# Investor presentation:
# 3M 2024 results & Strategic Plan 2024–2027

15 May 2024

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# Agenda




Darius Maikštėnas, CEO

Jonas Rimavičius, CFO


# 3M 2024 results

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# Highlights

Continued Green Capacities Portfolio growth

## Strategy

– Green Capacities Portfolio growth to 7.4 GW, +0.3 GW QoQ

– Installed Capacity increase to 1.4 GW, +0.1 GW QoQ

– Strategic milestones achieved in the development of our Portfolio

## Sustainability

– Decrease in Scope 2 emissions

– Improved OHS performance

– Maintained high employee satisfaction and Top Employer certificate

## Finance

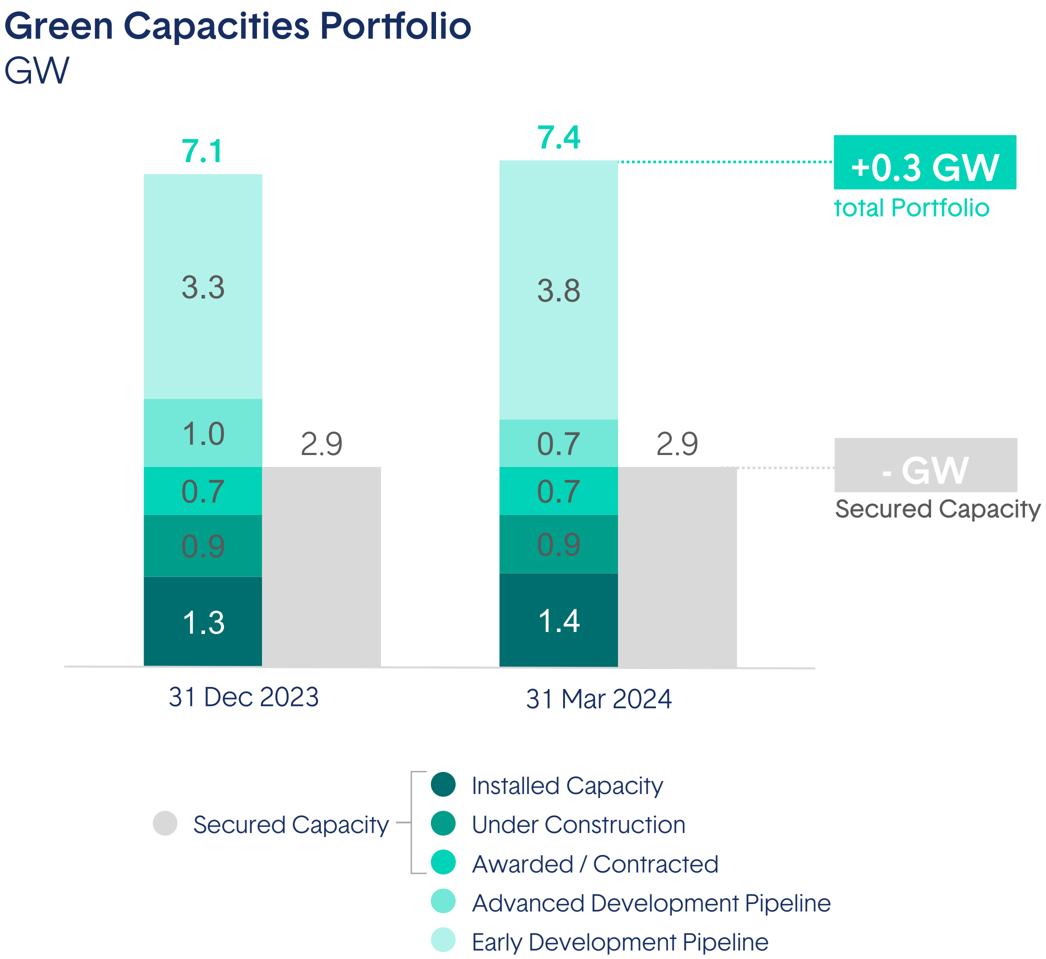
– EBITDA of 181.7 EURm, +21.2% YoY

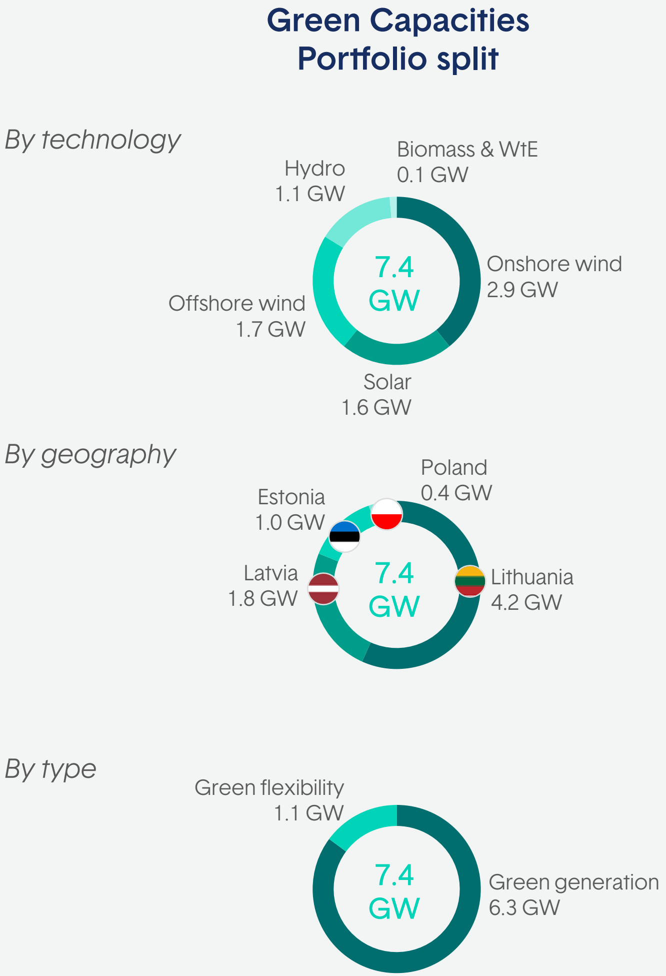
– Investments of 209.5 EURm, +73.4% YoY

– 2024 EBITDA & Investments guidance reiterated

# Continued Green Capacities growth

Portfolio reached 7.4 GW and Installed Capacity – 1.4 GW



# Strategic milestones achieved

Including COD of Silesia WF I in Poland

## OFFSHORE WIND

**Winners in Estonia.** We, together with our partner CIP, won the second seabed site (Liivi 1) and see it as a natural extension of the Liivi 2 sea area secured in December 2023. We will develop the sites as a single offshore wind project with an expected capacity of 1–1.5 GW[1].

New

**Continued works in Lithuanian offshore WF.**
– We launched an environmental impact assessment.
– We started taking wind and meteorological measurements in the Baltic Sea.

New ARP

**Participated in the 2nd Lithuanian offshore WF tender.** We submitted a bid in the tender for 700 MW WF. However, due to the limited number of participants, the tender did not convene.

## ONSHORE WIND

New

**+ 50 MW Installed Capacity in Poland.** Silesia WF I (50 MW) has reached COD.

New ARP

**Delivered first wind turbines.** Delivered first Nordex wind turbines in Kelmė WF I & II (300 MW) onshore wind projects, in Lithuania.

## BESS

New ARP

**<190 MW of grid capacity secured.** We have secured grid capacity for the first early development BESS projects in Lithuania.

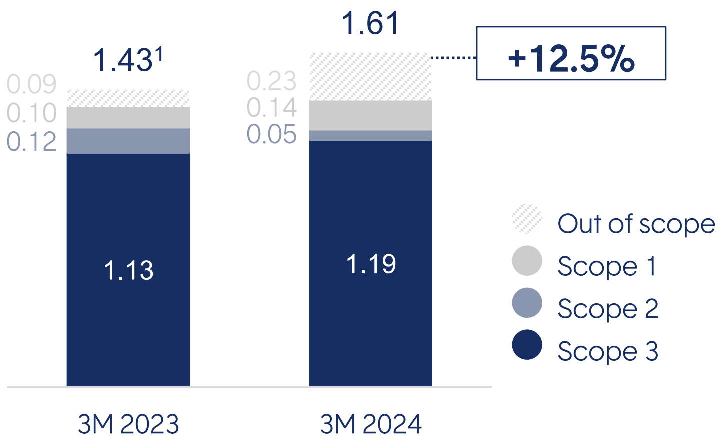
Note: "New" indicates an update since the 'Investor presentation: 2023 results' up to the reporting date. ARP indicates an update after the reporting period.
1. The Group currently includes the minimum size (1 GW) of the actual capacity in the Portfolio.

# Ongoing sustainability initiatives

Decrease in Scope 2 GHG emissions, improved OHS performance, and high employee satisfaction

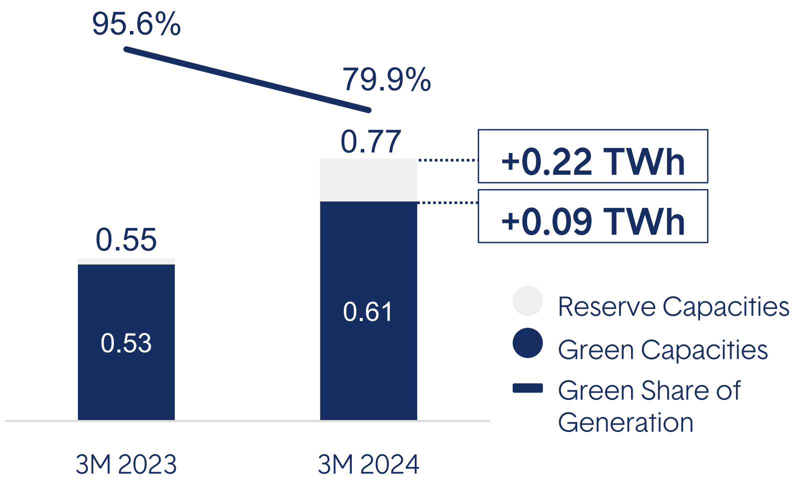
## GHG emissions

million t $CO_2$ -eq



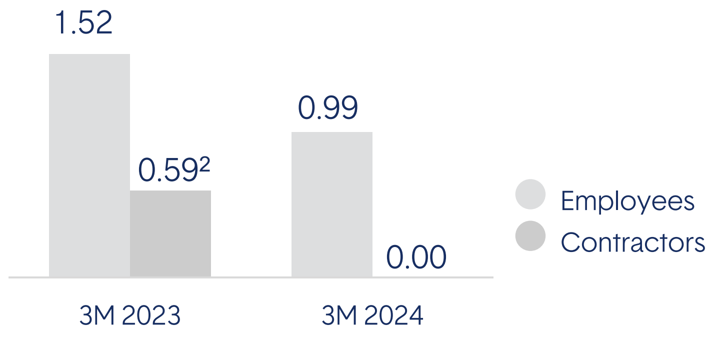

## Electricity Generated (net), Green Share of Generation

TWh, %




## Safety

TRIR




| ignitis group | ISS ESG | MSCI | SUSTAINALYTICS | CDP | ecovadis |
|---|---|---|---|---|---|
| | B- Prime (Good) | AA (Leader) | 24.8 (Medium risk) | B (Management) | 78 Platinum (Advanced) |
| Rank compared to utility peers | 2nd decile | Top 36%[3] | Top 29% | Among 37% in Management level[4] | Top 4%[5] |

1. 3M 2023 emission has been revised because of the inclusion of additional emission categories in the quarterly assessment (previously only main categories were included quarterly). The change does not affect total 2023 emissions.
2. Contractor TRIR indicator only includes contracts above 0.5 EURm/year.
3. MSCI utilities rank and average based on utilities included in the MSCI ACWI index.
4. Among 37% of companies that reached Management level in Energy utility networks.
5. In electricity, gas, steam and air conditioning supply industry. Assessment of the Group's subsidiary UAB "Ignitis" (Customers & Solutions).

# Financial performance overview

**Adjusted EBITDA** growth recorded across all business segments except Reserve Capacities. Green Capacities segment remains the largest contributor to Adjusted EBITDA (42.4% of the Group's total).

**Adjusted Net Profit** increase driven by Adjusted EBITDA growth.

**Investments** Two thirds of the Investments made in the Green Capacities segment (66.3% of total Investments).

**Adjusted ROCE** decreased to 11.1%, due to the lag between the deployment of capital in investments and subsequent realisation of returns.

**Strong leverage metrics** including the decrease in Net Debt.

**Dividends in line with the policy.**

| *KPIs[1], EURm* | 3M 2024 | 3M 2023 | *Δ* |
|---|---|---|---|
| Adjusted EBITDA | 181.7 | 149.9 | *21.2%* |
| Adjusted Net Profit | 112.6 | 88.7 | *26.9%* |
| Adjusted ROCE | 11.1% | 12.1% | *(1.0 pp)* |
| Investments | 209.5 | 120.8 | *73.4%* |
| FCF | 5.0 | 208.0 | *(203.0)* |

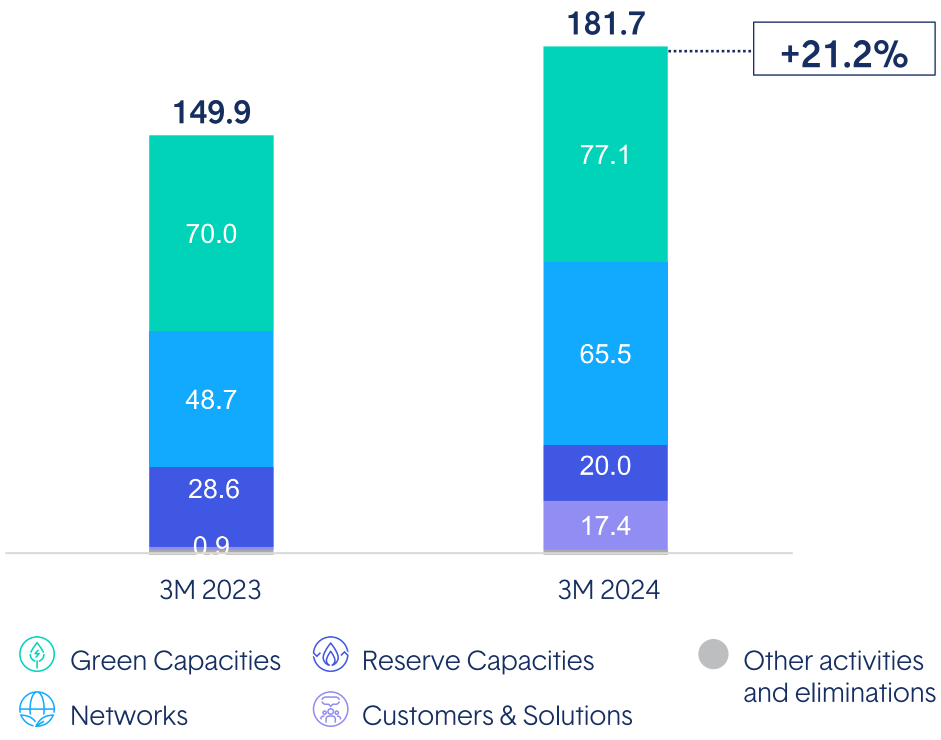
| | 31 Mar 2024 | 31 Dec 2023 | *Δ* |
|---|---|---|---|
| Net Working Capital | 144.4 | 175.2 | *(17.6%)* |
| Net Debt | 1,287.8 | 1,317.5 | *(2.3%)* |
| Net Debt/Adjusted EBITDA | 2.49 | 2.72 | *(8.5%)* |
| FFO/Net Debt | 28.9% | 29.4% | *(0.5 pp)* |

1. All KPIs are Alternative Performance Measures (APMs).
2. A dividend of EUR 0.643 per share, corresponding to EUR 46.5 million, was distributed for H2 2023.

# Adjusted EBITDA

Growth recorded across all business segments except Reserve Capacities

## Adjusted EBITDA APM
EURm




## Development across business segments

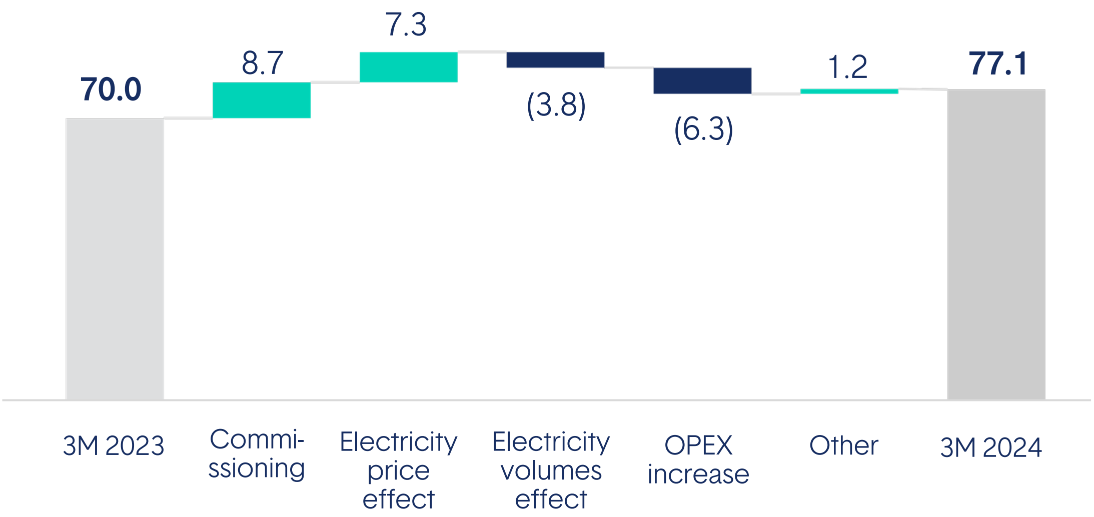
| | | |
|---|---|---|
| **+7.1 EURm** | *+10.1%* | Launch of new assets and higher captured electricity prices, mainly due to the flexibility of the assets. |
| **+16.8 EURm** | *+34.5%* | Higher RAB and WACC. |
| **(8.6) EURm** | *(30.1%)* | Strong results, however, due to extraordinary conditions to earn additional return in the market during 3M 2023 period, decrease YoY. |
| **+16.5 EURm** | *n/a* | Lower loss in electricity B2C business, and better results in Latvia and Poland. |

# Green Capacities

Remains the largest contributor to the Group's Adjusted EBITDA

## Adjusted EBITDA development APM

EURm



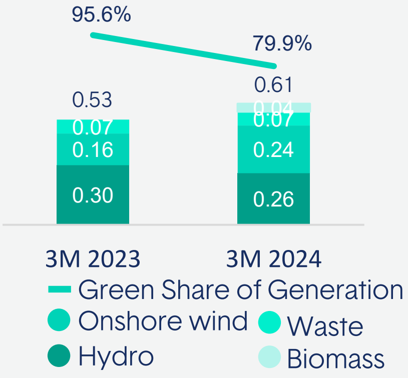

- **Commissioning:** new assets launched, Mažeikiai WF, Silesia I WF and Vilnius CHP biomass unit.
- **Price effect:** higher captured electricity prices, mainly due to flexibility of the assets.
- **Electricity volumes effect:** lower volumes generated mainly by Kruonis PSHP.
- **OPEX increase:** intensive expansion, which led to increased operating expenses.

