



Investor presentation: 9M 2023 results

21 November 2023



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Agenda

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Darius Maikštėnas, CEO

Jonas Rimavičius, CFO

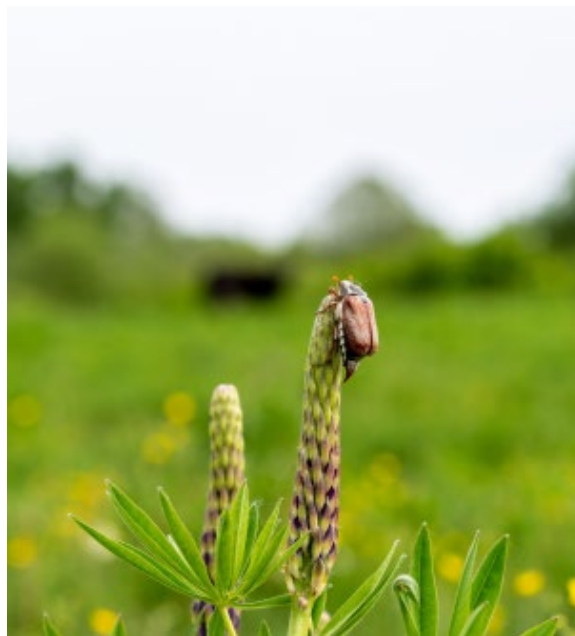
Highlights 9M 2023

Highlights 9M 2023



Strategy

Start of construction of the largest onshore wind farm in the Baltics, and final investment decision taken for the largest solar portfolio in the Baltics



Sustainability

Continued leadership in sustainability – upgraded 'ISS' ESG risk rating




Finance

Record high investments, BBB+ (stable outlook) credit rating reaffirmed, and 2023 guidance reiterated


Strong strategic performance with significant progress in renewables

Important milestones achieved across all Green Generation Portfolio development phases


OFFSHORE WIND


 **Winners in Lithuania.**
Q3 The Group together with partners Ocean Winds confirmed as winners of the 700 MW Lithuanian offshore wind tender.


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

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


ONSHORE WIND


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

 **Up to 300 MW acquired in Lithuania.**
Q4 Kelmė WF I & II (<300 MW) onshore wind projects, were acquired and construction has started.

 **The largest external corporate PPA signed.**
Q4 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.**
Q4 Latvian solar portfolio I (239 MW) has reached a construction phase.

 **<620 MW of secured grid connections.**
Q3 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.

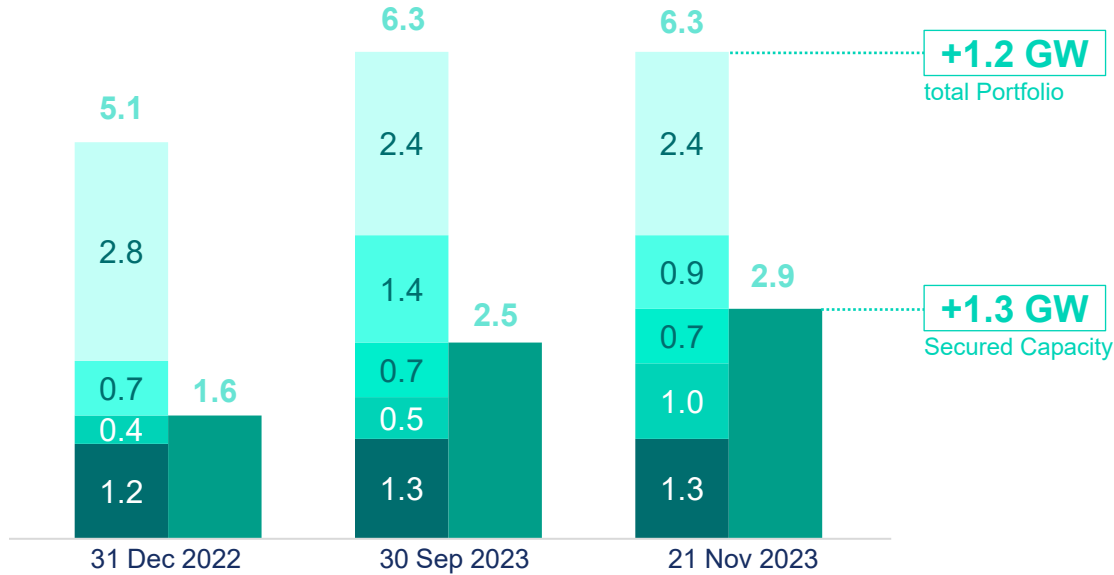
BIOMASS & WTE

 **Generation and supply of heat by Vilnius CHP.**
Q4 Vilnius CHP biomass unit (73 MWe, 169 MWth) started to generate and supply heat to Vilnius.

Strong strategic performance with significant progress in renewables

Secured Capacity reached 2.9 GW

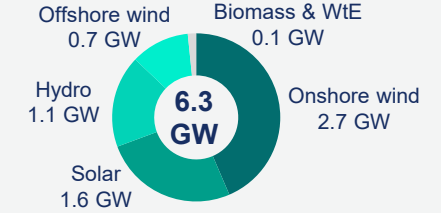
Green Generation Portfolio GW



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

Green Generation Portfolio split

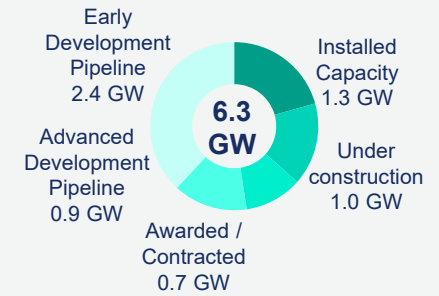
By technology



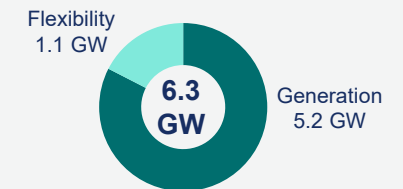
By geography



By stage



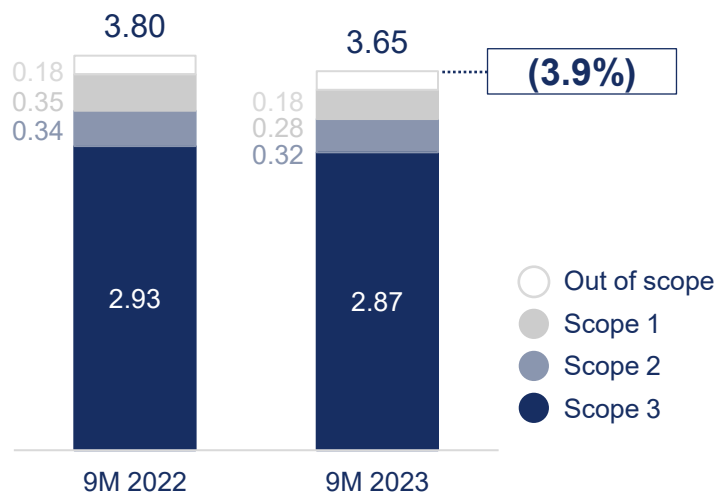
By type



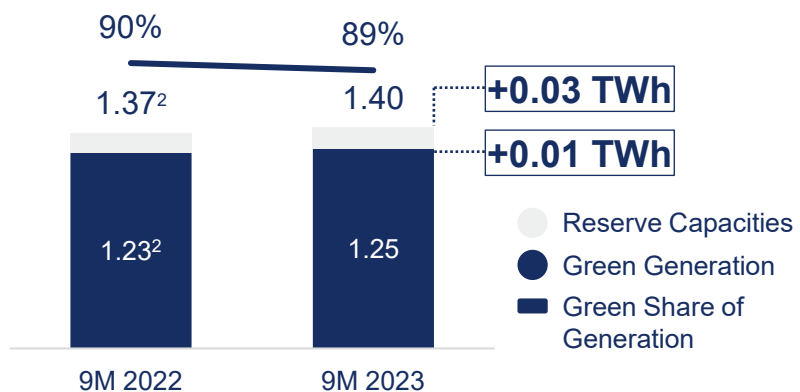
Continued leadership in sustainability

Places the Group among top utility peers globally

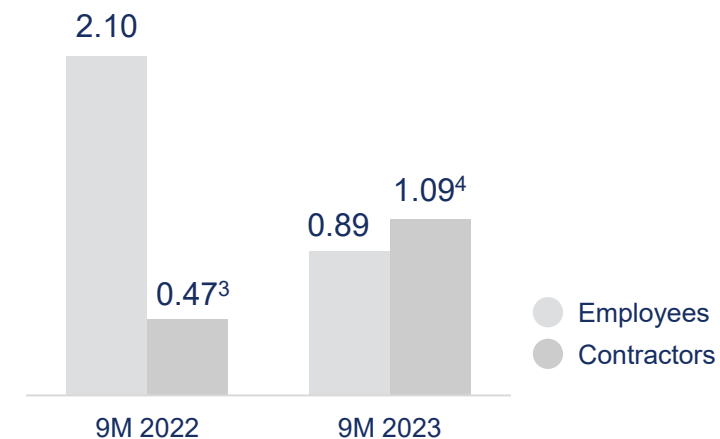
GHG emissions¹ million t CO₂-eq



Electricity Generated (net), Green Share of Generation TWh, %



Safety TRIR



	ISS ESG (updated)	MSCI	SUSTAINALYTICS (updated)	CDP DISCLOSURE INSIGHT ACTION	ecovadis
ignitis group	B- (Prime)	AA (Leader)	25.2 (Medium risk)	A- (Leadership)	78 (Platinum)
Rank compared to utility peers	2 nd decile	Top 40% ⁵	Top 28%	Top 28% ⁶	Top 3% ⁷

1. GHG emissions for 9M 2022 were recalculated following data revisions. GHG emissions for 9M 2023 are preliminary.
 2. These figures have been restated compared to the previous reporting period. For more information see section '6.2 Notes on restated figures' of First nine months 2023 Interim report.
 3. 9M 2022 contractors TRIR covers a period from June to September 2022, as we started measuring contractors TRIR in June 2022.
 4. TRIR contractors include contracts above 0.5 EURm/year.
 5. MSCI utilities rank and average based on utilities included in the MSCI ACWI index.
 6. Amongst 28% of companies that reached Leadership level in Energy utility networks.
 7. In electricity, gas, steam and air conditioning supply industry. Assessment of the Group's subsidiary UAB "Ignitis" (Customers & Solutions).



