



Litgrid

Company's condensed interim financial statements (unaudited),
for the six-months period ended 30 June 2022,
presented together with interim report



CONFIRMATION OF RESPONSIBLE PERSONS

August 4, 2022 Vilnius

Following the Law on Securities of the Republic of Lithuania and Rules on Information Disclosure approved by the Bank of Lithuania, we, Rokas Masiulis, Chief Executive Officer of LITGRID AB, Darius Zagorskis, Head of Finance Planning and Analysis Division, acting Director of Finance Department of LITGRID AB and Asta Vičkačkienė, Head of Accounting Division of LITGRID AB, hereby confirm that, to the best of our knowledge, the attached LITGRID AB unaudited condensed interim financial statements for the six months period ended 30 June 2022 are prepared in accordance with the International Financial Reporting Standards adopted by the European Union, give a true and fair view of the LITGRID AB assets, liabilities, financial position, profit and cash flows, the Interim Report for the six-month period includes a fair review of the development and performance of the business.

Rokas Masiulis
Chief Executive Officer
(The document is signed by a qualified electronic signature)

Darius Zagorskis
Head of Finance Planning and Analysis Division,
acting Director of Finance Department
(The document is signed by a qualified electronic signature)

Asta Vičkačkienė
Head of Accounting Division
(The document is signed by a qualified electronic signature)



TURINYS

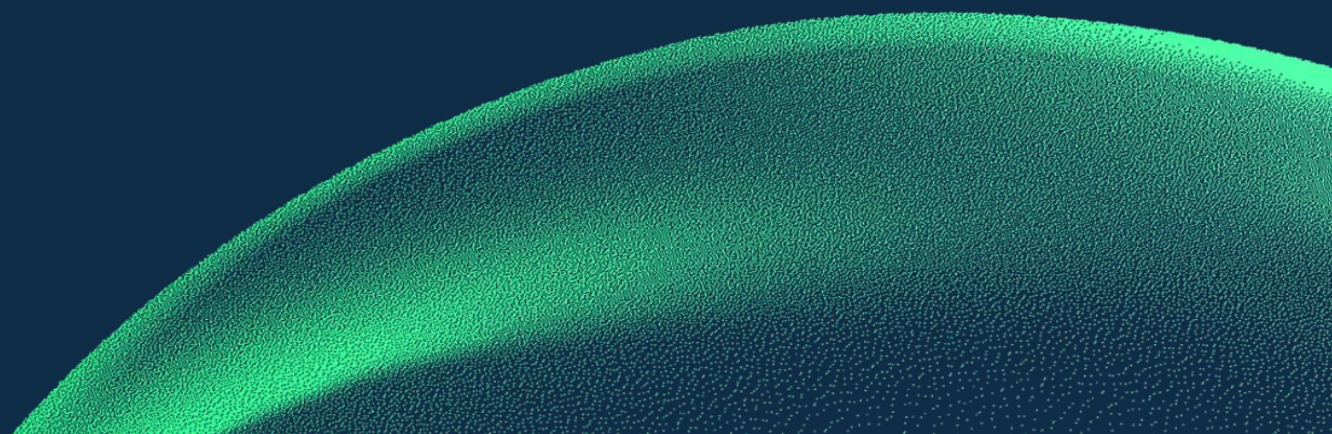
Interim report	4
Condensed interim statement of financial position	42
Condensed interim statements of comprehensive income	43
Condensed interim statement of changes in equity	45
Condensed interim statement of cash flows	46
Notes to condensed interim statements	47


The condensed interim financial statements were signed on 4 August 2022.

Rokas Masiulis
Chief Executive Officer

Darius Zagorskis
Head of Finance Planning and Analysis Division,
acting Director of Finance Department

Asta Vičkačkienė
Head of Accounting Division



A low-angle, upward-looking photograph of a complex metal lattice tower, likely a telecommunications or power transmission tower. The structure is composed of numerous interconnected steel beams forming a triangular and rectangular grid. The background is a clear blue sky with some light, wispy clouds. A prominent green-to-teal gradient overlay is visible on the right side of the image, extending from the bottom towards the top. A dark blue rectangular box is positioned in the upper left quadrant, containing the text "Interim report".

Interim report

The main Litgrid KPI's:

	HY 2022	HY 2021	+/-	Change %
Revenue	EUR 145.2 million	EUR 112.4 million	EUR 32.8 million	29.2
EBITDA	EUR 0.1 million	EUR 31.8 million	EUR -31.7 million	-99.6
NET PROFIT	EUR -9.2 million	EUR 17.4 million	EUR -26.6 million	-153.2
Return on equity *	-3.1 %	14.3 %		
Amount of energy transmitted, GWh	5,306 GWh	5,385 GWh	-79 GWh	-1.5
ENS**(Energy not supplied)	8.241 MWh	2.823 MWh		
AIT**(Average interruption time)	0.264 min.	0.099 min.		

*For the last 12 months

** Criteria for cases in 2022 where ENS and AIT are attributed to the transmission operator's responsibility by the National Energy Regulatory Board (2022 target for ENS not to exceed 27.251 MWh, AIT not to exceed 0.934 min. In 2021, the targets were 6.3 MWh and 0.29 minutes respectively).

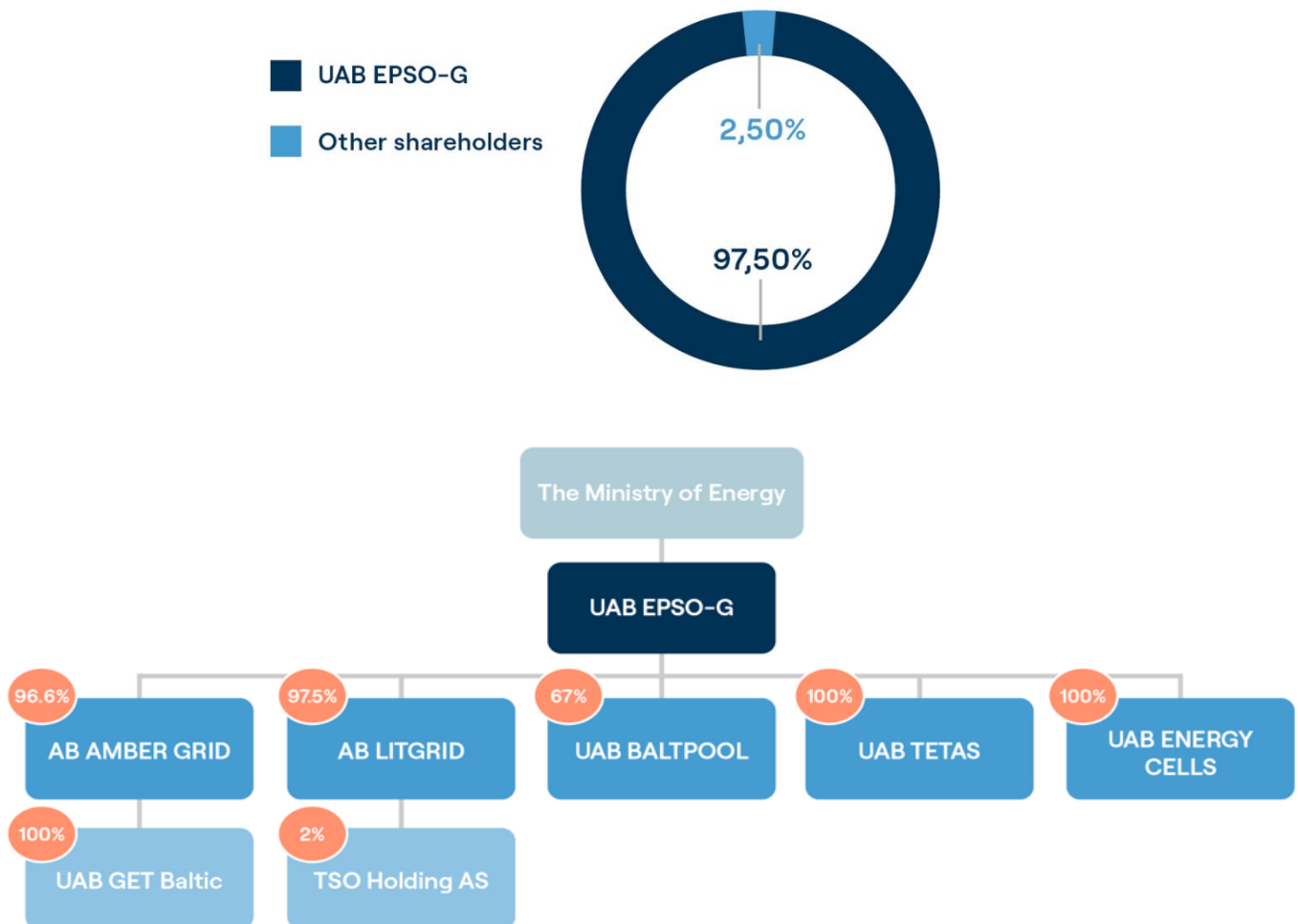
1. GENERAL LITGRID INFORMATION

The report has been prepared for the period ended 30th June 2022

1.1. The Issuer and its contact details:

Name	LITGRID AB (Litgrid or the Company)
Legal form	Public limited liability company
Date and place of registration	16 November 2010, the Register of Legal Entities of the Republic of Lithuania
Company reg. code	302564383
Address	Karlo Gustavo Emilio Manerheimo str. 8, LT-05131, Vilnius
Address for correspondence	Karlo Gustavo Emilio Manerheimo str. 8, LT-05131, Vilnius
Telephone	+370 707 02171
Email	info@litgrid.eu ; www.litgrid.eu

Litgrid is a part of the EPSO-G group of companies:



EPSO-G is a state-owned group of energy transmission and exchange companies. The rights and obligations of the shareholder of the holding company EPSO-G UAB are implemented by the Ministry of Energy of the Republic of Lithuania. EPSO-G UAB owns 97.5 % of shares of Litgrid.

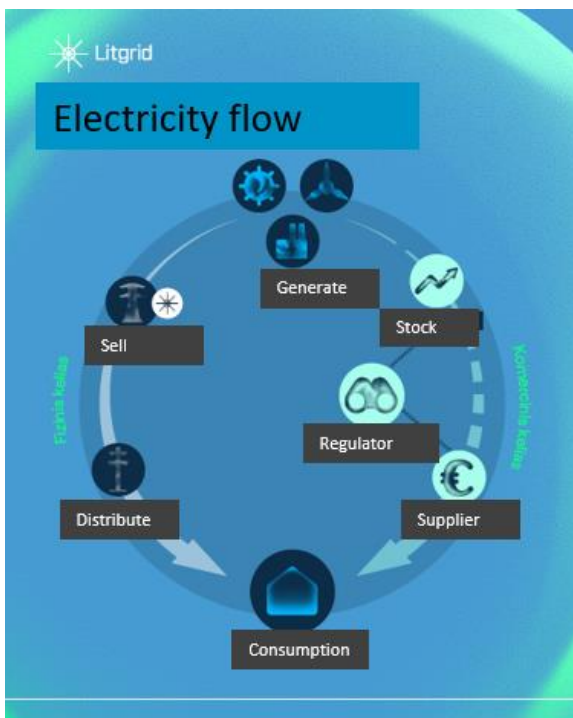
Shares of other companies owned by Litgrid:

Name	TSO Holding AS
Country of incorporation	The kingdom of Norway
Registered office address	PO Box 121, NO-1325 Lysaker, Norway
Shares owned by Litgrid	2% of shares and voting rights attached thereto
Changes during the reporting period	No major changes in the reporting period

1.2. Activities of Litgrid

Litgrid, the Lithuanian electricity transmission system operator (the TSO), secures stable operation of the national electricity system, controls electricity flows and creates conditions for competition in the open electricity market.

Main activities of Litgrid: responsibility for maintaining the balance between electricity consumed and produced in the system and reliable transmission of electricity, implements strategic national electricity projects. Its vision and strategic operating guidelines are based on the long-term goals identified in the National Energy Independence Strategy (the NEIS).



The most important activity areas and responsibilities of the Lithuanian TSO include: maintenance of the country's electricity infrastructure and its integration with the Western and Northern European electricity infrastructure; development of the electricity market and participation in the creation of a single electricity market of the Baltic and European countries; and integration of the electricity systems of Lithuania and continental Europe for synchronous operations. In implementing the programme on the synchronisation with the European continental networks, the Company carries out 20 projects of strategic importance approved by the Government of the Republic of Lithuania.

By systematically carrying out its daily functions, ensuring uninterrupted and smooth operation of the electricity transmission system, and implementing projects of national importance, the Company aims to create value for its customers and clients.

Litgrid not only transmits electricity via high-voltage lines, but also takes care of the reliability of the entire transmission network: it is important for us that electricity is always supplied to electricity consumers and that any faults are rectified as soon as possible. Reliability of electricity supply is the key to economic growth.

2. BUSINESS ENVIRONMENT

2.1. Business model

Litgrid is a Lithuanian-wide electricity transmission system operator. The company is in charge of high-voltage electricity transmission network and maintains the stable operation of the country's electricity system, manages electricity flows and creates conditions for competition in the free electricity market, is responsible for the integration of the Lithuanian electricity system into the European electricity network and the common electricity market.

Electricity transmission is an intermediate link between electricity generation and distribution to consumers. The voltage of transmission networks is high or very high (110-440 kV). Electricity transmission networks consist of electricity transmission lines with substations. Power lines are connected in power substations with higher and lower voltage switchgear and transformers connecting them. In substation transformers, the voltage is reduced to the voltage of the distribution networks.

Electricity transmission activities are licensed. The prices of the electricity transmission service are regulated by the National Energy Regulatory Council (NERC), setting price caps for these services. The company operates under natural monopoly conditions.

2.2. Services provided by electricity transmission system operator Litgrid



Electricity transmission over high voltage (110-400 kV) electrical installations

The electricity transmission service is electricity transmission over high voltage (330 kV and 110 kV) electrical installations. The transmission system operator transmits electricity from producers to consumers that are connected to the transmission network, and to the operators of the distribution networks. Electricity transmission is an activity regulated by the state.

The main activities of the TSO include management of the high voltage electricity transmission network and securing reliable, effective, high-quality, transparent, and safe transmission of electricity.



System services

In order to maintain reliable system operations, Litgrid purchases from energy generating companies the services for the capacity reserve assurance at the electricity generation facilities, reactive power and voltage management, and emergency, disruption prevention and response services, isolated operation mode services and provides consumers with system services. The capacity reserve is needed when electricity production suddenly and unexpectedly falls or its consumption increases.

↔ Trade in imbalance and balancing electricity to ensure a balance between production and consumption

Litgrid ensures a balance between production and consumption of electricity in the country. Imbalance electricity is electricity that is consumed or produced outside of established electricity consumption or production schedules. Litgrid organises trade in imbalance electricity, buys and sells imbalance electricity that is necessary to ensure the country's electricity production and consumption balance.

Balancing electricity is electricity that is bought and/or sold on instruction of the transmission system operator as electricity necessary for performing the function of balancing the country's electricity consumption and production. Litgrid organises trading in balancing electricity by auction. The auction participants are the suppliers of balancing energy and the TSOs of other countries possessing technical facilities that enable them to quickly change the electricity generation and consumption conditions and having concluded a relevant agreement with Litgrid.



Services under public service obligation (PSO) scheme

Public service obligations (PSO) in the electricity sector are services that ensure and enhance the national energy security and promote integration and use of electricity produced from renewable energy sources. The list of PSO services, their providers and procedures for the provision of PSO services are approved by the Government of the Republic of Lithuania, or an institution authorised by it, having regard to the public interests in the electricity sector. PSO funds are funds that are paid to the providers of PSO services.

Litgrid provides the following PSO services:



Connection of power generation equipment that uses wind, biomass, solar energy, or hydropower to the transmission network as well as the transmission network's optimisation, development and/or reconstruction related to the acceptance and transmission of electricity generated by producers that use renewable energy sources;



Balancing of electricity produced from renewable energy sources.

Granting and removal of guarantees of origin.

A guarantee of origin is a certificate proving that the energy is produced from renewable sources. The guarantee of origin is valid for 12 months from the date of issue.




Guarantees of origin can be of two types:

- Guarantee of the origin of renewable energy sources for the purpose of verifying the origin and quantity of electricity. A guarantee of origin is proof that all or part of the energy has been produced from renewable energy sources.
- Guarantee of the origin of efficient cogeneration for the origin and quantity of electricity produced from high - efficiency cogeneration.

2.3. Customers of the transmission system operator

„Litgrid’s direct customers are the electricity transmission network’s users and suppliers of imbalance and balancing electricity.

Users of the transmission network include:

-  ESO and Dainavos Elektra UAB the distribution network operators;
-  Electricity consumers whose electrical installations are connected to the electricity transmission network and who purchase electricity for use;
-  Electricity producers connected to the electricity transmission network.

Suppliers of imbalance and balancing electricity include electricity producers and suppliers.

2.4. Operating indicators of electricity transmission and the network’s reliability

In accordance with the requirements approved by the National Energy Regulatory Council (the NERC) for reliability and quality of service of electricity transmission, the following indicators are used to determine the transmission reliability level: ENS (energy not supplied), i.e. the quantity of electricity not transmitted due to interruptions, and AIT (average interruption time), i.e. the average interruption duration in electricity transmission.

TSO’s operating indicators	HY 2022	HY 2021	HY 2020
Electricity transmission quantity, million kWh	5,306	5,385	4,932
Technological costs in the transmission network, %	3.00	2.60	2.98
ENS (Energy Not Supplied due to interruptions), Mwh **	8.241	2.823	4.052
AIT (Average Interruption Time), min. **	0.264	0.099	1.138

** Only due to the operator’s fault or due to undetermined causes.

Criteria for cases in 2022 where ENS and AIT are attributed to the transmission operator’s responsibility by the National Energy Regulatory Board (2022 target for ENS not to exceed 27.251 MWh, AIT not to exceed 0.934 min. In 2021 and in 2020, the targets were 6.3 MWh and 0.29 minutes respectively).

2.5. Electricity international interconnections

Reliably functioning interconnections are an essential part of the system enabling to operate together with the energy systems of other western and northern European countries and develop a single European market.

In the first half of 2022, NordBalt and LitPol Link interconnectors with Sweden and Poland increased import and export flows by 38.1%.



