

AB AMBER GRID
CONDENSED CONSOLIDATED AND THE COMPANY'S FINANCIAL STATEMENTS
AS OF 30 SEPTEMBER 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 30	As of 31	As of 30	As of 31
		September 2020	December 2019	September 2020	December 2019
ASSETS					
A. Non-current assets		244,233	209,346	244,164	209,215
I. Intangible assets	4	2,483	2,910	1,884	2,262
II. Property, plant and equipment	4	233,209	201,362	233,205	201,359
II.1. Land		125	125	125	125
II.2. Buildings		5,538	5,183	5,538	5,183
II.3. Plant and equipment		145,112	147,770	145,112	147,770
II.4. Machinery and equipment		35,228	37,714	35,228	37,714
II.5. Motor vehicles		590	773	590	773
II.6. Other		2,113	2,637	2,109	2,634
II.7. Construction in progress		44,503	7,160	44,503	7,160
III. The right-of-use assets	6	2,789	2,001	2,652	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		5,748	3,069	5,748	3,069
B. Current assets		41,375	46,783	37,104	28,094
I. Inventories and prepayments		1,513	2,651	1,496	2,640
I.1. Raw materials, spare parts and other inventories		1,198	2,119	1,198	2,119
I.2. Prepayments		315	532	298	521
II. Accounts receivable		35,660	25,251	34,887	25,253
II.1. Trade receivables	7	5,371	5,860	4,694	5,865
II.2. Other receivables	7	30,289	19,391	30,193	19,388
III. Corporate income tax paid in advance		700	-	700	-
IV. Other financial assets	9	3,143	18,648	-	4
V. Cash and cash equivalents		359	233	21	197
Total assets		285,608	256,129	281,268	237,309

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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 30	As of 31	As of 30	As of 31
		September	December	September	December
		2020	2019	2020	2019
EQUITY AND LIABILITIES					
C. Equity		151,314	137,854	151,168	138,172
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)		24,945	11,485	24,799	11,803
D. Accounts payable and liabilities		134,294	118,275	130,100	99,137
I. Amounts payable after one year and non-current liabilities		93,435	54,075	93,319	53,945
I.1. Non-current borrowings	10	90,565	51,739	90,565	51,739
A right-of-use asset and				2,267	
I.2. corresponding liability	6	2,383	1,849		1,719
I.3. Non-current employee benefits		487	487	487	487
I.4. Deferred income tax liability		-	-	-	-
I.5. Other non-current liabilities		-	-	-	-
II. Accounts payable within one year and short-term liabilities		40,859	64,200	36,781	45,192
II.1. Current financial liability		4,993	6,452	4,993	6,272
Current portion of non-current				6,174	
II.2. borrowings	10	6,174	13,618		13,618
II.3. A right-of-use asset and corresponding liability	6	437	160	414	138
II.4. Current year portion of non-current employee benefits		53	53	53	53
II.5. Trade payables	12	12,103	6,967	10,576	4,191
II.6. Advance amounts	13	2,708	17,103	316	1,431
II.7. Income tax payable		22	688	-	688
II.8. Payroll related liabilities		2,248	1,723	2,161	1,655
II.9. Other payables and current liabilities	14	12,121	17,436	12,094	17,146
Total equity and liabilities		285,608	256,129	281,268	237,309

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

Chief Executive Officer	Nemunas Biknius	4 November 2020
Head of accounting	Rasa Baltaragienė	4 November 2020

