



Transcript.

**Investor presentation:
full-year 2025 results**

25 February 2026, 1 pm Vilnius / 11 am London

Earnings call transcript

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Disclaimer

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Corporate participants

Darius Maikštėnas, Chair of the Management Board, CEO
Jonas Rimavičius, Member of the Management Board, CFO
Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Presentation

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

[Slide No 1]

Dear participants, welcome to Ignitis Group's full-year 2025 earnings call. Thank you for joining us today. Today, CEO and CFO of Ignitis Group will provide an overview of the Group's strategic progress and financial results for the reporting period. This will be followed by a Q&A session.

Before we begin, I would like to remind you that today's presentation contains forward-looking statements that are subject to risks and uncertainties. These statements are based on the management's current beliefs, expectations and assumptions, and actual results may differ materially from those expressed or implied.

I now invite Darius to present the strategic highlights.

Darius Maikštėnas, Chair of the Management Board, CEO

[Slide No 5]

Good afternoon, everyone and thank you for joining our full-year 2025 results call.

In 2025, we delivered strong strategic progress, with key highlights as follows. Our Adjusted EBITDA reached EUR 546 million, representing a 3% YoY increase and exceeding the top of our guidance range communicated to the market. Second, we increased our Green Capacities Installed by 700 MW to 2.1 GW. We also completed the mass smart meter roll-out. In total, we installed 1.3 million smart meters. Third, a debut asset rotation program transaction – we have reached an agreement to dispose a 49% stake in Vilnius CHP. 100% of the asset's equity is valued at EUR 244 million and, accordingly, 49% at EUR 120 million. It represents 4.6x multiple over our equity invested. And lastly, in line with our Dividend Policy, for 2025 we intend to distribute a dividend of 1.366 euros per share, representing a 3% increase over the previous year. Now, let me take you through the progress we made in each business segment over 2025.

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First, the progress of our largest business segment – Green Capacities – development. In 2025, we completed six projects, bringing installed capacity increase to a current 2.1 GW. It includes Kelmė WF, the largest onshore wind farm in the Baltics, Silesia WF II, one of the largest onshore wind farms in Poland, and the largest solar farm cluster in Latvia, comprising Varme SF, Stelpe SF I and Stelpe SF II. By technology we added 451 MW of onshore wind and 263 MW solar. By country, 314 MW of the new capacity was installed in Lithuania, 239 MW in Latvia and 161 MW in Poland.

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Moving further, since our nine-months results earnings call, the National Audit Office, following a decision by the Parliament, prompted by its Commission for Energy and Sustainable Development, carried out a state audit review of Curonian Nord offshore wind project and provided three recommendations. Based on these recommendations, Ignitis Renewables, the project implementing company, will transfer the assets created, the work done and the obligations assumed in relation to the Curonian Nord project to its wholly-owned subsidiary Offshore Wind Farm 1, will revise the agreements concluded with the suppliers performing seabed surveys as well as conduct an analysis of internal and external factors affecting the project and will present the results to the stakeholders. We are already implementing the recommendations.

Next, the Mažeikiai BESS project was awarded EUR 2 million in state aid. This brings the total state aid secured for our three battery projects to around EUR 15 million. Finally, we upgraded a power plant control centre at Kruonis PSHP. The new control centre enables centralised and automated management of Kruonis PSHP, Kaunas HPP and Elektrėnai Complex, strengthens cybersecurity and operational reliability, enhances the Group's ability to provide frequency control and balancing services.

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Finally, the most notable highlight after the reporting period – a debut of asset rotation programme transaction. We have reached an agreement with Quaero Capital to dispose a 49% stake in Vilnius CHP. Quaero Capital is a Switzerland-based infrastructure fund with EUR 3.8 billion in assets under management. Based on transaction valuation, 100% of Vilnius CHP equity is valued at EUR 244 million. The value of 49% of Vilnius CHP's shares, acquired by Quaero Capital, amounts to EUR 120 million. It consists of EUR 110 million fixed and EUR 10 million conditional (earn-out) payment, which depends on the successful results of Vilnius CHP. The Group has initially invested EUR 26 million of equity into this 49% stake, which effectively means that the transaction generates 4.6 times money multiple for Ignitis Group. After the completion of the transaction, the Group will continue to retain control of Vilnius CHP, holding 51% of the shares. We expect to sign the agreement by the end of March, after the decision at our Annual General Meeting of Shareholders, and to close the transaction in Q2 of this year. This transaction will also ensure compliance with the European Commission's decision related to the EUR 138 million support for the project received. Let me highlight, that this is one of the largest foreign direct investments in Lithuania over the last few years. We will use the capital raised during this transaction to further the development of Green Capacities and Networks while having a positive impact on the Group's leverage metrics.