LitPol Link

LitPol Link – is a double-circuit transmission line from Alytus in Lithuania to Elk in Poland and the Alytus back-to-back converter. The LitPol Link interconnection was available to the market 96.74% of the time throughout HY 2022. The biggest impact for unavailability came from planned works of finishing the LitPol Link expansion.



NordBalt

The **NordBalt** electricity interconnection is one of the longest submarine cables in the world, the operation of which significantly increases safety of energy supply to Lithuania and the Baltic countries. The NordBalt interconnection was available to the market 100% of the time throughout HY 2022.

2.6. Maintenance of the electricity network

In Lithuania, Litgrid employees maintain 7 245.4 km of high-voltage lines (6 985.9 km of overhead lines and 259.3 km of cables) and 238 transformer substations and switchyards, 2 HVDC stations.

In order to maintain a stable lifetime of overhead lines and to ensure stable operation of the equipment, during the first half of 2022, 22 110-330-400 kV transformer substations and switchyards underwent overhauls of major equipment, checking of relay protection and automation equipment operation, all planned works were completed, planned maintenance works of overhead lines of 110 kV and above were carried out (194 kilometres in total), during the overhauls a total of 93 units of supports were replaced, and the height of the cables at roads and other intersections were increased in 32 places.

Overhead line protection included the clearing of 752 hectares of overhead lines and the removal of 30 052 trees that pose a risk to the reliable operation of the lines.

The continuous repair and maintenance of transmission network facilities directly affects the operation of the electricity system and the reliability of power transmission. Planned works on the transmission network are carried out at the periodicity established by the legislation of the Republic of Lithuania, but the assessment of the quantities and scope of works is based on the actual condition of the facilities and the need to ensure reliable operation of the network and efficient use of financial resources.

In order to improve the efficiency of grid maintenance and processes, scanning of 110 kV overhead lines with unmanned aerial vehicles and manned helicopters using Lidar systems and cameras was initiated in 2021. All 400 kV, 330 kV and 110 kV overhead lines have now been scanned. From the information gathered, experts assess the actual and recalculated safe distances of the overhead lines from the overhead wires to the ground, roads, vegetation and water bodies, and organise the necessary maintenance work.

A new investment project initiated in 2022, Introduction of new Automated Monitoring Systems (AMS), to monitor the operation of autotransformers, will contribute to improving the reliability of autotransformer operation in the main transmission network facilities. This will involve the installation of five new AMSs at key transmission network sites, including NordBalt and LitPol Link converter stations.

The Company has successfully used AMSs to identify fault locations and causes of faults on overhead lines. High-resolution cameras installed on the drones make it possible to see even minor damage to line wires, supporting structures and other line elements without disconnecting the line. Airline engineers see this innovation as saving them time and improving the reliability of their lines. For inspections of overhead lines and transformer substations and switchyards, 3 drones are used to carry the necessary equipment. Trained Company staff are implementing the objectives of increasing the reliability of line operation and the prompt detection of faults.

2.7. International cooperation and membership in organisations

ENTSO-E

Litgrid is an active participant of the European Network of Transmission System Operators for Electricity (ENTSO-E), which brings together 39 electricity transmission operators from 35 countries.

INTERIM REPORT

Representatives of the Company participate, as permanent members, in the activities of ENTSO-E committees and working groups that at the expert level assure secure and reliable European transmission system development while implementing common projects, preparing, and discussing regulations, methodologies and other tasks relevant for all the EU Member States.

Participation in the activities of ENTSO-E, strengthens cooperation with other European transmission network operators and is crucial for Litgrid to implement priority tasks of the Lithuanian energy sector - the integration into the synchronous zone of the continental Europe and transmission grid preparation for National and Regional energy sector transformation.

BEMIP

The purpose of the Baltic Energy Market Interconnection Plan (BEMIP) is to develop operating and integrated electricity and gas market, as well as to ensure the necessary energy infrastructure, by developing a competitive, sustainable, safe energy market in the Baltic Sea region.

The obligations of Lithuania to the BEMIP related to electric energy are implemented by "Litgrid" by means of projects facilitating integration into the synchronous zone of continental Europe and putting in place the preparatory works for the development of offshore wind energy in Lithuania.

Baltic Sea system development steering committee

In 2020 Litgrid with other six transmission system operators in the Baltic Sea region signed a cooperation memorandum on the development of offshore wind energy in the region. As a result of the memorandum, TSOs established Baltic Sea system development steering committee which with the help of dedicated working groups will focus on regional system adequacy assurance, harmonized onshore and offshore grid development, and will seek to develop common principles for the planning of the Baltic Sea network and to conduct studies that would help to form a common vision for offshore wind network development in the region.

Liutauras Varanavicius, Director of Strategy department, is appointed as a vice-charman of this steering group.

TEPCO

2021-2022 Lithuanian electricity transmission system operator Litgrid continues cooperation with Japanese energy company TEPCO Power Grid and implements a study intended to assess technical and economic alternatives for offshore wind integration. The purpose of the study is to evaluate the possible different configurations of the grid, their technical parameters, reliability of the system, the newly emerging market opportunities, socio-economic benefits of such projects.

BRELL

There are five synchronous zones in Europe: the Nordic Area, IPS/UPS, continental Europe, the British and the Irish Area. A synchronous zone is a geographic area in which power generators are connected and operate under the same frequency and at the same rhythm. Lithuanian energy system is currently synchronously operating within the IPS/UPS system of Belarusian, Russian, Estonian, Latvian, and Lithuanian power ring (BRELL). BRELL is an agreement between national electricity transmission system operators regulating dispatcher control issues within their energy systems. The PSO of the Baltic States seek that BRELL decisions would be compliant with the provisions of the Directives of the European Union. The interests of the parties to BRELL are represented by Belenergo (Belarus TSO), SO EES, Rosseto and FSK EES (Russian TSO), Elering (Estonian TSO), Augstspriegumatīkls (Latvian TSO) and Litgrid.

Other associations at which the interests of the company are represented:

- Lithuanian Polish Commerce Chamber Association
- CIGRE

As a member of the above-mentioned associations, Litgrid maintains closer cooperation with regional and national partners, ensures the representation of the interests of the Company, more fluent implementation of strategic projects and communication on issues relevant to the Company.

International practice and the opportunity to contribute to the solutions implemented at the level of European transmission network operators increase Litgrid responsibility by bringing together experts in the Lithuanian electricity sector.

The company is a member of the National Energy Association of Lithuania, which actively communicate with the competent authorities to improve the regulatory environment of the sector, examines various social, political, technical, tax, legal and other issues directly and indirectly related to the activities of its members. Also, a great deal of attention is paid to the promotion of the energy profession - Energy Day events are organized for the staff and the public, participate in the activities of the Lithuanian Energy Seniors Club.

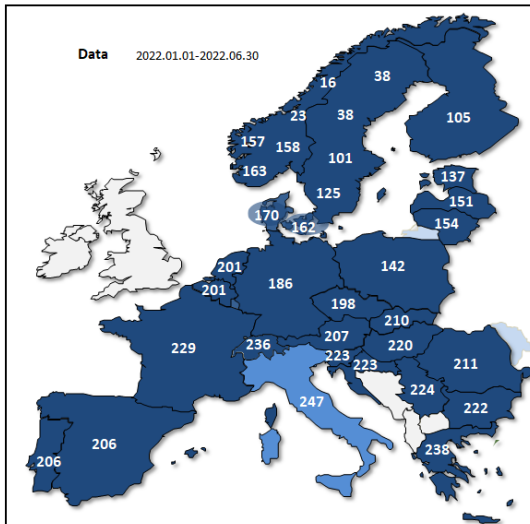
3. OPERATIOANL AND REGULATORY ENVIRONMENT

The strategic goal of Litgrid is the integration into the European market. The development of the country's economy also has an impact on the company's operations, goals and targets of the European Union.

3.1. Energy sector environment in EU

Perhaps the biggest challenge for Europe in the first half of 2022 is record high electricity prices. The main drivers of electricity price rises are high gas prices and the uncertain gas supply situation in Europe. As Europe faces gas shortages due to Russian actions, alternative sources of gas supply and other energy sources for electricity generation are being sought.

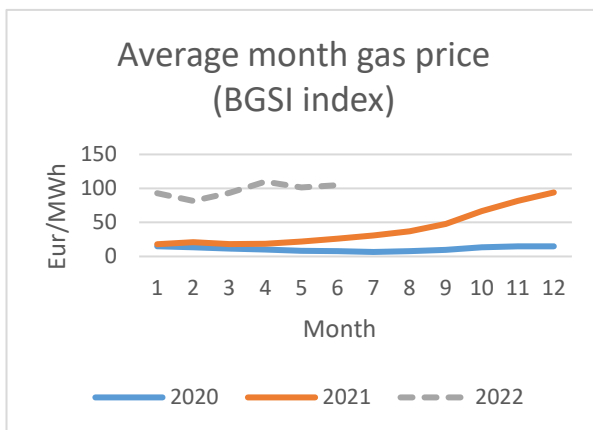
In southern Europe, the average electricity price for the first half of the year has surpassed the 200 €/MWh mark, with a peak of 247 €/MWh in Italy¹. High electricity prices prevail in countries where fossil-based electricity generation dominates. The Baltic Sea region and Norway were notable for lower prices, with average prices ranging from EUR 16/MWh in the north of Norway to EUR 186/MWh in Germany. This high price differential in the region is due to insufficient capacity between the northern and southern trading zones, especially in Scandinavia, where the northern zones are dominated by low consumption and where most of the generation from hydropower and other renewable sources is concentrated. In contrast, the south of Sweden and Norway has the highest consumption and is dominated by export links to continental Europe.



Already in autumn 2021, gas prices started to climb upwards, crossing the €100/MWh threshold in the last days of December, i.e. a 14-fold increase compared to mid-2020. Towards the end of spring 2022, the gas market normalised and prices started to fall, but the price dynamics changed abruptly as a result of the 24th of February. On 24 February 24, the Russian military action in Ukraine started.

Across Europe, gas prices have reached record levels due to the high uncertainty of gas supplies from Russia and the diversification of European import sources from Russian pipeline gas to LNG imports. Ultra-high gas prices in Europe and the Baltic States have remained throughout the first half of 2022 since the start of the Russian invasion of Ukraine.

Figure 1 Average electricity prices in Europe for the first half of 2022 based on the day before the auctions (source: ENTSO-E transparency).



The first half of FY2022 was a very volatile year in the market for emission allowances. At the start of the year, the price of allowances approached the historic level of €100/t, when the market was pricing 1 tonne of CO2 equivalent at €97.5/t. This surge in allowance prices is due to the reform of the European CO2 trading system and the EU's increasingly ambitious environmental requirements.

The gas crisis in Europe led to speculation about the prospects for emission allowances, with prices falling by 40%, but as Europe showed its determination to further accelerate the transition to green energy, the price of emission allowances has stabilised at around €80/t.

Fig. 2 Average monthly gas price in Lithuania (source: GetBaltic)

In the first half of 2022, electricity imports from third countries came to a definitive halt in Lithuania when the Nord pool exchange suspended the electricity trading permits of UAB Inter RAO Lietuva at the end of May.

¹ The Italian average price is calculated on the basis of the arithmetic average of the individual marketing zones (IT_SACO_AC, IT_CALA, IT_SACO_DC, IT_CNOR, IT_CSUD, IT_NORD, IT_SARD, IT_SICI, IT_SUD)

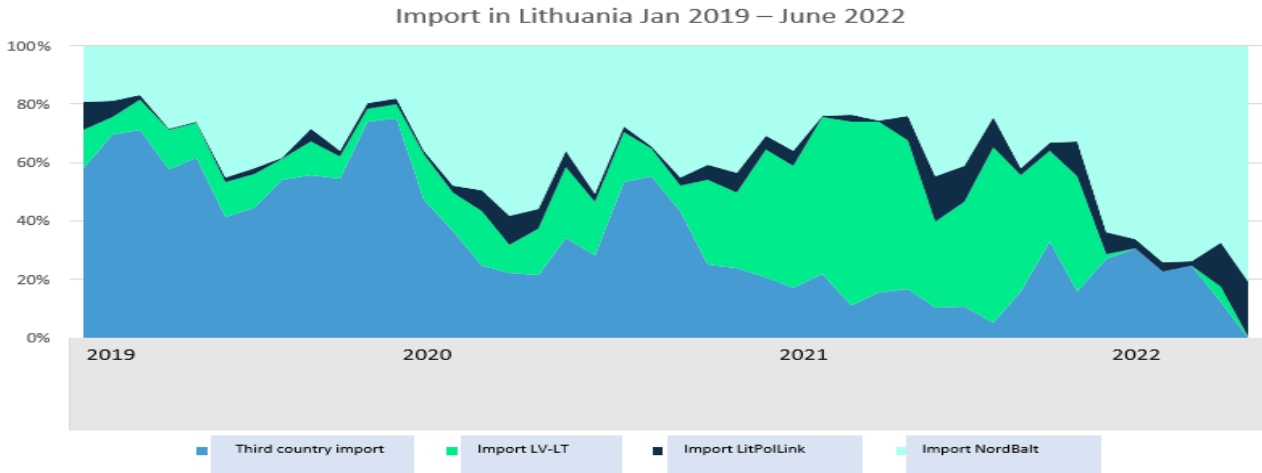


Fig. 3 Lithuania's commercial imports from 2019 to 2022 (June) (source: Litgrid)

In the first half of 2022, Lithuania's domestic electricity generation accounted for one third of the country's consumption, of which two thirds was generation from renewable sources. Wind generation accounted for the largest share of 13% of Lithuania's electricity consumption, hydro and pumped storage accounted for almost a tenth of consumption, while fossil fuels and other renewables accounted for 7% and 5% respectively. The remaining 67% was imported electricity. The majority of imports - 42% - were imported via the Latvian interconnectors, 39% via NordBalt, 13% from third countries and 6% via LitPol Link.

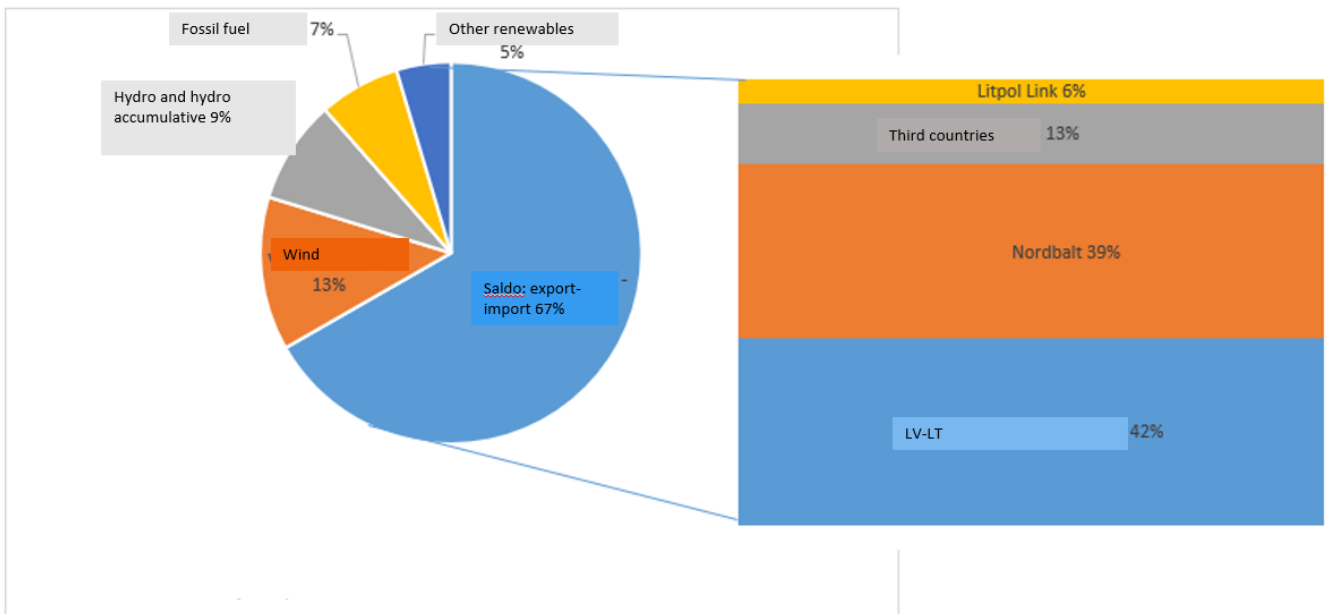


Figure 3b: Lithuania's domestic generation by fuel type and distribution of imports by interconnector in the first half of 2022.

By the end of the first half of 2022, a total of twelve countries in the European Union (Austria, Bulgaria, the Czech Republic, Denmark, Finland, France, Germany, Italy, Lithuania, the Netherlands and Slovakia) had reduced or completely cut off gas supplies from Russia. In Europe, the energy situation remains extremely tense and is further aggravated by the uncertainty of gas supplies through the Nordstream 1 pipeline, with gas imports to Germany cut by almost 40% in June. The suspension of gas imports via Nordstream 1 would result in the underfilling of gas storage in Western European countries to the expected 80% and 90% storage capacity in October and November respectively.

