



Strategy update | Strategic plan 2023–2026

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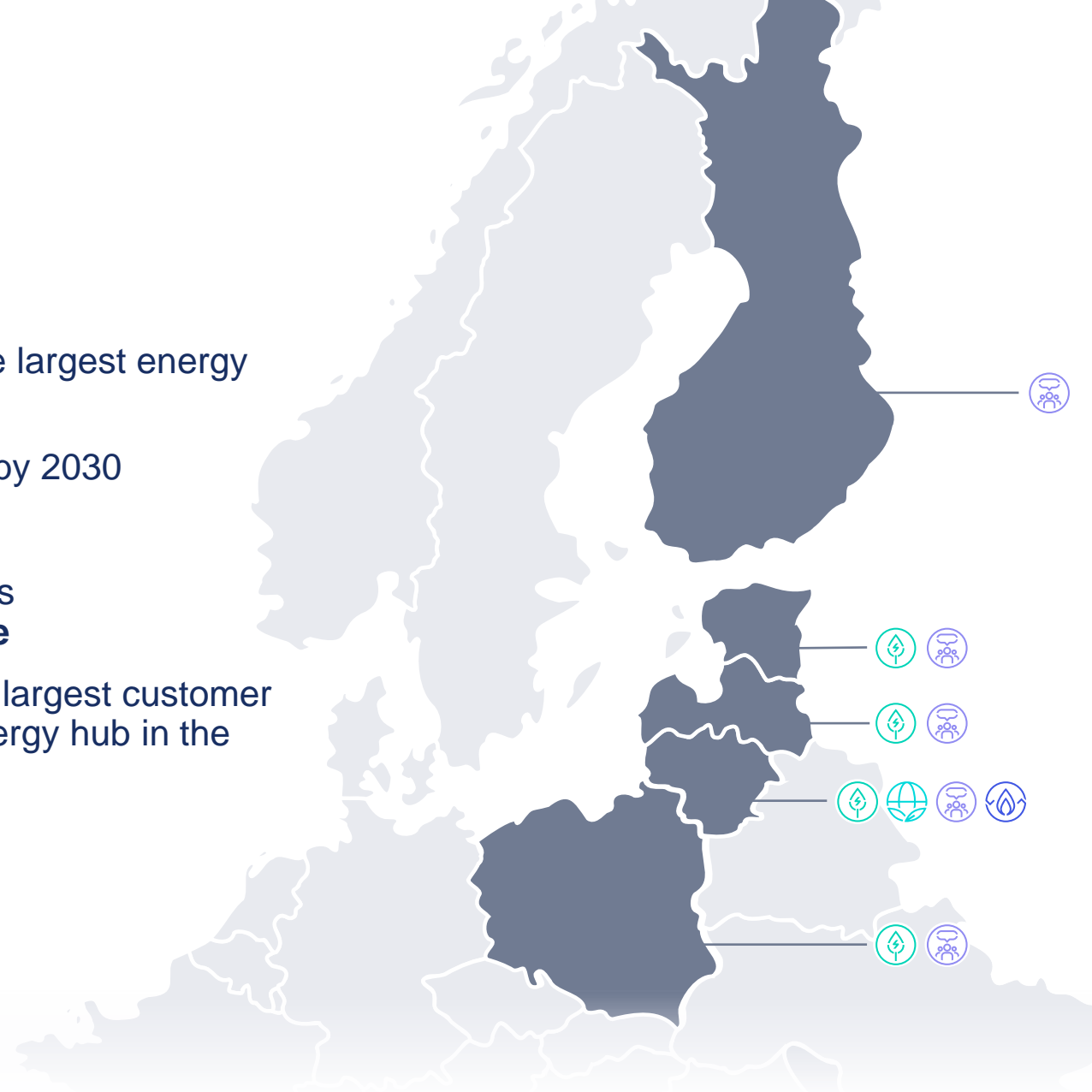
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1. Business model