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Let me now briefly recap key updates of our second largest business segment – Networks. Firstly, the regulator has approved our EUR 3.5 billion 10-year Investment Plan for distribution networks, extending up to 2033. This marks a 40% increase in investments. Next, as mentioned during our nine-months results earnings call, the regulator has also set RAB at EUR 1.9 billion, weighted average cost of capital at 5.74%, and additional tariff component at EUR 51.8 million for 2026. Finally, most recently, we completed the mass smart meter roll-out with 1.3 million of smart meters installed.

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Next, turning to the Reserve Capacities business segment. Over 2025, we strengthened our generation backbone by completing the major CCGT overhaul, continuing the overhaul of Unit 7 at Elektrėnai Complex. Both initiatives are enhancing the reliability and availability of our flexible assets. We also delivered strong performance in the Polish capacity auctions, securing three auction wins and more than 1 GW of capacity for periods in 2026 and 2030. And finally, following the synchronisation of the Baltic grids with Continental Europe in February 2025, the regulator introduced new rules governing additional profit from the related new services. The regulation remains in effect until the end of 2026 and will apply to isolated system services delivered by Elektrėnai Complex.

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Finally, turning to our Customers & Solutions business segment. The key milestone here is the strong progress we've made in expanding our fast-charging network across the Baltics. In 2025, we nearly doubled the number of installed charging points, reaching 1,800 units. As a result, our charging network now covers more than 90% of the Baltic states' territory.

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With our progress on business segments in 2025 covered, I would now like to highlight the key developments in our sustainability performance. In 2025, our Electricity Generated (net) increased by 41% to almost 4 TWh. The increase was driven by generation at Elektrėnai Complex in relation to the new services provided. Additionally, the growth was supported from our Green Capacities assets, driven by new assets launched – Kelmė WF and Silesia WF II. However, our Green Share of Generation decreased by 11 pp to 70% due to proportionally higher electricity generation at Elektrėnai Complex.

Looking at our GHG emissions, it amounted to 4.5 million t CO₂-eq, representing a 10% YoY increase. This increase was primarily driven by a 55% increase in Scope 1 emissions, largely due to ancillary services provided by Elektrėnai Complex. Scope 2 decreased by 4%, and Scope 3 emissions increased by 4% due to higher natural gas use at Elektrėnai Complex and a higher share of natural gas related emissions attributed to Networks distribution activities.

Next, on our safety, in 2025 we recorded no fatal accidents. Both our employee and contractor TRIRs stands at 0.7, well below the targeted threshold. Finally, as a result of our continuous efforts, we were recognised for our leadership in corporate transparency and performance on climate change by securing a place on Climate A List, which includes the top 4% of companies scored by CDP.

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Finally, let me briefly touch upon on the Group's governance. Based on the Majority Shareholder's expectations, a number of Supervisory Board members was increased by two members to nine in order

to form Supervisory Board committees from among its members. Therefore, in October, as the Supervisory Board's term approached the end, our General Meeting of Shareholders has elected a new Supervisory Board, comprising nine members – six independent members and three representatives of the Majority Shareholder – for a four-year term. Regarding its composition, six out of nine members, including the Chair, are independent, and seven out of nine members were re-elected, ensuring continuity. Finally, after the reporting period, the Supervisory Board selected candidates for the Management Board, who are expected to take office on 26 March 2026. With four out of five members being re-elected, we will ensure the continuity in the Group's strategy.

With the strategic performance overview concluded, I will now pass it over to Jonas for the financial update.

Jonas Rimavičius, Member of the Management Board, CFO

[Slide No 15]

Thank you, Darius, and hello to everyone on the call.