Consolidated and Company's Income statement

		Group			
		For the period of three months ended 30 September 2020	For the period of three months ended 30 September 2019 (adjusted)*	For the period of nine months ended 30 September 2020	For the period of nine months ended 30 September 2019 (adjusted)*
I.	Revenue	13,307	12,685	38,167	38,650
II.	Expenses	(7,923)	(9,400)	(27,009)	(29,055)
II.1.	Cost of natural gas	(676)	(2,282)	(5,061)	(8,185)
II.2.	Depreciation and amortization	(2,790)	(2,570)	(8,314)	(7,591)
II.3.	Remuneration and related social security tax expenses	(2,371)	(2,292)	(7,385)	(7,202)
II.4.	Repair and technical maintenance expenses	(695)	(961)	(1,881)	(2,289)
II.5.	Taxes other than income tax	(477)	(449)	(1,454)	(1,356)
II.6.	Telecommunications and IT systems expenses	(388)	(246)	(1,105)	(665)
II.7.	Other expenses	(526)	(600)	(1,809)	(1,767)
III.	Operation profit (loss)	5,384	3,285	11,158	9,595
IV.	Financial activity	(157)	(85)	(309)	(277)
IV.1.	Income	1	3	3	11
IV.2.	Expense	(158)	(88)	(312)	(288)
V.	Profit (loss) before income tax	5,227	3,200	10,849	9,318
VI.	Income tax	842	(484)	2,611	(1,559)
VI.1.	Current period income tax	(2)	(409)	(69)	(1,433)
VI.2.	Deferred income tax	844	(75)	2,680	(126)
VII.	Net profit (loss)	6,069	2,716	13,460	7,759
	Basic and diluted earnings (loss) per share (Eur)			0,08	0,04

*The adjustment was made due to the application of IFRS 16 to land lease, the effect of the adjustment is disclosed in detail in Note No. 17.

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

Chief Executive Officer	Nemunas Biknius		4 November 2020
Head of accounting	Rasa Baltaragienė		4 November 2020

Consolidated and Company's Statement of comprehensive income

		Group			
		For the period of three months ended 30 September	For the period of three months ended 30 September	For the period of nine months ended 30 September	For the period of nine months ended 30 September
I.	Net profit (loss)	6,069	2,716	13,460	7,759
II.	Total comprehensive income (loss)	6,069	2,716	13,460	7,759

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

Chief Executive Officer	Nemunas Biknius	4 November 2020
Head of accounting	Rasa Baltaragienė	4 November 2020

Income statement

		Company				
		For the period of three months ended 30 September 2020	For the period of three months ended 30 September 2019 (adjusted)*	For the period of nine months ended 30 September 2020	For the period of nine months ended 30 September 2019 (adjusted)*	
I.	Revenue	16	13,112	12,622	37,201	38,255
II.	Expenses		(7,758)	(9,283)	(26,532)	(28,689)
II.1.	Cost of natural gas		(676)	(2,282)	(5,061)	(8,185)
II.2.	Depreciation and amortization		(2,742)	(2,535)	(8,171)	(7,496)
II.3.	Remuneration and related social security tax expenses		(2,290)	(2,224)	(7,129)	(6,998)
II.4.	Repair and technical maintenance expenses		(695)	(961)	(1,881)	(2,289)
II.5.	Taxes other than income tax		(477)	(449)	(1,454)	(1,355)
II.6.	Telecommunications and IT systems expenses		(369)	(232)	(1,048)	(622)
II.7.	Other expenses		(509)	(600)	(1,788)	(1,744)
III.	Operation profit (loss)		5,354	3,339	10,669	9,566
IV.	Financial activity		(156)	(84)	(306)	(275)
IV.1.	Income		1	3	3	12
IV.2.	Expense		(157)	(87)	(309)	(287)
V.	Profit (loss) before income tax		5,198	3,255	10,363	9,291
VI.	Income tax		844	(484)	2,633	(1,559)
VI.1.	Current period income tax		-	(409)	(47)	(1,433)
VI.2.	Deferred income tax		844	75	2,680	(126)
VII.	Net profit (loss)		6,042	2,771	12,996	7,732
	Basic and diluted earnings (loss) per share (Eur)	15			0,07	0,04

*The adjustment was made due to the application of IFRS 16 to land lease, the effect of the adjustment is disclosed in detail in Note No. 17.

