



Strategic Plan 2021–2024

Ignitis Group | 2021 February



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Business overview

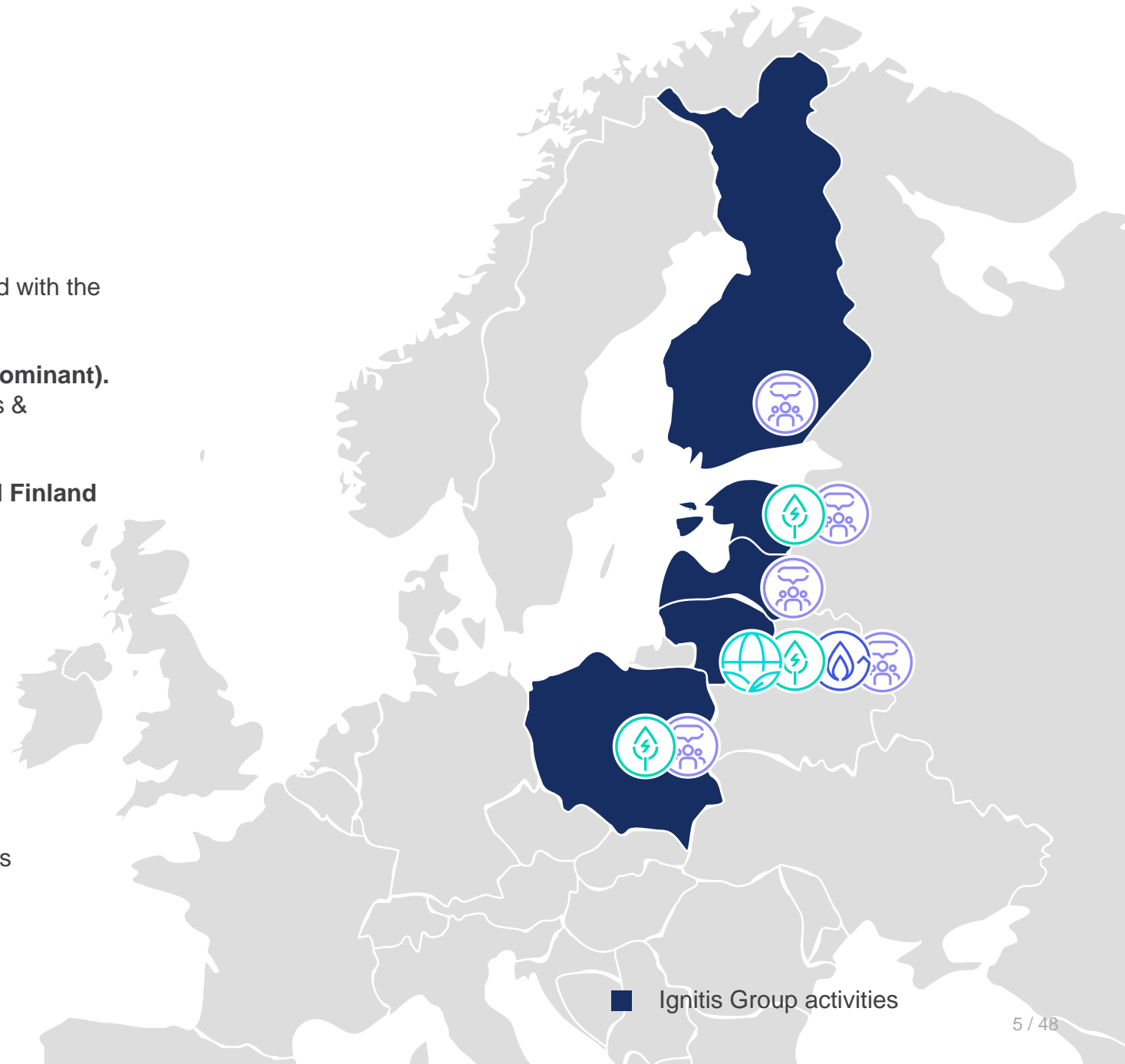
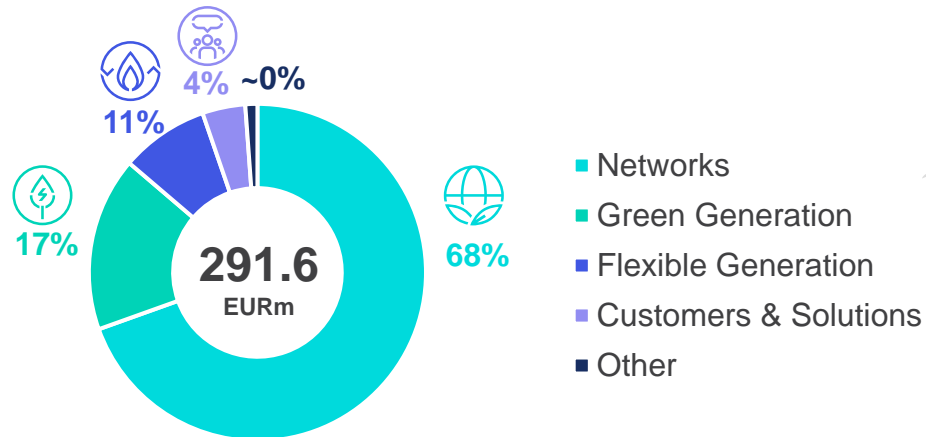


Ignitis Group

Creating an Energy Smart world

- One of the **largest energy groups** in the Baltics
- Committed to become **net CO₂ neutral**. No coal. No nuclear. Aligned with the fundamental **ESG** principles
- Main businesses – **Green Generation and Networks (electricity dominant)**. Also engaged in complementary Flexible Generation and Customers & Solutions businesses
- Our core focus is on home markets – **Baltic countries, Poland and Finland**

Adjusted EBITDA 2020





ENSURING

resilience and flexibility
of the energy system

ENABLING

energy transition and
evolution

GROWING RENEWABLES

to meet regional energy
commitments

CREATING A SUSTAINABLE FUTURE



No coal. No nuclear.
Becoming CO₂ neutral.
ESG principles driven

CAPTURING GROWTH OPPORTUNITIES

and developing innovative solutions
to make life easier and more energy smart

Business segments

Core businesses focused on creating sustainable value



Networks

Resilient and efficient distribution enabling the energy transition

Fully regulated

#1 in Baltics¹

Country-wide natural monopoly of electricity and gas distribution networks in Lithuania



Green Generation

Focused, sustainable and profitable growth

Material share of contracted and regulated activities

#1 in Lithuania²
#2 in Baltics²

MWe: 1,101



Flexible Generation

Reliability and flexibility of the power system

Largely regulated

#1 in Lithuania²
#2 in Baltics²

MWe: 1,055

Customers & Solutions

Innovative solutions for easier life and energy evolution

Material share of regulated activities

#1 in Baltics³

Retail sales: 19 TWh

Sustainability is embedded in our strategy



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

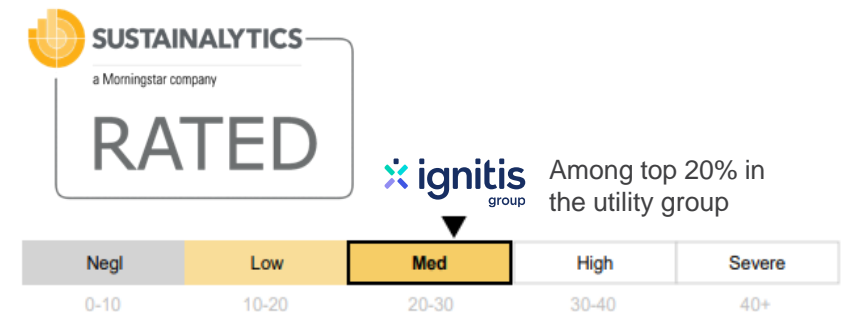
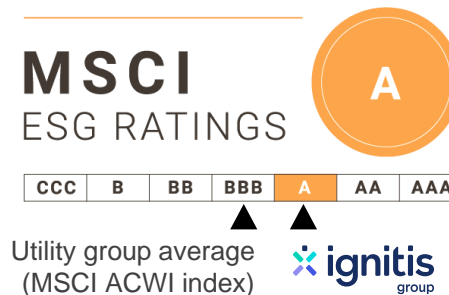
We follow good corporate governance practices and seek to manage our impacts based on the recommendations of international institutions and the scientific community

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 agencies¹



1. See MSCI disclaimer notice and ESG Risk Rating Summary Report by Sustainalytics at <https://www.ignitisgrupe.lt/en/sustainability-activities-and-results>.