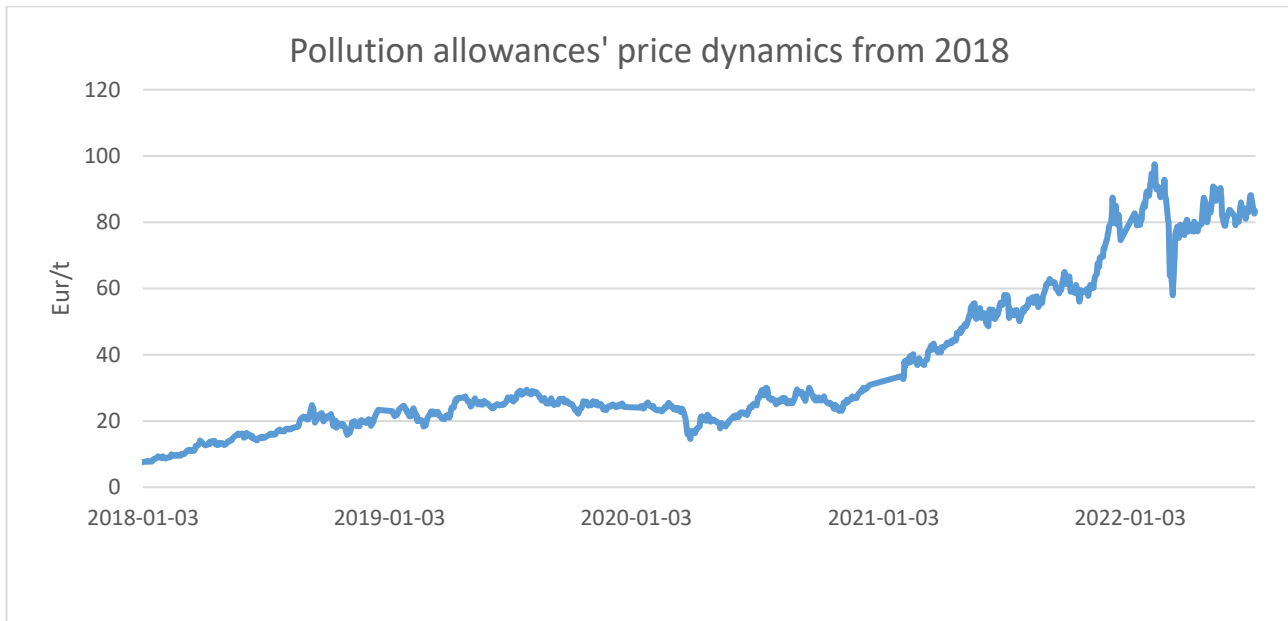


Fig. 3 Emission allowance prices since 2018 (source: EEX)

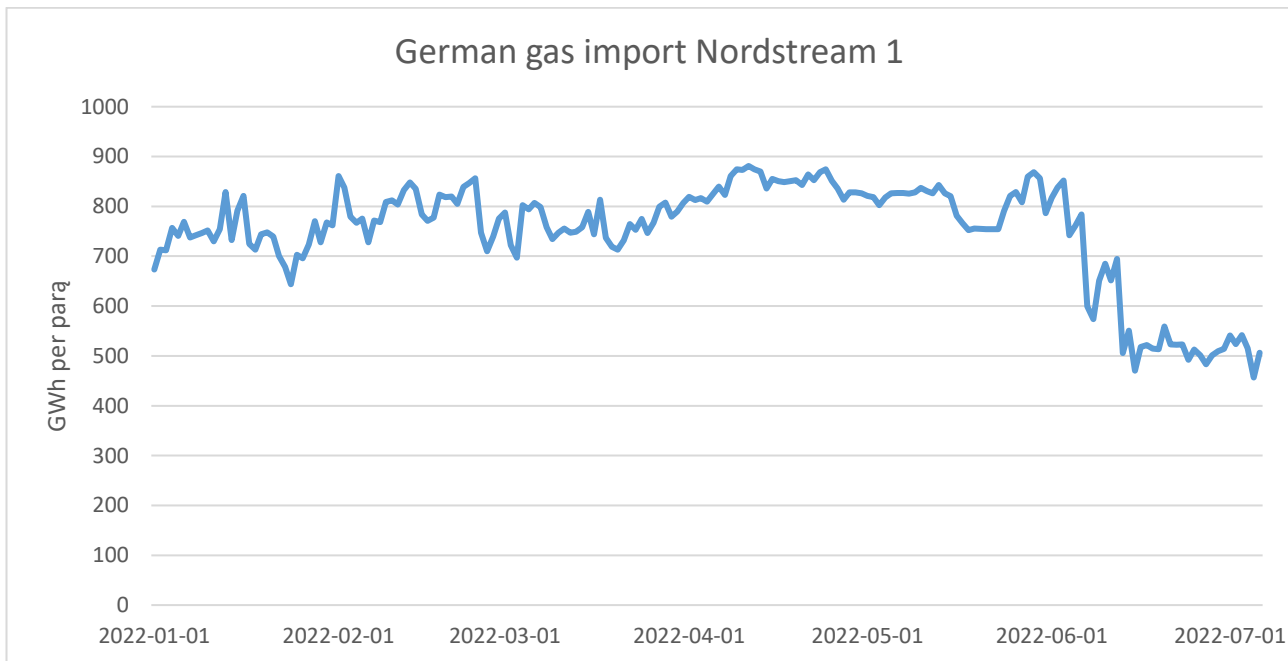


Fig. 4. Physical gas flows from Russia to Germany via Nordstream 1 (source: ENTSO-G transparency)

The ongoing gas crisis is spilling over into the electricity market, where gas-fired generation sets the marginal price of electricity, and futures indicate that fuel shortages will be acute in the coming winter and prices will remain extremely high until 2024. German electricity futures for the winter of 2023 are around €400-450/MWh and for the winter of 2024 around €350/MWh. Scandinavia is also experiencing a significant price spike, with winter forwards already reaching the 200 €/MWh mark.

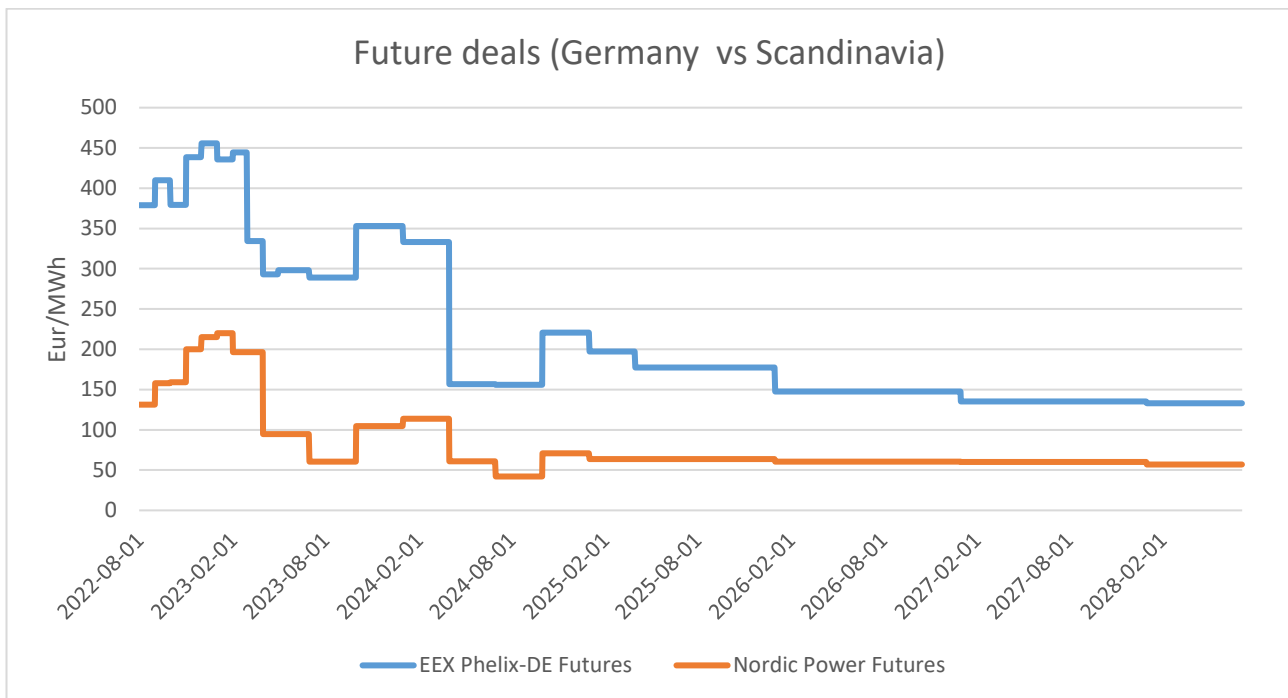


Fig. 5. Electricity futures in Germany and Scandinavian markets (source: Montel news)

3.2. Regulatory environment in Lithuania

Litgrid's electricity transmission activities are licensed. The licence grants exclusive rights to provide transmission services in Lithuania, so the prices of services are regulated by the state. The regulatory function and supervision of the licensed activities in Lithuania is performed by the National Energy Regulatory Council.

The decisions taken by the regulator directly affect Litgrid's financial performance, the funds available for necessary operating costs, investments to ensure the reliability of the electricity and gas transmission systems, and the ability to finance strategic projects with its own funds or debt. Electricity transmission prices are regulated through price and/or revenue caps. The allowed level of revenues shall be based on reasonable necessary costs, including a reasonable return on investment. The specific prices for the services, up to the ceilings set, shall be determined by Litgrid, and approved by the Council upon verification and finding that they have been calculated in accordance with the requirements for setting the prices and/or tariffs as set out in the methodologies for calculating the price and/or revenue caps, and that they do not discriminate against consumers and are not misleading.

Price and/or revenue caps for electricity transmission services shall be set for a regulatory period of five years (the duration of the period may be changed by reasoned decision of VERT) and may be adjusted in the event of significant changes in one or more of the factors on the basis of which they have been set, including changes in the volume of services, inflation, charges, other objective factors beyond the control of the operators.

Electricity transmission price ceilings may be adjusted no more than twice a year.

4. STRATEGY OF THE COMPANY AND STRATEGIC PRIORITIES, PLANNING

4.1. Strategy

A client-oriented organization and energy competence centre, state-of-the-art technological and digital solutions, sustainable energy development that will double the current generation of electricity, and opportunities for market participants to exchange electricity freely at a competitive price. Such goals are set out in Litgrid's strategy for 2021, approved by the Board of the Company. The strategy envisages Litgrid's long-term vision to become one of the most advanced electricity system operators in Europe.

Litgrid plans to expand in several priority areas. One of the most important is the fight against climate change by developing and adapting the transmission system for the production of electricity from renewable sources and reducing the environmental impact of Litgrid's own infrastructure.

The Company's strategy is reviewed and updated annually taking into consideration the NEIS, the Company's activities and amendments to the legal acts regulating the electricity sector, the strategy of EPSO-G, a holding company of the group, significant events in the Lithuanian and foreign electricity systems and electricity markets, works performed during the year as well as by assessing new external circumstances beyond the Company's control.

The strategy comprises a ten-year (long-term) implementation period based on the main and long-term objectives in the electricity sector laid down in the NEIS. Litgrid is also striving for Lithuania's energy independence by synchronizing the country's electricity system with the continental European networks.

The company starts to develop a digital transformation and implementing a culture and ecosystem of data-driven solutions. One of the components of this change is a service portal that will bring together customers and enable more efficient digital delivery.






The strategy also pays special attention to the development of the organization. Litgrid aims to become an efficient exchange platform that enables and encourages market participants and consumers to freely exchange electricity, choose to produce or consume climate-neutral energy and obtain it at a competitive price.

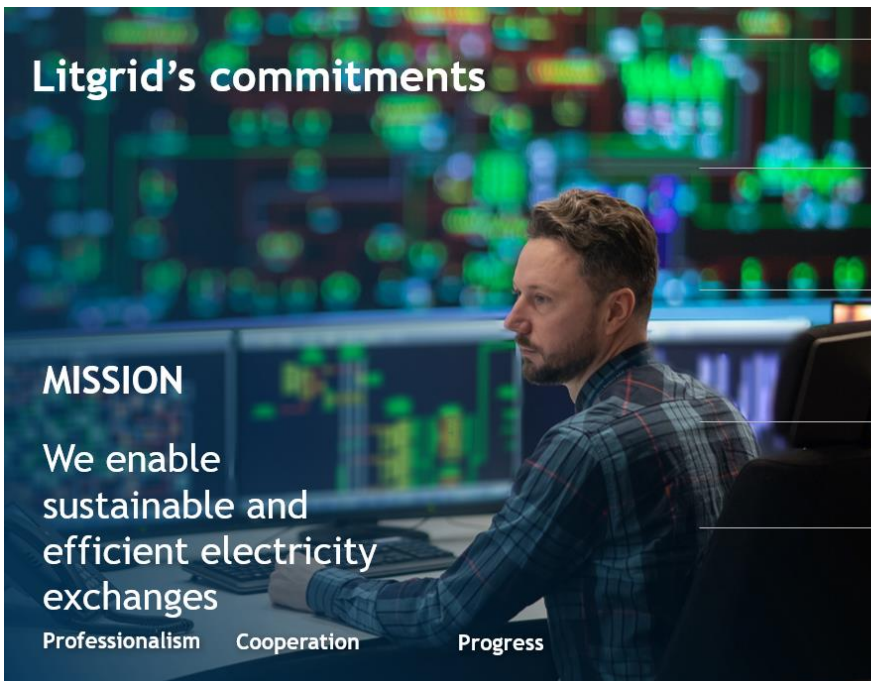
The strategy is published at <https://www.litgrid.eu/index.php/apie-litgrid/strategija-vizija-misija-ir-vertybes/452>.



4.2. Stakeholders

Litgrid addresses such key stakeholders:

Key stakeholders				
 Society	 Producers and suppliers	 Founder	 Consumers	 Employees (to each other)
<p>We perceive the society and its members not only as residents of the country or individual communities, but also as the environment, nature, fauna that are affected by the Company's activities.</p>	<p>Segments: energy producers, suppliers and producing consumers, including the Company's contractors, technical suppliers and the transmission system operators (TSO) of other countries.</p>	<p>The founder of the Company is the State, the interests of which are represented and the expectations are formulated by the Ministry of Energy of the Republic of Lithuania and implementation of which are controlled by EPSO-G.</p>	<p>Distribution operators, the public supplier, suppliers, heat producers and industrial consumers.</p>	<p>All employees of the Company.</p>
<p>Litgrid follows the principles of social responsibility, sustainable development, transparency and advanced environmental protection in its activities. The Company's activities are an integral part of the country. We seek to support the growth and strengthening of the society in which we operate by mitigating the negative impact on the environment and adjusting the transmission system for the decarbonisation of the energy sector.</p>	<p>Energy producers and suppliers are participants of the electricity exchange platform ensuring proper supply. The contractors and other partners engaged by the Company contribute to the implementation of the strategic projects and goals.</p>	<p>The country's expectations are reflected in the agendas of our shareholders - close cooperation is necessary to ensure the formation of a coherent and long-term vision of the energy sector and a smooth implementation and sustainable return on initiatives and projects of national and regional significance.</p>	<p>The Company operates under the B2B (business-to-business) model. That is a supply building group of the platform participants.</p>	<p>Experienced, competent and value-driven professionals constitute the essential prerequisite for achieving strategic objectives and priorities.</p>



Litgrid's commitments

MISSION

We enable sustainable and efficient electricity exchanges

Professionalism Cooperation Progress

- To consumers**

To become consumer-focused provider of innovative services.
- To producers and suppliers**

To become a sought-after partner for your business in the fields of open data, flexible services and reliable infrastructure.
- To the society**

To operate in socially responsible and safe manner and to reduce the impact of activities on the environment.
- To the founder**

To create sustainable value and implement strategic objectives.
- To each other**

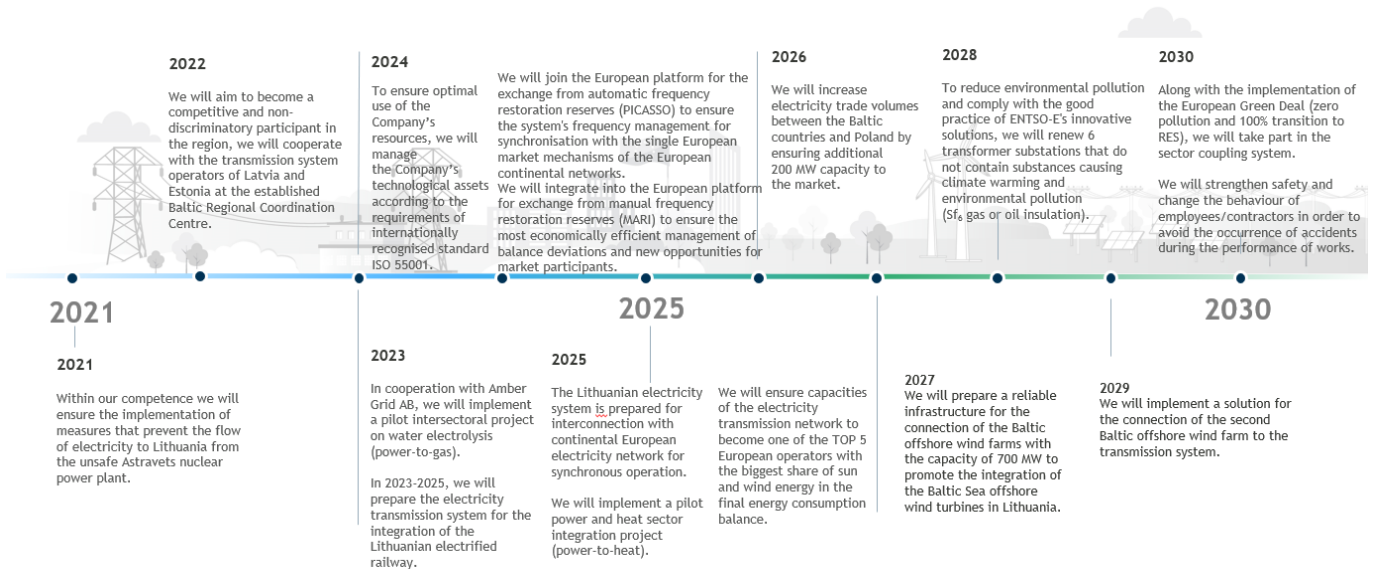
To become recognised professionals in Europe and one of the top employers in Lithuania that is valued and recommended by employees.

4.3. Strategic priorities



- **For consumers**
Creation of a client-oriented organisation that develops innovative services meeting client expectations.
- **For producers and suppliers**
Sustainable development of the market and the infrastructure.
- **For the society**
Ensuring a reliable and high-quality electricity transmission in Europe by focusing on the reduction of environmental impact.
- **For the founder**
Being a competent and reliable partner that implements the NEIS objectives.
- **For each other**
Being the team of professionals undertaking continuous professional development that we are proud of.

Main results creating benefit to stakeholders



4.4. Measures for the implementation of the strategy

Each year the Company updates and prepares a ten-year development plan of the transmission network which is an integral part of the strategy.

In order to regularly assess the efficiency and application of the measures selected by the Company, the Company's operational plan is reviewed after the end of each quarter. The implementation of the strategic objectives and the operational plan, performance of the divisions and employees are monitored. The measures stipulated in the operational plan are included in the operating objectives of the divisions and personal performance objectives of employees, the achievement of which at the end of the year determines a variable part of remuneration.