Let me start by presenting to you our consistent plan outperformance. 2025 marks the fifth straight year of our Adjusted EBITDA delivered above guidance. Since our IPO, we have exceeded our guidance in every year, demonstrating a strong execution track record. This reflects our disciplined operational performance and our ability to execute on strategy, while navigating the changing market conditions.

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Now, let's look at 2025 guidance achievement in more detail. Our Adjusted EBITDA reached EUR 546 million in 2025 and exceeded the upper end of our latest guidance range. To remind you, our most recent guidance, published in November, was between EUR 510–540 million. The outperformance was mainly driven by better-than-expected results in Q4, particularly in the Customer & Solutions and Green Capacities segments. At the same time, the performance of all other business segments was in line with our directional guidance, except for Reserve Capacities. Moving to Investments, in 2025 we invested EUR 720 million and were in line with our expected guidance range.

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Now, let's turn to the financial highlights of the year. Adjusted EBITDA grew by 3% YoY and reached EUR 546 million, driven by strong results in Green Capacities and Networks. Adjusted Net Profit decreased by 19% and amounted to EUR 226 million, mainly due to lower result of the Customers & Solutions segment, as well as lower financial activity results. Our Investments amounted to EUR 720 million, with 53% allocated to Networks, and 40% directed to Green Capacities. ROCE decreased by 1.5 pp to 7.5%, mainly due to the lower result of the Customers & Solutions segment. Our main leverage metric, FFO/Net Debt, decreased to 21%, while Net Debt/Adjusted EBITDA increased to 3.5 times. As a reminder, back in September, S&P reaffirmed our 'BBB+' credit rating with a stable outlook. Finally, for 2025 we intend to distribute a dividend of 1.366 euro per share, which is 3% higher than the previous year and in line with our Dividend Policy. This results in a dividend yield of above 6%.

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Moving on, let's now take a closer look at each of our key performance indicators. Starting with Adjusted EBITDA, Green Capacities' grew by 11% to EUR 291 million, driven by new assets launched,

and new services provided; Networks' grew by 20% and amounted EUR 263 million, mainly due to higher RAB as a result of continued Investments into our electricity network, and higher WACC set by the regulator; Reserve Capacities' decreased by 10% to EUR 38 million, mainly due to lower availability due to planned major overhaul of the CCGT and lower captured gross profit margin. Finally, our Customers & Solutions' EBITDA was negative EUR 48 million, which was mainly driven by adverse effect of prosumers under the current net-metering scheme.

[Slide No 19]

Next, let's take closer look at the EBITDA performance of each segment in more detail. Starting with Green Capacities, the main drivers behind the 11% YoY increase were: firstly, the launch of new assets, including Silesia WF II in Poland, Kelmé WF in Lithuania, Stelpe and Varme solar farms in Latvia, which together increased our Installed Capacity by 50% and brought very sizeable 700 of new MW online; and secondly, stronger performance from flexible assets and newly introduced balancing capacity services.

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Moving on to the Networks segment, the growth in Networks Adjusted EBITDA was mainly supported by two factors: first, a higher RAB, which increased by 13%, from EUR 1.6 billion to EUR 1.8 billion, driven by continued investments into electricity network; and second, an increase in the WACC set by the regulator, which increased from 5.1% in 2024 to 5.79% in 2025. Looking ahead, for 2026 the regulator set RAB at EUR 1.9 billion, representing a 6% increase, while the WACC was set at 5.74%, a similar level as in 2025.

[Slide No 21]

Next, the Reserve Capacities segment. We achieved strong performance in both 2024 and 2025 in this segment, however, the result fell by 10% YoY, totalling to EUR 38 million in 2025. The decline was driven by lower availability, related to the planned major overhaul of the CCGT, as well as lower captured gross profit margin.

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Finally, Customers & Solutions' Adjusted EBITDA amounted to negative EUR 49 million. Both electricity and natural gas supply results declined YoY. On electricity side, the decrease was mainly due to the prosumers under the current net-metering scheme and the negative effect from increased imbalance prices, and on the natural gas side, the B2B supply result was lower, mainly because more favourable margins were secured in 2024.