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

Chief Executive Officer	Nemunas Biknius	4 November 2020
Head of accounting	Rasa Baltaragienė	4 November 2020

Statement of comprehensive income

		Company			
		For the period of three months ended 30 September	For the period of three months ended 30 September	For the period of six months ended 30 September	For the period of six months ended 30 September
I.	Net profit (loss)	6,042	2,771	12,996	7,732
II.	Total comprehensive income (loss)	6,042	2,771	12,996	7,732

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

Chief Executive Officer	Nemunas Biknius	4 November 2020
Head of accounting	Rasa Baltaragienė	4 November 2020

Consolidated and Company's Statement of changes in equity

Group	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance as of 31 December 2018	51,731	5,173	94,817	(20,478)	131,243
Transfer from other reserves	-	-	(25,352)	25,352	-
Dividends declared	-	-	-	(5,227)	(5,227)
Total comprehensive income (loss)	-	-	-	7,759	7,759
<i>Net profit (loss) for the year</i>	-	-	-	7,759	7,759
Balance as of 30 September 2019	51,731	5,173	69,465	7,406	133,775
Transfer from other reserves	-	-	-	-	-
Dividends declared	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	4,079	4,079
<i>Net profit (loss) for the year</i>	-	-	-	4,079	4,079
Balance as of 31 December 2019	51,731	5,173	69,465	11,485	137,854
Total comprehensive income (loss)	-	-	-	13,460	13,460
<i>Net profit (loss) for the year</i>	-	-	-	13,460	13,460
Balance as of 30 September 2020	51,731	5,173	69,465	24,945	151,314

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Chief Executive Officer	Nemunas Biknius	4 November 2020
Head of accounting	Rasa Baltaragienė	4 November 2020

Statement of changes in equity

Company	Authorised share capital	Legal reserve	Other reserves	Retained earnings (deficit)	Total
Balance as of 31 December 2018	51,731	5,173	94,817	(20,125)	131,596
Transfer from other reserves			(25,352)	25,352	-
Dividends declared				(5,227)	(5,227)
Total comprehensive income (loss)	-	-	-	7,732	7,732
<i>Net profit (loss) for the year</i>	-	-	-	7,732	7,732
Balance as of 30 September 2019	51,731	5,173	69,465	7,732	134,101
Transfer from other reserves	-	-	-	-	-
Dividends declared	-	-	-	-	-
Total comprehensive income (loss)	-	-	-	4,071	4,071
<i>Net profit (loss) for the year</i>	-	-	-	4,071	4,071
Balance as of 31 December 2019	51,731	5,173	69,465	11,803	138,172
Total comprehensive income (loss)	-	-	-	12,996	12,996
<i>Net profit (loss) for the year</i>	-	-	-	12,996	12,996
Balance as of 30 September 2020	51,731	5,173	69,465	24,799	151,168

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

Chief Executive Officer	Nemunas Biknius	4 November 2020
Head of accounting	Rasa Baltaragienė	4 November 2020

Consolidated and Company's Statement of cash flows

	Group		Company	
	30 September 2020	30 September 2019 (adjusted)*	30 September 2020	30 September 2019 (adjusted)*
I. Cash flows from (to) operating activities				
I.1. Net profit (loss)	13,460	7,759	12,996	7,732
Adjustments of non-cash items and other corrections:				
I.2. Depreciation and amortisation	8,314	7,591	8,171	7,496
I.3. Loss (gain) on property, plant and equipment, doubtful trade accounts receivable and inventories write-off and disposal	(126)	(6)	(126)	(6)
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	(41)	17	(41)	17
I.6. Income tax expenses (income)	(2,611)	1,559	(2,633)	1,559
I.7. Interest (income)	-	(1)	-	(1)
I.8. Interest expenses	237	287	237	287
I.9. Amortisation of grants (deferred revenue)	-	751	-	751
I.10. Elimination of other non-cash items	-	(11)	-	(11)
	19,233	17,946	18,604	17,824
Changes in working capital:				
I.11. Decrease (increase) in inventories	990	1,512	990	1,512
I.12. Decrease (increase) in trade accounts receivable	502	1,219	1,184	1,328
I.13. Decrease (increase) in other accounts receivable and prepayments	5,770	616	5,870	862
I.14. Increase (decrease) in trade accounts payable	(2,624)	(9,869)	(1,375)	(1,741)
I.15. Increase (decrease) in other accounts payable and other current liabilities	(19,173)	1,270	(5,650)	1,142
I.16. Decrease (increase) in other financial assets	15,505	8,514	4	53
I.17. Income tax (paid)	(1,442)	(510)	(1,442)	(510)
Total changes in working capital	(472)	2,752	(419)	2,646
Net cash flows from operating activities	18,761	20,698	18,185	20,470
II. Cash flows from (to) investing activities				
II.1. (Acquisitions) of property, plant and equipment and intangible assets	(62,472)	(14,853)	(62,395)	(14,777)
II.2. Proceeds from sales of property, plant and equipment	133	25	133	25
II.3. Grants received	14,378	1,907	14,378	1,907
II.4. Loans recovered	-	-	-	150
II.5. Interest received	-	6	-	6
Net cash flows (to) investing activities	(47,961)	(12,915)	(47,884)	(12,689)

