Press release

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Vilnius

**Results achieved by Litgrid in 2021: greater reliability, strategic projects completed**

**Last year, Lithuanian electricity transmission system operator Litgrid has further increased the indicators of reliability of electricity supply, and continued smooth implementation of the strategic projects, that are necessary in preparing for the synchronization with the continental European networks.**

‘Last year, we have successfully achieved the objectives pursued and got even closer to the strategic goal - synchronization with the continental European networks. Expansion of LitPol Link interconnection, which, if necessary, would already now allow us to operate on the same frequency with Poland, is perhaps the most important occurrence. At the end of the year, together with the partners PSE, we carried out a test, which showed that we really have every opportunity for that. Other important achievements in connection with the synchronization: we have signed the contract for the installation of synchronous condensers, and have entered the next stage of the new Lithuanian-Polish maritime connection Harmony Link, where our shareholders and the shareholders of our partners PSE approved investments in the largest synchronization project. While implementing strategic projects, we continue to perform our daily functions, which, first of all, are related to ensuring a reliable electricity supply to all Lithuanian consumers. Last year, we have improved our results in this area nearly twice - this is the extent, by which the number of power outages in the operator’s responsibility has decreased’- says Rokas Masiulis, CEO of Litgrid.

In 2021, Litgrid completed two synchronization projects of national importance - expansion of LitPol Link connection and optimization of north-eastern Lithuanian electricity transmission network. Currently, a total of 5 out of 17 projects are completed, or about 40 percent of all works, required for the synchronization, are done. The Baltic States plan to join the Continental Europe Synchronous Area (CESA) in 2025. After the EU countries have approved, at the beginning of the year, the award of 170 million in grants, the total support for synchronization exceeded 1.2 billion euros.

Last year, in carrying out a pilot project, Litgrid connected a 1 MW battery to the transmission network - this is the first-of-its-kind facility in the Baltic States. The tests, performed together with the manufacturer of the battery, showed the potential of these facilities to contribute to the management of the parameters of the electricity transmission network, and they will help connect more powerful energy storage systems to the network in the future.

**Greater reliability**

Based on international practice, Litgrid measures the system reliability using two main indicators - average interruption time (AIT), for which the operator is responsible, and energy not supplied (ENS). In 2021, both of these indicators were better, that is, the indicators were lower than in 2020.

The AIT was 0.112 minutes, while in the year before last, this indicator was 0.209 minutes. Meanwhile, in 2021, the ENS accounted for 3.356 MWh, compared to 6.213 MWh in 2020. The qualitative values of the indicators exceed the Litgrid tasks for 2021, that have been approved by the National Energy Regulatory Council, that the AIT should not exceed 0.29 minutes and the ENS should not exceed 6.300 MWh during the entire year.

In 2021, the overall availability of interconnections with Sweden (NordBalt) and Poland (LitPol Link) (measured by evaluating the time for which the connection could be used) was 97.27 percent and 87.48 percent, respectively. Compared to the last year, the availability of LitPol Link decreased due to the scheduled maintenance work in May and due to temporary power outages in completing works of one of the synchronization projects - the expansion of Litpol Link connection.

Electricity transmitted in 2021 to meet the country's needs amounted to 10.936 TWh, which is 8.4 percent more than in 2020, when 10,089 TWh were transmitted. The growth in the amount of electricity transmitted was largely determined by the country's growing economy: according to the preliminary data of the Department of Statistics, in 2021, Lithuania's gross domestic product grew by 5.1 percent.

**Revenue grew due to the increasing amount of the balancing services**

According to the unaudited data, in 2021, the revenue of Litgrid amounted to 270.6 million euros and was 30 percent higher than in 2020. The revenue growth was mainly driven by imbalance and balancing electricity revenues, which amounted to 71.7 million euros, and was 3.4 times higher than in 2020.This revenue growth does not have impact on profit.

EBITDA (earnings before interest, tax, depreciation and amortisation) of the Company was 47.2 million euros - 9 percent lower than in 2020. The net profit of the Company was 19.5 million euros, 27 % lower than in 2020. The Company results were affected by increased market electricity prices and therefor the significantly increased electricity compensation costs in the technological electricity network equipment.

During 2021, the investment of Litgrid amounted to 53.2 million euros, 64% of them were allocated for the implementation of the strategic electricity projects of national importance, 36 % were allocated for the reconstruction and development of the transmission network and for the operational support.

**About Litgrid:**

AB Litgrid, the 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.