10,174	13,458	10,174	13,458
Loans from credit institutions of Lithuania	-	-	-	-
Short-term loan (EPSO-G UAB)	-	3,284	-	3,284
Current portion of long-term loans	10,174	10,174	10,174	10,174
	100,478	104,849	100,478	104,849

To balance the liquid funds, on 1 March 2022 the Company and EPSO-G UAB entered into a new cash pool contract, based on which the maximum borrowing limit from EPSO-G UAB was set in amount of EUR 40,000 thousand. As at 31 March 2022 Company had no borrowings under this agreement.

As at 31 March 2022, the weighted average annual interest rate on borrowings of the Company and the Group was 0.36 percent (31 December 2021: 0.36 percent).

13 Lease liabilities

Lease liabilities and their movement were as follows:

	Group	
	At 31 March 2022	At 31 December 2021
Carrying amount of lease liabilities at the beginning of the period	3,926	2,363
Recognition of lease liabilities under IFRS 16	-	257
Concluded lease contracts	-	1,724
Termination of leases (write-offs of debts and accrued interest)	-	-
Interest expenses	7	28
Lease payments (Principal and Interest)	(89)	(446)
Carrying amount at 31 December	3,844	3,926
Non-current lease liabilities	3,367	3,494
Current lease liabilities	477	432

	Company	
	At 31 March 2022	At 31 December 2021
Carrying amount of lease liabilities at the beginning of the period	3,812	2,230
Recognition of lease liabilities under IFRS 16	-	257
Concluded lease contracts	-	1,716
Termination of leases (write-offs of debts and accrued interest)	-	-
Interest expenses	7	26
Lease payments (Principal and Interest)	(82)	(417)
Carrying amount at 31 December	3,737	3,812
Non-current lease liabilities	3,292	3,411
Current lease liabilities	445	401

	Group	
	At 31 March 2022	At 31 December 2021
Lease liabilities		
Current year	477	432
Repayment terms of non-current liabilities:	3,367	3,494
Between 1 and 2 years	461	505
From 2 to 3 years	217	243
From 3 to 5 years	411	421
After 5 years	2,278	2,325

	Company	
	At 31 March 2022	At 31 December 2021
Lease liabilities		
Current year	445	401
Repayment terms of non-current liabilities:	3,292	3,411
Between 1 and 2 years	432	476
From 2 to 3 years	195	221
From 3 to 5 years	387	389
After 5 years	2,278	2,325

Interest on lease liabilities reflected in the Group's finance costs amounted to EUR 7 thousand as at 31 March 2022 (31 March 2021: EUR 6 thousand).

The Group and the Company had no leases with variable payments not included in the value of lease liabilities. In the first quarter of 2022, the Group's lease payments amounted to EUR 82 thousand (in the first quarter of 2021: EUR 104 thousand).

14 Contract liabilities

The funds from connection of new system users to the gas transmission system and advance amounts received from system users on transmission services are recognised as contract liabilities.

	Group	
	At 31 March 2022	At 31 December 2021
Non-current portion of contract liabilities	1,296	1,305
Total non-current contract liabilities	1,296	1,305
Contractual obligations under system users balancing agreements	1,132	-
Current portion of contract liabilities	34	33
Advance amounts received on transmission services	98	23
Total current contract liabilities	1,264	56
Total contract liabilities	2,560	1,361

Funds for the connection of new customers to the gas transmission system was in amount of EUR 1,330 thousand as at 31 March 2022 (31 December 2021: EUR 1,338 thousand), whereof non – current contract liabilities under the connection contracts were in amount of EUR 1,296 thousand as at 31 March 2022 (31 December 2021: EUR 1,305 thousand). The contract liabilities to be recognised as revenue within one year are reported as current contract liabilities

15 Income tax

In 2022, the standard corporate income tax rate applicable to the companies of the Republic of Lithuania was 15 per cent (in 2021: 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 March 2022, the Company had calculated a corporate income tax relief amounting to EUR 23 thousand (as at 31 March 2021: EUR 1,334 thousand).

16 Trade payables

	Group		Company	
	At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
Payables to suppliers under investment programme (new construction and reconstruction)	902	2,141	902	2,141
Payables to suppliers of goods and providers of services	779	1,457	805	1,438
Payables to providers of repairs services under non-current assets repairs programme	270	358	270	358
Payables to suppliers of natural gas	44,859	28,520	5,585	4,502
	46,810	32,476	7,562	8,439

As at 31 March 2022, the trade payables were interest-free and the payment terms of the largest share of them ranged from 30 to 60 days.

17 Received advanced payments and contract liabilities

	Group		Company	
	At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
Current contract liabilities	1,264	56	1,264	56
Grants received in advance	140	151	140	151
Advance amounts received from gas exchange participants	31,308	36,455	-	-
Other advance amounts received	621	622	621	622
Total advance amounts received	33,333	37,284	2,025	829

The Group's advance amounts received amounted to EUR 33,333 thousand as at 31 March 2022 (31 December 2021: EUR 37,284 thousand), whereof advance amounts received from the gas exchange participants amounted to EUR 31,308 thousand as at 31 March 2022 (31 December 2021: EUR 36,455 thousand).