Renewables-focused integrated utility

Ignitis Group

- **Renewables-focused integrated utility** and the largest energy group in the Baltics
- **4–5 GW** of installed Green Generation capacity by 2030
- **Net zero** emissions by 2040–2050
- Focus on green and flexible technologies such as **offshore wind, onshore hybrid, P2X & storage**
- **Integrated business model** benefiting from the largest customer portfolio, energy storage facility, network and energy hub in the Baltics
- Active in the **Baltic states, Poland and Finland**



Integrated business model

#1 in Lithuania¹
#2 in the Baltics¹



Green Generation



Installed capacity: 1.2 GW
Pipeline: 4.1 GW
Total portfolio: 5.3 GW

Strategic focus

Delivering **4–5 GW** of installed green and flexible capacities by 2030

Customers & Solutions



#1 in the Baltics²

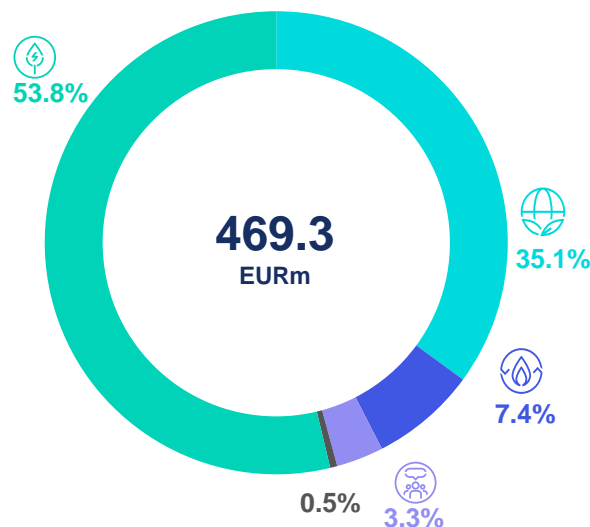


The largest customer portfolio in the Baltics:
1.4 million customers

Strategic focus

Utilising and further expanding customer portfolio to enable Green Generation build-out

Adjusted EBITDA 2022



Reserve Capacities

Highly regulated gas-fired powerplants mainly operating as system reserve

Largest energy hub in the Baltics³

Strategic focus

Contributing to the security of the energy system

#1 in Lithuania¹
#2 in the Baltics¹



Networks

Fully regulated country-wide natural monopoly

Regulated asset base (RAB): **EUR 1.3bn**

Strategic focus

Expanding a resilient and efficient network that enables electrification

#1 in the Baltics⁴



ESG leader

	Sustainalytics	MSCI ESG	CDP climate	EcoVadis
	19.9 (Low risk)	AA (Leader)	A- (Leadership)	78 (Platinum)
Rank compared to utility peers	Top 12%	Top 38% ¹	B ²	Top 3% ³

Following global initiatives and standards



Validated GHG emissions targets for 2030 with the SBTi.



Implemented TCFD recommendations on climate related financial disclosure.



Reporting in accordance with the globally recognised GRI standards.

Net zero emissions by 2040–2050



2. Context

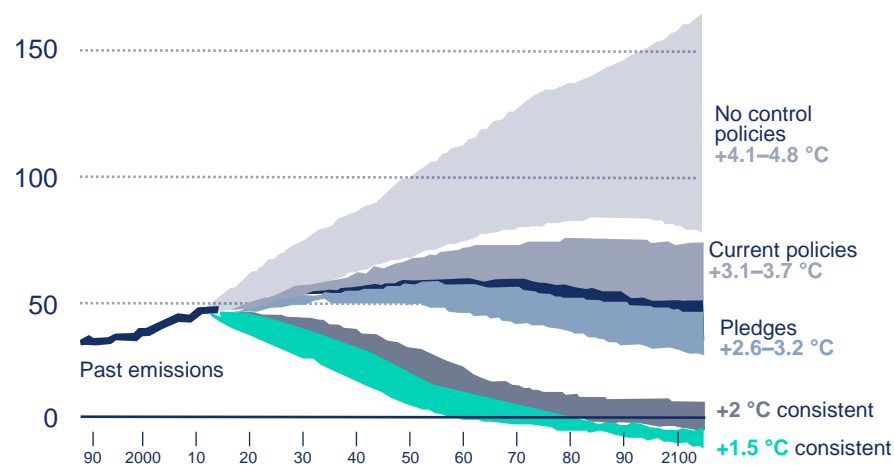
What drives our strategy?

