
ignitis
group
Renewables-focused
integrated utility and the
largest energy group in the Baltics

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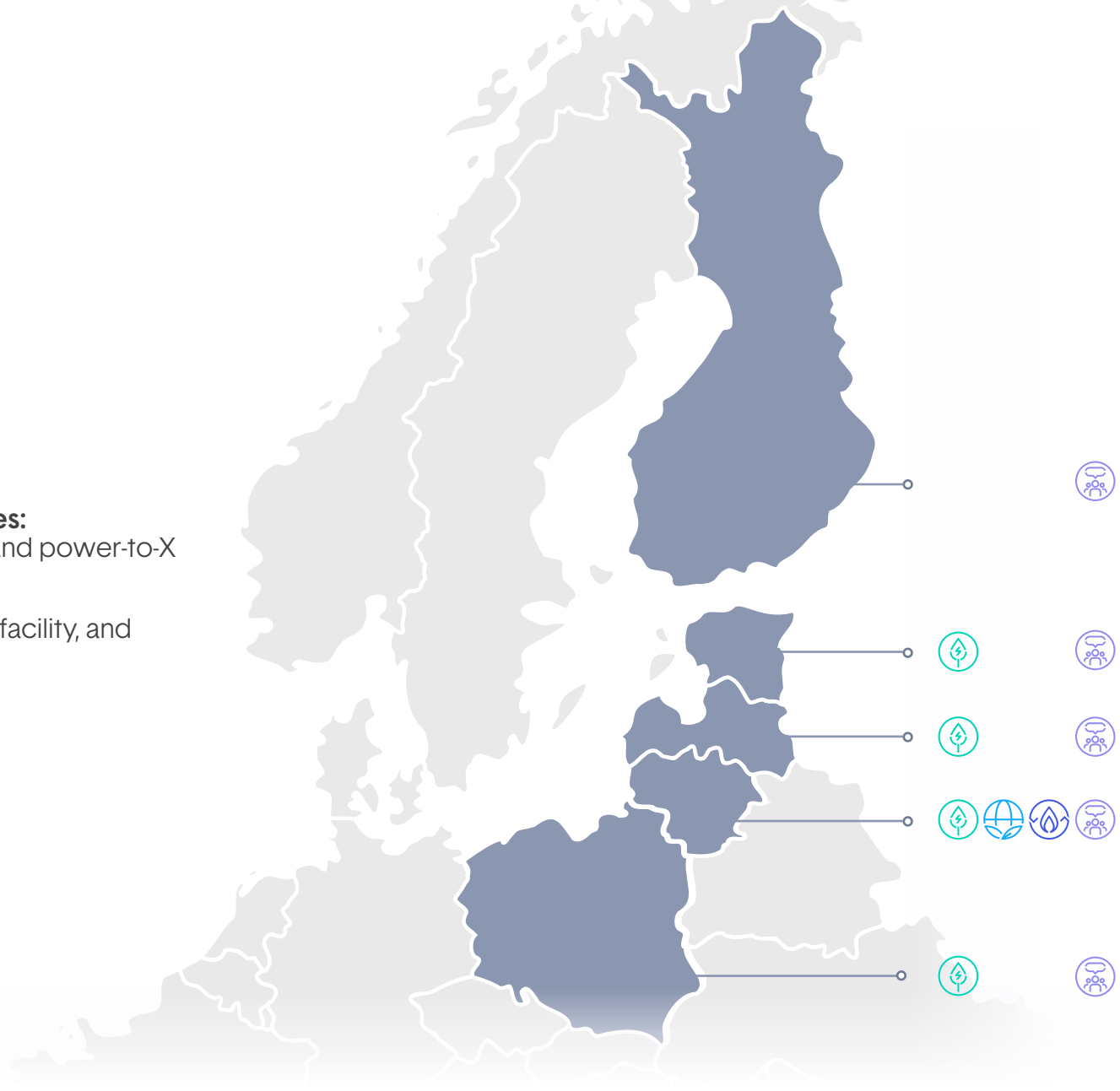
1. Business model and strategy

Renewables-focused integrated utility

Ignitis Group

Renewables-focused integrated utility and the largest listed company in the Baltics

- **4–5 GW** of installed Green Capacities by 2030
- **Net zero** emissions by 2040–2050
- **Focus on green generation and green flexibility technologies:** onshore and offshore wind, batteries, pumped-storage hydro and power-to-X
- **Integrated business model:** benefiting from the largest customer portfolio, energy storage facility, and network in the Baltics
- Active in the **Baltic states, Poland and Finland**



Green Capacities Networks Reserve Capacities Customers & Solutions

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).

Integrated business model

We are utilising integrated business model to maximise potential

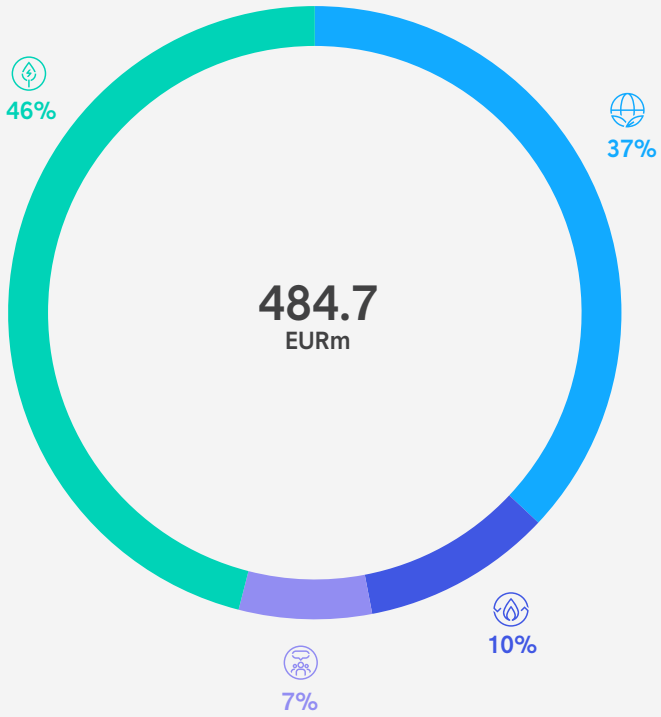
Green Capacities

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

Installed capacity: 1.4 GW
Pipeline: 6.3 GW
Total portfolio: 7.7 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**

Strategic focus
Expanding a resilient and efficient network that enables electrification

#1 in the Baltics[2]

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

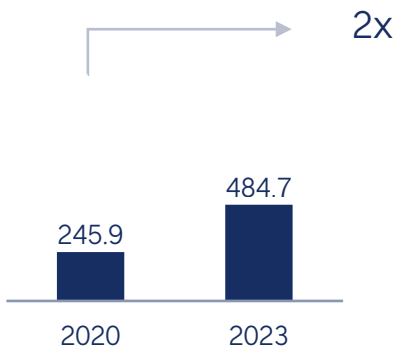
Strategic focus
Contributing to the security of the energy system

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

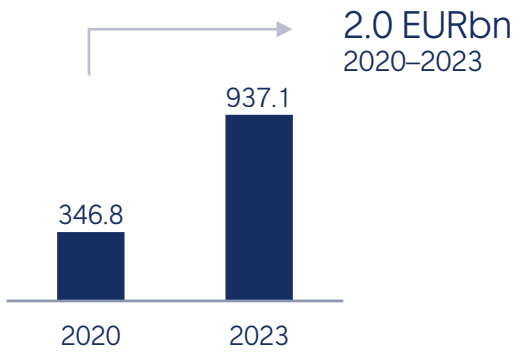
[1] *Based on installed capacity.*
[2] *Based on the network size and the number of customers.*
[3] *Based on the number of customers.*
Note: data, except Adjusted EBITDA, is as of 31 March, 2024.