The advance amounts received from gas exchange participants are used on the date of settlement of the exchange participants, unless there is a request of a participant not to use the advance amount, thereby reducing the amount payable for gas and exchange services. The advance amount not used in full or in part remains for other settlements of an exchange participant. If an advance amount has not been used by an exchange participant for over 1 year, such amount is refunded to the exchange participant.

18 Other payables and current liabilities

	Group		Company	
	At 31 March 2022	At 31 December 2021	At 31 March 2022	At 31 December 2021
Payable LNG terminal funds administrated by the Company	9,954	12,259	9,954	12,259
Accrued LNG terminal funds subject to administration by the Company ¹⁾	62	2,406	62	2,406
Real Estate Tax payable	-	838	-	838
Value Added Tax (VAT) payable	2,643	637	664	235
Other payables	618	406	511	390
	13,277	16,546	11,191	16,128

¹⁾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 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.

19 Earnings per share

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

	Group	
	For the period of three months ended 31 March 2022	For the period of three months ended 31 March 2021
Net profit (loss) attributable to the shareholders (EUR thousand)	5,256	9,054
Weighted average number of shares (thousand)	178,383	178,383
Basic and diluted earnings (loss) per share (EUR)	0,03	0,05

20 Dividends

As at 20 April 2022 held ordinary general meeting of shareholders the decision to pay EUR 9,900 thousand dividends was made, i.e. EUR 0.0555 dividends per share. The decision of the general meeting of shareholders on the payment of dividends is not reflected in these financial statements.

As at 23 April 2021 according to the decision of the Company's ordinary general meeting of the shareholders no profit were approved to allocate to dividends from the profit for allocation.

21 Commitments and contingencies

Litigations

Currently, the Company has one ongoing civil case against AB Achema regarding the award of the additional add-on to the natural gas transmission price for the security of natural gas supply (hereinafter - LNG terminal funds). The Company acts as an administrator of LNG terminal funds only, and transfers LNG terminal funds to their beneficiaries only after it collects them from buyers, therefore it does not incur any credit risk for the amount in dispute. The above civil case is still pending at first instance before the Kaunas Regional Court.

By its ruling of 20 January 2022, the Kaunas Regional Court suspended the part of the case concerning the claims for EUR 4,463,155.98 of the LNG terminal surcharge funds and EUR 53,359.95 in interest on late payment arising under the natural gas transmission service contract of 22 December 2014, pending the decision of the European Commission on the compatibility of the LNG terminal surcharge funds collected for the period from 1 January 2016 to 31 December 2018 with the state aid rules under the European Union law. By its ruling of 17 March 2022, the Court of Appeal of Lithuania upheld the ruling of the Kaunas Regional Court of 20 January 2022.

The other part of the case for late payment interest of EUR 763,119.55 under the natural gas transmission service contract of 21 December 2012 and the counterclaim, whereby AB Achema seeks to declare actions of the Company in calculating late payment interest under the natural gas transmission service contract of 21 December 2012 and in allocating the payments received on the basis of this contract from AB Achema for the purpose of setting off of the late payment interest unlawful and invalid, has been set for a hearing before court on 18 May 2022.

22 Related party transactions

As at 31 March 2022 and 31 December 2021, 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: [All SOEs - VKC | Valdymo koordinavimo centras \(governance.lt\)](#).

The Company's/Group's related parties as at 31 March 2022 and 31 December 2021 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;

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- 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;
 - Transporto Valdymas UAB;
 - 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 March 2022 and 31 March 2021. Transactions with related parties are disclosed for the three-month period ended 31 March 2022 and 31 March 2021:

Group as at 31 March 2022	Purchases	LNG terminal funds (purchases)	Sales	LNG terminal funds (sales)	Amounts receivable	Receivable LNG terminal funds	Loans granted	Amounts payable	Payable LNG terminal funds	Financial activity costs
UAB EPSO-G	36	-	-	-	-	-	5,564	26	-	7
UAB Tetas	1	-	10	-	5	-	-	-	-	-
AB Ignitis gamyba	80	-	10,210	2,632	1,240	1,061	-	4,390	-	-
AB Energijos skirstymo operatorius	58	-	84	159	121	-	-	-	-	-
UAB Ignitis	19,246	5,314	27,551	2,820	5,746	912	-	5,977	3,178	-
UAB Transporto valdymas	100	-	-	-	-	-	-	43	-	-
AB Klaipėdos Nafta	-	8,549	-	-	-	-	-	-	6,776	-
State Enterprise Ignalina Nuclear Power Plant	-	-	4	7	-	-	-	-	-	-
UAB Geoterma	-	-	-	-	45	65	-	-	-	-
Other state-owned enterprises	7	-	-	-	-	-	-	1	-	-
	19,528	13,863	37,859	5,618	7,157	2,038	5,564	10,437	9,954	7