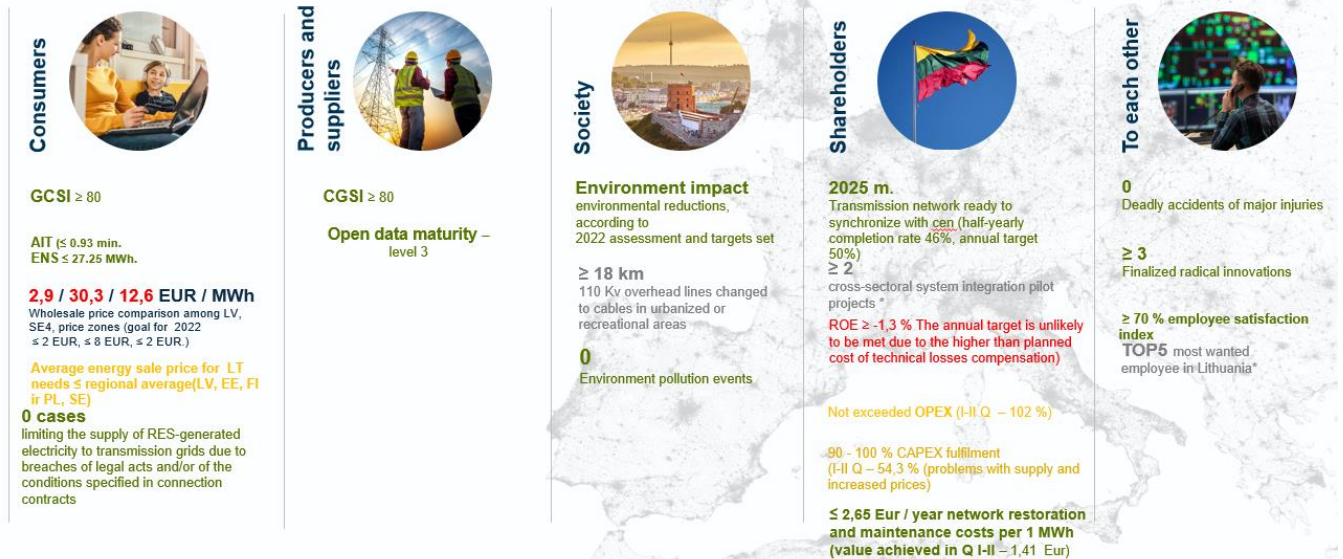
The strategic planning and control mechanism at the Company is based on the Integrated Planning and Monitoring Policy of the EPSO-G Group of Companies which is applied in the activities of Litgrid to a full extent.

Global geopolitical developments have influenced the strategic indicators for the 2022 half-year.

In 2021, an unprecedented situation emerged in electricity markets across Europe, with electricity prices starting to rise sharply in the second half of the year and reaching all-time highs. The situation in Europe remains similar following Russia's war against Ukraine in February 2022, with gas prices at historic highs, which significantly increases the spread between prices in different zones, the cost of raw materials and causes supply chain disruptions.

Litgrid 2022 strategic KPI's (forecast December 2022)

* In 2022 no goals set



4.5. Long-term development plan of the electricity transmission networks

In the first half of 2022, Litgrid updated the 10 Year Plan for the 400-110 kV Networks of the Lithuanian Power System 2022-2031. It contains forecasts of electricity capacity and energy consumption needs, power plant (generation facility) capacities, an assessment of the adequacy of the electricity system, forecasts of the electricity market and system power capacities and energy balances, as well as information on the electricity transmission network, its development and rehabilitation, innovations and planned investments.

The 10-year network development plan foresees:

- Around €2 billion may be needed to develop the electricity transmission network between 2022 and 2031. More than half of the planned investment will be for efficient network development and systematic upgrading, physical and information security, information systems development, and research and innovation. The other part of the investment (around 40%) is for the implementation of strategic national projects. The implementation of the projects foreseen in the ten-year network development plan will ensure reliable and stable operation of the Lithuanian EES, even distribution of power flows in the eastern and western directions of the Lithuanian EES, maintenance of the power quality and system reliability indicators (AIT and END) at the set level, and the existing age of the transmission network, while allowing for greater integration of RES;
- In preparation for the European connection, projects related to synchronisation will be carried out and completed: the construction of the Harmony Link offshore link with Poland, the construction and reconstruction of about 430 km of internal transmission lines, the installation of two new 330 kV switchyards and the reconstruction of the 330 kV substation in Neris, the installation of new synchronous compensators and the modernisation of control systems (EES systems for frequency stability assessment, automatic generation management, Statera, etc.);
- In addition to the development of the network for connection to Europe, Litgrid plans to build more than 300 km of new lines to ensure the reliability of the electricity transmission network. The construction of the new 330 kV transmission line Darbėnai-Mūša-Panevėžys will account for the largest part of this length. This line is needed to assess the security aspects of the Lithuanian EES in emergency synchronous operation with Poland or isolated operation scenarios, especially after desynchronisation and disconnection of all lines with Russia and Belarus, the need to connect the eastern and western parts of Lithuania's EES in order to increase national energy security, to enable the integration of offshore wind and onshore RES, which has a particularly high potential in the western part of the system, and to maintain and increase the level of integration in the electricity market with Latvia. It is also planned to complete, continue or start the reconstruction of about 116 330-110 kV substations between 2022 and 2031;
- final electricity consumption is projected to grow at an average annual rate of 4% over the next decade to reach 18.7 TWh in 2031 (2021 actual: 12.8 TWh). The biggest growth in electricity demand over the next decade will come from the electrification of the transport sector (in particular the electrification of railway lines, the development of electric vehicles, the increase in the number of heat pumps) and the electrolysis (hydrogen production) industry, which is projected to increase its electricity consumption curve by as much as 13% in 2030;
- the number of electric vehicles in the country could exceed 280,000 in 2031 and use around 600 million kWh/year. By comparison, at the end of 2021, there were about 4,841 electric vehicles in Lithuania. "Litgrid estimates that the increasing number of EVs will not cause any problems for the transmission system as the transmission system will be ready for it;
- In line with the provisions of the hydrogen energy strategy adopted by the EU, the aim is to develop hydrogen generation projects in Lithuania to contribute to balancing the surplus electricity from renewable energy sources. "Litgrid, having taken into account the long-term expansion plans of industrial companies and the development of hydrogen electrolysis at national level, expects these factors to add about 2.23 TWh to the consumption forecast from 2030;
- the assessment of the grid's adaptability to the integration of renewable energy sources and the deployment of energy storage technologies is of particular importance;
- With the increasing share of renewable energy sources, it is projected that the share of renewable energy in consumption could reach around 94% in 2031, in line with national RES development targets. If the national RES development targets of 7 GW (3.6 GW onshore wind, 1.4 GW offshore wind in the Baltic Sea, 2 GW solar) are successfully met, Lithuania's deficit balance would become surplus;
- To contribute to the green energy policy objectives, it is planned to exploit the Baltic Sea regional cooperation through the development of offshore wind energy and international electricity transmission. Litgrid is therefore paying particular attention to the connection of offshore wind farms to the onshore transmission grid.

The Ten-Year Electricity Transmission Network Development Plan of LITGRID is available at <https://www.litgrid.eu/index.php/tinklo-pletra/lietuvos-elektros-perdavimo-tinklu-10-metu-pletros-planas-/3850>.

5. IMPLEMENTATION OF STRATEGIC PROJECTS

One of the fundamental directions of the implementation of the National Energy Independence Strategy of the Republic of Lithuania adopted by the decision of the Parliament on 21 June 2018 establishes the connection of the electricity system of the Republic of Lithuania with the European continental networks for operation in a synchronised mode (the “Synchronisation”).

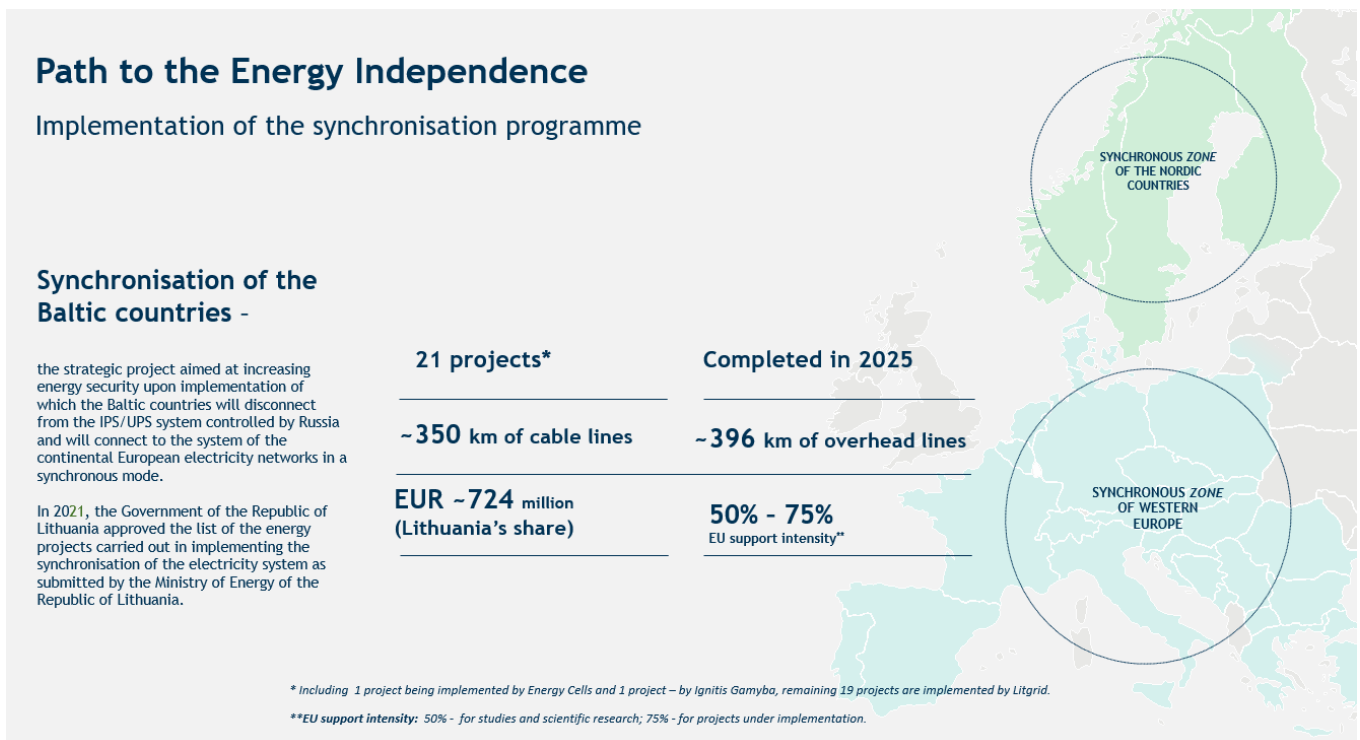
The other Baltic countries also set the same objectives with the support from the EU institutional and regional partners of Poland and the Nordic countries. Following a full-fledged integration of Lithuania into the European electricity system in 2025, the European system management standards will be introduced in the electricity sector ensuring management of electricity flows based on market principles and participation in maintaining the system’s frequency.

A timely implementation of the synchronisation programme in the most economically efficient manner is one of the most important goals of Litgrid.

The synchronous work with the continental European network will ensure:

- reliable operation of energy systems and secure transmission of electricity;
- coordinated actions in facility maintenance and network development planning;
- common rules for the management of energy systems - network codes, which will be applied uniformly in all European Union countries;
- access to electricity from Western European energy systems.

On July 2021 the Government of Lithuania approved the list of energy projects to be implemented during the synchronization of the electricity system. From 2021 the synchronization programme has been supplemented by a few projects, Litgrid is now responsible for the implementation of 20 projects.





5.1. The status of the implementation of the main strategic projects

At the time of the first half-year assessment in 2022, the completion rate of the synchronisation strategic project programme is 46%.

5.2. Strategic infrastructure projects

Reconstruction of the 330/110/10 kV Neris transformer substation

The aim of the project is to reconstruct the Neris transformer substation to enable the planned connection of the synchronous compensator to the transmission grid and the connection of the future 330 kV Vilnius-Neris transmission line. Following the completion of the technical design works, the construction permit for the reconstruction of the Neris substation was obtained on 27 May 2022 and the first on-site works started on 16 June 2022.

Construction of the 330 kV transmission line Kruonis HAE-Bitėnai

The aim of the project is to reinforce the western region electricity transmission network and ensure its reliable operation by forming a new 330 kV transmission line, which is important for the smooth synchronous operation of the Lithuanian electricity system with the continental European electricity networks.

Following the completion of the technical design works, the construction permit for the reconstruction of the Jurbarkas-Bitėnai section (replacement of a single-circuit overhead line with a double-circuit line) was obtained in January 2022. Reconstruction works have been underway since March and are expected to be completed in 2023.

In March 2022, a contract was concluded for the design and contracting works for the reconstruction of the Bitėnai transformer substation, which is needed for the connection of the future 330 kV line Kruonis HAE-Bitėnai in 2025. Design work has started.

Construction of the 330 kV electricity transmission line Darbėnai-Bitėnai

The aim of the project is to reinforce the Western region's electricity transmission network and ensure its reliable operation by forming a new 330 kV electricity transmission line, which is important for the smooth synchronous operation of the Lithuanian electricity system with the continental European electricity networks.

In March 2022, reconstruction works (replacement of a single-circuit overhead line with a double-circuit line) started and are expected to be completed in 2023.

Installation of new synchronous compensators in the Lithuanian power system

The aim of the project is to implement the necessary measures for synchronisation with the continental European grid: the installation of 3 synchronous compensators, thus ensuring the required amount of inertia and the dynamic stability of the system in the most efficient way.

In 2022, design work for the first two synchronous compensator stations (Alytus and Telšiai) has started and the production of the primary equipment for them has started.

5.3. Strategic electricity management system projects

Introduction of Automatic Generation Management (AGM)

The aim of the project is to automatically activate the frequency restoration reserves and restore the system frequency and power balance by installing an automatic generation management system.

In January 2022, a contract was signed with the Supplier of the dispatching control and AGV software to upgrade the system.

Isolated operation test of the power system of the Republic of Lithuania

In September 2022, an isolated operation test of the Electricity System of the Republic of Lithuania (hereinafter EES) is planned to be carried out, during which the EES of the Republic of Lithuania will be disconnected from the IPS/UPS system. The test will test the quality of the frequency control systems of the power plants and DC-DC converters in maintaining the frequency in the Lithuanian EES.

A contract was signed in January 2022 for the study required for the test to investigate the impact of potential disturbances on the stability of the power system, to identify critical grid parameters, to select the optimal frequency control parameters for the DC links, to investigate the logic schemes for the generator frequency control, and to carry out naturalistic tests of the generator control systems.

5.4. Infrastructural projects' progress 2022

"Litgrid's activities contribute to the development of green energy in Lithuania and, in its role as electricity transmission network operator, Litgrid implements projects for the connection of renewable energy sources to the transmission grid. These projects result in the connection of green electricity producers to the transmission grid, enabling electricity consumers to use clean and sustainable energy.

Litgrid is implementing 11 wind farm connection projects in 2022, with a capacity of 651 MW; builds and reconstructs 4 overhead lines and undergoes 41 transformer substations renovations which will significantly add to the reliability of the electricity transmission grid and will ensure the necessary capacities for connecting RES to the transmission network.

5.5. Financing of the strategic projects

In March 2022, the European Commission confirmed that the second part of the second phase of the synchronisation of the Baltic States with the continental European networks has been granted €170 million. The support is under the Connecting Europe Facility (CEF) for the period 2021-2027 in the field of trans-European energy infrastructure and the grant agreement was concluded in June.

This latest round of funding will go towards network upgrades, frequency management equipment and information systems projects, allowing the Baltic countries to operate independently on the same frequency as Poland and the rest of Europe in 2025. The value of the projects to be funded is €41 million for Lithuania, €49 million for Latvia, €37 million for Estonia and €111 million for Poland. Four projects are financed in Lithuania: the construction of the Darbėnai substation, the reconstruction of the 330 kV Klaipėda-Grobinė transmission line on the border with Latvia, information technology systems for the transmission system, and the modernisation of the control system for the Lithuania-Sweden NordBalt link.

With the grant approved for 2022, the total amount of the EITP synchronisation programme funds for Lithuania will be around €460 million.

5.6. Research and development (Innovations)

The System of Scientific Research and Experimental Development and Innovations (SREDI) was introduced at the Company. The system establishes the key principles of environment favourable to creativity and introduction of innovations and presents innovation processes. Innovation activities are directed towards the implementation of objectives and tasks laid down in the Climate Change Strategy and the National Energy Independence Strategy as the reliable operation of the electricity system without

INTERIM REPORT

innovations is hard to imagine or even impossible when moving away from the power plants using fossil fuels to renewable energy sources and creating a competitive economy of the country in the region of the Baltic, Scandinavian and Central and Eastern European countries.

As part of the implementation of EPSO-G's Innovation Functional Action Plan, which the Company joined on 18 February 2022, the activities foreseen in this plan were completed in the first half of 2022:

- Updated the selection criteria for innovative projects based on last year's experience;
- valued and rewarded the mentors of innovative projects implemented in 2021, in accordance with the innovation promotion procedure adopted by the EPSO-G group;
- Successful implementation of the company's annual targets for the year 2020;
- The procurement of the variable line capacity pilot project included in the Company's annual targets was completed and the contract with the supplier was signed;
- New innovation projects initiated and brought to life in line with R&D&I activities and priorities.

In April 2022, the Company's multidisciplinary experts took part in an innovation workshop on the development of the Virtual Connectivity Map. In total, we had about 25 participants divided into 5 teams. After a full day workshop, the teams used creative thinking to identify the main challenges in developing such a system and to pave the way for the start of the project.

During the first half of 2022, the company managed its innovation portfolio according to the priorities defined by R&DPI, in total implementing 20 innovation projects.

