

GREEN BOND INVESTOR LETTER

2020

In July 2017, Ignitis Group (hereinafter – the Group) issued its inaugural green bond. A year after, in July 2018, the second issue of green bonds of has been successfully distributed.

This investor letter is to report on the green bond funds allocation to the eligible projects and their assumed positive environmental effect as of 31 May 2021.



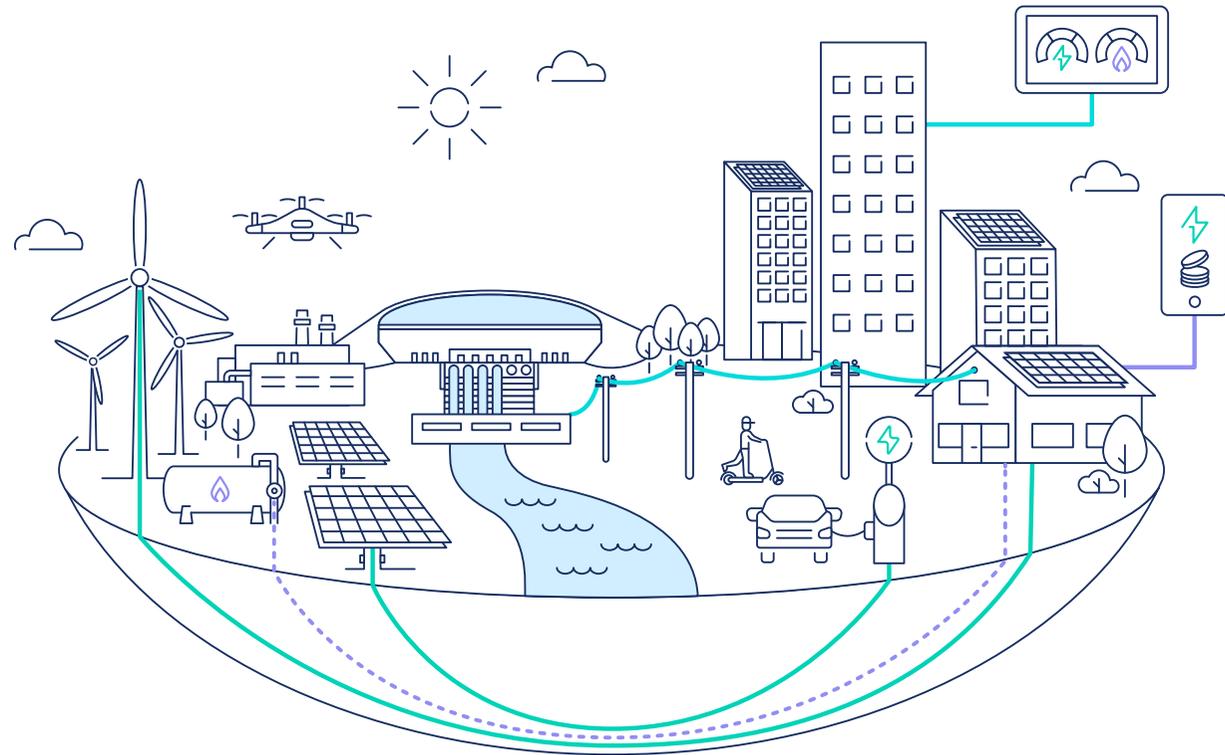
Ignitis Group – creating an energy smart world

Who we are

Ignitis Group is a leading utility and renewable energy group in the Baltic region.

Our core business is focused on operating electricity distribution Network and managing and developing Green Generation portfolio.

We also manage strategically important Flexible Generation assets and provide Customers & Solutions services, including the supply of electricity and gas, solar, e-mobility, improved energy efficiency and innovative energy solutions for households and businesses.



Networks

Resilient and efficient energy distribution networks enabling the energy transition.



Green Generation

Focused, sustainable and profitable growth.



Flexible Generation

Reliable and flexible power system.



Customers & Solutions

Innovative solutions for easier life and energy evolution.

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CEO's statement

We present you the most recent information about the allocation and utilization of the green bond funds we raised in 2017 and 2018. Here you will also find information about the implementation of the projects financed with green bond.

The ripples of the COVID-19 pandemic and the quarantine restrictions affected every one of us. However, this situation proved once again that the determination of a unified professional team can overcome many challenges. Our colleagues made immense efforts during this extraordinary period. We have proven once again that Ignitis Group is ready to lead the energy transition in the Baltic region by expanding Green Generation capacity and creating long-term sustainable value to all our shareholders and stakeholders.

As you will see in this letter, we continue to invest into the Green Generation and Networks segments, also we develop solutions for our clients in Customers and Solutions segment. Green bond funds are an important source of funds for these investments.

During 2020, we continued to develop generation capacity of our Green Generation segment. Over the last year we erected all 29 wind turbines in Pomerania WF in Poland. It started generating electricity already in spring this year. We also progressed with the development of CHP assets. In August, Kaunas CHP started its commercial activities. Vilnius CHP waste to energy unit started its commercial activities in March 2021. During the period of 2021–2024, we expect the investments into renewable energy projects to amount to EUR 800–1,000 million.

