Long-term Incentive Plan Targets 2024–2027

Ignitis Group | May 2024

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.