### Secured Capacity

MW

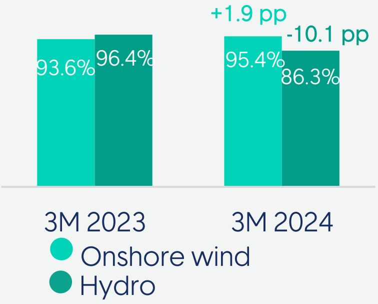

### Green Electricity Generated (net), Green Share of Generation

TWh, %



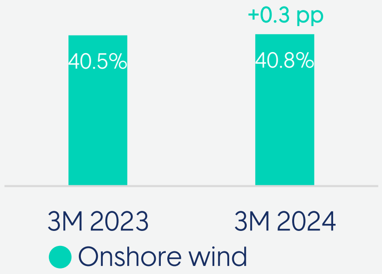

### Availability factor

%



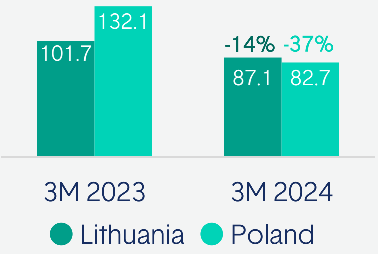

### Load factor

%



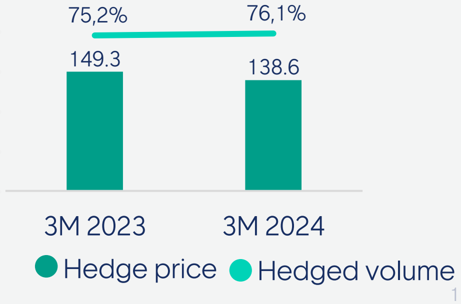

### Market electricity price

EUR/MWh




### Hedge price, hedged volume

EUR/MWh, %

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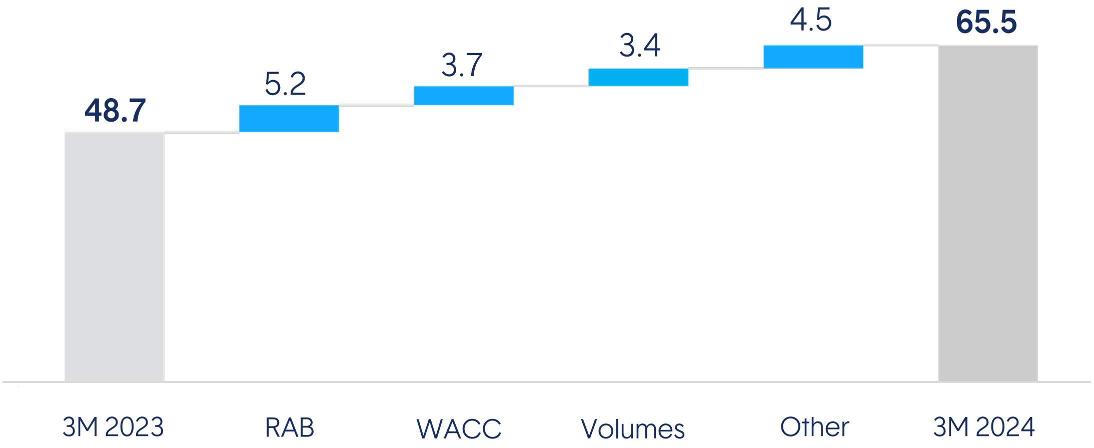
# Networks

Better results driven by higher RAB and WACC

## Adjusted EBITDA development APM

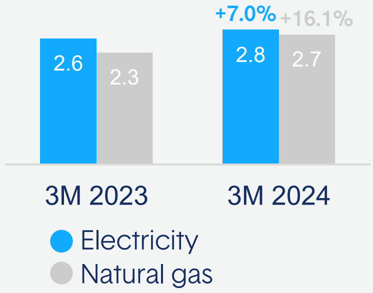
EURm




- **RAB:** increased by 10.8% from EUR 1,429 million in 2023 to EUR 1,584 million in 2024.
- **WACC:** increased by 0.94 pp from 4.14% in 2023 to 5.08% in 2024.
- **Volumes:** temporary volumes effect – higher share of allowed return and the D&A recognised in 3M 2024 vs 3M 2023, which will level off over the course of the year.

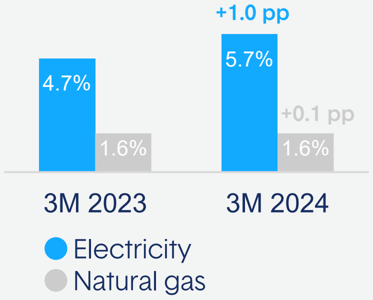
### Distribution volumes

TWh



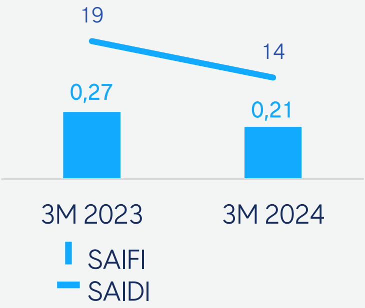

### Technological losses

%



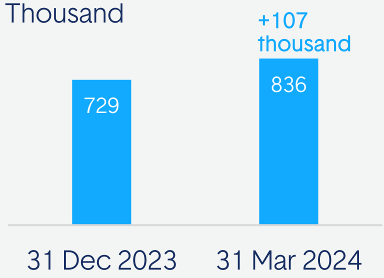

### SAIFI, SAIDI (electricity)

Units, minutes



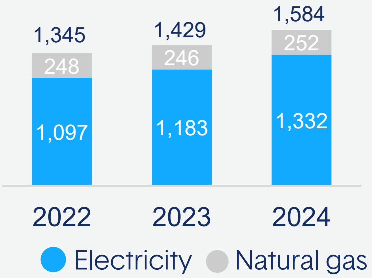

### Number of smart meters installed

Thousand



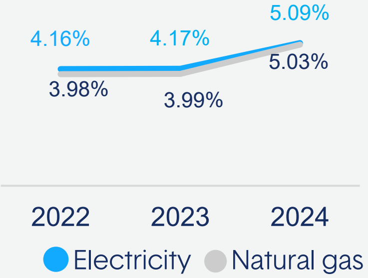

### RAB[1]

EURm




### WACC

%




1. Numbers approved and published by the regulator (NERC).

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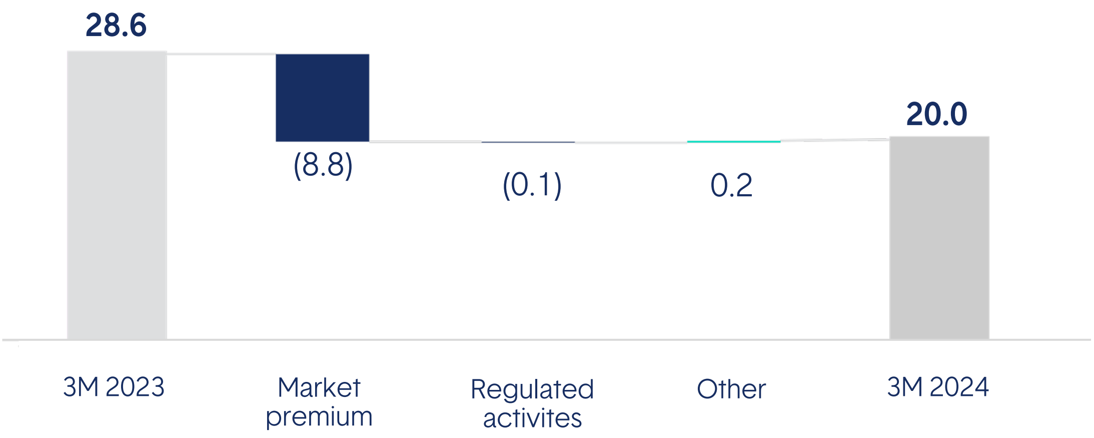
# Reserve Capacities

Strong performance due to utilised optionality to earn additional return in the market on top of the regulated return

## Adjusted EBITDA development APM

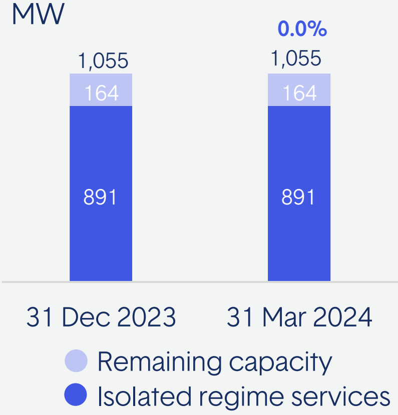
EURm




– **Market premium:** strong performance in both years was driven by the utilised optionality to earn additional return in the market on top of the regulated return. However, the YoY decrease is related to the fact that, during the 3M 2023 period, the conditions to earn additional return in the market were extraordinary.

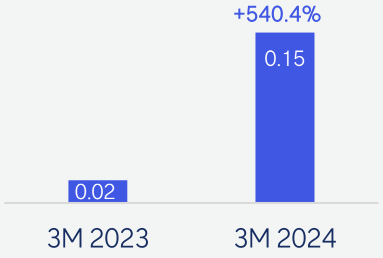
## Capacity of services provided

MW



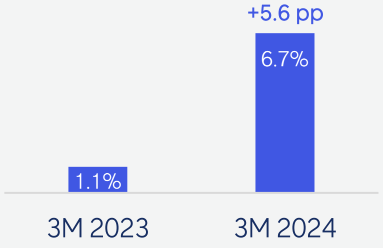

## Electricity Generated (net)

TWh




## Load factor

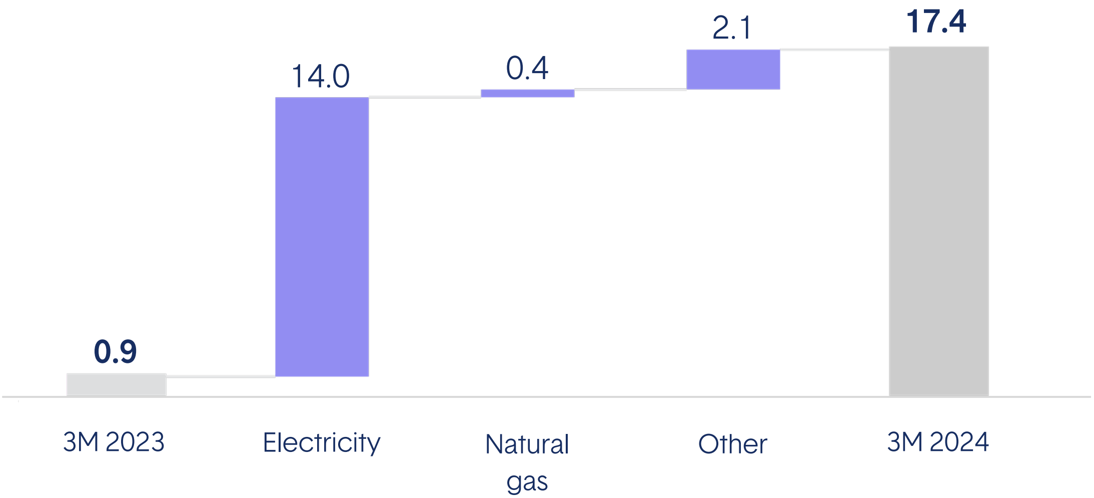
%



# Customers & Solutions

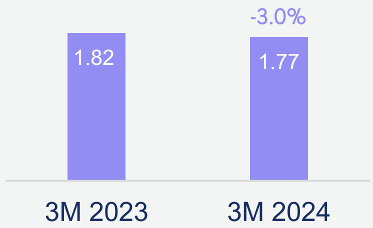
Better results driven by lower loss in electricity B2C business, and better results in Latvia and Poland

## Adjusted EBITDA development APM
EURm

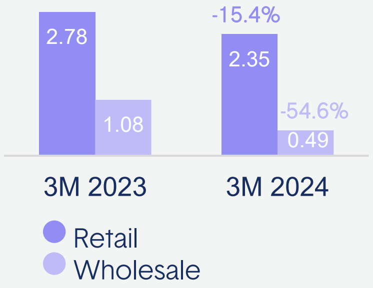



– **Electricity:** the increase was driven by lower loss in electricity B2C business, and better results in Latvia and Poland. In 3M 2024, electricity B2C activities loss amounted to EUR -8.2 million (EUR -16.4 million in 3M 2023).

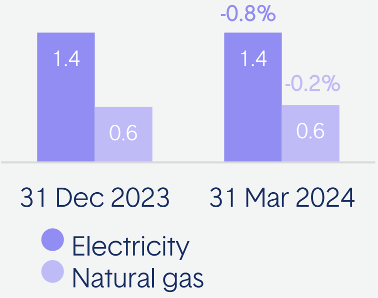
## Electricity retail sales
TWh



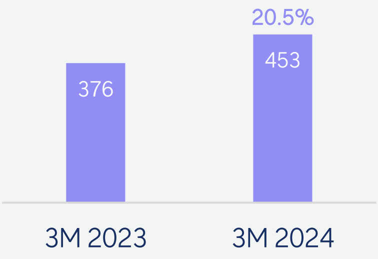

## Natural gas sales
TWh




## Number of customers
Million




## EV charging points
Units

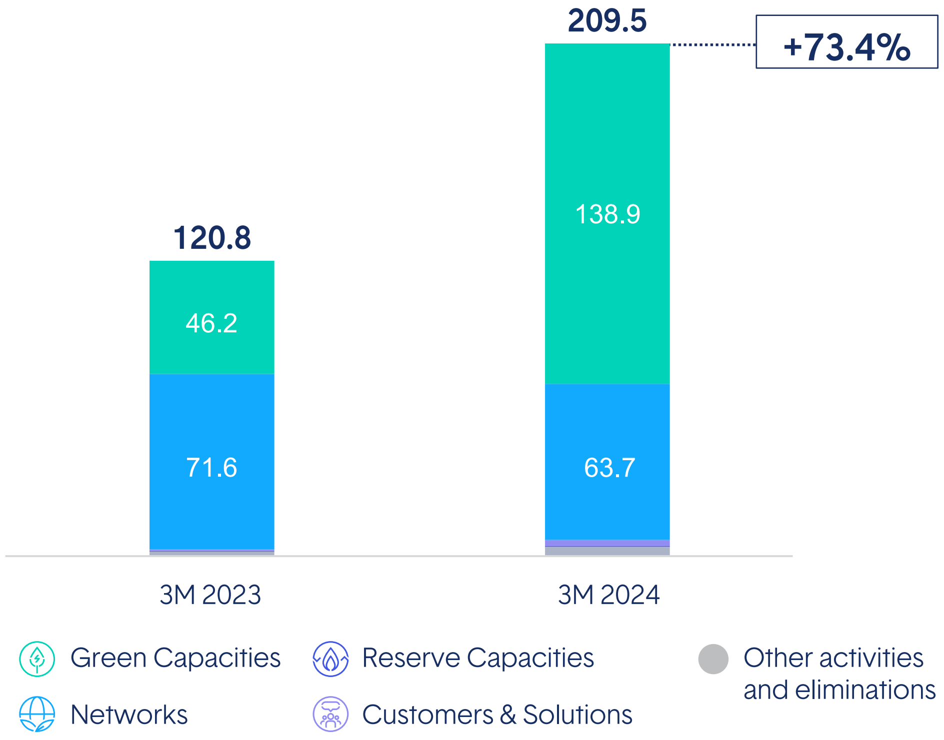


# Investments

Growth driven by tripled Investments in Green Capacities

## Investments APM

EURm




## Key drivers

**+92.7 EURm**
*+200.6%*

Investments were mostly directed towards onshore wind farm projects in Lithuania, mainly in Kelmė WF I and II.

**(7.9) EURm**
*(11.0%)*

Decrease mainly due to lower Investments in the expansion of electricity distribution network due to lower number of new connections and upgrades.

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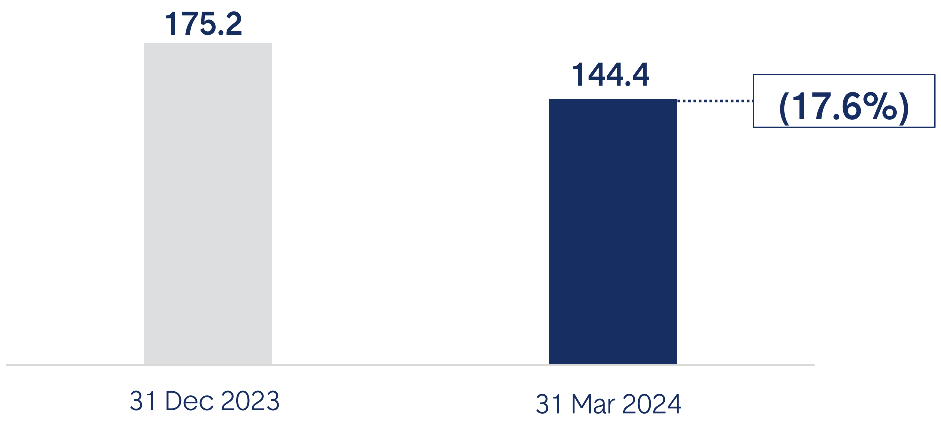
# Net Working Capital

Decrease due to lower inventory

## Net Working Capital APM

EURm




## Key drivers

**Decrease in:**

- inventory (-45.3 EURm), due to the decrease in value of stored natural gas mainly due to lower volumes stored;
- trade receivables (-28.3 EURm) due to lower energy prices and volumes sold.

**Partly offset by:**

- a decrease in payables for property, plant and equipment and intangible assets (EUR +26.7 million) due to lower Investments QoQ;
- a decrease in VAT payables (+10.2 EURm).

# Free cash flow

Adjusted EBITDA and positive change in Net Woking Capital outweighed Investments made

**FCF** APM
EURm


## Key drivers

- ↑ Adjusted EBITDA (181.7 EURm).
- ↑ Net Working Capital change (+30.8 EURm).
- ↓ Investments (excl. grants and investments covered by customers) (193.2 EURm).
- ↓ Income tax paid (10.8 EURm).