The second largest proportion of the investments, amounting to EUR 800–900 million, will be directed to the Networks segment. We will continue to increase the security, reliability and resilience of the electricity and gas distribution system as well as responsibly expand the grid, following the needs of our clients.

The year 2020 will moreover stand out for Ignitis Group due to the completion of the largest ever IPO in the Baltic region. During the IPO, we successfully raised EUR 450 million of primary capital. It is a major form of recognition of our sustainable growth strategy. Creating a sustainable future is one of our strongest long-term commitments embedded in Ignitis Group's strategy presented last year. It can only be achieved with the decarbonization of the energy sector, development of innovative solutions and sustainable growth while following the principles of environmental, social, and good corporate governance (ESG), which are the basis of our businesses.

In 2020, we laid the groundwork for delivering on our sustainability commitments. We conducted an inventory of our carbon emissions in preparation for the pathway to net zero emissions by 2050. Our comprehensive Sustainability Report presented as part of the Annual Report this year is also aligned with globally recognised standards, such as the Global Reporting Initiative (GRI) and the Nasdaq ESG Reporting Guide. We hope that enhanced disclosures will help our stakeholders to better assess our performance and progress.

We remain committed to reducing the greenhouse gas emissions from our activities and to reach net zero emissions by 2050, this way contributing to slowing the rate of climate change. A detailed GHG management plan will be prepared in 2021. It will comply with the requirements of the Science Based Targets Initiative (SBTi) led by the United Nations and other international organisations. We will also continue to pursue other important sustainability goals in the environmental, social and governance domains.



A handwritten signature in blue ink, appearing to read 'Darius Maikštėnas'. The signature is stylized and fluid.

Darius Maikštėnas
Chair of the Management Board and CEO
Ignitis Group

Our sustainability framework

Sustainability is at the core of the [Group's strategy](#) and [2021-2024 strategic plan](#). Leading the energy transition across the region towards an energy smart world we pay a lot of attention to our ESG performance and accountability. Our sustainability management plan and a list of policies we follow [are disclosed publicly](#).

We publish Nasdaq ESG indicator data in half-year reports and comprehensive ESG information is available in our annual reports (please find [all reports here](#)). More information about our sustainability approach and recent results could be found in our Sustainability Report, which has been prepared in accordance with the GRI Standards: Core option and is available as an integral part of our [Annual Report 2020](#).

Below is a high-level overview of our approach to ESG performance improvement.



MAIN TOPICS

We are committed to reduce net carbon dioxide (CO₂) emissions to zero by 2050. We seek to contribute directly to the implementation of the UN Global Compact, Sustainable Development Goals, and the Paris Agreement



GOVERNANCE AND PROCESSES

We follow good corporate governance practices and seek to manage our impacts based on the recommendations of international institutions and the scientific community



ACCOUNTABILITY

We seek to disclose the Group's progress by using globally recognised standards and formats suited to a broad range of stakeholder needs

MEASURING PROGRESS

We aim to benchmark our continuous improvement using ESG ratings provided by leading ESG ratings agencies and seek to improve our ESG ratings.¹

Our current MSCI ESG rating of 'A' places us above the sector average of 'BBB'² while Sustainalytics ranks us among the top 20% ESG performers in the utility sector.

MSCI ESG index

CCC B BBB A AA AAA

2020 → 2024

Sustainalytics ESG risk index

Severe High Med Low Negl

2020 → 2024

¹ See MSCI disclaimer and Sustainalytics ESG Risk Rating Summary Report on our [website](#).

² MSCI ACWI index.

Business highlights after the last issue of the Letter

Q3 2020

Governance:

Jumped from 33rd place to 12-13th in the Lithuanian Corporate Reputation Index.

Finance:

Delisted ESO and Ignitis Gamyba from Nasdaq Vilnius.

Flexible Generation:

Elektrėnai Complex units successfully participated in test of the operation of the isolated Lithuanian energy system.



Green Generation:

Began preparatory construction works of Mažeikiai WF (63 MW) in Lithuania.



Green Generation:

Kaunas CHP (24 MWe, 70 MWth) started its commercial activities.



Green Generation:

Vilnius CHP (92 MWe, 229 MWth) implemented the 'hot' testing of waste heat boilers.

Finance:

Approved a new dividend policy.
Green Generation: SPA signed with SIG for the solar PV development portfolio (up to 170 MW) in Poland.

Sustainability:

Obtained Sustainalytics ESG risk rating of 26.5 which is medium at the risk rating scale.



Green Generation:

Concluded partnership with Ocean Winds to develop offshore wind farm projects.

Q4 2020

Finance:

Completed the largest ever IPO in the Baltic States and began trading on Nasdaq Vilnius and London stock exchanges.



Green Generation:

Vilnius CHP terminated the contract with biomass contractor Rafako.



Networks:

NERC set electricity and natural gas distribution price caps for 2021.

Governance:

2 new independent members (Bent Christensen and Judith Buss) appointed to the Supervisory Board.

Finance:

S&P Global Ratings upgraded BBB+ rating outlook from negative to stable.

Governance:

LTIP for the top executives established.