6. FINANCIAL INFORMATION

Main financial indicators of the Company

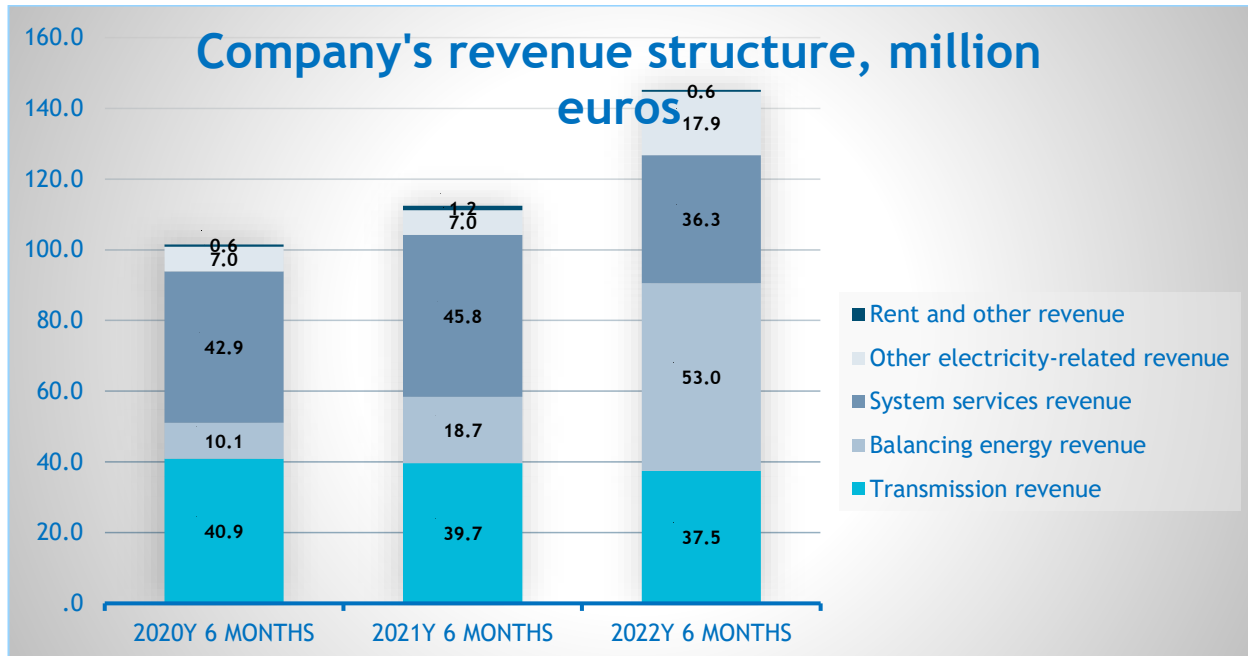
	2022 y. January-June	2021 y. January-June	2020 y. January-June
Financial indicators, EUR '000			
Revenue from electricity transmission and related services	144,686	111,187	100,897
Other income	561	1,222	557
EBITDA*	134	31,813	26,153
Profit (loss) before income tax	(10,836)	20,485	15,667
Net profit (loss)	(9,240)	17,375	13,642
Net cash flows from operating activities	(11,618)	50,054	12,056
Ratios			
EBITDA margin %	0.1	28.3	25.8
Operating profit margin, %	-7.2	18.6	15.0
Return on equity % (last 12 months)**	-3.1	14.3	6.9
Return on assets % (last 12 months)**	-1.5	7.6	3.7
Shareholder's equity / Assets, %	42.7	53.6	52.5
Financial liabilities / Equity, %	28.3	33.3	42.2
Liquidity ratio	1.40	0.86	0.60
Total assets turnover ratio 12 months**	0.68	0.55	0.51

* EBITDA = operating profit + depreciation and amortisation + impairment expenses of assets + write-off expenses of assets;

** Calculations are based on the average of equity/assets at the beginning and the end of period.

Revenue

Revenue earned by the Litgrid in the first half of 2022 amounted to EUR 145.2 million, a 29.2% increase compared to the same period of 2021.



Revenue from electricity transmission decreased by 5.6% to EUR 37.5 million compared to the same period of 2021. Income decline was driven by 4.2% lower average actual electricity transmission price and lower amount of transmitted electricity which decreased by 1.5% to 5 306 million kWh.

Revenue from disbalance and balancing electricity increased 2.8 times to EUR 53 million due to higher average sale price (3.1 times) while sales quantities decreased by 9.1%. Change in revenue does not affect the Company's profitability because according to disbalance pricing regulation the current year's revenue compensates expenses, including the Company's internal expenses, attributable to this activity according to the rules of the regulation accounting.

Revenue from system services decreased by 20.7% to EUR 36.3 million. The main decrease drivers were the 3.5% decrease in the system services volume and 17.9% lower sale price. According to system services pricing regulation revenue must compensate expenses, including the Company's internal expenses, attributable to this activity according to the rules of the regulation accounting. Difference between revenue and expenses for the N-year is taken into consideration when determining the price of the system services for the n+2 year. In the price for 2022 is evaluated EUR 4.4 million the difference of revenue and cost for 2020, therefore the difference which exceeds EUR -4.4 million in 2022, will reduce revenue and profit for 2024.

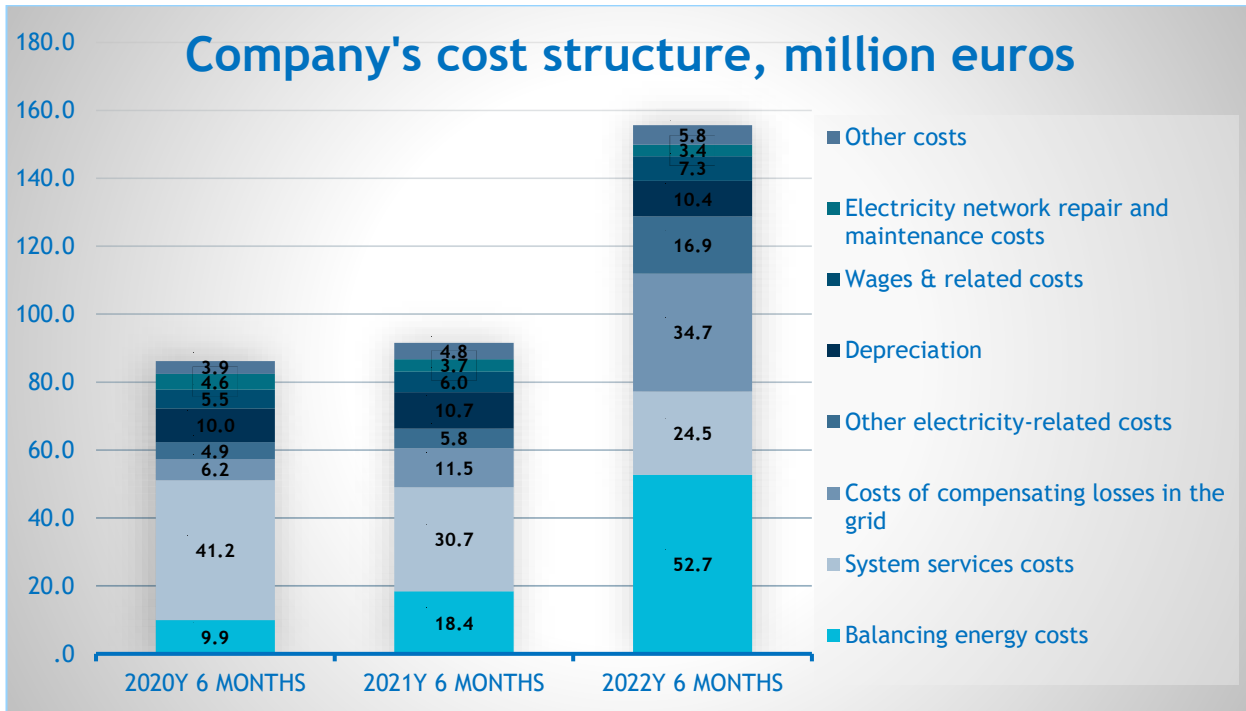
Other revenue related to the transmission activity include:

- Fee for electricity imported from or exported to countries other than the EU and inter-EU transit compensation revenue from ITC fund (ITC income – income resulting from participation in the European Inter-Transmission Operator Compensation Mechanism) – EUR 0.7 million and reactive energy income – EUR 0.8 million. This revenue group is assessed by determining the price of the transmission service and calculating the actual return on investments in the transmission service.
- Revenue from PSO services amounted to EUR 14.7 million. Change in revenue does not affect the Company's profitability because the current year revenue compensates expenses, including the Company's internal expenses, attributable to this activity according to the rules of the regulation accounting.
- Revenue from congestion management services amounted to EUR 1.6 million. Change in revenue does not affect the Company's profitability because revenue compensates expenses incurred in ensuring the use of allocated capacity of the interconnections.
- Revenue from administration of guarantees of electricity origin amounted to EUR 0.1 million.

Other income decreased from EUR 1.2 million to EUR 0.6 million due to lower penalties for contactors for late works.

Expenses

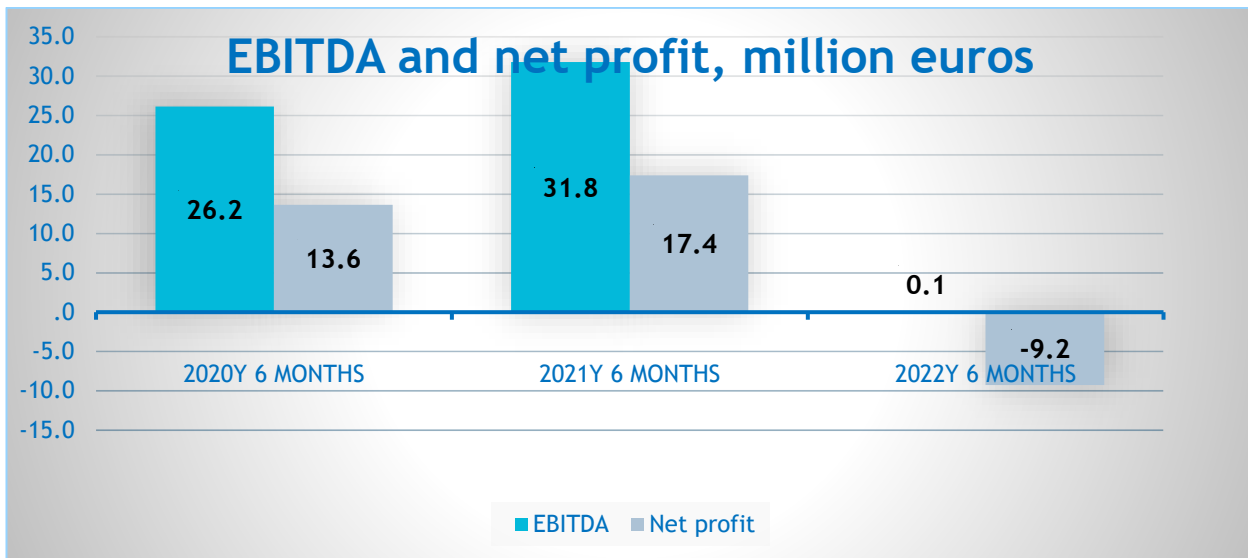
The Company's operating expenses totalled EUR 155.7 million in the first half of 2022, which is 70% bigger compared to the same period of the 2021.



Expenses of purchase of electricity and related services accounted for a major portion of the Company's operating expenses: EUR 128.8 million (82.7% of the Company's total expenses). These expenses increased by 94.2% compared to the same period of 2021. Expenses for system services decreased by 20% to EUR 24.5 million. Disbalance and balancing electricity expenses increased 2.9 times and amounted to EUR 52.7 million due to increase in the average purchase price.

Expenses of compensating for electricity purchase technological losses in the transmission network increased 3 times to EUR 34.7 million due to 2.5 times increase in the average purchase price of electricity (the average electricity price increased 2.8 times in the market) and by 23.4% higher quantities of technological losses. Transit (ITC) expenses totalled EUR 0.6 million, expenses for provision of PSO services equalled EUR 14.7 million and expenses of ensuring the allocated capacity of the interconnections totalled EUR 1.6 million.

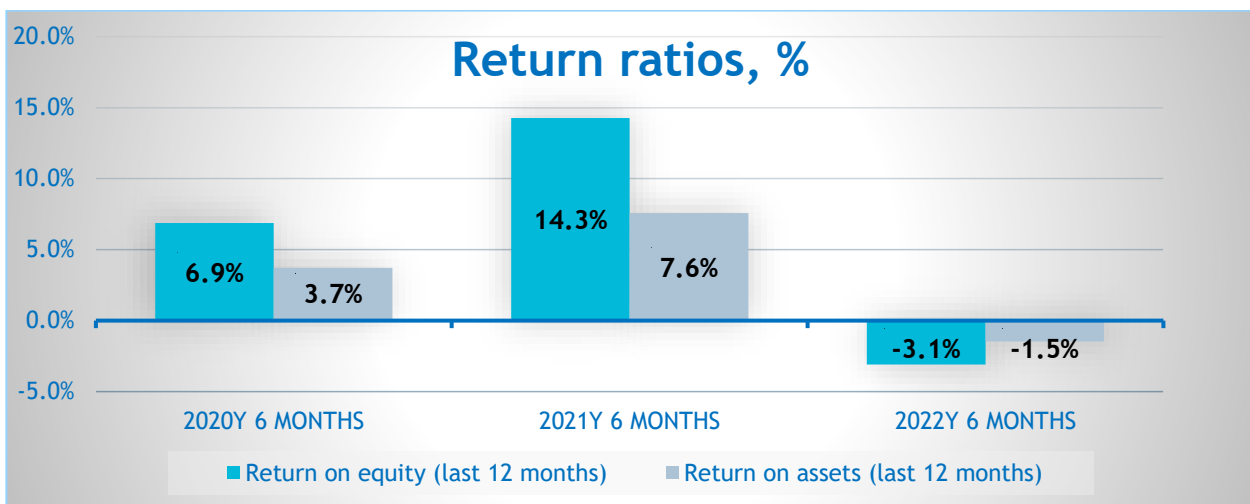
Depreciation and amortization expenses decreased by 2.8% to EUR 10.4 million compared to the same period of 2021. Repair and maintenance expenses of the electricity network decreased by EUR 0.3 million due to a lower scope of annual scheduled repair and maintenance works performed. Increase in remuneration expenses by EUR 1.3 million compared to the same period of 2021 was largely affected by the 14% increase in the number of employees due to the implementation of the synchronization project. Other expenses increased by EUR 0.7 million.

Profit and return indicators


EBITDA for first half of the 2022 decreased by EUR 31.7 million or 99.6% compared to the same period of 2021 and amounted to EUR 0.1 million. The EBITDA margin decreased from 28.3% to 0.1%. The Company's net losses were EUR 9.2 million. (In the first half of 2021 net profit was EUR 17.4 million).

The reasons for decrease in the Company's EBITDA are as follows:

- Increase in expenses of compensating technological losses by EUR 23.2 million;
- Decrease in the balance of revenue and expenses of system services by EUR 3.3 million;
- Decrease in transmission revenue by EUR 2.2 million;
- Increase in operating expenses by EUR 2.1 million;
- Decrease in other income by EUR 0.7 million;
- Decrease in other electricity-related revenue by EUR 0.2 million.



In the first half of 2022 annual (last 12 months) ROE and ROA ratios decreased and became negatives from 14.3% and 7.6% and to -3.1% and -1.5%, respectively, compared to 2021.

Balance sheet and cash flows

During the first half of the year the Company's assets decreased by EUR 4.4 million (0.9%) and amounted to EUR 485.4 million as of 30 June 2022. Non-current assets representing 74.6% of the Company's total assets decreased by EUR 5.2 million (1.4%). Current assets increased by EUR 0.8 million (0.7%). Loans granted increased by EUR 16.2 million, trade and other receivables decreased by EUR 24.7 million, prepaid income tax increased by EUR 9.9 million and cash decreased by EUR 0.8 million.

Shareholders' equity decreased by 6.4% during the first half of the year and accounted for 42.7% of the total assets at the 30 June 2022.

As of 30 June 2022, the Company's financial liabilities to credit institutions amounted to EUR 58.6 million (a decline of EUR 7.1 million during the first half of the year). Financial liabilities to equity ratio was 28.3%. Borrowings repayable within one year accounted for 24.3% of the total borrowings. Cash and cash equivalents amounted to EUR 1 million. Accumulated congestion revenue balance amounted to EUR 155.4 million as of 30 June 2022 and all of them were linked to the EPSO-G Group account, of which EUR 95.6 million was temporarily used for the financing of LITGRID's activities and EUR 59.8 million loaned to EPSO-G.

The Company's net cash flow in the first half of 2022 (excluding cash flows from financial activities and without paying the loan back) totalled EUR 28.2 million.

Investments in non-current assets

The investments of Company in the first half of 2022 (works performed and assets acquired irrespective of terms of payment) amounted to EUR 10.5 million, of which 46% were earmarked for the implementation of electricity projects of strategic and high national importance, and 54% for the reconstruction and development of the electricity transmission grid and for ensuring Company's activities.

7. COMPANY TARGETS AND THEIR IMPLEMENTATION

The implementation of the strategy is assessed in view of the implementation of the Company’s three-year operational plan and the Company’s annual objectives that prioritise measures referring to the priorities identified in the Company’s strategy.

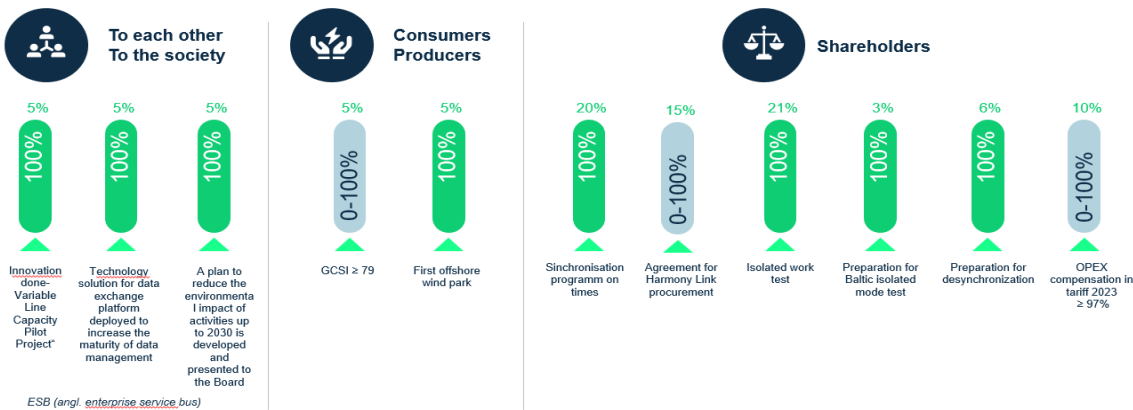
The evaluation of the implementation of the targets is made the Board of the Company.