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

	Group		Company	
	30 September 2020	30 September 2019 (adjusted)*	30 September 2020	30 September 2019 (adjusted)*
III. Cash flows from (to) financing activities				
III.1. Dividends (paid)	(2)	(5,226)	(2)	(5,226)
III.2. Proceeds from borrowings	45,000	10,000	45,000	10,000
III.3. (Repayments) of borrowings	(13,798)	(6,531)	(13,618)	(6,531)
III.4. The overdraft	(1,279)	(5,631)	(1,279)	(5,631)
III.5. Interest (paid)	(317)	(322)	(317)	(322)
III.6. The right-of-use assets	(278)	(114)	(261)	(101)
III.7. Other cash flows from (to) financial activities	-	9	-	9
Net cash flows from (to) financing activities	29,326	(7,815)	29,523	(7,802)
IV. Net increase (decrease) in cash and cash equivalents	126	32	(176)	(21)
V. Cash and cash equivalents at the beginning of the period	233	529	197	34
VI. Cash and cash equivalents at the end of the period	359	497	21	13

* The adjustment was made due to the application of IFRS 16 to land lease. The significant effect of the adjustments is disclosed in Note No. 17.

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

	Chief Executive Officer	Nemunas Biknius	4 November 2020
	Head of accounting	Rasa Baltaragienė	4 November 2020

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 30 September 2020, the Company had 109 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. UAB EPSO-G is 100-percent owned by the Republic of Lithuania and is managed by trust by the Ministry of Energy of the Republic of Lithuania. UAB EPSO-G is in charge of the management of the shareholdings of the electricity and gas transmission system operators 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.

Company	Company code	Registered address of the company	Stake of shares held as of 30 September 2020	Stake of shares held as of 31 December 2019
UAB GET Baltic	302861178	Geležinio Vilko st, 18 A, Vilnius	100 %	100 %

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 30 September 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 30 September 2020 Get Baltic had 99 registered stock exchange participants.

On 30 September 2020 the average number of employees of the Group and the Company consisted 324 (as at 30 September 2019 – 332); on 30 September 2020 the Company consisted of 317 employees (as at 30 September 2019 - 326).

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 30 September 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 30 September 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 30 September 2020, the Group generated 73 % (30 September 2019: 72 %) of its total revenue from the system users in Lithuania, and 24 % (30 September 2019: 27 %) of revenue totalled from transportation of gas to adjacent transmission systems accounted for 3% (30 September 2019: 1%) of revenue originated from the revenue from services provided by the Natural Gas Exchange.

The Group's information on segments for the nine months period ended on 30 September 2020 is disclosed below:

	Transfer activity	Activities of the gas exchange	Total
Revenues	37,201	1,003	38,204
Income having eliminated the income of Group entities	37,201	966	38,167
Profit / loss from operating activities	10,669	489	11,158
Net financing income (costs)	(306)	(3)	(309)
Profit / loss before tax	10,363	486	10,849
Income tax	2,633	(22)	2,611
Net earnings (loss)	12,996	464	13,460
Depreciation / amortisation costs	(8,171)	(143)	(8,314)
Write-offs of non-current tangible assets	-	-	-

The Group's information on segments for the nine months period ended on 30 September 2019 is disclosed below:

	Transfer activity	Activities of the gas exchange	Total
Revenues	38,255	438	38,693
Income having eliminated the income of Group entities	38,251	399	38,650
Profit / loss from operating activities	9,566	29	9,595
Net financing income (costs)	(275)	(2)	(277)
Profit / loss before tax	9,291	27	9,318
Income tax	(1,559)	-	(1,559)
Net earnings (loss)	7,732	27	7,759
Depreciation / amortisation costs	(7,496)	(95)	(7,591)
Write-offs of non-current tangible assets	(20)	-	(20)

4 Non-current tangible and intangible assets

Non-current intangible assets	Group	Company
Residual value as of 31 December 2018	2,699	2,259
Additions	883	807
Amortisation	(733)	(652)
Netting of grants with the non-current assets	48	48
Residual value as of 30 September 2019	2,897	2,462
Residual value as of 31 December 2019	2,910	2,262
Additions	401	327
Amortisation	(716)	(593)
Netting of grants with the non-current assets	(112)	(112)
Residual value as of 30 September 2020	2,483	1,884

AB AMBER GRID, company code 303090867, Savanorių g. 28, Vilnius, Lithuania
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AS OF 30 SEPTEMBER 2020
(all amounts are in euro thousand unless stated otherwise)

Non-current tangible assets	Group	Company
Residual value as of 31 December 2018	200,031	200,028
Additions	14,039	13,852
Depreciation	(8,673)	(8,659)
Write-offs	(1)	(1)
Netting of grants with the non-current assets	(196)	(196)
Revaluation loss of fixed assets	(3,561)	(3,561)
Residual value as of 30 September 2019	201,639	201,463
Residual value as of 31 December 2019	201,362	201,359
Additions	69,880	69,876
Depreciation	(7,274)	(7,271)
Sales	(22)	(22)
Write-offs	(29)	(29)
Netting of grants with the non-current assets	(30,708)	(30,708)
Residual value as of 30 September 2020	233,209	233,205

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 60,757 thousand, EUR, recognized amount of the grants receivables - EUR 27,196 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 30 September 2020, it stood at EUR 1,983 thousand (as of 30 September 2019 - EUR 1,825 thousand).

5 Construction in progress

The largest objects of construction in progress of the Group and Company as of 30 September 2020 and 31 December 2019 were as follows:

Object	Group	
	30 September 2020	31 December 2019
Implementation of the gas interconnection Poland-Lithuania in the territory of Lithuania	37,866	4,304
Installation of control device releasing and receiving chambers	2,776	391
Implementation of operative technological control of gas transmission system	2,261	1,012
Construction of the gas transmission pipeline Vilnius-Kaunas and the connection Kaunas-Šakiai	551	551
Other	1,629	1,482
¹⁾ Less: impairment of construction in progress	(580)	(580)
	44,503	7,160

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 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.

	Group			
	Buildings	Land	Motor vehicles	Total
Initial value of recognised assets at 1 January 2019*	749	1,278	-	2,027
Acquisitions	151	-	17	168
Write-offs	(30)	-	-	(30)
Amortisation	(77)	(10)	(2)	(89)
Residual value at 30 September 2019	793	1,268	15	2,076
Residual value of recognised assets at 31 December 2019	723	1,265	13	2,001
Acquisitions	4	0	1,108	1,112
Write-offs	0	0	0	0
Amortisation	(114)	(10)	(200)	(324)
Residual value at 30 September 2020	613	1,255	921	2,789
Initial value	874	1,278	1,125	3,277
Accumulated depreciation	(261)	(23)	(204)	(488)
Residual value at 30 September 2020	613	1,255	921	2,789

* 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
Initial value of recognised assets at 1 January 2019*	749	1,278	-	2,027
Acquisitions	-	-	-	-
Write-offs	(30)	-	-	(30)
Amortisation	(68)	(10)	-	(78)
Residual value at 30 September 2019	651	1,268	-	1,919
Residual value of recognised assets at 31 December 2019	585	1,265	-	1,850
Acquisitions	-	-	1,108	1,108
Write-offs	-	-	-	-
Amortisation	(99)	(10)	(197)	(306)
Residual value at 30 September 2020	486	1,255	911	2,652
Initial value	719	1,278	1,108	3,105
Accumulated depreciation	(233)	(23)	(197)	(453)
Residual value at 30 September 2020	486	1,255	911	2,652

* 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.