Green Generation:

All 29 wind turbines erected in Pomerania WF (94 MW) in Poland with expected COD in Q1 2021.

Multiple segments:

NERC updated WACC methodology.

Q1 2021

Governance:

Approved LTIP targets for the year 2023.

Governance:

Received a Letter of Expectations from the majority shareholder (Ministry of Finance of the Republic of Lithuania) supporting the Group' strategy.

Customers & Solutions:

Started trading activities in the Dutch gas trading platform TTF.

Finance:

Received Nasdaq Baltic Award 2021 for implementing the largest ever IPO in the Baltic States in October 2020.



Green Generation:

Approved Kruonis PSHP (900 MW) expansion plan for additional one unit (110 MW).

Strategy:

Published the 2021-2024 Strategic Plan.



Green Generation:

Completed Pomerania WF (94 MW) in Poland construction works.

Strategy:

Increased the investment into the Israel-based company H2Pro developing green hydrogen production technology.

Governance:

Became the first holding in Lithuania that received an international certificate for anti-corruption management system.

Governance:

Approved LTIP targets for the year 2024.



Sustainability:

In Sustainable Brand Index™ Ignitis brand ranked as the first in energy category and as 15th in the general ranking.



Green Generation:

Initiated selection process for the independent member of the Board of Ignitis Renewables.

Finance:

Paid out a dividend of EUR 0.579 per share for the second half of 2020.

Governance:

Updated remuneration policy and share allocation rules for LTIP and ESOP.



Green Generation:

Vilnius CHP, waste-to-energy unit (19 MWe, 60 MWth) started its commercial activities.



Green Generation:

Court case on the permits of two (out of 6) operational wind turbines in Tuuleergia WF in Estonia has been cleared with no further possibility of claims.

Q2 2021**Governance:**

Ownership rights of all ESO shares have been transferred to Ignitis Group.

Finance:

Investment research company Enlight Research added Ignitis Group to its coverage list.

**Networks:**

Chose a supplier, which will be responsible for implementing the smart metering infrastructure by 2024.

**Green Generation:**

Pomerania WF (94 MW) in Poland generated first electricity.

Governance:

Share option programme is suspended until all doubts related to its compliance with national legal acts are cleared.

Governance:

A part of Ignitis Gamyba minority shares have been transferred to Ignitis Group.

Finance:

S&P Global Ratings after annual credit rating review, affirmed BBB+ (stable outlook) rating.

Governance:

Dominykas Tučkus resigned from the positions of Management Board Member and Business Development and Infrastructure Director at Ignitis Group as well as from all other official positions held at the companies owned by Ignitis Group. His last day in the office was 25 June 2021.

[Follow this link to read all news of Ignitis Group.](#)



About the Green Bonds

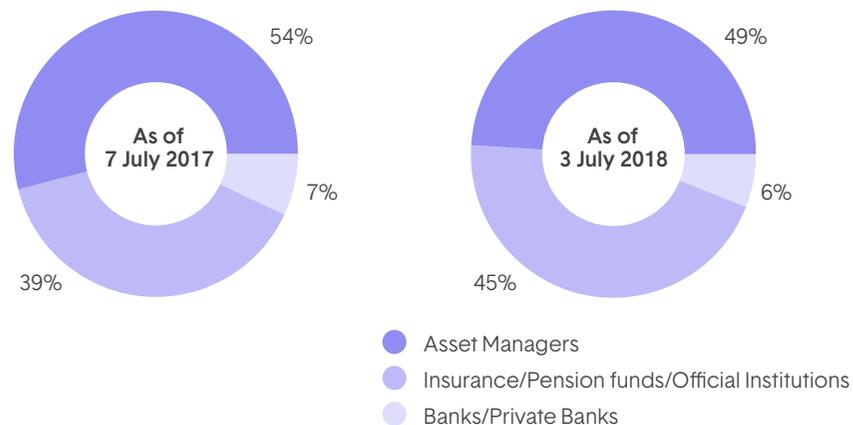
Ignitis Group (until 6th of September 2019 – Lietuvos Energija) has established a Euro Medium Term Note Programme for the issuance of up to EUR 1,500,000,000 in aggregate principal amount of notes. Inaugural green bonds of Ignitis Group were issued on 7 July 2017 and the second issue was distributed on 3 July 2018. Both issues of the bonds are dual-listed on the Nasdaq Vilnius and the Luxembourg Stock Exchange.

Issue	2017	2018
Issuer	Ignitis Group	Ignitis Group
Status	Senior Unsecured	Senior Unsecured
ISIN Code	XS1646530565	XS1853999313
Denominations	EUR 100,000/EUR 1,000	EUR 100,000/EUR 1,000
Issue Size	EUR 300,000,000	EUR 300,000,000
Listing	Nasdaq Vilnius, Luxembourg Stock Exchange	Nasdaq Vilnius, Luxembourg Stock Exchange
Maturity	10-year	10-year
Payment Date	14 July 2017	10 July 2018
Maturity Date	14 July 2027	10 July 2028
Coupon	2.000%, annual	1.875%, annual
Yield at Issue	2.193%	2.066%
Issuer Rating	S&P: BBB+, stable	S&P: BBB+, stable

