PRESS RELEASE

20 August 2024

**Half-year results of the EPSO-G group: investments and adjusted profitability indicators grew**

**In the first half of this year, the EPSO-G group of energy transmission and exchange companies allocated almost 18 percent more investments to projects which strengthen Lithuania's energy independence. In January-June this year, compared to the same period in 2023, the adjusted profitability indicators improved.**

"The group allocates record breaking investments for Lithuania's energy independence. At the same time, we maintain a sustainable growth in adjusted financial indicators. Special attention is focused on program of synchronization with continental European networks – next February a historic moment awaits the Lithuania‘s energy sector. Also, with growing volumes of renewable energy projects, the group modernises the transmission systems, and together with the partners of the Baltic Sea region continues to intensively prepare for the development of hydrogen infrastructure", – Mindaugas Keizeris, CEO of EPSO-G, said.

In the first half of this year, the adjusted net profit of the group reached 18.5 million euros and grew 63 percent, whereas in the corresponding period last year the said indicator was 11.4 million euros. In the first half of this year, the adjusted EBITDA (earnings before interest, taxes, depreciation, and amortization) of the EPSO-G group reached 38.4 million euros - 22 percent higher compared to the same period in 2023. The unadjusted EBITDA grew by almost 19 percent (from 44.2 million euros to 52.4 million euros), the net profit decreased by almost 4% (from 31.5 million euros to 30.4 million euros). The adjusted indicators, after eliminating temporary regulatory differences, grew due to a higher return on investment due to an increase in the weighted average cost of capital and additional investment financing component for the electricity transmission system operator.

In six months of this year, the EPSO-G group‘s infrastructure investments amounted to 94.1 million euros and were almost 18 percent higher than in the corresponding period in 2023. The group‘s company Litgrid allocated the largest share - 90.8 million EUR - of the investment amount for the modernization and development of the electricity transmission system infrastructure.

During the first half of this year, 4.7 terawatt-hours (TWh) of electricity – 0.4 percent more compared to the same period last year were transmitted by Litgrid‘s high-voltage transmission grids for the needs of the country‘s population and business.

In the first half of 2024, not counting transit to Königsberg area, Amber Grid transported 13.4 TWh of natural gas to consumers in Lithuania, the Baltic States, Finland and Poland. This is almost 29 percent less than last year at the same time. In January-June 2024, the gas transmission operator transmitted 9.2 TWh of gas to Lithuanian gas consumers or 46 percent more than in the corresponding period in 2023 (6.3 TWh). Gas demand grew due to cooler winter weather, electricity generation and lower gas prices in the market. The latter reason led to higher gas consumption in fertilizer production.

During January-June 2024, Lithuanian and foreign district heating companies, independent heat producers and industrial companies purchased 3.7 TWh of biomass on Baltpool International Biomass Exchange. This is 1.8 percent less compared to the same period in 2023 when 3.8 TWh of biomass were purchased.

The EPSO-G group of companies consists of the holding company EPSO-G and its six direct subsidiaries Amber Grid, Baltpool, Energy cells, EPSO-G Invest, Litgrid and Tetas. EPSO-G and the Group companies also own shares in GET Baltic, Baltic RCC OÜ and TSO Holding AS. The rights and obligations of the sole shareholder of EPSO-G are implemented by the Ministry of Energy of the Republic of Lithuania.

**More information**

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**The EPSO-G group of companies announces the consolidated operating results for the first half of 2024**

The EPSO-G group of energy transmission and exchange companies (company code 302826889, registered office address Laisvės Ave. 10, Vilnius, Lithuania)

EPSO-G announces the consolidated financial and performance results of the Group consisting of the holding company EPSO-G, companies Amber Grid, Baltpool, Energy cells, EPSO-G Invest (registered on 18 July 2024), Litgrid and Tetas.

The main financial indicators for January-June 2024:

|  |  |  |  |
| --- | --- | --- | --- |
| **Main financial indicators**  | **January-June 2024**  | **January-June 2023** | **Change, %** |
| Revenue, million EUR | 246,4 | 221,1 | 11,5 |
| EBITDA, million EUR | 52,4 | 44,2 | 18,5 |
| Net profit, million EUR | 30,4 | 31,5 | -3,6 |
| ROE (of the (last 12 months), % | 17,2 | -2,5 | - |
| Net debt, million EUR | 16,6 | n/a | - |
| Adjusted\* EBITDA, million EUR | 38,4 | 31,5 | 22,0 |
| Adjusted\* net profit, million EUR | 18,5 | 11,5 | 61,3 |
| Adjusted\* ROE (last 12 months), % | 10,0 | 9,5 | - |
| Ratio of net debt to adjusted EBITDA (last 12 months). | 0,3 | n/a | - |

\* Recalculation of regulated income, cost and profitability indicators is carried out due to temporary regulatory deviations from the regulated profitability approved by the National Energy Regulatory Council (NERC). In calculating the adjusted indicators, adjustment of income due to previous periods is assessed. By decision of NERC, such adjustment has already been approved by determining the regulated prices of transmission services for the reporting period, and deviation from the NERC approved (regulated) and actual profitability of the reporting period is assessed. This deviation will be assessed when NERC will set transmission prices for the upcoming period.

Enclosed: condensed consolidated and separate financial statements of EPSO-G group of 30 June 2024; press release.

**More information**
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