Strategic plan

2021–2024

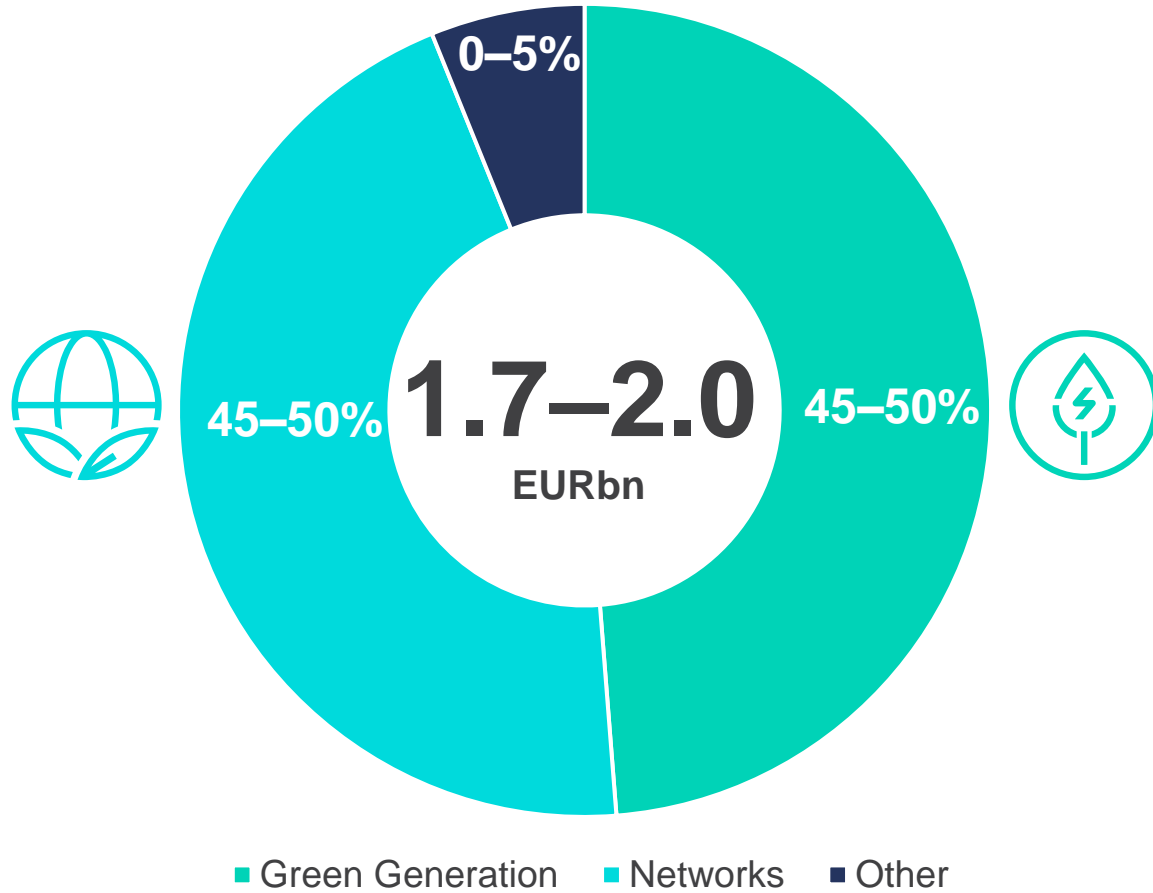
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Leading regional platform to drive sustainable growth

		Lithuania	Poland, Latvia, Estonia	Other	Allocation of investments 2021-2024
 <p>Green Generation Focused, sustainable and profitable growth</p>	<ul style="list-style-type: none"> – Onshore wind – Offshore wind – Solar – Waste-to-energy – Biomass – Hydro 	✓	✓	✓	~45–50%
 <p>Networks Resilient and efficient energy distribution enabling energy transition</p>	<ul style="list-style-type: none"> – Network maintenance and efficiency improvement – New connection points and upgrades – Smart meter roll-out – Network digitisation and automation – Facilitation of decentralised renewable generation – Data-hub development 	✓			~45–50%
 <p>Flexible Generation Reliable and flexible power system</p>	<ul style="list-style-type: none"> – Investments required for balancing of renewables as well as increased system adequacy – Maintenance of operating assets 	✓			} ~0–5%
 <p>Customers & Solutions Innovative solutions for easier life and energy evolution</p>	<ul style="list-style-type: none"> – Innovative solutions and platforms – Digital channels 	✓	✓	✓	

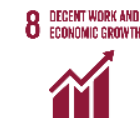
Investments over 2021–2024



85–95%

of investments are SDGs related

Green Generation development projects, new customer connections and upgrades in our electricity networks, investments into modernisation of our distribution network and smart metering programme



Green Generation

Focused, sustainable and profitable growth



7 AFFORDABLE AND CLEAN ENERGY



8 DECENT WORK AND ECONOMIC GROWTH



12 RESPONSIBLE CONSUMPTION AND PRODUCTION



13 CLIMATE ACTION





Home markets offer significant opportunities

Structural electricity deficit in Lithuania

On average only ~31% of electricity consumption was covered by national generation over 2018-2020, which increase necessity to develop new domestic energy generation assets in Lithuania.

Transition away from coal generation in Poland

While coal generation represented 86% of generation mix in Poland in 2020, it is expected to gradually decline and be replaced by renewable energy technologies.

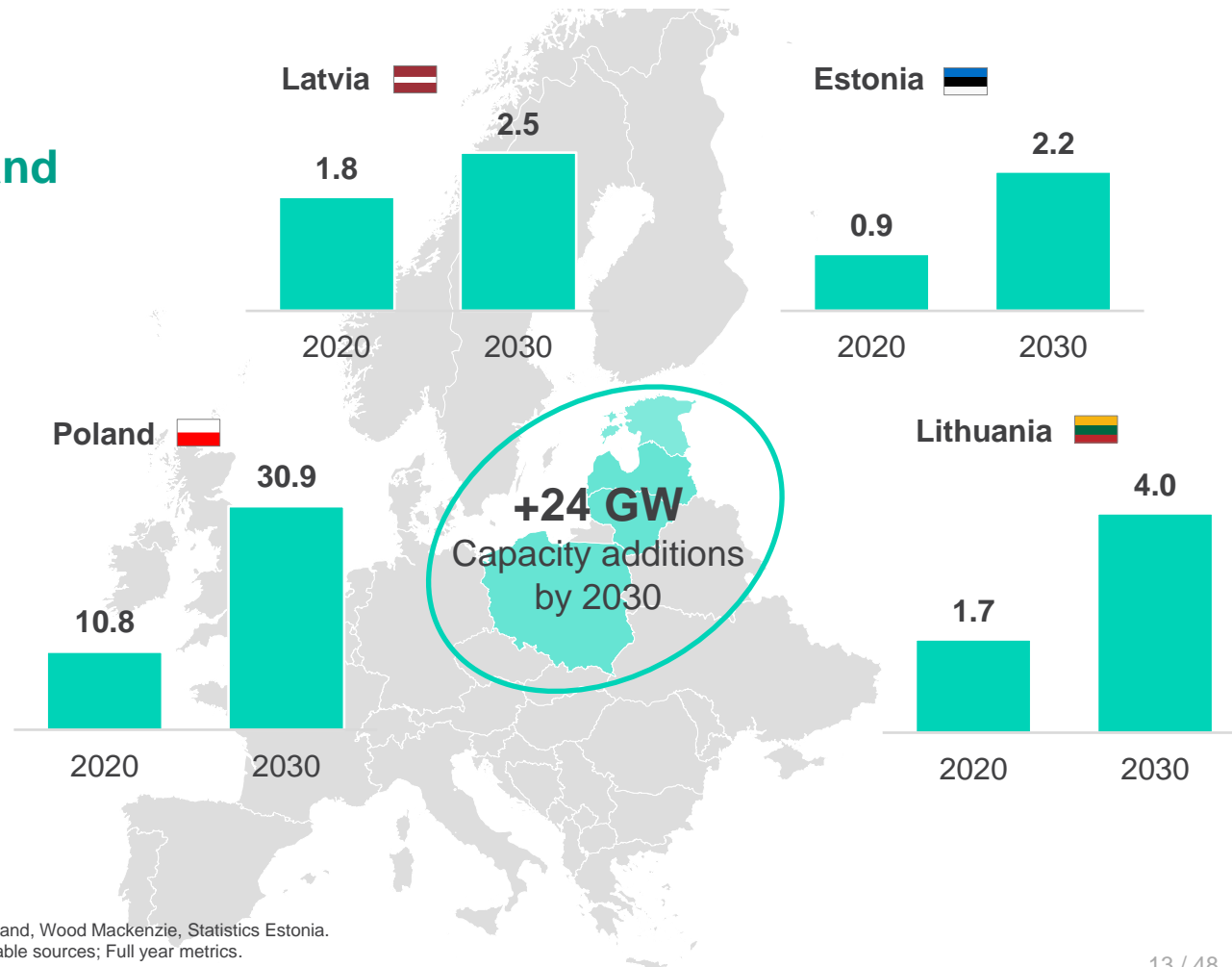
Phase-out of oil shale in Estonia

Around 57% of Estonia's electricity production in 2019 was from oil shale with increasing necessity to develop new capacities to cover the phase-out of oil shale.

Renewables-focused climate strategies

Baltic states and Poland have adopted energy policies supporting extensive buildout of renewable generation capacities.