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	Group		Company	
	At 30 September 2020	At 30 September 2020	At 30 September 2020	At 30 September 2020
Carrying amount of lease liabilities at 31 December, 2019		2,008		1,857
Recognition of lease liabilities under IFRS 16		4		
Concluded lease contracts		1,108		1,108
Termination of leases (write-offs of debts and accrued interest)		-		-
Interest expenses		20		18
Lease payments (Principal and Interest)		(320)		(302)
Carrying amount of lease liabilities at 30 September		2,820		2,681
		2,383		2,267
Non-current lease liabilities				
Current lease liabilities		437		414
		Group		
		At 30 September 2020	At 31 December 2019	
Lease liabilities				
Current year		437	160	
Repayment terms of non-current liabilities:		2,383	1,849	
Between 1 and 2 years		439	161	
From 2 to 3 years		441	162	
From 3 to 5 years		239	248	
After 5 years		1,264	1,278	
		Company		
		At 30 September 2020	At 31 December 2019	
Lease liabilities				
Current year		414	138	
Repayment terms of non-current liabilities:		2,267	1,719	
Between 1 and 2 years		416	138	
From 2 to 3 years		418	139	
From 3 to 5 years		200	209	
After 5 years		1,233	1,233	

Interest calculated on lease liabilities reflected in Group's financial operating expenses on 30 September 2020 is EUR 20 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 300 thousand.

7 Trade receivables

	Group		Company	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Non-current trade receivables				
Other trade receivables	-	-	-	-
Current trade receivables				
Gas transmission services receivables	4,717	5,508	4,719	5,524
Other trade receivables	724	422	45	411
Less: allowance for the decrease in value of trade receivables	(70)	(70)	(70)	(70)
	5,371	5,860	4,694	5,865

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	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
LNG terminal funds receivable (administered by the Company)	11,343	16,020	11,343	16,020
Grants receivable	18,189	2,754	18,189	2,754
Receivables accrued for natural gas transportation	585	541	585	541
Other receivables	172	76	76	73
	30,289	19,391	30,193	19,388

The LNG terminal funds receivable as at 30 September 2020 include the overdue amount of EUR 5,115 thousand (as at 31 December 2019 - EUR 4,701) of which total the overdue amount of AB "Achema's" was EUR 5,023 thousand, the overdue amount of UAB "Geros dujos" was EUR 19 thousand, the overdue amount of UAB "Geoterma" was EUR 65 thousand, other - EUR 8 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 30 September 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 30 September 2020 are accounted for EUR 3,143 thousand (as at 31 December 2019 – EUR 18,644).

	Group	
	30 September 2020	31 December 2019
Funds of the LNG terminal	-	4
Funds transferred by the gas exchange members	3,143	18,644
	3,143	18,648

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

10 Loans	Group		Company	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Long-term loans				
Loans from credit institutions of Lithuania	26,000	30,000	26,000	30,000
Loans from international financial institutions	64,565	21,739	64,565	21,739
Short-term loans				
Loans from credit institutions of Lithuania	-	-	-	-
Short-term loan (EPSO-G UAB)	4,993	6,452	4,993	6,272
Current portion of long-term loans	6,174	13,618	6,174	13,618
	101,732	71,809	101,732	71,629

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 September 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 30 September 2020 used part of loan amounted to 45,000 thousand.

The weighted average of the interest of the Group and Company loans as of 30 September was at 0,43 per cent 2020 (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.

In accordance with amendments to the Law on Corporate Income Tax, which provide for a possibility of taking advantage of the corporate income tax relief on investments in new technologies, as at 30 September 2020, the Company had calculated a corporate income tax relief amounting to EUR 4,243 thousand (as at 31 December 2019: EUR 218 thousand).