The context (I)

What drives our strategy?

Global climate changes

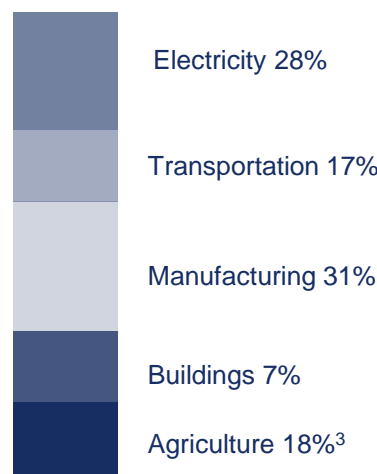
Global warming predictions
based on greenhouse gas emissions
(gigatonnes of CO₂ per year)



Efforts to limit **global** temperature increase to 1.5°C to reach **net zero by 2050 (Paris Agreement, 2015)**

Global contributors

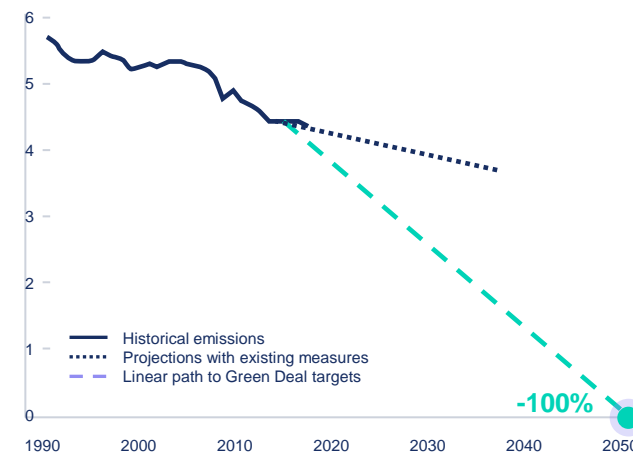
Top 5 sources of global greenhouse gas emissions



The main five sources of today's global greenhouse gas emissions are manufacturing, electricity, agriculture, transportation, buildings

EU response and climate action

EU targets. The European Union proposes an ambitious reduction of emissions
(millions of kilotonns of CO₂ equivalents)



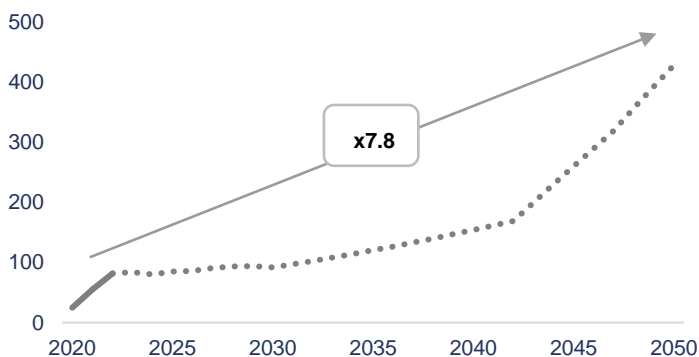
The EU aims to be **climate-neutral** by 2050 (**European Green Deal, 2020**) in line with the Paris Agreement.

The context (II)

What drives our strategy?