Green energy installed capacity evolution in Ignitis Group's markets (GW)¹





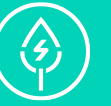
Expected auctions by 2024

Baltics and Poland

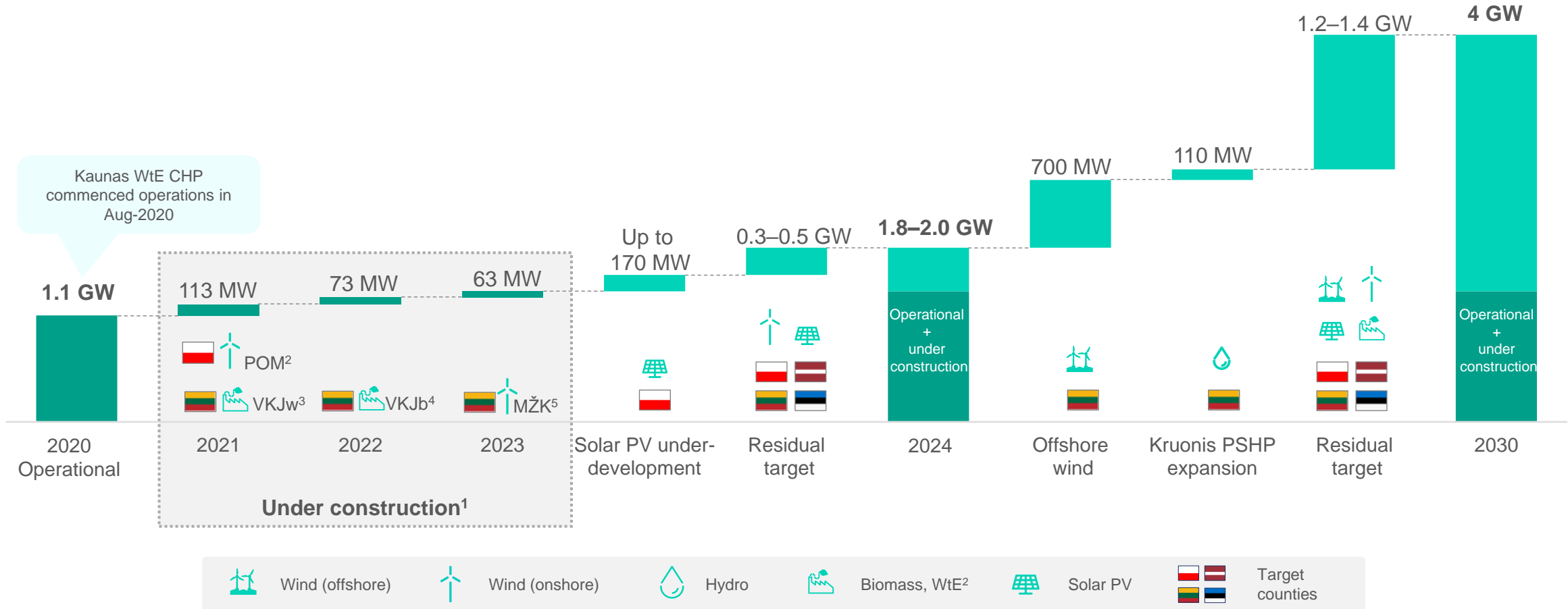
Country	Auction date	Technology	Capacity	Status	Support scheme	Support period	Group project relevance
Poland 	2021	Neutral	2.7 GW ¹	Approved	Indexed CfD	15 years	Polish solar portfolio I
Poland 	2021	Offshore	5.9 GW	Planned	Indexed CfD	25 years	TBD
Poland 	2022-2024	Neutral	TBD	Planned	Indexed CfD	15 years	Polish solar portfolio I
Lithuania 	2021-2022	Neutral	0.5 GW ¹	Approved	FiP	12 years	TBD
Lithuania 	2023	Offshore	0.7 GW	Planned	Fixed CfD	15 years	Lithuanian offshore wind farm project
Estonia 	2021-2023	Neutral	0.4 GW ¹	Planned	Fixed CfD	12 years	TBD
Estonia & Latvia joint  	TBD	Offshore	1.0 GW	Planned	TBD	TBD	TBD
Total:			11.2 GW				

Sources: Information provided based on publicly available information, Wood Mackenzie and might be changed by the relevant regulatory bodies.

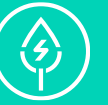
1. Capacity calculated based on the following assumptions: auctions technology neutral, wind capacity factor equal to 35%, solar – 11.5%. In Polish auction proportion between wind and solar project, win equal to 50:50, whereas in the remaining countries all auctions are won by wind projects.



Target to reach 1.8–2.0 GW of installed green generation capacity by 2024, 4 GW by 2030



Kaunas WtE CHP commenced operations in Aug-2020



Assets under construction



Pomerania WF (Poland)



One of the largest onshore wind farms in Poland

Status	Final stage (29/29 turbines erected)
COD	2021 Q1
Size	94 MW
Investment	~130 EURm
Subsidy scheme	Indexed CfD tariff at ~€48/MWh ¹ , expiring in 2035
Ownership	100%



Mažeikiai WF (Lithuania)



The first wind farm without subsidies in the portfolio

Status	Under construction
COD	2023
Size	63 MW
Investment	80–85 EURm
Subsidy scheme	<i>Internal PPA expected</i>
Ownership	100%

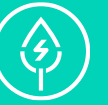


Vilnius CHP (Lithuania)



One of the most modern plants in Europe in terms of environmental protection. Project of State significance

	Waste-to-energy plant	Biomass plant
Status	Under construction (~95% completion)	Under construction (~75% completion)
COD	2021 Q1	2022 Q4
Size	19 MWe / 60 MWth	73 MWe / 169 MWth
Investment	~350 EURm	
Subsidy	~140 EURm EU CAPEX subsidy	
Ownership	100% (49% to be divested)	



Assets under development



Polish solar portfolio I (Poland)

The first sizeable PV project in the portfolio

Status	SPA signed
COD	2021–2023
Size	Up to 170 MW
Ownership	100%



Moray West offshore wind project (UK)

Learning the technology

Status	Preparatory works
COD	2025
Size	800–950 MW
Ownership	5% (Ocean Winds – 95%)



Kruonis PSHP expansion (Lithuania)

Expansion of the largest PSHP in the region

Status	Procurement planning
COD	2025 ¹
Size	110 MW
Ownership	100%



Lithuanian offshore wind project

First offshore wind project in Lithuania

Status	Preparing for the auctions which are expected to be held in 2023
COD	2028 (Auctions - 2023)
Size	700 MW
Ownership	51% (Ocean Winds – 49%)



Disciplined investment policy to ensure value-creating growth



Expected investments

800–1,000 EURm investments into Green Generation during 2021–2024 to reach 1.8–2.0 GW installed capacity in 2024.



Entry stage

Primarily greenfield and early-to-late development stages.



Strategic partnerships

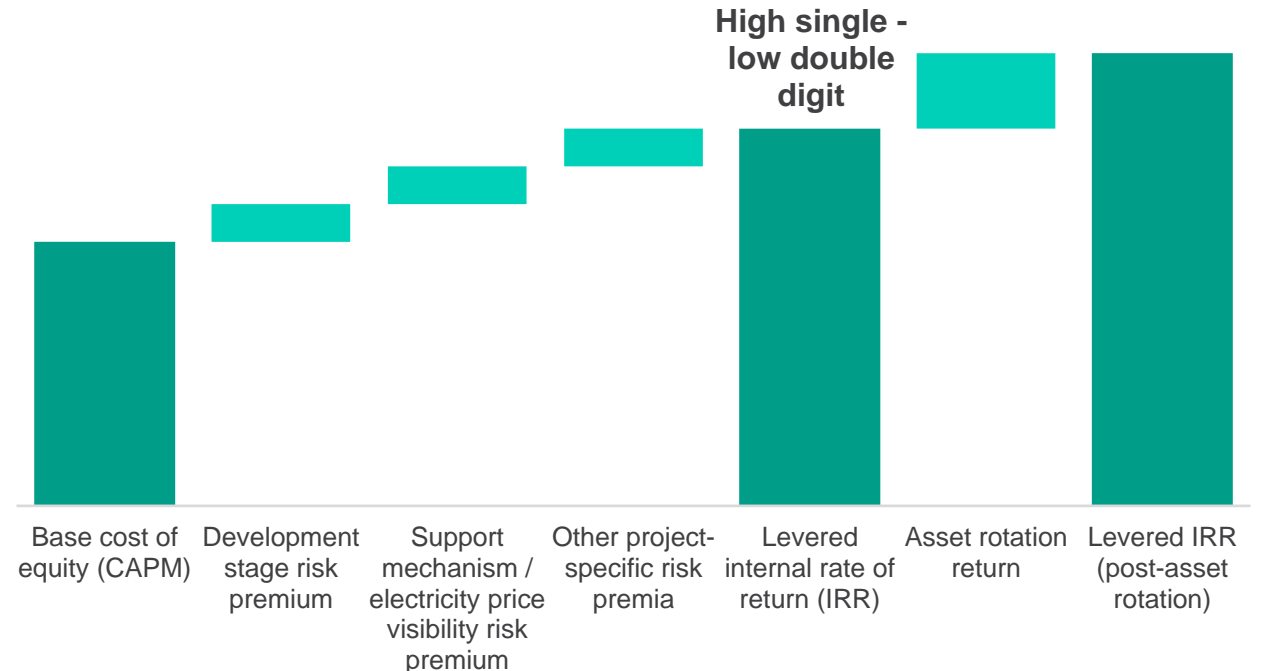
We aim to partner with strategic investors to adopt new technologies or enter new markets (such as Ocean Winds and Fortum).

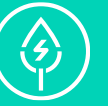


Asset rotation program

We intend to sell up to 49% after completing the construction to recycle capital and capture premium. Asset rotation will be pursued only in case it creates additional value.

Target return build-up

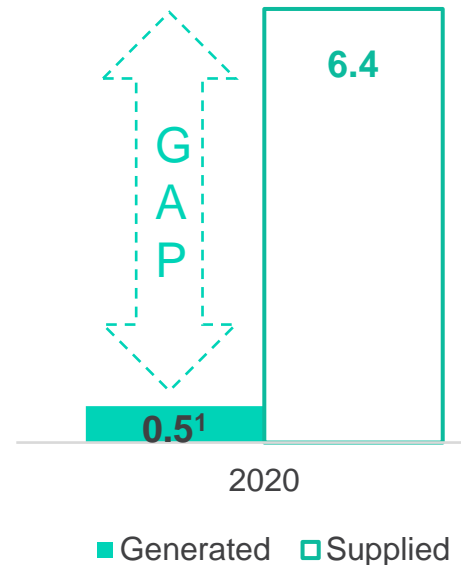




Synergies with Customers & Solutions segment

Electricity generated vs. supplied by Ignitis Group (TWh)

>10x gap between supply and generation portfolios is important for further green generation build out and **could equate to ~1.5 GW of wind offtake²**.



Customers & Solutions segment supply portfolio and capabilities

- Supply portfolio with ~1.7m customers across the Baltics.
- Deep knowledge of regional energy landscape - active on Baltic power exchanges since 1995.
- Renewable energy predicting, balancing and hedging capabilities.