12 Trade payables

	Group		Company	
	30 September 2020	31 December 2019	30 September 2020	31 December 2019
Payables to suppliers under investment programme (reconstruction and modernisation)	9,155	1,440	9,155	1,440
Payables to suppliers of goods and providers of services	1,059	1,280	1,039	1,195
Payables to providers of repairs services under non-current assets repairs programme	105	396	105	396
Payables to suppliers of natural gas	1,784	3,851	277	1,160
	12,103	6,967	10,576	4,191

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 30 September 2020 were amounted to EUR 7.644 thousand.

As at 30 September 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 30 September 2020 was in amount of EUR 2,708 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	
	30 September 2019	31 December 2019	30 September 2020	31 December 2019
Payable LNG terminal funds administrated by the Company	10,501	13,562	10,501	13,562
Accrued LNG terminal funds subject to administration by the Company*	842	2,461	842	2,461
Real Estate Tax payable	-	432	-	432
Value Added Tax (VAT) payable	363	501	363	222
Other payables	415	480	388	469
	12,121	17,436	12,094	17,146

*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	
	30 September 2020	30 September 2019
Net profit (loss) attributable to the shareholders (EUR thousand)	13,460	7,759
Weighted average number of shares (thousand)	178,383	178,383
Earnings per share (EUR)	0,08	0,04

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 Adjustments to comparative information

The impact of the application of IFRS 16 to land lease

In 2019 Group applied the provisions of IFRS 16 to land lease, the impact of the application of the standard on comparative Group's financial results in the income statement for three months period ended on 30 September 2019 are presented below:

COSOLIDATED INCOME STATEMENT In euro thousand	Group for the three months period ended on 30 September 2019 (before adjustment)	Impact of adjustments	Group for the three months period ended on 30 September 2019 (after adjustment)
Depreciation and amortization	(2,566)	(4)	(2,570)
Taxes other than income tax	(461)	12	(449)
OPERATION PROFIT (LOSS)	3,277	8	3,285
FINANCIAL ACTIVITY	(80)	(5)	(85)
Income	3	-	3
Expense	(83)	(5)	(88)
PROFIT BEFORE INCOME TAX	3,197	3	3,200
NET PROFIT (LOSS)	2,713	3	2,716

The impact on the Company's comparable results coincides with the impact on the Group's results.

The impact of the application of the standard on comparative Group's financial results in the income statement for nine months period ended on 30 September 2019 are presented below:

COSOLIDATED INCOME STATEMENT In euro thousand	Group for the nine months period ended on 30 September 2019 (before adjustment)	Impact of adjustments	Group for the nine months period ended on 30 September 2019 (after adjustment)
Depreciation and amortization	(7,581)	(10)	(7,591)
Taxes other than income tax	(1,374)	18	(1,356)
OPERATION PROFIT (LOSS)	9,587	8	9,595
FINANCIAL ACTIVITY	(263)	(14)	(277)
Income	11	-	11
Expense	(274)	(14)	(288)
PROFIT BEFORE INCOME TAX	9,324	(6)	9,318
NET PROFIT (LOSS)	7,765	(6)	7,759

The impact on the Company's comparable results coincides with the impact on the Group's results.

18 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.

19 Related party transactions

As at 30 September 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-imonos/vvi-sarasas/>

The Company's/Group's related parties as at 30 September 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 30 September 2020 and 31 December 2019. Transactions with related parties are disclosed for the nine-month period ended 31 December 2020 and 30 September 2019:

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	Group					
	Acquisitions	Sales	Accounts receivable	Loans granted	Accounts payable	Costs of financial operations
For the year 2020						
UAB „EPSO - G“	98	-	-	4,993	20	52
UAB „TETAS“	1	-	-	-	1	-
AB „Ignitis gamyba“	2 ²⁾	27,182 ²⁾	2,181 ²⁾	-	450	-
AB „Energijos skirstymo operatorius“	140	350	47	-	16	-
UAB „Ignitis“	38,705 ²⁾	24,100 ²⁾	2,354 ²⁾	-	3,572 ²⁾	-
UAB „Transporto valdymas“	258	-	-	-	45	-
AB „Klaipėdos nafta“	26,978 ²⁾	-	-	-	7144 ²⁾	-
VĮ Ignalinos atominė	-	120 ²⁾	19 ²⁾	-	-	-
VĮ „Geoterma“	-	-	110	-	-	-
Other state-owned companies	56	-	-	-	11	-
	66,238	51,752	4,711	4,993	11,259	52