Successful track record

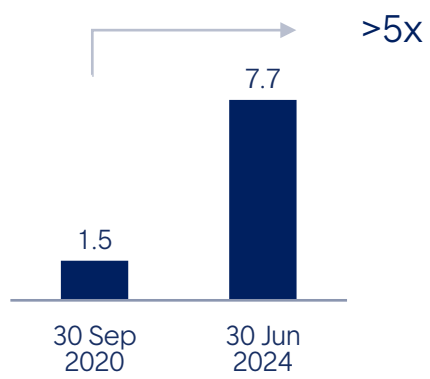
1. Adjusted EBITDA, EURm



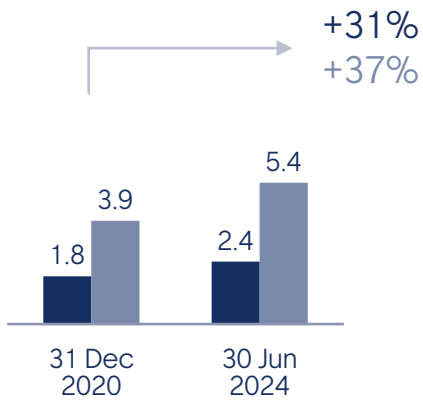
2. Investments, EURm



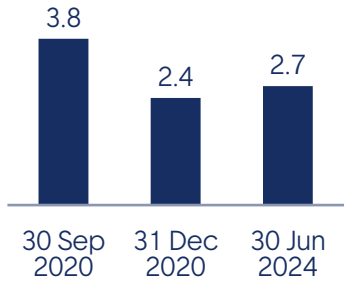
3. Green Capacities Portfolio, GW



4. Equity, EURbn
Total assets, EURbn

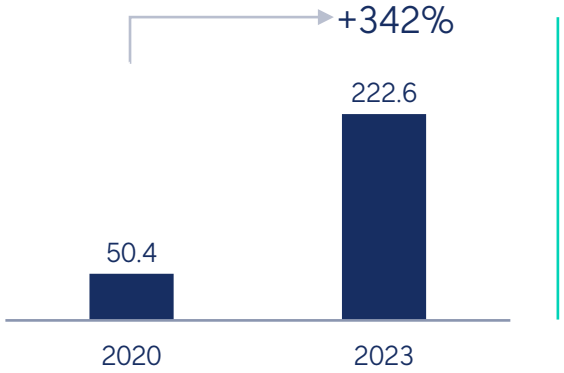


5. Net Debt / Adjusted EBITDA, Times

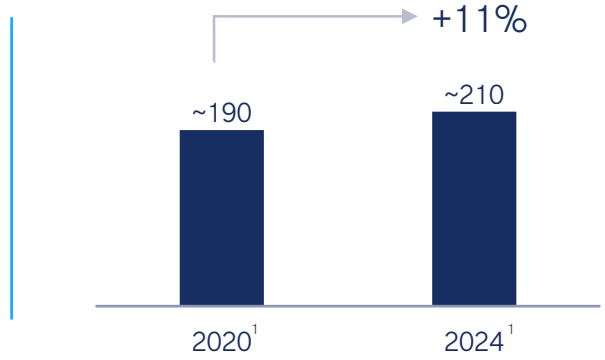


Growth across all segments, driven by Green Capacities

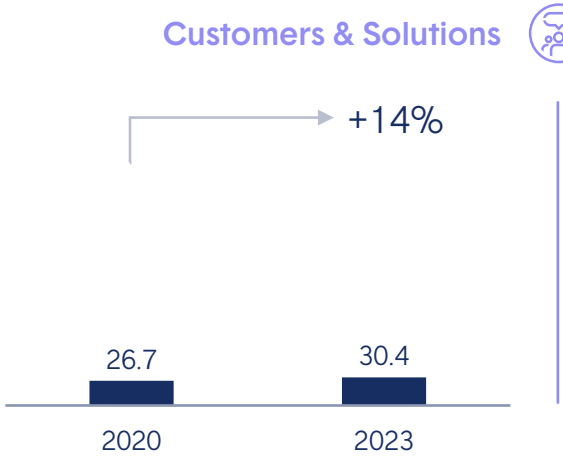
Green Capacities



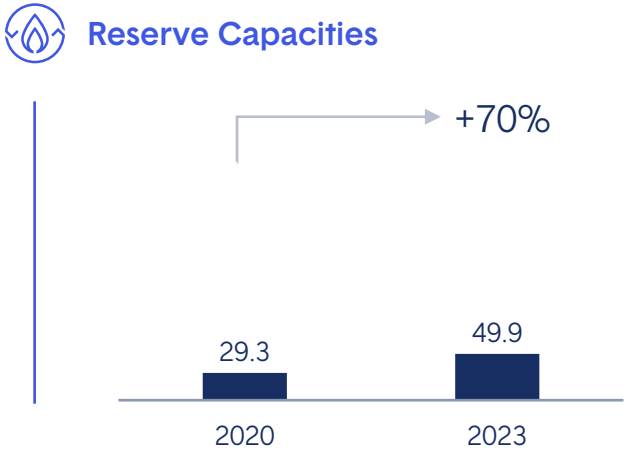
Networks



Customers & Solutions



Reserve Capacities



[1] *Based on the numbers approved and published by the regulator (NERC) for the respective year.*

2. Context

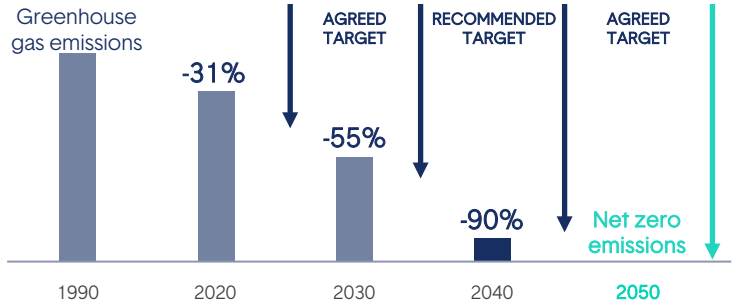
Energy transition in the region

Context

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

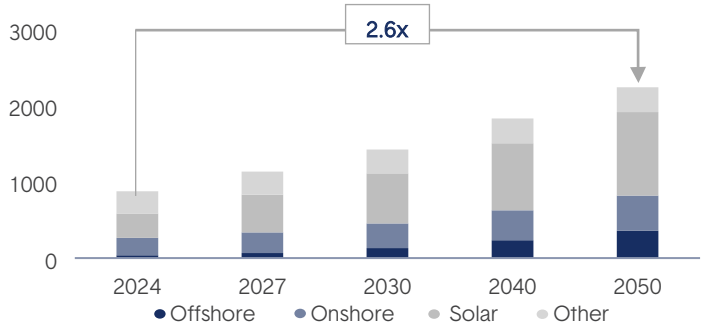
Decarbonisation: EU action and climate related targets

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



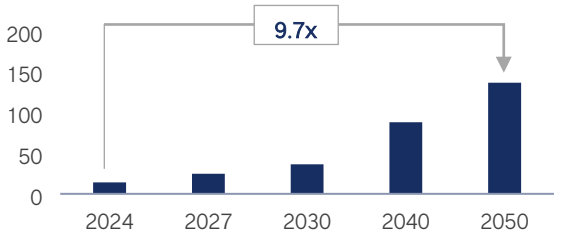
Energy security: scaling-up and speeding-up of renewable energy

European renewable capacity[2, 3], GW

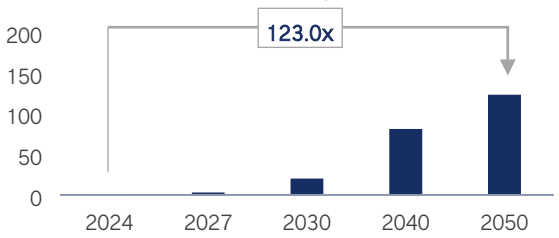


Green flexibility: growing battery and power-to-X capacities

European battery capacity[2], GW

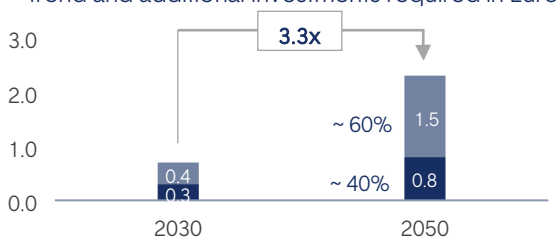


European Power-to-X capacity[2], GW



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

Additional investments

Historical investment trends

[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.*

Significant opportunities for green energy expansion in the Baltics and Poland

Lithuania: Structural electricity deficit

Only **~40%** of electricity consumption is covered by national generation in 2021–2023 on average[1] . The country aims to become self-sufficient and electricity-exporting, therefore, a significant build-out of domestic generation assets is expected.