The CEO of Litgrid reports to the Board on the targets’ achievement status. The financial and non-financial goals set for the company are identical to those of the CEO of Litgrid. The variable part of the remuneration of all employees and the CEO depends on the assessment of the achievement of the targets.

The implementation of Company’s goals in 2022 is likely to be in the range of 70-100 %.

Main 2022 goals

70 - 100%

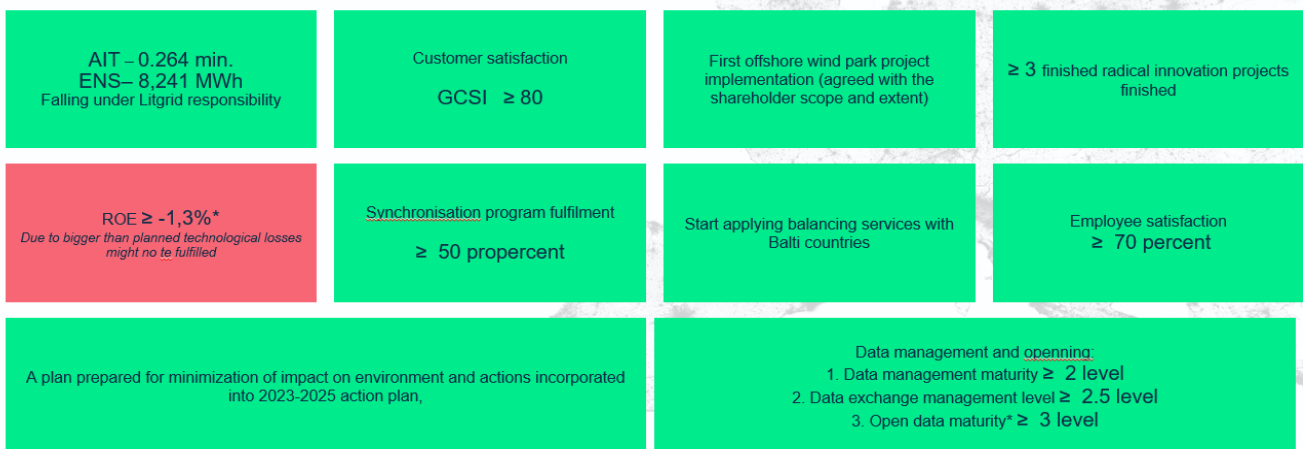


Implementation of the operational plan

The Company prepares the three-year operational plan in accordance with the widely known Lean business tool Hoshin Kanri.

As of the 2022 mid-term review, 90% of the measures in the 3 year Action Plan are being implemented to the extent and within the timeframe foreseen. All the targets in the 2022 targets of the 3YP are likely to be met, except for the return on equity target, which is exceeded due to the higher-than-expected cost of compensating for technological losses:

3 year plan (X-matrix) KPI prognosis for December 2022



* Timo Berners-Lee 5 star model (<https://5stardata.info/en/>).

8. INFORMATION ABOUT SHARED CAPITAL, SHAREHOLDERS AND THEIR RIGHTS

Since 22nd December 2010, Litgrid's shares are traded on the Secondary List on the NASDAQ OMX Vilnius exchange, ISIN code of securities: LT0000128415.

Litgrid has not acquired its own shares. During the reporting period Litgrid neither acquired nor disposed of its own shares.

The share capital of Litgrid amounts to EUR 146,256,100.2, and it is divided into 504,331,380 ordinary registered shares with the nominal value of EUR 0.29 each.

EPSO-G UAB (Gedimino pr. 20, LT-01103 Vilnius, company code 302826889), a company wholly owned by the Ministry of Energy of the Republic of Lithuania, controls 97.5% of Litgrid 's shares. EPSO-G UAB possesses a decisive vote in making decisions at the general meeting of shareholders.

The Company has not received any information on mutual agreements between the shareholders due to which restrictions on transfer of securities and/or voting rights may be imposed. There are no restrictions regarding voting rights at the Company.

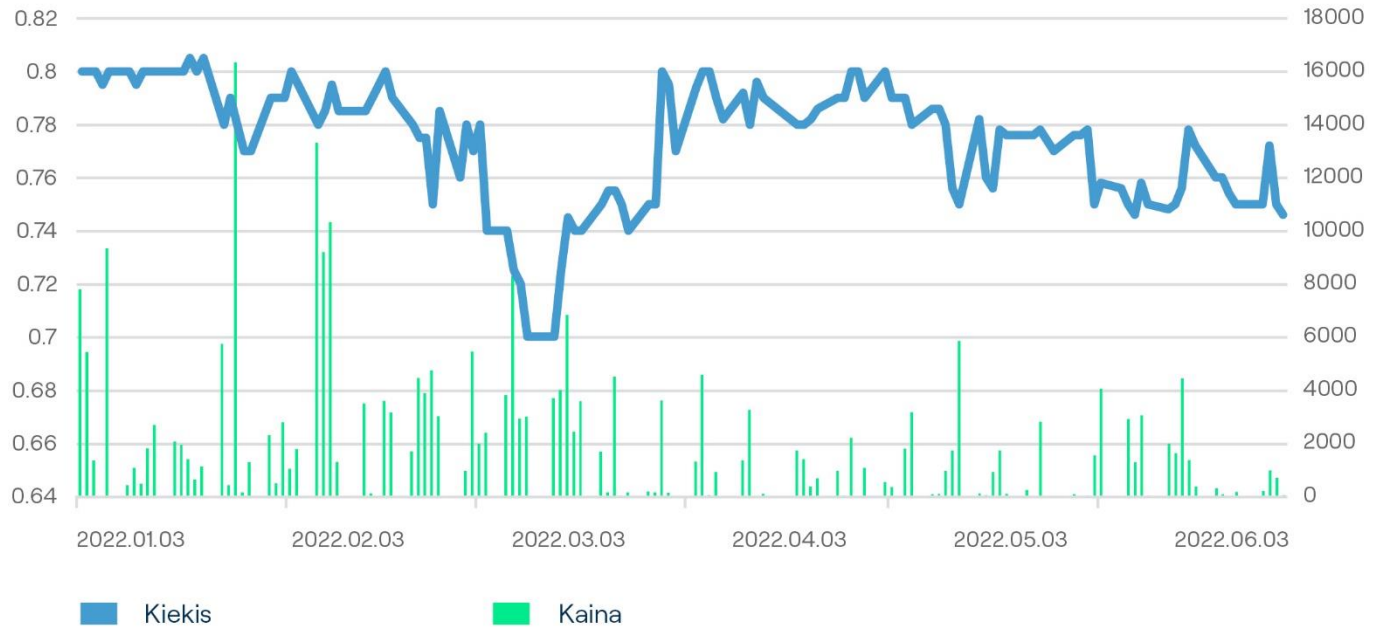
SEB Bankas AB was the provider of accounting and related services for Litgrid 's securities for the period from 15th September 2020.

Data on trading in Litgrid 's securities on the regulated markets:

INDICATOR	HY 2020	HY 2021	HY 2022
Opening price, EUR	0.59	0.58	0.805
Highest price, EUR	0.63	0.85	0.805
Lowest price, EUR	0.49	0.575	0.7
Closing price, EUR	0.58	0.805	0.746
Turnover, units	270 274	481 486	260 622
Turnover, EUR million	0.15	0.33	0.2
Capitalisation, EUR million	292.51	405.99	376.23

8.1. Turnover and prices of Litgrid's shares during the reporting period, in EUR:

<https://nasdaqbaltic.com/statistics/lt/instrument/LT0000128415/trading>



8.2. Benchmark of LGD1L,OMX Baltic Benchmark GI (OMXBBGI) and OMX Vilnius (OMXV)



8.3. Dividend policy

On 18 August 2017, the Board of Litgrid passed a decision regarding the application of the EPSO-G UAB Group Dividend Policy, which was approved by the Board of EPSO-G UAB on 14th July 2017 (renewed on 7th February 2020), at Litgrid in its entirety.

Based on the EPSO-G UAB Dividend Policy the amount of dividends payable was directly linked with the effective use of the company's equity, i.e. the higher benefits created by the Company for the shareholders are, the larger portion of profit can be allocated by the Company for a further development or implementation of other significant projects.

On 20 April 2022, the Ordinary General Meeting of Shareholders of Litgrid was held, during which it was decided to pay out dividends amounting to EUR 0.01 per share, in total amount of EUR 5 043 314.

The EPSO-G Dividend Policy, which establishes the procedure for the determination of the amount of dividends, the payment and announcement of dividends for all companies of the group, provides clear guidelines for expected return on equity and investments for existing and potential shareholders, while ensuring sustainable long-term growth of the value of the companies, timely implementation of strategic projects of national significance, and consistent increase of confidence in the entire energy transmission and exchange group of companies.

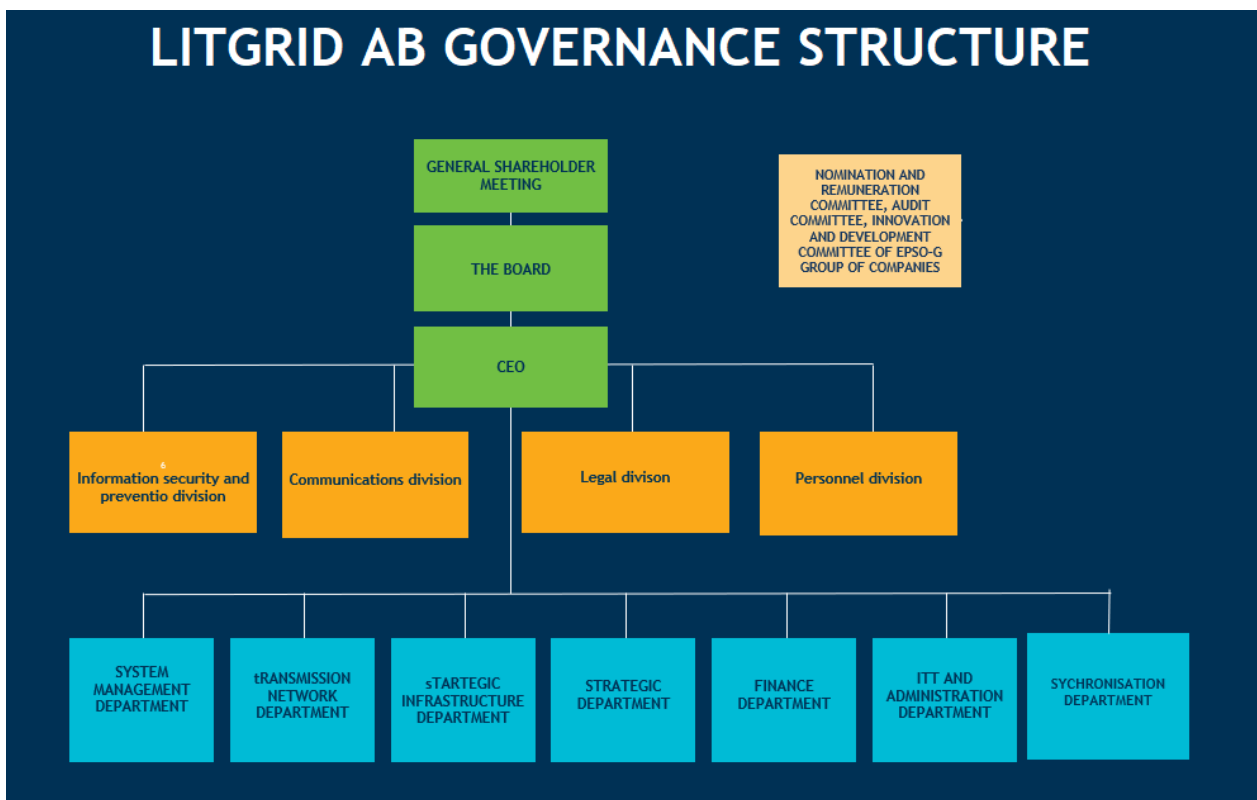
9. GOVERNANCE

9.1. Managerial bodies

The system of the Company's management bodies is defined in the Articles of Association and it consists of the following bodies: the General Meeting of Shareholders, the Board and the Chief Executive Officer (a single-person management body).

The Company's Articles of Association stipulate that since the Company is part of the group of companies and the Board of the parent company carries out the review of the functioning of the internal control system and risk management at the group level, the Company's General Meeting of Shareholders and the Board may take into consideration proposals and comments of the Board of the parent company that are presented on the issues relating to the competence of the respective management body of the Company.

The Audit Committee is formed at the parent company EPSO-G UAB operates as the Group committee, also performs functions of the Company Audit committee.



9.2. Governance principles

The main principles of the company's management are established by the Civil Code of the Republic of Lithuania, the Law on Companies and the Company's Articles of Association. The General Meeting of Shareholders of the Company resolves the amendment of the Articles of Association and the authorized capital of the Company, conversion of shares, elects the Board and the auditor, approves the annual financial statements and distributes the profit, makes decisions on the most important transactions and other issues. The Board of the Company determines the organizational structure of the Company, elects the General Director, approves the business strategy, budget, investments, makes decisions on concluding important transactions and other important management issues. The General Director is the sole management body of the Company, he organizes the activities of the Company and concludes the transactions of the Company. The competence of the Company's bodies is described in detail in the Company's Articles of Association.

9.3 The articles of Association

The Articles of Association of Litgrid are amended in accordance with the procedure established by the Law on Companies of the Republic of Lithuania. The Articles of Association of the Company did not change during the reporting period.

9.4. General shareholders meeting

The General Meeting of Shareholders is the highest governing body of the Company. The competence of the General Meeting of Shareholders, the rights of the shareholders and their implementation are provided for in the Articles of Association of the AB and the Company.

The competence, convening and decision-making procedure of the General Meeting of Shareholders shall be established by laws, other legal acts and the Articles of Association.

9.5. The Board of Litgrid

The Board of the Company consisting of five members, is elected for a four-year term. The term of office of the Board begins at the end of the General Meeting of Shareholders that elected the Board and ends on the day of the Ordinary General Meeting of Shareholders to be held in the year of the end of the term of office of the Board.

If the Board or a member of the Board is revoked, resigns or for other reasons ceases to hold office before the end of the term of office, a new Board or a member of the Board shall be elected for the remaining term of office. According to the requirements of the amended new Articles of Association, the election of the members of the Board ensures that the Board consists of at least 2 (two) independent members, determining their independence taking into account the requirements of the applicable legislation; it is ensured that at least 3 (three) members of the Board are not related to the employment relationship with the Company, and if possible, the aim is not to appoint employees of the Company to the Board.

The Board elects the Chairman of the Board from its members. In its activities, the Board follows the laws, other legal acts, the Articles of Association, the decisions of the General Meeting of Shareholders and the Rules of Procedure of the Board.

The Board is a collegial management body of the Company. The competence of the Board, the decision-making procedure and the procedure for election and removal of members shall be established by laws, other legal acts and the Articles of Association. The Board is accountable to the General Meeting of Shareholders.

Information about the members of the Board, the Chief Executive Officer and the Chief Financial Officer of Litgrid as of 30th June 2022:

Position	Full name	Start date	End date	Number of the issuer's shares
Chairman of the Board	Algirdas Juozaponis	07/09/2018		-
Independent member of the Board	Domas Sidaravičius	29/07/2016		-
Independent member of the Board	Artūras Vilimas	20/04/2020		-
Member of the Board	Tomas Verneckas	20/04/2020		-
Member of the Board	Gediminas Karalius	20/04/2020		-
Member of the Board	Jūratė Marcinkonienė	20/04/2020	20/04/2022	-
CEO	Rokas Masiulis	22/02/2021		-
CFO	Vytautas Tauras	01/03/2019		76 shares

CVs of the members of the Board and the Company's Chief Executive Officer (information is also published on the website at www.litgrid.eu).

9.5.1. The areas of activities of the Board

The Board of the Company considers and approves the Strategy, three-year action plan, 10-year development plan, the budget, charity and sponsorship, other Company's documents of strategic importance. The Board makes decisions for the Company to start a new type of activity or to terminate a specific activity, when it does not contradict the purpose of the Company's activity. Also, the decisions related to the issuance of bonds, transfer of shares held by the Company to other persons, decisions on financial transactions with a value of more than EUR 3 million must be approved by the Board. The Board also resolves other issues assigned to it in the Company's Articles of Association.

9.5.2. The Board members



Algirdas Juozaponis
Chairman of the board

The Chief Financial Officer of EPSO-G UAB, the member of the Board (2016-2018). Started as the Chairman of the board from August 2020, temporarily acting CEO of EPSO-G UAB FROM January 6, 2022.

Other positions: Chairman of the board at Amber grid AB (reg. code 303090867, Savanorių pr. 28, Vilnius LT-03116).

Mr Algirdas Juozaponis does not hold shares of Litgrid.



Gediminas Karalius
Member of the board

Ministry of Energy of the Republic of Lithuania, Senior Adviser, Energy Security Group.

G. Karalius does not hold shares of Litgrid.



Domas Sidaravičius
Independent member of the Board

Other position: Tuvlita UAB Strategy and development director (reg. code 1105840917, Lentvario g. 7A, LT-02300, Vilnius).

Mr Domas Sidaravičius does not hold shares of Litgrid.



Artūras Vilimas
Independent member of the Board

The member of the Innovation and Development Committee under the Board of EPSO-G.

Mr Vilimas does not hold shares of Litgrid.



Tomas Varneckas
Member of the board

Director of Infrastructure of UAB UAB EPSO-G (company code 302826889, Gediminas avenue, 20 01103 Vilnius).

Mr. T. Varneckas does not hold shares of Litgrid.

9.5.3. Areas of activities of the CEO

The CEO is the sole governing body of the Company. The CEO organizes the activities of the Company, manages it, acts on behalf of the Company and has the right to conclude transactions unilaterally. The competence of the CEO, the procedure of election and revocation shall be established by laws, other legal acts and the Articles of Association.



