



Investor presentation: full-year 2023 results

28 February 2024

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Agenda

1. Highlights 2023	4
2. Financial highlights	9
3. Outlook 2024	21
4. Supplementary information	25

Darius Maikštėnas, CEO
Jonas Rimavičius, CFO

Highlights 2023

Highlights 2023



Strategy

- Accelerated Green Generation Portfolio growth to 7.1 GW
- Secured Portfolio increase to 2.9 GW
- A number of strategic milestones achieved, including 3 offshore wind auction wins



Sustainability

- Advancing decarbonization efforts
- Achieving high ESG ratings



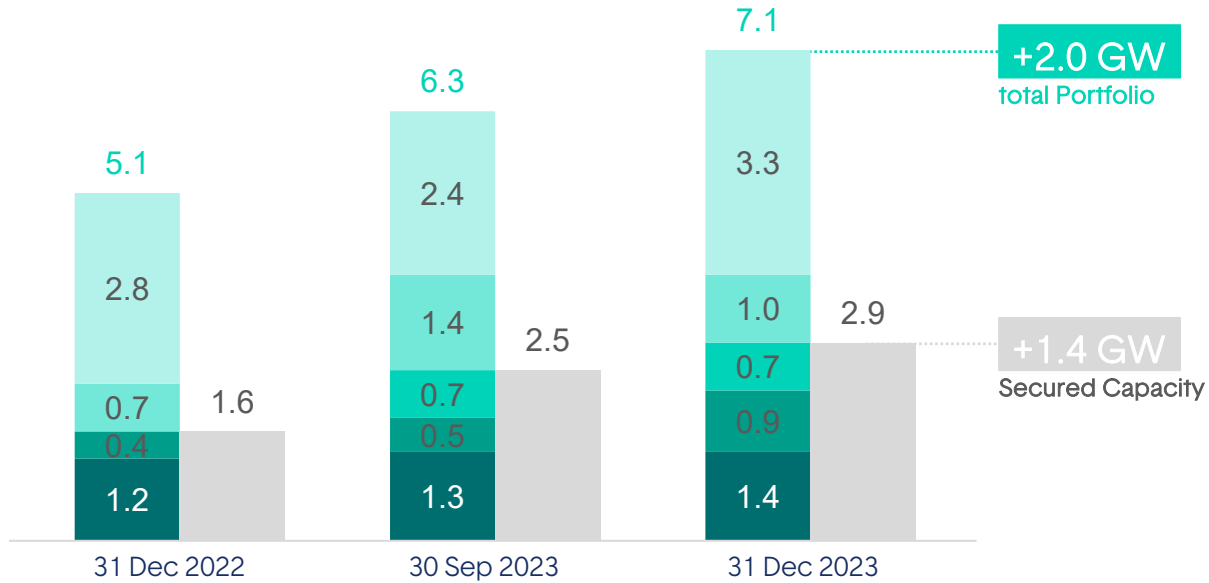
Finance

- EBITDA guidance beat
- Record high investments
- BBB+ credit rating reaffirmed

Strong growth in Green Generation

Portfolio reached 7.1 GW and Secured Capacity – 2.9 GW

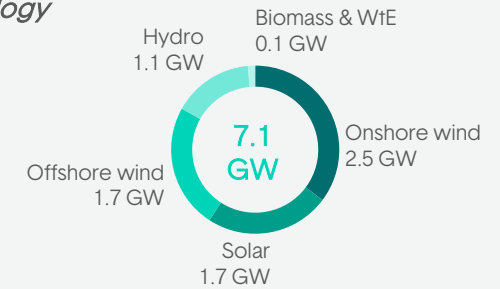
Green Generation Portfolio GW



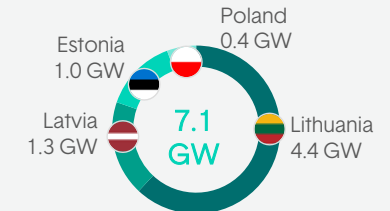
- Installed Capacity
- Under Construction
- Awarded / Contracted
- Advanced Development Pipeline
- Early Development Pipeline

Green Generation Portfolio split

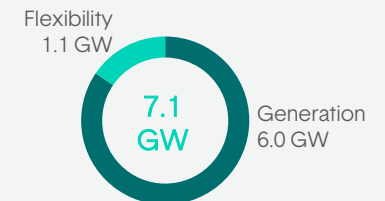
By technology



By geography



By type



Strategic milestones achieved across all Portfolio development phases

3 offshore wind auction wins with total potential capacity of 1.7–2.2 GW

OFFSHORE WIND



Winners in Estonia.
The Group together with partner CIP secured the seabed sites (Liivi 1 & 2) for the expected capacity of 1.0–1.5 GW¹ in the Estonian offshore wind tenders.



Partnership with CIP.
The Group and Copenhagen Infrastructure Partners entered a partnership to participate in the upcoming Estonian and Latvian offshore wind tenders.



Winners in Lithuania.
The Group together with partner Ocean Winds confirmed as winners of the 700 MW Lithuanian offshore wind tender.



Morray West financial close.
Moray West offshore wind project (882 MW) has reached the financial close.

ONSHORE WIND



First power to the grid.
Silesia WF I (50 MW) in Poland supplied the first power to the grid.



300 MW acquired in Lithuania.
Kelmė WF I & II (300 MW) onshore wind projects, were acquired and construction has started.



+63 MW installed capacity in Lithuania.
Mažeikiai WF (63 MW) has reached COD.



The largest external corporate PPA signed.
A 10-year corporate PPA was signed with Umicore Poland. It covers a substantial part of the expected electricity production of Silesia WF II, currently under construction, with total capacity of 137 MW.

SOLAR



FID for 239 MW solar portfolio in Latvia.
Latvian solar portfolio I (239 MW) has reached a construction phase.



<620 MW of secured grid connections.
Tume solar project (<300 MW), Jonava solar project (252 MW), Jurbarkas solar project (37.5 MW) and Tauragė solar project II (25.2 MW) have reached an advanced development stage.

HYDRO



FID for 110 MW hydro pumped storage.
Kruonis PSHP (110 MW) expansion project has reached the construction phase.

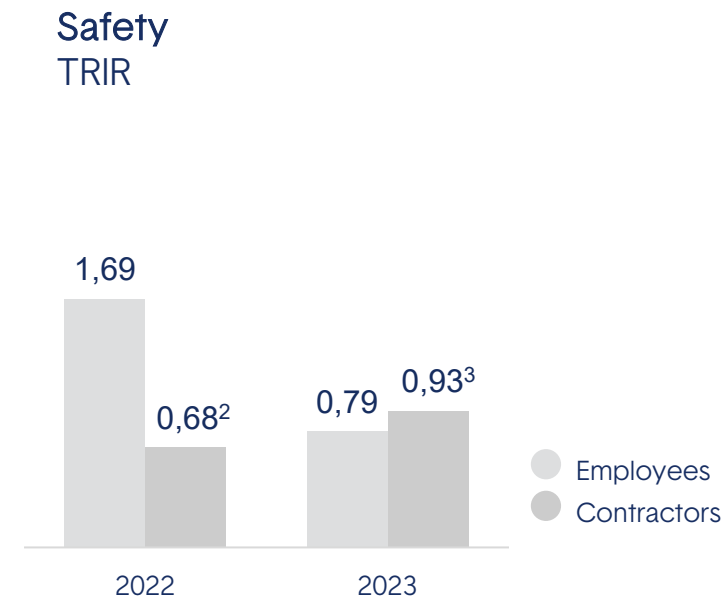
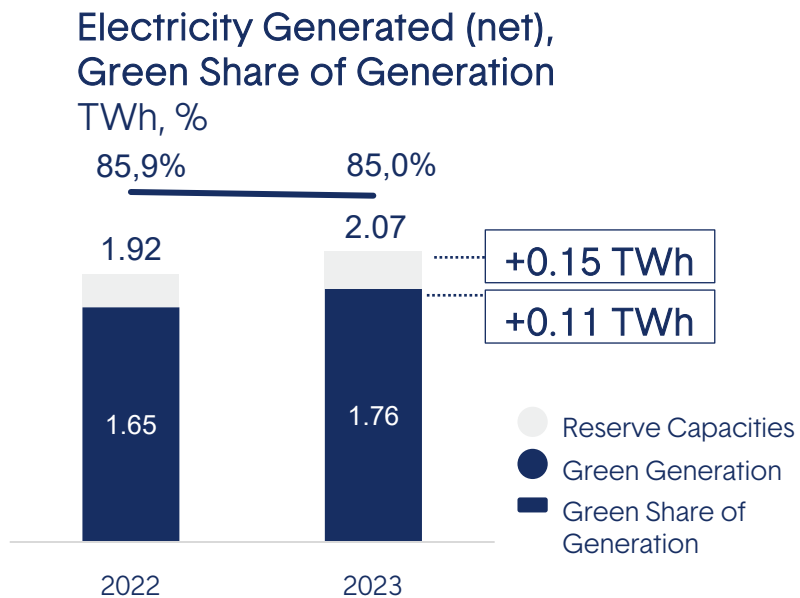
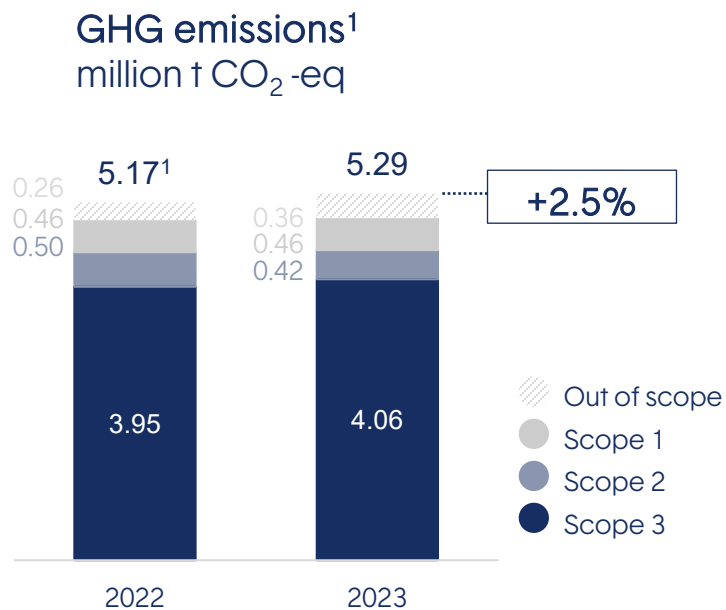
BIOMASS & WTE



COD for 50 MWe and 149 MWth in Vilnius CHP biomass unit.
Vilnius CHP biomass unit reached partial COD for the capacity of 50 MWe and 149 MWth (out of 73 MWe, 169 MWth) in December 2023.