Estonia: Phase-out of oil shale

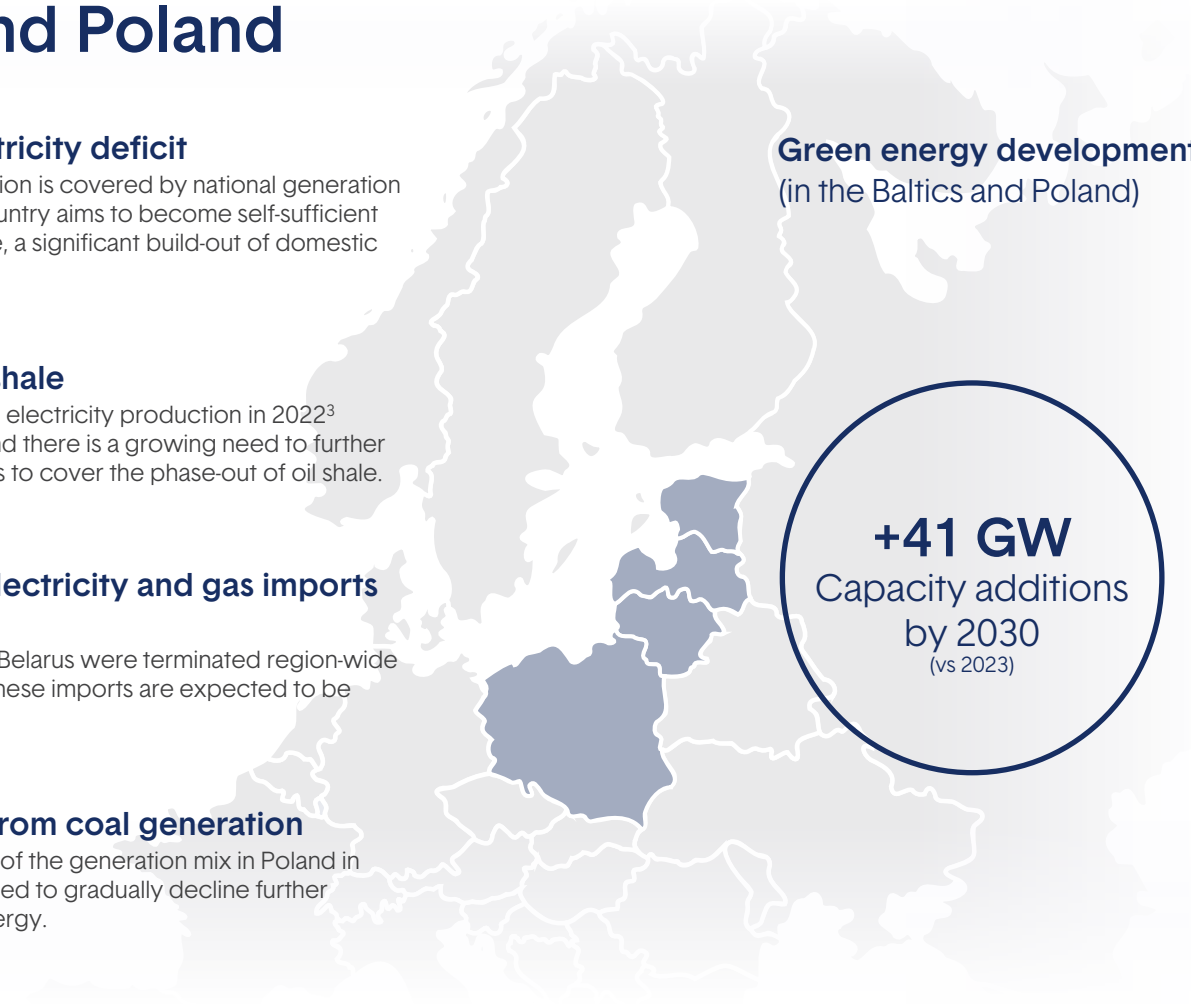
More than half or **~57%** of Estonia's electricity production in 2022[3] was from oil shale (49% in 2021), and there is a growing need to further develop new renewable capacities to cover the phase-out of oil shale.

The Baltics: terminated electricity and gas imports from Russia & Belarus

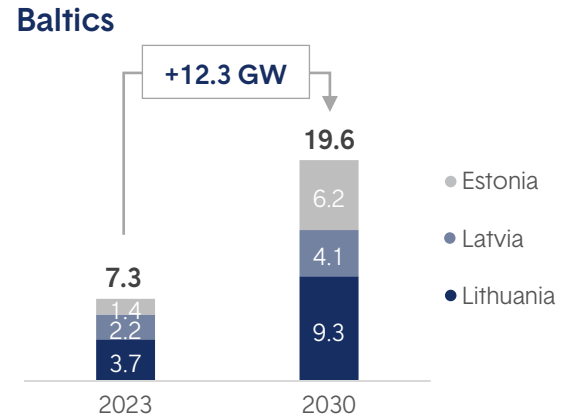
Electricity imports from Russia and Belarus were terminated region-wide following Russia's war in Ukraine. These imports are expected to be replaced by domestic renewables.

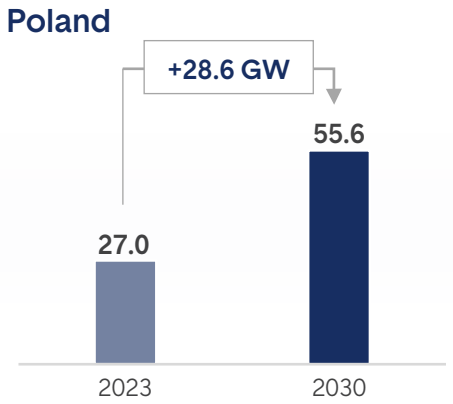
Poland: Transition away from coal generation

Coal generation represented **61%** of the generation mix in Poland in 2023[2] (70% in 2022). This is expected to gradually decline further and be replaced by renewable energy.



Green energy development forecast, installed capacity GW[4, 5]
(in the Baltics and Poland)





[1] *Source: Litgrid. National electricity demand and generation: Litgrid. National electricity demand and generation.*
[2] *Source: Ember. Poland electricity generation by source: Europe | Electricity Transition | Ember (ember-climate.org).*
[3] *Source: Statistics Estonia. Oil shale electricity production: Oil shale electricity production increased last year | Statistikaamet.*
[4] *Installed capacities include: wind, solar, bio, hydro and battery assets.*
[5] *Source: Company analysis based on ICIS, Litgrid, ENTSO-E.*

3. Business segments

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

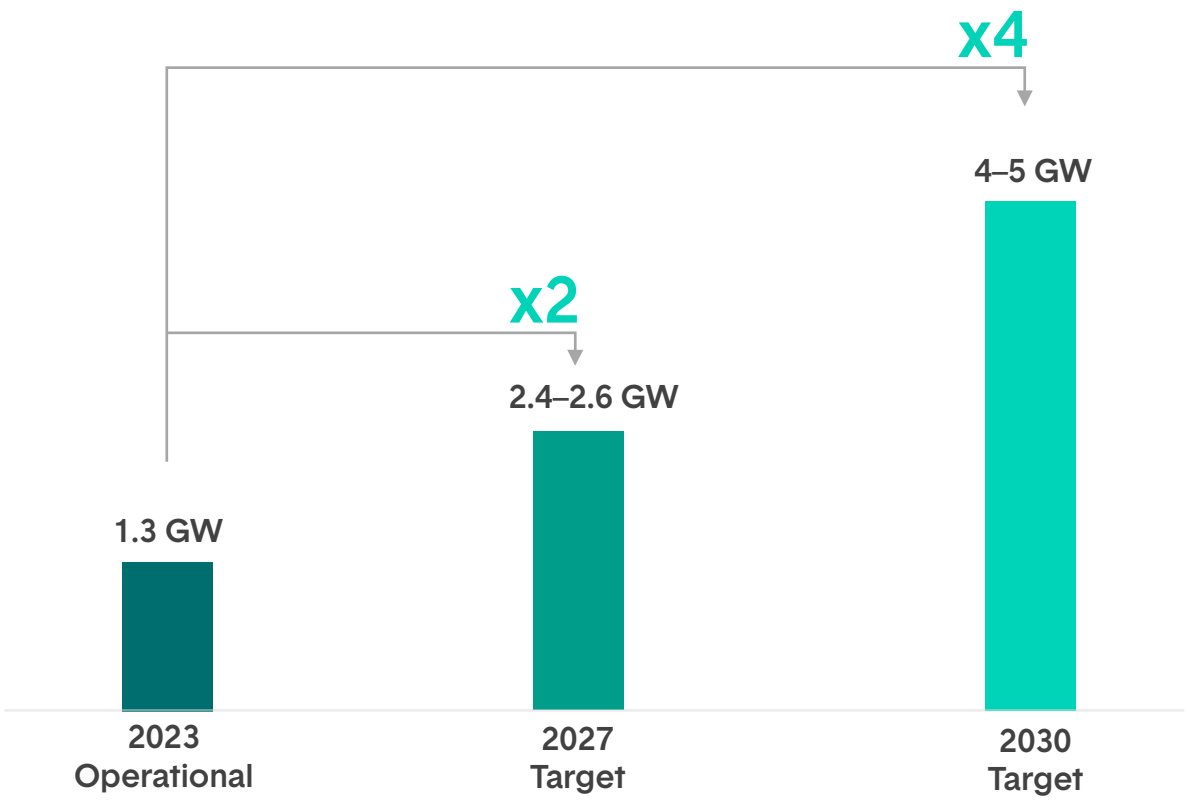
Focus markets:

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]



Current Portfolio

7.7 GW
Total Portfolio

1.4 GW
Installed Capacity

3.1 GW
Secured Capacity

[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

Green flexibility technologies

Focus technologies

Batteries

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

Pumped-storage hydro

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

Power-to-X technologies

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

short-term storage

middle-term storage

long-term storage

additional flexibility

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)

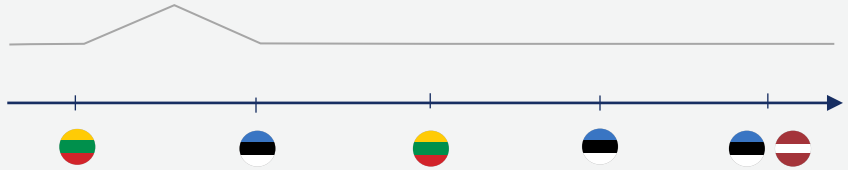
– at least one more project in the Baltics (COD post 2030)

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
	~5.5 GW	>10 GW[1]
	0.5 GW	14.5 GW[2]
	1.4 GW	4.5 GW[2]
	~8 GW	>30 GW



2023 **Auction**	2023–2024 **Two auctions**	2024 **Auction**	2024 **Multiple auctions**	2027 **Joint auction**
(completed) **0.7 GW** (Seabed and grid connection)	*(completed)* **~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

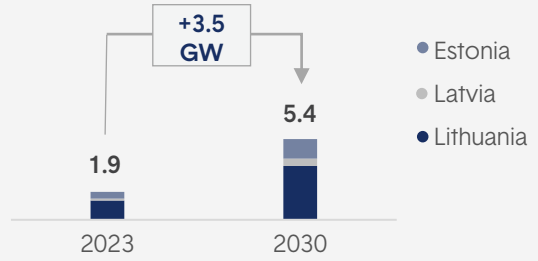
Total installed and under construction: 720 MW