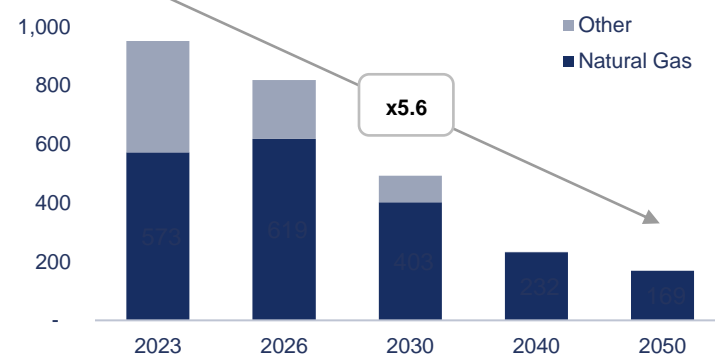
Growing EUA prices

Carbon Emission Prices,¹ nominal, EUR/tonne



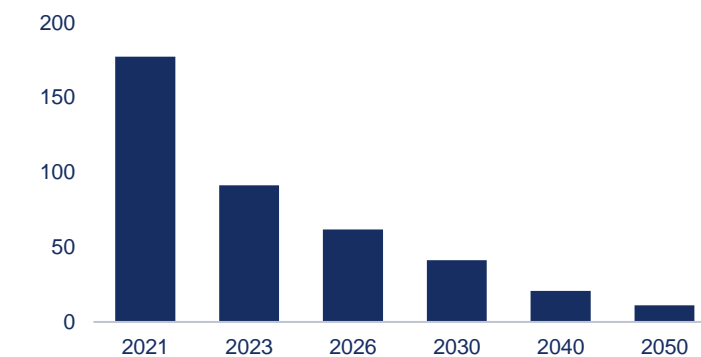
Phase-out of conventional plants

EU Fossil fuel based production,² TWh



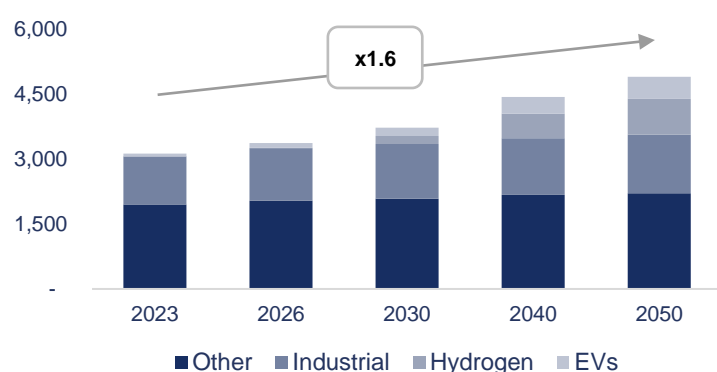
Energy security and independence (EU)