Networks

Resilient and efficient distribution enabling energy transition



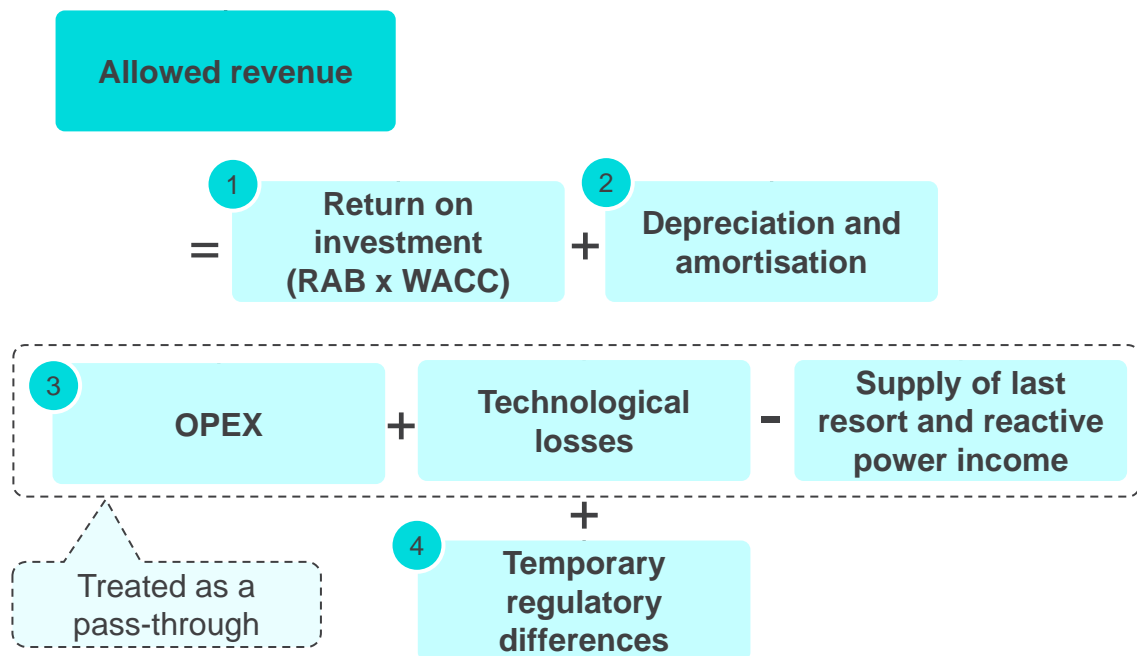


Networks operating model



Largest Network in the Baltics, with a natural monopoly in both electricity and gas distribution servicing **>99.3%¹ of the Lithuanian market**

Allowed revenue cap



Regulated WACC & regulatory periods



	Approved WACC	
	Electricity	
	2020: 5.28%	2020: 3.84%
	2021: 5.34%	2021: 3.90%
	Post 2021: expected 4.0-4.5% according to the new methodology	

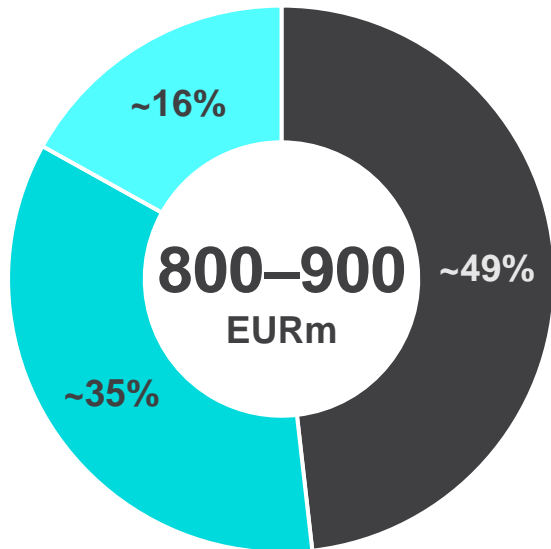
Year	Regulatory Period
'16 - '21	2016–2021 Current regulatory period
'22 - '26	2022–2026 New regulatory period
'19 - '23	2019-2023 Current regulatory period
'24 - '28	2024-2028 New regulatory period





Networks Investments

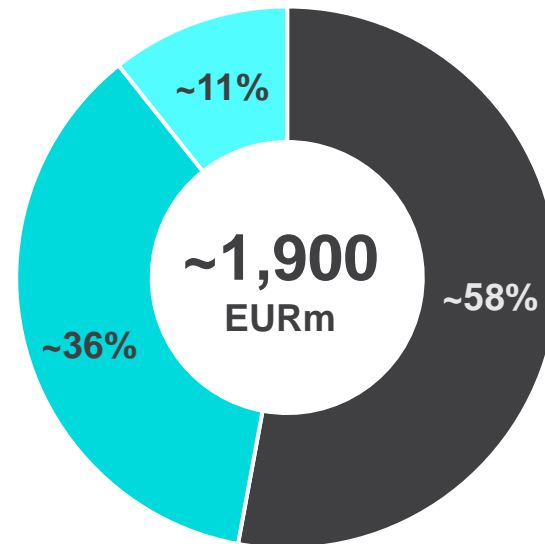
Investments 2021–2024

-  90%
-  10%



Investments 2020–2029

-  89%
-  11%



- Maintenance
- Growth: new connection points or upgrades
- Growth: smart meters

Networks in 2020



Electricity distribution network

126,105 km
9.55 TWh



Gas distribution network

9,690 km
7.06 TWh



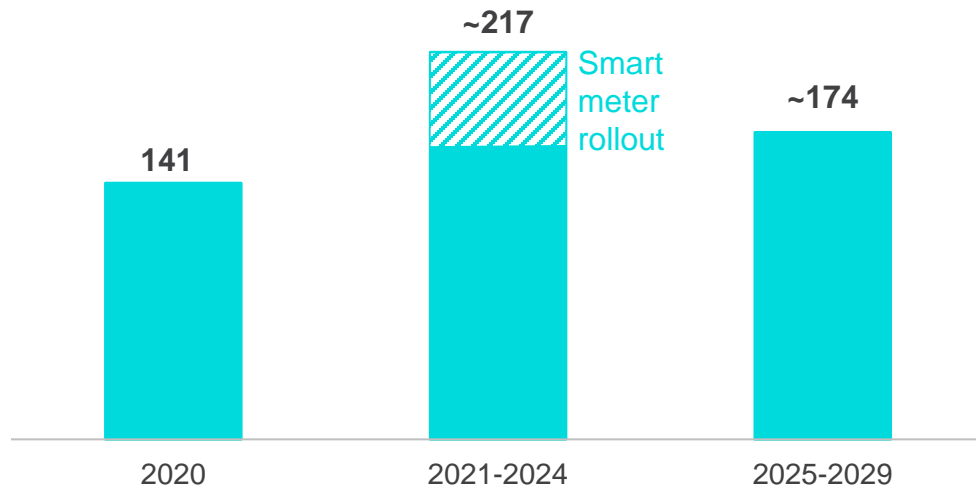
Residential and business customers

1.8 m



Investing to digitise the network and to further improve the efficiency and service quality

Average annual investments, EURm



In 2020, investment level was lower than planned by 26 EURm mainly due to COVID-19 effects and quarantine restrictions applied

Investment areas over 2021–2024

Improvement of service quality, network efficiency and resilience:



Transition from overhead electricity distribution lines to underground cables



Facilitating grid connections and empowering prosumers and decentralised generation



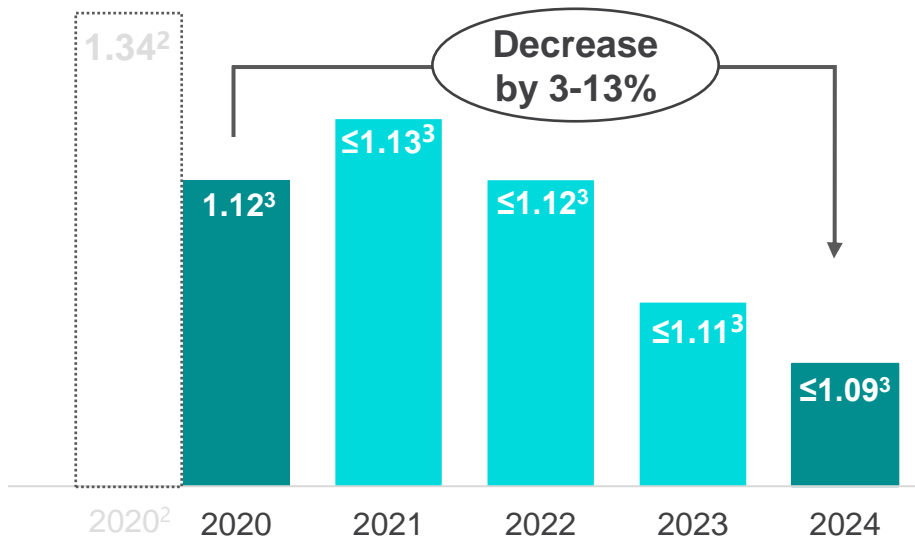
Roll-out of smart meters



Focus on efficiency and digitisation

Improving quality of service – Electricity SAIFI

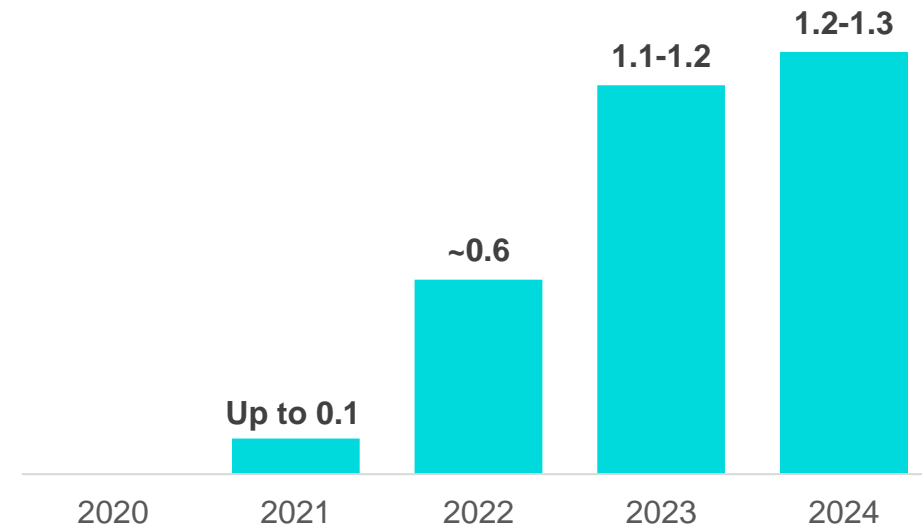
Investments in service quality and network efficiency will boost the network resilience, resulting in an expected decline of the SAIFI indicator



Network digitisation – Smart meter rollout

By the end of 2023, we aim to install smart meters for all business customers and households, consuming >1.000 kWh/year¹.