Baltics	Poland
Total: 439 MW	Total: 281 MW

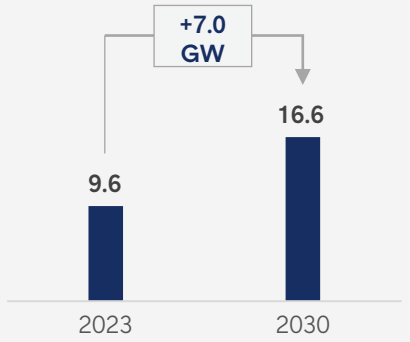
Onshore wind development forecast in the Baltics and Poland

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

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]

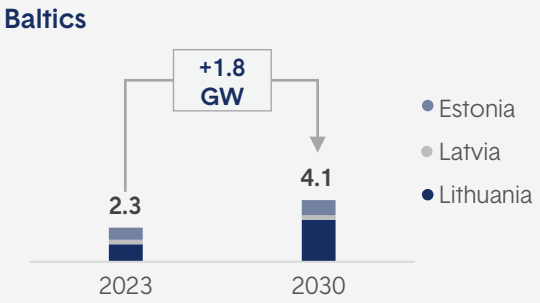
Total: 227 MW / 349 MWth

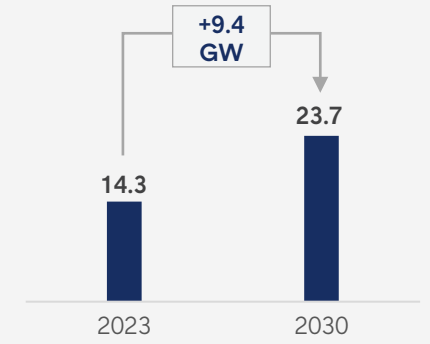
- Hydro (run-of-river): 101 MW
- Biomass: 73[3] MW (+209[3] MW heat capacity installed)
- Waste-to-energy: 44[4] MW (+140[4] MW heat capacity installed)

+ additional flexibility

Solar development forecast in the Baltics and Poland

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





[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.*

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

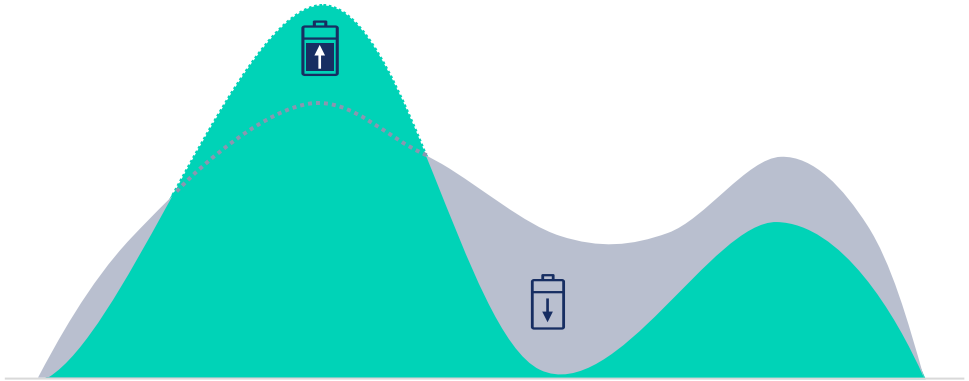
Commercial-scale batteries by 2027

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.



Energy generation

Charging

Energy consumption

Discharging

Power-to-X

Green flexibility

Our target

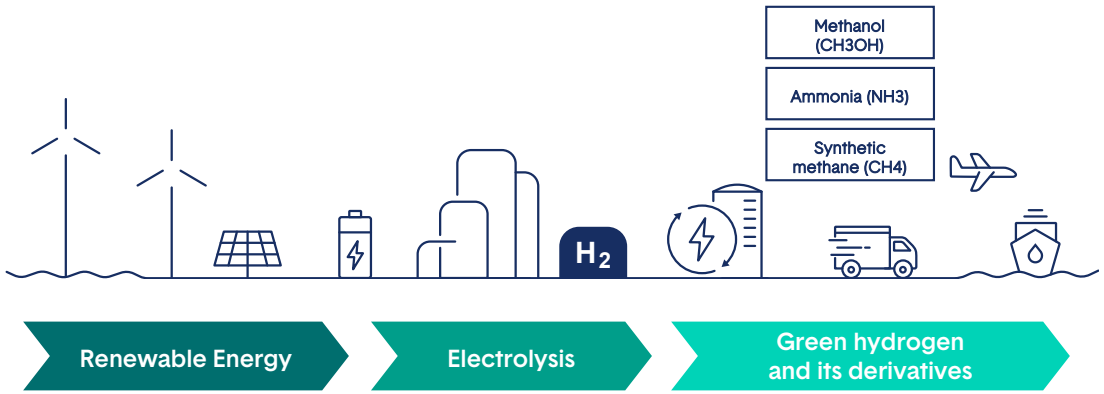
Green hydrogen production and e-fuel conversion pilot project

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.

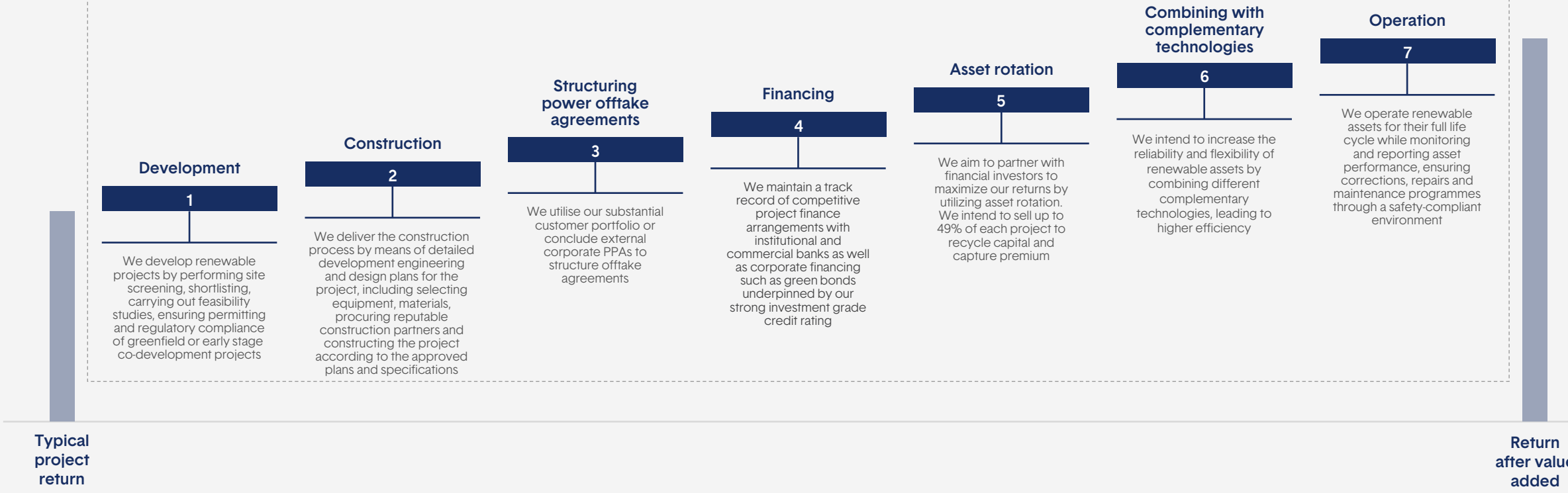


Operating model

We are delivering value across all execution stages

Value-creation concept

Adding value throughout the project execution stages

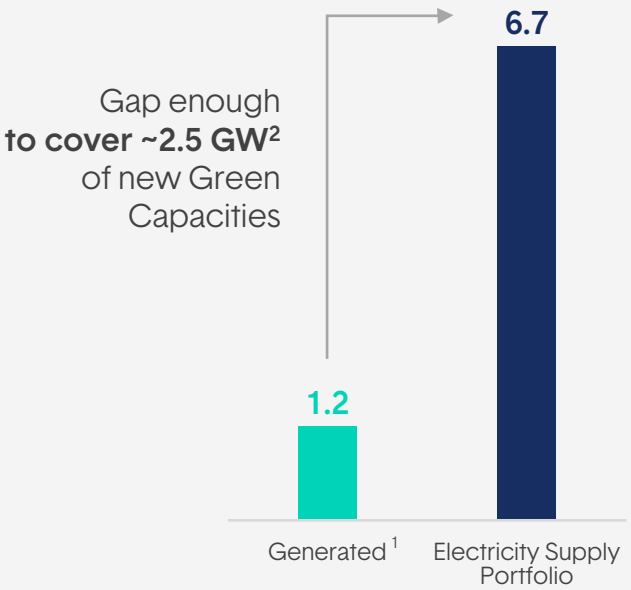


Note: Height of the columns is not supposed to represent a specific number and is presented only for illustrative purposes.