Maintained leadership in sustainability

Advancing decarbonization efforts and achieving high ESG ratings



	ISS ESG	MSCI	SUSTAINALYTICS	CDP	ecovadis
ignitis group	B- (Prime)	AA (Leader)	25.2 (Medium risk)	B (Management)	78 (Platinum)
Rank compared to utility peers	2 nd decile	Top 40% ⁴	Top 30%	Among 37% in Management level ⁵	Top 4% ⁶

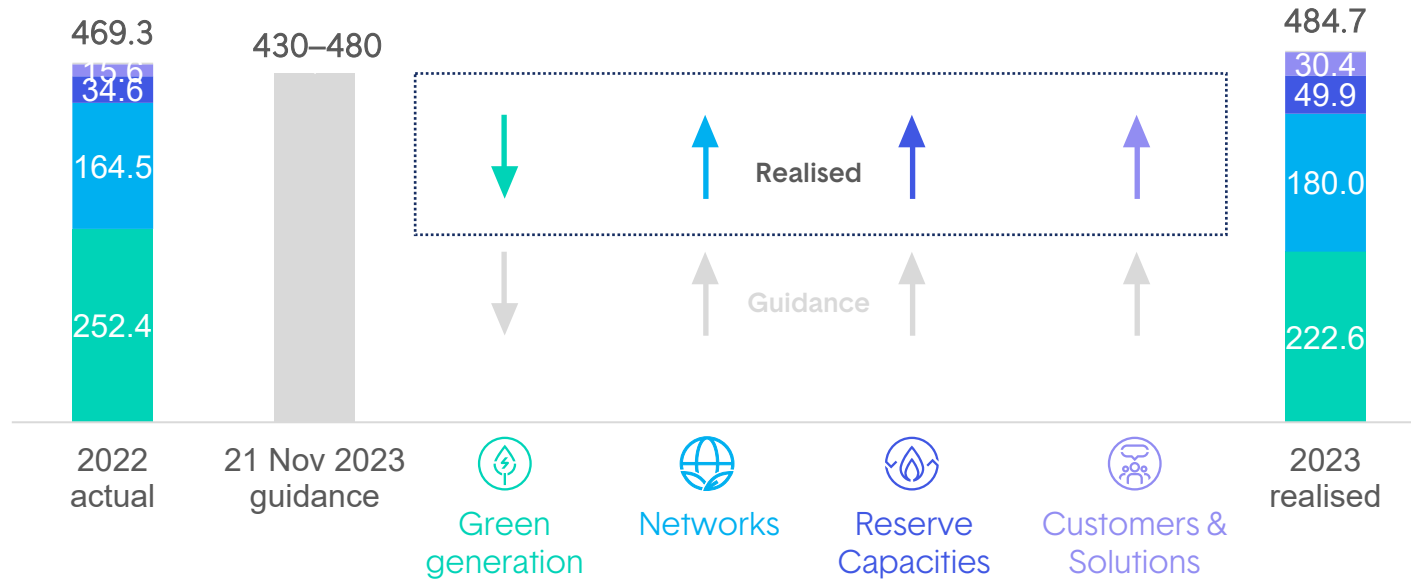
1. 2022 emissions indicators differ from those in our Annual report 2022 due to revised calculations.
 2. 2022 contractor TRIR indicator covers a period from June to December 2022, as we started measuring contractor TRIR in June 2022.
 3. Contractor TRIR indicator only includes contracts above 0.5 EURm/year.
 4. MSCI utilities rank and average based on utilities included in the MSCI ACWI index.
 5. Among 37% of companies that reached Management level in Energy utility networks.
 6. In energy utility networks activity group. 5 In electricity, gas, steam and air conditioning supply industry. Assessment of the Group's subsidiary UAB "Ignitis" (Customers & Solutions).

Financial highlights

Guidance beat

Adjusted EBITDA growth was recorded across all business segments except Green Generation

Adjusted EBITDA_{APM} EURm



Guidance history EURm

28 February 2022	430-480
23 May 2023	430-480
22 August 2023	430-480
21 November 2023	430-480

Highlights 2023

Adjusted EBITDA growth recorded across all business segments except Green Generation. Yet, Green Generation segment remains the largest contributor with a 45.9% share of total Adjusted EBITDA.

Adjusted Net Profit increase was driven by Adjusted EBITDA growth and higher interest income.

Record high Investments due to increased Green Generation and Networks Investments.

Adjusted ROCE decrease due the lag between the deployment of capital in investments and the subsequent realization of returns.

Strong leverage metrics despite the increase in Net Debt.

S&P Global Ratings affirmed 'BBB+' (stable outlook) credit rating.

Dividends in line with the policy.

KPIs ¹ , EURm	2023	2022	Δ
Adjusted EBITDA	484.7	469.3	3.3%
Adjusted Net Profit	286.6	256.0	12.0%
Adjusted ROCE	9.8%	10.7%	(0.9 pp)
Investments	937.1	521.8	79.6%
FCF	(212.4)	17.3	(229.7)
DPS	1.29 ²	1.24	4.0%

	31 Dec 2023	31 Dec 2022	Δ
Net Working Capital	175.2	443.3	(60.5%)
Net Debt	1,317.5	986.9	33.5%
Net Debt/Adjusted EBITDA	2.72	2.10	29.5%
FFO/Net Debt	29.4%	49.1%	(19.7 pp)

Taxonomy-aligned	2023	2022	Δ
Adjusted EBITDA (voluntary)	61.4%	72.8%	(11.4 pp)
Taxonomy CAPEX	94.8%	90.0%	4.8 pp

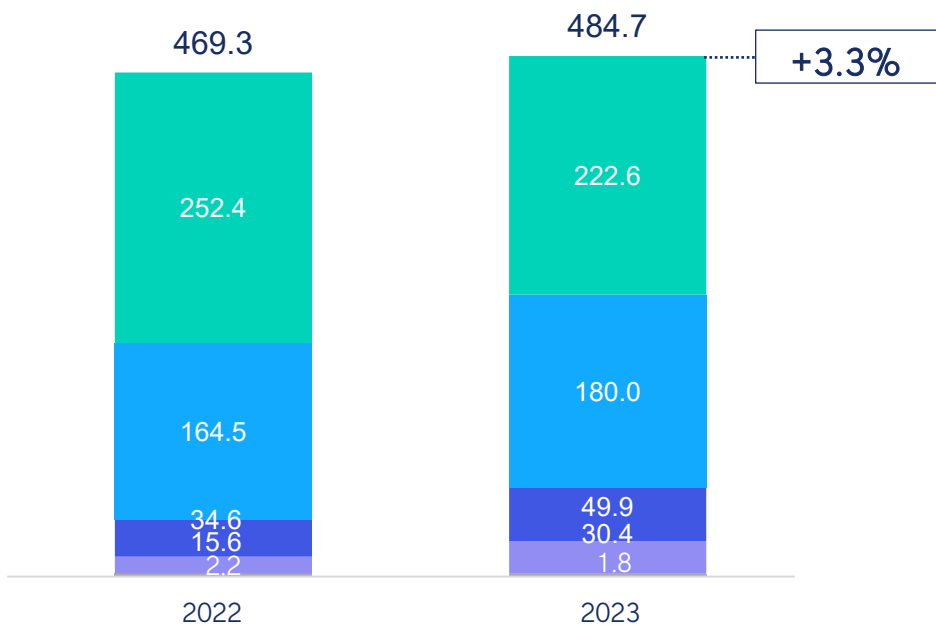
1. All KPIs are Alternative Performance Measures (APMs).

2. A dividend of EUR 1.286 per share for 2023 comprises of a dividend of EUR 0.643 paid for H1 2023 and a proposed dividend of EUR 0.643 for H2 2023, which is subject to the decision of our Annual General Meeting of Shareholders to be held on 27 March 2024.

Adjusted EBITDA

Adjusted EBITDA growth was recorded across all business segments except Green Generation

Adjusted EBITDA_{APM} EURm



- Green Generation
- Reserve Capacities
- Other activities and eliminations
- Networks
- Customers & Solutions

Development across business segments



(29.8) EURm
(11.8%)

Lower captured electricity prices and intensive expansion, which led to increased operating expenses.



+15.5 EURm
+9.4%

Growth driven by higher RAB.



+15.3 EURm
+44.2%

Utilised optionality to earn additional return in the market on top of the regulated return.



+14.8 EURm
94.9%

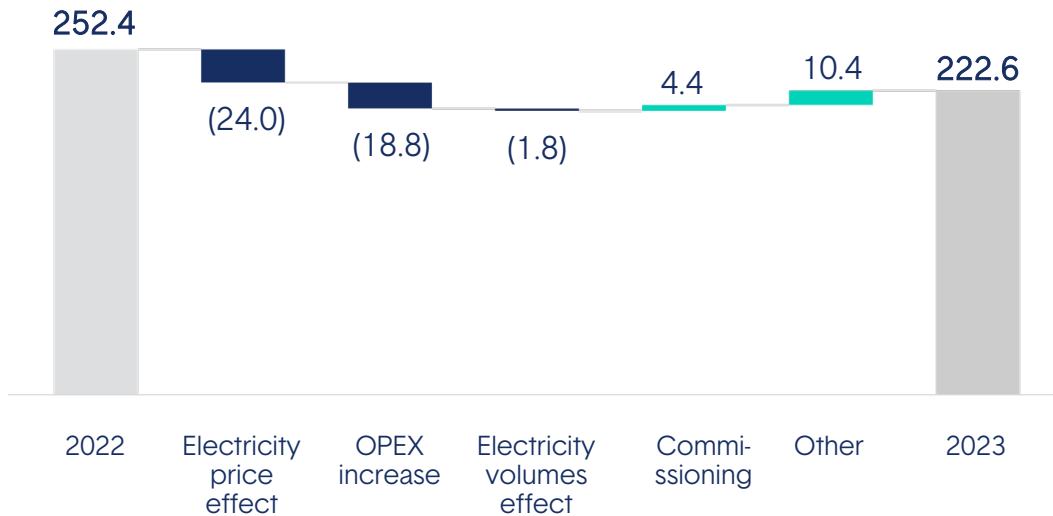
Higher electricity result driven by resolved ineffective hedging and increase in natural gas mainly due to adjusted methodology for calculation of income related to consumer over-declaration.



Green Generation

Remains the largest contributor to the Group's Adjusted EBITDA

Adjusted EBITDA development ^{APM} EURm

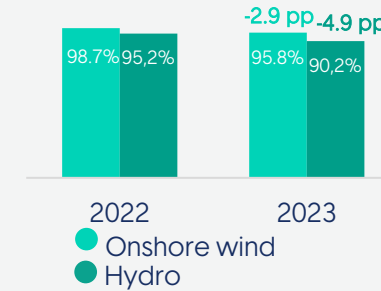


- **Price effect:** as a result of lower captured electricity prices, mainly due to the overall lower electricity market prices and the CfD subsidy scheme applied to Pomerania WF in Poland. In 2023 Pomerania WF sold 100% of the total electricity generated under the CfD subsidy scheme, while in 2022 only around 27% of the total electricity generated by the wind farm was sold under CfD.
- **OPEX increase:** intensive expansion, which led to increased operating expenses.
- **Other:** mainly due increased result of heat, waste and balancing activities.