European Natural gas import from Russia,³ billion m³



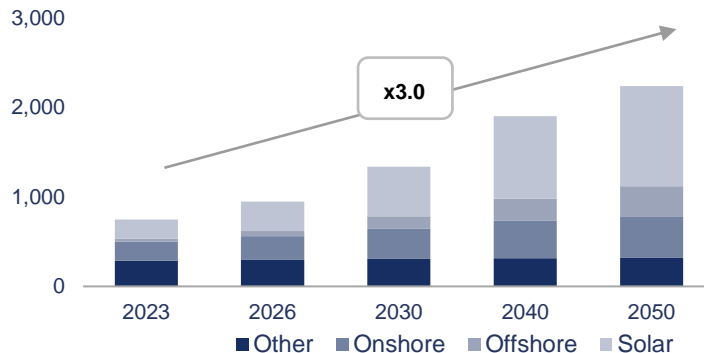
Growing demand for electricity

EU electricity demand,² TWh per annum



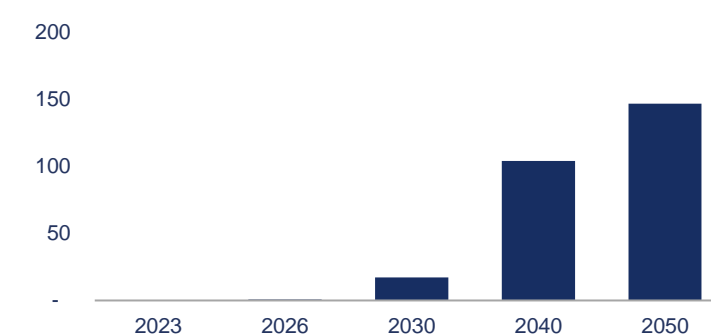
Green generation capacity targets

EU renewable capacity,² GW



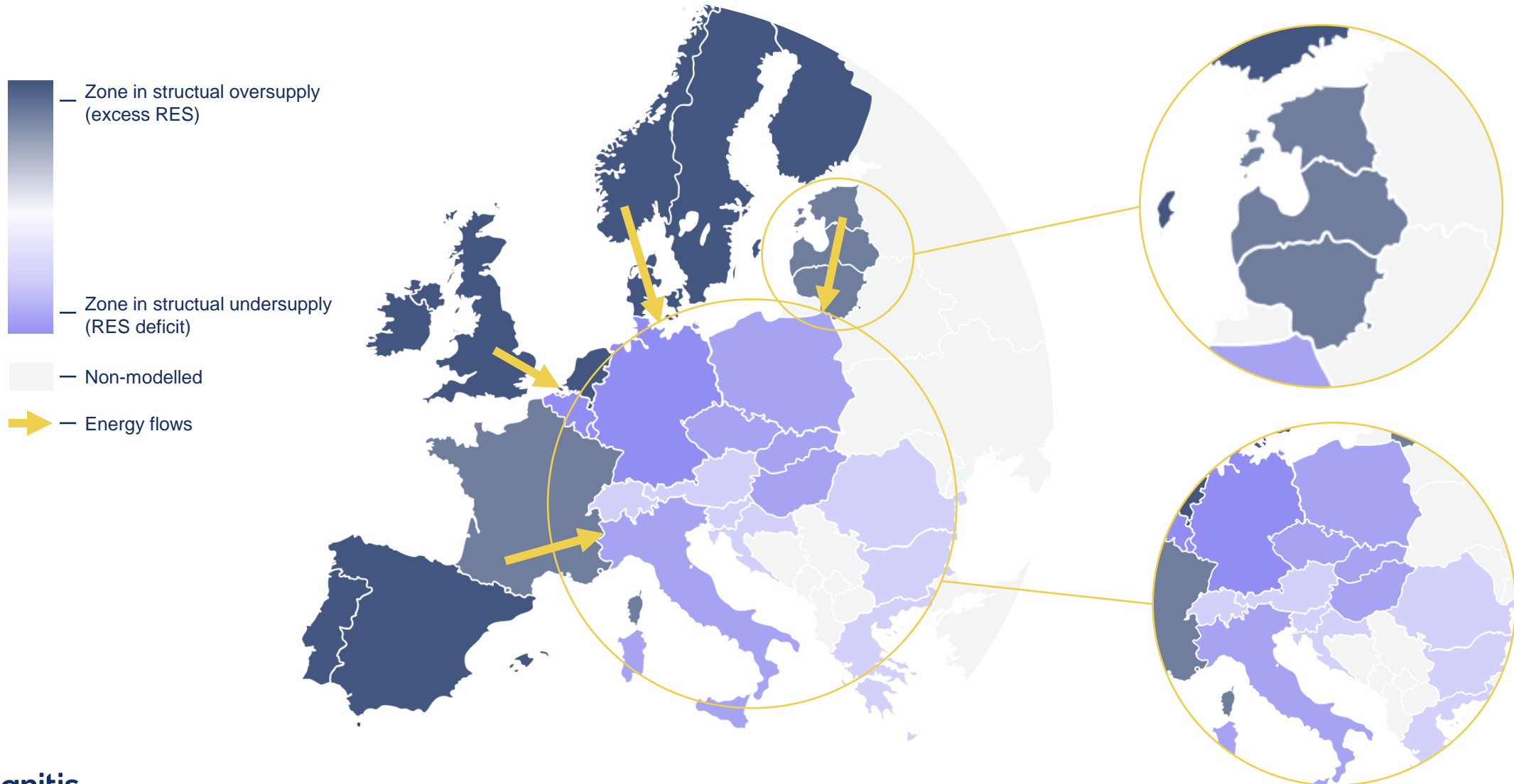
Growing power-to-X capacities

European P2X capacity,² GW



Demand and supply in Europe

The Baltic states and the Nordic countries will become substantial suppliers of both electricity and hydrogen for Central Europe (incl. Germany)





3. Purpose

100% green and secure energy ecosystem

Purpose

**Our purpose is to create
a 100% green and secure
energy ecosystem
for current and future
generations**



We fulfil our purpose by leading the regional transition into a climate-neutral, secure and independent energy ecosystem and contributing to Europe's decarbonisation by facilitating renewable energy flows from Northern to Central Europe (incl. Germany).