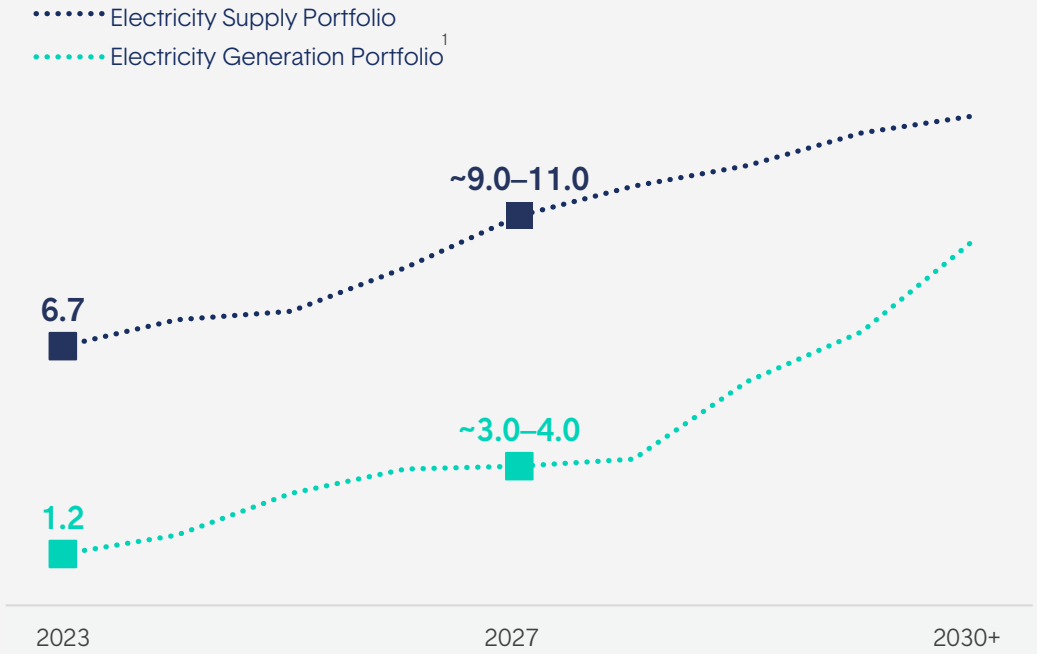
Power offtake capabilities

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).*

Strategic partnerships

We partner with strategic investors to adopt new technologies or enter new markets

Partnership with Ocean Winds:
adopting offshore wind technologies

Rationale

In 2020 we partnered with Ocean Winds (OW) to participate in the first 700 MW offshore wind auction and develop the first offshore wind project in Lithuania. Ignitis Group also contribute to the development of an offshore wind farm in the UK, taking a 5% stake in the Moray West wind farm, in order to gain experience and valuable know-how in offshore wind project development in other countries, which will be used to develop offshore wind energy in Lithuania.

Lithuanian offshore
WF project:

Structure
Ignitis group (51%) and Ocean Winds (49%)

Capacity
700 MW (CoD ~ 2030)

Status
The auction was won in 2023

Moray West offshore
WF project:

Structure
Ignitis Group is a minority shareholder with a stake of 5%

Capacity
882 MW (CoD 2025)

Status
Under construction
(the projects has reached the financial close in April 2023)

Partnership with Copenhagen Infrastructure Partners:
participation in Estonian and Latvian offshore wind tenders

Rationale

In 2023 we partnered with Copenhagen Infrastructure Partners P/S (through its New Markets Fund I) to collaborate exclusively on offshore wind opportunities in Estonia and Latvia and intend to jointly bid in the upcoming offshore wind tenders in these countries. The partnership leverages Ignitis Group's leading market position in the Baltic region and CIP's global offshore wind expertise.

Structure
Ignitis Group (50%) and Copenhagen Infrastructure Partners (50%)

Capacity
1 – 1.5 GW (Estonian offshore WF – two seabed sites) expected to become operational around 2035

Status
The first auction was won in 2023 (Dec - Liivi 2 site) and the second - in 2024 (Jan - Liivi 1 seabed area)

Partnership with Fortum:
adopting WtE technologies

Rationale

In 2015 we partnered with Fortum (a leading WtE player) to build Kaunas CHP.

Structure
Ignitis Group (51%) and Fortum* (49%)

*in 2021, Fortum has signed an agreement to sell its district heating business in the Baltics to Partners Group, a leading global private markets firm, acting on behalf of its clients.

Capacity
24 MW electricity and 70 MW heat capacity.
Investments ~EUR 152m

Status
Kaunas CHP has been successfully completed and operational since 2020

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

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

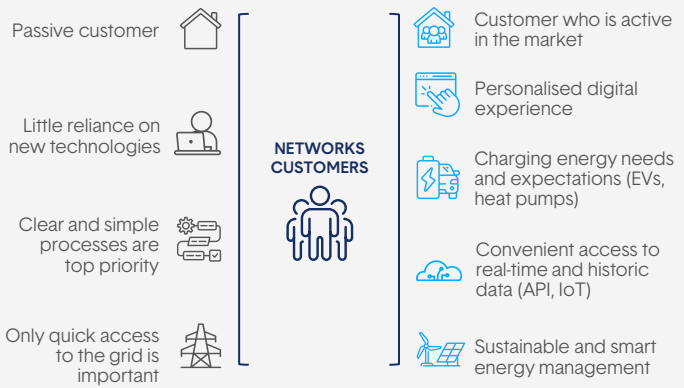
End-to-end customer experience

Standardised solutions and channels to reflect the customer needs

Improved customer service

Data governance, quality and data modeling

Expanded data hub capabilities



[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.*

3. Financials

Investments, target returns, leverage and dividends

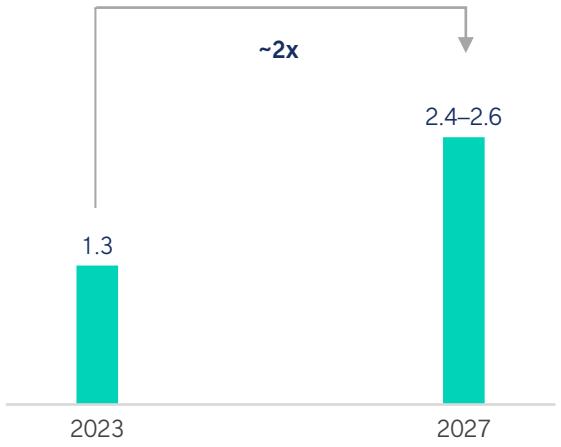
Investments over 2024–2027

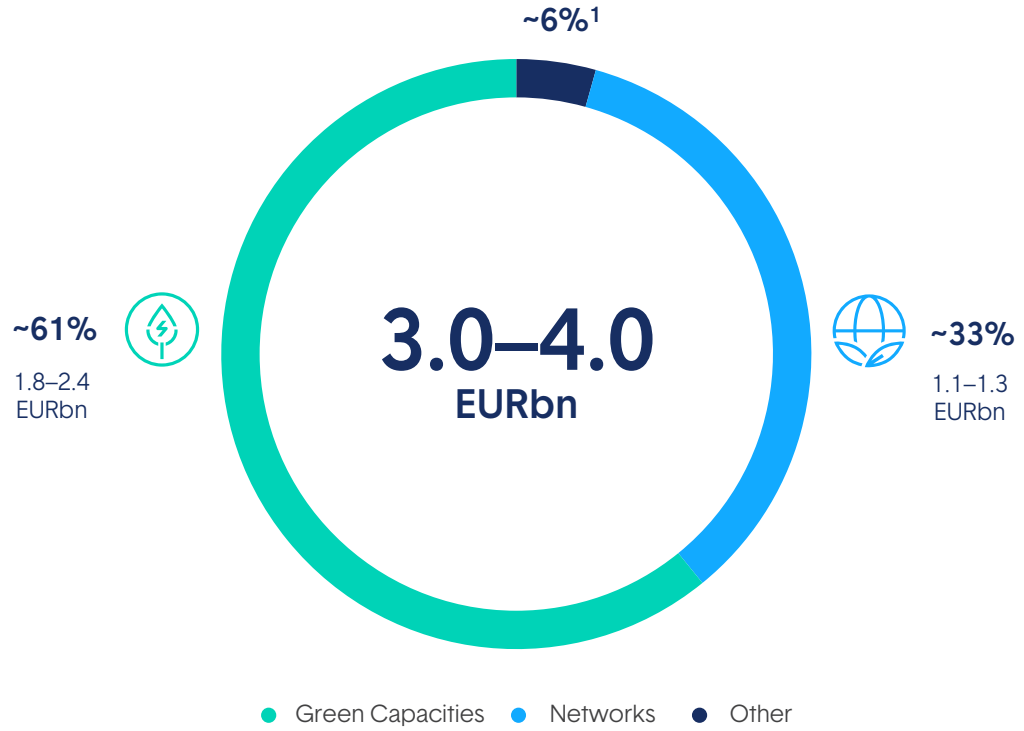
3.0–4.0 EURbn

Investments aligned with the EU Taxonomy
94.8% (2023)