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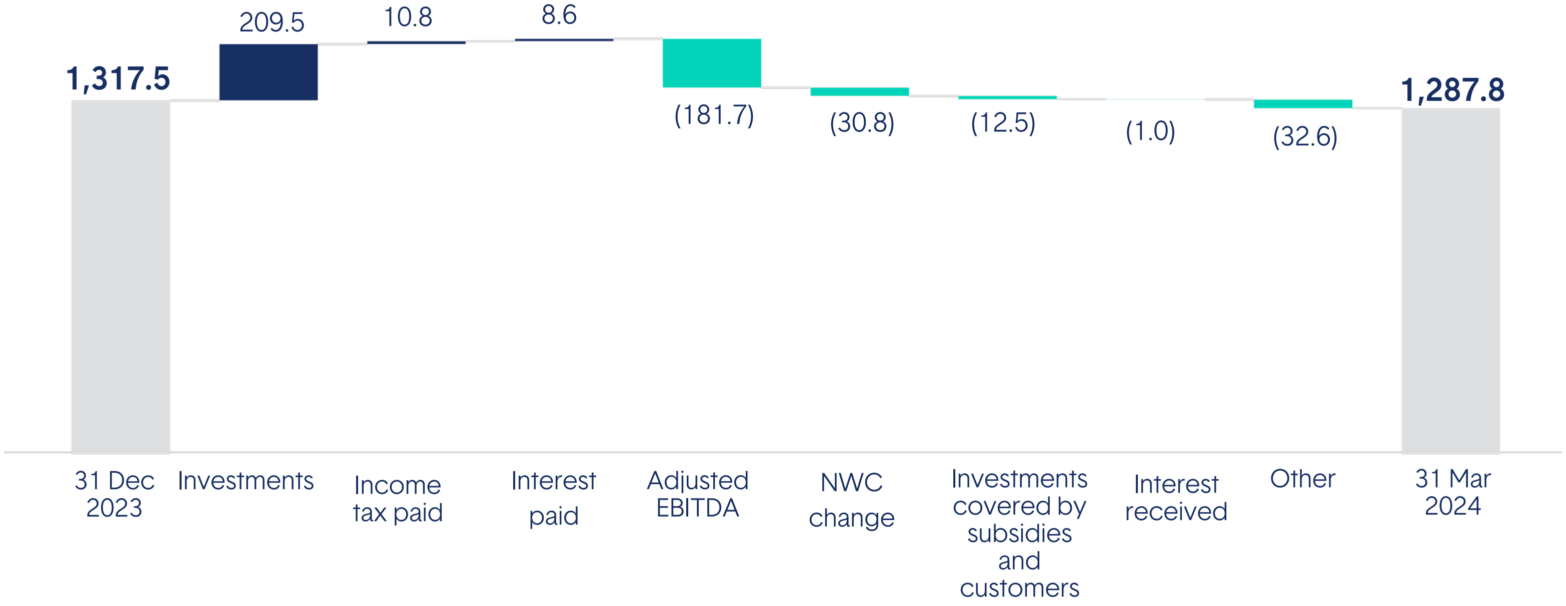
# Leverage metrics

Strong leverage metrics driven by positive FCF

## Net debt development APM

EURm




## Net debt/Adjusted EBITDA LTM APM
## FFO LTM/Net Debt APM

Times, %

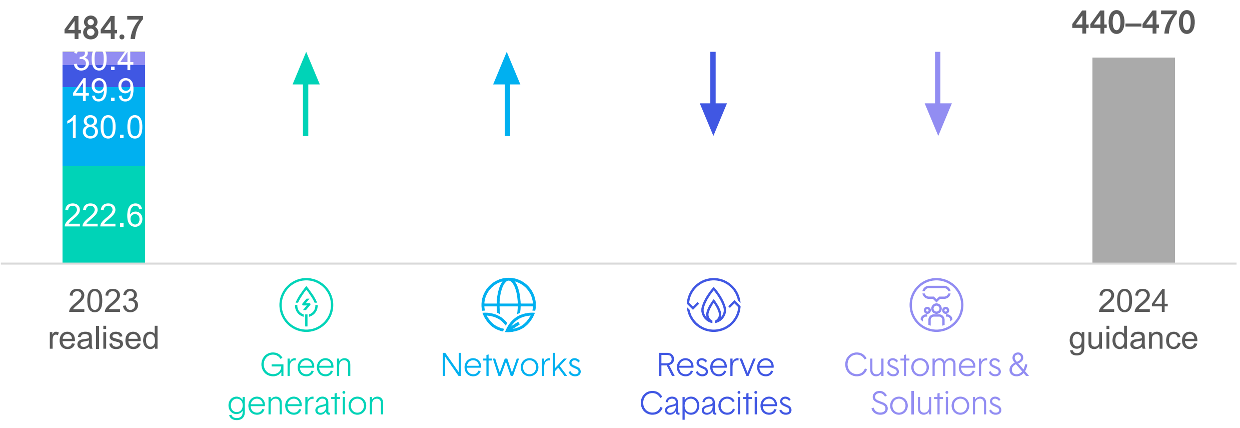

- Lower Net Debt (-29.7 EURm) due to positive FCF (+5.0 EURm),which was influenced by positive FFO (+169.5 EURm) and decrease in Net Working Capital (+30.8 EURm).
- FFO LTM (-15.9 EURm) due to lower EBITDA LTM (-6.4 EURm), higher income tax paid (-5.0 EURm) and interest paid (-4.4 EURm).

# Outlook 2024

# Guidance 2024

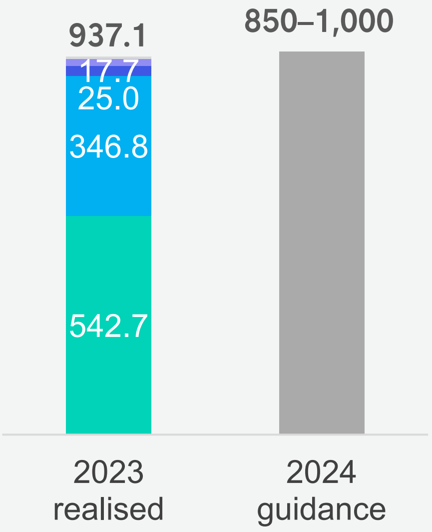
Adjusted EBITDA of 440–470 EURm and Investments of 850–1,000 EURm guidance reiterated

## Adjusted EBITDA APM
EURm




**Main drivers:**
- **Green Capacities:** new projects reaching COD in 2024, mainly Silesia WF I and II in Poland, partly offset by lower expected power prices;
- **Networks:** mainly due to approved higher WACC and higher RAB due to continued Investments into the distribution network;
- Expected decrease in **Reserve Capacities** and **Customers & Solutions** due to better than usual results in 2023.

## Investments APM
EURm




**Main drivers:**
- **Green Capacities:** Kelmė WF I and II, Latvian solar portfolio I, Kruonis PSHP expansion project;
- **Networks:** expansion of electricity network.

# Key take aways: 3M 2024 results

Continued Green Capacities Portfolio growth

## Strategy

– Green Capacities Portfolio growth to 7.4 GW, +0.3 GW QoQ

– Installed Capacity increase to 1.4 GW, +0.1 GW QoQ

– Strategic milestones achieved in the development of our Portfolio

## Sustainability

– Decrease in Scope 2 emissions

– Improved OHS performance

– Maintained high employee satisfaction and Top Employer certificate

## Finance

– EBITDA of 181.7 EURm, +21.2% YoY

– Investments of 209.5 EURm, +73.4% YoY

– 2024 EBITDA & Investments guidance reiterated

# Strategic Plan 2024–2027

# 1. Strategy, context & business model

Renewables-focused integrated utility

# Purpose

## Our purpose is to create a 100% green and secure energy ecosystem for current and future generations

**We fulfil our purpose by** leading the regional transition into a climate-neutral, secure and independent energy ecosystem and contributing to Europe's decarbonisation by facilitating renewable energy flows from Northern to Central Europe (incl. Germany).

By leading the regional transition in Lithuania and the Baltics, we strive to become one of the first 100% green energy systems in Europe.

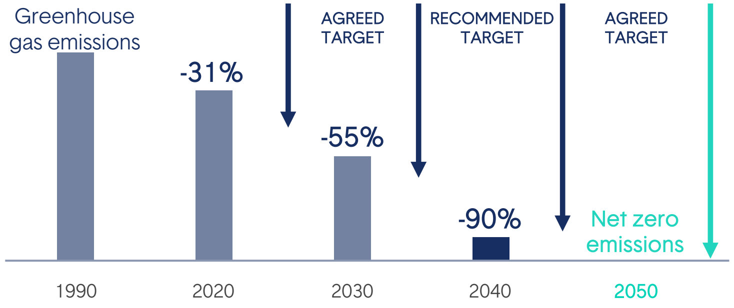
By energy ecosystem we mean the combination of the multiple interdependent parties involved in the generation, consumption, transformation and transportation of clean energy (including industry, transport and heating).

# Context

Alignment and commitment to Europe's decarbonisation and ensuring energy security in our region

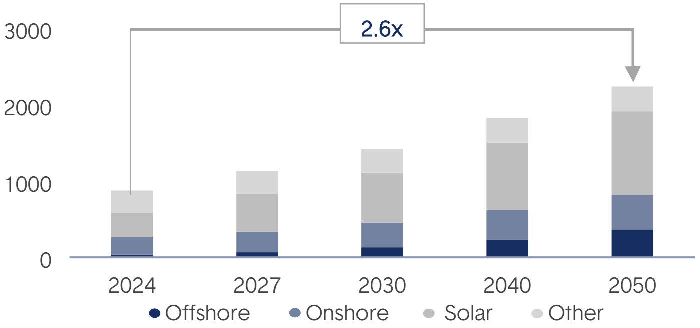
## **Decarbonisation:** EU action and climate related targets

The European Union proposes ambitious net greenhouse emissions reduction targets[1]



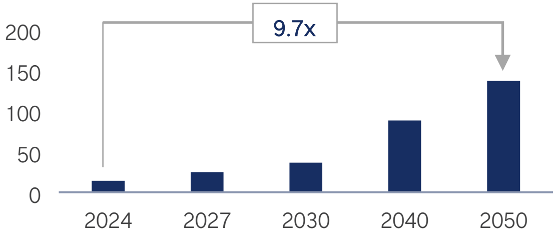

## **Energy security:** scaling-up and speeding-up of renewable energy

European renewable capacity[2, 3], GW

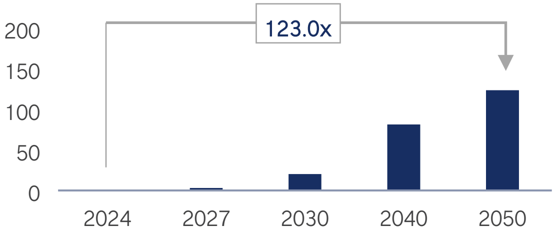



## **Green flexibility:** growing battery and power-to-X capacities

European battery capacity[2], GW

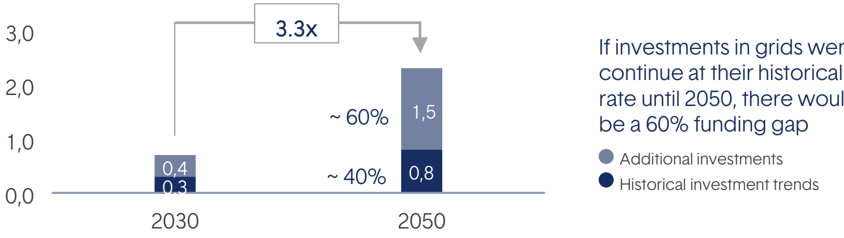



European Power-to-X capacity[2], GW




## **Grid:** growing investment in power grids need

Cumulative investments in power grids based on the historical trend and additional investments required in Europe[4], trillion EUR




If investments in grids were to continue at their historical rate until 2050, there would be a 60% funding gap

[1] Source: European Commission. Factsheet - Europe's 2040 climate pathway.
[2] Source: ICIS.
[3] Wind energy capacity targets for the EU defined in the European Wind Power Action Plan: 510 GW by 2030 (whereof offshore renewable energy targets for the EU: at least 111 GW by 2030 and 317 GW by 2050).
Source: Company analysis based on EUR-Lex - 52023DC0669 - EN - EUR-Lex (europa.eu), EUR-Lex - 52023DC0668 - EN - EUR-Lex (europa.eu), and EUR-Lex - 52022DC0221 - EN - EUR-Lex (europa.eu).
[4] Source: European Round Table for Industry „Strengthening Europe's Energy Infrastructure" 2024 March.

# Integrated business model

We are utilising integrated business model to maximise potential

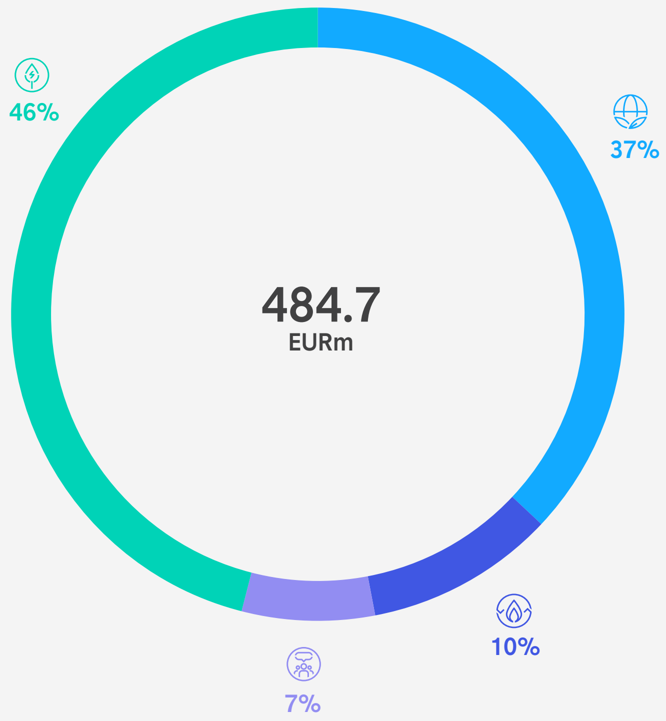
## Green Capacities

**#1 in Lithuania[1]**
**#2 in the Baltics[1]**

Installed capacity: 1.4 GW
Pipeline: 6.0 GW
**Total portfolio: 7.4 GW**

**Strategic focus**
Delivering **4–5 GW** of installed green generation and green flexibility capacity by 2030

## Adjusted EBITDA 2023




## Networks

Fully regulated country-wide natural monopoly

Regulated asset base (RAB): **EUR 1.6bn**

**#1 in the Baltics[2]**

**Strategic focus**
Expanding a resilient and efficient network that enables electrification

## Customers & Solutions

**#1 in the Baltics[3]**

The largest customer portfolio in the Baltics: **1.4 million customers**

**Strategic focus**
Utilising and further expanding our customer portfolio to enable the Green Capacities build-out

## Reserve Capacities

Highly regulated gas-fired power plants mainly operating as system reserve

**#1 in Lithuania[1]**
**#2 in the Baltics[1]**

**Strategic focus**
Contributing to the security of the energy system

*[1] Based on installed capacity.*
*[2] Based on the network size and the number of customers.*
*[3] Based on the number of customers.*
*Note: data, except Adjusted EBITDA, is as of 31 March, 2024.*

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# 2. Business segments

Green Capacities | Networks | Customers & Solutions | Reserve Capacities

# Green Capacities

**Strategic priorities:**

Delivering 4–5 GW of installed green generation and green flexibility capacity by 2030 with a focus on:

- Onshore and offshore wind
- Batteries, pumped-storage hydro and power-to-X

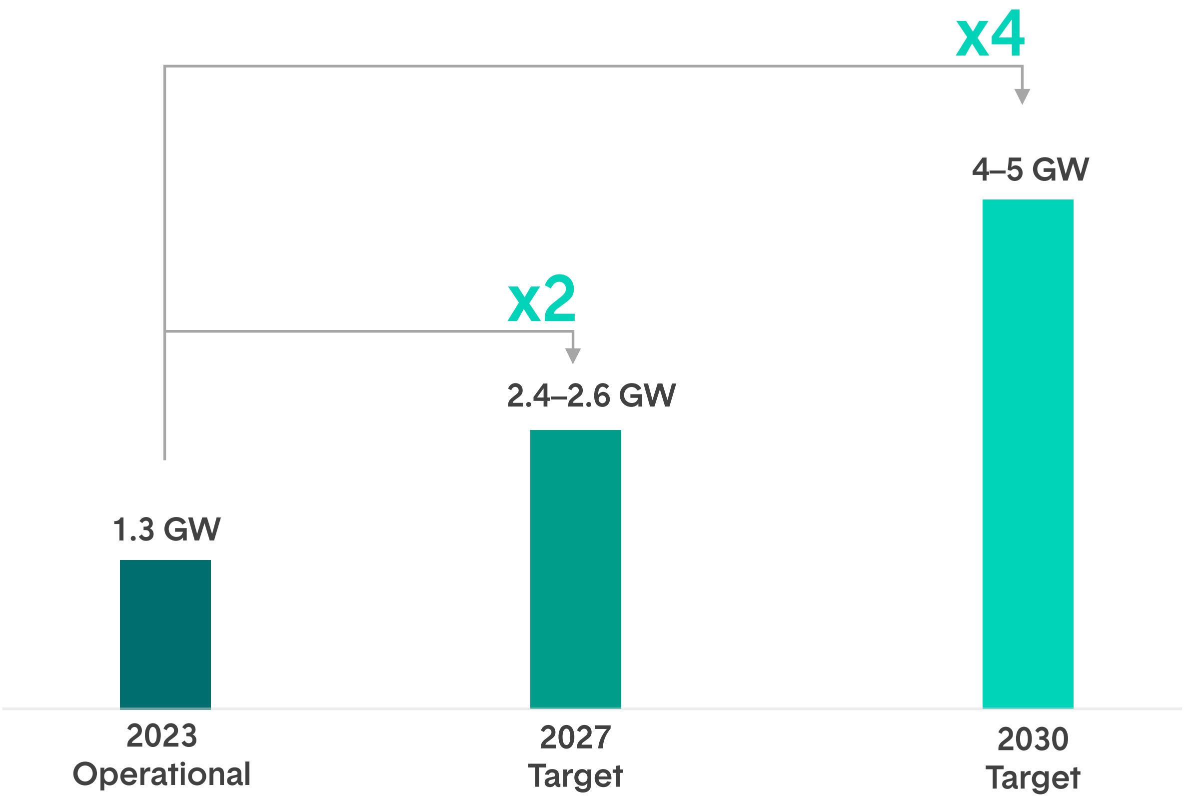
**Focus markets:**

The Baltic states and Poland

We are also exploring new opportunities in other EU markets undergoing energy transition

# Green Capacities targets

**2027: 2.4–2.6 GW[1]**
**2030: 4–5 GW[1]**




[1] *Gross installed capacity (includes 100% of capacity which Ignitis Group owns >50%).*

# We focus on technologies that can deliver a 100% green and secure energy ecosystem

## Green generation technologies

### Focus technologies

#### Onshore wind

The conditions in the Baltics and Poland are favourable for onshore wind development as there are no natural barriers (such as mountains) that can block wind, and it has low population density.

#### Offshore wind

Offshore wind development is seen as the backbone of our Green Capacities expansion strategy.

### Complementary technologies

#### Solar

Used in cases where it adds value (e.g. higher utilisation of existing grid connections, synergies from common infrastructure, securing grid connections).

#### Hydro, biomass and waste-to-energy

Baseload generation profile with additional flexibility

additional flexibility

## Green flexibility technologies

### Focus technologies

#### Batteries

Enables integration of renewables by facilitating demand management, improves grid reliability while limiting output curtailment.

short-term storage

#### Pumped-storage hydro

Very large balancing capacities that enable future renewable energy growth in the region.

middle-term storage

#### Power-to-X technologies

Potential solutions for attaining global climate goals and decarbonizing industry, transportation and power generation.

long-term storage

# Offshore wind

Green generation

**Our target**

We aim to build at least

**2 offshore wind projects**

in the Baltics

– one project in Lithuania (COD ~2030)

– at least one more project in the Baltics (COD post 2030)

## The status[3] of our offshore wind development projects:

| | Seabed secured | EIA | Grid secured | FiD |
|---|---|---|---|---|
| Lithuanian offshore WF **0.7 GW** COD ~2030 | ✓ | In progress | ✓ | - |
| Estonian offshore WF **1–1.5 GW** (two sites) COD ~2035 | ✓ | - | - | - |

## Offshore wind potential in the Baltics

| | Publicly announced auctions for 2023–2027 | Long term potential |
|---|---|---|
| Estonia | ~5.5 GW | >10 GW[1] |
| Latvia | 0.5 GW | 14.5 GW[2] |
| Lithuania | 1.4 GW | 4.5 GW[2] |
| | **~8 GW** | **>30 GW** |

| 2023 | 2023–2024 | 2024 | 2024 | 2027 |
|---|---|---|---|---|
| **Auction** | **Two auctions** | **Auction** | **Multiple auctions** | **Joint auction** |
| *(completed)* | *(completed)* | | | |
| **0.7 GW** (Seabed and grid connection) | **~1–1.5 GW** (Seabed only) | **0.7 GW** (CfD, seabed and grid connection) | **~4 GW** (Seabed only) | **1 GW** (Seabed and grid connection) |

[1] Ministry of Economic Affairs and Communication of the Republic of Estonia.
[2] Study on Baltic offshore wind energy cooperation under BEMIP.
[3] As of 31 March, 2024.