By leading the regional transition in Lithuania and the Baltics, we strive to become one of the first 100% green energy systems in Europe.

By energy ecosystem we mean the combination of the multiple interdependent parties involved in the generation, consumption, transformation and transportation of clean energy (including industry, transport and heating).

Purpose-driven priorities

Green

1

Flexible

2

Integrated

3

Sustainable

4

Growing green capacities

Creating a flexible system that can operate on 100% green energy in the short, medium, and long term

Utilising the integrated business model to enable green and flexible generation build-out

Maximising sustainable value

4–5 GW installed Green Generation capacity by 2030

- **Pumped-storage hydro:** 1.0 GW in 2026
- **Batteries:** commercial-scale by 2026
- **Power to X:** successful P2X pilot project, paving the way for commercial scale

Leveraging strong position in the Baltics:

- The largest customer portfolio
- The largest energy storage facility
- The largest network
- The largest energy hub

Net zero by 2040–2050

ESG leadership
Taxonomy-aligned investments

≥3% annual dividend growth

4. Business segments

Green Generation | Customers & Solutions | Reserve Capacities | Networks



Green Generation

Strategic priorities:

Delivering 4–5 GW of installed green and flexible capacities by 2030 with a focus on:

- Offshore wind
- Onshore hybrid
- P2X & storage

Focus markets:

The Baltic states and Poland.
We are also exploring new opportunities in other EU markets undergoing energy transition



Significant opportunities in the home markets

Lithuania: Structural electricity deficit

Only ~1/3 of electricity consumption is covered by national generation. The country aims to become self-sufficient, therefore, a significant build-out of domestic generation assets is expected.

Poland: Transition away from coal generation

Coal generation represented >70% of the generation mix in Poland in 2022. This is expected to gradually decline and be replaced by renewable energy.

Estonia: Phase-out of oil shale

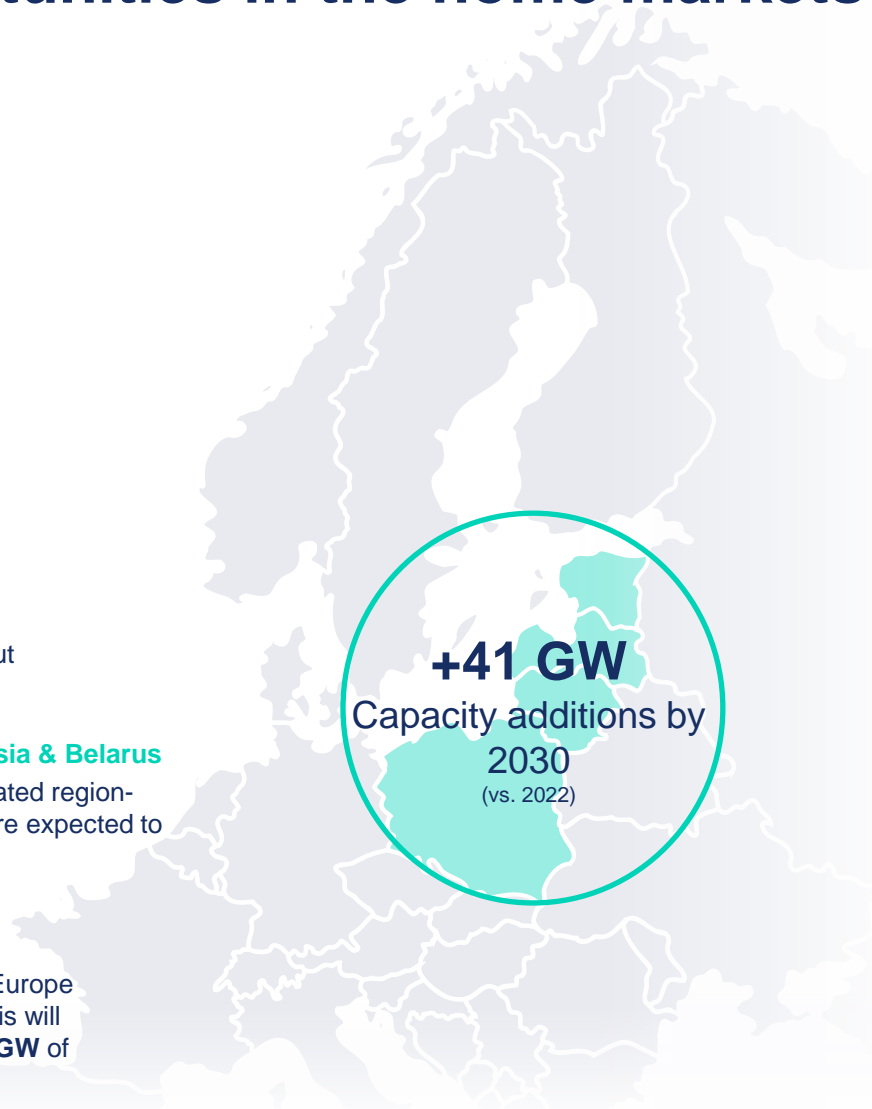
Around 63% of Estonia's electricity production in 2021 was from oil shale, and there is a growing need to develop new renewable capacities to cover the phase-out of oil shale.