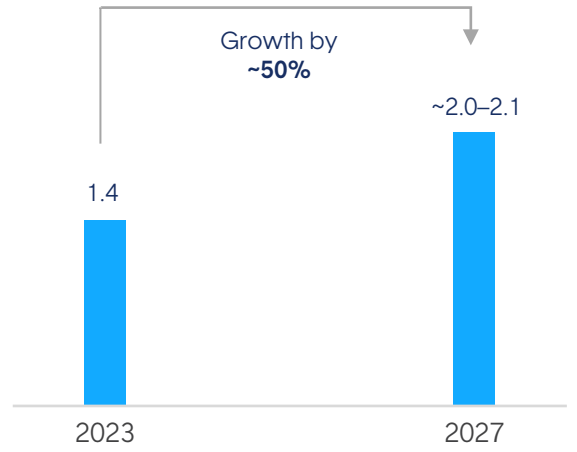
≥85–90%[2]
2024–2027 targeted level

Green Capacities installed, GW



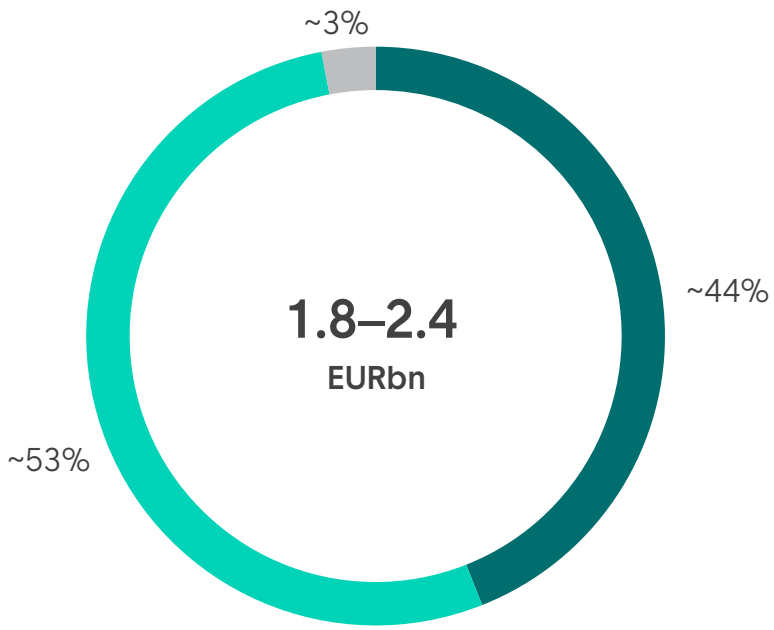


Regulated Asset Base, EURbn



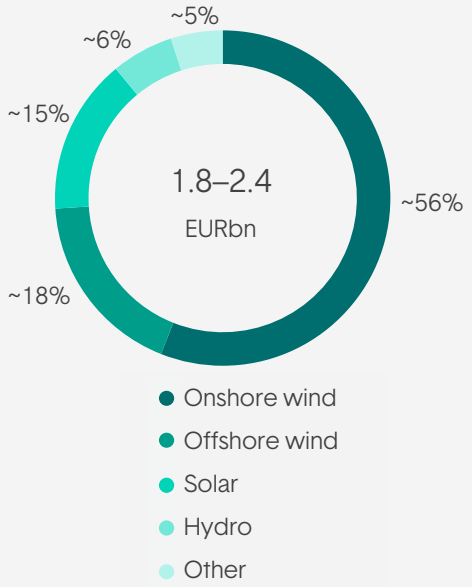
[1] *Includes Reserve Capacities segment, Customers & Solutions segment, IT and other investments.*
[2] *Share of Investments to be directed to the maintenance or expansion of the EU Taxonomy-aligned activities. There are differences in methodologies used to calculate Investments and actual Taxonomy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

Investments over 2024–2027: Green Capacities

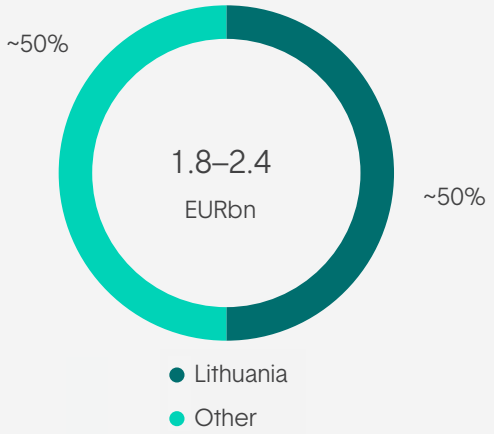


Investments over 2024–2027

By technology, %

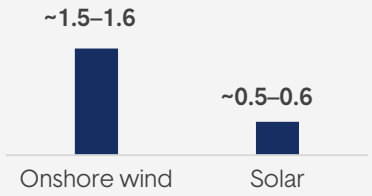


By geography, %



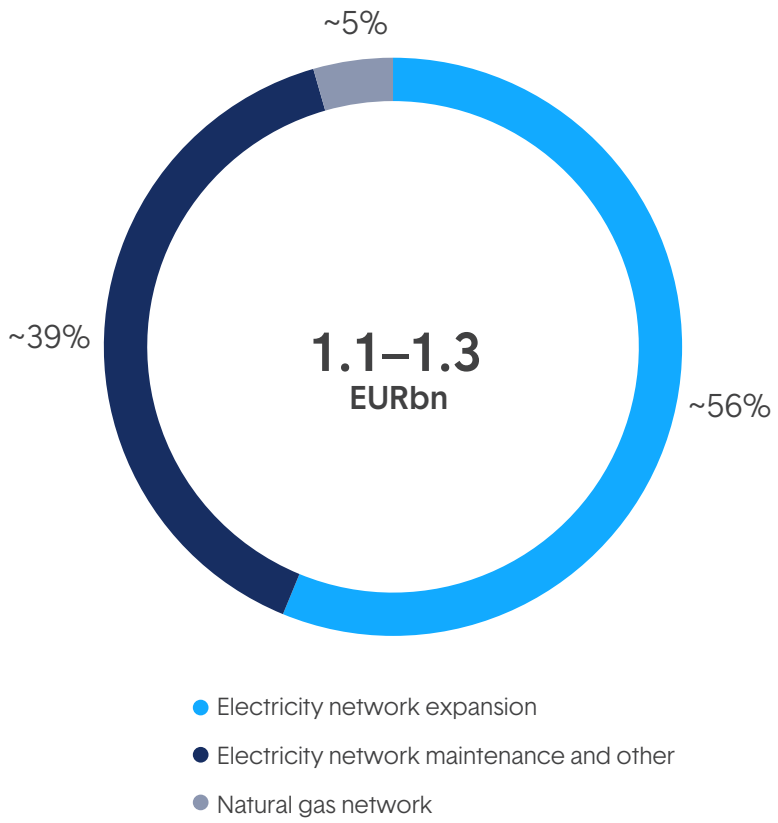
Investments per MW,

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

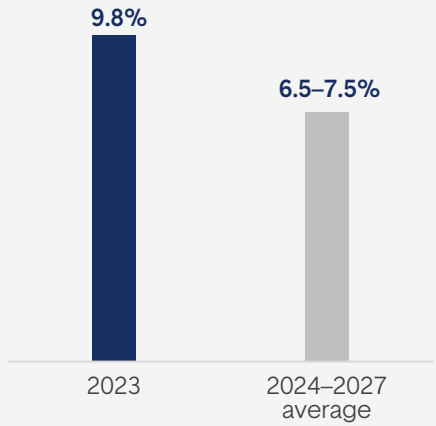
Targeted IRR–WACC spread

≥ 100 bps
in commercial/
non-regulated activities

≥ 0 bps
in regulated activities

Adjusted EBITDA, EURm

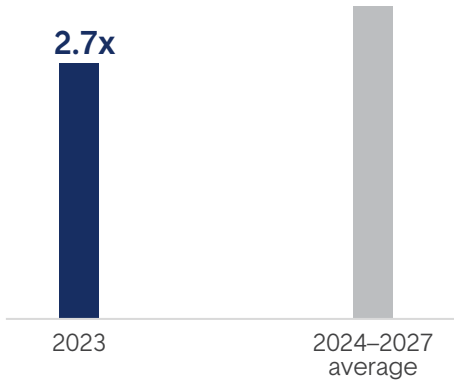
Adjusted ROCE, %



Commitment to a solid investment-grade credit rating

Net debt/Adjusted EBITDA

Targeted level <5.0x



We expect to maintain

BBB or above

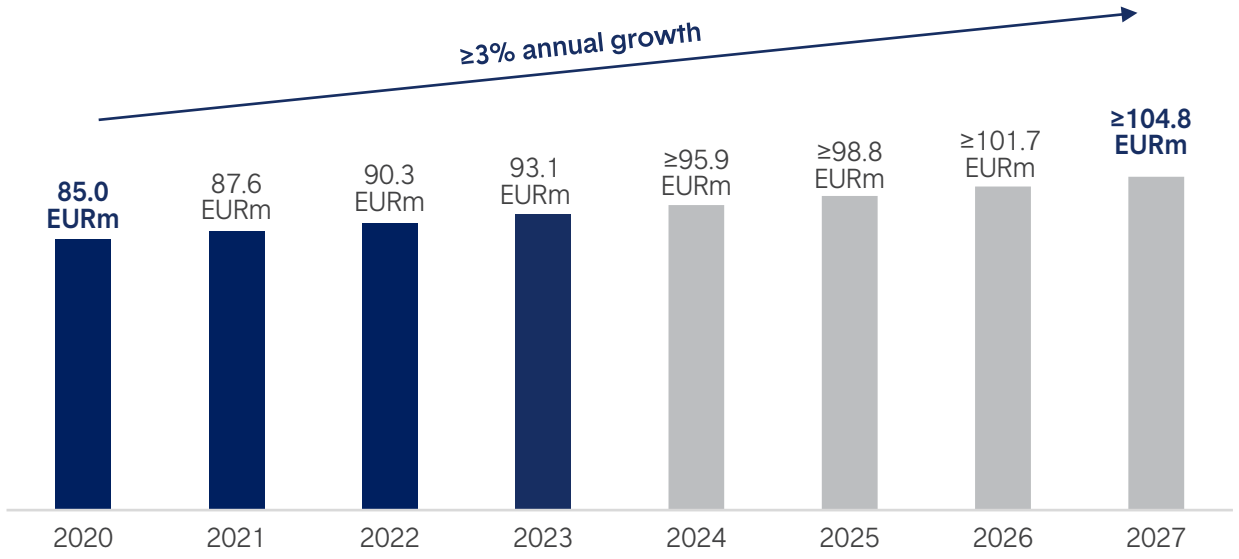
credit rating over the 2024–2027 period

Growing dividends

We are committed to increase dividends >3% annually

Minimum annual dividends, EURm

(declared for the financial year)