Financial highlights

Highlights 9M 2023

Adjusted EBITDA and **Adjusted Net Profit** decrease driven by lower captured electricity prices but remains at historically high levels supported by new Investments.

Investments increase by 72.3% due to the Investments made in Green Generation and Networks.

Adjusted ROCE LTM 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.

<i>KPIs¹, EURm</i>	9M 2023	9M 2022	Δ
Adjusted EBITDA	345.3	357.2	(3.3%)
Adjusted Net Profit	193.0	202.4	(4.6%)
Adjusted ROCE LTM	8.6%	10.7%	(2.1 pp)
Investments	633.7	367.8	72.3%
FCF	(115.3)	(635.6)	520.3
DPS	0.643	0.624	3.0%

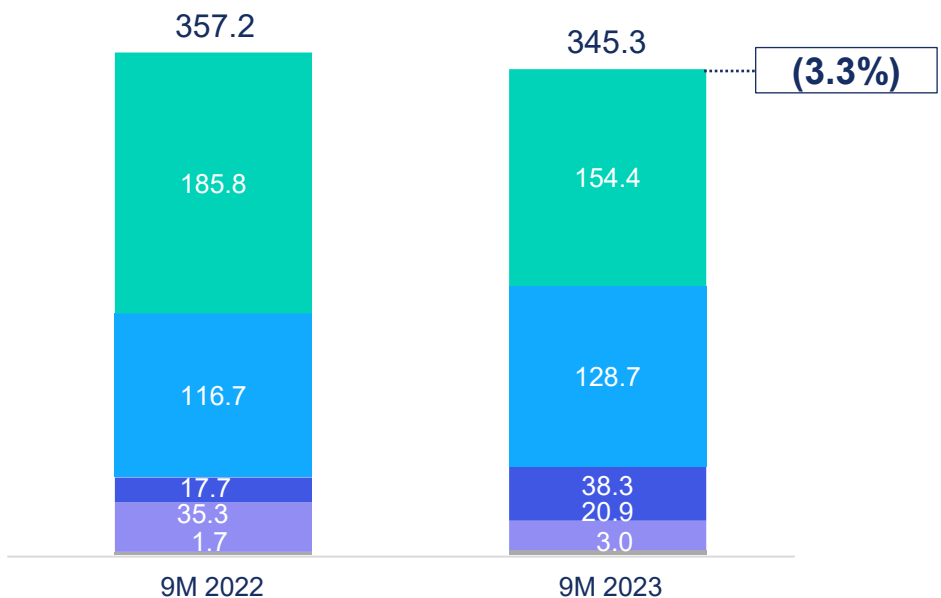
	30 Sep 2023	31 Dec 2022	$\Delta, \%$
Net Working Capital	216.8	443.3	(51.1%)
Net Debt	1,114.1	986.9	12.9%
Net Debt/Adjusted EBITDA LTM	2.44	2.10	16.2%
FFO LTM/Net Debt	39.6%	49.1%	(9.5 pp)

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

Adjusted EBITDA

Historically high level, but short-term decline due to lower captured electricity prices YoY

Adjusted EBITDA_{APM} EURm



- Green Generation
- Networks
- Reserve Capacities
- Customers & Solutions
- Other activities and eliminations¹

Development across business segments



(31.4) EURm
(16.9%)

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



+12.0 EURm
+10.3%

Growth driven by higher RAB.



+20.6 EURm
+116.4%

Utilized an option to earn additional return in the market on top of the regulated return by fixing positive forward Clean Spark spread.



(14.4) EURm
(40.8%)

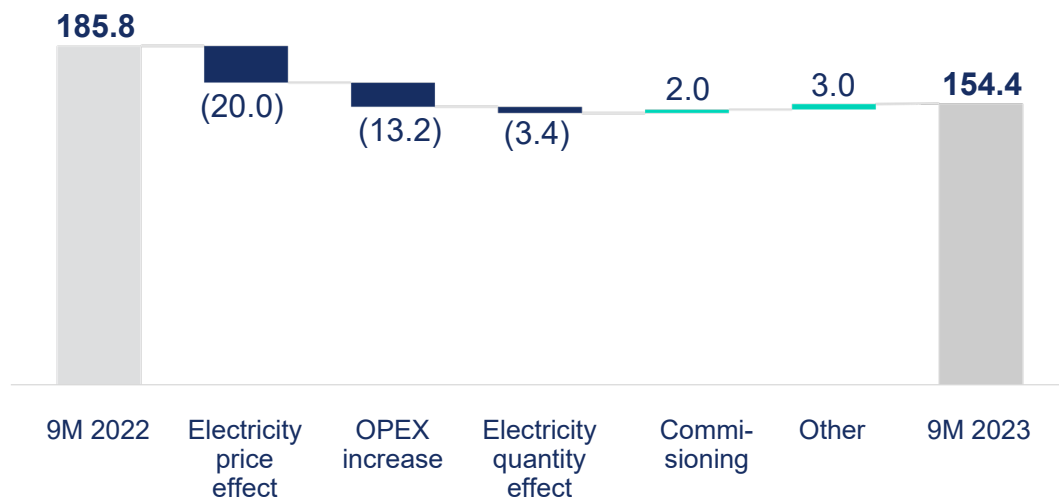
Lower supply volumes, driven by the decreased consumption.



Green Generation

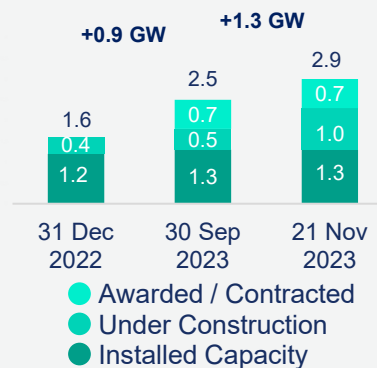
Remains the largest contributor to the Group's Adjusted EBITDA

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 9M 2023 Pomerania WF sold 100% of the total electricity generated under the CfD subsidy scheme, while in 9M 2022 only around 20% of the total electricity generated by the wind farm was sold under CfD.
- **OPEX increase:** intensive expansion, which led to increased operating expenses.

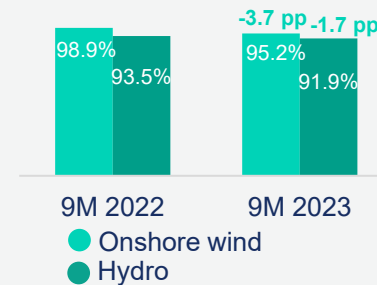
Secured Capacity MW



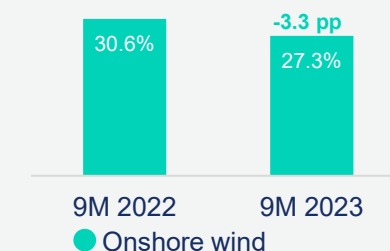
Green Electricity Generated (net), Green Share of Generation TWh, %



