



PRESS RELEASE

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Amber Grid generated EUR 24.9 m revenue in the first half of 2020

In the first half of the year, the revenue of Amber Grid, the Lithuanian gas transmission system operator belonging to the EPSO-G Group, when engaging in targeted construction of the connection with Poland, amounted to EUR 24.9 m. Compared to the same period of the last year, revenue of Amber Grid Group reduced by 4.3% mainly because since the beginning of the year system users were charged by almost 16 % lower prices for transmission services.

According to Nemunas Biknius, CEO of Amber Grid, the impact of cheaper services on revenue was set off by a significant increase in the volume of transmission services in the direction of Latvia due to a record-breaking fall in gas prices and increased consumption in the country's electricity generation sector.

This also counterweighted lower gas demand of the first quarter of the year due to a very warm winter and had a positive impact on the company's profit level. In the first six months of this year, Amber Grid made a profit of EUR 11.4 m before interest, tax, depreciation and amortisation (EBITDA) – likewise during the same period last year. Over this period, the company's net profit increased to EUR 7.4 m from EUR 5 m, y-o-y.

'Positive financial performance of stable activities of the gas transmission system operator in the first half of the year was influenced by the attractive gas price prevailing on the world's gas markets. This circumstance encouraged transportation of gas both to Lithuania and Baltic States, actively using Klaipėda LNG terminal. In June, gas transit in the direction of Latvia was the largest over the entire period of Lithuania's independence and amounted to 1.4 terawatt hours exceeding gas transit to Kaliningrad Region,' said Nemunas Biknius, CEO of Amber Grid.

According to him, due to COVID-19 pandemic in spring and the quarantine declared in Lithuania, the safety of employees and the business continuity were immediately ensured, with most of the company's staff moving to work remotely and without deviating from the schedule of construction of GIPL international connection between Lithuania and Poland. COVID-19 had no significant impact on operations of Amber Grid.

By 10% more gas transported to the Lithuanian gas transmission system

During the first half of 2020, 15.3 terawatt hours (TWh) of gas were delivered to Lithuania, excluding gas transported to Kaliningrad Region. This is almost by 10 % more compared to the first half of 2019, when 14 TWh of natural gas were transported to Lithuania. During this period, 12.6 TWh of gas were consumed for Lithuania's needs – the same amount as during the comparable period of the last year.

In the first half of 2020, 2.5 TWh of natural gas were transmitted to system users from the transmission system to Latvia via Kiemėnai gas accounting station, which is about 2.1 times more than in the first half of 2019 (1.2 TWh). 12.4 TWh of natural gas was transported to Kaliningrad Region (13.5 TWh in the first half of 2019).

In January – June 2020, 72 % of the total amount of gas was supplied from Klaipėda LNG terminal and 28 % were injected via pipelines from Belarus and Latvia for Lithuanian, Baltic and Finnish customers.

Main focus of Amber Grid – implementation of GIPL project

The largest strategic project of Amber Grid – the construction of GIPL gas pipeline between Lithuania and Poland started in early 2020 was actively pursued in the first half of the year. During this time, 118 km of steel pipes were brought to Lithuania from Poland, 90 km of pipes were welded into threads, and the pipeline was intensively inserted in excavated trenches. In June, complex horizontal directional drilling HDD works were carried out laying the pipeline under the Neris, and in July the same works were started under the Nemunas.

All mandatory detailed archaeological surveys of construction stages I and II were already completed in the pipeline route between Širvintos and Alytus district (the total length of these stages is about 103 km). As part of these surveys, historically unexplored Stone Age settlements and medieval tombs were discovered. The areas of high archaeological value are being explored along the pipeline route between Širvintos and Lazdijai in Kernavė locality, Kruonis region and Alytus district, around Punia.

In May, following the signing of the contract with the consulting company AFRY by Amber Grid and the Polish gas transmission system operator GAZ-SYSTEM, the feasibility study is under way on the commercial usability of GIPL connection in Europe. Its results will be available in autumn. The aim is to achieve that GIPL gas connection, which will become operational from 2022, generates the greatest possible economic benefits for consumers in Lithuania, Poland and other countries of the European Union and is intensively used for gas transportation along different routes and for needs of many countries.

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