Rokas Masiulis
CEO

Other positions: independent board member at Connect Pay UAB (reg. nr. 304696889 Algirdo g. 48, LT-03218 Vilnius).

R. Masiulis does not hold Litgrid shares.

9.5.4. Governance and control

The requirements for the governance of the Company are set forth by the Lithuanian Government's resolutions on the governance of state-owned or state-controlled companies, insofar as they apply to the EPSO-G group companies, and the Governance Code, insofar as the Company's Articles of Association do not state otherwise.

In accordance with the Integrated Planning and Monitoring Policy of the EPSO-G Group of Companies, which was approved at the meeting of the Board of the Company No 12 held on 19 May 2017 and which is directly applied at the Company in its entirety, the Company is preparing the strategy of the Company for a period of 5–10 years. The period of the strategy must coincide with the period of the parent company's strategy. The prepared strategy of the Company currently covers the period of 10 years up to 2028. The implementation of the strategic objectives set out in the strategy of the Company is ensured by the Company's performance, control, and risk management systems. The strategy of the Company is approved and its implementation is controlled by the Board. The Board of the Company prepares (updates) and approves the operational plan for a period of 3 years before the end of the current year. A monthly strategy implementation supervision system is introduced at the Company and is linked with the Company's administrative staff remuneration system. The composition of the Company's Board is disclosed on the Company's website.

The Company's activities of the transmission system operator are regulated by the national regulatory authority, i.e. the National Energy Regulatory Council. Within its competence, the Council performs the functions of the state regulation in the electricity sector in the Republic of Lithuania, by ensuring, *inter alia*, the supervision of and control over the performance of regulated activities in the energy sector, as well as the proper implementation of the rights and duties of electricity undertakings and consumers.

The strategy and operational plan of the Company are implemented by and the activities of the Company's administrative staff are organised by the Company's Chief Executive Officer. The Company's administrative management personnel consists of the Chief Executive Officer, the Finance Department Director, the System Department Director, the Transmission Network Department Director, the Strategic Infrastructure Department Director, the Strategy Department Director, and the ITT and Administration Department Director. The composition of the Company's management is disclosed on the Company's website.

Corporate governance accommodates the principles of good governance practice and the policies on the governance of state-controlled companies. The Board of the Company approves the following policies, the implementation of which is to be ensured by the administrative staff of the Company: corruption prevention, remuneration, remuneration for activities in the management bodies of the group companies, assessment of employees' performance, project management, integrated planning and monitoring, corporate governance, accounting, support, dividends, transport, technological property, transparency and communication, protection of sensitive information, management of interests of collegial management bodies, executives and employees, treasury management and financial risks, risk management, social responsibility and other policies, the content of which is published on the Company's website.

The internal control systems of the Company are supported by the organisational structure, management culture and implemented good governance practices, as well as process management which is currently being implemented. It should be noted that the supervisory functions are carried out by the Board of EPSO-G UAB, meanwhile recommendations, proposals and conclusions on matters which are key to the Company's activities are provided by the Remuneration and Nomination Committee and the Audit Committee. The internal control system is initiated by the Company's Board and implemented by the administrative staff, assisted by the Audit Committee of EPSO-G UAB, the external independent audit, and divisions supporting the principal activity. The procedures and policies effective at the Company ensure the reliability of accounting and financial reporting, the compliance of the Company's activities with legal acts, operational efficiency, and achievement of operational objectives.

The Minister of Energy of the Republic of Lithuania by Order No 1-212 of 7 September 2015 approved the Corporate Governance Guidelines for the State-Owned Group of Energy Companies (the "Guidelines"). The Guidelines establish uniform principles of corporate governance to be applied to the entire EPSO-G group of companies and prescribe the purpose of the group of companies, its operational objectives, corporate governance organisation model, governance structure, as well as the system for accountability, supervision and control of operations. These Corporate Governance Guidelines are intended to support and further improve the procedures and policies of good governance practice applied at the Company.

Good governance practice of the EPSO-G group of companies upon the approval of the Guidelines by the Minister of Energy, the company controlling the EPSO-G group of companies is improving the governance practice in its operations and the operations of the group of companies, with reference to the recommendations set forth in the Governance Code and by implementing the recommendations of the international organisations, such as the OECD, intended to enhance the governance of state-controlled companies. The basis for the practical realisation of these Guidelines was created on 17 December 2015, with the approval of the newly revised Articles of Association of EPSO-G (the "Articles of Association of EPSO-G"), as the company controlling the entire EPSO-G group of companies, by the Ministry of Energy, which is the owner of the shares of EPSO-G. The newly revised Articles of Association of EPSO-G laid down the foundations for the establishment of the new management bodies at the level of EPSO-G, i.e. the Board, the Audit Committee, and the Remuneration and Nomination Committee, which, in turn, perform certain supervisory and management functions at the level of the entire group of companies.

Related-party transactions are disclosed in the notes to the financial statements as at 31 December 2021.

All related party transactions were at arm's length, including transactions as per para 37(2) of the Lithuanian Law on Companies.

10. MAIN EVENTS OF THE REPORTING PERIOD

As the Company fulfils its obligations set forth in the legal acts regulating the securities market, it publishes notices of its material events and other regulated information on the EU-wide basis. The information is available on the Company's official website (www.litgrid.eu) and on the official website of NASDAQ Vilnius stock exchange (www.nasdaqbaltic.com).

Summary of the significant achievements and events in the Litgrid's activities in HY 2022

January

On 1 January 2022, the electricity transmission prices set by Litgrid and approved by the State Energy Regulatory Council came into force. As of 1 January 2022, the approved average price for electricity transmission services is 0.684 ct/kWh (5.1% lower than the price for 2021), and the price for system services is 0.589 ct/kWh (22.7% lower).

14 January 2022 "Litgrid and the Police Department and Lithuanian electricity transmission operator Litgrid signed a long-term cooperation agreement. The two organisations will cooperate more closely in ensuring the country's energy security through joint exercises, increased police patrols of important infrastructure, and exchange of information.

21 January 2022 The Italian company CESI S.p.A. will provide engineering consultancy services to Litgrid, the Lithuanian electricity transmission system operator, as part of a project to install synchronous compensators to increase system reliability and promote green energy development. Experts from this company, experienced in the implementation and maintenance of synchronous compensator projects, will help to ensure the smooth construction of technically highly complex installations in Lithuania. The value of the contract for engineering consultancy services for the installation of synchronous compensators is EUR 0.9 million excluding VAT.

On 28 January 2022, Litgrid started the isolated operation test study. The study is being carried out by the Turkish company EPRA Elektrik Enerji İnş. ve Tic. Ltd. Şti.", with a contract value of EUR 287 thousand.

31 January 2022, "Litgrid informed the market that as of 22 February 2022 it will apply the updated methodology for the determination and allocation of interconnection capacities with third parties, approved by the State Energy Regulatory Board on 31 January 2022.

February

On 11 February 2022, the Energy Transmission and Exchange Group EPSO-G announced a selection procedure for members of Litgrid's Management Board. A total of two members of Litgrid's Management Board will be elected. They will replace the current employees of the parent company (EPSO-G) and one civil servant will be elected to the Boards, thus implementing the Law on the Protection of Objects Critical to National Security of the Republic of Lithuania. This law stipulates that the collegiate supervisory or management body elected by the general meeting of shareholders of an undertaking of national security importance of the first and second category must include at least one civil servant.

March

On 2 March 2022, the Baltic electricity transmission network operators decided by consensus to reduce commercial imports of electricity through existing interconnectors with Russia.

Once the new capacity decision comes into force, the total amount of electricity imported into the Baltic States from Russia will not exceed 300 MW from 3 March 2022. Accordingly, no more than 150 MW of electricity will be allowed to enter through the Lithuania-Russia and Latvia-Russia system interconnectors.

15 March 2022 Litgrid, the Lithuanian electricity transmission system operator, and RB Rail AS, the Baltic joint venture of Rail Baltica, signed a cooperation agreement on the implementation of the Rail Baltica project. The Parties set out in this agreement the main principles of mutual cooperation in the implementation of the project.

The 870 km long double-track track requires more than 2000 km of catenary, ~4350 tonnes of copper catenary element and ~50,000 pylons.

16 March 2022 Litgrid, Lithuania's electricity transmission system operator, has installed new or relocated power autotransformers in ten transformer substations. The electricity transmission network has been reinforced in regions with growing volumes and optimised elsewhere, extending the expected lifetime of the main substation equipment. The total investment in the autotransformer upgrade project amounts to €35.5 million.

April

14 April 2022 A survey commissioned by Litgrid showed that 4 out of 5 people support the country's strategic goal of disconnecting from the Russian-controlled energy system. Lithuania's ambition to become energy independent and disconnect from the BRELL system is supported by 79% of the population. Compared to the results of the previous poll conducted in autumn last year, support for energy independence has increased by 18%. At the same time, the number of those who disagree and doubt these strategic goals of the State has significantly decreased.

On 20 April 2022, the Ordinary General Meeting of Shareholders of the company approved the nomination of new members of the Board of Directors: the following members of Litgrid's Board were elected: Tomas Varneckas and Gediminas Karalius.

T. Varneckas is the Infrastructure Director of the state-owned energy transmission and exchange group EPSO-G. He is responsible for the Group-wide management of the operation and development of the electricity transmission network and gas transmission system infrastructure, as well as the functional areas of project management, information technology management and innovation. Mr Varneckas formulates and coordinates the implementation of policies in the areas he leads.

Mr Karalius, a civil servant, is Senior Adviser in the Energy Security Group of the Ministry of Energy. He has been selected as a candidate for the Litgrid Board in order to implement the Law on the Protection of Objects of National Security Importance, which stipulates that the collegial supervisory or management body elected by the General Shareholders' Meeting of an undertaking of national security importance of the first and second category must include at least one civil servant. One of its main tasks is to supervise and coordinate the implementation of the synchronisation project, as well as to enhance the security and reliability of the electricity system.

Litgrid's Board of Directors consists of 5 members elected for a 4-year term: two members delegated by the parent company (EPSO-G), two independent Board members and one Board member who is a civil servant.

May

10 May 2022 Lithuanian electricity transmission system operator Litgrid's project, the first 1 MW battery connected to the electricity grid in the Baltic States, has received international recognition: it was named a finalist in the Outstanding Project category at The Smarter E Award, Europe's largest renewable energy awards. The innovative battery was connected to the grid at the Vilnius substation at the end of last year, and Litgrid specialists successfully completed the testing of the installation this year. They confirmed that the 1 MW battery with a capacity of 1 MWh can contribute to the management of power system parameters.

10 May 2022 The State Energy Regulatory Council approved the updated methodology for the determination and allocation of interconnection capacities with third parties developed by Litgrid AB.

On 20 May 2022, Nord Pool, the operator of the electricity exchange, took a decision to suspend the trading of Russian electricity by the companies of the Inter RAO group, which are the only ones importing electricity from Russia to the Baltic countries.

The trading was carried out by the sole supplier, the Inter RAO group of companies. The decision to suspend trading was taken on 20 May by the electricity exchange operator Nord Pool. Since 22 May, Russian power in the Baltic States has been replaced by local generation and imports from Western and Nordic countries.

June

1 June 2022 The Baltic electricity transmission system operators - Litgrid of Lithuania, Augstsprieguma tīkls of Latvia and Elering of Estonia - are balancing the electricity system jointly, while maintaining a BRELL-compliant balance with the Russian electricity system.

1 June 2022 "Litgrid has finalised a deal with UAB Transporent and UAB Mobility Lietuva, under which the electricity transmission system operator will lease 28 electric vehicles and 44 plug-in hybrids.

Until now, 99% of the company's fleet consisted of vehicles powered by internal combustion engines. In the renewed fleet, such vehicles will account for 11%. This decision is one of the steps towards the company's commitment to reduce its greenhouse gas emissions by two-thirds by 2030.

29 June 2022 Operators from the nine Baltic Sea Region countries will work together to ensure the adequacy of the region's electricity system. The decision was taken by the leaders of Lithuanian electricity transmission system operator Litgrid, Latvian AST, Estonian Elering, Danish Energinet, Finnish Fingrid, Swedish Svenska Kraftnät, Norwegian Statnett, Polish PSE and German 50Hertz at a meeting of the leaders of the Baltic Sea region's electricity transmission system operators in Tallinn on 28 June

11. MATERIAL EVENTS OF HY 2022

(<https://nasdaqbaltic.com/statistics/lt/news?num=100&page=1&issuer=LGD&filter=1>)

Events	
June 17	Extraordinary General Meeting of LITGRID AB Shareholders being summoned
June 13	Resolutions adopted at the Extraordinary General Meeting of Shareholders of LITGRID AB
June 9	Nasdaq event CEO meets investors 2022
May 25	Concerning the opinion of the Audit Committee
May 20	Extraordinary General Meeting of LITGRID AB Shareholders being summoned
May 5	Concerning the contract for the design and contract works for the 330 kV Vilnius-Neris transmission line
May 5	LITGRID's 3-month results for 2022
May 2	Decisions taken at the Extraordinary General Meeting of LITGRID AB Shareholders
April 22	Dividend x-day
April 22	LITGRID AB dividend payment procedure for 2021
April 20	Decisions taken at the Ordinary General Meeting of LITGRID AB Shareholders
April 08	Extraordinary General Meeting of LITGRID AB Shareholders being summoned
April 08	Proposal received from EPSO-G UAB concerning the nomination of members of the Board of LITGRID AB
March 25	Ordinary General Meeting of LITGRID AB Shareholders being summoned
March 18	LITGRID AB publishes the Company's audited financial statements and annual report for 2021
Feb 8	Supplementary Agreement to the Contract for the Purchase and Sale of Isolated Power System Work Service
Feb 4	LITGRID AB unaudited condensed 12 month financial statements of the Company for 2021
Feb 4	Concerning the opinion of the Audit Committee
Feb 2	Decisions taken at the Extraordinary General Meeting of LITGRID AB Shareholders
Jan 11	Concerning the opinion of the Audit Committee
Jan 11	Extraordinary General Meeting of LITGRID AB Shareholders being summoned

12. IMPORTANT EVENTS AFTER THE REPORTING PERIOD

1 July 2022 "Litgrid has submitted a ten-year development plan for the 110-440 kV network of the Lithuanian electricity system to National Regulatory Council.

1 July 2022 The Baltic Regional Coordination Centre (RCC) becomes operational and will provide network security services to the Baltic electricity transmission system operators - Litgrid Lithuania, Elering of Estonia and AST of Latvia. The Centre will operate as an independent organisation. The RCC was established by the three Baltic TSOs in line with the requirements of the European Union's Clean Energy Package.

The office of the RCC is located in Tallinn, the capital of Estonia, with regional offices in Latvia and Lithuania. The Baltic RCC is one of six Regional Coordination Centres in Europe.

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

	Notes	30-06-2022	31-12-2021
ASSETS			
Non-current assets			
Intangible assets	4	4,610	4,952
Property, plant and equipment	5	335,133	338,051
Right-of-use assets	6	4,378	4,509
Investments in a joint venture		45	-
Deferred income tax assets		17,096	18,994
Financial assets		781	781
Total non-current assets		362,043	367,287
Current assets			
Inventories		1	7
Prepayments		1,507	1,127
Trade receivables under contracts with customers	8	27,818	50,463
Trade receivables	9	7,704	10,200
Other amounts receivable		10,439	9,969
Prepaid income tax		9,861	-
Loans granted	7	59,802	43,594
Other financial assets		5,261	5,359
Cash and cash equivalents	10	1,005	1,819
Total current assets		123,398	122,538
TOTAL ASSETS		485,441	489,825
EQUITY AND LIABILITIES			
Equity			
Share capital		146,256	146,256
Share premium		8,579	8,579
Legal reserve		14,626	14,626
Other reserves		47,003	32,034
Retained earnings (deficit)		(9,240)	20,013
Total equity		207,224	221,508
Liabilities			
Non-current liabilities			
Non-current borrowings	11	44,339	51,452
Lease liabilities	12	4,389	4,414
Congestion management revenue	13	138,461	88,267
Provisions		352	352
Other non-current amounts payable and liabilities		2,481	2,270
Total non-current liabilities		190,022	146,755
Current liabilities			
Current portion of non-current borrowings	11	14,225	14,225
Current portion of lease liabilities	12	85	180
Trade payables	14	30,120	59,454
Current portion of congestion management revenue	13	20,820	20,820
Advance amounts received		11,645	10,328
Income tax payable		-	3,162
Provisions		1,881	2,507
Other current amounts payable and liabilities		9,419	10,886
Total current liabilities		88,195	121,562
Total liabilities		278,217	268,317
TOTAL EQUITY AND LIABILITIES		485,441	489,825

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

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

	Notes	30-06-2022	30-06-2021
Revenue			
Revenue from electricity transmission and related services	16	144,686	111,187
Other income	17	561	1,222
Total revenue		145,247	112,409
Expenses			
Expenses of electricity transmission and related services	18	(128,796)	(66,318)
Depreciation and amortisation	4,5,6	(10,422)	(10,721)
Wages and salaries and related expenses		(7,294)	(6,037)
Repair and maintenance expenses		(3,399)	(3,662)
Telecommunications and IT maintenance expenses		(1,128)	(881)
Property, plant and equipment write-off expenses		(171)	(299)
Impairment of inventories and accounts receivables		45	60
Other expenses		(4,500)	(3,698)
Total expenses		(155,665)	(91,556)
Operating profit (loss)		(10,418)	20,853
Finance income		2	16
Finance costs		(463)	(384)
Dividend income		43	-
Profit (loss) before income tax		(10,836)	20,485
Income tax			
Current year income tax expenses		3,494	(4,866)
Deferred income tax income (expenses)		(1,898)	1,756
Total income tax		1,596	(3,110)
Net profit (loss)		(9,240)	17,375
Other comprehensive income that will not be reclassified to profit or loss		-	-
Total comprehensive income (expenses) for the period		(9,240)	17,375
Basic and diluted earnings/(deficit) per share (in EUR)	21	(0.018)	0.034