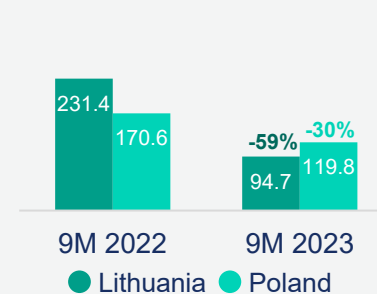
Availability factor %



Load factor %



Market electricity price EUR/MWh



Hedge price, hedged volume EUR/MWh, %

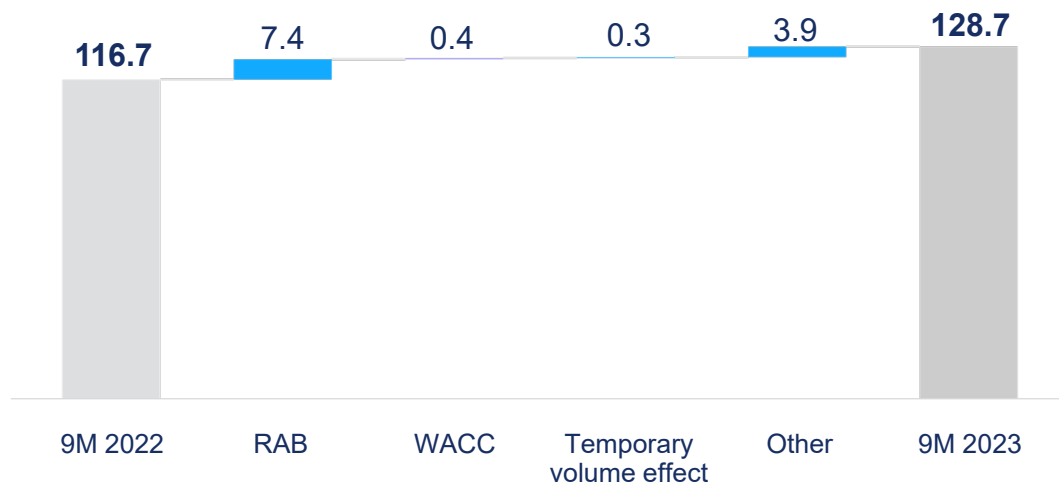




Networks

Better results driven by higher RAB

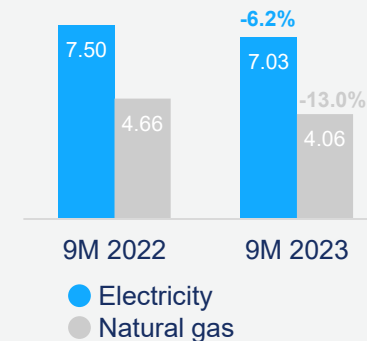
Adjusted EBITDA development ^{APM} EURm



- **RAB:** electricity distribution RAB increased from EUR 1,097 million in 2022 to EUR 1,183 million in 2023.
- **Temporary volume effect:** better result due to higher share of allowed return and D&A recognized in 9M 2023 vs 9M 2022 due to temporary volume effect. This effect will level off over the course of the year.

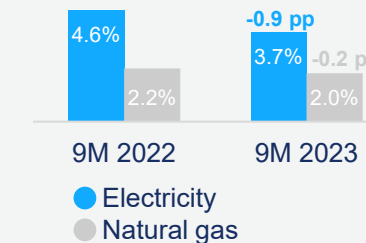
Distribution volumes

TWh



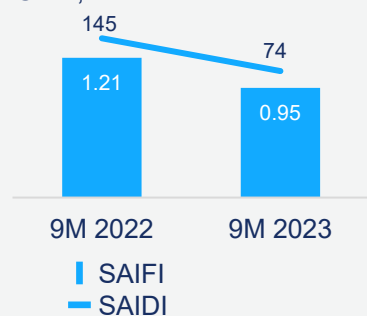
Technological losses

%



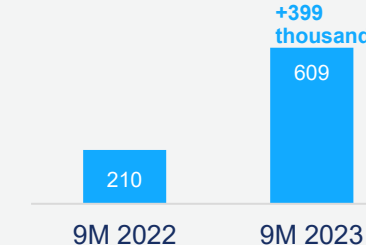
SAIFI, SAIDI (electricity)

Units, minutes



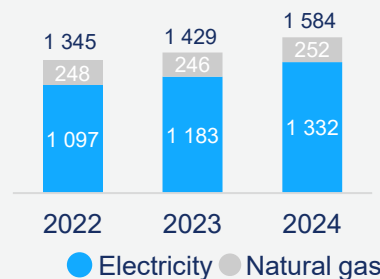
Number of smart meters installed

Thousand



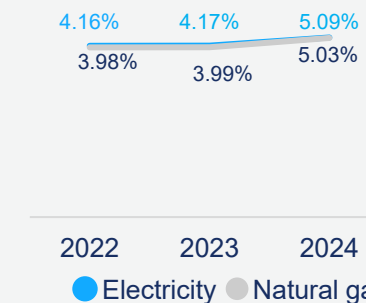
RAB¹

EURm



WACC

%

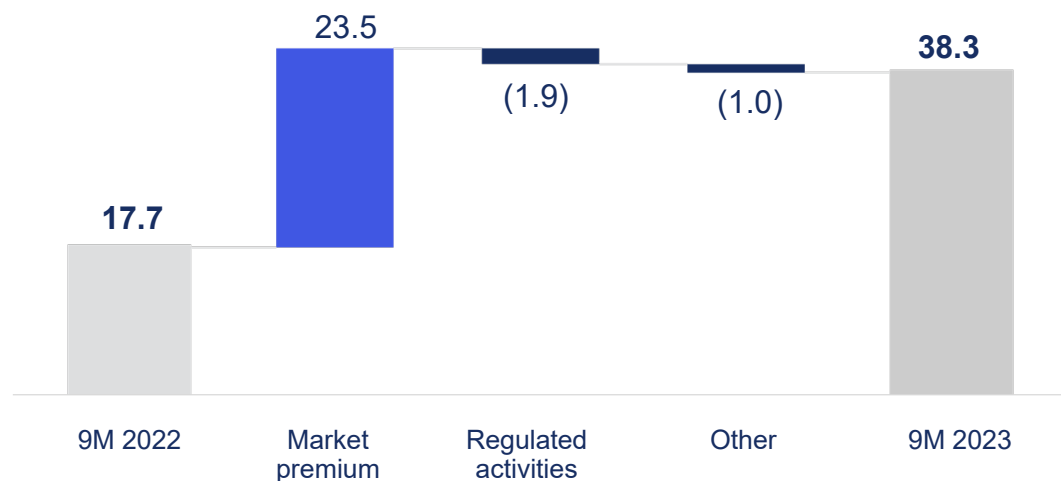




Reserve Capacities

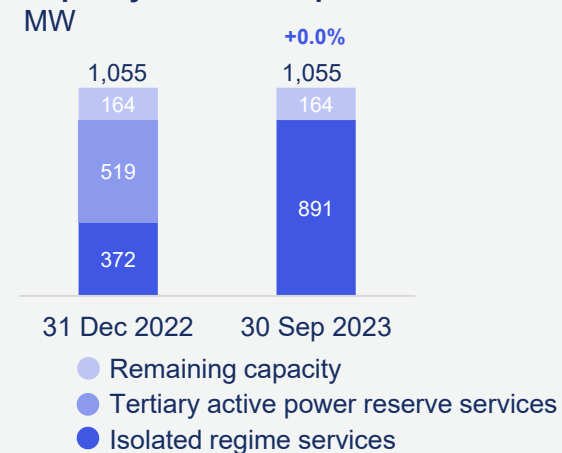
Utilised an option to earn additional return in the market on top of the regulated return by fixing positive forward Clean Spark spread

Adjusted EBITDA development ^{APM} EURm

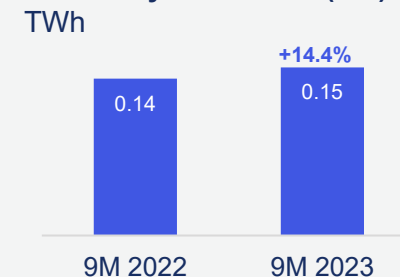


- **Market premium:** utilised an option to earn additional return in the market on top of the regulated return by fixing positive forward Clean Spark spread (fixed in Q4 2022, realized in Q1 2023). Due to changes in actual electricity and natural gas market prices, the transaction was mainly closed without physical delivery.
- **Regulated activities:** mainly due to lower regulatory D&A with regards to the depreciated value of assets.

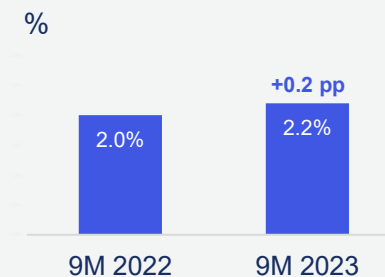
Capacity of services provided



Electricity Generated (net)



Load factor

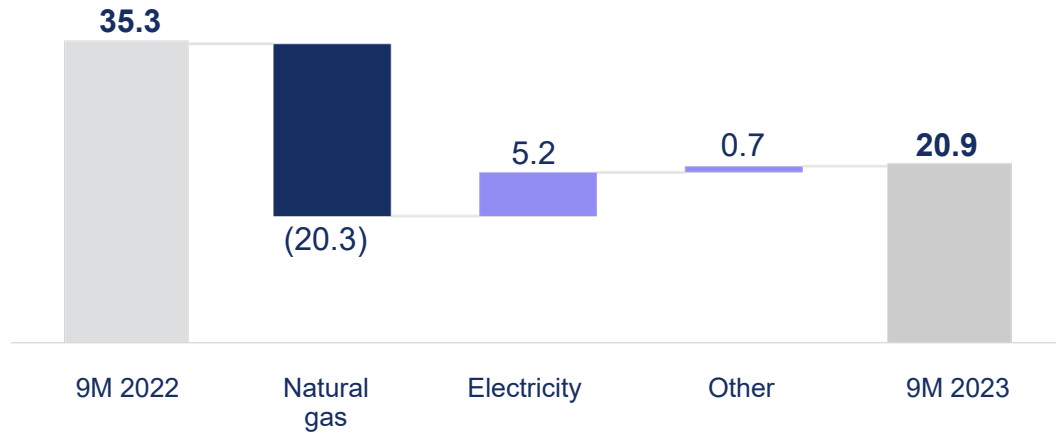




Customers & Solutions

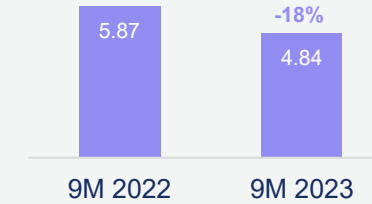
Result driven by lower supply volumes and natural gas temporary effects

Adjusted EBITDA development ^{APM} EURm



- **Natural gas:** decrease driven by lower supply volumes as well as temporary effects.
- **Electricity:** increase driven by B2B mainly due to reduced negative effect from proxy hedge. Partly offset by electricity B2C activities which continued to be loss-making.