# Onshore wind

Green generation

## Our target

**>700 MW**
onshore wind capacity installed by 2027

The conditions in the Baltics and Poland are favourable for onshore wind development as there are no natural barriers (such as mountains) that can block wind, and it has low population density

## Our progress:

### Installed[2]

Total: 283 MW

**Baltics: 139 MW**

121 MW

18 MW

**Poland: 144 MW**

### Under construction

Total: 437 MW

**Baltics: 300 MW**

300 MW
- Kelmė WF I (105.4 MW), COD 2025
- Kelmė WF II (194.6 MW), COD 2025

**Poland: 137 MW**
- Silesia WF II, COD H2 2024

**Total installed and under construction: 720 MW**

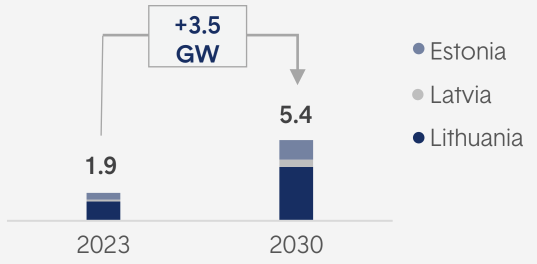
**Baltics**
Total: 439 MW

**Poland**
Total: 281 MW

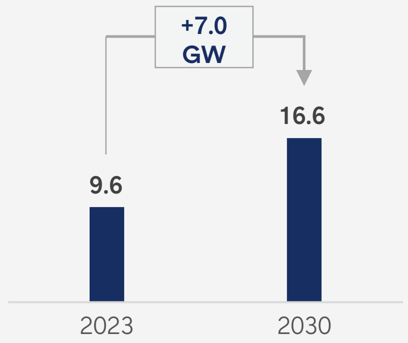
## Onshore wind development forecast in the Baltics and Poland

Total onshore wind installed capacity ~22 GW in 2030[1]

**Baltics**




**Poland**




[1] Source: ICIS, ENTSO-E.
[2] As of 31 March, 2024.

# Complementary technologies

Green generation and green flexibility technologies

## Solar

### Our target

**>400 MW**

solar capacity installed by 2027

Solar technology will be used in cases when it adds value by creating a more stable generation profile. Hybrid technology generation ensures higher utilisation of available grid capacities and a more stable generation profile.

## Our progress:

### Solar capacity under construction[2]

Total: 291.1 MW

**Baltics: 261.1 MW**

- Lithuanian solar Portfolio (22.1 MW), COD 2024
- Latvian solar Portfolio (239 MW), COD 2025

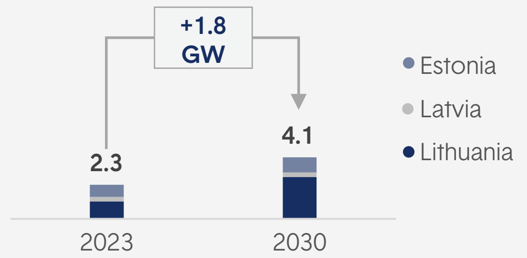
**Poland: 30 MW**

- Polish solar Portfolio (30 MW), COD 2024

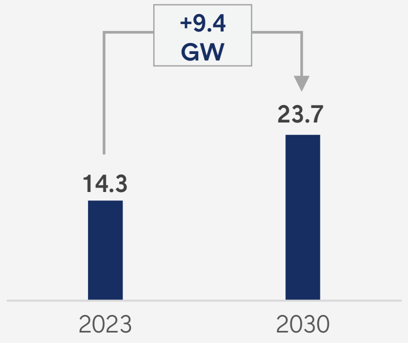
## Solar development forecast in the Baltics and Poland

Total solar installed capacity ~27.8 GW in 2030[1]

Baltics




Poland




## Hydro, biomass and waste-to-energy

Green baseload (and flexible – contributing to balance of the energy system) technologies are a part of our portfolio. No further plans to expand our hydro run-of-river, biomass and waste-to-energy technologies portfolio.

### Installed / under construction[3]

Total: 227 MW / 349 MWth

+ additional flexibility

- Hydro (run-of-river): 101 MW
- Biomass: 73[3] MW (+209[3] MW heat capacity installed)
- Waste-to-energy: 44[4] MW (+140[4] MW heat capacity installed)

[1] Source: ICIS, ENTSO-E.
[2] As of 31 March, 2024.
[3] Vilnius CHP biomass unit (73 MWe, 169 MWth) COD to be achieved, after the COD for the remaining capacity (23 MWe, 20 MWth) will be reached, therefore, it is included within the total of under construction. Elektrėnai Biomass Boiler: 40 MWTh.
[4] Kaunas CHP: 24 MWe / 70 MWth. Vilnius CHP waste-to-energy unit : 20 MWe / 70 MWth.

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# Pumped-storage hydro

Green flexibility

## Kruonis PSHP is one of the largest energy storage facilities in Europe:

### Current capacity
900 MW

**Four operating units (4x225 MW)** can perform up to 300 cycles[1] per year.

The upper reservoir can hold around 48.7 million cubic meters of working water.

### Expansion in 2026
+110 MW

**New 5th unit (1x110MW)** will provide extra flexibility.

It will also allow us to provide more balancing and ancillary services.

**+110 MW**
by 2026

### Capabilities post-2026
1,010 MW

**All 5 turbines will be able to run at full load for ~10 hours.**

**10 hours x 1 GW = 10 GWh of storage capacity.**

**Flexibility in generation mode: 0 – 1,010 MW**
(pre-expansion: 160 – 900 MW)

**Flexibility in pump mode: 59 – 1,010 MW**
(pre-expansion: 220 – 900 MW)

**5th unit cycle efficiency of 76%**
(pre-expansion: ~71%)

**5th unit max capacity reachable in 80 seconds**
(pre-expansion: 180 seconds)

[1] *A complete cycle consists of complete filling and draining of the upper reservoir.*

# Batteries

Green flexibility

**Our target**

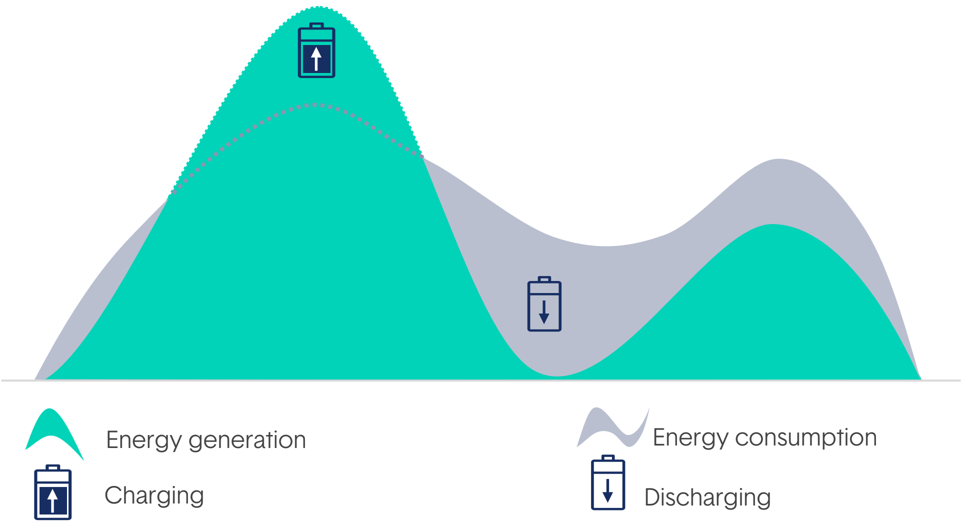
Commercial-scale batteries by 2027

### Batteries

Batteries enable integration of renewables by facilitating demand management, helping improve grid reliability, limiting output curtailment.

### Balancing and grid services

Batteries have roles in a variety of markets – balancing, ancillary, frequency containment reserves, day-ahead and intra-day arbitrage. Rapid development of renewables in the region is increasing demand for balancing and grid services.




# Power-to-X

Green flexibility

**Our target**

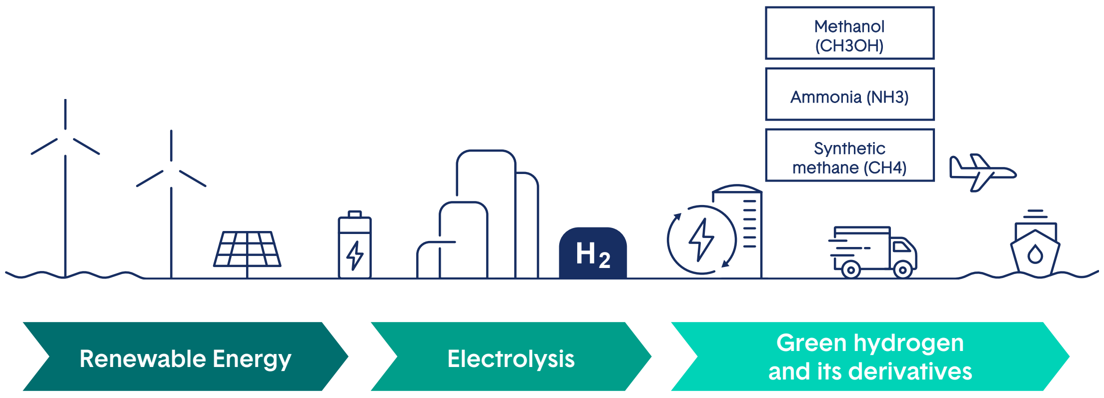
Green hydrogen production and e-fuel conversion pilot project

### Green hydrogen & e-fuels

Ignitis group's strategy is to pursue the development of a pilot project, leading to the full commercialization of Power-to-X technologies in the longer term.

### 2nd and later stages – utility scale

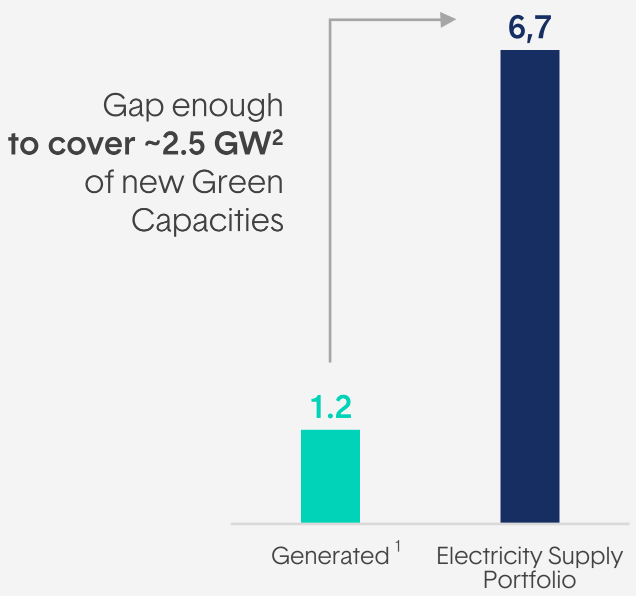
Successful pilot project will pave the way to developing strategic partnerships and gaining resources for utility-scale green hydrogen and e-fuel production capabilities.



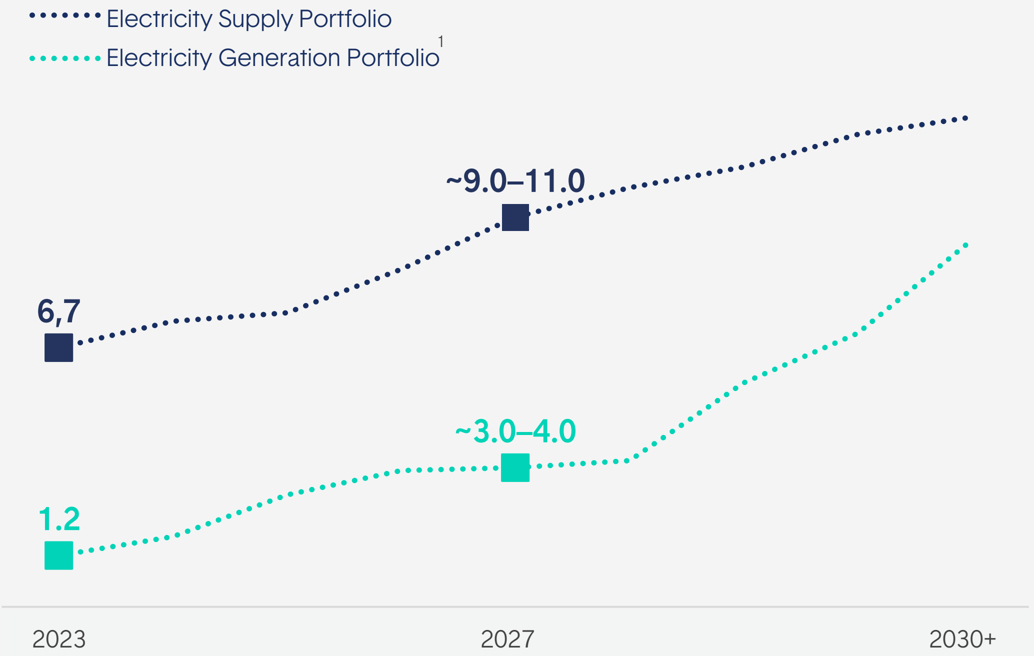
# Power offtake capabilities

We utilise our supply portfolio to structure offtake agreements to enable Green Capacities build-out that creates a competitive advantage

**Electricity generated[1] vs supplied by Ignitis Group in 2023**, TWh




**Electricity generated[1] vs supplied by Ignitis Group over 2023 – 2030+**, TWh




[1] Excluding opportunistic assets (Elektrėnai complex, which accounted for 14% of the total generated volume, and Kruonis PSHP, with 26% of total generation in 2023).
[2] Assuming the whole surplus of electricity supply (5.5 TWh) can be utilised for new wind and solar generation offtake with a load factor of ~25% (57/43 split between wind and solar with load factors of ~35% and ~12% respectively).

# Networks

**Strategic priorities:**

1. Resilient and efficient electricity distribution
2. Electricity network expansion and facilitation of the energy market
3. End-to-end customer experience

**Focus market:**

Lithuania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# Networks regulatory framework

1

The largest network in the Baltics, a natural monopoly for distribution services

**>99.5%[1] of the Lithuanian market**

**Allowed revenue**

= **1** **Return on investment (RAB x WACC)** + **2** **Depreciation and amortisation** + **3** **Additional tariff component**

+ **4** **OPEX** + **Technological losses** - **Supply of last resort and reactive power income**

Treated as a pass-through

+ **5** **Temporary regulatory differences**

| | Electricity | Natural gas |
|---|---|---|
| Regulated Asset Base, 2024 | 1.3 EURbn | 0.3 EURbn |
| Approved WACC (pre-tax), 2024 | 5.09% | 5.03% |
| Regulatory periods | 2022–2026 Current | 2024–2028 Current |
| | 2027–2031 Next | 2029–2033 Next |

[1] In 2020, based on electricity distribution volumes (Source: NERC).

# Strategic focus on electricity network and customers

## Resilient and efficient electricity distribution

**~39%*** **Maintenance:** modernization (efficiency and resilience), automation and digitization
*share of total Networks investments over 2024–2027

### Network resilience
**≤1.05[1]**
electricity SAIFI 2024–2027 avg. (per annum)

2023: 1.23 interruptions per customer

### Network automation
**~66%**
Share of users connected to automated control lines in 2027

2023: 57%

### Network efficiency
**≤5.0%**
Technological losses 2024–2027 yearly avg.

2023: 4.1%

## Electricity network expansion and facilitation of the energy market

**~56%*** **Expansion** to enable green electrification
*share of total Networks investments over 2024–2027

### New connections
**~280k**
new connection points and upgrades in 2024-2027

2023: 76k

### Network capacity expansion
Increasing capabilities of future infrastructure enabled by growing electrification needs

### Smart meter rollout
**>1.2 million**
smart meters in the network in 2026

2023: 0.7 million

**Facilitating the energy market's development:**
- Transport electrification/EV charging
- Energy efficiency
- Industrial electrification
- Heating electrification

## End-to-end customer experience

**Standardised solutions and channels** to reflect the customer needs

### Improved customer service

### Data governance, quality and data modeling

### Expanded data hub capabilities

NETWORKS CUSTOMERS

- Passive customer
- Little reliance on new technologies
- Clear and simple processes are top priority
- Only quick access to the grid is important

- Customer who is active in the market
- Personalised digital experience
- Charging energy needs and expectations (EVs, heat pumps)
- Convenient access to real-time and historic data (API, IoT)
- Sustainable and smart energy management

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[1] *Indicators are calculated in accordance with the provisions of the description of indicators of reliability and service quality of electricity distribution approved by the State Energy Regulatory Council for the regulatory period (established on the basis of Resolution No. O3E 79 of the State Energy Regulatory Council of January 26). The targets are assessed according to the principles used during the determination of the level and the methodology in force according to which the following cases are excluded from SAIFI: (1) outages caused by natural phenomena corresponding to the values of indicators of natural, catastrophic meteorological and hydrological phenomena – wind speed >28 m/s and by eliminating interruptions all country wise (not regionally); (2) outages caused by faults in the transmission system operator's network.*

# Customers & Solutions

### Strategic priorities:

1. Utilising and further expanding our customer portfolio to enable the Green Capacities build-out
2. Building a leading EV charging network in the Baltics
3. Speeding up the transition from gas to power

### Home market:

The Baltic States, Poland and Finland

# Utilising and further expanding our customer portfolio to enable the Green Capacities build-out

**1.4 million**
Customers: B2B & B2C in 2023

The largest customer base in the Baltics

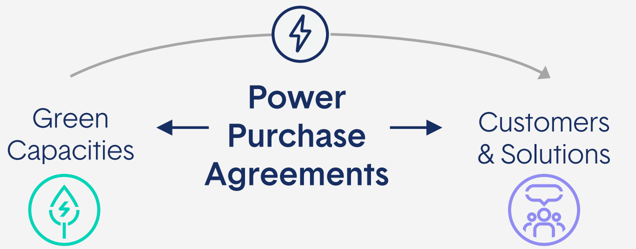
## Utilising and further expanding the customer portfolio

### Exploiting synergies with the Green Capacities segment

- Large customer base supports the Green Capacities build-out through internal PPA's

### Expanding electricity supply portfolio to accelerate the green transformation of our customers

- Form Green Capacities offtake portfolio and growing the share of green electricity supplied
- Best in class trading and risk management competences
- Attractive and diverse product portfolio with a focus on power and long-term value
- Great customer experience with digitally advanced customer services




## Building a leading EV charging network in the Baltics

### EV network will become a significant offtaker of green electricity in the future

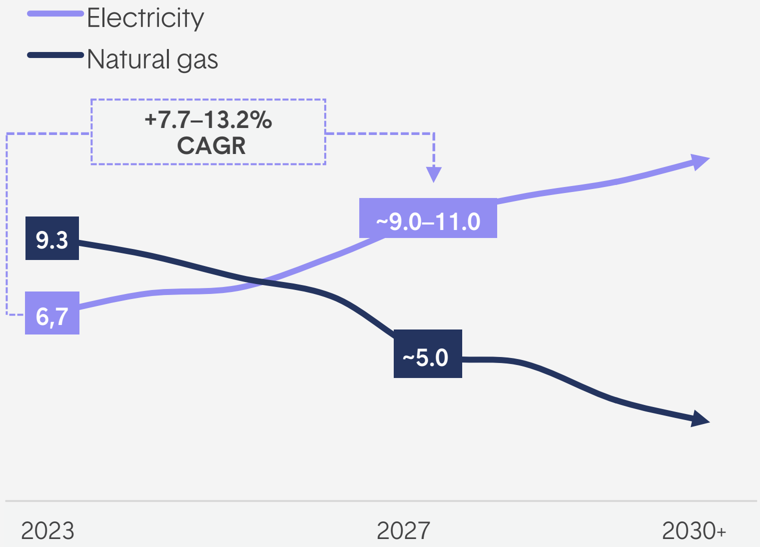
- Expanding in the Baltics across public, commercial and home charging segments
- Focused on developing a public EV fast-charging network and being a first-choice provider of charging solutions for the home and business customers
- Exploring the utilization of own EV network's balancing capabilities

## Speeding up the transition from gas to power

### Optimising our natural gas supply portfolio

- Proactively promoting customers to move from gas to power. Estimating ~5.0 TWh level in 2027
- Our key focus is on electricity supply

**Energy supply portfolio,** TWh



# Reserve Capacities

**Strategic priorities:**

Contributing to the security of the energy system

**Focus markets:**

Lithuania

# We utilise reserve capacities to ensure reliability and security of the power system

Option to generate electricity in the market during low renewables generation /positive clean spark spread periods

**2023**

**~0.9 GW** contracted for **ancillary (capacity) services**[1]

**1.1 GW**

**Providing mainly ancillary services**

**Upside potential:**
- option to operate in the market during low renewables generation/ positive clean spark spread periods
- participation in market tenders/capacity auctions for provision of ancillary services to other countries[5]

| | 2023 |
|---|---|
| Availability[2] | >98% |
| Load factor[3] | ~3.4% |
| Share of regulated/contracted[4] EBITDA | ~22% |

**2023–2030**

**No significant changes**

[1] In 2023, gas-fired capacity of 891 MW has been dedicated to isolated regime services.
[2] Average availability of Elektrėnai Complex, excluding scheduled repairs in 2023 – 99.4%: CCGT – 99.7%, Unit 7– 98.4%; Unit 8 – 99.9%).
[3] Production volumes of electricity in Elektrėnai Complex in 2023 were low due to unfavourable market conditions (high gas prices).
[4] Share from EBITDA, which was earned in Elektrėnai Complex.
[5] Services for ensuring of availability of capacity in the amount of 250 MW will be provided to Polish TSO in 2027. Participation in Polish TSO's market tenders is planned for other periods as well.