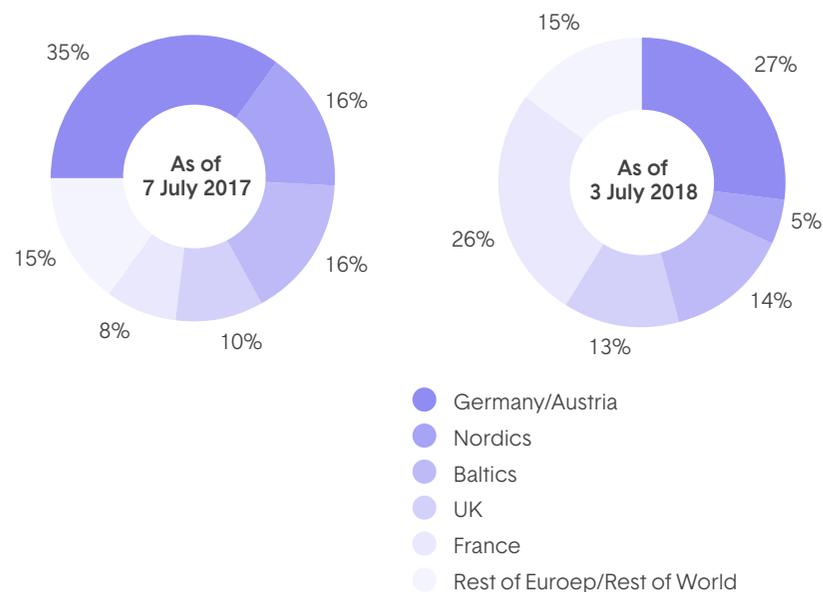
In 2017, the successfully placed EUR 300 million and 10-year maturity bond of Ignitis Group attracted 130 interested investors from 25 countries. The demand for the bonds hit nearly EUR 1.4 billion. It became the largest and the longest maturity bond ever offered by Lithuanian companies, and the largest and longest maturity green corporate Eurobond among the issuers from Central and Eastern Europe (CEE). Four years prior to that, no company from the CEE region managed to raise funds in the capital markets at a lower interest rate for a ten-year period than Ignitis Group.

In 2018, Ignitis Group has successfully distributed the second EUR 300 million issue of green bonds. The bonds have been acquired by 115 investors from 22 countries and the demand for the bonds outstripped the supply ~4 times – investors were willing to lend EUR 1.1 billion to Ignitis Group. This time Ignitis Group successfully distributed the issue at lower cost than in 2017 despite the fact that market conditions were less favorable in 2018. International and local investment and pension funds, banks and insurance companies were competing for the securities of the Company.

Green Bond investor allocations by type



Green Bond investor allocations by region



Green bond framework and its certification

Ignitis Group has prepared a [Green Bond Framework](#) which ensures that funds received are used exclusively to finance the following type of green energy projects:

- renewable energy, including wind, hydro, biogas, solar and geothermal production capacities and related infrastructure;
- pollution prevention and control projects, including energy production using waste;
- energy efficiency solutions comprising distribution network development and renewal projects aimed at reduction of the network's losses and/or creation of conditions for connection of renewable energy sources, as well as smart network and ESCO projects;
- clean transportation solutions for maintenance vehicles based on non-fossil fuel and supporting infrastructure.

Ignitis Group undertook to use the funds attracted through the green bonds issue to finance only the investments designated for green energy projects in accordance with the Green Bonds Framework. As a result, a contribution toward implementation of sustainable energy development and the United Nations Sustainable Development Goals is being made.

The Green Bond Framework prepared by Ignitis Group has received a Second Party Opinion certification from CICERO (Center for International Climate Research) and SEI (Stockholm Environment Institute (SEI)). The Green Bond Framework has been awarded a Dark Green shading, which is the highest green category possible. Read the full report: '[Second Opinion](#)' on Ignitis Group's [Green Bond Framework](#).

Assessment and selection of eligible projects

The approval for all investment projects is first given by the Board of Ignitis Group by approving the budgets of the companies controlled by the Group. The projects are then evaluated by the Sustainable Development Committee (previously – Green Bond Committee), which consists of representatives from different departments and subsidiaries of Ignitis Group to assess the compliance of the projects with the Framework's requirements and main criteria are then evaluated by the Sustainable Development Committee to ensure a positive long-term impact on the environment and the climate change effect. The Committee's composition and its Rules of Procedure have been approved by the Board of Directors of Ignitis Group.

1st LEVEL EVALUATION

General evaluation to assess project's eligibility. All eligible projects should be in line with the requirements of the below documents.		
Green Bond Principles	UN Global Compact	National Climate Change Management Plan of Lithuania
Ignitis Group's Green Bond Framework		

2nd LEVEL EVALUATION

Technical evaluation to assess actual expected results from the investment project.			
Renewable energy projects evaluation guidelines	Energy efficiency projects evaluation guidelines	Pollution prevention and control projects evaluation guidelines	Clean transportation projects evaluation guidelines

The composition of the Sustainable Development Committee

In February 2020, the Group's Green Bond Committee was reformed and expanded into the Sustainable Development Committee, which is directly accountable to the Management Board and provides additional level of support for overseeing the Group's sustainability-related issues. The Committee is comprised of the Group's employees with the competence to make proposals regarding the Group's sustainability activities, reduction of greenhouse gas emissions in the Group's operations, promotion of energy efficiency and the effective and transparent allocation of funds to projects meeting the criteria set out in the Green Bond Framework.