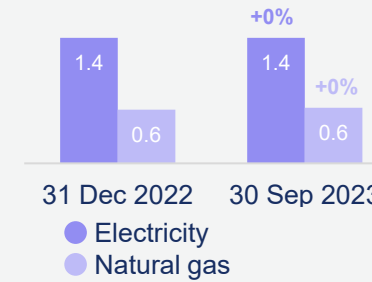
Electricity retail sales TWh



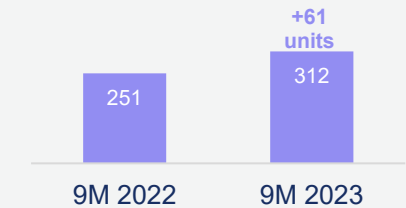
Natural gas sales TWh



Number of customers Million



EV charging points Units



Investments

Record high investments due to the investments made in Green Generation and Networks

Investments APM
EURm



Key drivers



+195.5 EURm
+117.5%

Investments were mostly directed towards new onshore wind farm projects in Lithuania and Poland, mainly to Silesia WF I and II, Kelmé WF I and II. Additionally, investments increase is related to Vilnius CHP's biomass unit and Kruonis PSHP expansion project.



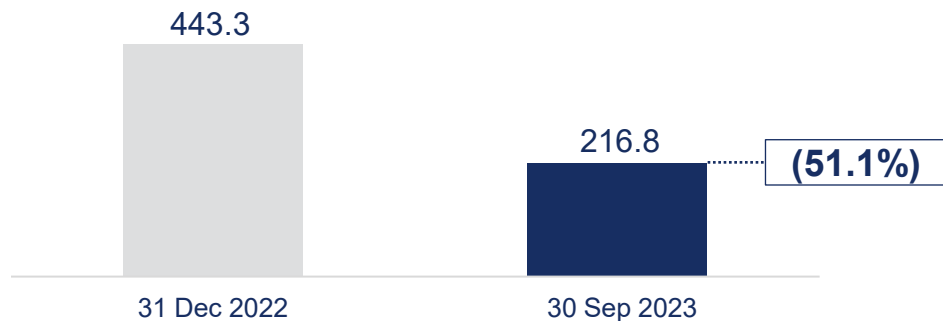
+68.1 EURm
+38.2%

Higher Investments in electricity distribution network expansion (+73.8 EURm), caused by higher contractor fees and higher number of new connections, and smart meter roll-out.

Net Working Capital and Free cash flow

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

Net Working Capital ^{APM} EURm



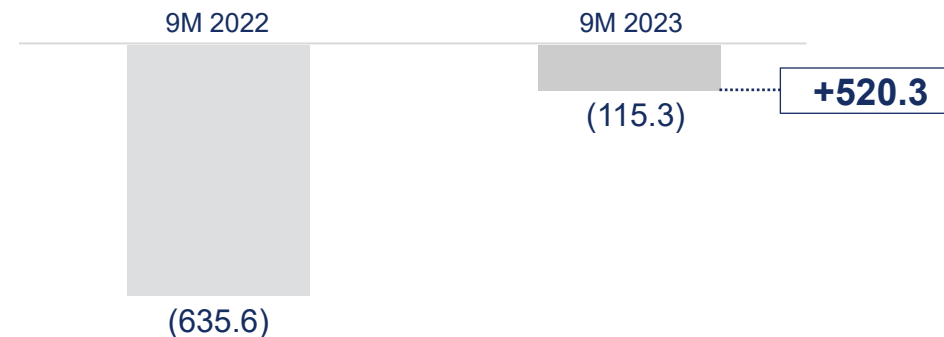
↓ Decrease in:

- inventory (-255.1 EURm), mainly natural gas for Customers & Solutions segment;
- trade receivables (-198.9 EURm) due to lower energy prices and volumes sold.

↑ Partly offset by:

- lower trade payables (+47.8 EURm) and VAT payables (+98.3 EURm) due to lower energy prices and volumes.

FCF ^{APM} EURm



Main effects impacting FCF in 9M 2023 were:

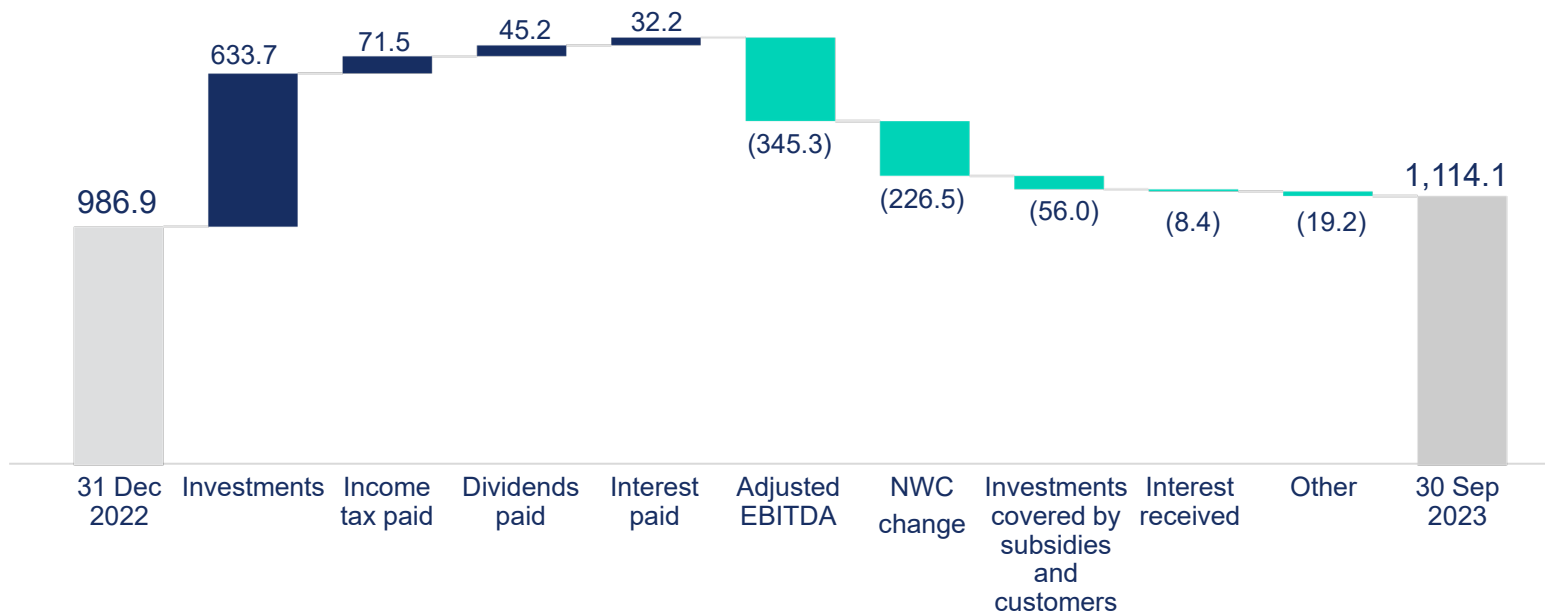
- ↑ Adjusted EBITDA (345.3 EURm);
- ↑ Net Working Capital change (+226.5 EURm);
- ↓ Investments (excl. grants and investments covered by customers) (577.7 EURm);
- ↓ Income tax paid (71.5 EURm).

Substantially negative FCF in 9M 2022 was mostly related to significant increase in NWC (+591.3 EURm).

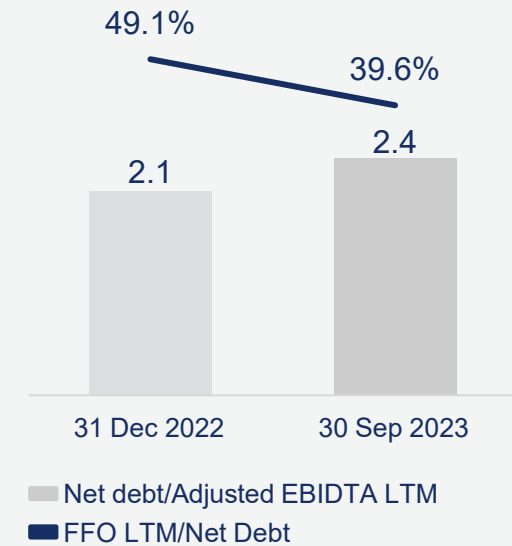
Leverage metrics

Strong leverage metrics driven by negative FCF

Net debt development ^{APM} EURm



Net debt/Adjusted EBIDTA LTM, FFO LTM/Net Debt Times, %



↑ Higher Net Debt (+127.2 EURm) mainly due to negative FCF (-115.3 EURm) and dividends paid (-45.2 EURm).

↓ FFO LTM (-42.5 EURm) mainly due to higher income tax paid LTM (-49.2 EURm).