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# 3. Financials

Investments, target returns, leverage and dividends

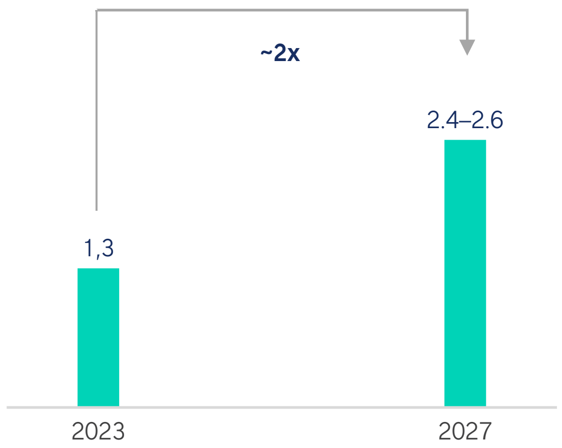
# Investments over 2024–2027

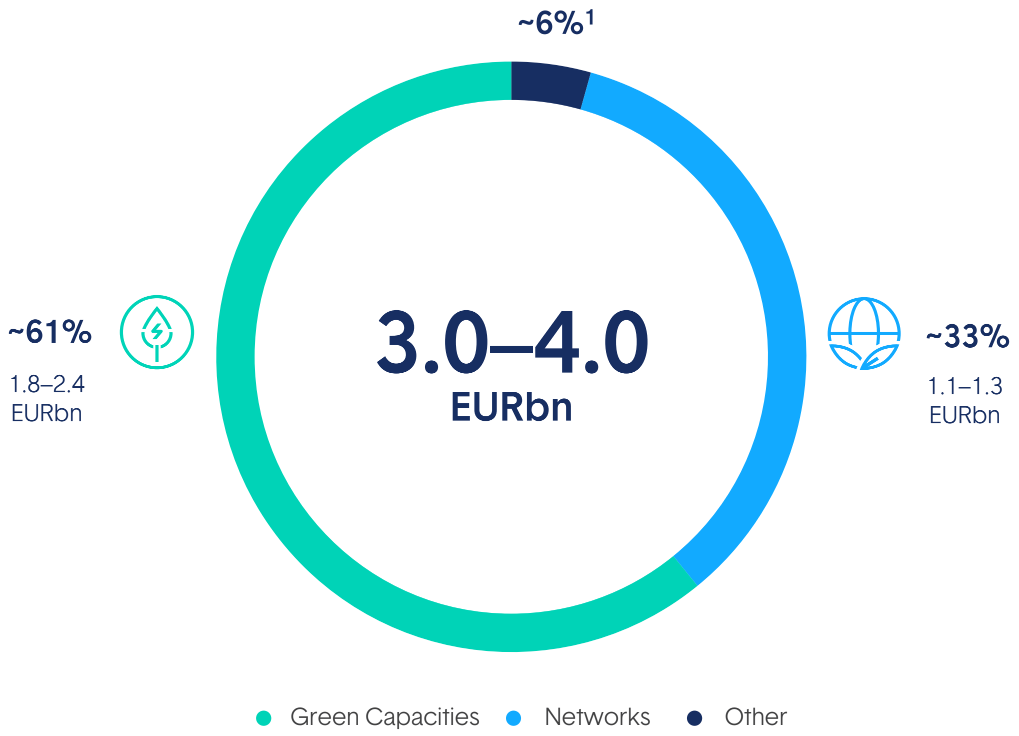
3.0–4.0 EURbn

**Investments aligned with the EU Taxonomy**
94.8% (2023)

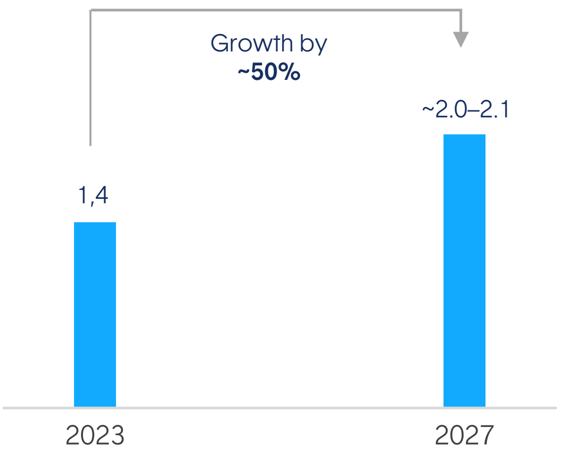
**≥85–90%[2]**
2024–2027 targeted level

**Green Capacities installed,** GW



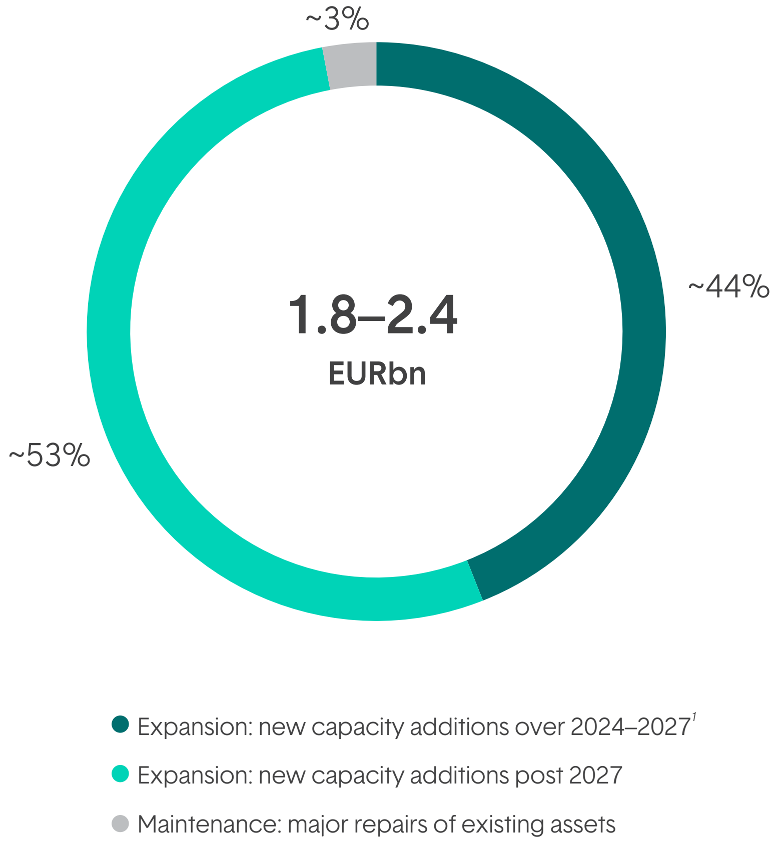




**Regulated Asset Base,** EURbn



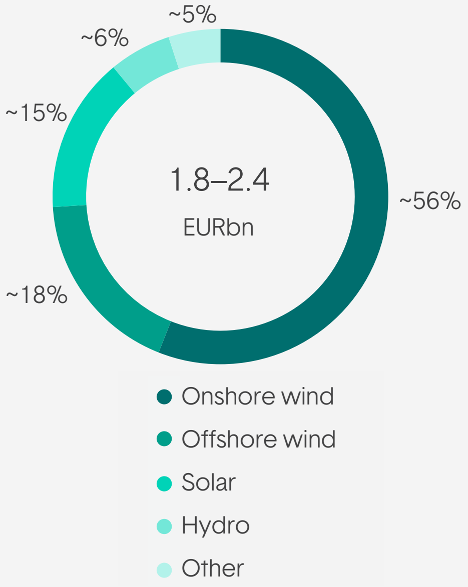

[1] *Includes Reserve Capacities segment, Customers & Solutions segment, IT and other investments.*
[2] *Share of Investments to be directed to the maintenance or expansion of the EU Taxonomy-aligned activities. There are differences in methodologies used to calculate Investments and actual Taxonomy CAPEX KPI.*

# Investments over 2024–2027: Green Capacities

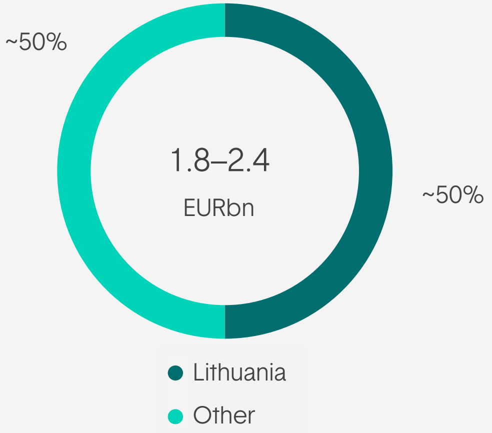



## Investments over 2024–2027

### By technology, %

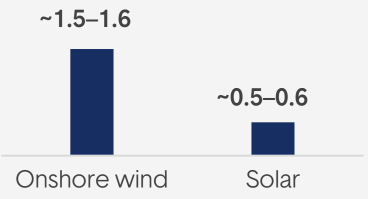



### By geography, %



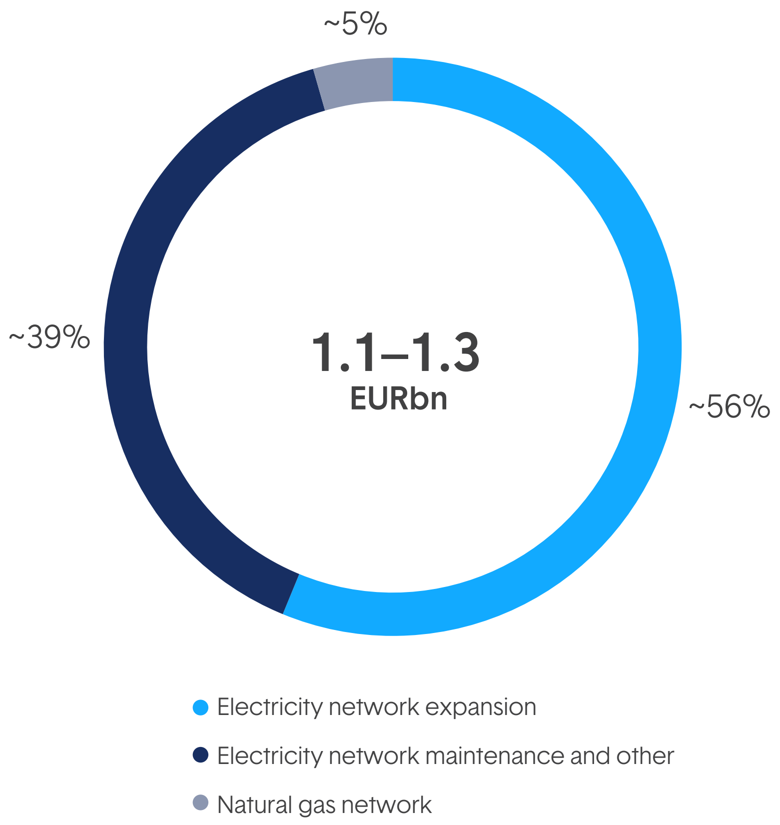

## Investments per MW,

mEUR/MW




[1] Excludes ~0.48 EURbn investments made before 2024, related to the projects with COD in 2024–2027.

# Investments over 2024–2027: Networks



# Target returns

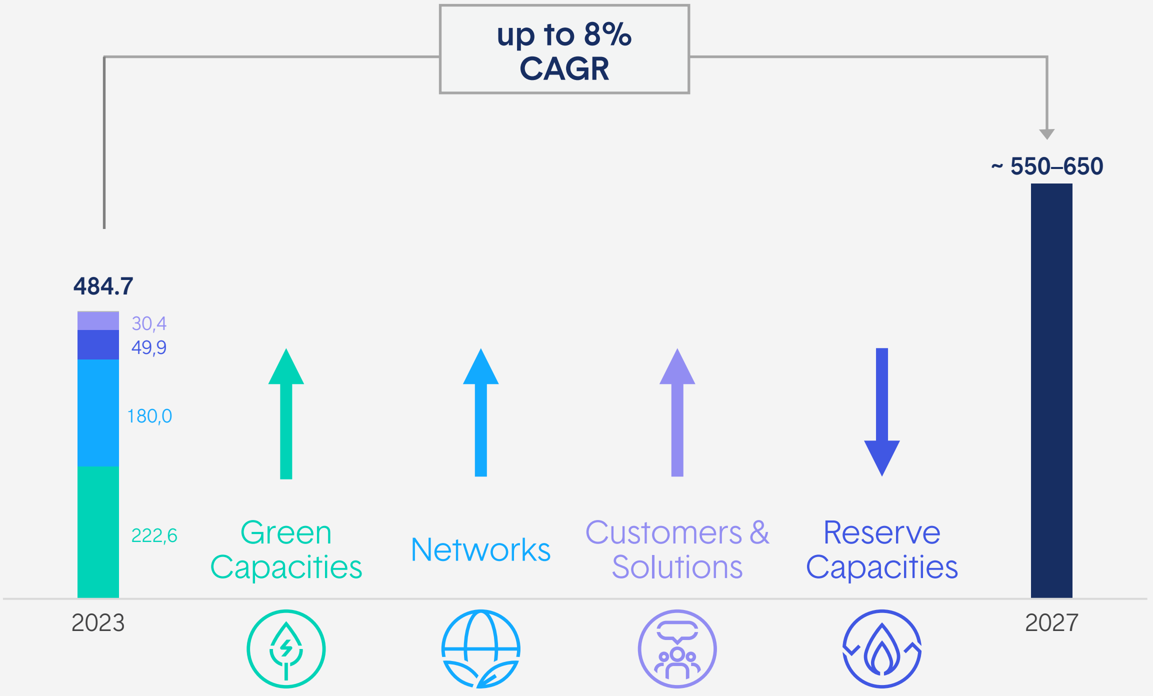
EBITDA expected to reach EUR ~550–650m in 2027, mainly driven by Green Capacities and Networks

## Targeted IRR–WACC spread

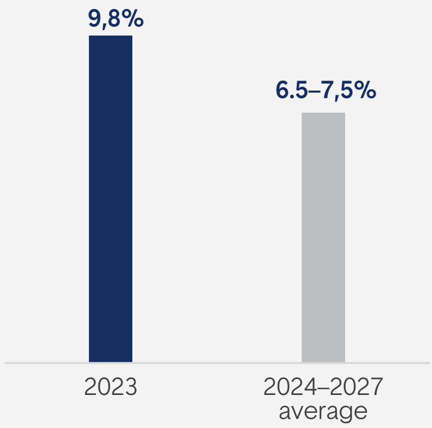
**≥ 100 bps**
in commercial/ non-regulated activities

**≥ 0 bps**
in regulated activities

## Adjusted EBITDA, EURm



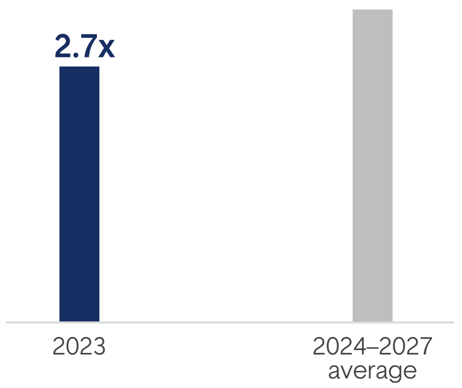

## Adjusted ROCE, %



# Commitment to a solid investment-grade credit rating

**Net debt/Adjusted EBITDA**

**Targeted level <5.0x**




We expect to maintain

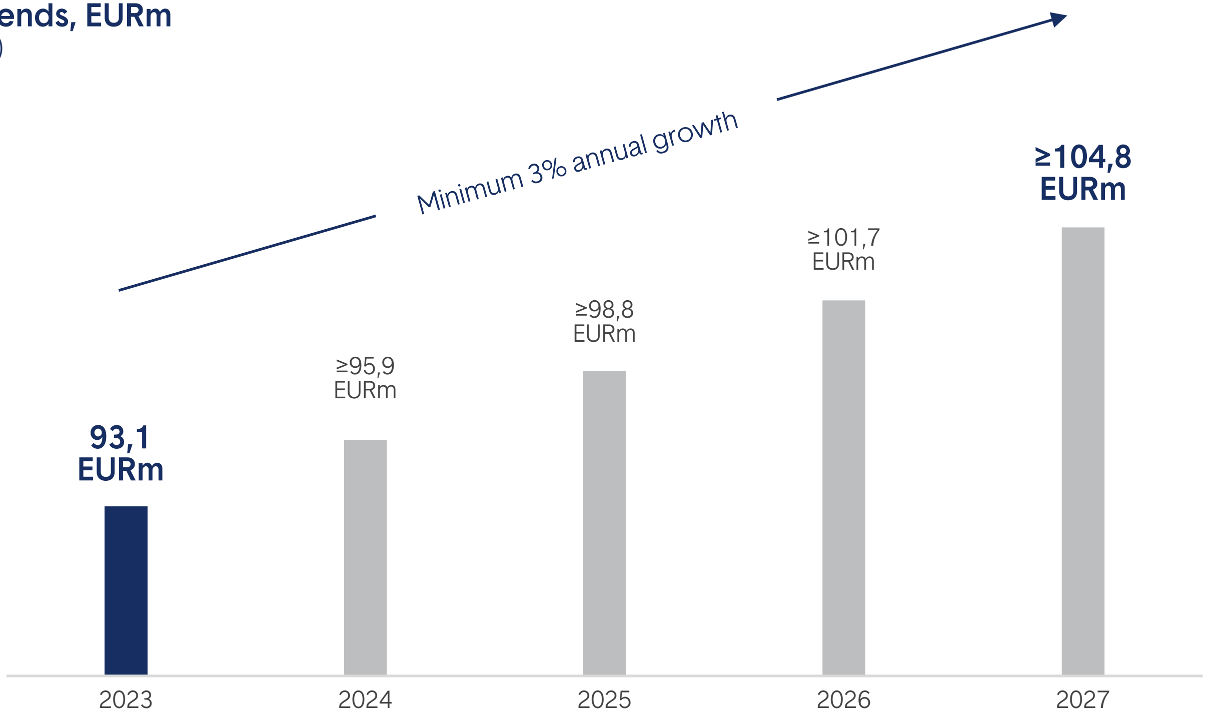
## BBB or above

credit rating over the 2024–2027 period

# Growing dividends

We are committed to increase dividends >3% annually

**Minimum annual dividends, EURm**
(declared for the financial year)




| | 2023 | 2024 | 2025 | 2026 | 2027 |
|---|---|---|---|---|---|
| **Minimum DPS[1], Eur** | 1.29 | ≥1.32 | ≥1.36 | ≥1.41 | ≥1.45 |
| **Dividend yield[2]** | 6.8% | ~7.3% | ~7.5% | ~7.7% | ~8.0% |

# 7.3–8.0%

**Implied dividend yield over the 2024–2027 period**

## Dividend policy

We are commited to increase dividends to shareholders at a minimum 3% annual rate.