	2020	2021	2022	2023	2024	2025	2026	2027
Minimum DPS[1], Eur	1.14	1.19	1.24	1.29	≥1.32	≥1.36	≥1.41	≥1.45
Dividend yield[2], %	5.6%	5.7%	6.6%	6.8%	~7.3%	~7.5%	~7.7%	~8.0%

7.3–8.0%

Implied dividend yield over the 2024–2027 period

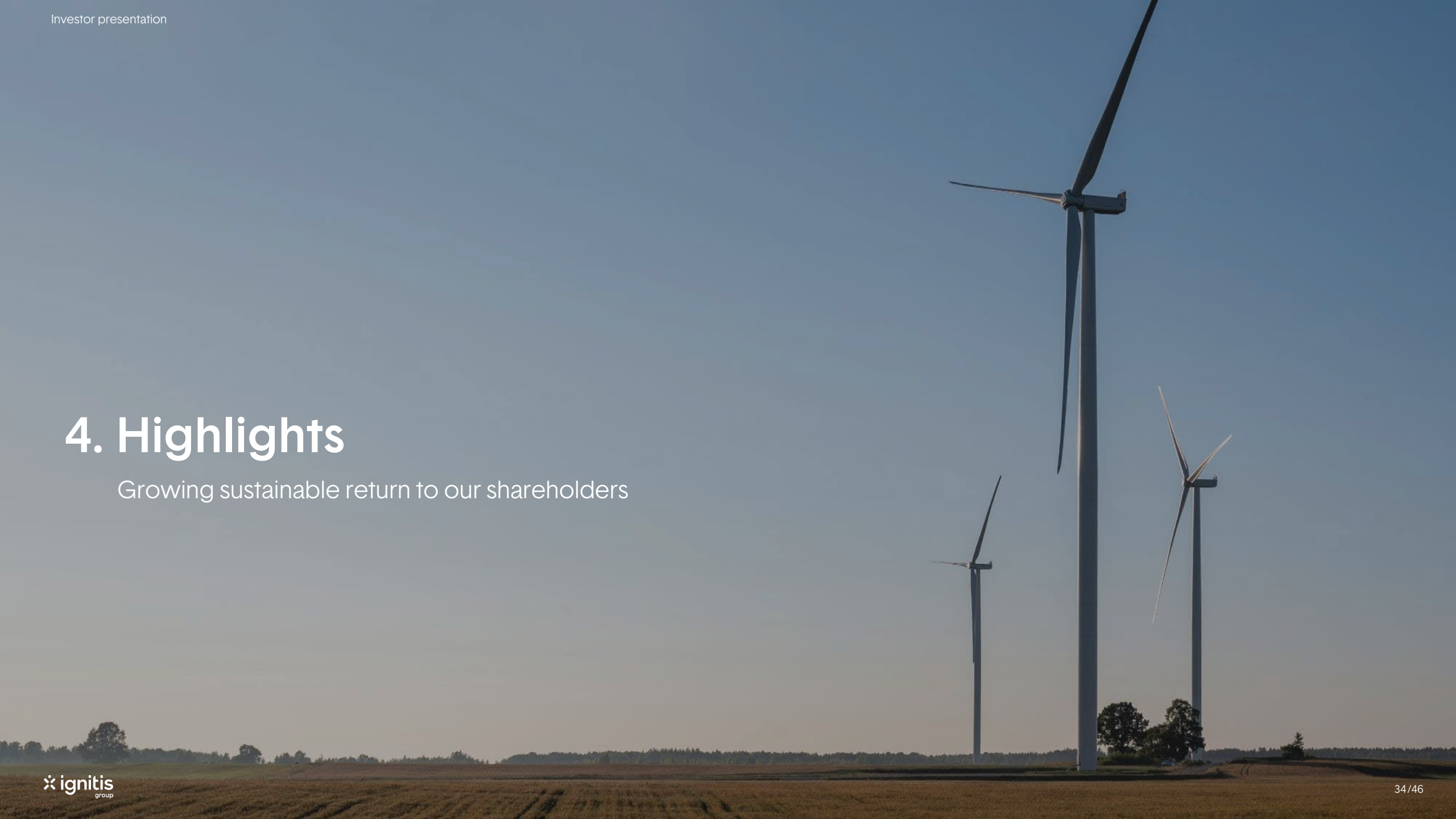
Dividend policy

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. Highlights

Growing sustainable return to our shareholders

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.

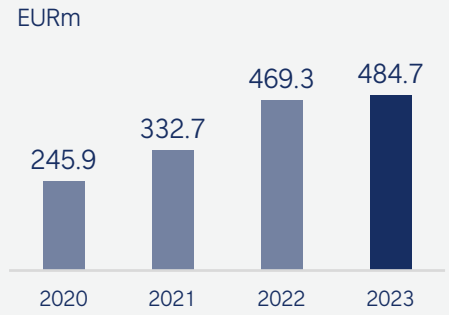
Committed to sustainability:

– target net zero emissions by 2040–2050.

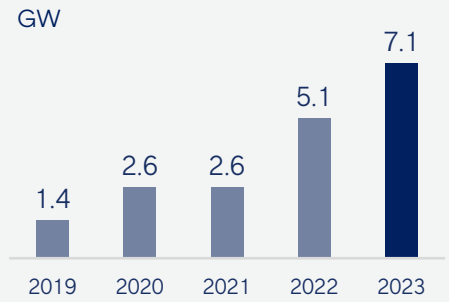
Attractive blend of growth and yield:

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

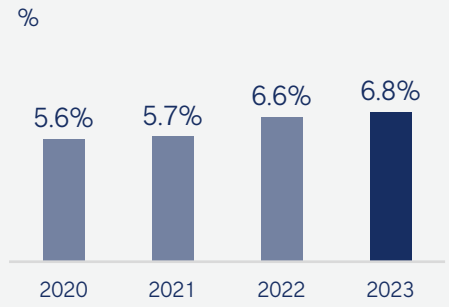
A proven track record



x2
Adjusted EBITDA



x5
Green Capacities Portfolio



~7–8%
dividend yield 2024-2027

1. *CAGR, 2023–2027.*
2. *Implied dividend yield (annual) over the 2024–2027 period.*

Note: unless otherwise stated, data is as of 31 March 2024.

Q&A

Supplementary information

Customers & Solutions: 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

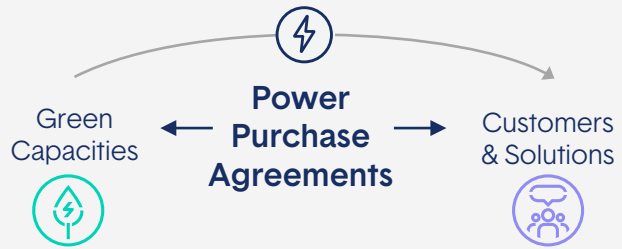
Utilising and further expanding the customer portfolio

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

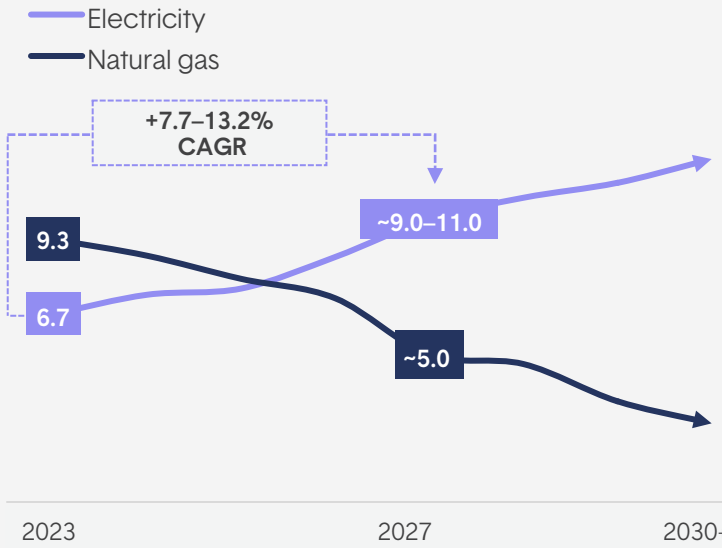
- Expanding in the Baltics across public, commercial and home charging segments
- Focused on developing a public EV fast-charging network and being a first-choice provider of charging solutions for the home and business customers
- Exploring the utilization of own EV network's balancing capabilities