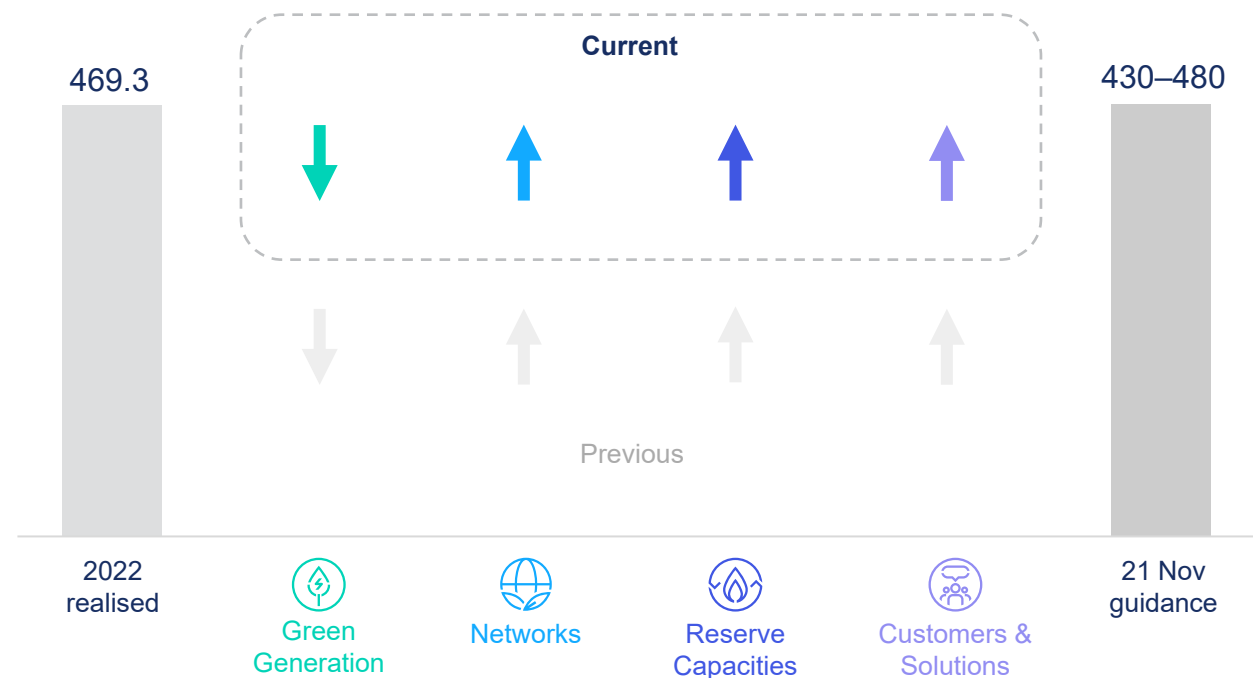


Outlook 2023

Guidance 2023

Adjusted EBITDA of 430–480 EURm guidance

Adjusted EBITDA^{APM} EURm



Adjusted EBITDA indication for the Group is the prevailing guidance, whereas directional effect per business segment serves as a mean to support it. Higher/stable/lower indicates the direction of the business segment's performance in 2023 relative to the actual results in 2022.

Main drivers (no changes vs 28 Feb 2023 guidance)



- Expected lower average electricity price compared to 2022.
- Partly offset by launch of new assets (Mažeikiai WF and Vilnius CHP's biomass unit).



- Continued investments program (higher RAB value).



- Utilised an option to earn additional return in the market on top of the regulated return by fixing positive forward Clean Spark spread.



- Improvement of electricity supply results.

Guidance history

28 February 2023 **430–480 EURm**

23 May 2023 **430–480 EURm**

22 August 2023 **430–480 EURm**

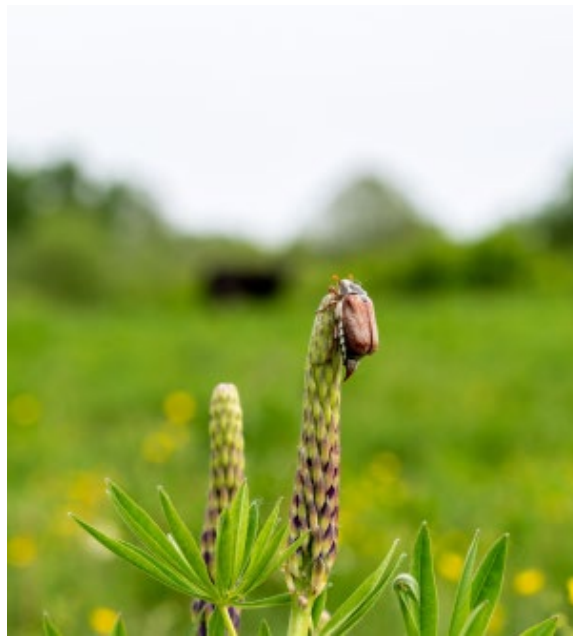
21 November 2023 **430–480 EURm**

Key take aways: 9M 2023 results



Strategy

- Secured Capacity reached 2.9 GW
- started construction of the largest onshore wind farm in the Baltics, and final investment decision taken for the largest solar portfolio in the Baltics
- signed the largest yet corporate PPA in Poland



Sustainability

Progress on sustainability reflected in upgraded ISS (from 'C' to 'B-') ESG risk rating



Finance

Record high investments of 633.7 EURm, 'BBB+' (stable outlook) credit rating, and full-year Adjusted EBITDA guidance of 430–480 EURm reiteration



Q&A



Supplementary information

Balance sheet

<i>EURm</i>	30 Sep 2023	31 Dec 2022	$\Delta\%$
Assets			
Non-current assets			
Intangible assets	202	148	36.3%
Property, plant and equipment	3,147	2,811	12.0%
Right-of-use assets	56	49	14.2%
Prepayments for non-current assets	229	126	82.1%
Investment property	6	6	-
Non-current receivables	70	29	143.6%
Other financial assets	48	26	88.3%
Other non-current assets	9	25	(65.3%)
Deferred tax assets	61	31	96.8%
Total non-current assets	3,828	3,250	17.8%
Current assets			
Inventories	315	570	(44.7%)
Prepayments and deferred expenses	13	96	(86.3%)
Trade receivables	226	424	(46.9%)
Other receivables	155	180	(13.9%)
Other financial assets	51		
Other current assets	22	57	(62.2%)
Prepaid income tax	6	0	1,275.0%
Cash and cash equivalents	453	694	(34.8%)
Assets held for sale	1	0	25.0%
Total current assets	1,240	2,022	(38.7%)
Total assets	5,068	5,272	(3.9%)

<i>EURm</i>	30 Sep 2023	31 Dec 2022	$\Delta\%$
Equity and liabilities			
Equity			
Issued capital	1,616	1,616	-
Reserves	232	345	(32.8%)
Retained earnings	253	164	53.8%
Equity attributable to equity holders of the parent	2,101	2,126	(1.2%)
Non-controlling interests	-	-	N/A
Total equity	2,101	2,126	(1.2%)
Non-current liabilities			
Non-current loans and bonds	1,515	1,423	6.5%
Non-current lease liabilities	49	45	8.2%
Grants and subsidies	302	297	1.6%
Deferred tax liabilities	66	55	20.1%
Provisions	56	18	215.3%
Deferred income	231	206	12.5%
Other non-current amounts payable and liabilities	22	21	6.8%
Total non-current liabilities	2,241	2,064	8.6%
Current liabilities			
Loans	48	209	(76.9%)
Lease liabilities	6	4	52.8%
Trade payables	129	177	(27.0%)
Advances received	65	62	4.7%
Income tax payable	6	53	(89.7%)
Provisions	27	38	(28.4%)
Deferred income	100	115	(12.8%)
Other current liabilities	346	424	(18.4%)
Total current liabilities	727	1,082	(32.9%)
Total liabilities	2,967	3,146	(5.7%)
Total equity and liabilities	5,068	5,272	(3.9%)

Income statement

<i>EURm</i>	9M 2023	9M 2022	Δ%	Q3 2023	Q3 2022	Δ%
Revenue from contracts with customers	1,837	3,024	(39.2%)	470	1,294	(63.7%)
Other income	4	4	4.9%	2	1	(54.5%)
Total revenue and other income	1,842	3,028	(39.2%)	471	1,295	(63.6%)
Purchases of electricity, gas and other services	(1,300)	(2,428)	(44.6%)	(297)	(1,060)	(72.0%)
Salaries and related expenses	(97)	(84)	14.7%	(32)	(27)	20.0%
Repair and maintenance expenses	(38)	(25)	48.8%	(17)	(11)	57.5%
Other expenses	(59)	(157)	(62.5%)	(17)	(75)	(77.2%)
Total expenses	(1,493)	(2,694)	(44.6%)	(363)	(1,173)	(69.1%)
EBITDA	348	334	4.4%	108	122	(11.3%)
Depreciation and amortization	(112)	(103)	9.6%	(39)	(35)	12.4%
Write-offs, revaluation and impairment losses, PPE and intangible assets	(2)	(6)	66.7%	(0)	(4)	(95.1%)
Operating profit (loss) (EBIT)	234	225	3.9%	69	83	(17.0%)
Finance income	34	12	179.3%	6	9	(34.9%)
Finance expenses	(32)	(26)	22.5%	(113)	(10)	(28.9%)
Finance activity, net	2	(14)	n/a	(7)	(1)	n/a
Profit (loss) before tax	236	212	11.6%	62	82	(24.3%)
Income tax (expenses)/benefit	(24)	(27)	(11.7%)	(5)	(12)	(55.4%)
Net profit for the period	213	185	15.0%	57	70	(19.0%)

