Press release

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**Litgrid announces results for the first half of 2024: continued preparation for synchronisation, focus on renewable energy**

**In the first half of the 2024, Lithuanian electricity transmission system operator Litgrid has continued its preparations for synchronisation with the continental European grid, enabled smooth implementation of renewable energy projects, and ensured reliable electricity transmission. Compared to the same period a year ago, the company's revenue and profit grew.**

“During the second quarter of the year, we continued to implement important preparation works for the synchronisation of the Baltic countries with the continental Europe. The components of the third synchronous condenser have arrived at the Neris substation, while we continued the installation of the other two devices in Alytus and Telšiai. In the Neris substation, we also connected the temporary connection Lietuvos E–Neris–Utena, which is important for the reliability of the transmission network, while other projects are carried out. We also completed the reconstruction of the 330 kV line Klaipėda–Šyša. In July, together with the Latvian and Estonian electricity transmission operators AST and Elering, we sent a notice to withdraw from the Russian-controlled electricity system in February 2025, and in exactly half a year from now we plan to join the Continental Europe Synchronous Area,” says Rokas Masiulis, CEO of Litgrid.

In the second quarter, Litgrid continued to focus on the integration of renewable energy sources to the electricity transmission grid. In June, the National Energy Regulatory Council (NERC) approved an updated description of the procedure for using electricity transmission grid, which clarifies the provisions of the document, reduces risks for developers and financing institutions, details power plant management processes, eliminates redundant requirements, and simplifies the development process of renewable resources power plants.

In April, a solar power plant with permitted generation capacity of 80 MW was connected to the grid in Molėtai district, and in June, the first hybrid park, where wind and solar power plants can produce electricity, was connected in Tauragė district. During the transmission network reservation cycle that ended in June, Litgrid preliminarily reserved 1.7 GW capacity for renewable energy projects based on 15 requests.

**Reliability of supply**

The amount of electricity transmitted through Lithuanian transmission grid to meet the country's needs increased by 0.5% from 4.718 TWh in the first half of last year to 4.739 TWh in January–June this year.

Litgrid maintained and managed the electricity transmission system, consistently meeting its reliability targets. In the first 6 months of 2024, the average interruption time (AIT) indicator was 0.38 minutes, and the energy not supplied (ENS) indicator was 10.64 MWh. NERC 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 6 months was 92.18% and 98.19%, respectively. NordBalt availability was primarily affected by repairs, carried out by Swedish operator Svenska Kraftnat, and LitPol Link availability was primarily affected by planned works conducted by the Polish operator PSE.

**Financial results**

According to unaudited data, Litgrid revenues in the first half of 2024 amounted to EUR 197.7 million. Compared to the same period last year, it was 18% higher.

Transmission revenues (including congestion management revenues used for tariff reduction) decreased by 37% to EUR 65.1 million. The average effective transmission price increased by a factor of 2 year-on-year, but the decrease in revenues is due to the use of congestion management revenues of EUR 71.2 million to reduce the tariff in the first half of 2023.

Revenue from ancillary services increased by a factor of 5.2 to EUR 71.7 million. The main reason for the change was the 5.5 times increase in the price of ancillary services due to the planned higher costs in NERC.

Revenue from balancing activities increased by 29% to EUR 57.7 million, but system balancing service is always zero-marginal for Litgrid, i.e. the change in revenue has no impact on the profit/loss as it only covers the actual costs incurred.

The company's earnings before interest, taxes, depreciation and amortisation (EBITDA) for the first half of 2024 were EUR 40.6 million, 16% more than at the same time last year, when EBITDA was EUR 35 million. Adjusted EBITDA (after adjustments for temporary regulatory deviations from the levels approved by NERC) amounted to EUR 24.8 million. This compares to an adjusted EBITDA of EUR 20.3 million for the first half of 2023. Adjusted EBITDA was mainly driven by the EUR 6 million additional component for the financing of investments in the 2024 transmission revenues.

Net profit in the first half of 2024 was EUR 28.1 million, 22% more than in first 6 months of 2023, when net profit was EUR 23 million. The higher profit was mainly due to a better result from ancillary services, and lower costs for compensation of technological losses. The result was negatively affected by lower transmission revenues, a worse result from other transmission activities, increased operating costs. Adjusted net profit for the first half of 2024 amounted to EUR 14.7 million, an increase of 41% compared to EUR 10.4 million in the same period last year.

Litgrid's investments in the first half of 2024 amounted to EUR 90.2 million, of which 62% was allocated to the implementation of strategic and nationally important electricity projects and 38% to the reconstruction and development of the transmission network and operational support.

Congestion management revenues in the first half of 2024 amounted to EUR 53 million, an increase of 49% compared to the same period last year. The congestion management revenue is not revenue neutral and does not directly contribute to Litgrid's operating result, and its use is governed by Regulation 2019/943 of the European Parliament and of the Council and the methodology approved by the Agency for the Cooperation of Energy Regulators of the European Union (ACER). Congestion management revenues are mainly used to partially finance the company's investments to increase the capacity of interconnectors.

**About Litgrid:**

Litgrid, the operator of the Lithuanian electricity transmission system, maintains the stable operation of the country's electricity system, manages electricity flows, and creates conditions for competition in the open electricity market. The company manages more than 7,000 km of overhead lines, more than 200 transformer substations, and 17 interconnectors with other countries in Lithuania and maintains them on a regular basis to ensure the adequate transmission of electricity to all the country's residents, institutions, and other organisations.

Since 22nd December 2010, Litgrid shares are listed on the Nasdaq Vilnius Stock Exchange's supplementary trading list. 97.5% of the shares of Litgrid are listed on the stock exchange. Litgrid's shares are owned by the energy transmission and exchange group EPSO-G, 100% of which is owned by the Ministry of Energy of the Republic of Lithuania.