The Group aims to make sure that the Sustainable Development Committee consisted of all of the positions listed in the Green Bond Framework. Members of the Sustainable Development Committee have different responsibilities in the companies of the Group. They work in fields of sustainability, energy efficiency, risk management, development, finance, environmental protection.

At the reporting date (31 May 2021) the Sustainable Development Committee of the Group consisted of seven members, who were appointed on 3 February 2020.

Name	Position in the Committee	Main position in the Group
Valentas Neviera	Chairman of the Committee	Head of Sustainability
Arūnas Barauskas	Member of the Committee	Head of Business Development at Ignitis Gamyba
Asta Vaitulevičė	Member of the Committee	Head of Energy Efficiency Programme
Darius Šimkus	Member of the Committee	Head of Risk Management and Compliance at Ignitis
Jurgita Seniūnaitė	Member of the Committee	Head of Laboratory at Vilnius CHP
Vidmantas Kvietkauskas	Member of the Committee	Head of Financing
Virginijus Jagela	Member of the Committee	Coordinator of Operating Wind Energy Capacities at Ignitis Renewables

Projects financed and their impact on environment

In 2017–2021 (as of 31 May 2021), the Board of Directors of Ignitis Group and the Sustainable Development Committee approved the allocation of financing using funds raised by green bonds to the projects listed below.

All projects that received financing were selected in the view of the principles and criteria established in the Green Bond Framework prepared by the Group. Net proceeds raised by both issues of green bonds reached EUR 588.2 million and EUR 608.1 million in total were allocated to finance the projects. The remaining allocated part planned to be utilized in case of new green bond issue.

Project allocation and utilization reporting is done as of 31 May 2021 and is applicable at the date of issuance of this report. Until allocation green bond proceeds were managed as a short term Group's liquidity reserves via notional cash pool or other instruments.

CO₂ emissions are calculated based on the European Investment Bank methodology (Methodologies for the Assessment of Project GHG Emissions and Emission Variations Version 10.1). Projected and actual results regarding energy generation and reduction of CO₂ of the projects are reported as a full calendar year results for the future comparison reasons. Environmental benefits relate to the entire project where green financing is only part of the total project cost.

Projects financed and their impact on environment¹

No.	Issue	Project name	Project category	Project description	Project value, mEUR	Green bond funds allocated, mEUR	Green bond funds utilized, mEUR	Planned energy generation (GWh per year)	2020 actual energy generation (GWh per year ²)	Projected reduction of CO ₂ emissions (tons per year)	2020 actual reduction of CO ₂ emissions (tons per year ²)
1	2017 (all funds allocated and utilized until 31 05 2019)	Renewal of ESO's electricity distribution network (Part I&II)	Energy efficiency projects	ESO implements various projects related to the repair, replacement and optimization of the electricity network. The electricity network renewal plan includes more than 2,000 projects that are being implemented in five regions of Lithuania. The projected operational period of individual projects is between 30 and 50 years. Annual energy savings are expected to reach more than 39,600 MWh (more than 1,357,000 MWh over the projected operational period of the projects; 0.008 MWh per EUR 1 of investments over the projected operational period of the projects). For more information follow www.eso.lt	250.0	166.3	166.3	N/A	N/A	7,811	7,951
2	2017 (all funds allocated and utilized until 31 05 2019)	Refinancing of wind power parks in Estonia (Tulleenergia) and Lithuania (Eurakras)	Renewable energy projects	At the beginning of 2016, the Group acquired wind power parks in Estonia (Tulleenergia OU; 6 turbines) and Lithuania, Jurbarkas district (Eurakras; 8 turbines) with the overall capacity of 42 MW. The acquisition of the wind power parks was financed using borrowings from commercial banks. To optimize the financing structure of projects the company refinanced borrowings using funds raised by green bonds.	66.6	66.6	66.6	136	147	91,937	100,592