We also have the flexibility to distribute excess cash, if available

*[1] Calculated based on the No. of shares (72,388,960 ordinary shares).*
*[2] Implied dividend yield (annual) over the 2024–2027 period is calculated based on Ignitis Group's share price: 18.14 €/sh (closing price as of 25th April 2024). Dividend yield for GDRs: 6.9% in 2023.*

# 4. People

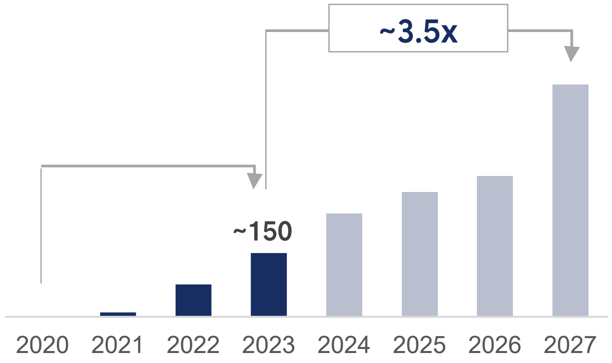
Diverse team of energy smart people united by a common purpose

# Our people

**~4,400**
Employees in 2023 (Ignitis Group)

**We are organically building an entire organisation from the scratch in renewables**

Ignitis Renewables organization growth, No. of employees




We are a diverse team of energy smart people united by a common purpose to create a 100% green and secure energy ecosystem

Take YOUR part in **#EnergySmart!**

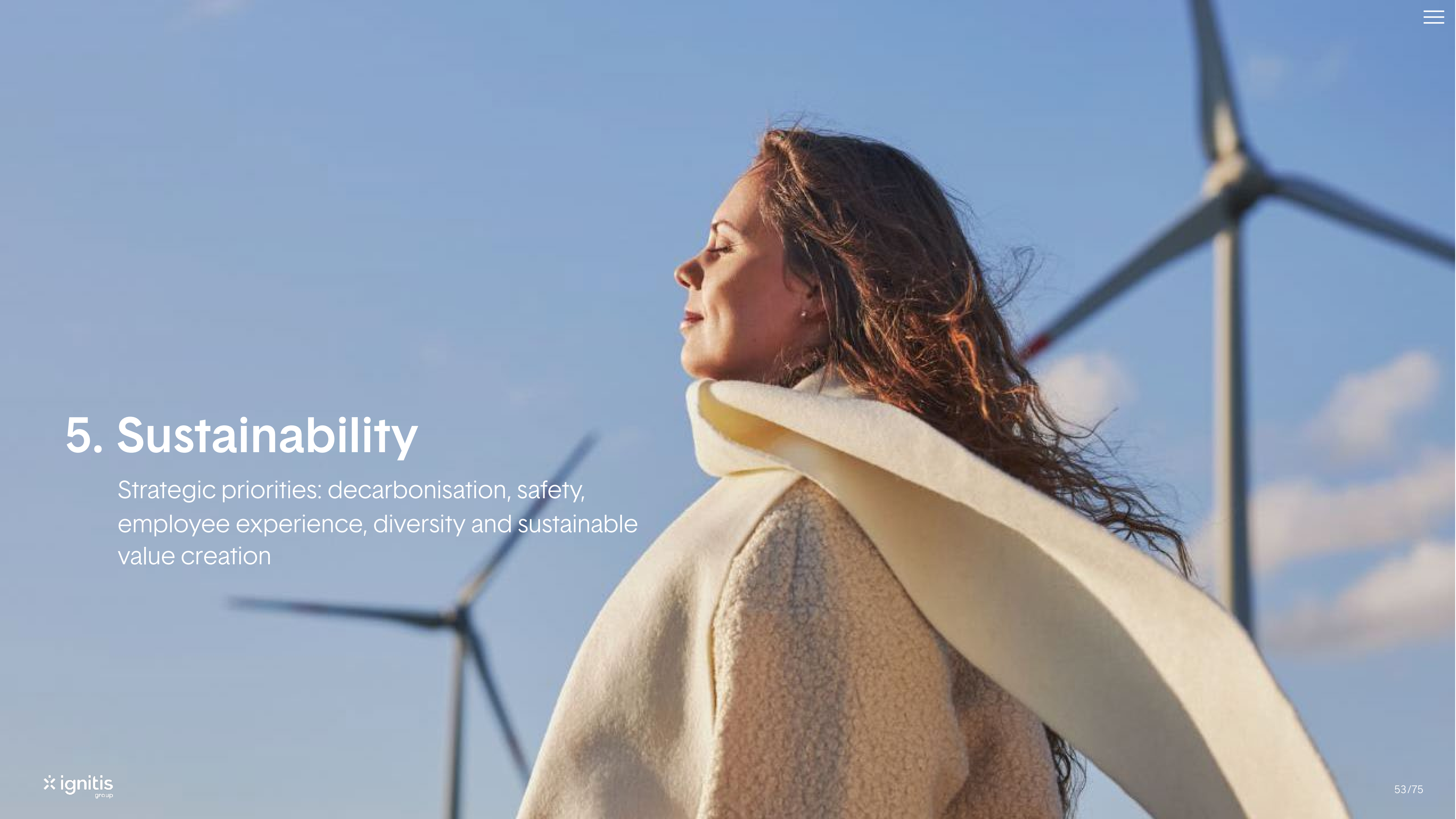
## Our Values

**RESPONSIBILITY**
Care. Do. For Earth. Starting with myself

**PARTNERSHIP**
Diverse. Strong. Together

**OPENNESS**
See. Understand. Share. Open to the world

**GROWTH**
Curious. Bold. Everyday



# 5. Sustainability

Strategic priorities: decarbonisation, safety, employee experience, diversity and sustainable value creation

# ESG priorities and targets 2027

| Priority | Decarbonisation | Safety | | Employee experience | Diversity | Sustainable value creation | |
|---|---|---|---|---|---|---|---|
| | Reducing the carbon intensity of scope 1 & 2 GHG emissions | Zero fatal accidents | Total recordable injury rate | Employee experience and well-being[2] | Gender diversity in top management | Sustainable investments | Sustainable returns |
| **2027 target** | **215–289** Carbon intensity of scope 1 & 2 GHG emissions, g $CO_2$-eq/kWh | **0 fatalities** (of employees and contractors) | **≤2.1** TRIR, per million hours worked (2024–2027)<br>≤1.5 \| ≤2.7<br>Employees \| Contractors | **≥50** employees promoting the Group as an employer (eNPS) | **~30%** share of women in top management positions | **≥85–90%** share of Investments aligned with the EU Taxonomy[3] (2024–2027) | **≥70–75%** share[4] of sustainable Adjusted EBITDA[4] |
| 2023 | 360 g $CO_2$-eq/kWh | 0 | 0.79 \| 0.93[1] | 57.5 | 23.1% | 94.8% | 61.4% |
| SDG contribution | 7 Affordable and clean energy; 12 Responsible consumption and production; 13 Climate action | 5 Gender equality; 8 Decent work and economic growth | | | | 5 Gender equality; 7 Affordable and clean energy; 9 Industry, innovation and infrastructure | |
| ESG contribution | **ENVIRONMENTAL** | **SOCIAL** | | | | **GOVERNANCE** | |

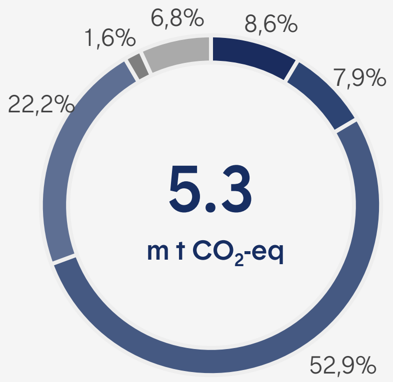
[1] *Tracking of UAB "Ignitis" TRIR contractors started on 7th of July 2023. Tracking of AB "Energijos skirstymo operatorius" TRIR contractors include full scope of incidents, however, the hours included in TRIR calculations include only contracts above 0.5 EURm/year.*
[2] *Experiences of employees in areas such as well-being, learning and growth, equal pay, diversity and inclusion, etc.*
[3] *Share of Investments to be directed to the maintenance or expansion of the EU Taxonomy-aligned activities. There are differences in methodologies used to calculate Investments and actual Taxonomy CAPEX KPI.*
[4] *Sustainable Adjusted EBITDA is the share of Adjusted EBITDA related to Taxonomy-aligned activities in total Adjusted EBITDA. The ratio is calculated using the Group's own methodology as it's not based of the EU Commission Delegated Regulation 2021/2178.*

# Decarbonisation pathway aligned with our business ambitions

**2023** | **2024–2027** | **2040–2050**

## 2023

**GHG emissions, total**

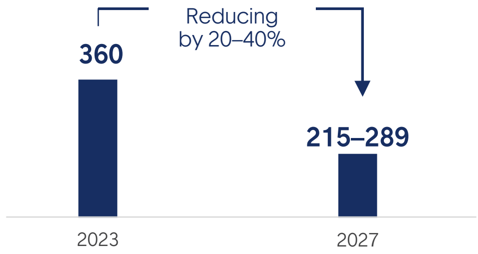



Covered by 2024–2027 strategic targets
- Scope 1
- Scope 2
- Scope 3 Natural gas

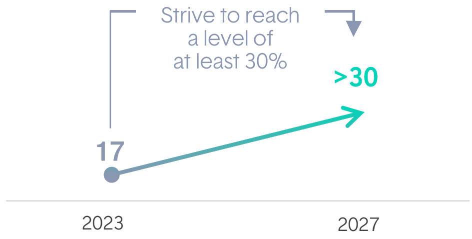
- Scope 3 Electricity
- Scope 3 Other
- Out of scope (Biogenic)

## 2024–2027

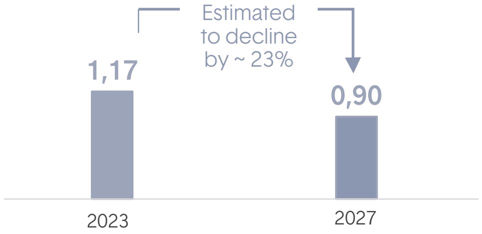
**1. Reducing carbon intensity of scope 1 & 2 GHG emissions** (market based), g CO2-eq/kWh




**2. Growing share of green electricity supplied, %**




**3. Reducing absolute GHG emissions from natural gas supply, m t CO2-eq**




priority **#1**

**Scope 1 and 2**

Growing green generation and green flexibility capacity installed[1] and increasing share of own green electricity used for own operations[2]

priority **#2**

**Green share**
of electricity supply

Actively promoting our customers to use green electricity and expanding electricity supply portfolio within our home markets

priority **#3**

**Scope 3**
Natural gas supply

Promoting customers transition from gas to electricity[3]

## 2040–2050

**Net Zero**

We target net zero emissions by 2040–2050

[1] *2.4–2.6 GW by 2027, 4–5 GW by 2030, incl. Kruonis PSHP expansion in 2026, commercial-scale batteries by 2027, further offshore wind build-out post 2030. Implementing green hydrogen production and e-fuel conversion pilot project, analyzing potential carbon capture technologies and considering the development of utility scale green hydrogen and e-fuel production capabilities, and the potential to export of surplus energy to contribute to Europe's decarbonization in the long-term.*

[2] *Kruonis PSHP operations, electricity grid losses, offices, replacement of operational vehicle fleet with EVs, etc.*

[3] *We aim to optimize our gas supply portfolio to an estimated ~5.0 TWh level in 2027 and reduce it further while securing the supply levels required for the security of the energy system during the energy transition period in Lithuania. Our key focus is on electricity supply.*

ignitis group

# 6. Highlights

Growing sustainable return to our shareholders

# Highlights

Our purpose is to create a **100% green and secure** energy ecosystem for current and future generations

**Green** — **Flexible** — **Integrated** — **Sustainable**

**2027: 2.4–2.6 GW**
**2030: 4–5 GW**
Green Capacities

**2027: 215–289 g $CO_2$-eq/kWh**
carbon intensity
of scope 1 & 2 GHG emissions
**2040–2050: Net Zero emissions**

**3.0–4.0 EURbn**
Investments
2024–2027

**550–650 EURm**
Adjusted EBITDA
2027

**BBB or higher**
Credit rating
2024–2027

**7.3–8.0%**
Implied dividend yield[1]
2024–2027

*[1] Minimum dividend per share is calculated based on the No. of shares (72,388,960 ordinary shares). Implied dividend yield (annual) over the 2024–2027 period is calculated based on Ignitis Group's share price: 18.14 €/sh (closing price as of 25th April 2024).*

# Q&A

# Supplementary information

# Our equity story

An attractive blend of growth and yield

### Renewables-focused integrated utility, leading energy transition in the Baltics:

- 1.4 GW operational.
- 4–5 GW target of installed Green Capacities by 2030 (x4 vs. 2022).
- >7 GW Green Capacities Portfolio (x5 vs. 2019).

### Integrated business model that ensures resilient performance even in volatile market conditions:

- significant share of green flexibility capacity with one of the largest energy storage facilities in Europe.
- Networks RAB of 1.6 EURbn with double-digit growth, required to enable net zero.
- largest customer portfolio in the Baltics supporting Green Capacities growth.

### Strong financial profile:

- BBB+ credit rating.

### Committed to sustainability:

- target net zero emissions by 2040–2050.

### Attractive blend of growth and yield:

- Adjusted EBITDA growth of up to 8%[1].
- Dividend yield of ~7–8%[2].

## A proven track record


**x2**
**Adjusted EBITDA**

**x5**
**Green Capacities Portfolio**

**~7–8%**
**dividend yield 2024-2027**

Note: unless otherwise stated, data is as of 31 March 2024.
1. CAGR, 2023–2027.
2. Implied dividend yield (annual) over the 2024–2027 period.

# Income statement

| *EURm* | 3M 2024 | 3M 2023 | Δ % |
|---|---|---|---|
| Revenue from contracts with customers | 650.7 | 927.1 | *(29.8%)* |
| Other income | 2.8 | 1.2 | *133.3%* |
| Total revenue | 653.5 | 928.3 | *(29.6%)* |
| Purchases of electricity, gas and other services | (393.1) | (677.8) | *(42.0%)* |
| Salaries and related expenses | (38.2) | (30.3) | *26.1%* |
| Repair and maintenance expenses | (14.0) | (8.5) | *64.7%* |
| Other expenses | (19.3) | (16.4) | *17.7%* |
| Total expenses | (464.6) | (733.0) | *(36.6%)* |
| **EBITDA** | **188.9** | **195.3** | ***(3.3%)*** |
| Depreciation and amortisation | (40.9) | (37.5) | *9.1%* |
| Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets | (0.5) | (1.2) | *58.3%* |
| Operating profit (loss) (EBIT) | 147.5 | 156.6 | *(5.8%)* |
| Finance income | 6.6 | 2.6 | *153.8%* |
| Finance expenses | (14.8) | (11.3) | *31.0%* |
| Finance activity, net | (8.2) | (8.7) | *(5.7%)* |
| Profit (loss) before tax | 139.3 | 147.9 | *(5.8%)* |
| Income tax (expenses)/benefit | (20.6) | (20.7) | *0.5%* |
| **Net profit for the period** | **118.7** | **127.2** | ***(6.7%)*** |

# Balance sheet

| *EURm* | 31 Mar 2024 | 31 Dec 2023 | *Δ %* |
|---|---|---|---|
| **Assets** | | | |
| **Non-current assets** | | | |
| Intangible assets | 322.4 | 315.4 | *2.2%* |
| Property, plant and equipment | 3,480.2 | 3,362.5 | *3.5%* |
| Right-of-use assets | 52 | 49.9 | *4.2%* |
| Prepayments for non-current assets | 325 | 309.9 | *4.9%* |
| Investment property | 5.9 | 5.9 | *0.0%* |
| Non-current receivables | 77.2 | 76.3 | *1.2%* |
| Other financial assets | 37.6 | 37 | *1.6%* |
| Other non-current assets | 4.1 | 3.5 | *17.1%* |
| Deferred tax assets | 53.4 | 56.5 | *(5.5%)* |
| **Non-current assets** | **4,357.8** | **4,216.9** | ***3.3%*** |
| Current assets | | | |
| Inventories | 229.5 | 274.8 | *(16.5%)* |
| Prepayments and deferred expenses | 19.1 | 14.4 | *32.6%* |
| Trade receivables | 237.6 | 265.9 | *(10.6%)* |
| Other receivables | 98.5 | 126.0 | *(21.8%)* |
| Other financial assets | 2.5 | 110.4 | *(97.7%)* |
| Other current assets | 20.4 | 24.0 | *(15.0%)* |
| Prepaid income tax | 14.7 | 6.2 | *137.1%* |
| Cash and cash equivalents | 346.7 | 205.3 | *68.9%* |
| Assets held for sale | 0.7 | 0.5 | *40.0%* |
| **Current assets** | **969.7** | **1,027.5** | ***(5.6%)*** |
| **Total assets** | **5,327.5** | **5,244.4** | ***1.6%*** |

| *EURm* | 31 Mar 2024 | 31 Dec 2023 | *Δ %* |
|---|---|---|---|
| **Equity and liabilities** | | | |
| **Equity** | | | |
| Issued capital | 1,616.4 | 1,616.4 | - |
| Reserves | 244.1 | 284.4 | *(14.2%)* |
| Retained earnings | 460.9 | 362.6 | *27.1%* |
| **Equity attributable to equity holders of the parent** | **2,321.4** | **2,263.4** | ***2.6%*** |
| Non-controlling interests | - | - | *N/A* |
| **Equity** | **2,321.4** | **2,263.4** | ***2.6%*** |
| **Non-current liabilities** | | | |
| Non-current loans and bonds | 1,519.4 | 1,521.2 | *(0.1%)* |
| Non-current lease liabilities | 44.2 | 42.3 | *4.5%* |
| Grants and subsidies | 299.1 | 300.1 | *(0.3%)* |
| Deferred tax liabilities | 89.9 | 87.4 | *2.9%* |
| Provisions | 62.7 | 60.7 | *3.3%* |
| Deferred income | 249.9 | 241.6 | *3.4%* |
| Other non-current liabilities | 56.9 | 66.6 | *(14.6%)* |
| **Non-current liabilities** | **2,322.1** | **2,319.9** | ***0.1%*** |
| **Current liabilities** | | | |
| Loans | 68.6 | 64.5 | *6.4%* |
| Lease liabilities | 4.8 | 5.2 | *(7.7%)* |
| Trade payables | 174.5 | 177.2 | *(1.5%)* |
| Advances received | 64.3 | 61.8 | *4.0%* |
| Income tax payable | 14.8 | 4.9 | *202.0%* |
| Provisions | 37.7 | 27.6 | *36.6%* |
| Deferred income | 35.8 | 35.2 | *1.7%* |
| Other current liabilities | 283.5 | 284.7 | *(0.4%)* |
| **Current liabilities** | **684.0** | **661.1** | ***3.5%*** |
| **Total liabilities** | **3,006.1** | **2,981.0** | ***0.8%*** |
| **Total equity and liabilities** | **5,327.5** | **5,244.4** | ***1.6%*** |