Further installations of smart meters will be continued as ongoing operating activities



Flexible Generation

Reliable and flexible power system



 **ignitis**
gamyba

 **ignitis**
group

8 DECENT WORK AND ECONOMIC GROWTH



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



13 CLIMATE ACTION



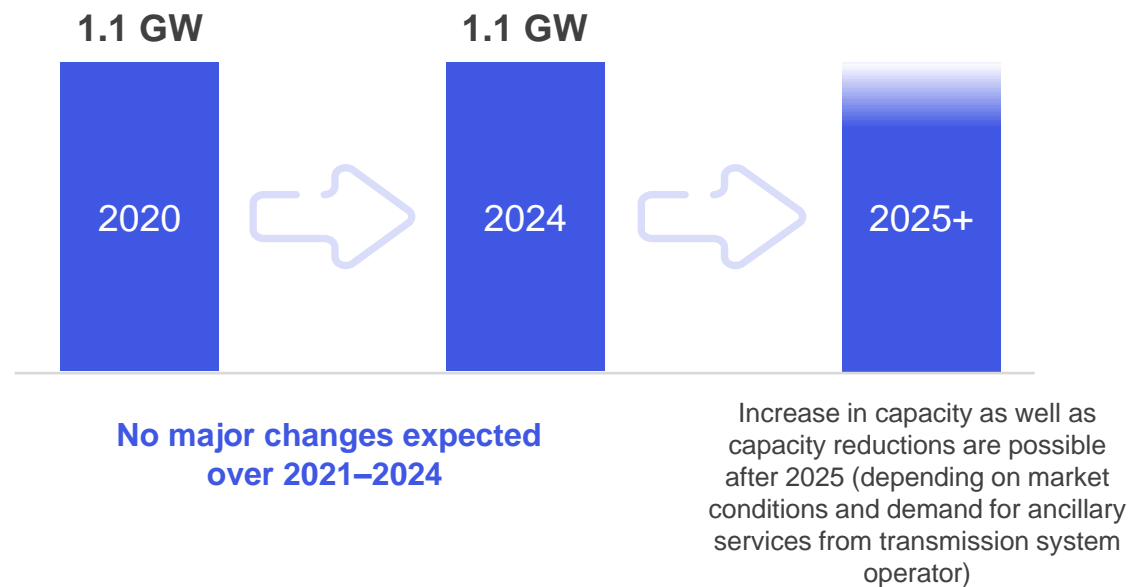


Ensuring reliability and flexibility of the power system



Service	2020	2024
Tertiary reserve	Units 7&8 are providing 475 MW of reserve	Stable outlook
Other ancillary services	CCGT is providing "isolated system operation" ancillary services	Stable outlook
Merchant generation	1,208 GWh generated (3,697 operating hours of CCGT)	Operating hours and generation levels of CCGT expected to fluctuate around 2020 level with expected lower margin due to more expensive gas and emission allowances (EUAs)
Capacity provision within newly established capacity remuneration mechanism	Capacity mechanism is still waiting EU approval and has not come into force yet ¹	Both CCGT and units 7&8 are well positioned to be successful in prospective capacity auctions if any

We aim to contribute to the synchronisation with the continental European network



1. First auctions should be organised after Lithuanian TSO updates the adequacy study and when EU Commission provides clearance for the Lithuanian capacity remuneration mechanism, which was approved by Lithuanian parliament in June 2020.

Customers & Solutions

Innovative solutions for easier life
and energy evolution



7 AFFORDABLE AND
CLEAN ENERGY



8 DECENT WORK AND
ECONOMIC GROWTH



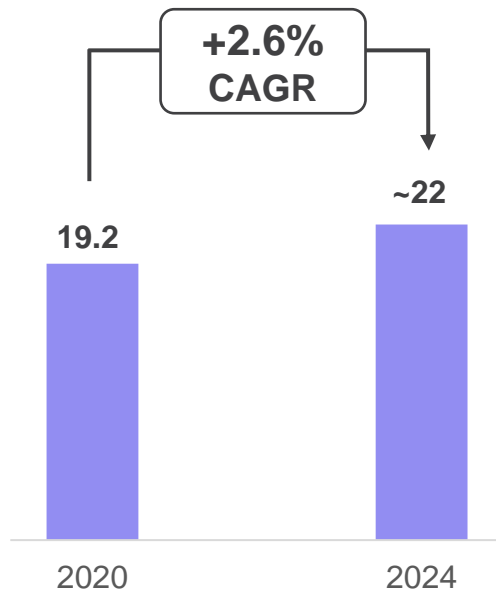
9 INDUSTRY, INNOVATION
AND INFRASTRUCTURE





Utilising energy supply & trading competences to grow and exploit synergies with Green Generation

Retail sales volumes (electricity and gas), TWh



B2B



Scaling electricity supply:

- Increase market share and keep the leading position in Lithuania
- Expand in Poland and Finland

Our market shares in 2020: 27% in LT; 10% in LV; <1% in PL

Gas supply expansion:

- Keep the leading position in Lithuania
- Expand in Poland and Finland

Our market shares in 2020: 64% in LT; 14% in LV; 13% in FI

Wholesale services and trading

Enabling industrial scale renewable energy development through:

- Utilise synergies with the Green Generation segment
- Facilitate electricity offtake agreements (PPA)
- Utilise renewable energy predicting, balancing and hedging competences and capabilities

Gas:

- Gas interconnection Poland–Lithuania (GIPL) will be launched in 2022 and will open new opportunities
- Actively manage designated LNG supply risks

B2C



Electricity supply deregulation in Lithuania (by 2023):

- Retain ~60% of B2C customers at each stage
 - Keep the leading position in Lithuania
- 2020: 3.0 TWh sold to 1.65m households. Deregulation started.*

Gas supply activities (regulated):

- Keep the leading position in Lithuania
- 2020: 2.3 TWh sold to 0.60m households*

Innovative products and projects

Growth with a focus on home markets through upselling the current customer base:

- Increase projects scope in our remote solar platform,
- Grow solar PV sales
- Expand EV charging network and grow EV charging stations sales
- Implement new ESCO projects

2020:

- Unique remote solar platform (6 MW or 1.7 MW of new capacity in 2020)
- Solar energy for homes and businesses (6.6 MW of new capacity)
- EV network - 82 stations (whereof 62 fast-charging)
- ESCO solutions (6 new projects)

Financials

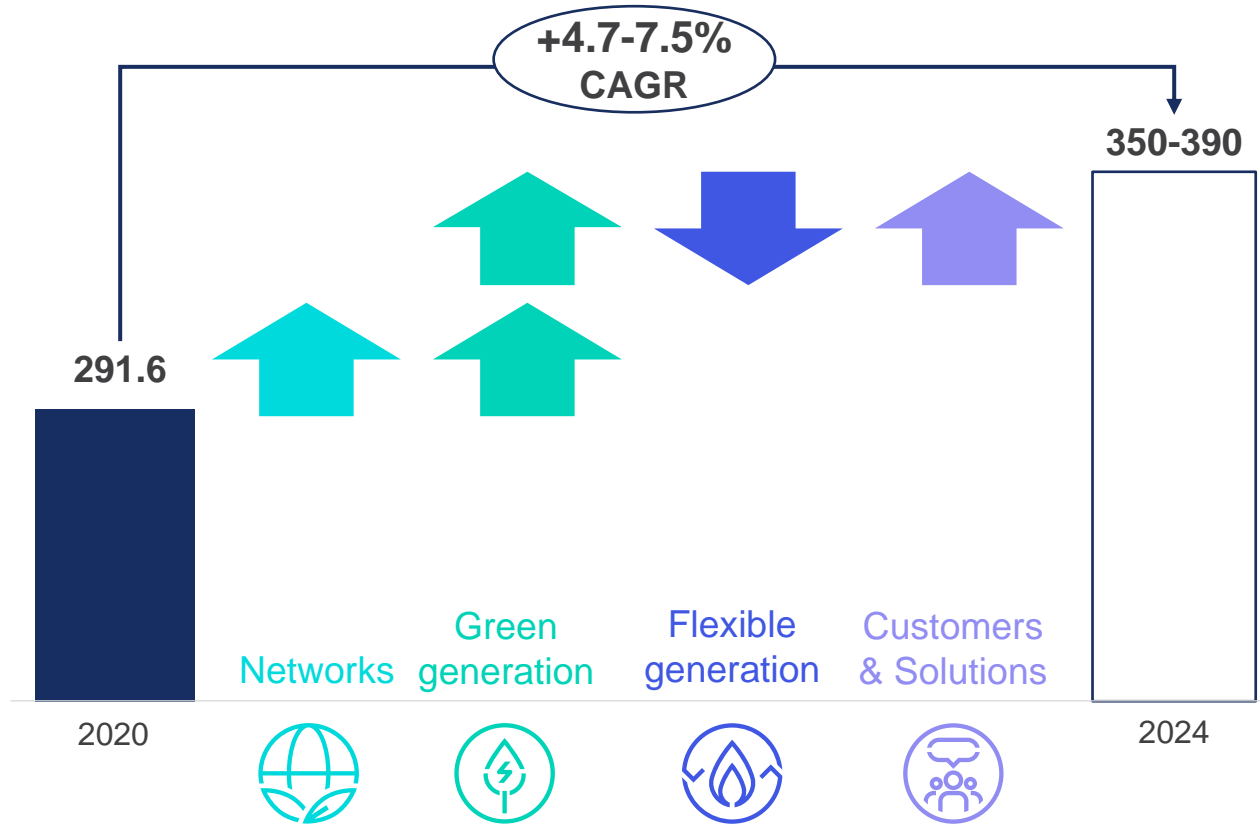
Target returns, leverage and dividends



Target returns

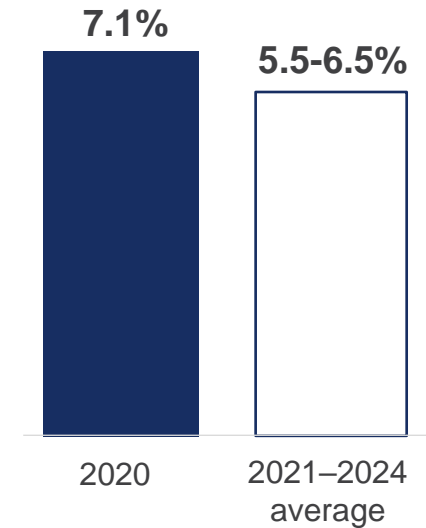
EBITDA expected to grow by **4.7–7.5%** annually driven by Green Generation