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

	01-04 – 30-06-2022	01-04 – 30-06-2021
Revenue		
Revenue from electricity transmission and related services	77,079	50,010
Other income	402	593
Total revenue	77,481	50,603
Expenses		
Expenses of electricity transmission and related services	(72,063)	(30,737)
Depreciation and amortisation	(5,197)	(5,336)
Wages and salaries and related expenses	(3,720)	(2,893)
Repair and maintenance expenses	(2,233)	(2,460)
Telecommunications and IT maintenance expenses	(623)	(478)
Property, plant and equipment write-off expenses	(84)	(46)
Impairment of inventories and accounts receivables	45	30
Other expenses	(2,091)	(1,576)
Total expenses	(85,966)	(43,496)
Operating profit (loss)	(8,485)	7,107
Finance income	-	8
Finance costs	(156)	(184)
Dividend income	43	-
Profit (loss) before income tax	(8,598)	6,931
Income tax		
Current year income tax expenses	4,175	(1,792)
Deferred income tax income (expenses)	(2,802)	763
Total income tax	1,373	(1,029)
Net profit (loss)	(7,225)	5,902
Other comprehensive income that will not be reclassified to profit or loss	-	-
Total comprehensive income (expenses) for the period	(7,225)	5,902
Basic and diluted earnings/(deficit) per share (in EUR)	(0.014)	0.012

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

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

	Share capital	Share premium	Legal reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2021	146,256	8,579	14,626	23,144	25,432	218,037
Comprehensive income (expenses) for the year	-	-	-	-	17,375	17,375
Transfer to reserves	-	-	-	8,890	(8,890)	-
Dividends	-	-	-	-	(16,542)	(16,542)
Balance at 30 June 2021	146,256	8,579	14,626	32,034	17,375	218,870
Balance at 1 January 2022	146,256	8,579	14,626	32,034	20,013	221,508
Comprehensive income (expenses) for the year	-	-	-	-	(9,240)	(9,240)
Transfer to reserves	-	-	-	14,969	(14,969)	-
Dividends	-	-	-	-	(5,044)	(5,044)
Balance at 30 June 2022	146,256	8,579	14,626	47,003	(9,240)	207,224

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

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

	Notes	30-06-2022	30-06-2021
Cash flows from operating activities			
Profit (loss) for the period		(9,240)	17,375
Adjustments for non-cash items and other adjustments:			
Depreciation and amortisation expenses	4,5,6	10,422	10,721
Impairment/(reversal of impairment) of assets		(45)	(60)
Income tax expenses		(1,596)	3,110
(Gain) loss on disposal/write-off of property, plant and equipment		171	299
Elimination of results of financing and investing activities:			
Interest income		-	(11)
Interest expenses		318	383
Dividend income	(43)	-	-
Other finance costs (income)		143	(4)
Changes in working capital:			
(Increase) decrease in trade receivables and other amounts receivable		23,368	3,524
(Increase) decrease in inventories, prepayments and other current assets		(359)	(208)
Increase (decrease) in amounts payable, grants, deferred income and advance amounts received		(25,325)	(2,018)
Changes in other financial assets		98	24,814
Income tax (paid)		(9,530)	(7,871)
Net cash flows from operating activities		(11,618)	50,054
Cash flows from investing activities			
(Purchase) of property, plant and equipment and intangible assets		(27,317)	(18,776)
Grants received		1,503	5,095
Loans to related parties		(16,208)	(21,700)
Revenue received from congestion management		65,620	11,385
Acquisition of a joint venture		(45)	-
Interest received		-	19
Dividends received		43	-
Net cash flows from investing activities		23,596	(23,977)
Cash flows from financing activities			
Repayments of borrowings		(7,113)	(7,112)
Lease payments		(152)	(168)
Interest paid		(350)	(429)
Dividends paid		(5,032)	(16,491)
Other cash flows from financing activities		(145)	-
Net cash flows from financing activities		(12,792)	(24,200)
Increase (decrease) in cash and cash equivalents			
		(814)	1,877
Cash and cash equivalents at the beginning of the period	10	1,819	33
Cash and cash equivalents at the end of the period	10	1,005	1,910

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

1. General information

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

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

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

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

As at 30 June 2022, the Company’s authorised share capital amounted to EUR 146,256,100.20 and it was divided into 504,331,380 ordinary registered shares with the nominal value of EUR 0.29 each. All shares are fully paid.

As at 30 June 2022 and 31 December 2021, the Company’s shareholders structure was as follows:

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

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

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

In accordance with Regulation (EU) 2019/943 of the European Parliament and Council on the internal market of electricity dated on 5th of the June 2019 (hereinafter Regulation), electricity transmission system operators: Litgrid, Elering and AST, 3 May 2022 established the Baltic Regional Coordination Center Baltic RCC OÜ (hereinafter Center), which is responsible for the provision and coordination of security and reliability services for the electricity system among transmission system operators in the Baltic region. As stipulated in the Regulation, Center will implement five main tasks: coordinate capacity of power lines between countries, assess the reliability and adequacy of electricity system, to plan and coordinate of the line outages and develop a common network model.

As at 30 June 2022, the Company had 369 employees (31 December 2021: 335).

2. Summary of principal accounting policies

2.1. Basic of preparation

These condensed interim Company’s financial statements, for the period ended 30 June 2022 are prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union and applicable to interim financial statements (IAS 34 „Interim Financial Reporting“).

In order to better understand the data presented in this condensed interim financial statements, this financial statements should be read in conjunction with the audited Company’s financial statements for the year 2021.

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

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

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

These financial statements for the period ended 30 June 2022 are not audited. Financial statements for the year ended 31 December 2021 are audited by the external auditor UAB „PricewaterhouseCoopers“.

3. The impact of the war in Ukraine on the financial statements

On February 24, 2022, Russia has started a military aggression against the Ukraine. Considering that the Company has no suppliers or customers in the above-mentioned countries, the war in Ukraine caused by Russia in 2022 did not have direct impact on the Company's financial results in the first half of 2022.

Since the fourth quarter of 2021 in the market is observed a quite significant increase in electricity prices, which also causes a significant increase in the costs of compensating the Company's technological losses. The outbreak of hostilities, among other factors, also influences high electricity prices, and at the same time, higher costs of compensating technological losses. In the future, the influence of war could emerge if due to the complex geopolitical situation Baltic countries were disconnected from BRELL. In such case the costs of system services and technological losses are likely to increase. If it happens, the impact on the Company's financial performance would be short term, because the higher system services costs as well as the higher costs of compensating technological losses incurred would be offset by including them in the prices of regulated services in the subsequent years.

The value of some investment projects increased because of the war as the contractors no longer use materials or parts imported from Russia, Belarus or Ukraine. The Company plans to finance the increased demand for investment funds with increased congestion income due to high electricity market prices.

4. Intangible assets

	Intangible assets
Net book amount at 31 December 2020	6,248
Additions	388
Reclassifications from PP&E	20
Amortization charge	(561)
Net book amount at 30 June 2021	6,095
Net book amount at 31 December 2021	4,952
Additions	284
Reclassifications from PP&E	25
Amortization charge	(651)
Net book amount at 30 June 2022	4,610

5. Property, plant and equipment

	Property, plant and equipment
Net book amount at 31 December 2020	331,709
Additions	14,115
Prepayments for PPE	550
Write-offs	(329)
Transfer to inventories	(14)
Transfer to intangible assets	(20)
Set-off of grants with non-current assets	(4,505)
Depreciation charge	(10,013)
Net book amount at 30 June 2021	331,493
Net book amount at 31 December 2021	338,051
Additions	10,225
Prepayments for PPE	10,717
Write-offs	(176)
Transfer to inventories	(10)
Transfer to intangible assets	(25)
Set-off of grants with non-current assets	(14,009)
Depreciation charge	(9,640)
Net book amount at 30 June 2022	335,133

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

Had the value of property, plant and equipment not been reduced by the amount of grants, the carrying amount would be higher by EUR 343,411 thousand as at 30 June 2022 (EUR 317,226 thousand as at 30 June 2021). Below is information about property, plant and equipment, the value of which was reduced by the amount of grants received/receivable:

	2022	2021
Opening balance at 1 January	334,322	315,178
Additions	14,009	6,615
Depreciation charge	(4,906)	(4,567)
Write-offs	(14)	-
Closing balance at 30 June	343,411	317,226

6. Right-of-use assets

	Right-of-use assets
Net book amount at 31 December 2020	4,795
Additions	6
Amortisation	(147)
Net book amount at 30 June 2021	4,654
Net book amount at 31 December 2021	4,509
Additions	-
Amortisation	(131)
Net book amount at 30 June 2022	4,378

7. Loans granted

	30-06-2022	31-12-2021
Loan to EPSO-G, UAB (Group intercompany borrowing agreement)	59,802	43,594
Carrying amount	59,802	43,594

Upon the receipt of the permission of NERC, the Company and EPSO-G UAB concluded the group account (cashpool) agreement on 26 February 2021. The agreement establishes the possibility to use free congestion management revenue for intercompany lending and borrowing purposes.

8. Trade receivables under contracts with customers

	30-06-2022	31-12-2021
Amounts receivable for electricity transmission and related services	25,798	49,776
Accumulated amounts receivable for electricity transmission and related services	2,020	732
Less: impairment of trade receivables	-	(45)
Carrying amount	27,818	50,463

9. Trade receivables

	30-06-2022	31-12-2021
Amounts receivable for services related to electricity transmission	278	143
Congestion management revenue receivable	3,239	3,741
PSO funds receivable	1,878	3,189
Accumulated amounts receivable for services related to electricity transmission	2,252	3,074
Other trade receivables	57	53
Carrying amount	7,704	10,200

10. Cash and cash equivalents

	30-06-2022	31-12-2021
Cash at bank	1,005	1,819
Carrying amount	1,005	1,819

11. Borrowings

Borrowings of the Company were as follows:

	30-06-2022	31-12-2021
Non-current borrowings		
Borrowings from banks	44,339	51,452
Current borrowings		
Current portion of non-current borrowings	14,225	14,225
Total	58,564	65,677

Maturity of non-current borrowings:

	30-06-2022	31-12-2021
Between 1 and 2 years	13,125	14,225
From 2 to 5 years	15,214	19,227
After 5 years	16,000	18,000
Total	44,339	51,452

As at 30 June 2022 the weighted average interest rate on the Company's borrowings was 0,96 % (0,97 % as at 31 December 2021).

12. Lease liabilities

Lease liabilities and their movement were as follows:

	2022	2021
Carrying amount at the beginning of the period at 1 January	4,594	4,857
Concluded lease contracts	-	6
Expenses of interest charged	32	32
Lease payments (principal and interest)	(152)	(168)
Carrying amount at the end of the period at 30 June	4,474	4,727

	30-06-2022	30-06-2021
Non-current lease liabilities	4,389	4,473
Current lease liabilities	85	254
Total lease liabilities	4,474	4,727

13. Congestion management revenue

	30-06-2022	30-06-2021
Opening balance of congestion management revenue at 1 January	109,087	62,519
Congestion management revenue received during the period	64,351	10,615
Used for investments in property, plant and equipment	(12,572)	(1,866)
Congestion management revenue recognised as income during the period	(1,585)	(326)
Closing balance of congestion management revenue at 30 June	159,281	70,942

	30-06-2022	30-06-2021
Non-current portion of congestion management revenue included in liabilities	138,461	64,082
Current portion of congestion management revenue included in liabilities	20,820	6,860
Total congestion management revenue	159,281	70,942

As at 30 June 2022, the liabilities in relation to congestion management revenue amounted to EUR 159,281 thousand. The difference between liabilities and assets in relation to congestion management revenue is mainly due to the loan of EUR 59,802 thousand issued to UAB EPSO-G (through a cashpool facility) (Note 7). The remaining part of the difference is due to the available congestion management revenue being used to finance Company's operating activities.

14. Trade payables

	30-06-2022	31-12-2021
Amounts payable for electricity	22,692	42,280
Amounts payable for contractual works, services	4,189	7,691
Amounts payable for property, plant and equipment and inventories	3,239	9,483
Carrying amount	30,120	59,454

15. Information by segments

The Company is engaged in electricity transmission and related services activities and operates as one segment. All non-current assets of the Company are located in Lithuania, where the Company carries out its activity. During the six months of 2022, revenue from the Lithuanian clients accounted for 80% of the Company's total revenue (during the six months of 2021: – 93 percent).

16. Revenue from electricity transmission and related services

	30-06-2022	30-06-2021
Electricity transmission services	37,471	39,689
Trade in balancing/imbalance electricity	53,032	18,716
System services	36,290	45,770
Revenue from other sales of services related to electricity transmission	1,113	711
Grid service for imports from third countries	396	611
Revenue from PSO services	14,719	5,299
Revenue from connection of new consumers	7	3
Congestion revenue	1,584	326
Revenue from administration of guarantees of origin	74	62
Total	144,686	111,187

In the first six months of 2022 the amount of revenue from contracts with customers amounted to EUR 127,583 thousand (the first six months of 2021 amounted to EUR 104,886 thousand).

Revenue from electricity transmission and related services increased by 30.1% compared to the same period of 2021. The increase is mainly due to the increase in balancing/imbalance related revenue by EUR 34.3 million (2.8 times), which is due to the 3.1 times higher average selling price while sales volumes decrease 9.1%. There was also an increase in Public service obligations revenue by EUR 9,4 million due to 3.2 times increase in sales price.

17. Other income

	30-06-2022	30-06-2021
Income from lease of assets	267	255
Other income	294	967
Total	561	1,222

For the first six months of 2022 most of other income – EUR 221 thousand consisted of interest and penalties due to the delay in works performed by contractors (for the first six months of 2021 – EUR 966 thousand).

18. Expenses of electricity transmission and related services

	30-06-2022	30-06-2021
Electricity expenses for compensation of technological losses	34,693	11,452
Expenses for system services	24,529	30,662
Expenses for PSO services (balancing of generation using renewable energy sources)	14,669	5,249
Expenses for balancing/imbalance electricity	52,721	18,413
Expenses for the participation in the ITC mechanism of the European Network of Transmission System Operators for Electricity (ENTSO-e)	600	215
Expenses for guaranteeing the availability of allocated capacities of the interconnections	1,584	327
Total	128,796	66,318

Expenses of purchase of electricity and related services accounted for a major portion of the Company's operating expenses: EUR 128.8 million (82.7% of the Company's total expenses). These expenses increased by 94.2% compared to the same period of 2021. Expenses for system services decreased by 20% to EUR 24.5 million. Disbalance and balancing electricity expenses increased 2.9 times and amounted to EUR 52.7 million due to increase in the average purchase price.

Expenses of compensating for electricity purchase technological losses in the transmission network increased three times to EUR 34.7 million due to 2.5 times higher average purchase price of electricity and by 23.4% increase in technological losses quantity.

19. Related-party transactions

The Company's related parties were as follows:

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

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

The Company's transactions with related parties between January and June of 2022 and balances arising from these transactions as at 30 June 2022 were as follows:

Related parties	Receivables and accrued income	Amounts payable and accrued charges	Loans granted	Purchase	Sales	Finance income
<u>EPSO-G UAB group companies</u>						
EPSO-G UAB	-	44	59,802	109	-	-
TETAS UAB	826	949	-	3,582	19	-
BALTPOOL UAB	1,878	-	-	-	7,677	-
<u>State-controlled companies</u>						
Energijos skirstymo operatorius AB	13,897	1,035	-	1,196	72,450	-
Ignitis gamyba AB	3,209	12,835	-	44,600	9,741	-
Ignitis grupės paslaugų centras UAB	27	-	-	-	141	-
Ignitis UAB	2,508	538	-	3,300	10,637	-
Vilniaus kogeneracinė jėgainė UAB	-	145	-	164	45	-
Kauno kogeneracinė jėgainė UAB	3	71	-	228	57	-
Transporto valdymas UAB	-	18	-	90	-	-
Lietuvos automobilių kelių direkcija VĮ	-	321	-	-	-	-
Ignalinos atominė elektrinė VĮ	78	-	-	-	419	-
LGT Infra AB	38	15	-	-	235	-
	22,464	15,971	59,802	53,269	101,421	-

The Company's transactions with related parties between January and June of 2021 and balances arising from these transactions as at 30 June 2021 were as follows:

Related parties	Receivables and accrued income	Amounts payable and accrued charges	Loans granted	Purchase	Sales	Finance income
<u>EPSO-G UAB group companies</u>						
EPSO-G UAB	-	55	21,700	99	-	-
TETAS UAB	139	526	1,000	6,565	33	11
BALTPOOL UAB	388	-	-	203	2,705	-
<u>State-controlled companies</u>						
Energijos skirstymo operatorius AB	13,874	622	-	960	79,556	-
Ignitis gamyba AB	895	6,506	-	33,191	4,069	-
Ignitis grupės paslaugų centras UAB	28	-	-	-	136	-
Ignitis UAB	314	-	-	1,436	4,392	-
Vilniaus kogeneracinė jėgainė UAB	45	114	-	80	203	-
Kauno kogeneracinė jėgainė UAB	9	21	-	92	37	-
Transporto valdymas UAB	-	18	-	90	-	-
Lietuvos automobilių kelių direkcija VĮ	-	321	-	-	-	-
Ignalinos atominė elektrinė VĮ	93	33	-	93	471	-
LGT Infra AB	44	-	-	-	248	-
	15,829	8,216	22,700	42,809	91,850	11

Payments to the key management personnel

	30-06-2022	30-06-2021
Employment-related payments	370	381
Whereof: termination benefits	-	26
Number of the key management personnel (average annual)	7	7

During the first six months of 2022 and 2021 the Management of the Company did not receive any loans, guarantees, or any other payments or property transfers were made or accrued.

Key management personnel consists of the Company's head of administration and department directors and Board members. Payments to the Board members for the first six months of 2022 amounted to EUR 18,900 (compared to EUR 18,900 for the first six months of 2021).

20. Dividends

During the Ordinary General Meeting of Shareholders of LITGRID AB held on 20 April 2022, the decision was made in relation to the payment of dividends in the amount of EUR 5,043,314. Dividends per share amounted to EUR 0.01.

21. Basic and diluted earnings per share

During the first six months of 2022 and 2021, the Company's basic and diluted earnings per share were as follows:

	30-06-2022	30-06-2021
Net profit (loss) attributable to the Company's shareholders (EUR thousands)	(9,240)	17,375
Weighted average number of shares (units)	504,331,380	504,331,380
Basic and diluted earnings (deficit) per share (in EUR)	<u><u>(0.018)</u></u>	<u><u>0.034</u></u>