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Group as at 31 March 2021	Purchases	LNG terminal funds (purchases)	Sales	LNG terminal funds (sales)	Amounts receivable	Receivable LNG terminal funds	Amounts payable	Payable LNG terminal funds	Borrowings	Financial activity costs
UAB EPSO-G	29	-	-	-	-	-	32	-	11,186	17
UAB Tetas	1	-	-	-	-	-	1	-	-	-
AB Ignitis gamyba	19	-	10,539	3,602	535	1,453	1,947	-	-	-
AB Energijos skirstymo operatorius	54	-	77	66	22	27	-	-	-	-
UAB Ignitis	13,002	9,373	5,846	3,736	1,249	1,260	1,646	4,307	-	-
UAB Transporto valdymas	100	-	-	-	-	-	43	-	-	-
AB Klaipėdos Nafta	-	7,302	-	-	-	-	-	6,523	-	-
State Enterprise Ignalina Nuclear Power Plant	-	-	16	28	11	11	-	-	-	-
UAB Geoterma	-	-	-	-	45	65	-	-	-	-
Other state-owned enterprises	8	-	-	-	-	-	4	-	-	-
	13,213	16,675	16,478	7,432	1,862	2,816	3,673	10,830	11,186	17
Company as at 31 March 2022	Purchases	LNG terminal funds (purchases)	Sales	LNG terminal funds (sales)	Amounts receivable	Receivable LNG terminal funds	Loans granted	Amounts payable	Payable LNG terminal funds	Financial activity costs
UAB GET Baltic	4,776	-	933	-	860	-	-	859	-	-
UAB EPSO-G	31	-	-	-	-	-	5,564	24	-	7
UAB Tetas	1	-	10	-	5	-	-	-	-	-
AB Ignitis gamyba	80	-	1,416	2,632	1,240	1,061	-	97	-	-
AB Energijos skirstymo operatorius	58	-	84	159	121	-	-	-	-	-
UAB Ignitis	2,668	5,314	11,012	2,820	5,600	912	-	2,460	3,178	-
UAB Transporto valdymas	100	-	-	-	-	-	-	43	-	-
AB Klaipėdos Nafta	-	8,549	-	-	-	-	-	-	6,776	-
State Enterprise Ignalina Nuclear Power Plant	-	-	4	7	-	-	-	-	-	-
UAB Geoterma	-	-	-	-	45	65	-	-	-	-
Other state-owned enterprises	7	-	-	-	-	-	-	1	-	-
	7,721	13,863	13,459	5,618	7,871	2,038	5,564	3,484	9,954	7

Company as at 31 March 2021	Purcha- ses	LNG terminal funds (purcha- ses)	Sales	LNG terminal funds (sales)	Amounts receivab- le	Receivab- le LNG terminal funds	Amounts payable	Payable LNG terminal funds	Borro- wings	Financi al activity costs
UAB GET Baltic	811	-	80	-	9	-	236	-	-	-
UAB EPSO-G	29	-	-	-	-	-	32	-	1,186	17
UAB Tetas	1	-	-	-	-	-	1	-	-	-
AB Ignitis gamyba	8	-	1,494	3,602	528	1,453	-	-	-	-
AB Energijos skirstymo operatorius	54	-	77	66	22	27	-	-	-	-
UAB Ignitis	1,328	9,373	4,899	3,736	1,248	1,260	488	4,307	-	-
UAB Transporto valdymas	100	-	-	-	-	-	43	-	-	-
AB Klaipėdos Nafta	-	7,302	-	-	-	-	-	6,523	-	-
State Enterprise Ignalina Nuclear Power Plant	-	-	16	28	11	11	-	-	-	-
UAB Geoterma	-	-	-	-	45	65	-	-	-	-
Other state- owned enterprises	8	-	-	-	-	-	4	-	-	-
	2,339	16,675	6,566	7,432	1,863	2,816	804	10,830	11,186	17

There have been none guaranties received to the revenue obtained and payable by the related parties. On 31 March 2022 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

	Group		Company	
	At 31 March 2022	At 31 March 2021	At 31 March 2022	At 31 March 2021
Earnings-related benefits	137	134	120	117
Benefits for Board Members	11	15	11	15
	148	149	131	132

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

23 Subsequent events

On 20 April 2022 the general meeting of shareholders approved the Amber Grid AB consolidated annual report and the set of consolidated and the Company's financial statements for 2021, as well as made decisions on the allocation of the profit. According to the decision of the general meeting of shareholders the share of profit in amount of EUR 13.263 thousand were allocated to other reserves (including the reserve for donation), EUR 9,900 thousand were allocated to dividends.

To the Board of AB Amber Grid as of 20 April 2022 until the end of its term of office were elected three new members. On 27 April 2022 at the Board meeting of Amber Grid the Chairman of the Board of Amber Grid was elected.

On 1 May 2022 the GIPL gas pipeline connecting Lithuania and Poland was launched, which transmitted the first physical and commercial gas flows.