Adjusted EBITDA, EURm



Adjusted ROCE, %

Revised WACC in electricity DSO is the key driver for the lower 2021–2024 targeted level

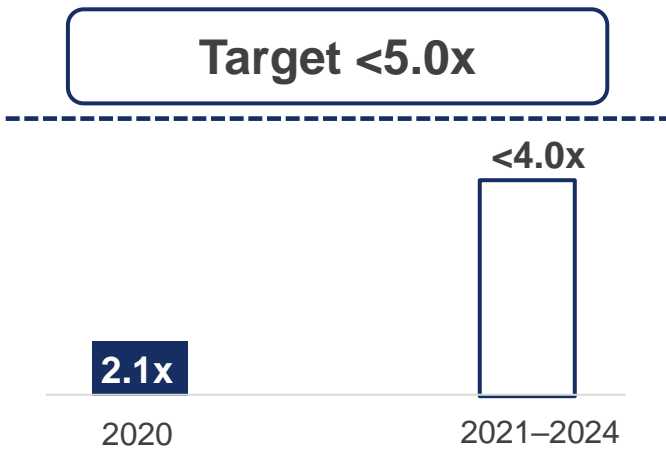


Sound leverage metrics

Commitment to solid investment–grade rating: BBB or above

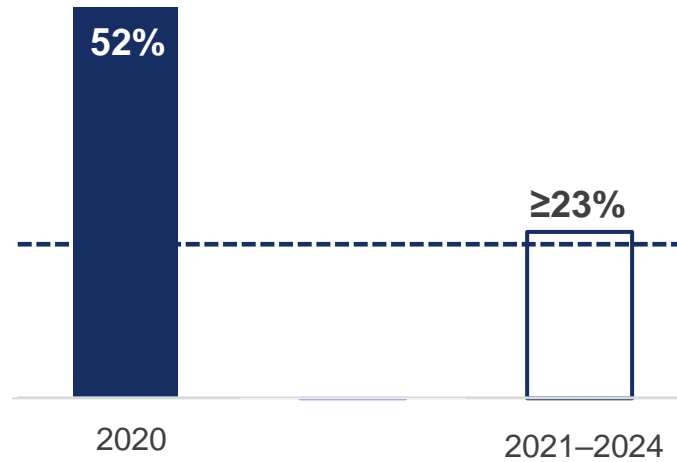
Net debt/adjusted EBITDA

Net Debt/adjusted EBITDA ratio is expected to be below 4x during 2021–2024



FFO/Net debt, %

FFO/Net debt is expected to remain above 23% during 2021–2024 (S&P threshold for BBB+ rating)



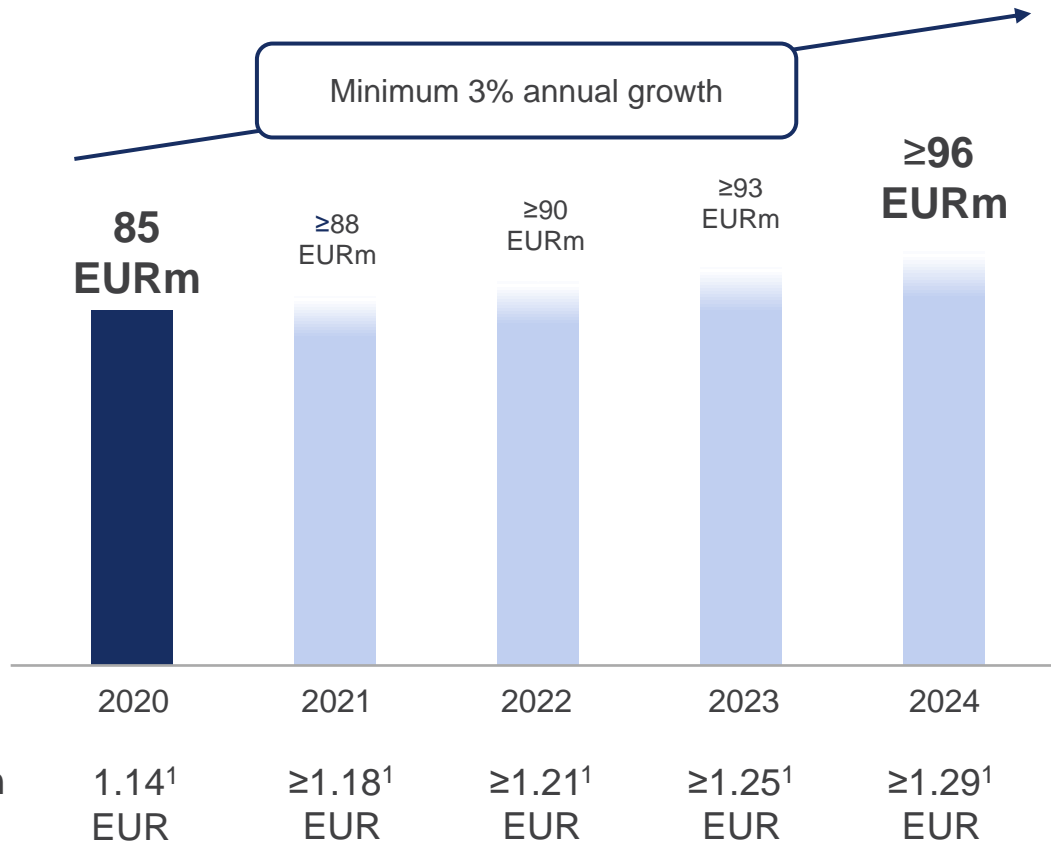
We expect to keep

BBB+

rating over the 2021–2024 period

Growing dividends

Minimum annual dividends, EURm



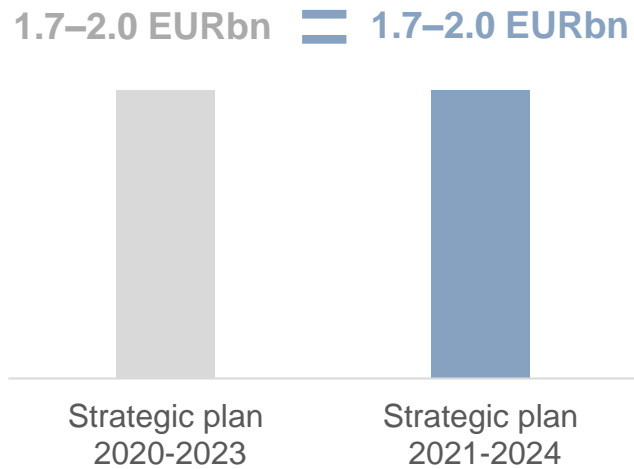
Updated dividend policy

Following the IPO, we have reviewed our dividend policy. It is now based on a fixed starting level of 85 EURm declared for 2020 and a minimum annual growth of 3% going forward. We also have the flexibility to distribute excess cash if available.

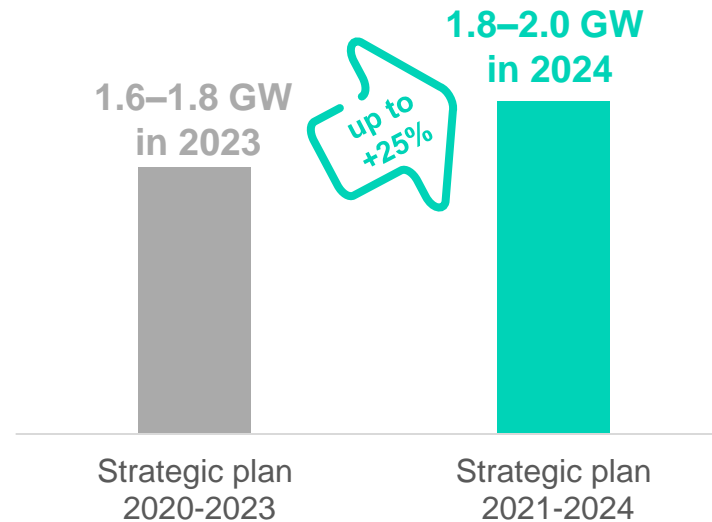
1. Calculated based on the No. of shares at the end of 2020 (post-IPO: 74,283,757 ordinary shares).