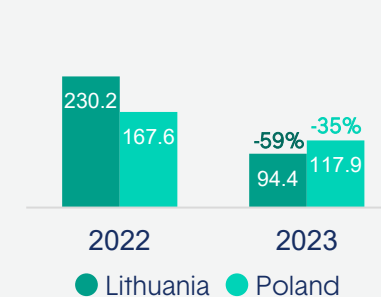
Secured Capacity MW



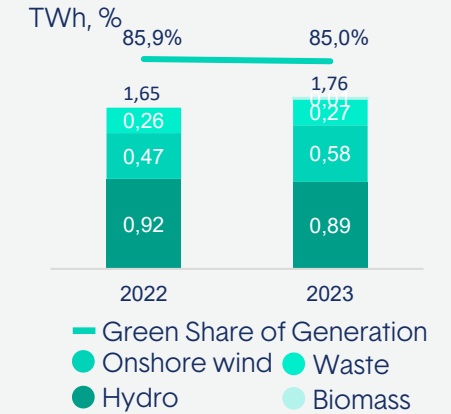
Availability factor %



Market electricity price EUR/MWh



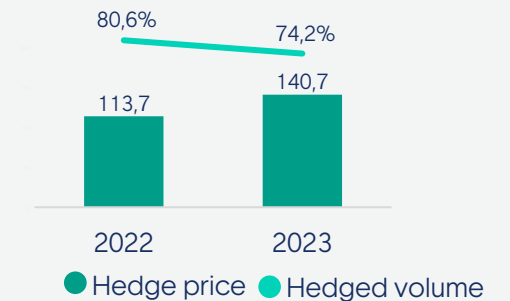
Green Electricity Generated (net), Green Share of Generation



Load factor %



Hedge price, hedged volume EUR/MWh, %

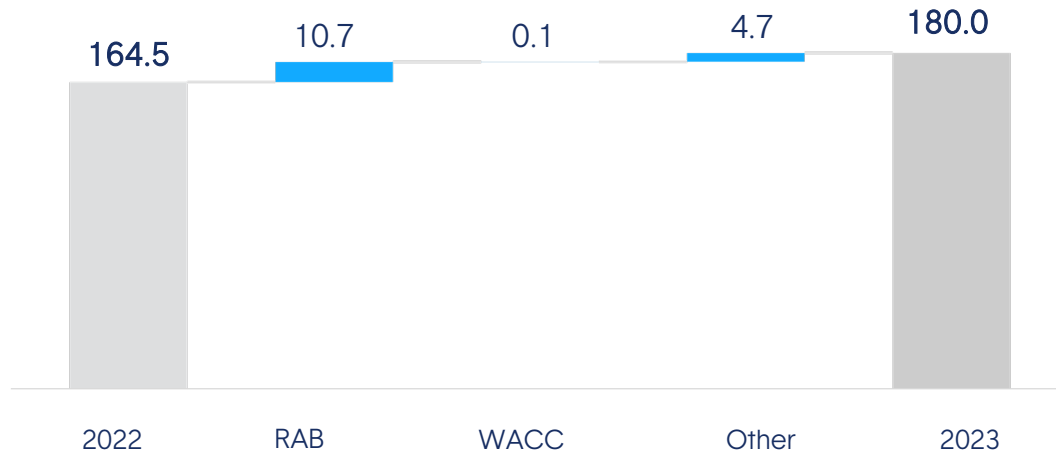




Networks

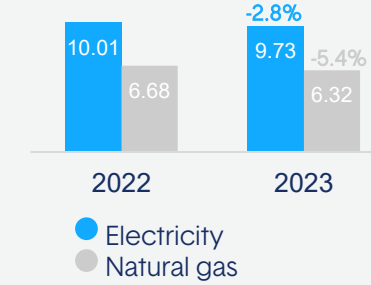
Better results driven by higher RAB

Adjusted EBITDA development ^{APM} EURm

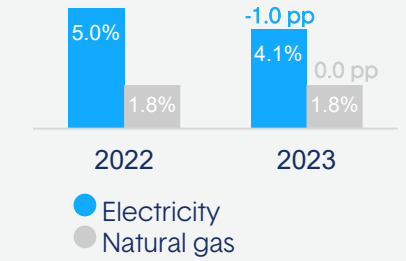


– **RAB**¹: RAB increased by 6.2% from EUR 1,345 million in 2022 to EUR 1,429 million in 2023.

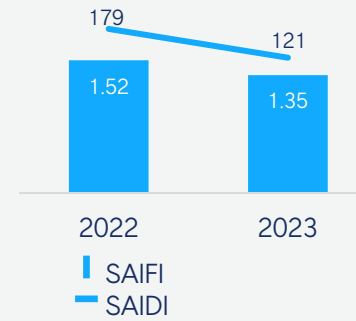
Distribution volumes TWh



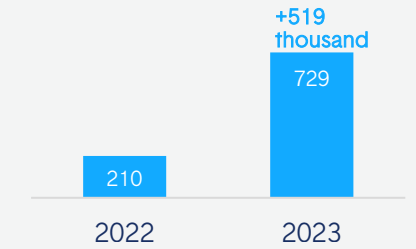
Technological losses %



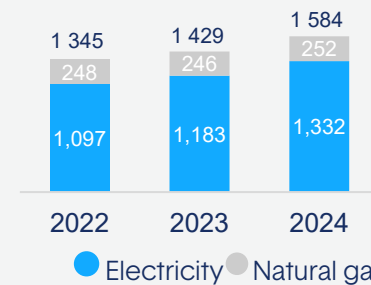
SAIFI, SAIDI (electricity) Units, minutes



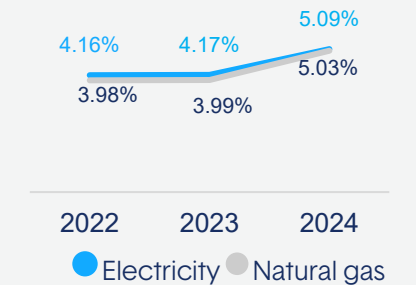
Number of smart meters installed Thousand



RAB¹ EURm



WACC %

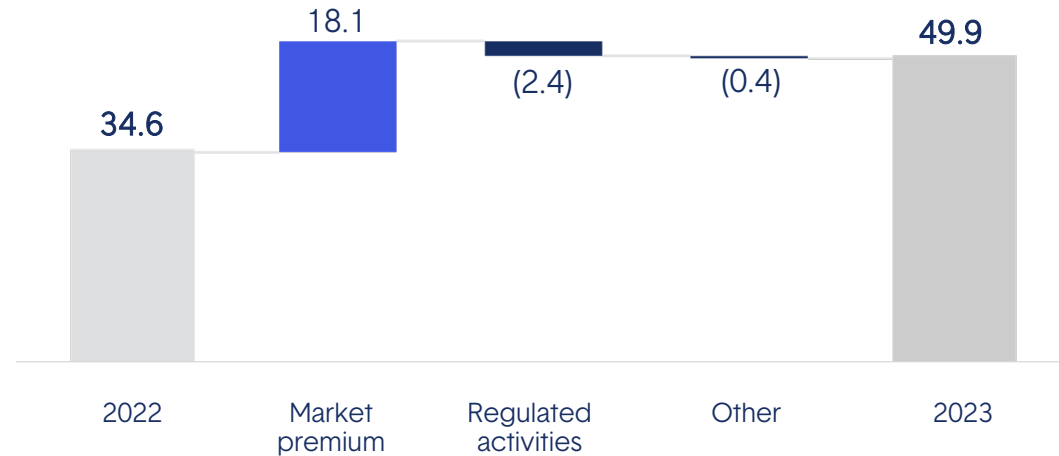




Reserve Capacities

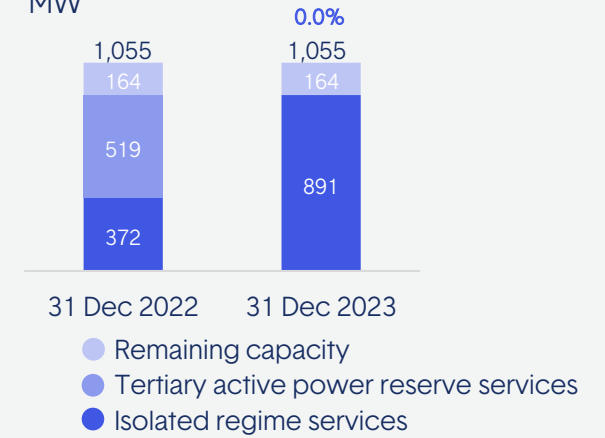
Utilised optionality to earn additional return in the market on top of the regulated return

Adjusted EBITDA development ^{APM} EURm

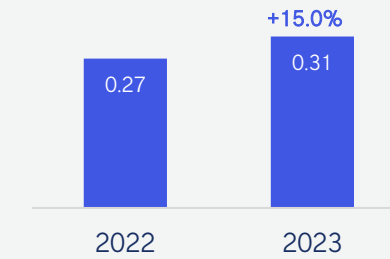


- **Market premium:** utilised optionality to earn additional return in the market on top of the regulated return.
- **Regulated activities:** mainly due to lower regulatory D&A with regards to the depreciated value of assets.

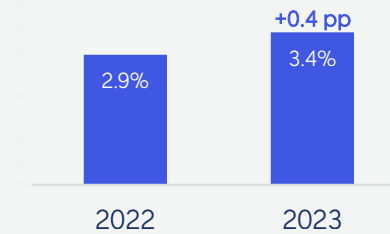
Capacity of services provided MW



Electricity Generated (net) TWh



Load factor %

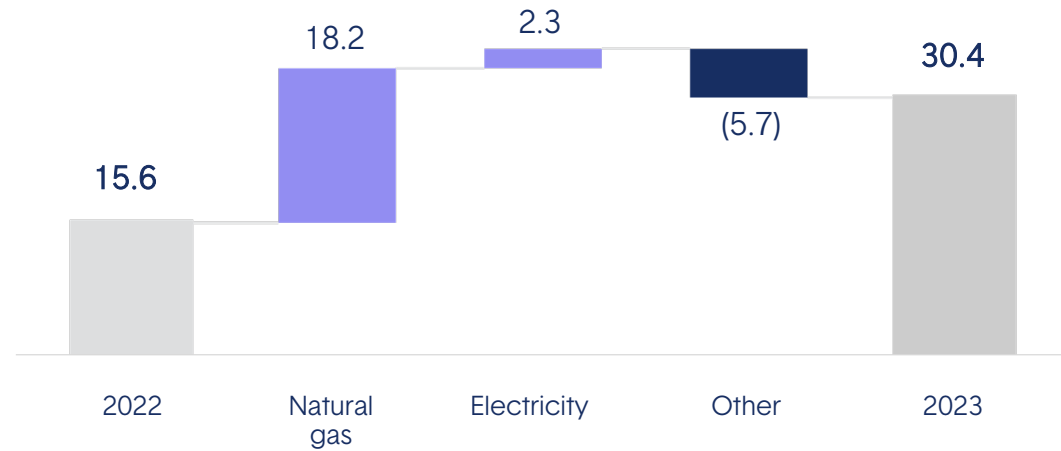




Customers & Solutions

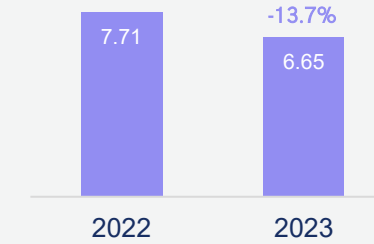
EBITDA growth in both electricity and natural gas

Adjusted EBITDA development ^{APM} EURm

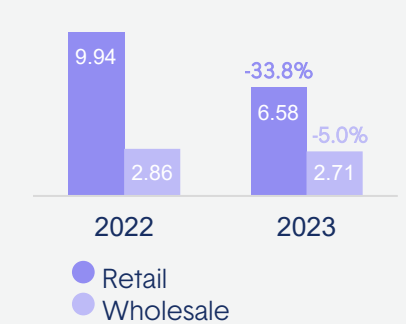


- **Natural gas:** increase mainly due to positive effect from adjusted methodology for calculation of income related to consumer over-declaration.
- **Electricity:** increase driven by B2B segment mainly due to the resolved ineffective hedging issue.