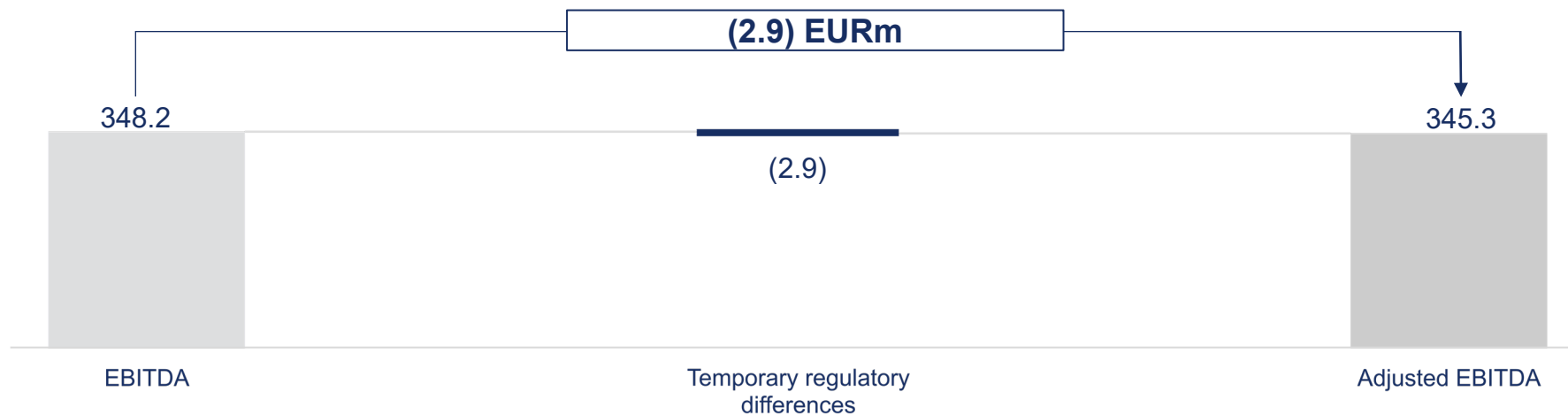
Cash flow statement

<i>EURm</i>	9M 2023	9M 2022	$\Delta\%$
Cash flows from operating activities			
Net profit for the period	213	185	15.0%
Adjustments for non-monetary expenses (income):	47	221	(78.8%)
Elimination of results of investing activities:	3	5	(46.3%)
Elimination of results of financing activities:	18	23	(22.4%)
Changes in working capital:	341	(554)	161.5%
Income tax paid	(72)	(22)	220.6%
Net cash flows from operating activities	550	(142)	(487.5%)
Cash flows from investing activities			
Acquisition of PPE and intangible assets	(512)	(304)	68.3%
Proceeds from sale of PPE and intangible assets	2	1	72.4%
Acquisition of a subsidiary, net of cash acquired	(62)	(22)	181.1%
Prepayment for acquisition of a subsidiary	(8)	-	n/a
Loans granted	(27)	(14)	(94.2 %)
Grants received	18	18	1%
Interest received	8	0	2000.0%
Finance lease payments received	1	1	(7.7%)
(Increase)/decrease of deposits	(50)	-	n/a
Investments in/return from investment funds	6	(2)	n/a
Other in(de)creases in cash flows from investing activities	-	0	n/a
Net cash flows from investing activities	(624)	(321)	94.5%

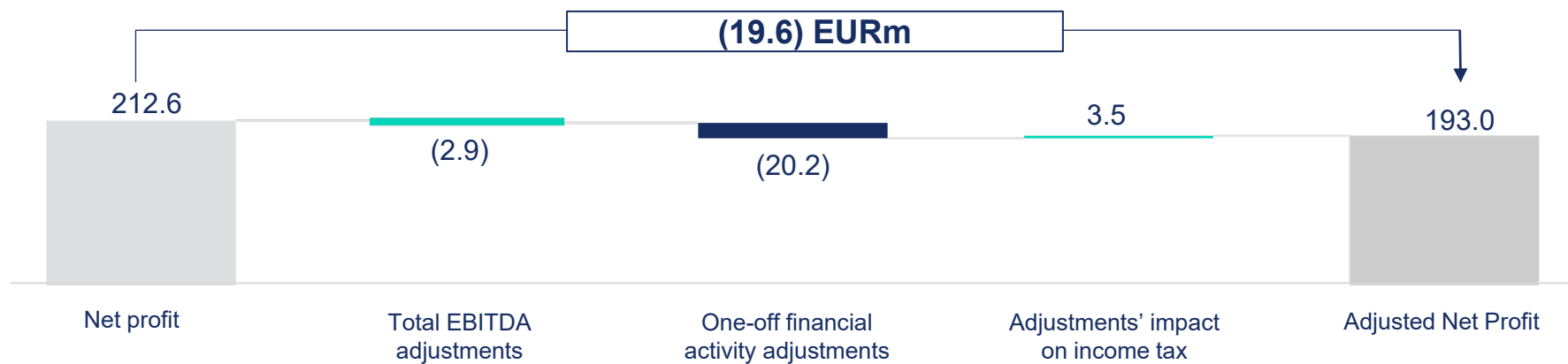
<i>EURm</i>	9M 2023	9M 2022	$\Delta\%$
Cash flows from financing activities			
Loans received	276	223	23.7%
Repayments of loans	(169)	(114)	49.1%
Lease payments	(4)	(4)	5.0%
Interest paid	(32)	(25)	30.4%
Dividends paid	(45)	(44)	3%
Dividends paid to non-controlling interest	(14)	-	n/a
Overdrafts net change	(173)	284	(160.8%)
Treasury shares acquisition	-	(14)	n/a
Other increases/(decreases) in cash flows from financing activities	(4)	(3)	57.7%
Net cash flows from financing activities	(167)	305	(154.7%)
Increase/(decrease) in cash and cash eq. (incl. overdraft)	32	(103)	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	453	291	55.7%

Reconciliations

Reconciliation of Adjusted EBITDA EURm



Reconciliation of Adjusted Net Profit EURm



EBITDA and Net profit adjustments

EBITDA adjustments

EURm

	9M 2023	9M 2022	Δ	Δ, %
EBITDA APM	348.2	333.5	14.7	4.4%
<i>Adjustments</i>				
Temporary regulatory differences (1)	(2.9)	(4.9)	18.6	n/a
Total EBITDA adjustments	(2.9)	23.7	(26.6)	n/a
Adjusted EBITDA APM	345.3	357.2	(11.9)	(3.3%)

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

Net profit adjustments

EURm

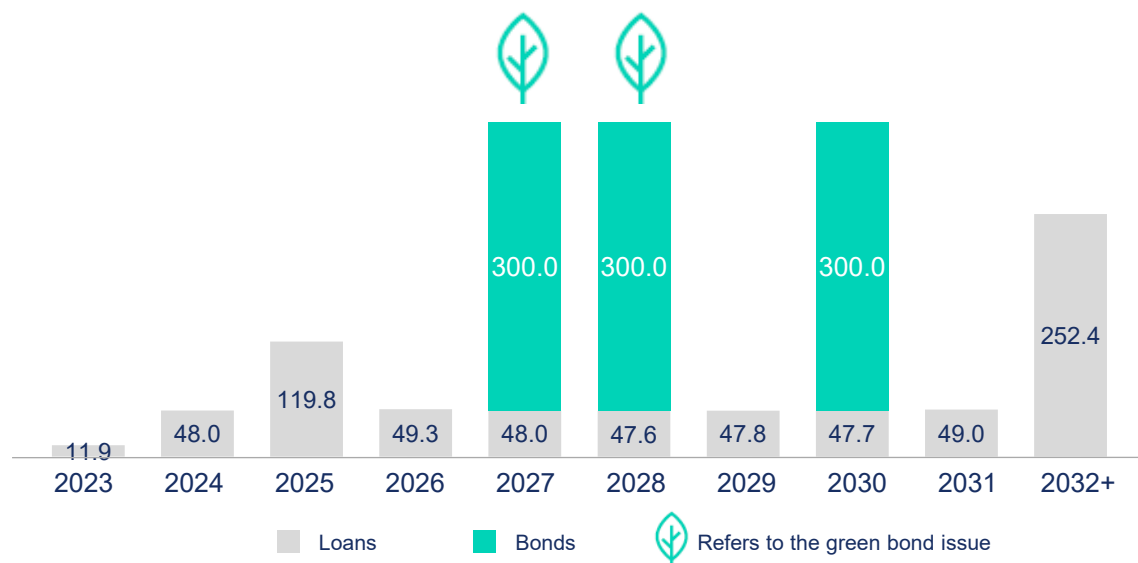
	9M 2023	9M 2022	Δ	Δ, %
Net profit	212.6	184.9	27.7	15.0%
<i>Adjustments</i>				
Total EBITDA adjustments	(2.9)	23.7	(26.6)	n/a
One-off financial activity adjustments (2)	(20.2)	(2.7)	(17.5)	n/a
Adjustments' impact on income tax (3)	3.5	(3.6)	7.1	n/a
Total net profit adjustments	(19.6)	(17.4)	(37.0)	n/a
Adjusted Net Profit APM	193.0	202.4	(9.4)	(4.6%)

(2) One-off financial activity adjustments include elimination of Smart Energy Fund' investments appreciation (EUR +20.2 million during 9M 2023 and EUR +2.7 million during 9M 2022).