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

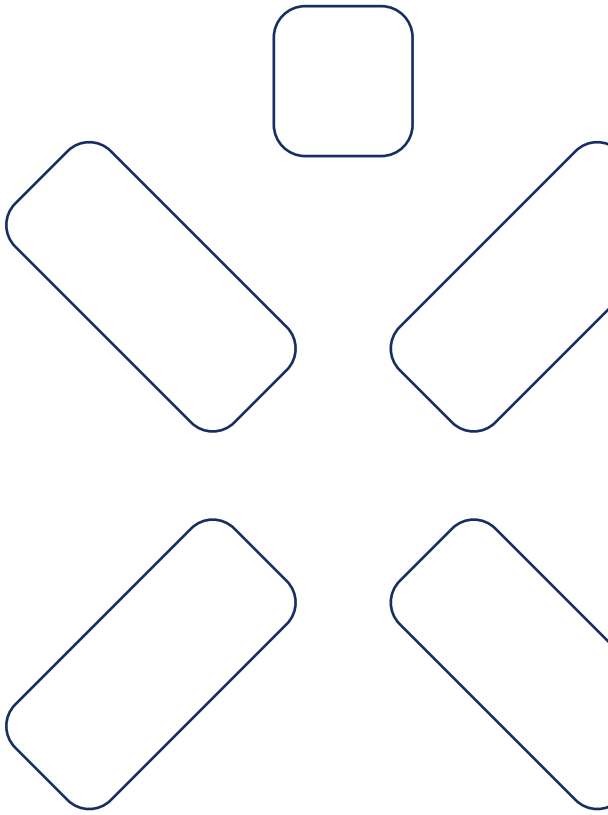
Energy supply portfolio, TWh



Reserve Capacities: 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	2023–2030
	1.1 GW	
~0.9 GW contracted for **ancillary (capacity) services**[1]	**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]	
Availability[2]	>98%	**No significant changes**
Load factor[3]	~3.4%	
Share of regulated/contracted[4] EBITDA	~22%	



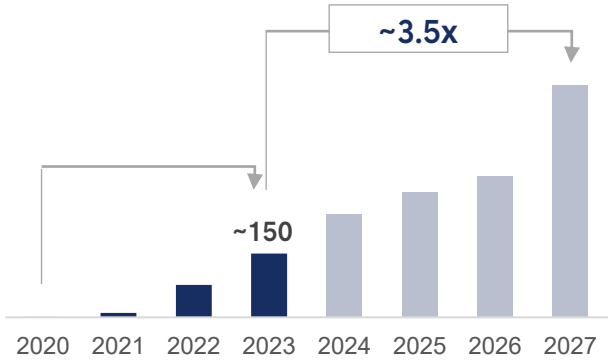
[1] *In 2023, gas-fired capacity of 891 MW has been dedicated to isolated regime services.*
[2] *Average availability of Elektrėnai Complex, excluding scheduled repairs in 2023 – 99.4%: CCGT – 99.7%, Unit 7– 98.4%; Unit 8 – 99.9%).*
[3] *Production volumes of electricity in Elektrėnai Complex in 2023 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.*

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

ESG priorities and targets 2027

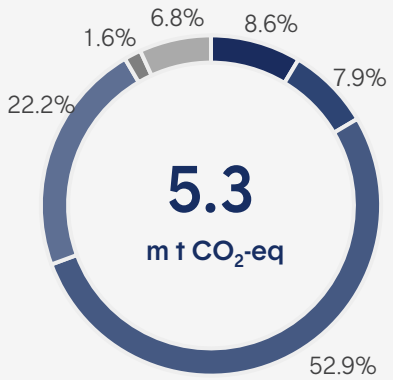
Priority	Decarbonisation	Safety		Employee experience	Diversity	Sustainable value creation	
	Reducing the carbon intensity of scope 1 & 2 GHG emissions	Zero fatal accidents	Total recordable injury rate	Employee experience and well-being[2]	Gender diversity in top management	Sustainable investments	Sustainable 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) ≤1.5 | ≤2.7 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

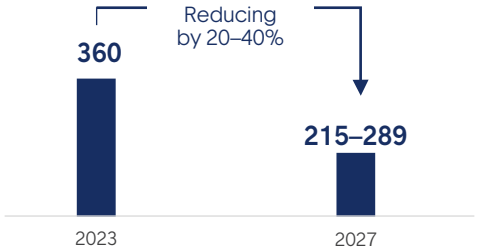
GHG emissions, total



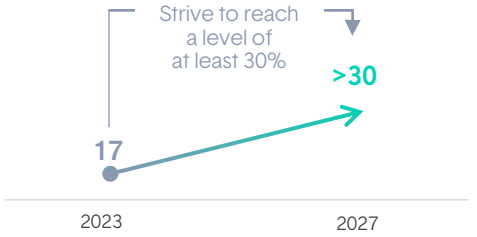
Covered by 2024–2027 strategic targets

- Scope 1
- Scope 2
- Scope 3 Natural gas
- Scope 3 Electricity
- Scope 3 Other
- Out of scope (Biogenic)

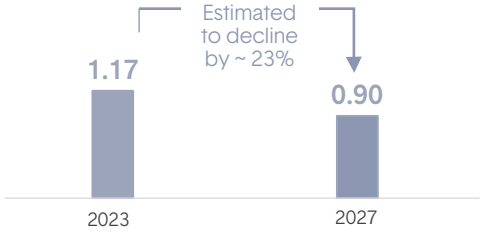
1. Reducing carbon intensity of scope 1 & 2 GHG emissions (market based), g CO2-eq/kWh



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]

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.*

Achievement of performance objectives for 2020–2023

Performance criteria	Objective	Weight	Access threshold (70%)	Target and maximum (100%)	Actual result	Achieved performance	Achieved payout
Performance	**TSR** The total shareholder return[1] (TSR) compared to the Euro Stoxx Utilities average	40%	≥70% of the Euro Stoxx Utilities average, EUR	Euro Stoxx Utilities average, EUR	112%[2]	100%	40%
Returns	**Adjusted EBITDA** for 2023	30%	EUR 315 million	EUR 350 million	EUR 485 million	100%	30%
Growing renewables	**Green generation installed capacity, GW** Installation of "green MW"	20%	-	1.6	1.3	0%	0%
Targeting Net Zero emissions	**CO2 reduction plan** Preparation of a CO2 reduction plan and achievement of its objectives (1-3 reduction volumes)[3]	10%	-	100% plan execution	100%[4] plan execution	100%	10%
	LTI, %						**80%**
	LTI, % of FBS (maximum LTI level capped at 40% of average annual FBS paid during the strategic period)						**32.0%**

[1] Total profit earned per shareholder (dividend yield + share price increase). The EURO STOXX® Utilities Index shall be used and the TSR of the Group and EURO STOXX Utilities Index shall be calculated on the basis of the three month period before the start of the program and the three-month period before the end of the program in order to smooth out possible market fluctuations. In the case of the first program, the first three months of marketing shall be used to determine the start of the period.

[2] It should be noted that during the strategic period of 2020-2023, the Group's average TSR was +17.2%, while the average TSR of the Euro Stoxx Utilities Index was +15.3% (both calculated as described in note 1).

[3] Preparation of a CO_2 emission reduction plan, coordination with the Science Based Target initiative and implementation as planned (in parallel with the development of green production by reducing emissions related to the Group's activities (reduction volume 1), as well as reducing energy consumption (reduction volume 2) and supply chain emissions (reduction volume 3)).

[4] CO_2 emission reduction plan was prepared and aligned with SBTi in Nov 2021. The total SBTi aligned target/CO_2 reduction plan for the period 2020-2023 was 19.35 million t eq. CO_2 (calculated as described in note 3 – including Scope 1, 2 and 3, excluding Vilnius CHP and out of scope (biogenic) related GHG emissions), the actual GHG emissions – 19.23 million t eq. CO_2 (Total GHG emissions for the period are 20.55 million t eq. CO_2 minus Vilnius CHP and out of scope (biogenic) GHG emissions equal to 1.31 million t eq. CO_2).

Strategic plan 2024–2027: summary

Strategic ambitions and financial guidance

Green generation and green flexibility capacity 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 the 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 ≤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: 18.40 €/sh (closing price as of 28th June 2024).
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.

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** TSR of Ignitis Group vs average TSR of EURO STOXX® Utilities Index[1]	40%	≥70%[2]	≥100%[2]
Returns	**Average adjusted ROCE[3]** over the four years 2024–2027	20%	6.5%[2]	7.5%[2]
Green Capacities	**Installed Green Capacities[4]**, GW end of 2027	20%	2.4[2]	2.6[2]
Sustainability	**Carbon intensity of scope 1 and 2 GHG emissions[5]**, g CO_2-eq/kWh for 2027	20%	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 CO_2 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 CO_2eq/kWh. The numerator of the ratio excludes out of scope (biogenic CO_2) 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.

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ignitis group