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Now let's turn to our investment activities. In 2025, our Investments amounted to EUR 720 million. Investments declined YoY by 11%, mainly due to lower Investments in Green Capacities as six projects reached CODs and we are being very selective in which new opportunities we pursue. In the Green Capacities segment, Investments decreased by 34% to EUR 286 million. In 2025, our main Investments were directed towards onshore wind, solar and hydro pumped storage projects. In the Networks segment, we invested EUR 383 million, which is 13% higher than last year. The growth was primarily driven by higher Investments in electricity grid expansion through new customer connection points and upgrades as well as higher cost to connect new customers as they are located more remotely.

[Slide No 24]

Next, a brief overview of our Free Cash Flow. FCF amounted to negative EUR 192 million and remained broadly flat YoY.

[Slide No 25]

Turning to our leverage metrics, Net Debt increased by 19% and amounted to EUR 1.9 billion at the end of 2025. As our FFO decreased as well, driven by the temporary regulatory differences, our main leverage metric, FFO/Net Debt, decreased to 21 percent. Net Debt/Adjusted EBITDA increased from 3.1 to 3.5 times. Despite worsened leverage metrics, back in September S&P has reaffirmed our 'BBB+' credit rating with a stable outlook.

[Slide No 26]

Finally, our guidance for 2026. We expect our full-year 2026 Adjusted EBITDA guidance to be in the range of EUR 550–600 million. We anticipate the growth in the Networks and Customers & Solutions, while Green Capacities and Reserve Capacities are expected to remain stable compared to 2025. In terms of Investments guidance, we expect Investments to be lower compared to 2025, within the range of EUR 590–690 million. In 2026, the Investment program will focus on Networks and flexibility investments. Although the Investments remain at historically high levels, but the YoY reduction demonstrates that we are being even more selective in which opportunities we pursue and reflects our disciplined Investment decision-making process.

With that, I will hand over to Darius to conclude our presentation.

Darius Maikštėnas, Chair of the Management Board, CEO

[Slide No 28]

Thank you, Jonas. Let me summarise Ignitis Group's performance. In 2025, we delivered strong strategic progress, with key highlights as follows. First, our Adjusted EBITDA reached EUR 546 million, representing a 3% YoY increase and exceeding the top of our guidance range, communicated to the market. Second, we increased our Green Capacities Installed by 700 MW to 2.1 GW. We also completed the mass smart meter roll-out. In total we installed 1.3 million smart meters. Third, a debut asset rotation program transaction – we have reached an agreement to dispose a 49% stake in Vilnius CHP. 100% of the asset's equity is valued at EUR 244 million and, accordingly, 49% at EUR 120 million. It represents a multiple of 4.6 over our equity invested. Fourth, in line with our Dividend Policy, for 2025 we intend to distribute a dividend of 1.366 euros per share, representing a 3% increase over the previous year. And lastly, for 2026 we expect Adjusted EBITDA to be in the range of EUR 550–600 million and Investments in the range of EUR 590–690 million.

With that, I would like to thank you for listening.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

[Slide No 29]

Thank you to the speakers. We will now proceed with the Q&A session. Our first question is: 'Regarding Vilnius CHP asset rotation deal, could you please indicate what kind of a premium on invested equity capital you are getting, adjusted for the EU support? If my math is right, then I'm getting around 28%.'

Jonas Rimavičius, Member of the Management Board, CFO

Thank you. So, in terms of premium on invested equity capital, we need to compare apples with apples. So, we need to look at the equity in which we have invested in this business and what we are getting out of this transaction. So, in this case, for the 49% stake, we have invested EUR 26 million and we are getting EUR 120 million out of it. The gain out of the transaction is close to EUR 100 million.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Our second question is also on the asset rotation: 'Could you please give us some flavour on the asset rotation market demand for renewable assets in the Baltics in general? What kind of assets are investors looking for, capacities, thresholds, deal size? What kind of premiums could be reasonably expected? Who are those interested investors in general?'