Strategic plan 2021–2024 vs. 2020–2023

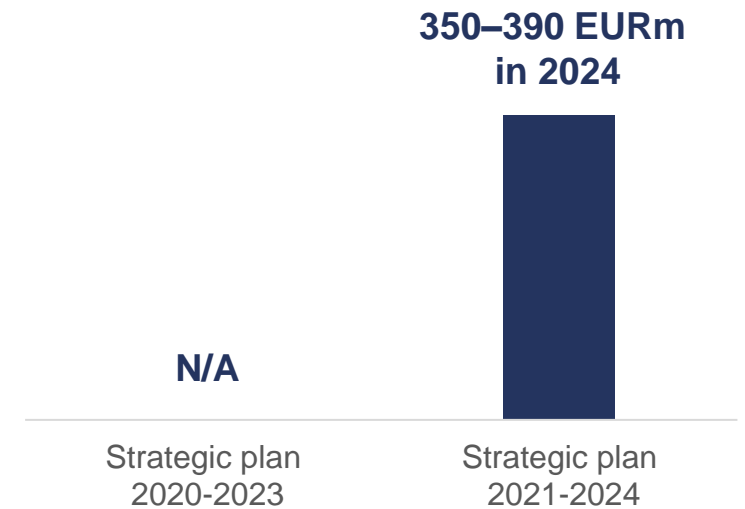
INVESTMENTS



GREEN GENERATION CAPACITY



ADJUSTED EBITDA



Strong commitment to a sustainable future



Sustainability: relevant aspects & ratings

Environmental, social and governance criteria are an integral part of our business goals

Environment (for detailed targets see [slide 36](#))



Climate change and energy transition Energy efficiency Air, land and water quality

Social (for detailed targets see [slide 38](#))



Occupational health and safety Local communities Employee engagement Employee diversity

Governance (for detailed targets see [slide 39](#))



Supply chain sustainability Anticorruption and transparency Sustainability governance & accountability

Expected ESG ratings in 2021–2024:

- **Sustainalytics ESG Risk Rating:** medium (approaching low) category
- **MSCI ESG Rating:** from A to AA
- **Lithuania's Good Corporate Governance Index:** retain A+

Sustainability milestones and goals

Environmental dimension



	Climate change and energy transition	Energy efficiency	Air, land and water quality
2020	<ul style="list-style-type: none"> – 1.1 GW installed green generation capacity – 82 EV charging network stations – Precise CO₂ emissions calculation completed 	<ul style="list-style-type: none"> – Exceeded customer energy savings² goal of 370 GWh in 2020 – 5.31 GWh customer energy savings impact through educational measures 	<ul style="list-style-type: none"> – 0 environmental accidents and 1 minor violation⁴
2021–2024 goals and targets	<ul style="list-style-type: none"> – Grow our green generation capacities to 1.8–2.0 GW by 2024 – Expand EV charging network 3x vs. 2020 – Align the GHG management plan with SBTi¹ to be in line with net zero emissions by 2050 and reach CO₂ management targets specified in the plan 	<ul style="list-style-type: none"> – 290.6 GWh cumulative energy savings³ over the period of 2021-2024 to final energy users – Deployment of 1.1–1.2m smart meters by the end of 2023 	<ul style="list-style-type: none"> – 0 environmental accidents and penalties
	SDGs 7, 9, 12, 13	SDGs 7, 9, 12, 13	SDGs 12, 14, 15

1. Science Based Targets initiative.
 2. Including ESO technical savings and customer savings.
 3. Only including savings through smart meter implementation.
 4. Received a fine in the amount of 100 EUR.

GHG emissions management



We manage our emissions in line with the Green Generation development, planned production in other operational assets and sustainability priorities

Our pathway to net CO₂ neutrality by 2050:

- Historically, our generation-based greenhouse gas (GHG) emissions follow a downward trend and in 2020 our total emissions decreased compared to 2019. However, due to increased Flexible Generation, in 2020 our generation-based emissions grew. Through our Flexible Generation assets, we contribute to safeguarding the stability and security of the national energy system in line with regulation and national self-sufficiency goals of Lithuania.
- In the period of transition towards decarbonisation:
 - some direct source emissions (scope 1) will inherently depend on energy production amounts in the Elektrėnai Complex (mainly Combined Cycle Unit), Kaunas and Vilnius cogeneration power plants;
 - indirect source emissions (scope 2) – on the electricity consumption (mainly at Kruonis PSHP);
 - other indirect emissions (scope 3) – on gas prices and sales of natural gas and electricity.
- We are examining alternatives to reduce the potential rate of increase in GHG emissions in the short-term and we are **committed to reach net zero emissions in 2050**. Therefore, we plan to align our long-term targets with SBTi in 2021.

Emissions intensity of generated electricity and heat¹



1. Flexible Generation mainly consists of electricity and heat production in Elektrėnai Complex. Data for 2020 is being verified at the date of publication of the report. Data provided for the year 2021-2024 is only a preliminary forecast.

Sustainability milestones and goals

Social dimension



	Occupational health and safety	Local communities	Employee engagement	Employee diversity
2020	<ul style="list-style-type: none"> – 0 employee fatal accidents – 0.45¹ total recordable employee injury rate (TRIR) for a million hours worked 	<ul style="list-style-type: none"> – Prepared unified community engagement guidelines 	<ul style="list-style-type: none"> – eNPS=56% 	<ul style="list-style-type: none"> – 0 human rights violations – 17% women in IT and engineering positions – 22% women in top² management positions
2021–2024 goals and targets	<ul style="list-style-type: none"> – 0 fatal accidents of employees – ≤2.29 total recordable injury rate (TRIR) for a million hours worked by employees – In 2021, implement TRIR monitoring for contractors 	<ul style="list-style-type: none"> – Community engagement and consultation measures specified in the guidelines applied to 100% of communities in which we operate 	<ul style="list-style-type: none"> – eNPS for every next performance period at least ≥95% of previous year's level – 20% employees participate in corporate volunteering initiatives at least once 	<ul style="list-style-type: none"> – 0 human rights violations – 5% improvement of gender balance in engineering and IT positions. – 5% improvement of gender balance among top² management, increasing leadership pipeline of underrepresented gender
	SDGs 3, 8	SDGs 11, 12	SDGs 7, 10	SDGs 5, 7, 10

1. TRIR value for 2020 is an outlier due in large part to the mobility restrictions imposed by the Covid-19 pandemic. Target for 2024 is based on the 2019 baseline of 2.29.
 2. Boards, general managers and 1st management level below them.

Sustainability milestones and goals

Corporate governance dimension



	Supply chain sustainability	Transparency and anticorruption	Sustainability governance & accountability
2020	<ul style="list-style-type: none"> – More than 90% of total procured value involved supplier screenings¹ as part of procurement procedures – 13.1% (a reduction of 4.7 percentage points compared to 2019) in the share of published procurements that received only one bid 	<ul style="list-style-type: none"> – A+ transparency rating in Good Corporate Governance Index – 94.5% employee participation in anticorruption training – 99.8% new employees formally signed off on the Code of Ethics 	<ul style="list-style-type: none"> – Created Sustainable Development Committee on the basis of Green Bond Committee est. in 2017 – Disclosed all sustainability-related policies – ESG disclosures in line with the GRI and Nasdaq ESG requirements
2021–2024 goals and targets	<ul style="list-style-type: none"> – Supplier screenings¹ conducted as part of procurement procedures representing at least 90% of total procured value – Supplier Code of Ethics prepared and compliance assured by all² suppliers participating in written procurement procedures – Share of published procurements that only receive one bid not exceeding 15% 	<ul style="list-style-type: none"> – Retain A+ transparency rating in Good Corporate Governance Index – 100% participate and 80% employees pass anticorruption and Code of Ethics knowledge tests 	<ul style="list-style-type: none"> – Conduct a materiality assessment in line with AA1000 accountability principles for all business segments, draw specific targets and develop sustainability programs – Begin submission of CDP climate change questionnaire in 2021 – Implement TCFD recommendations on climate change disclosures in 2022
	SDGs 11, 12	SDGs 8, 12, 16	SDGs 8, 12, 16

1. Supplier screenings are conducted, which include: criminal activity, fraud, corruption, terrorist activity, money laundering, child labour and other forms of human trafficking, tax evasion, illegal agreements, professional misconduct, etc. As part of the Anticorruption management system, additional due diligence is performed to ensure anticorruption compliance.
 2. Excluding cases when, due to the applied legal procedure or format, formal confirmation of compliance is not possible.

Our strategic KPIs and targets



Our KPIs for creating a sustainable future



		2020 actual	2021	2022	2023	2024 target
Growing renewables	Green generation capacity, GW	1.1				1.8–2.0
Resilient network	Electricity SAIFI ¹ , interruptions per customer	1.12	≤1.13	≤1.12	≤1.11	≤1.09
Network digitisation	# Smart meters, million	-	Up to 0.1	~0.6	1.1–1.2	1.2-1.3
Flexible energy system	Ancillary services, market position	#1 in LT			#1 in LT	
Scaling energy supply	Retail sales volumes (electricity and gas), TWh	19.2				~22
Becoming CO₂ neutral	Net GHG emissions, thousand t CO ₂ eq	7,778 ²	According to GHG emissions management plan aligned with SBTi ³			
Safety at work	Total recordable injury rate & # of fatal accidents ⁴	TRIR=0.45 ⁵ & FA=0	TRIR ≤2.29 & FA=0			
Engaged employees	Employee NPS, %	56%	≥95% of previous year level for every next period			
ESG-principles-driven	MSCI ESG & Sustainalytics ESG risk indices	A & Medium	Improved (at least one)			
Investing for growth	Investments, EURbn	0.35 ⁶				1.7–2.0

1. Excluding exceptional events approved by regulatory authority (NERC).

2. Scope 1-3 (market-based). Data is being verified at the date of publication of the document, therefore it may slightly change.

3. Detailed plan to be aligned with SBTi in 2021.

4. Own employees. Total recordable injury rate (TRIR) for million hours worked by employees. Number of Fatal Accidents (FA) during performance period. Contractors to be included starting for the next strategic period.

5. TRIR value for 2020 is an outlier due in large part to the mobility restrictions imposed by the Covid-19 pandemic. Target for 2024 is based on the 2019 level of 2.29.

6. In 2020, investments were lower due to COVID-19 effect and restrictions applied during the quarantine periods (2019 – 0.45EURbn).

