PRESS RELEASE

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**Six-month results of the EPSO-G Group: more investments to Lithuania‘s energy independence, increased net profit**

**In the first half of this year, EPSO-G, the group of energy transmission and exchange companies, increased its investments by almost 49% in projects that strengthen Lithuania's energy independence. Revenue of the Group decreased by 4% within January-June of 2023 to EUR 221 million compared to the same period last year, but consolidated net profit increased significantly, amounting to EUR 31.5 million.**

“The first half of this year was exceptional due to important steps in strengthening Lithuania's energy independence – for the first time during the isolated operation test, the country's electricity system successfully operated fully independently, the accelerating development of renewable energy allowed the volume of local generation to increase to almost 42% of the electricity system's demand, and the battery parks were at the finish line. The Group's positive financial performance was driven by the return of energy prices to pre-crisis levels, as well as the sale of a controlling stake in the gas exchange GET Baltic," said Mindaugas Keizeris, CEO of EPSO-G.

In May, the European Energy Exchange AG (EEX) acquired a 66% stake in the regional gas exchange GET Baltic from the Group's company Amber Grid. The transaction was worth EUR 6.5 million. EEX's involvement will contribute to better services and liquidity for customers and the market as a whole. The remaining 34% will be held by Amber Grid, which will continue to be involved in the further development of the gas business in the dynamic Baltic Sea region.

The Group's consolidated net profit for the first half of the year amounted to EUR 31.5 million, compared to a loss of EUR 4.5 million in the corresponding period last year. EPSO-G Group's operating earnings before interest, taxes, depreciation and amortisation (EBITDA) in the first half of this year amounted to EUR 44.2 million, 3.2 times higher than in the same period in 2022. The change in profitability ratios was due to temporary regulatory differences, with the main positive temporary impact on the results coming from lower technology costs for the electricity transmission network than those provided for in regulated prices.

Group’s adjusted EBITDA, calculated after adjusting the results of the transmission operators for temporary regulatory differences, amounted to EUR 31.5 million. For the first half of 2022, adjusted EBITDA was EUR 33.6 million. The Group's corresponding adjusted net profit in January-June this year was EUR 11.5 million, and in the corresponding period of 2022 it was EUR 12.8 million.

The EPSO-G Group's investments in infrastructure amounted to EUR 79.6 million in the first six months of this year, almost 49% more than in the same period in 2022. Investments by Litgrid and Amber Grid amounted to EUR 59.3 million and EUR 18.9 million respectively. According to Mr Keizeris, the Group's investments in the region's energy security projects are generating returns - increased natural gas transmission flows to EU countries are already paying off investments in Lithuania's gas infrastructure, while investments in the electricity grid are bringing closer to the reliable synchronisation and enabling further development of renewable energy sources.

High-voltage transmission networks of Litgrid transmitted 4.7 terawatt hours (TWh) of electricity to the needs of the country's residents and businesses in the first half of this year, which is 11% less than in the same period last year. The drop in electricity transmission was due to a drop in consumption and an increase in the number of renewable electricity consumers connected to the distribution grid.

In the first half of 2023, Amber Grid transported 18.5 TWh of natural gas to consumers in Lithuania, the Baltic States, Finland and Poland, excluding transit to the Kaliningrad region. This is a 2% decrease compared to the same period last year. The decrease in domestic consumption was offset by transmission towards Latvia, which reached 10 TWh, compared to 7.8 TWh in the corresponding period of 2022.

GET Baltic, the gas exchange operating in Lithuania, Latvia, Estonia and Finland, whose sale of a majority stake was completed in May this year, traded 4.9 TWh in the first six months of the year, up 30% compared to the same period last year. The growth was driven by a consistent increase in activity on the stock exchange.

In the first half of 2023, Lithuanian and foreign district heating companies, independent heat producers and industrial companies purchased 3.9 TWh of biofuel on the energy exchange Baltpool. This is a 42% increase compared to 2.73 TWh of biofuels purchased in the same period in 2022. While the first quarter saw a decline, the second quarter almost doubled the growth, with heat generators actively making deals as they started to prepare for the coming season after a costly season, as the price of biofuel was almost a third lower than a year ago.

The EPSO-G group of companies consists of the holding company EPSO-G, the companies Amber Grid, Baltpool, Energy cells, Litgrid and Tetas, and the associated company GET Baltic. The Ministry of Energy of the Republic of Lithuania exercises the rights and duties of the sole shareholder of EPSO-G. As of 30 June, the Group had 1,264 employees.

**For more information, please contact**

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