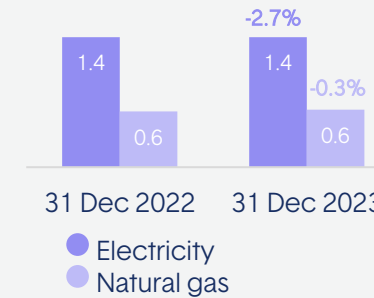
Electricity retail sales TWh



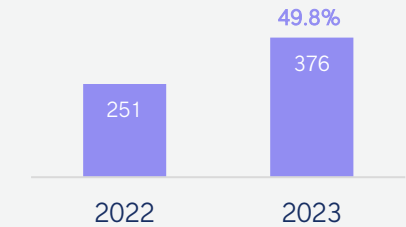
Natural gas sales TWh



Number of customers Million



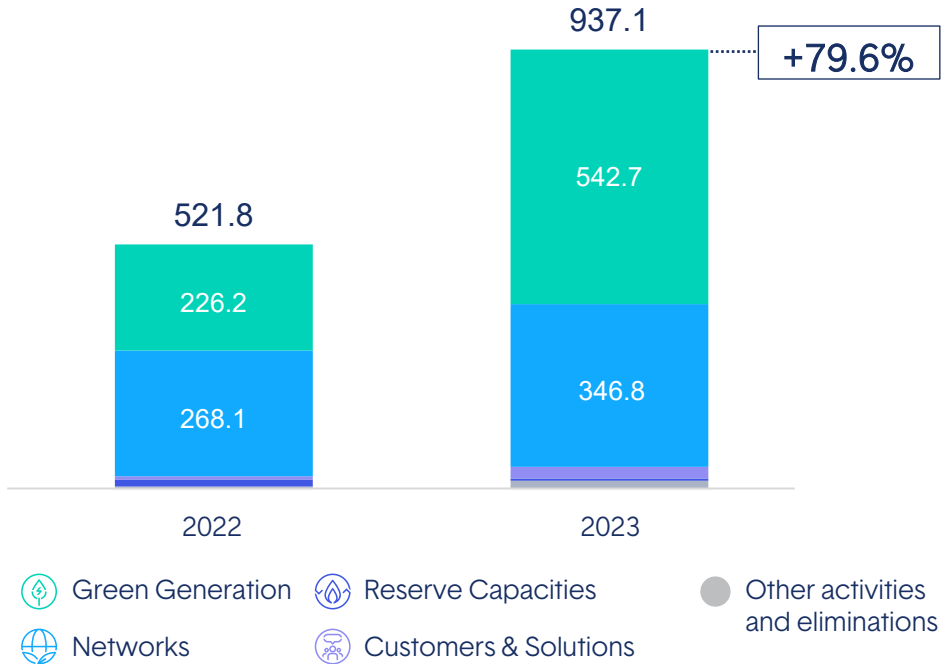
EV charging points Units



Investments

Record high investments driven by Green Generation and Networks

Investments APM
EURm



Key drivers



+316.5 EURm
+139.9%

Investments were mostly directed towards new onshore wind farm projects in Lithuania and Poland, mainly in Kelmė WF I and II, Silesia WF I and II, Vilnius CHP's biomass unit as well as Kruonis PSHP expansion project.



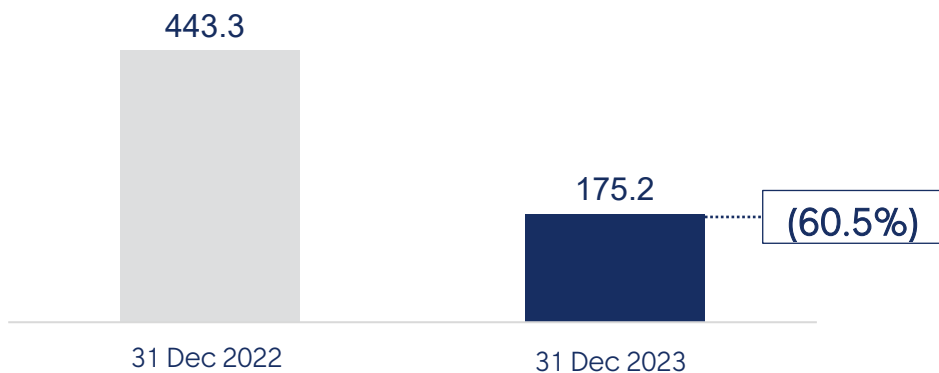
+78.7 EURm
+29.4%

Higher Investments in electricity distribution network expansion, caused by higher contractor fees and higher number of new connections, and smart meter roll-out.

Net Working Capital

Lower NWC mainly driven by lower level of inventory and energy prices

Net Working Capital ^{APM} EURm



Key drivers



Decrease in:

- inventory (-295.6 EURm), mainly natural gas for Customers & Solutions segment;
- trade receivables (-158.5 EURm) due to lower energy prices and volumes sold.
- prepayments (-77.2 EURm) due to significant prepayments made in Q4 2022.



Partly offset by:

- a decrease in mark-to-market (MtM) reserve related to the Nasdaq commodities market (+98.5 EURm)
- a decrease in VAT payables (+89.2 EURm)
- a decrease in the current portion of deferred revenue (EUR +79.6 million).

Free cash flow

Negative FCF mainly driven by record high Investments

FCF_{APM}
EURm



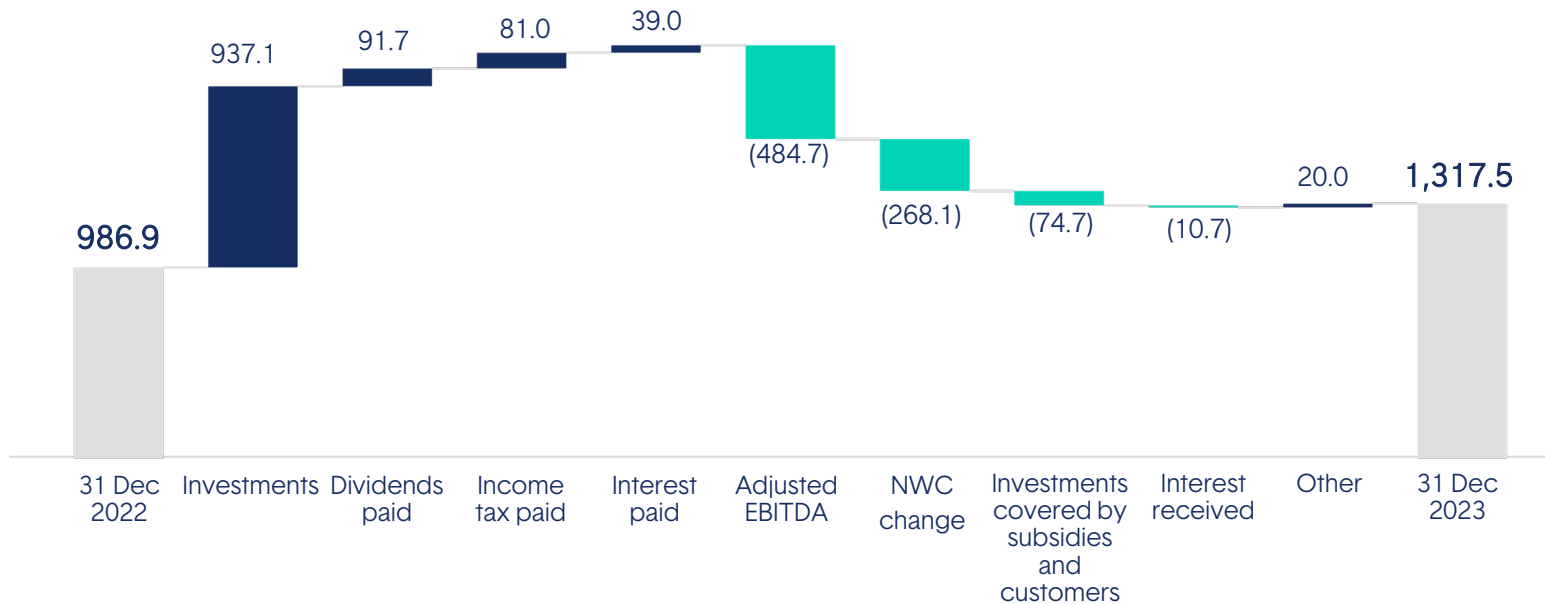
Key drivers

- ↑ Adjusted EBITDA (484.7 EURm).
- ↑ Net Working Capital change (+268.1 EURm).
- ↓ Investments (excl. grants and investments covered by customers) (862.4 EURm).
- ↓ Income tax paid (81.0 EURm).

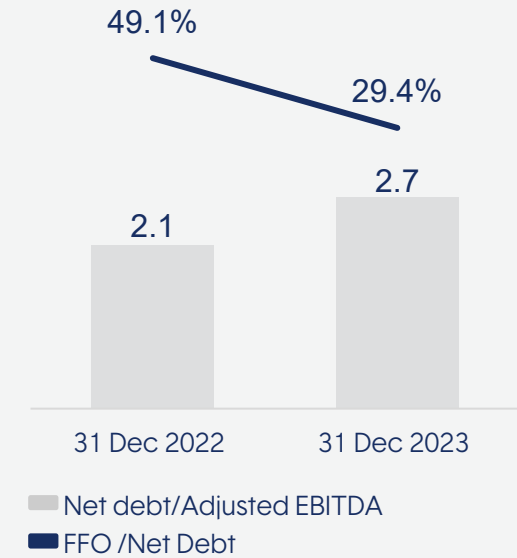
Leverage metrics

Strong leverage metrics driven by negative FCF

Net debt development ^{APM}
EURm



Net debt/Adjusted EBITDA ^{APM}
FFO/Net Debt ^{APM}
Times, %



↑ Higher Net Debt (+330.6 EURm) mainly due to negative FCF (-212.4 EURm) and dividends paid (-91.7 EURm).

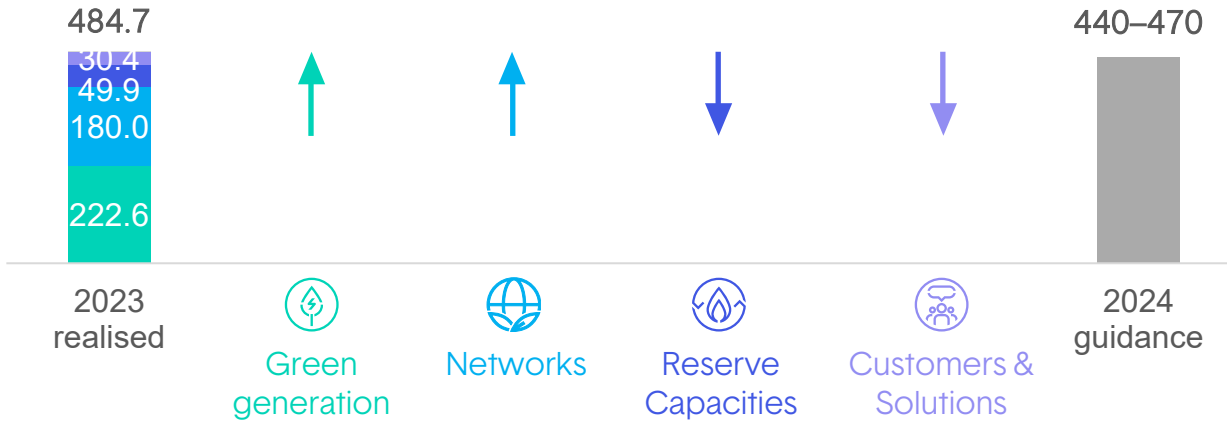
↓ FFO (-96.7 EURm) mainly due to higher income tax paid (-53.6 EURm).

Outlook 2024

Guidance 2024

Adjusted EBITDA of 440–470 EURm and Investments of 850–1,000 EURm

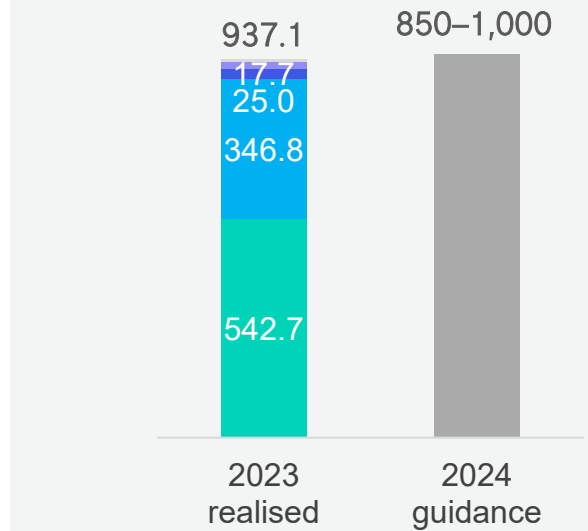
Adjusted EBITDA APM EURm



Main drivers:

- **Green Generation:** new projects reaching COD in 2024, mainly Silesia WF I and II in Poland, partly offset by lower expected power prices;
- **Networks:** mainly due to approved higher WACC;
- Expected decrease in **Reserve Capacities** and **Customers & Solutions** due to better than usual results in 2023

Investments APM EURm



Main drivers:

- **Green Generation:** Kelmé WF I and II, Latvian solar portfolio I, Kruonis PSHP expansion project;
- **Networks:** expansion of electricity network.