Jonas Rimavičius, Member of the Management Board, CFO

So, in terms of flavour on the asset rotation market, I think the Vilnius CHP transaction is a good illustration that there is a demand for quality assets. That being said, of course the pool of investors looking in the region is a bit more narrow than several years ago due to the geopolitical situation. Nevertheless, the interest is there. In terms of premiums which can be reasonably expected, the Vilnius CHP transaction, with the 4.5 times multiple on the money invested, that obviously is on the higher end of the spectrum. But, in any case, we would proceed with further asset rotation transactions only in case we can earn the right, sort of, premium for each asset.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Thank you, next question: 'Kruonis PSHP generated 459 GWh of electricity last year. Could you please roughly indicate, how much of electricity output will be shaved off this year due to the repair works at the plant?'

Jonas Rimavičius, Member of the Management Board, CFO

I think it is very important to stress that Kruonis usually operates with one or two units. With all four units, it operates very rarely, less than 1% of the time, which means that both the breakdown of the unit and also the repair should not have a significant impact on the results of Kruonis.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

The following question: 'Earnings per share decreased from 3.82 in 2024 to 2.26 in 2025 (euros), representing a YoY decline of around 40%. Could you please elaborate on the main factors that contributed to such a significant decrease in the EPS. Additionally, what action does Ignitis Group plan to take in order to restore EPS to previous levels.'

Jonas Rimavičius, Member of the Management Board, CFO

Yes, in terms of the YoY decline, I think we need to look at the main reasons first. So, there are two reasons why reported earnings per share and reported net profit have decreased. Two main reasons. One of those reasons is our Customers & Solutions segment's results. And the second reason is temporary regulatory differences in our Networks business, which means that this year we have returned more over-collected regulatory amount than usual, which was close to EUR 70 million this year. So, these two items actually almost fully explain the drop in our net profit: so, temporary regulatory differences in the Networks segment and the Customers & Solutions' result. And, if we look at each of them, the Networks' effect is temporary and the Customers & Solutions' effect we treat as also temporary. When we will see an update on the regulation on prosumer side, we expect this loss to go away. Essentially, both of these items, which have driven net profit down, are of temporary nature. As soon as these are gone, we will be back to the EPS of the previous level, and the ambition is to go even above that. In terms of actions, what are we doing in order to improve our EPS? We are working on both the growth element of it, so, building our assets and expanding our networks, but also a significant emphasis is put on efficiency and making sure that each MWh produced, distributed or sold generates as much value as possible.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

One more question: 'The Customers & Solutions segment has been generating negative EBITDA each quarter since Q2 2024. Could you please clarify the main reasons why the retail business is currently generating such significant losses for the Group? Additionally, when can investors reasonably expect this segment to return to profitability. In other words, at what point does Ignitis Group expect that the retail business in Lithuania will operate on a sustainable basis without effectively being subsidised at the Group level?'

Jonas Rimavičius, Member of the Management Board, CFO

So, in terms of the reasons, we have discussed them a bit in the previous calls, but, in short, there are two main reasons this year for the loss-making operations. The larger of them is the prosumer regulation. So, prosumers are generating the biggest part of the loss. And also, this year we had a negative impact due to high imbalance costs for this particular segment. So, in short, when the prosumer situation is solved, we would expect to get back to profitable levels in this segment.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Next question: 'Regarding the Vilnius CHP stake sale, the announcement mentioned an equity investment of EUR 52 million, while 49% of the shares are being sold at EUR 120 million. What is the expected one-time net profit (capital gain) that Ignitis Group will recognise in its 2026 financial statements from this transaction? Could you elaborate on the earn-out component of up to EUR 10 million. What specific operational or financial milestones must Vilnius CHP achieve by 2026 to trigger this payment? How will this transaction impact the Group's leverage and Net Debt/EBITDA ratio? Will the proceeds be reinvested into new greenfield projects or used to optimise the current debt structure? Is Vilnius CHP's stake sale a one-off event? If it's a recurring strategy, are you planning to use tasset rotation for wind and solar farms?'

Jonas Rimavičius, Member of the Management Board, CFO

Yes, let's start one by one. First of all, in terms of one-time net profit (capital gain), it will not be recognised in our case due to the IFRS treatment. Because we are keeping the control of the asset, we will continue to consolidate Vilnius CHP fully in our results, which then, by the standards, means that

we do not recognise the gain. But to illustrate to you the size of the gain, if we would have sold 100% of the shares at the same valuation at EUR 244 million, then we would have accounted a gain of close to EUR 200 million. So, the logical gain for the 49% stake is EUR 120 million less EUR 26 million, which results in EUR 94 million gain. But it will not be recorded because we continue to consolidate fully Vilnius CHP in our books.

