Press release

4 August 2022

Vilnius

**Litgrid's results for the first half of the year: reliable electricity transmission ensured, preparations for synchronisation continue**

**Litgrid, Lithuanian electricity transmission system operator, has ensured positive reliability indicators in the first half of this year and continued to prepare for the synchronisation.**

**The implementation of the synchronisation with the continental European grid and other strategic projects was ensured. Increased electricity market prices were the main factor behind the increase in both revenues and costs, having negative impact on the company's profit.**

"In the first half of this year, we smoothly continued to deliver on our key goals. First of all, we continued our preparations for the synchronisation: we started the construction of 3 strategic projects - the 330 kV lines Darbėnai-Bitėnai and Kruonis HAE-Bitėnai and the Neris substation, we signed an agreement with our partners on additional funding of EUR 170 million for synchronisation projects in the Baltic States and Poland, and we are intensively preparing for the isolated operation test of the Lithuanian system planned in the autumn. In addition to successful development of the strategic projects, we have consistently worked on the reliability of electricity transmission on a daily basis. The figures for the first half of the year allow us to meet the levels set by the National Regulator for this year. We continue to lay the foundations for the accelerated development of renewable generation - this year we have received huge interest from investors in wind and solar power plants, and we are aiming to enable the connection of as many renewable generators as possible over the coming years," says Rokas Masiulis, Litgrid CEO.

In response to Russia's aggression against Ukraine, the Baltic TSOs have reduced the capacity of their system interconnectors with Russia, thus limiting electricity imports from Russia to the Baltic countries. Since 22 May, no electricity has been imported from Russia to Lithuania.

Compared to the beginning of last year, the amount of electricity transmitted has decreased slightly: in the first half of 2022, the amount of electricity transmitted to meet the country's needs amounted to 5.306 TWh, a decrease of 1.5% compared to the same period in 2021, when the amount of electricity transmitted amounted to 5.385 TWh.

**Reliability indicators AIT and ENS**

In the first half of 2022, the AIT (Average Interruption Time) indicator was 0.28 minutes and the ENS (Energy Not Transmitted) indicator was 8.241 MWh. The National Energy Regulatory Council has set the AIT for the whole year at 0.934 minutes and the ENS at 27.251 MWh.

The overall availability of the interconnectors with Sweden (NordBalt) and Poland (LitPol Link) in the first half of the year was 100% and 96.7% respectively. The main impact on the unavailability of LitPol Link was due to the planned work on one of the main synchronisation projects with the continental European grids - the extension and adaptation of the link with Poland to synchronous operation.

**Financial results**

In the first half of 2022, Litgrid's revenues amounted to EUR 145.2 million. It was 29.2% higher compared to the same period last year. Revenue from transmission and system services declined mainly due to lower prices set by the regulator, but the overall increase in revenue was driven by a 2.8-fold increase in imbalance and balancing electricity revenue due to higher electricity market prices. The increase in revenues did not affect profitability, as these revenues cover the 2.9 times increase in imbalance and balancing electricity costs due to price increases.

The company's earnings before interest, taxes, depreciation and amortisation (EBITDA) for the first half of 2022 was EUR 0.1 million. This compares with an EBITDA of EUR 31.8 million for the first half of 2021. The net loss for the first half of 2022 was EUR 9.2 million (net profit for the first half of 2021 was EUR 17.4 million). The loss was mainly due to a 3-fold increase in the cost of compensating for technological losses in the transmission network to €34.7 million due to higher electricity prices.

Litgrid investments for the first half of 2022 amounted to EUR 10.5 million, of which 46 % were allocated to the implementation of strategic and nationally important electricity projects and 54 % to the reconstruction and development of the transmission network and operational support.

**About Litgrid:**

 Litgrid AB, Lithuanian electricity transmission system operator, supports stable functioning of the country’s energy system, controls electricity flows and creates conditions to compete in the open electricity market. In Lithuania, the company owns more than 7 thousand km of overhead lines, over 200 transformer substations and 17 inter-system lines connecting to other countries, constantly maintaining them to ensure appropriate electricity transmission for all residents, institutions and other organisations in the country.

Since 22 December 2010, AB Litgrid has been listed in NASDAQ OMX Vilnius stock exchange secondary list. 97.5% of AB Litgrid is owned by UAB EPSO-G which is 100% owned by the Ministry of Energy of the Republic of Lithuania.