Key take aways: full-year 2023 results



Strategy

- Accelerated Green Generation Portfolio growth from 5.1 GW to 7.1 GW
- Secured Portfolio increase from 1.6 GW to 2.9 GW
- 3 offshore wind auction wins with total potential capacity of 1.7–2.2 GW



Sustainability

- Ongoing decarbonization initiatives and decrease in Scope 1 & 2 emissions
 - Improved OHS performance
- High employee satisfaction and Top Employer certificate (3rd year in a row)
- High ESG ratings results and awards for reporting



Finance

- Guidance exceeded with 484.7 EURm Adjusted EBITDA
- Record high investments of 937.1 EURm
 - BBB+ (stable outlook) credit rating reaffirmed
- 2024 Adjusted EBITDA guidance of 440–470 EURm and Investments guidance of 850–1,000 EURm



Q&A



Supplementary information

Income statement

<i>EURm</i>	2023	2022	Δ%	Q4 2023	Q4 2022	Δ%
Revenue from contracts with customers	2,542	4,381	(42.0%)	705	1,358	(48.1%)
Other income	7	6	20.1%	2	2	60.0%
Total revenue and other income	2,549	4,387	(41.9%)	708	1,359	(47.9%)
Purchases of electricity, gas and other services	(1,758)	(3,609)	(51.3%)	(458)	(1,181)	(61.3%)
Salaries and related expenses	(137)	(116)	18.1%	(40)	(32)	26.9%
Repair and maintenance expenses	(61)	(41)	50.7%	(23)	(15)	53.3%
Other expenses	(86)	(82)	4.9%	(27)	75	(136.6%)
Total expenses	(2,042)	(3,847)	(46.9%)	(548)	(1,153)	(52.4%)
EBITDA	507	540	(6.0%)	159	206	(22.8%)
Depreciation and amortization	(153)	(138)	11.2%	(41)	(35)	16.0%
Write-offs, revaluation and impairment losses, PPE and intangible assets	(2)	(14)	(85.2%)	(0)	(9)	(97.6%)
Operating profit (loss) (EBIT)	352	388	(9.2%)	118	163	(27.2%)
Finance income	42	4	1074.8%	8	(9)	(192.9%)
Finance expenses	(40)	(54)	(26.0%)	(8)	(28)	(70.3%)
Finance activity, net	2	(51)	(103.4%)	(1)	(37)	(98.6%)
Profit (loss) before tax	354	337	4.9%	118	126	(6.4%)
Income tax (expenses)/benefit	(34)	(44)	(22.7%)	(10)	(17)	(41.0%)
Net profit	320	293	9.1%	108	109	(0.8%)

Balance sheet

<i>EURm</i>	31 Dec 2023	31 Dec 2022	<i>Δ %</i>
Assets			
Non-current assets			
Intangible assets	315	148	112.7%
Property, plant and equipment	3,363	2,811	19.6%
Right-of-use assets	50	49	2.7%
Prepayments for non-current assets	310	126	146.3%
Investment property	6	6	7.3%
Non-current receivables	76	29	164.0%
Other financial assets	37	26	44.5%
Other non-current assets	4	25	(85.9%)
Deferred tax assets	57	31	81.7%
Non-current assets	4,217	3,250	29.8%
Current assets			
Inventories	275	570	(51.8%)
Prepayments and deferred expenses	14	96	(85.0%)
Trade receivables	266	424	(37.3%)
Other receivables	126	180	(29.9%)
Other financial assets	110	0	N/A
Other current assets	24	57	(57.8%)
Prepaid income tax	6	0	N/A
Cash and cash equivalents	205	694	(70.4%)
Assets held for sale	0	0	25.0%
Current assets	1,028	2,022	(49.2%)
Total assets	5,244	5,272	(0.5%)

<i>EURm</i>	31 Dec 2023	31 Dec 2022	<i>Δ %</i>
Equity and liabilities			
Equity			
Issued capital	1,616	1,616	-
Treasury shares	0	0	-
Reserves	284	345	(17.5%)
Retained earnings	363	164	120.7%
Equity attributable to equity holders of the parent	2,263	2,126	6.5%
Non-controlling interests	0	0	-
Equity	2,263	2,126	6.5%
Non-current liabilities			
Non-current loans and bonds	1,521	1,423	6.9%
Non-current lease liabilities	42	45	(6.2%)
Grants and subsidies	300	297	1.1%
Deferred tax liabilities	87	55	58.3%
Provisions	61	18	244.9%
Deferred income	242	206	17.6%
Other non-current amounts payable and liabilities	67	21	221.7%
Total non-current liabilities	2,320	2,064	12.4%
Current liabilities			
Loans	65	209	(69.1%)
Lease liabilities	5	4	44.4%
Trade payables	177	177	(0.0%)
Advances received	62	62	0.3%
Income tax payable	5	53	(90.8%)
Provisions	28	38	(27.4%)
Deferred income	35	115	(69.3%)
Other current liabilities	285	424	(32.9%)
Current liabilities	661	1,082	(38.9%)
Total liabilities	2,981	3,146	(5.2%)
Total equity and liabilities	5,244	5,272	(0.5%)

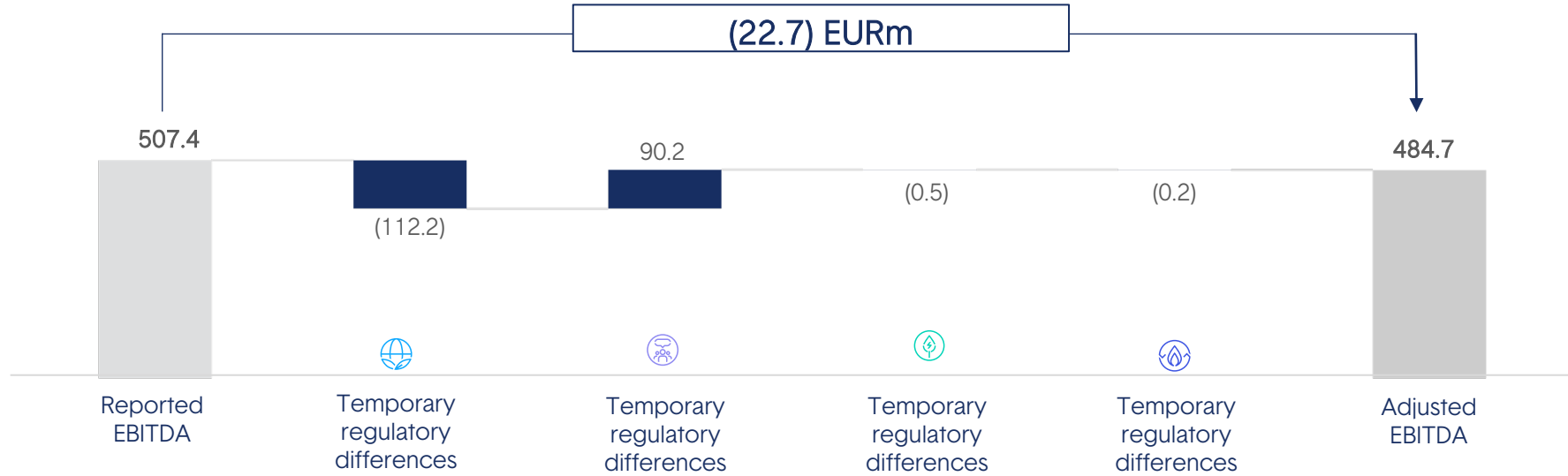
Cash flow statement

<i>EURm</i>	2023	2022	$\Delta\%$
Cash flows from operating activities			
Net profit for the period	320	293	9.1%
Adjustments for non-monetary expenses (income):	175	194	(9.9%)
Elimination of results of investing activities:	-49	101	(148.5%)
Elimination of results of financing activities:	15	27	(45.1%)
Changes in working capital:	421	-25	N/A
Income tax paid	-81	-27	195.9%
Net cash flows from operating activities	801	564	42.0%
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets	-839	-439	90.9%
Proceeds from sale of property, plant and equipment and intangible assets	3	3	13.3%
Acquisition of a subsidiary	-143	-28	402.5%
Loans granted	-28	-21	33.3%
Grants received	16	29	(45.2%)
Interest received	11	1	N/A
Finance lease payments received	2	2	(6.3%)
Short term deposits net change	-109	0	N/A
Investments in/return from investment funds	5	-2	(411.8%)
Other increases/(decreases) in cash flows from investing activities	0	0	N/A
Net cash flows from investing activities	-1,081	-456	137.2%

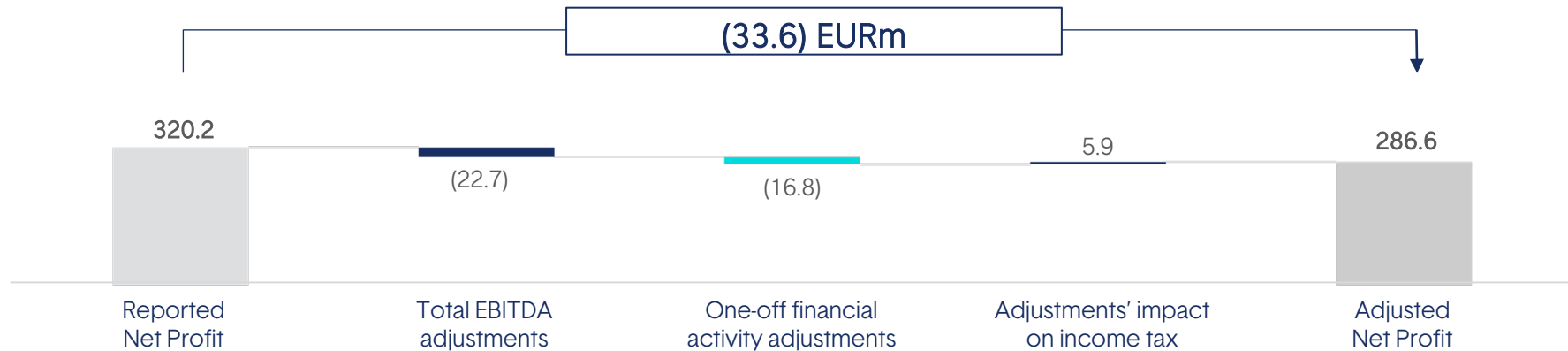
<i>EURm</i>	2023	2022	$\Delta\%$
Cash flows from financing activities			
Loans received	286	223	28.2%
Repayments of loans	-181	-120	51.0%
Overdrafts net change	-160	173	(192.8%)
Lease payments	-6	-5	11.8%
Interest paid	-39	-29	35.4%
Dividends paid	-91.7	-89	3.0%
Dividends paid to non-controlling interest	-14.3	0	N/A
Dividends returned	0	0	(100.0%)
Treasury shares acquisition	0	-14	(100.0%)
Other increases/(decreases) in cash flows from investing activities	-3	-3	0.0%
Net cash flows from financing activities	-209	137	N/A
Increase/(decrease) in cash and cash eq. (incl. overdraft)	(489)	245	N/A
Cash and cash eq. (incl. overdraft) at the beginning of the year	694	449	54.6%
Cash and cash eq. (incl. overdraft) at the end of the period	205	694	(70.4%)

Reconciliations

Reconciliation of Adjusted EBITDA EURm



Reconciliation of Adjusted Net Profit EURm



EBITDA and Net profit adjustments

EBITDA adjustments

EURm

	2023	2022	Δ	Δ, %
EBITDA APM	507.4	539.7	(32.3)	(6.0%)
<i>Adjustments</i>				
Temporary regulatory differences ¹	(22.7)	(70.4)	47.7	(67.8%)
Total EBITDA adjustments	(22.7)	(70.4)	47.7	(67.8%)
Adjusted EBITDA APM	484.7	469.3	15.4	3.3%

¹ Elimination of the difference between the actual profit earned during the reporting period and the profit allowed by the regulator (NERC).