No.	Issue	Project name	Project category	Project description	Project value, mEUR	Green bond funds allocated, mEUR	Green bond funds utilized, mEUR	Planned energy generation (GWh per year)	2020 actual energy generation (GWh per year ²)	Projected reduction of CO ₂ emissions (tons per year)	2020 actual reduction of CO ₂ emissions (tons per year ²)
3	2017 (all funds allocated and utilized until 31 05 2019)	Vilnius CHP (Part I)	Pollution prevention and control projects	<p>Upon completion of the construction, the Vilnius CHP will be one of the most modern in Europe in terms of environmental protection and energy generation technologies. Vilnius CHP waste-to-energy unit (19 MWe, 60 MWth) started its commercial operations in March 2021. The construction works of Vilnius CHP's biomass unit (73 MWe, 169 MWth) are in line with the schedule. Currently, around 70-75% of construction works are finished and we expect it to start the commercial activities around Q4 2022.</p> <p>It is expected that the Vilnius CHP Plant, using biofuel and municipal waste, will produce nearly half of the district heat supplied to Vilnius and electricity meeting the needs of approximately 230,000 households.</p> <p>For more information follow www.vkji.lt</p>	375.0	36.6	36.6	2,098 ³	N/A	598,379 ³	No emission reductions were observed in 2020.
4	2017 (all funds allocated and utilized until 31 05 2019)	Kaunas CHP	Pollution prevention and control projects	<p>The Kaunas CHP plant (24 MWe, 70 MWth), which is developed by Ignitis Group together with partner Fortum Lietuva, was launched in August 2020. The new Kaunas CHP Plant is expected to both help resolve waste disposal problems in the region and lower heating bills for Kaunas residents. It is expected that the Kaunas CHP Plant will generate approximately 40 per cent. of the heat required by the Kaunas district and produce electricity meeting the needs of approximately 100,000 households.</p> <p>For more information follow www.kkj.lt</p>	150.0	20.0	20.0	675	513	117,816 ⁴	93,519
5	2017 (all funds allocated and utilized until 31 05 2019)	Acquisition of a 25% shareholding in the wind power park in Jurbarkas, Lithuania (Eurakras)	Renewable energy projects	<p>Seeking to implement its strategy, which focuses on energy production using renewable energy sources, Ignitis Group made a decision to acquire a 25% minority shareholding in the wind power park in Jurbarkas (Eurakras). A 100% shareholding held in the wind power park allows to manage the park more efficiently. The wind power park consists of 8 wind turbines with the capacity of 3 MW each. One euro invested over the course of the project's useful lifecycle reduces CO₂ emissions by 0.02 kg CO₂/EUR. 106.05 kWh/EUR of electricity will be produced over the useful lifecycle.</p>	4.3	4.3	4.3	Indicators for the full project are provided above in row No. 2			

No.	Issue	Project name	Project category	Project description	Project value, mEUR	Green bond funds allocated, mEUR	Green bond funds utilized, mEUR	Planned energy generation (GWh per year)	2020 actual energy generation (GWh per year ²)	Projected reduction of CO ₂ emissions (tons per year)	2020 actual reduction of CO ₂ emissions (tons per year ²)
6	2018 (all funds allocated and utilized until 31 05 2019)	Renewal of ESO's electricity distribution network (Part III)	Energy efficiency projects	The electricity network renewal plan includes more than 730 projects that are going to be implemented in five regions of Lithuania. The projected operational period of individual projects is between 30 and 50 years. Annual energy savings are expected to reach more than 22,000 MWh (more than 784,500 MWh over the projected operational period of the projects; 0.0063 MWh per EUR 1 of investments over the projected operational period of the projects).	190.0	124.9	124.9	N/A	N/A	4,429	2,576
7	2018 (all funds allocated and utilized until 31 05 2019)	Acquisition of wind power parks in Lithuania (Vėjo Vatas and Vėjo Gūsis)	Renewable energy projects	Implementing it's strategy to invest in renewable energy production, the Group acquired UAB Vėjo Vatas and UAB Vėjo Gūsis (three wind farms in total). Vėjo Vatas operates one wind farm of 14.9 MW (7 turbines) in Tauragė district. Vėjo Gūsis operates two wind farms with the capacity of 10 MW and 9.1 MW (11 turbines in total) in Kretinga and Tauragė district. Over a project's useful life one invested EUR reduces CO2 emissions by 0.02 kg CO ₂ / EUR. Over a project's useful life 106.05 kWh / EUR will be produced.	21.8	21.8	21.8	86	95	36,954	41 077
8	2018 (all funds allocated until 31 05 2019, EUR 4.0 million utilized until 31 05 2019, EUR 11.7 million utilized until 31 05 2020)	Vilnius Vilnius CHP (Part II)	Pollution prevention and control projects	Additional funding to Vilnius CHP. Find the detailed description of the project above in this table.	Refer Part I above (row No.3)	15.7	15.7	Indicators for the full project are provided above in row No. 3			
9	2018 (all funds allocated until 31 05 2019, EUR 2.3 million utilized until 31 05 2019, EUR 6.1 million utilized until 31 05 2021)	Small residential and industrial solar PV projects	Renewable energy projects	The implementation activities on the basis of ESCO and PPA business models were suggested to clients by UAB Ignitis. The focus is on reducing the usage of energy resources and increasing the efficiency of consumption and the development of solar photovoltaic projects. 10,788 kWp of solar photovoltaic installations for business and public sector customers is planned to be installed. The above-mentioned combined solar photovoltaic installations, taking into account the depreciation of photovoltaic modules, would generate on average about 12.65 GWh of electricity per year. According to the guarantees of the manufacturers of the solar photovoltaic installations, after 25 years the operational capacity of the solar photovoltaic installations will be at least 80% of the nominal capacity. For more information follow www.ignitis.lt	9.9	9.9	8.4	12.65	7.42	5,455	3 198

