

Long-term Incentive Plan Targets 2023-2026

Performance objectives Based on the strategic plan for 2023–2026 of the Ignitis group



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Strategic Priority		Weight	Objective	
			Entry (70%)	Target (100%) (equal to maximum)
Performance	TSR TSR of Ignitis Group vs. average TSR of EURO STOXX® Utilities Index ¹	40%	≥70% ²	≥100% ²
Returns	Average adjusted ROCE³ over the four years 2023–2026	20%	6.5% ²	7.5% ²
 Growing renewables	Green generation installed capacity⁴, GW	20%	2.2 ²	2.4 ²
 Increasing Networks resiliency	Average electricity SAIFI⁵ over the four years 2023–2026 (per annum)	10%	≤1.09	≤1.05
Targeting net zero emissions	GHG emissions reduction, 2026 vs. 2020 ⁶	10%	-15% ²	-27% ²

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, 2023–December 31, 2026), in order 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. Gross installed capacity (COD reached), 2026.

5. Electricity SAIFI (System Average Interruption Frequency Index) is calculated based on the National Energy Regulatory Council methodology, excluding (1) interruptions due to natural phenomena corresponding to the values of natural, catastrophic meteorological and hydrological phenomena indicators; (2) interruptions due to failures in the network of the transmission system operator. Target objective is defined based on the decision of the National Energy Regulatory Council on January 26 of 2022 no. O3E-79.

6. Based on the Ignitis group GHG emissions level in 2020: 5.31m t CO₂-eq. (excl. Vilnius CHP), targeted 2026 level: 3.9m t CO₂-eq.