² One-off financial activity adjustments for 2023 include elimination of venture capital funds increase in fair value (EUR +16.8 million). One-off financial activity adjustments for 2022 include the elimination of fair value decrease in venture capital funds (EUR -6.3 million) and the Kaunas CHP's option fair value increase (added to expenses in the Statement of profit or loss) (EUR -17.1 million).

³ An additional income tax adjustment of 15% (statutory income tax rate in Lithuania) is applied to all of the above net profit adjustments.

Net profit adjustments

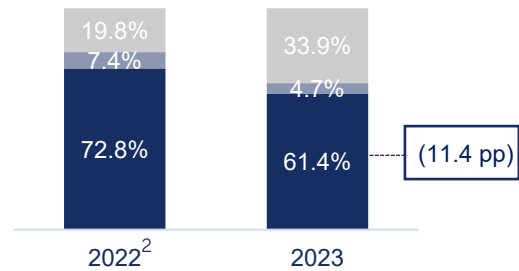
EURm

	2023	2022	Δ	Δ, %
Net profit	320.2	293.4	26.8	9.1%
<i>Adjustments</i>				
Total EBITDA adjustments	(22.7)	(70.4)	47.7	(67.8%)
One-off financial activity adjustments ²	(16.8)	23.4	(40.2)	n/a
Adjustments' impact on income tax ³	5.9	9.6	(3.7)	(38.5%)
Total net profit adjustments	(33.6)	(37.4)	3.8	10.2%
Adjusted Net Profit APM	286.6	256.0	30.6	12.0%

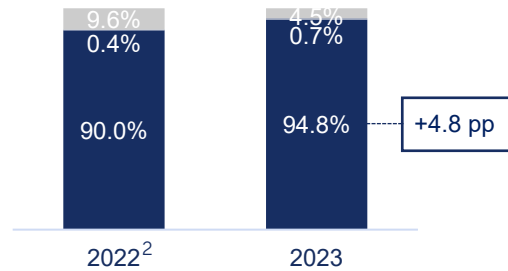
Sustainable finance

Increase in Taxonomy-aligned share of all KPIs, except adjusted EBITDA

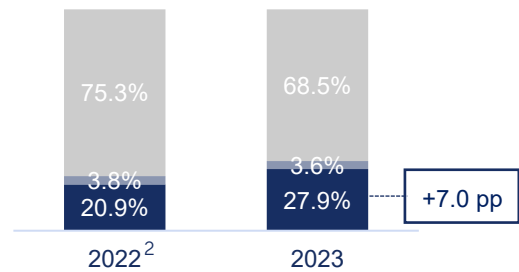
Adjusted EBITDA APM
(voluntary¹)
%



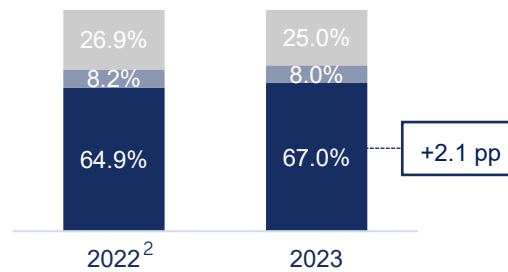
Taxonomy CAPEX APM
%



Revenue
%



Taxonomy OPEX APM
%



● Taxonomy-aligned ● Taxonomy-eligible (not aligned) ● Taxonomy-non-eligible

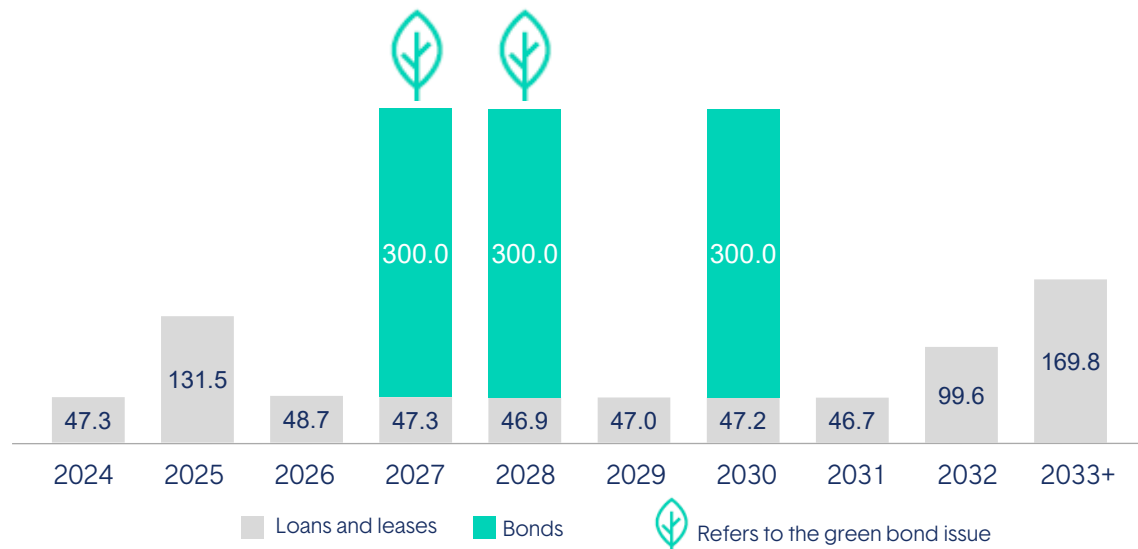
Taxonomy-eligible	Taxonomy-aligned
4.1 Electricity generation using solar photovoltaic technology	✓
4.3 Electricity generation from wind power	✓
4.5 Electricity generation from hydropower	✓
4.9 Transmission and distribution of electricity (including EV network and Smart metering)	✓
4.10 Storage of electricity	✓
4.20 Cogeneration of heat/cool and power from bioenergy	✓
4.24 Production of heat/cool from bioenergy	✓
4.29 Electricity generation from fossil gaseous fuels	
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	
6.15. Infrastructure enabling low-carbon road transport and public transport	✓
7.4 Installation, maintenance and repair of charging stations for electric vehicles in buildings (and parking spaces attached to buildings)	✓
7.6 Installation, maintenance and repair of renewable energy technologies	✓
7.7 Acquisition and ownership of buildings	

1. Adjusted EBITDA is disclosed voluntarily and calculated based on the methodology determined by the Group as it's not part of the EU Commission Delegated Regulation 2021/2178.

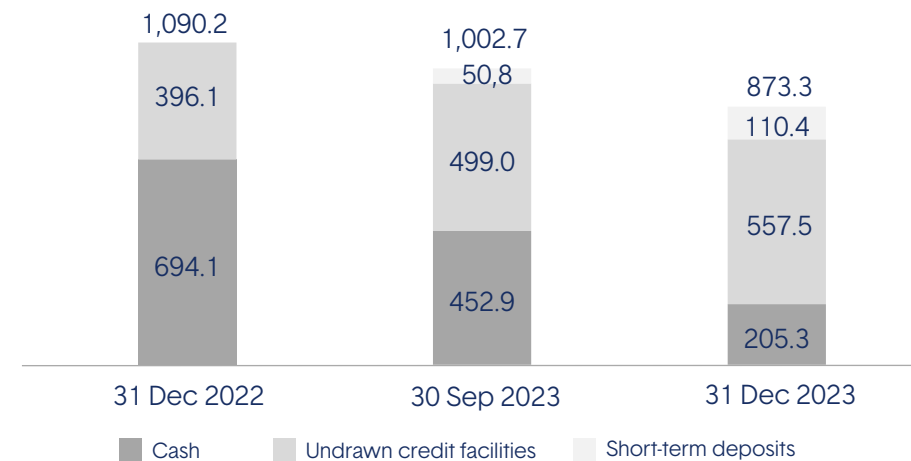
2. These figures have been restated compared to the previous reporting period. For more information, see section '7.2 Notes on restated figures' of Integrated Annual Report 2023.

Financing

Debt maturity schedule EURm



Liquidity reserve EURm



	Outstanding amount as of 31 Dec 2023 (EURm)	Effective interest rate (%)	Average time to maturity (years)	Fixed interest rate	Euro currency
Bonds (incl. interest)	900.9	1.96	5.3	100.0%	100.0%
Non-current loans including current portion of non-current loans	597.2	3.11	7.0	63.9% ¹	86.4%
Bank overdrafts, credit lines, and current loans	87.6	5.61	1.3	0.0%	100.0%
Lease liabilities	47.5	-	6.1	-	100.0%
Gross Debt APM	1,633.2	2.59	5.8	78.5%	95.0%

Diversified Green Generation Portfolio



Installed Capacity

Name	Capacity (MWe)	Capacity (MWth)	COD	Type of secured revenue	Proportion of secured revenue ¹
Kruonis PSHP	900	–	1992–1998	-	0%
Kaunas HPP	101	–	1959	PPA	75%
Kaunas CHP	24	70	2020	PPA	90%
Vilnius CHP's WtE unit	20	70	2021	PPA	95%
Vilnius CHP's biomass unit	50	149	2023	PPA	80%
Eurakras ²	24	–	2016	PPA	72%
Vėjo gūsis ²	19	–	2008–2010	PPA	70%
Tuuleenergia	18	–	2013–2014	PPA	70%
Vėjo vatas ²	15	–	2011	PPA	73%
Elektrėnai biomass boiler	–	40	2015	-	0%
Pomerania WF	94	–	Q4 2021	CfD	100%
Mažeikiai WF	63	–	2023	PPA	65%
Total	1,328	329			

1. Secured revenue timeframe differs on a project-by-project basis.

2. Starting 1 July 2022, Vėjo gūsis WF, Vėjo vatas WF, Eurakras WF and Tuuleenergia WF are selling agreed part of total electricity generated via Power Purchase agreement (PPA) mechanism.

3. Moray West offshore wind project capacity is 882 MW. However, as the Group owns a minority stake (5%), the capacity is not consolidated.

Under Construction

Name	Capacity (MWe)	Capacity (MWth)	Expected COD	Type of secured revenue	Proportion of secured revenue ¹
Vilnius CHP's biomass unit	23	20	Ongoing	PPA	80%
Polish solar portfolio	30	–	2024	CfD	100%
Silesia WF I	50	–	Q1 2024	CfD	100%
Silesia WF II	137	–	H2 2024	CfD/PPA	100%
Tauragė solar project I	22.1	–	2024	–	0%
Moray West offshore wind ³	882	–	2025	CfD / PPA	85%
Latvian solar portfolio I	239	–	2025	–	0%
Kelmė WF I	105.4	–	2025	PPA	65%
Kelmė WF II	194.6	–	2025	–	0%
Kruonis PSHP expansion	110	–	2026	–	0%
Total	911.1	20			

Awarded / Contracted

Name	Capacity (MWe)	Capacity (MWth)	Expected COD
Lithuanian offshore WF	700	–	2029
Total	700	–	

Advanced Development Pipeline

Name	Capacity (MWe)	Capacity (MWth)	Expected COD
Latvian hybrid portfolio II	~70	–	2025
Latvian hybrid portfolio I	~260	–	2025–2027
Tume solar project	<300	–	2026
Jonava solar project	252	–	2026
Jurbarkas solar project	43.1	–	2026
Tauragė solar project II	29.4	–	2026
Total	<954.5		

Early Development Pipeline

Name	Capacity (MWe)	Capacity (MWth)	Expected COD
Latvian onshore WF portfolio I:	~90	–	2026–2027
Plungė WF project	<218	–	2026–2030
Estonian offshore WF	1,000	–	2035
Greenfield portfolio	~1,943	–	2025–2030
Total	<3,251	–	