No.	Issue	Project name	Project category	Project description	Project value, mEUR	Green bond funds allocated, mEUR	Green bond funds utilized, mEUR	Planned energy generation (GWh per year)	2020 actual energy generation (GWh per year ²)	Projected reduction of CO ₂ emissions (tons per year)	2020 actual reduction of CO ₂ emissions (tons per year ²)
10	2018 (all funds allocated until 31 05 2019, EUR 1.2 million utilized until 31 05 2019, EUR 0.3 million utilized until 31 05 2021)	ESCO projects (city lighting)	Energy efficiency projects	The requested investment is to be used by UAB Ignitis mostly for modernization of lighting for business and public sector customers. Based on the ESCO experience, one invested euro reduces electricity consumption on average by 1.98 kWh per year. After implementation of ESCO projects, electricity consumption for business and public sector customers could be reduced by 2.72 GWh per year. The average new LED lighting life cycle is about 13 years. Until 31 05 2021, 23 ESCO projects were implemented: street lightning was renovated in 4 Lithuanian cities, 15 lightning modernization projects were implemented both for business clients and public sector. For more information follow www.ignitis.lt	1.5	1.5	1.5	N/A	N/A	534	534
11	2018 (all funds allocated until 31 05 2019, EUR 1.9 million utilized until 31 05 2021)	EV charging stations	Clean transportation projects	The installation of new electric vehicles (EV) charging stations and the development of "Ignitis On" network is being implemented by UAB Ignitis. About 147 EV charging stations in the territory of Lithuania are to be installed. These stations would transmit about 6,4 GWh of energy to electric cars per year. It is equal to 25.75 million km of driving distance. The planned lifetime of EV charging stations is 10 years. It is planned to use only green electricity to charge electric vehicles. Until 31 May 2021, 104 EV chargers of different capacity were installed. For more information follow www.ignitis.lt	5.1	5.1	1.9	N/A	N/A	5,150	579
12	2018 (all funds allocated until 31 05 2021, EUR 81.6 million utilized until 31 05 2021, remaining part planned to be utilized in case of new green bond issue)	Renewal of ESO's electricity distribution network 2020-2021 (without support)	Energy efficiency projects	ESO electricity network renewal plan consists of 1,136 projects to be implemented in the regions of Vilnius, Kaunas, Klaipėda, Šiauliai and Panevėžys. The range of projects envisaged and the distribution of investment among all regions are expected to contribute to regional growth and job creation. The projected operational period of individual projects is between 30 to 50 years. Annual energy savings are expected to reach 16,202 MWh (590,772 MWh over the projected operational period of the projects; 0.006 MWh per EUR 1 investment over the projected operational period of the projects). The projects will contribute to the reduction of electricity network losses, as well as to the improvement of SAIDI and SAIFI indicators. For more information follow www.eso.lt	96.8	96.8	81.6	N/A	N/A	3,176	554 ⁵

No.	Issue	Project name	Project category	Project description	Project value, mEUR	Green bond funds allocated, mEUR	Green bond funds utilized, mEUR	Planned energy generation (GWh per year)	2020 actual energy generation (GWh per year ²)	Projected reduction of CO ₂ emissions (tons per year)	2020 actual reduction of CO ₂ emissions (tons per year ²)
13	2018 (all funds allocated and utilized until 31 05 2021)	Pomerania Wind Farm	Renewable energy projects	<p>Marking a rapid international development, Pomerania WF is the first project of its kind developed by Ignitis Group abroad. It is also the first wind farm, which was developed by the Group from its inception. This farm comprises 29 wind turbines with a nominal capacity ranging from 3 MW to 3.3 MW per turbine.</p> <p>In the end of May 2021, after technical tests were completed, energy generated by Pomerania WF was distributed to the network. It is estimated that the wind farm with a capacity of 94 MW will commence continuous operations after completing the launch coordination, construction procedures and after receiving generation permit.</p> <p>Pomerania Wind Farm had won a feed-in tariff in Poland's auction for renewable energy projects. The feed-in tariff will be awarded to the wind farm for the period of 15 years.</p> <p>It is estimated that during the 30 years of operation of the wind farm, the undiscounted adjusted earnings before interest, tax, depreciation and amortisation (EBITDA) will amount to EUR 440m. Total investments into Pomerania wind farm reaches approximately EUR 130m.</p> <p>It is estimated that the wind farm will generate approx. 300 GWh of electricity per year – such amount of electricity is able to cover the demand of almost 160,000 households.</p>	38.6	38.6	38.6	292,5	Project not yet completed	221,276	Project not yet completed
TOTAL:					1,209.6	608.1	588.2	3,300	762	1,092,920	250,580

¹ Limited assurance provided do not cover projects information on the individual level and review of the reported CO₂ emissions numbers were not a part of external assurance task.

² Provided data reflects the period from 1 January 2020 to 31 December 2020. Actual environmental results are assessed at least once a year.

³ Data has been recalculated accordingly to renewed Integrated pollution prevention and control permit.