In terms of the earn-out, the earn-out will depend on the results of Vilnius CHP and we think that the earn-out is very much achievable. In terms of the impact on the Group's leverage, it will have a direct positive impact by the same EUR 100 million. So, it will reduce our Net Debt by this amount.

How will we use the proceeds of the transaction? We will use the proceeds for our Investment programme both in the Green Capacities and the Networks businesses. We don't expect to repay any existing debt with the proceeds.

In terms of whether it's a one-off event or not, asset rotation is part of our long-term strategy, so we do intend to continue selling 49% stakes in our assets. That being said, we will not be doing that at any price. We will only be doing that at attractive price points, like in this case.

Ainè Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Next question: 'What is your view on mid-term free cash flow? Will there be an increased focus on bringing leverage down from current levels?'

Jonas Rimavičius, Member of the Management Board, CFO

In terms of free cash flow, indeed, the goal and the trend what we are seeing and what we want to see is the reduction in negative free cash flow. That will indeed result in stabilising of the leverage metrics.

Ainè Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

One more question: 'Why do you expect flat EBITDA in Reserve Capacities this year? Would appreciate some granularity.'

Jonas Rimavičius, Member of the Management Board, CFO

In terms of Reserve Capacities, at a very high level, there are two elements which makes us to expect a flat result. One is that we expect slightly weaker results on the balancing services side because with new BESS being launched that will reduce our earnings in that market. On the flip side, we have had planned overhauls in 2025. We don't expect them to such extent in 2026, which will result in a positive impact. These two cancel each other out and that's why we expect flat performance in Reserve Capacities.

Ainè Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

One more question: 'Looking at the Q4 results, they appear somewhat weaker compared to previous quarters. Could you specify the main drivers behind this performance? To what extent was this influenced by lower electricity prices, higher balancing costs, or one-off expenses?'

Regarding the upcoming legislative changes for prosumers: in your view, is the current draft of the law sufficient to fully address and mitigate the losses associated with the net-metering system? Do you have high confidence that these laws will be passed and implemented in the first half of 2026?

Regarding balancing costs: do you see a downward trend emerging, especially considering the upcoming launch of new battery storage systems in the market? To what extent will these assets help stabilize the Group's balancing expenses in the near future?

What is the current status of your own battery storage projects? Can we expect the first pilot grid connections or commissioning to take place within this year?'

Jonas Rimavičius, Member of the Management Board, CFO

Ok, let's take it one by one again. In terms of the Q4 performance, in our view, it is broadly in line with what we have expected. We did have some lower wind and some lower hydro resource than we have planned, but, for instance, the balancing costs, the prosumer effect were even slightly better than we expected. So, for us Q4 was more or less where we had expected it to be.

In terms of prosumer legislation, the currently proposed changes, we think, are ok. They solve a sizeable amount of issues. Of course, we still need to see what the final version will look like. That will depend on the decisions made in spring this year.

In terms of balancing costs, naturally, the balancing market will normalise when more and more battery storage systems are launched. If you remember, in the Group we have a two-fold impact of this. Yes, the normalisation in the balancing market helps us to balance better our renewables portfolio and our customer portfolio, but on the flip side, it will decrease the earnings of our flexible units. When evaluating, you need to keep both in mind.

In terms of the status of our own battery storage projects, we are progressing as planned. The COD of all three projects is expected in the beginning of 2027. So, if everything goes well, we might see first power still this year, but our main goal is to launch them fully beginning of next year.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

The following question: 'What is the weather-normalised annual production from currently operational onshore wind and solar capacity?'

Jonas Rimavičius, Member of the Management Board, CFO

In terms of the weather-normalised annual production, I would need to check and let us get back to you with our IR team.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Next question: 'What is the progress in fulfilling state auditors' recommendations regarding the offshore wind farm in Lithuania? Will the Group be able to fulfil them and develop a profitable wind farm without state support? Why?'