TOTAL PORTFOLIO	<7,144	349		
------------------------	------------------	------------	--	--

Generation mix and potential synergies



Electricity generated¹ vs. supplied (TWh) by Ignitis Group in 2023

>5x or 5.4 TWh difference between supply and generation

Gap enough to cover ~2.5 GW² of new Green Generation capacities

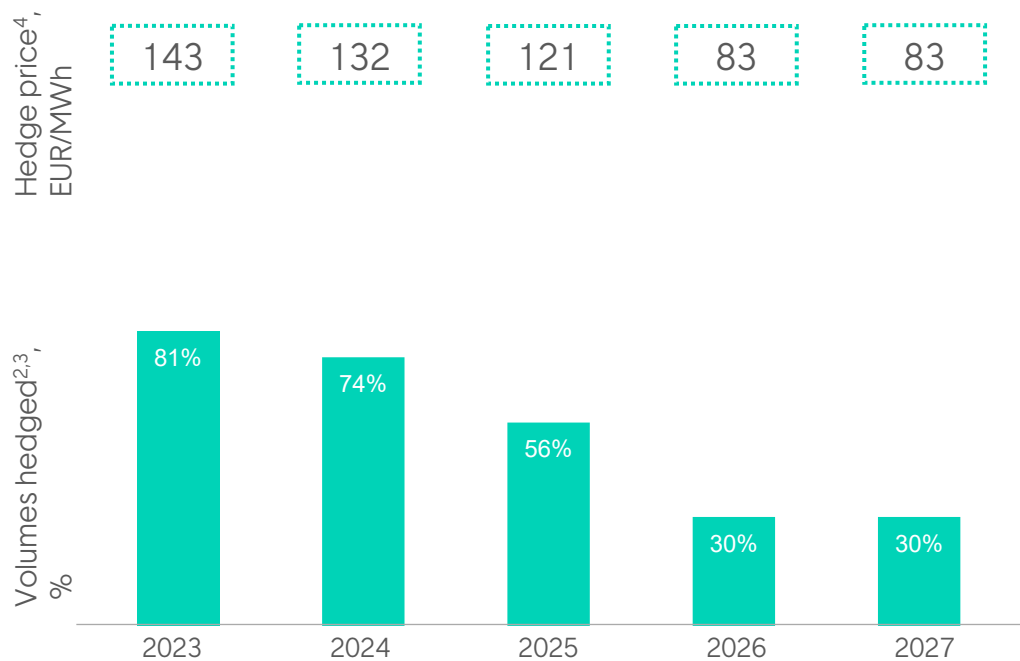
Category	Value (TWh)
Generated ¹	1.2
Supply portfolio	6.7

2023

1. Excluding opportunistic assets (Elektrėnai, which accounted for 15% of the total generated volume, and Kruonis, with 25% of total generation in 2023)
 2. Assuming the whole surplus of electricity supply (5.4 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).

Hedging levels¹

Generation Portfolio



1. Hedging levels are provided until the end of the strategic period.
2. Generation Portfolio includes the total electricity generation capacity of operating assets (Installed Capacity), the projects Under Construction and Awarded / Contracted projects, except Kruonis PSHP as well as units 7, 8 and CCGT at Elektrėnai Complex.
3. Some of the PPAs are internal, the graph above illustrates the Green Generation segment's outlook (generated volumes).
4. Most PPAs are concluded for the base load, therefore, the actual effective hedge price can differ from the price in the contract due to the profile effect.



Networks regulated WACC

Parameter	Electricity		Natural gas		Methodology	
	2023	2024	2023	2024	Former	Updated
(1) Risk-free rate	1.42%	2.86%	2.32%	2.86%	1. Set for a 5-year period. 2. Calculation: the average Lithuanian government bond yield at issue of the last 10 years with a maturity of 9.5-10 years.	1. Set annually. 2. Calculation: the average Lithuanian government bond yield at issue of the last 12 months with a maturity of 9.5-10 years¹.
(2) Equity risk premium	5.00%	5.00%	4.43%	5.00%	Fixed at 5.0%.	Fixed at 5.0%.
(3) Levered beta	0.779	0.769	0.720	0.761	1. Set for a 5-year period. 2. Calculation: 2.1. unlevered beta is equal to sector average beta based on data published by the Council of European Energy Regulators (CEER) ² . 2.2 levered beta is determined by applying a 50/50 D/E ratio and a 15% income tax rate.	1. Set annually. 2. Calculation: 2.1. unlevered beta is equal to sector average beta based on data published by the Council of European Energy Regulators (CEER) ² . 2.2 levered beta is determined by applying a 50/50 D/E ratio and a 15% income tax rate.
(4) Corporate income tax	15%	15%	15%	15%	Corporate income tax rate in Lithuania.	Corporate income tax rate in Lithuania.
Cost of equity (pre-tax)	6.25 %	7.89 %	6.48 %	7.84 %	-	-
(5) Cost of debt	2.09%	2.30%	2.32%	2.21%	1. Set annually. 2. Calculation: the lower of (1) the effective interest rate on ESO debt or (2) the average of the interest rates on outstanding euro-denominated loans to non-financial corporations/companies with a maturity of more than one year, published by the Bank of Lithuania (hereinafter - BoL average). 3. Additional incentive: if the actual ESO cost of debt is lower than the BoL average, an additional incentive is applied, calculated as the difference between the average cost of debt of the sector and the actual ESO cost of debt. If the difference is positive, it is added to the ESO cost of debt as incentive, if negative, no penalty is applied.	1. Set annually. 2. Calculation: the lower of (1) the effective interest rate on ESO debt or (2) the average of the interest rates on outstanding euro-denominated loans to non-financial corporations/companies with a maturity of more than one year, published by the Bank of Lithuania (hereinafter - BoL average). 3. Additional incentive: if the actual ESO cost of debt is lower than the BoL average, an additional incentive is applied, calculated as the difference between the average cost of debt of the sector ³ and the actual ESO cost of debt. If the difference is positive, it is added to the ESO cost of debt as incentive, if negative, no penalty is applied.
Cost of debt (pre-tax)	2.09%	2.30%	2.32%	2.21%	-	-
(6) D/(D+E)	50%	50%	60%	50%	Fixed at 50%.	Fixed at 50%.
WACC (pre-tax)	4.17%	5.09%	3.99%	5.03%	-	-

Note: changes between updated and former methodologies are shown in **bold**.

1. If there have been no auctions with such maturity in the last 12 months (until 1 July of the current year), the closest lower duration bonds are used.

2. CEER reports are available [here](#).

3. The cost of debt of the relevant sector does not include loans provided by international financial institutions in which Lithuania is a member and their list is published on the website of the Ministry of Finance of the Republic of Lithuania (e.g., the European Investment Bank, the International Monetary Fund, the Nordic Investment Bank, etc.).

Strategic plan 2023–2026: disclosure summary

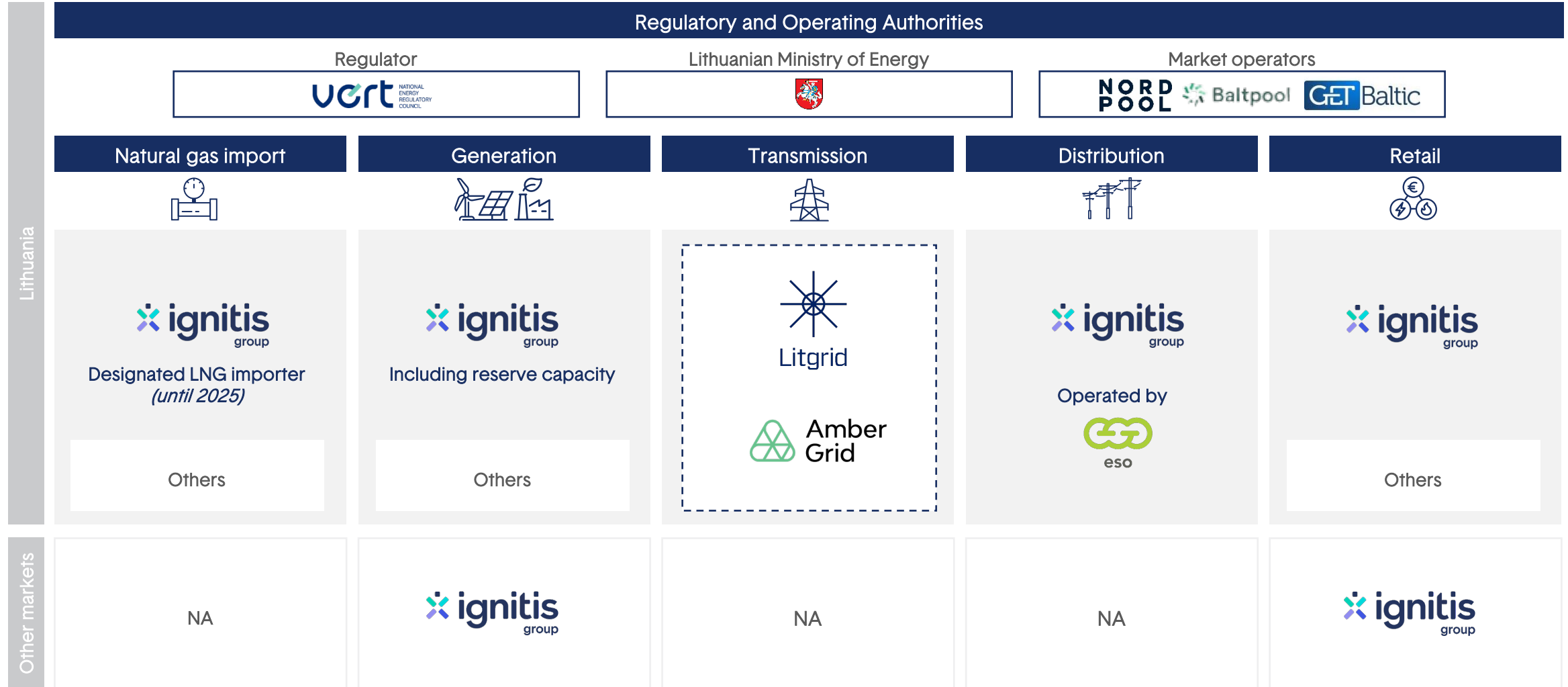
Strategic ambitions and financial guidance

Green generation installed capacity:	
- 2026	2.2–2.4 GW
- 2030	4.0–5.0 GW
Adjusted EBITDA, 2026	470–550 EURm
- of which a sustainable share, 2026	>75%
Average ROCE, 2023–2026	6.5–7.5%
Net Debt/Adjusted EBITDA, 2023–2026	< 5x
Solid investment-grade rating (S&P), 2023–2026	BBB or above
Dividend policy	minimum 3% annual grow rate
- Minimum DPS ¹ , 2026	≥1.40 EUR
- Dividend yield ¹ , 2023–2026	6.3–6.9%
Science-based GHG emissions reduction (to align with 1.5 °C scenario alongside an explicit net-zero by 2040–2050 commitment):	
- 2026 vs. 2020	-27%
- 2030 vs. 2020	-47%