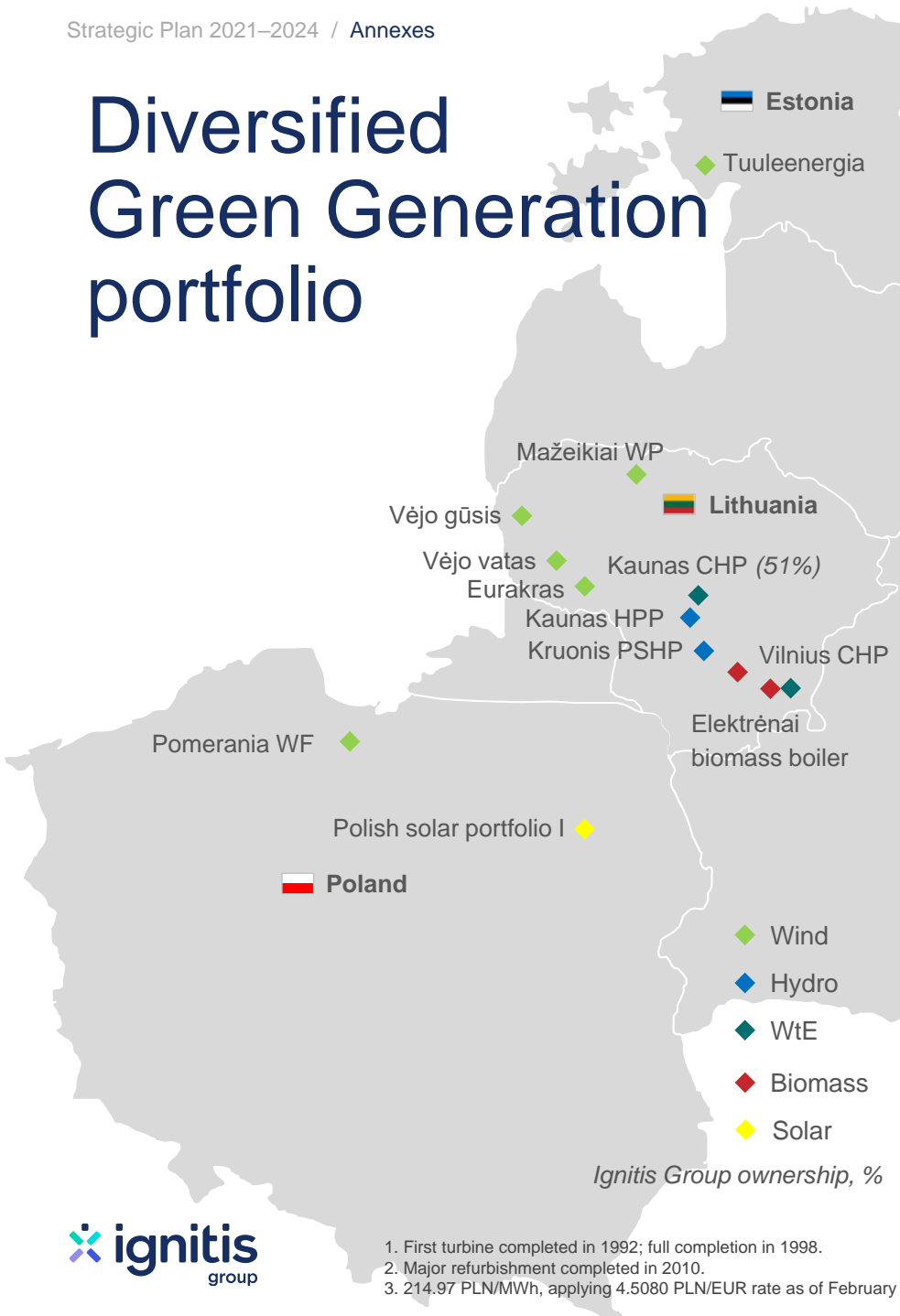
Our financial targets

		2020 actual	2021	2022	2023	2024 target
Sustainable growth	Adjusted EBITDA, EURm	291.6				350–390
Target returns	Adjusted ROCE, %	7.1%		Average 5.5–6.5%		
Sound leverage metrics	Net Debt/adjusted EBITDA, times	2.1x		< 4x		
Solid investment-grade rating	Credit rating S&P	BBB+		BBB+		
Growing dividends	Minimum DPS EUR/share	1.14 ¹	≥1.18 ¹	≥1.21 ¹	≥1.25 ¹	≥1.29 ¹

Annexes



Diversified Green Generation portfolio



Operating

Name	Capacity (MWe)	Capacity (MWth)	COD	Subsidy scheme	Subsidy (EUR/MWh)	End of subsidy
Kruonis PSHP	900	–	1992–1998 ¹	–	–	–
Kaunas HPP	101	–	1959 ²	–	–	–
Kaunas CHP	24	70	2020	–	–	–
Eurakras	24	–	2016	FiT	71	2027
Vėjo gūsis	19	–	2008–2010	FiT	87	2022 ⁴
Tuuleenergia	18	–	2013–2014	FiP	54	2026 ⁵
Vėjo vatas	15	–	2011	FiT	87	2023
Elektrėnai biomass boiler	–	40	2015	–	–	–
Total	1,101	110				

Under construction

Name	Capacity (MWe)	Capacity (MWth)	COD	Subsidy scheme	Subsidy (EUR/MWh)	End of subsidy
Vilnius CHP	92	229	2021		EU capex subsidy	
Pomerania WP	94	–	2021	Indexed CfD	48 ³	2035
Mažeikiai WP	63	–	2023		–	
Total	249	229				

Under development

Name	Capacity (MWe)	Capacity (MWth)	COD	Subsidy scheme	Subsidy (EUR/MWh)	End of subsidy
Polish solar portfolio I	Up to 170	–	2021–2023	Indexed CfD	N/A	N/A
Moray West offshore wind	–	–	2025	N/A	N/A	N/A
Lithuanian offshore wind	700	–	2028	N/A	N/A	N/A
Kruonis PSHP expansion	110	–	2025 ⁶	N/A	N/A	N/A
Total	Up to 980	0				
TOTAL	Up to 2,330	339				

1. First turbine completed in 1992; full completion in 1998.

2. Major refurbishment completed in 2010.

3. 214.97 PLN/MWh, applying 4.5080 PLN/EUR rate as of February 1st, 2021.

4. 9 MW expiring on 01/03/2022 and 10 MW to expire on 01/12/2022.

5. Expiry for 12 MW; Generation from the remaining 6 MW of capacity is sold at market prices without such support.

6. Tentative schedule is targeted to be aligned with Lithuanian synchronization to European continental networks project.

Green Generation operating assets



Kruonis PSHP



Kaunas HP



4 wind farms



Kaunas CHP



Elektrėnai boiler

Electricity capacity

Heat capacity

Energy source

Location

Revenue source

Other info

Investments 2021-2024

900 MW

-

Hydro (pumped storage)

Lithuania

~13/87% regulated/merchant¹

4 units of 225 MW

~10-15 EURm²

101 MW

-

Hydro (river flow)

Lithuania

Merchant

4 units of 25 MW

~10-15 EURm²

76 MW

-

Wind

Lithuania and Estonia

FIT (LT), FIP (EE)

LT 58 MW, EE 18 MW

0 EURm

24 MW (WtE)

70 MW (WtE)

Waste

Lithuania

Merchant

Partnership with Fortum

~1 EURm

-

40 MW

Biomass

Lithuania

Merchant

-

0 EURm

1. Proportions based on 2020 adjusted EBITDA. Regulated portion is based on RAB*WACC model.
 2. Major refurbishments included. Normal level of maintenance capex is substantially lower. Kruonis PSHP 1-4 units (excluding additional capacity expansion).

Flexible Generation operating assets

CCGT of Elektrėnai complex

Units 7-8 of Elektrėnai complex

Electricity capacity	455 MW	600 MW
Energy source	Gas	Gas
Location	Lithuania	Lithuania
Revenue source	~37%/63% regulated/merchant ¹	100% regulated
Other info	COD in 2012	2 units of 300 MW
Investments 2021-2024	Up to 15 EURm	



Innovation-driven to ensure our long-term success



#Open funding

Investments by Ignitis Innovation Fund
(managed by Contrarian ventures)



#Open culture

Internal and external initiatives to promote
Energy Tech and attract innovative ideas



#Open data and infrastructure

Sharing data and inviting to Sandbox program
to create and prove new concepts



#Open partnerships

Cooperation with universities, companies,
utilities for R&D and experience sharing projects

Selected investments by our corporate venture capital fund:



Automating solar design
and engineering



Accelerating the sustainable
mobility transition



Raising the IQ of the world's
batteries



Green, carbon-free hydrogen
production technology



AI automating infrastructure
inspection



Making sustainable mobility
solutions to gig workers

Abbreviations

Indicator	Definition
#	Number
%	Per cent
Adjusted EBITDA	EBITDA after eliminating items, which are non-recurring, and/or non-cash, and/or related to other periods, and/or non-related to the main activities of the Group, and after adding back items, which better reflect the result of the current period
B2B	Business to business
B2C	Business to consumer
CAPEX	Capital expenditure
CAGR	Compound Annual Growth Rate
CCGT	Combined cycle gas turbine
CDP	Carbon Disclosure Project
CfD	Contract for difference
CHP	Combined heat and power
CO ₂	Carbon dioxide
COD	Commercial operations date
Designated supplier	The designated supplier sells the mandatory quantity of LNG on the competitive market, being compensated only for expenses which it incurred due to the specifics of its activity as the designated supplier and which other natural gas suppliers do not incur
DPS	Dividend per share
eNPS	Employee Net Promoter Score
ESG	Environmental, social and corporate governance
EURbn	billion EUR
EURm	million EUR
EV	Electric vehicle
FA	Fatal Accidents
FFO	Funds from operations
FI	Finland
FIT	Feed-in tariff – fixed electricity purchase tariff
FIP	Feed-in premium – fixed premium to the electricity market price
GHG	Greenhouse Gas
GRI	Global Reporting Initiative
GW	Gigawatt

Indicator	Definition
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
LY	Last year
LNG	Liquefied natural gas
LT	Lithuania
LV	Latvia
MW	Megawatt
MWe	Megawatts electric
MWth	Megawatt thermal
Net debt/EBITDA	Leverage ratio, which shows the Group's ability to repay its debt from the profit earned.
OPEX	Operating expenses
PL	Poland
PPA	Power purchase agreement
RAB	Regulated asset base
ROCE	Return on Capital Employed
SAIFI	System Average Interruption Frequency Index, excluding exceptional events approved by regulatory authority
SBTi	Science Based Targets initiative
SDG	Sustainable Development Goal
Supply of last resort	Supply of electricity in order to meet electricity demand of customers who have not selected an independent supplier under the established procedure, or an independent supplier selected by them does not fulfil its obligations, terminates activities or the agreement on the purchase and sale of electricity
TBD	To be determined
TCFD	Task Force on Climate-Related Financial Disclosures
TRIR	Total Recordable Incident Rate
TSR	Total Shareholder Return
TWh	Terawatt-hour
UN	United Nations
vs.	versus
WACC	Weighted average cost of capital
WtE	Waste-to-energy