# Cash flow statement

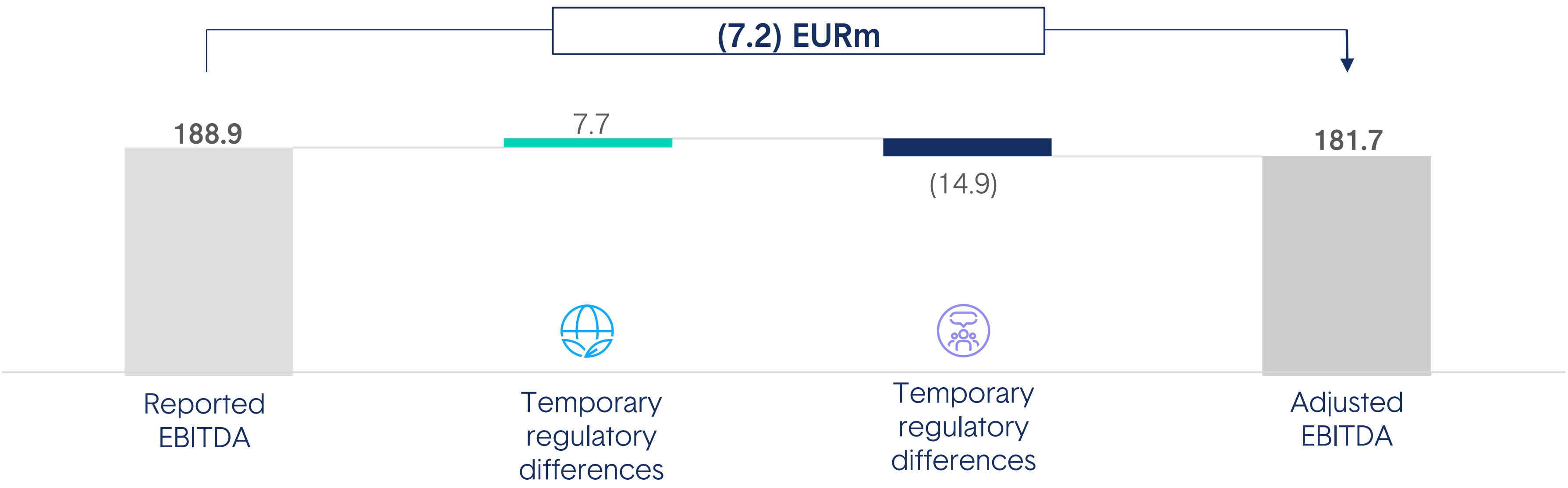
| *EURm* | 3M 2024 | 3M 2023 | *Δ %* |
|---|---|---|---|
| **Cash flows from operating activities** | | | |
| Net profit for the period | 118.7 | 127.2 | *(6.7%)* |
| Adjustments for non-monetary expenses (income): | 58.3 | 59.5 | *(2.0%)* |
| Elimination of results of investing activities: | 3.6 | (59.8) | *(106.0%)* |
| Elimination of results of financing activities: | 8.3 | 8.6 | *(4.4%)* |
| Changes in working capital: | 75.4 | 235.1 | *(67.9%)* |
| Income tax paid | (10.8) | (5.8) | *87.0%* |
| **Net cash flows from operating activities** | **253.6** | **364.8** | ***(30.5%)*** |
| **Cash flows from investing activities** | | | |
| Acquisition of property, plant and equipment and intangible assets | (212.2) | (122.3) | *73.5%* |
| Proceeds from sale of property, plant and equipment and intangible assets | 0.8 | 0.3 | *166.7%* |
| Loans granted | - | (10.2) | *(100.0%)* |
| Acquisition of a subsidiary | - | (2.8) | *(100.0%)* |
| Grants received | 2.9 | 5.2 | *(44.2%)* |
| Interest received | 1.0 | 0.2 | *400.0%* |
| Finance lease payments received | 0.4 | 0.3 | *33.3%* |
| Short term deposits net change | 109.0 | - | *N/A* |
| Investments in Innovation Fund | (0.6) | (0.3) | *100.0%* |
| **Net cash flows from investing activities** | **(98.7)** | **(129.6)** | ***(23.8%)*** |

| *EURm* | 3M 2024 | 3M 2023 | *Δ %* |
|---|---|---|---|
| **Cash flows from financing activities** | | | |
| Loans received | 7.2 | 173.5 | *(95.9%)* |
| Repayments of loans | (10.2) | (155.7) | *(93.4%)* |
| Overdrafts net change | 0.2 | (172.9) | *(100.1%)* |
| Lease payments | (2.1) | (1.8) | *16.7%* |
| Interest paid | (8.6) | (4.2) | *104.8%* |
| **Net cash flows from financing activities** | **(13.5)** | **(161.1)** | ***(91.6%)*** |
| **Increase/(decrease) in cash and cash eq. (incl. overdraft)** | **141.4** | **74.1** | ***90.8%*** |
| Cash and cash eq. (incl. overdraft) at the beginning of the year | 205.3 | 694.1 | *(70.4%)* |
| Cash and cash eq. (incl. overdraft) at the end of the period | 346.7 | 768.2 | *(54.9%)* |

# Reconciliations

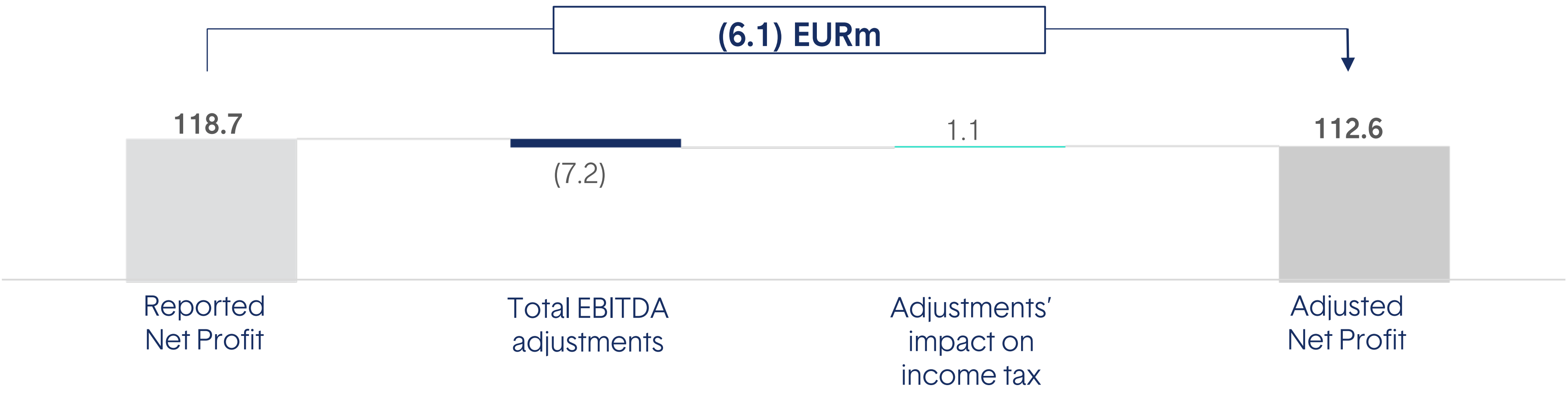
## Reconciliation of Adjusted EBITDA

EURm




## Reconciliation of Adjusted Net Profit

EURm



# EBITDA and Net profit adjustments

## EBITDA adjustments
EURm

| | 3M 2024 | 3M 2023 | *Δ* | *Δ, %* |
|---|---|---|---|---|
| **EBITDA APM** | **188.9** | **195.3** | *(6.4)* | *(3.3%)* |
| *Adjustments* | | | | |
| Temporary regulatory differences[1] | (7.2) | (45.3) | *38.1* | *84.2%* |
| **Total EBITDA adjustments** | **(7.2)** | **(45.3)** | ***38.1*** | ***84.2%*** |
| **Adjusted EBITDA APM** | **181.7** | **149.9** | ***31.7*** | ***21.1%*** |

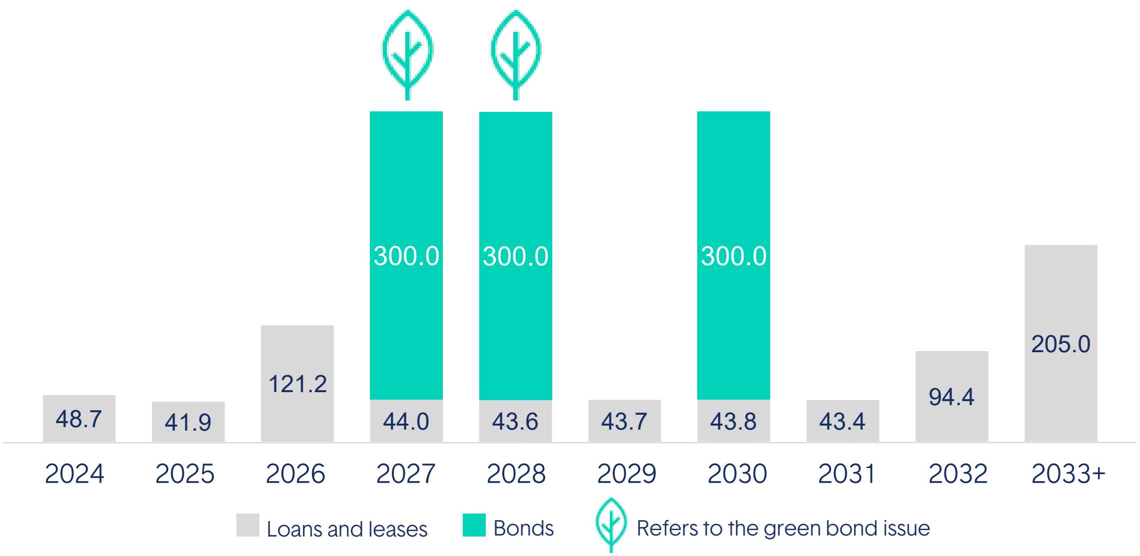
1. *Elimination of the difference between the actual profit earned during the reporting period and the profit allowed by the regulator*
2. *An additional income tax adjustment of 15% (statutory income tax rate in Lithuania) is applied to all of the above net profit adjustments..*

## Net profit adjustments
EURm

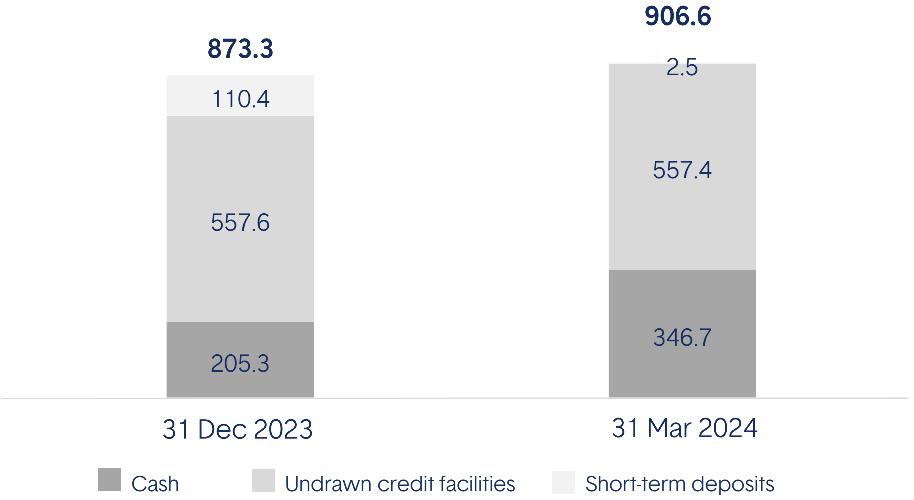
| | 3M 2024 | 3M 2023 | *Δ* | *Δ, %* |
|---|---|---|---|---|
| **Net profit** | **118.7** | **127.2** | *(8.5)* | *(6.7%)* |
| *Adjustments* | | | | |
| Total EBITDA adjustments | (7.2) | (45.3) | *38.1* | *84.1%* |
| Adjustments' impact on income tax[2] | 1.1 | 6.8 | *(5.7)* | *n/a* |
| **Total net profit adjustments** | **(6.1)** | **(38.5)** | ***32.4*** | ***84.2%*** |
| **Adjusted Net Profit APM** | **112.6** | **88.7** | ***23.9*** | ***26.9%*** |

# Financing

## Debt maturity schedule
EURm




## Liquidity reserve
EURm



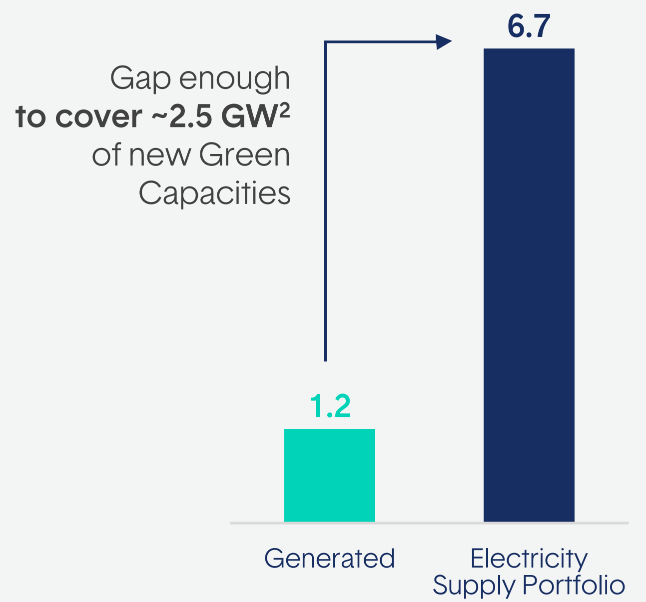

| | Outstanding amount as of 31 Mar 2024 (EURm) | Effective interest rate (%) | Average time to maturity (years) | Fixed interest rate | Euro currency |
|---|---|---|---|---|---|
| Bonds (incl. interest) | 905.7 | 1.96 | 4.5 | 100.0% | 100.0% |
| Non-current loans including current portion of non-current loans | 594.5 | 3.12 | 7.1 | 63.6% | 86.5% |
| Bank overdrafts, credit lines, and current loans | 87.8 | 5.60 | 2.0 | 0.0% | 100.0% |
| Lease liabilities | 49.0 | - | 5.6 | - | 100.0% |
| **Gross Debt APM** | **1,637.0** | **2.62** | **5.0** | **78.4%** | **95.1%** |

1. As of 31 March 2024, one loan with a floating interest rate (with residual value of EUR 110 million) was classified as a fixed interest rate loan because an interest rate swap was carried out for this loan.

# Generation mix and potential synergies


## Electricity generated[1] vs supplied in 2023

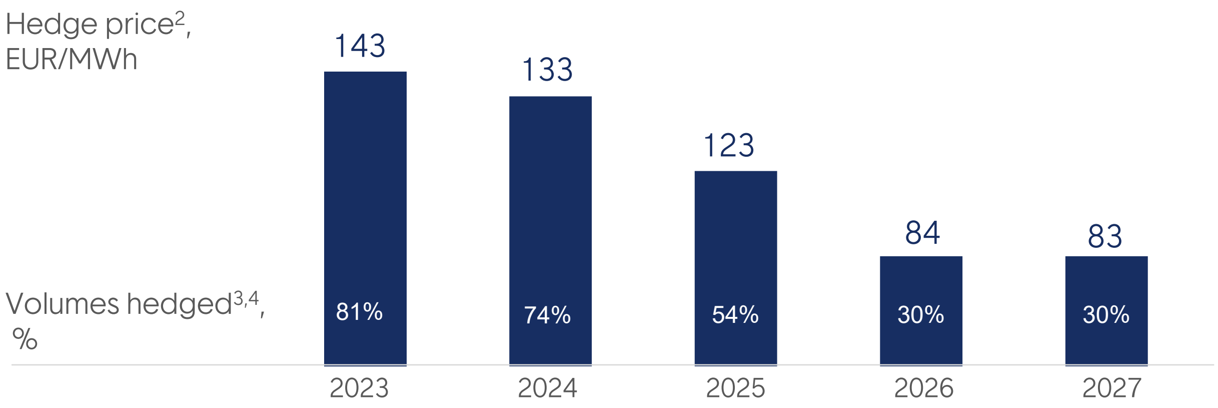
TWh




1 Excluding opportunistic assets (Elektrėnai, which accounted for 14% of the total generated volume, and Kruonis, with 26% of total generation in 2023).
2 Assuming the whole surplus of electricity supply (5.4 TWh) can be utilised for new wind and solar generation offtake with a load factor of ~25% (57/43 split between wind and solar with load factors of ~35% and ~12% respectively).

# Hedging levels[1]

## Generation Portfolio hedging levels




1. Hedging levels are provided until the end of the strategic period.
2. Most PPAs are concluded for the base load, therefore, the actual effective hedge price can differ from the price in the contract due to the profile effect
3. Generation Portfolio includes the total electricity generation capacity of operating assets (Installed Capacity), the projects Under Construction and Awarded / Contracted projects, except Kruonis PSHP as well as units 7, 8 and CCGT at Elektrėnai Complex.
4. Some of the PPAs are internal, the graph above illustrates the Green Capacities segment's outlook (generated volumes).