Our strategic performance KPIs

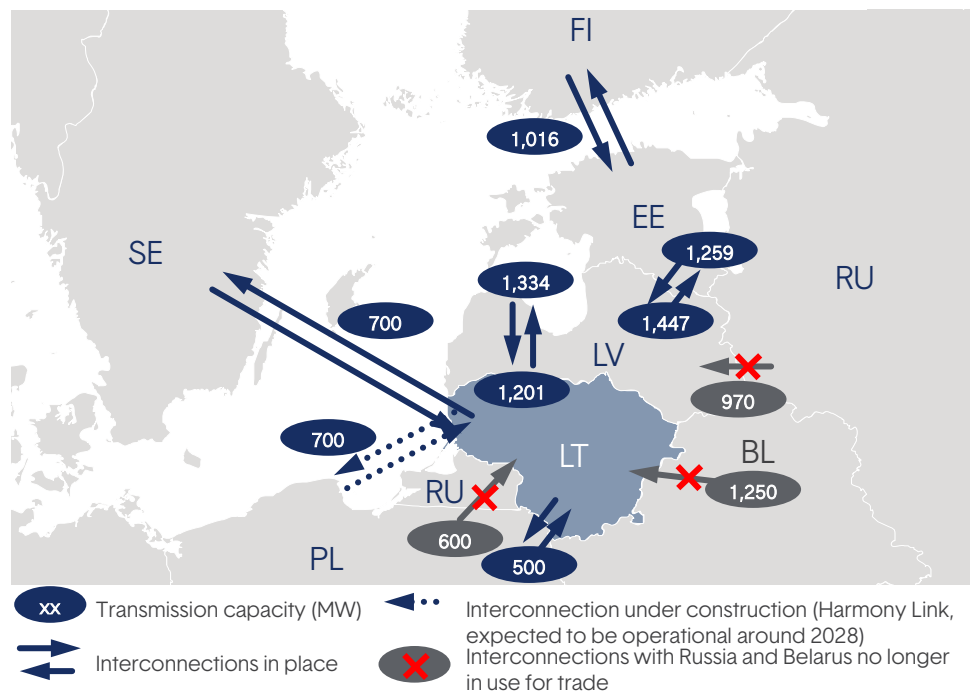
Total CAPEX, 2023–2026	2.2–2.8 EURbn
- of which a sustainable share, 2023–2026	>85–90%
Electricity supply portfolio, 2026	~10.5–10.9 TWh
Public EV charging network (charging points), 2026	>3,000 points
Electricity SAIFI: average 2023–2026	≤1.05
Network digitalisation: # of smart meters in 2026	>1.2 million
Average availability of Reserve Capacities, 2023–2026	>98%
Safety at work:	
- Fatal accidents of own employees and contractors, 2026	0
- Total recordable injury rate (TRIR) of own employees, 2026	<1.75
- Total recordable injury rate (TRIR) of contractors, 2026	<3.50
Engaged employees, diverse and inclusive workplace:	
- Employee Net promoter score (eNPS), 2023–2026	≥50%
Diversity in top management:	
- Share of women in top management, 2026	≥35%

The Group's role in home market countries



Regional interconnections and infrastructure

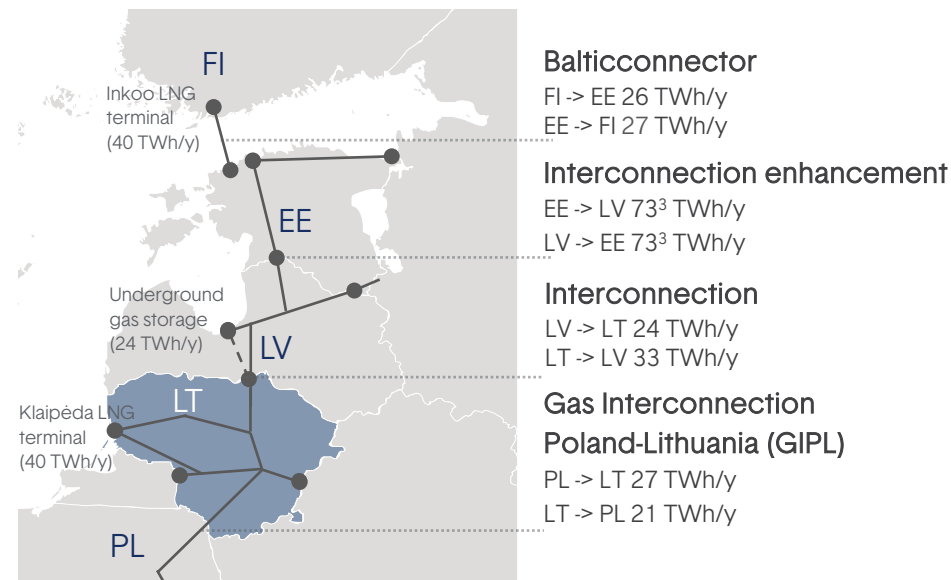
Power interconnections: enough to cover the demand despite the stopped Russian power imports



Lithuanian power capacity



Natural gas infrastructure: supply ensured by imports through LNG terminals and inventory in underground storage



	Annual natural gas demand 2023, TWh/y	Change in natural gas consumption 2023 vs 2022, %
Poland	117.9	(1.4%)
Lithuania	14.9	(5.1%)
Finland	13.4	16.5%
Latvia	8.2	(6.8%)
Estonia	3.4	(7.7%)
Total	219.8	(1.2%)

Industry overview

Electricity ⚡

Consumption, TWh

TWh	2023	2022	Δ, %
Lithuania	11.7	12.2	(4.1%)
Latvia	6.5	6.8	(4.4%)
Estonia	8.1	8.2	(1.2%)
Finland	79.1	79.2	(0.1%)
Poland	166.9	172.9	(3.5%)
Total	272.3	279.3	(2.5%)

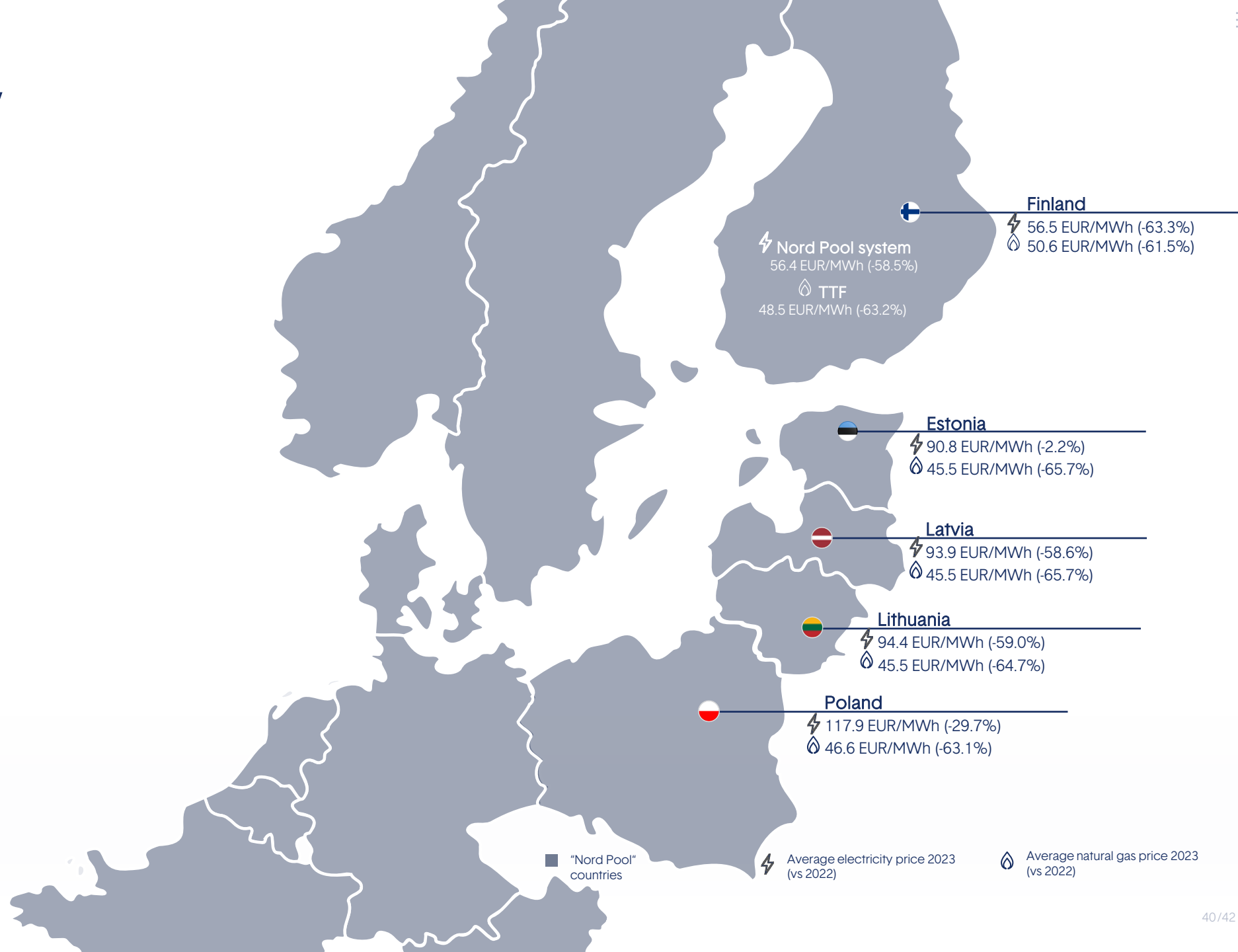
Generation, TWh

TWh	2023	2022	Δ, %
Lithuania	6.2	4.2	47.6%
Latvia	5.7	4.4	29.5%
Estonia	4.6	6.9	(33.3%)
Finland	74.0	60.4	22.5%
Poland	164.8	176.2	(6.5%)
Total	255.3	252.1	(1.3%)

Natural gas 💧

Consumption, TWh

TWh	2023	2022	Δ, %
Lithuania	14.9	15.7	(5.1%)
Latvia	8.2	8.8	(6.8%)
Estonia	3.4	3.7	(8.1%)
Finland	13.4	11.5	16.5%
Poland	179.9	177.5	1.4%
Total	219.8	217.2	(1.2%)



Glossary

Indicator	Definition
Advanced Development Pipeline	Projects which have access to the electricity grid secured through preliminary grid connection agreement (agreement signed and grid connection fee has been paid). For offshore wind it also includes projects where public seabed auction has been won, but the grid connection has not yet been secured.
Awarded / Contracted	Projects with one of the following: (i) awarded in government auctions and tenders (incl. CfD, FiP, FiT, seabed with grid connection), or (ii) for which offtake is secured through PPA or similar instruments (total secured offtake through PPA and other instruments should cover at least 50% of the annual expected generation volume of the asset).
B2B	Business to business
B2C	Business to consumer
CCGT	Combined cycle gas turbine
CfD	Contract for difference
CHP	Combined heat and power
CO2	Carbon dioxide
COD	Projects with installed capacity achieved.
Early Development Pipeline	Projects of planned capacity higher than 50 MW with substantial share of land rights secured.
eNPS	Employee Net Promoter Score
ESG	Environmental, social and corporate governance
EURbn	billion EUR
EURm	million EUR
FCF	Free cash flow
FFO	Funds from operations
FiD	Final investment decision
Green Generation Portfolio	All Green Generation projects of the Group, which include: (i) secured capacity, (ii) advanced development pipeline and (iii) early development pipeline.
GHG	Greenhouse Gas

Indicator	Definition
Installed Capacity	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.
LNG	Liquefied natural gas
MWe	Megawatts electric
MWth	Megawatt thermal
Other activities and eliminations	Other activities and eliminations – includes consolidation adjustments, related-party transactions and financial results of the parent company
Pipeline	Portfolio, excluding "Installed capacity" projects.
Portfolio	All Green Generation projects of the Group, which include: (i) secured capacity, (ii) advanced development pipeline and (iii) early development pipeline
PPA	Power purchase agreement
RAB	Regulated asset base
SAIFI/SAIDI	System Average Interruption Frequency Index/System Average Interruption Duration Index
SBTi	Science Based Targets initiative
Secured Capacity	Green Generation projects under the following stages: (i) installed capacity, or (ii) under construction or (iii) awarded / contracted.
TRIR	Total recordable injury rate: Total recordable injuries x 1 million hours worked divided by all hours worked during the reporting period.
TWh	Terawatt-hour
Under Construction	Project with building permits secured or permitting in process including one of following: (i) notice to proceed has been given the first contractor or (ii) final investment decision has been made.
vs.	versus
WACC	Weighted average cost of capital
WtE	Waste-to-energy



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- Sustainability
- Strategy

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