	Group					
	Acquisitions	Sales	Accounts receivable	Loans granted	Accounts payable	Costs of financial operations
For the year 2019						
UAB „EPSO - G“	56	-	-	6,452	21	4
UAB „TETAS“	1	-	-	-	1	-
AB „Ignitis gamyba“	8	16,246 ²⁾	2,037 ²⁾	-	12,242 ²⁾	-
AB „Energijos skirstymo operatorius“	132	717	84	-	2	-
UAB „Ignitis“	44,249 ²⁾	31,215 ²⁾	4,191 ²⁾	-	4,937 ²⁾	-
AB „Klaipėdos nafta“	50,964 ²⁾	2	-	-	10,156 ²⁾	-
VĮ Ignalinos atominė	-	180	29 ²⁾	-	-	-
VĮ „Geoterma“	-	-	110	-	-	-
Other state-owned companies	-	-	-	-	8	-
	95,410	48,360	6,451	6,452	27,366	4

	Company					
	Acquisitions	Sales	Accounts receivable	Loans granted	Accounts payable	Costs of financial operations
For the year 2020						
UAB GET Baltic	2,857 ¹⁾	46 ¹⁾	2 ¹⁾	-	184 ¹⁾	-
UAB „EPSO - G“	98	-	-	4,993	20	51
UAB „TETAS“	1	-	-	-	1	-
AB „Ignitis gamyba“	2	14,107 ²⁾	2,066 ²⁾	-	-	-
AB „Energijos skirstymo operatorius“	140	350	47	-	16	-
UAB „Ignitis“	21,891 ²⁾	20,101 ²⁾	2,353 ²⁾	-	3,451 ²⁾	-
UAB „Transporto valdymas“	254	-	-	-	44	-
AB „Klaipėdos nafta“	26,978 ²⁾	-	-	-	7,144 ²⁾	-
VĮ Ignalinos atominė	-	120 ²⁾	19 ²⁾	-	-	-
VĮ „Geoterma“	-	-	110	-	-	-
Other state-owned companies	56	-	-	-	11	-
	52,277	34,724	4,597	4,993	10,871	51

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	Acquisitions	Sales	Accounts receivable	Loans granted	Accounts payable	Costs of financial operations
For the year 2019						
UAB GET Baltic	5,148 ¹⁾	66 ¹⁾	16 ¹⁾	-	354 ¹⁾	-
UAB „EPSO - G“	56	-	-	6,272	21	4
UAB „TETAS“	1	-	-	-	1	-
AB „Ignitis gamyba“	8	14,948 ²⁾	2,037 ²⁾	-	-	-
AB „Energijos skirstymo operatorius“	132	717	84	-	2	-
UAB „Ignitis“	23,247 ²⁾	30,952 ²⁾	4,190 ²⁾	-	4,184 ²⁾	-
AB „Klaipėdos nafta“	50,964 ²⁾	-	-	-	10,156 ²⁾	-
VĮ Ignalinos atominė	-	180	29 ²⁾	-	-	-
VĮ „Geoterma“	-	-	110 ²⁾	-	-	-
Other state-owned companies	-	-	-	-	7	-
	79,556	46,863	6,466	6,272	14,725	4

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 30 September 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

	Group		Company	
	30 September 2020	30 September 2019	30 September 2020	30 September 2019
Earnings-related benefits	393	427	342	384
Benefits for Board Members	28	16	28	16
	421	443	370	400

The management of the Group and the Company includes the CEO and the Directors of Technical, Legal and Administrative, Commercial and Finance. No loans, guarantees or assets have been granted to the management of the Group and the Company.

20 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 30 September 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 9 months of of 2020 year.

Due to COVID-19, the Company till 30 September 2020 incurred costs in amount of EUR 73 thousand, i.e, EUR 33 thousand for additional wages and salaries and contributions to social security fund for temporarily isolated employees, EUR 36 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.

21 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.