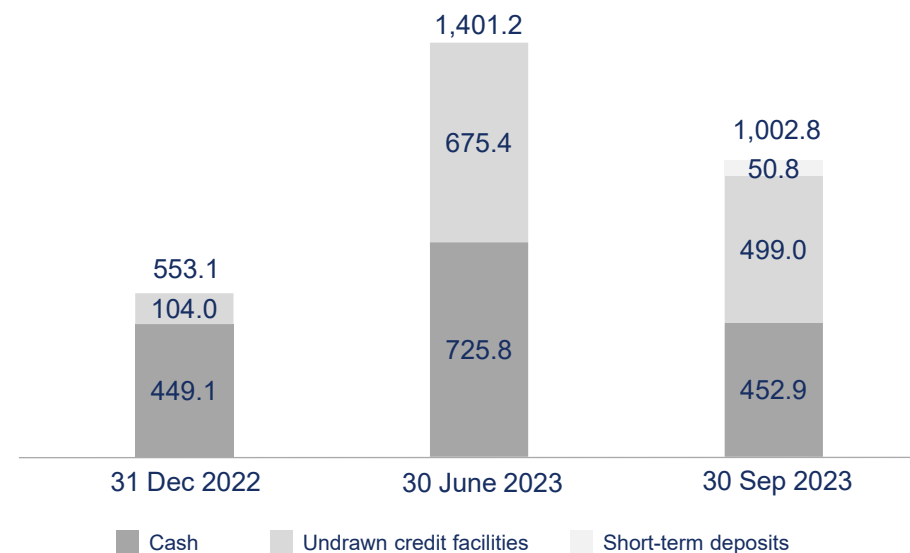
(3) An additional income tax adjustment of 15% (statutory income tax rate in Lithuania) is applied to all of the above net profit adjustments.

Financing

Debt maturity schedule EURm



Liquidity reserve EURm

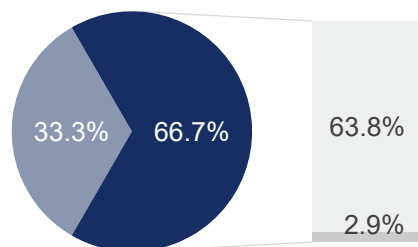


	Outstanding amount as of 30 Sep 2023 (EURm)	Effective interest rate (%)	Average time to maturity (years)	Fixed interest rate	Euro currency
Bonds (incl. interest)	896.1	1.96	5.6	100.0%	100.0%
Non-current loans	667.3	3.32	6.3	57.3% ¹	88.4%
Bank overdrafts, Credit lines and Current loans	-	-	-	-	-
Lease liabilities	54.3	-	6.5	-	100.0%
Gross Debt	1,617.7	2.54	6.0	79.0%	95.2%

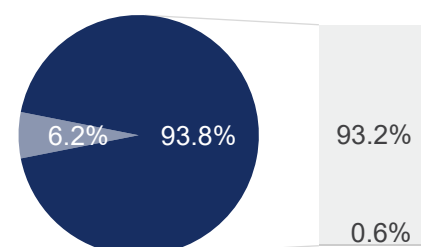
Sustainable finance

Majority of our KPIs remain to be largely Taxonomy-aligned in 9M 2023

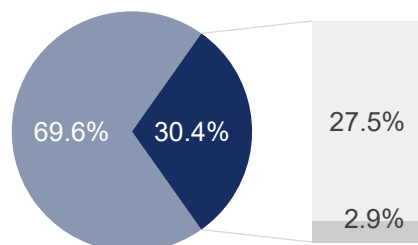
Adjusted EBITDA APM
%



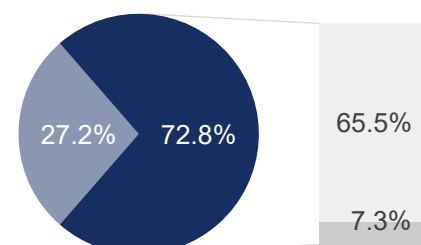
Taxonomy CAPEX APM
%



Revenue
%



Taxonomy OPEX APM
%



● Taxonomy-eligible ● Taxonomy-aligned
● Taxonomy-non-eligible ● Not Taxonomy-aligned

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 ¹	
4.29 Electricity generation from fossil gaseous fuels	
6.5 Transport by motorbikes, passenger cars and light commercial vehicles	
6.6 Freight transport services by road	
7.3 Installation, maintenance and repair of energy efficiency equipment	✓
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. The alignment status cannot be determined for this reporting period; therefore, activity is disclosed as not Taxonomy-aligned.

Industry overview

Electricity ⚡

Consumption, TWh

TWh	9M 2023	9M 2022	Δ, %
Lithuania	8.5	9.1	(6.6%)
Latvia	4.7	5.1	(7.8%)
Estonia	5.8	6.0	(3.3%)
Finland	56.2	58.4	(3.8%)
Poland	122.7	128.3	(4.4%)
Total	197.9	206.9	(4.3%)

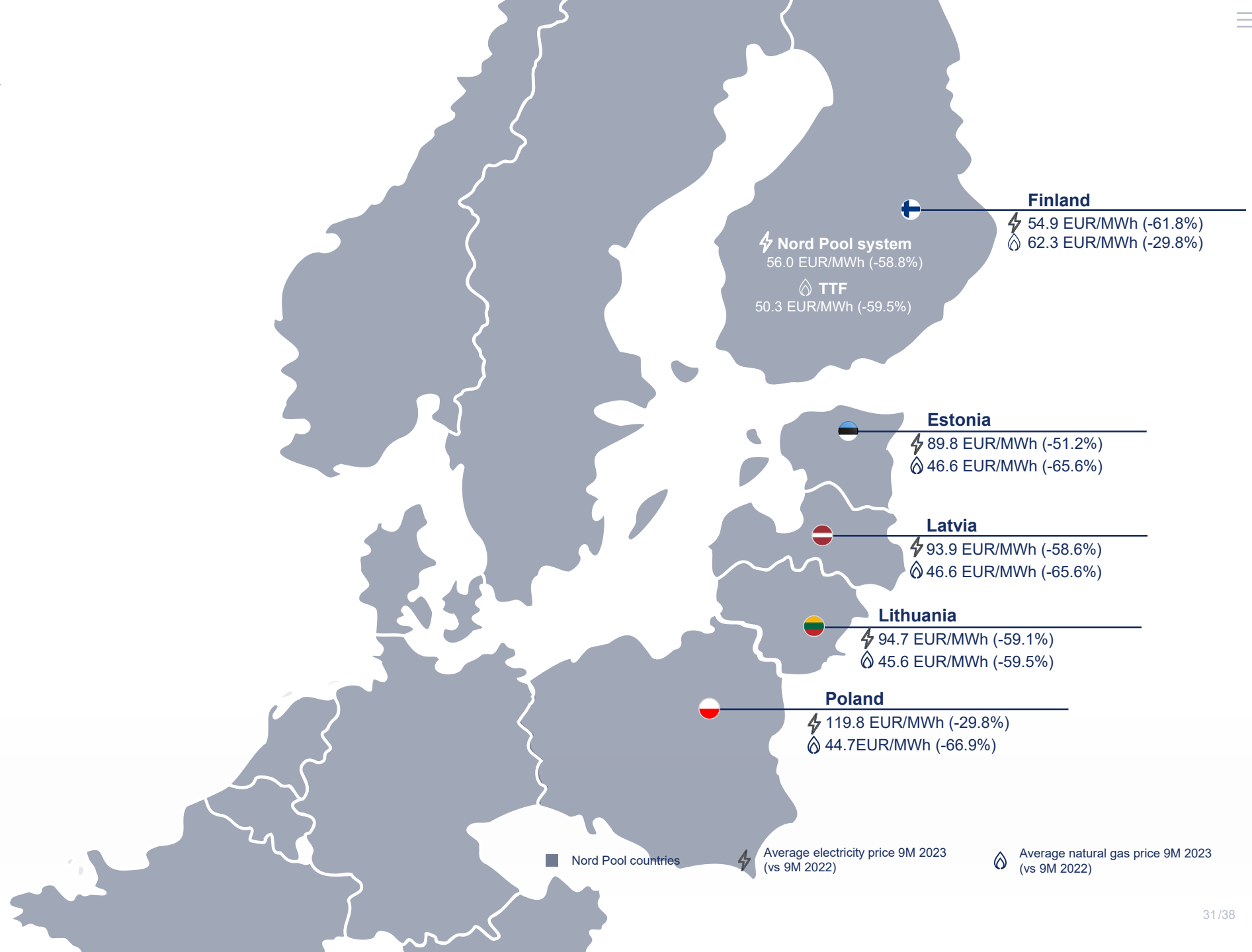
Generation, TWh

TWh	9M 2023	9M 2022	Δ, %
Lithuania	4.3	3.3	30.3%
Latvia	4.4	3.3	33.3%
Estonia	3.4	5.3	(35.8%)
Finland	53.4	46.2	15.6%
Poland	120.0	130.9	(8.3%)
Total	185.5	189.0	(1.9%)

Natural gas 💧

Consumption, TWh

TWh	9M 2023	9M 2022	Δ, %
Lithuania	9.3	12.0	(22.5%)
Latvia	5.3	5.8	(8.6%)
Estonia	2.2	2.7	(18.5%)
Finland	9.3	9.4	(1.1%)
Poland	123.5	125.2	(1.4%)
Total	149.6	155.1	(3.5%)



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 ²	70 ²	2021	PPA	95%
Eurakras ³	24	–	2016	PPA	72%
Vėjo gūsis ³	19	–	2008–2010	PPA	70%
Tuuleenergia	18	–	2013–2014	PPA	70%
Vėjo vatas ³	15	–	2011	PPA	73%
Elektrėnai biomass boiler	–	40	2015	-	0%
Pomerania WF	94	–	Q4 2021	CfD	100%
Mažeikiai WF	63	–	2023	PPA	65%
Total	1,278	180			

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

2. Vilnius CHP's WtE unit reached COD in March 2021, and the actual electricity and heat generation capacity was verified by NERC (+1 MWe; +10 MWth).