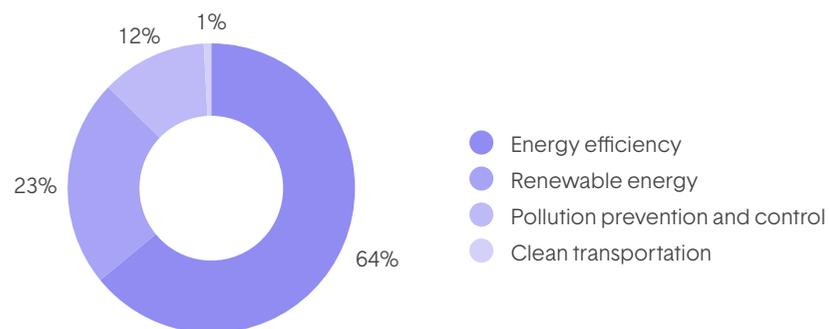
⁴ Recalculated data.

⁵ Only the projects which were finished in 2020 are included.

Allocation to different eligible categories by the issue

mEUR	2017	2018	Total (as of 31 May 2021)
Energy efficiency	166.3	223.2	389.5
Renewable energy	70.9	70.3	141.2
Pollution prevention and control	56.6	15.7	72.3
Clean transportation	-	5.1	5.1
TOTAL ALL CATEGORIES:	293.8	314.3	608.1

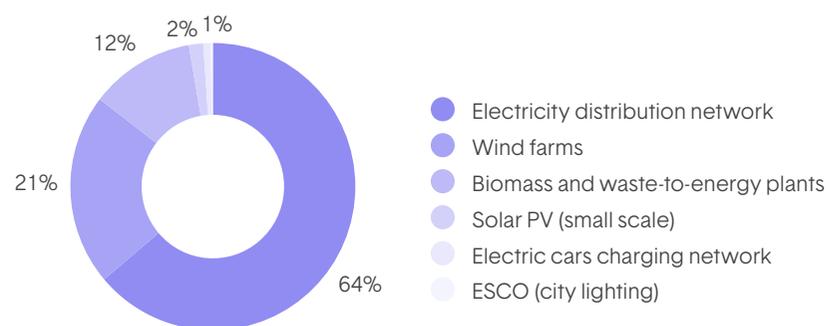
Allocation to different eligible categories by the issue as of 31 May 2021



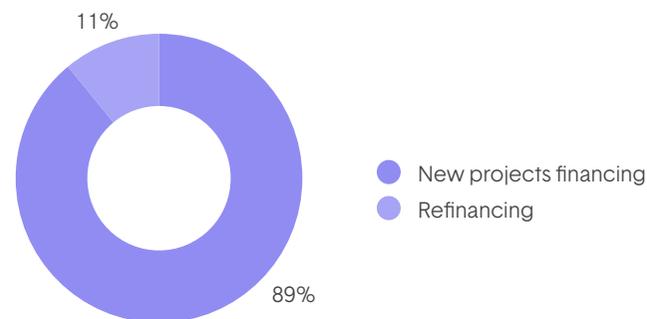
Allocation to different projects by the issue

mEUR	2017	2018	Total (as of 31 May 2020)
Electricity distribution network	166.3	221.7	388.0
Wind farms	70.9	60.4	131.3
Biomass and waste-to-energy plants	56.6	15.7	72.3
Solar PV (small scale)	-	9.9	9.9
Electric cars charging network	-	5.1	5.1
ESCO (city lighting)	-	1.5	1.5
TOTAL ALL PROJECTS:	293.8	314.3	608.1

Allocation to different projects by the issue as of 31 May 2021



Allocation to different projects by financing type as of 31 May 2021



Glossary

%	Per cent	Lietuvos energija	"Lietuvos energija", UAB (current AB "Ignitis grupė")
CHP	Combined heat and power	LRAIC	Long-run average incremental cost
CO2	Carbon dioxide	LTIP	Long-Term Incentive Programme
COD (commercial operation date) / commissioned	The start of energy generation after the test on completion	m	Million
ESG	Environmental, social and corporate governance	MW	Megawatt
ESO	AB "Energijos skirstymo operatorius"	MWh	Megawatt hour
ESCO	Energy Service Company	N/A	Not applicable
Eurakras	UAB "EURAKRAS"	NERC	The National Energy Regulatory Council
EV	Electric vehicle	Pomerania	Pomerania Wind Farm sp. z o. o
GHG	Greenhouse Gas	PV	Photovoltaic Technology
GRI	Global Reporting Initiative	SAIDI	Average duration of unplanned interruptions in electricity or gas transmission
Group or Ignitis Group	AB "Ignitis grupė" and its controlled companies	SAIFI	Average number of unplanned long interruptions per customer
GW	Gigawatt	SBTi	Science Based Targets initiative
Ignitis	"Ignitis" UAB (former Lietuvos energijos tiekimas and Energijos tiekimas)	Tuuleenergia	"Tuuleenergia osäühing"
Installed capacity	Where all assets have been completed and have passed a final test	Vėjo Gūsis	UAB "VĖJO GŪSIS"
Investments	Acquisition of property, plant and equipment and intangible assets, acquisition of shareholdings	Vėjo Vatas	UAB "VĖJO VATAS"
IPO	Initial Public Offering	Vilnius CHP	UAB Vilniaus kogeneracinė jėgainė
Kaunas CHP	UAB Kauno kogeneracinė jėgainė	WACC	Weighted average cost of capital
		WF	Wind farm