Darius Maikštėnas, Chair of the Management Board, CEO

Based on the recommendations following the state audit, we must conduct an analysis of internal and external factors affecting the project and to present it to stakeholders and make relevant decisions. The works are going according to the plan, we are now focusing on the analysis, after which we will have clarity on how we will proceed.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Next question: 'Ignitis Group has talked about selling a part of Vilnius CHP since 2024, yet the deal has been reached just yesterday. Why this took about two years? Were there any other potential buyers? Why did you choose the Quaero Capital fund? What, in your opinion, will they provide in the management of Vilnius CHP?'

Jonas Rimavičius, Member of the Management Board, CFO

Ok, why did we choose Quaero Capital? That's an easy one. They have provided the best conditions among all the potential buyers and we agreed to do the transaction with them.

In terms of us talking about selling a part of Vilnius CHP since 2024, that's natural because we had the requirement by the European Commission to launch that sale. So, we knew well in advance that we needed to do this process. In terms of executing it now, we have achieved a good result, a favourable outcome, and we are happy to do such transactions. In terms of what Quaero will provide in the management of Vilnius CHP, we think, as an experienced infrastructure investor, Quaero will for sure have good ideas of how to improve the operational performance of the business.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

One more question: 'You highlight in the presentation the negative volume effect in the Green Capacities segment from hydro assets. Could you elaborate a bit on that topic and what caused the lower volumes?'

Jonas Rimavičius, Member of the Management Board, CFO

For hydro volumes, there's two parts of it. The first part is a very straight-forward one. Because of worse hydro conditions, so less water in the Nemunas River, we had lower generation in our river-flow hydro. If we look at the long-term track record, this was a poor hydro year for us. The second reason is in relation to our Kruonis facility, where this year we had optimised our operations between providing balancing capacity services, which then don't result in generation, and the actual arbitrage operations, where we try to benefit from the spread in high and low power prices in the market. So, the ratio this year shifted more toward providing balancing capacity services.

Ainė Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Next question: 'Power plant construction was mostly financed with debt. What portion of those loans still needs to be repaid?'

Jonas Rimavičius, Member of the Management Board, CFO

Usually, we finance all of our power plants at around 60–70% with leverage and it's usually long-term facilities. Usually, we have 15-year-long facilities, which means that if you look at the individual assets

and, when you know when it has been built and when it has been financed, you can estimate for each individual asset for how much debt remains in there, but it's quite dependent on asset by asset.

Ainē Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

Next question: 'If two Kruonis' units are not used, are you planning to conserve them?'

Darius Maikštėnas, Chair of the Management Board, CEO

This statement is not 100% correct, Kruonis has currently four units, and mainly we are using one or two units, and in smaller time periods we have to use three units. And, as it was mentioned before, the situation when all four units are in operation is less than 1% of the time. This complex has a very strategic value for the entire Baltic energy system, ensuring balancing and ancillary services for the entire region. Therefore, the high level of redundancy of its operations is very necessary to ensure stable as well as profitable operations for the Group and for the entire region. Therefore, we don't plan to do the conservation of any current unit and, as you know, we are currently building a fifth unit, which will bring additional flexibility to the system. So, by then we will have five units in operation. Of course, the situation that we will use all five units at once will be quite limited. But, overall, it is bringing and will bring huge value to the country, to the region and to the shareholders.

Ainē Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

And the last question: 'Can you elaborate on the expected flat EBITDA in Green Capacities in 2026? Price vs. volume?'

Jonas Rimavičius, Member of the Management Board, CFO

In terms of flat EBITDA in Green Capacities, we do expect lower power prices for 2026, and that is driven both by slightly lower market prices expected, but also by the expiry of some of the more expensive PPAs. So, the price effect will be to the down side, while the volume impact is expected to the up side due to, as mentioned, worse-than-typical hydro year in 2025, worse-than-typical wind year in 2025 and some of the assets still haven't operated the full year, which were launched in 2025.

Ainē Riffel-Grinkevičienė, Chief of Staff to CFO and Head of Investor Relations

This concludes our earnings call. Should you have further questions, our Investor Relations team remains at your disposal. Thank you for your participation and we look forward to engaging with you next quarter. Stay safe.