# Industry overview

## Electricity

### Consumption, TWh

| TWh | 3M 2024 | 3M 2023 | Δ, % |
|---|---|---|---|
| Lithuania | 3.3 | 3.1 | 5.8% |
| Latvia | 1.8 | 1.7 | 4.1% |
| Estonia | 2.4 | 2.3 | 4.3% |
| Finland | 24.4 | 22.0 | 11.1% |
| Poland | 44.7 | 44.2 | 1.1% |
| **Total** | **76.6** | **73.3** | **4.4%** |

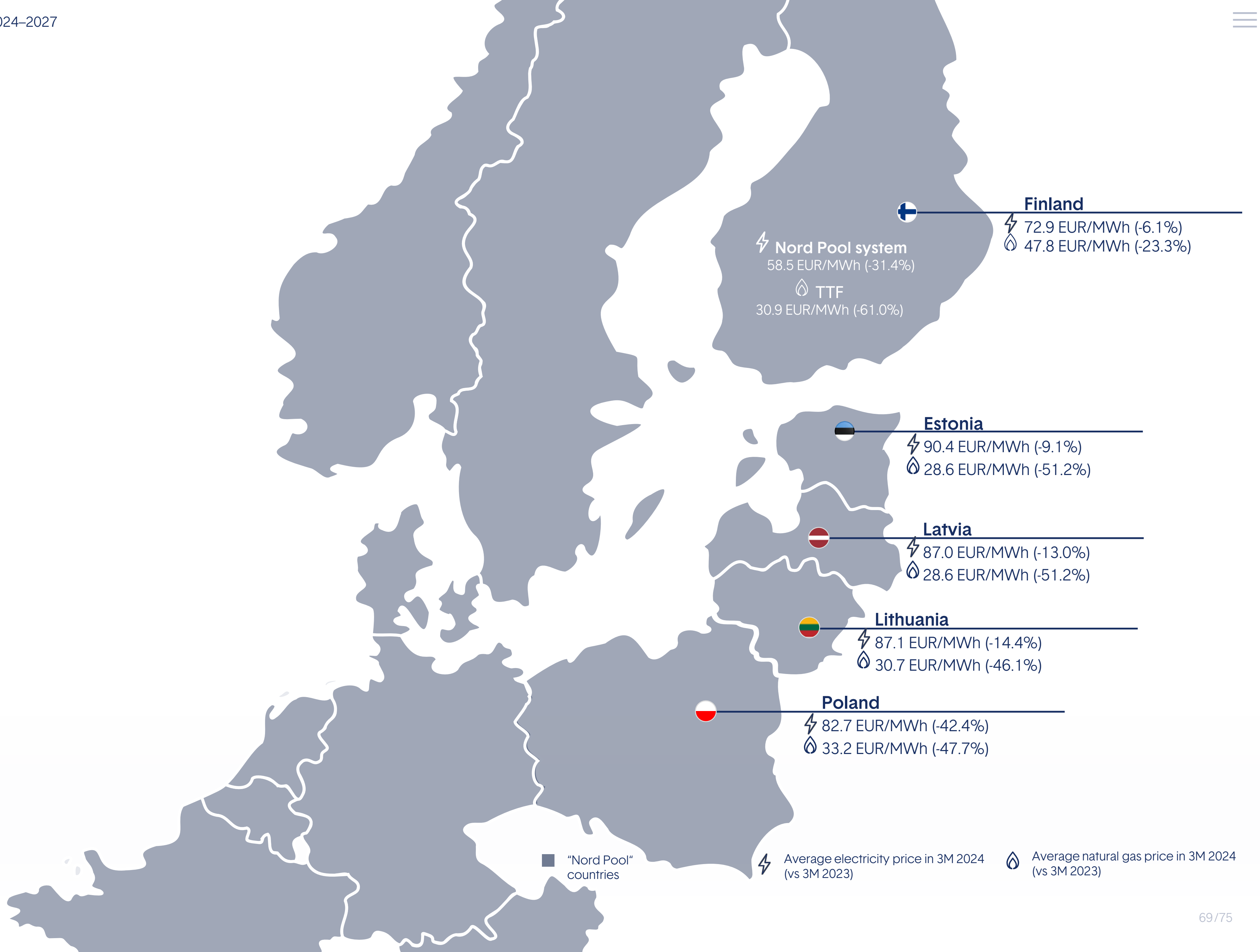
### Generation, TWh

| TWh | 3M 2024 | 3M 2023 | Δ, % |
|---|---|---|---|
| Lithuania | 2.0 | 1.5 | 38.3% |
| Latvia | 2.5 | 2.4 | 4.6% |
| Estonia | 1.3 | 1.4 | (5.3%) |
| Finland | 21.1 | 19.5 | 8.3% |
| Poland | 43.9 | 44.1 | (0.6%) |
| **Total** | **70.8** | **68.9** | **2.8%** |

## Natural gas

### Consumption, TWh

| TWh | 3M 2024 | 3M 2023 | Δ, % |
|---|---|---|---|
| Lithuania | 5.5 | 3.2 | 72.3% |
| Latvia | 8.2 | 4.2 | 24.7% |
| Estonia | 1.6 | 1.2 | 32.0% |
| Finland | 5.2 | 3.6 | 45.5% |
| Poland | 63.7 | 58.3 | 9.3% |
| **Total** | **84.2** | **70.5** | **19.4%** |



# Disclosure summary

## Strategic ambitions and financial guidance

| | |
|---|---|
| Green generation and flexible capacities installed: | |
| - 2027 | 2.4–2.6 GW |
| - 2030 | 4.0–5.0 GW |
| Adjusted EBITDA, 2027 | 550-650 EURm |
| - *of which a sustainable share[1], 2027* | *≥70–75%* |
| Average ROCE, 2024–2027 | 6.5–7.5% |
| Net Debt/Adjusted EBITDA, 2024–2027 | < 5x |
| Solid investment–grade rating (S&P), 2024–2027 | BBB or above |
| Dividend policy | minimum 3% annual growth rate |
| - Minimum DPS[2], 2027 | ≥1.45 EUR |
| - Dividend yield[2], 2024–2027 | 7.3–8.0% |
| GHG emissions reduction: | |
| - 2027: carbon intensity of scope 1, 2 GHG emissions (reducing by 20–40% vs. 2023) | 215–289 g $CO_2$-eq/kWh |
| - 2040–2050: aligning with 1.5 °C scenario alongside | Net zero |

## Our strategic performance KPIs

| | |
|---|---|
| Total Investments, 2024–2027 | 3.0–4.0 EURbn |
| *- of which share of Investments aligned with EU Taxonomy [3], 2024–2027* | *≥85–90%* |
| Green Capacities: electricity generated (net), excl. Kruonis PSHP, 2027 | ~3.0–4.0 TWh |
| Electricity SAIFI: 2024–2027 average (per annum) | ≤1.05 |
| Electricity supply portfolio, 2027 | ~9.0–11.0 TWh |
| Average availability of Reserve Capacities, 2024–2027 | >98% |
| Safety at work, 2024-2027: | |
| - Fatal accidents of own employees and contractors | 0 |
| - Total recordable injury rate (TRIR) and TRIR of own employees and contractors | ≤2.1<br>≤1.5 and ≤2.7 |
| Engaged employees, diverse and inclusive workplace: | |
| - Employee Net promoter score (eNPS), 2024–2027 | ≥50 |
| Diversity in top management: | |
| - Share of women in top management, 2027 | ~30% |

*[1] Sustainable Adjusted EBITDA is the share of Adjusted EBITDA related to Taxonomy-aligned activities in total Adjusted EBITDA. The ratio is calculated using the Group's own methodology as it's not based of the EU Commission Delegated Regulation 2021/2178.*

*[2] Minimum dividend per share is calculated based on the No. of shares (72,388,960 ordinary shares). Implied dividend yield (annual) over the 2024–2027 period is calculated based on Ignitis Group's share price: 18.14 €/sh (closing price as of 25th April 2024).*

*[3] Share of Investments to be directed to the maintenance or expansion of EU Taxonomy-aligned activities. There are differences in methodologies used to calculate Investments and actual Taxonomy CAPEX KPI.*

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# Performance objectives for 2024–2027

Based on the strategic plan for 2024–2027 of the Ignitis Group

| Performance criteria | Objective | Weight | Access threshold (70%) | Target and maximum (100%) |
|---|---|---|---|---|
| **Shareholder value** | **TSR**<br>TSR of Ignitis Group vs. average TSR of EURO STOXX® Utilities Index[1] | 40% | ≥70%[2] | ≥100%[2] |
| **Returns** | **Average adjusted ROCE[3]**<br>over the four years 2024–2027 | 30% | 6.5%[2] | 7.5%[2] |
| **Green Capacities** | **Installed Green Capacities[4],** GW<br>end of 2027 | 20% | 2.4[2] | 2.6[2] |
| **Sustainability** | **Carbon intensity of scope 1 and 2 GHG emissions[5]**, g CO2-eq/kWh<br>for 2027 | 10% | 289 | 215 |

*[1] TSR (Total Shareholders Return) is calculated as the ratio of the difference between the average share price at the end of the period and the beginning of the period and adding the amount of dividends per share over performance period to the share price at the beginning of the performance period. The average TSR (Total Shareholders Return) of Ignitis Group and EURO STOXX® Utilities Index is calculated in the two-month period (Nov and Dec accordingly) preceding the beginning and the end of the performance period (January 1, 2024 – December 31, 2027), to neutralise any possible volatility on the market. TSR of Ignitis Group is calculated with the assumption that dividends are reinvested as well as EURO STOXX® Utilities Index used for benchmarking (based on gross return index type and EUR currency). Change in the value of the Ignitis Group shares between the beginning and the end of the reference period calculated as a weighted average of the IGN1L (Nasdaq Baltic) and IGN GDR (London Stock Exchange) prices based on volume traded.*

*[2] Target will be measured according to the achievement scale with linear interpolation between the entry (70%) and target (100%) thresholds.*

*[3] ROCE is calculated by dividing Ignitis Group adjusted earnings before interest and tax (adjusted EBIT) by its capital employed (average net debt at the beginning and end of the reporting period + average book value of equity at the beginning and end of the reporting period).*

*[4] Installed Green Capacities: gross installed capacity of onshore wind, offshore wind, solar, hydro run-of-river, biomass, waste-to-energy, pumped-storage hydro, batteries and power-to-X (if any) for the date at which all the equipment is: (1) installed, (2) connected, (3) authorized by a competent authority to generate energy, and (4) commissioned. Performance testing may still be ongoing.*

*[5] Carbon intensity is calculated as a ratio of CO2 eq emissions of scope 1 and 2 (market-based) divided by the sum of total generated electricity (gross) and heat (net). Carbon intensity of scope 1 and 2 (market-based) GHG emissions in 2023: 360 g CO2eq/kWh. The numerator of the ratio excludes out of scope (biogenic CO2) and (potential future) emissions from commercial scale batteries. The denominator of the ratio includes volumes of electricity generated (gross) from wind, solar, waste-to-energy, hydro run-river, pumped-storage hydro and gas-fired sources, and heat produced (net) from waste-to-energy and gas-fired sources. A value proportionate to the share of non-biogenic to biogenic waste at waste-to-energy power plants is applied to generated electricity and heat produced at Vilnius CHP (~47% of generation in 2023) and Kaunas CHP (~57% of generation in 2023) to determine electricity and heat from non-biogenic sources. If the TSO requires Elektrėnai complex to provide system balance services, the target may be adjusted with approval from the Group Supervisory Board.*

# Green Capacities Portfolio

**7.4 GW[1]** (whereof 2.9 GW secured)

## Installed capacity

| | Capacity | COD | Type and proportion of secured revenue |
|---|---|---|---|
| **Onshore wind** | | | |
| Eurakras WF | 24 MW | 2016 | PPA – 72% |
| Vėjo gūsis WF | 19 MW | 2008–2010 | PPA – 70% |
| Vėjo vatas WF | 15 MW | 2011 | PPA – 73% |
| Mažeikiai WF | 63 MW | 2023 | PPA – 65% |
| Tuulenergia WF | 18 MW | 2013–2014 | PPA – 70% |
| Pomerania WF | 94 MW | Q4 2021 | CfD – 100% |
| Silesia WF I | 50 MW | Q1 2024 | CfD – 100% |
| **Hydro** | | | |
| Kruonis PSHP | 900 MW | 1992–1998 | – |
| Kaunas HPP | 101 MW | 1959 | PPA – 75% |
| **Combined heat and power** | | | |
| Kaunas CHP WtE unit | 24 MW | 2020 | PPA – 90% |
| Vilnius CHP WtE unit | 20 MW | 2021 | PPA – 87% |
| Vilnius CHP biomass unit | 50 MW[2] | 2023 | PPA – 87% |
| Kaunas CHP WtE unit | 70 MWth[3] | 2020 | – |
| Vilnius CHP WtE unit | 70 MWth[3] | 2021 | – |
| Vilnius CHP biomass unit | 149 MWth[2,3] | 2023 | – |
| **Biomass boiler** | | | |
| Elektrėnai biomass boiler | 40 MWth[3] | 2015 | – |
| **Total:** | **1378 MW[3]** (+329 MWth) | | |

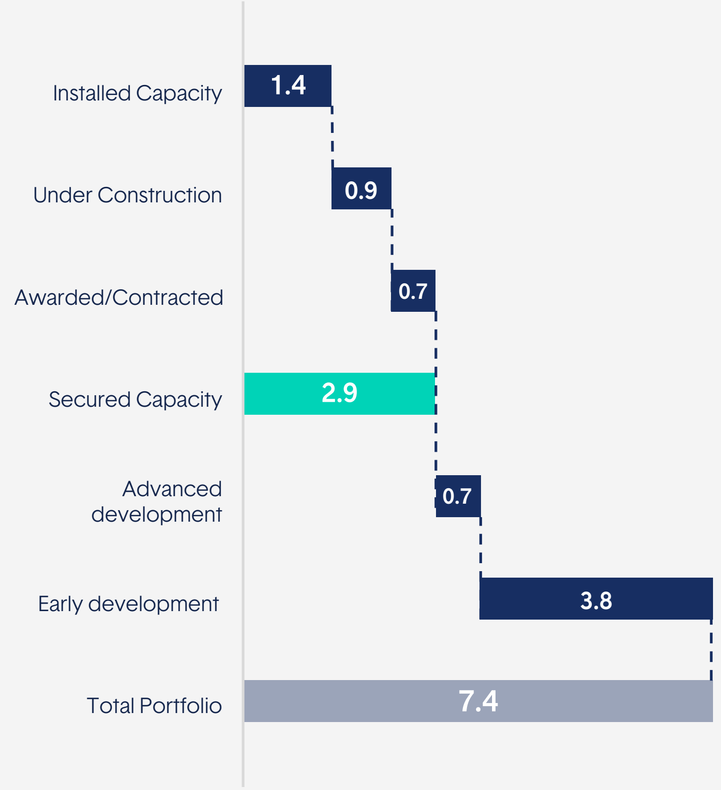
## Under construction

| | Capacity | COD | Type and proportion of secured revenue |
|---|---|---|---|
| **Onshore wind** | | | |
| Silesia WF II | 137 MW | H2 2024 | CfD / PPA – 100% |
| Kelmė WF I | 105.4 MW | 2025 | PPA – 65% |
| Kelmė WF II | 194.6 MW | 2025 | - |
| **Offshore wind** | | | |
| Moray West[4] | 882 MW | 2025 | CfD / PPA – 85% |
| **Solar** | | | |
| Tauragė solar project I | 22.1 MW | 2024 | - |
| Latvian solar portfolio I | 239 MW | 2025 | - |
| Polish solar portfolio | 30 MW | 2024 | CfD – 100% |
| **Hydro** | | | |
| Kruonis PSHP expansion project | 110 MW | 2026 | - |
| **Total:** | **861 MW[2]** | | |

## Awarded/contracted

| | Capacity | Expected COD |
|---|---|---|
| **Offshore wind** | | |
| Lithuanian offshore WF | 700 MW | ~2030 |
| **Total:** | **700 MW** | |

## Green Capacities Portfolio, GW




[1] Portfolio (31 Mar 2024).
[2] Vilnius CHP biomass unit (73 MWe, 169 MWth) COD to be achieved, after the COD for the remaining capacity (23 MWe, 20 MWth) will be reached, therefore, it is included within the total of under construction.
[3] Heat is not included within the total installed capacity total.
[4] Moray West offshore wind project capacity is 882 MW. However, as the Group owns a minority stake (5%), the capacity is not consolidated.

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# Glossary

| | |
|---|---|
| **Advanced development Pipeline** | Projects which have access to the electricity grid secured through preliminary grid connection agreement (agreement signed and grid connection fee has been paid). |
| **Awarded / Contracted** | Projects with one of the following: (i) awarded in government auctions and tenders (incl. CfD, FiP, FiT, seabed with grid connection), or (ii) for which offtake is secured through PPA or similar instruments (total secured offtake through PPA and other instruments should cover at least 50% of the annual expected generation volume of the asset). |
| **Commercial operation date** | Projects with installed capacity achieved. |
| **Early development Pipeline** | Projects of planned capacity higher than 50 MW with substantial share of land rights secured. |
| **Installed Capacity** | The date at which all the equipment is:<br>(1) installed,<br>(2) connected,<br>(3) authorized by a competent authority to generate energy, and<br>(4) commissioned.<br>Performance testing may still be ongoing. |
| **Pipeline** | Portfolio, excluding installed capacity projects. |
| **SAIFI** | Average number of unplanned long interruptions per customer |
| **Secured capacity** | Green Capacities projects under the following stages: (i) installed capacity, or (ii) under construction, or (iii) awarded / contracted. |
| **Green Capacities Portfolio** | All Green Capacities projects of the Group, which include: (i) secured capacity, (ii) advanced development pipeline and (iii) early development pipeline |
| **Under Construction** | Project with building permits secured or permitting in process including one of following: (i) notice to proceed has been given the first contractor or (ii) final investment decision has been made. |

# Abbreviations

| | |
|---|---|
| % | Percent |
| °C | Degree Celsius |
| API | Application Programming Interface |
| avg. | Average |
| B2B | Business to business |
| B2C | Business to consumer |
| BEMIP | Baltic Energy Market Interconnection Plan |
| bn | Billion |
| bps | Basis point |
| CAGR | Compound annual growth rate |
| CCGT | Combined Cycle Gas Turbine Plant |
| CfD | Contract for difference |
| CHP | Combined heat and power |
| CO2 | Carbon dioxide |
| CO2-eq | Carbon dioxide equivalent |
| COD | Commercial operation date |
| DPS | Dividend per share |
| EBITDA | Earnings before interest, taxes, depreciation, and amortization |
| ECB | European Central Bank |
| EHB | The European Hydrogen Backbone |
| EIA | Environmental impact assessment |
| eNPS | Employee Net Promoter Score |
| ENTSO-E | European Network of Transmission System Operators for Electricity |
| ESG | Environmental, social and corporate governance |
| EU | European Union |
| EURbn | billion EUR |
| EURm | million EUR |
| FCF | Free cash flow |
| FFO | Funds from operations |
| EUA | EU allowances |
| EV | Electric vehicle |
| g | Gram |
| GDP | Gross domestic product |
| GHG | Greenhouse Gas |
| Gt | Gigaton |
| GW | Gigawatt |
| GWh | Gigawatt hour |
| H2 | Hydrogen |
| ICIS | Independent Commodity Intelligence Services |
| IoT | Internet of Things |
| IRR | Internal rate of return |
| IT | Information technology |
| k | Thousand |
| km | Kilometer |
| kWh | Kilowatt-hour |
| m | Million |
| MW | Megawatt |
| MWe | Megawatt electric |
| MWth | Megawatt thermal |
| n/a | Not applicable |
| NWC | Net Working Capital |
| OPEX | Operating expenses |
| p.p. | Percentage points |
| PPA | Power purchase agreement |
| PSHP | Pumped Storage Hydroelectric Power Plant |
| RAB | Regulated asset base |
| sh. | Share |
| TRIR | Total Recordable Incident Rate |
| TWh | Terawatt-hour |
| WACC | Weighted average cost of capital |
| WF | Wind farm |
| WtE | Waste-to-energy |


# More about Ignitis Group

Reports & presentations

Sustainability

Strategy

## IR contacts

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