3. 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.

4. 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	73	169	Q4 2023	–	0%
Polish solar portfolio II	~40	–	2023 Q4-Q4 2024	CfD	75%
Silesia WF I	50	–	Q1 2024	CfD	100%
Silesia WF II	137	–	H2 2024	CfD/PPA	100%
Tauragė solar project	22.1	–	2024	–	0%
Moray West offshore wind ⁴	882	–	2025	CfD / PPA	85%
Latvian solar portfolio I	239	–	2025	–	0%
Kelmė WF II	<195	–	2025	–	0%
Kruonis PSHP expansion	110	–	2026	–	0%
Kelmė WF I	105.4	–	2025	–	0%
Total	<1835.5	169			

Awarded / Contracted

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

Advanced Development Pipeline

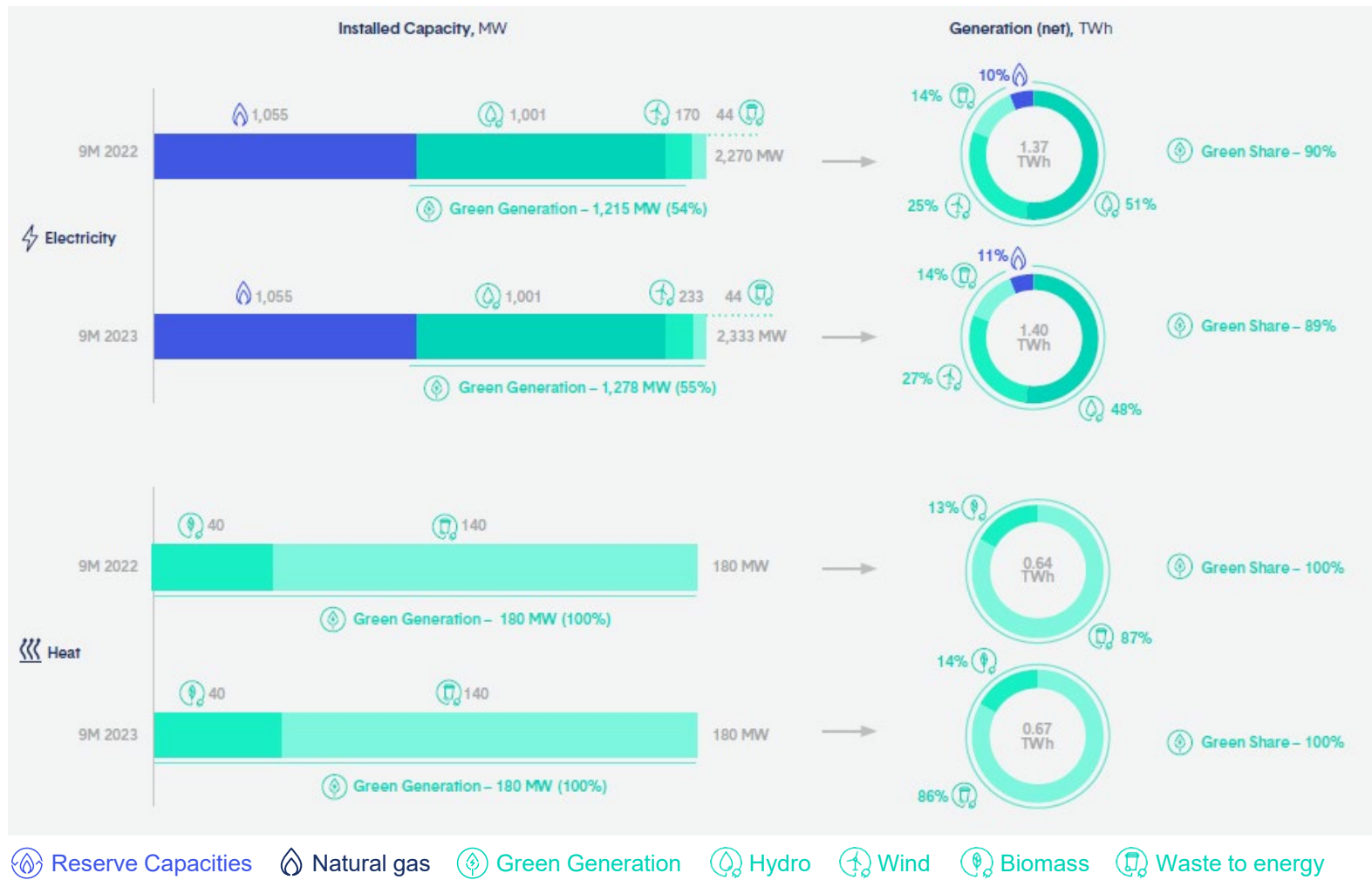
Name	Capacity (MWe)	Capacity (MWth)	Expected COD
Latvian hybrid portfolio II	~70	–	2025
Latvian hybrid portfolio I	~200	–	2025–2027
Tume solar project	<300	–	2026
Jonava solar project	252	–	2026
Jurbarkas solar project	37.5	–	2026
Tauragė solar project II	25.2	–	2026
Total	<900	–	

Early Development Pipeline

Name	Capacity (MWe)	Capacity (MWth)	Expected COD
Latvian onshore WF portfolio I: Project 2 & 3	~90	–	2026–2027
Plungė WF project	<218	–	2026–2030
Greenfield portfolio	~2,108	–	2025–2030
Total	<2,416	–	

TOTAL PORTFOLIO	<6,300	349	
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Generation mix and potential synergies



Electricity generated¹ vs. supplied (TWh) by Ignitis Group in 2022

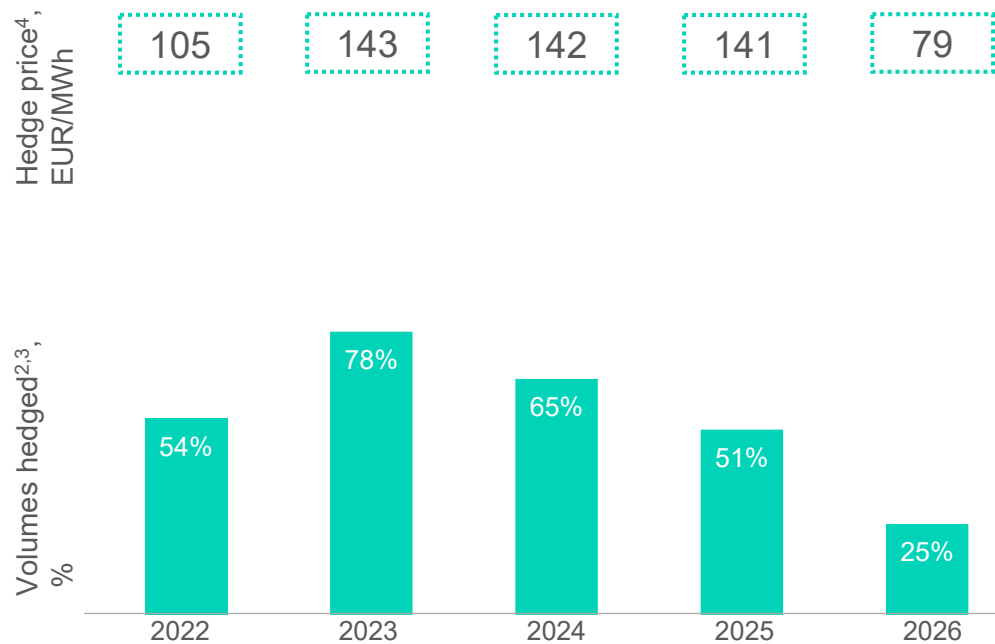
>7x or 6.6 TWh difference between supply and generation

Gap enough to cover ~3.0 GW² of new Green Generation capacities



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 years ¹ .
(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%	-	-

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	>3000 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%

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
CAPEX	Capital expenditure
CCGT	Combined cycle gas turbine
CfD	Contract for difference
CHP	Combined heat and power
CO ₂	Carbon dioxide
COD	Commercial operations date
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.

Indicator	Definition
GHG	Greenhouse Gas
Installed Capacity	Where all assets have been completed and have passed a final test
Investments	Acquisition of property, plant and equipment and intangible assets, acquisition of shareholdings
LNG	Liquefied natural gas
MWe	Megawatts electric
MWth	Megawatt thermal
Net Capacity	Net effective generation capacity owned by the Group, if actual/planned share of ownership varies from 51% to 100%
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
ROCE	Return on Capital Employed
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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