The Baltics: terminated electricity imports from Russia & Belarus

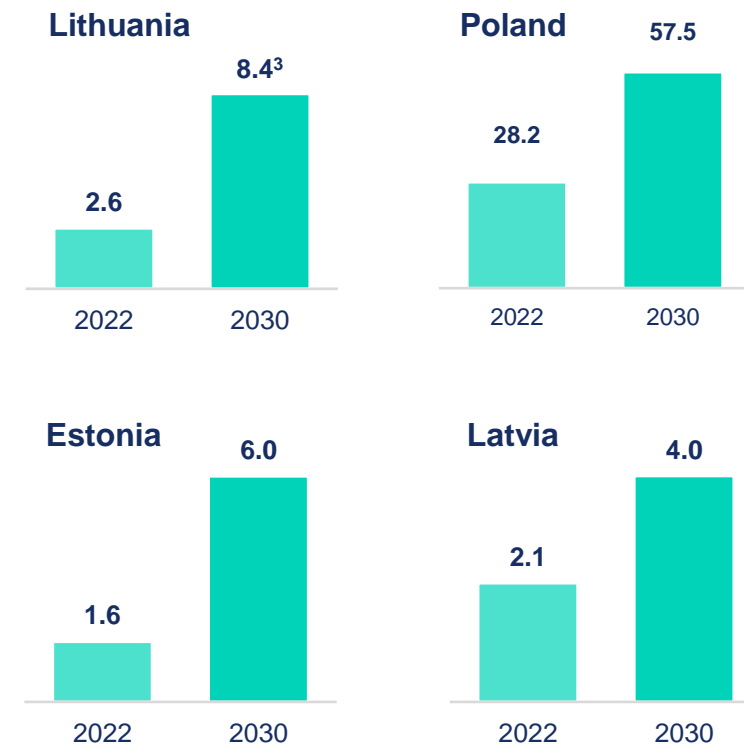
Electricity imports from Russia and Belarus were terminated region-wide following Russia's war in Ukraine. These imports are expected to be replaced by domestic renewables.

EU: REPowerEU

The European Commission has set out a plan to make Europe independent of Russian fossil fuels well before 2030. This will result in **+680 GW** of onshore wind and solar³, and **+85 GW** of offshore wind⁴ capacity additions (by 2030 vs. 2022)



Green energy installed capacity evolution in our home markets (GW)¹

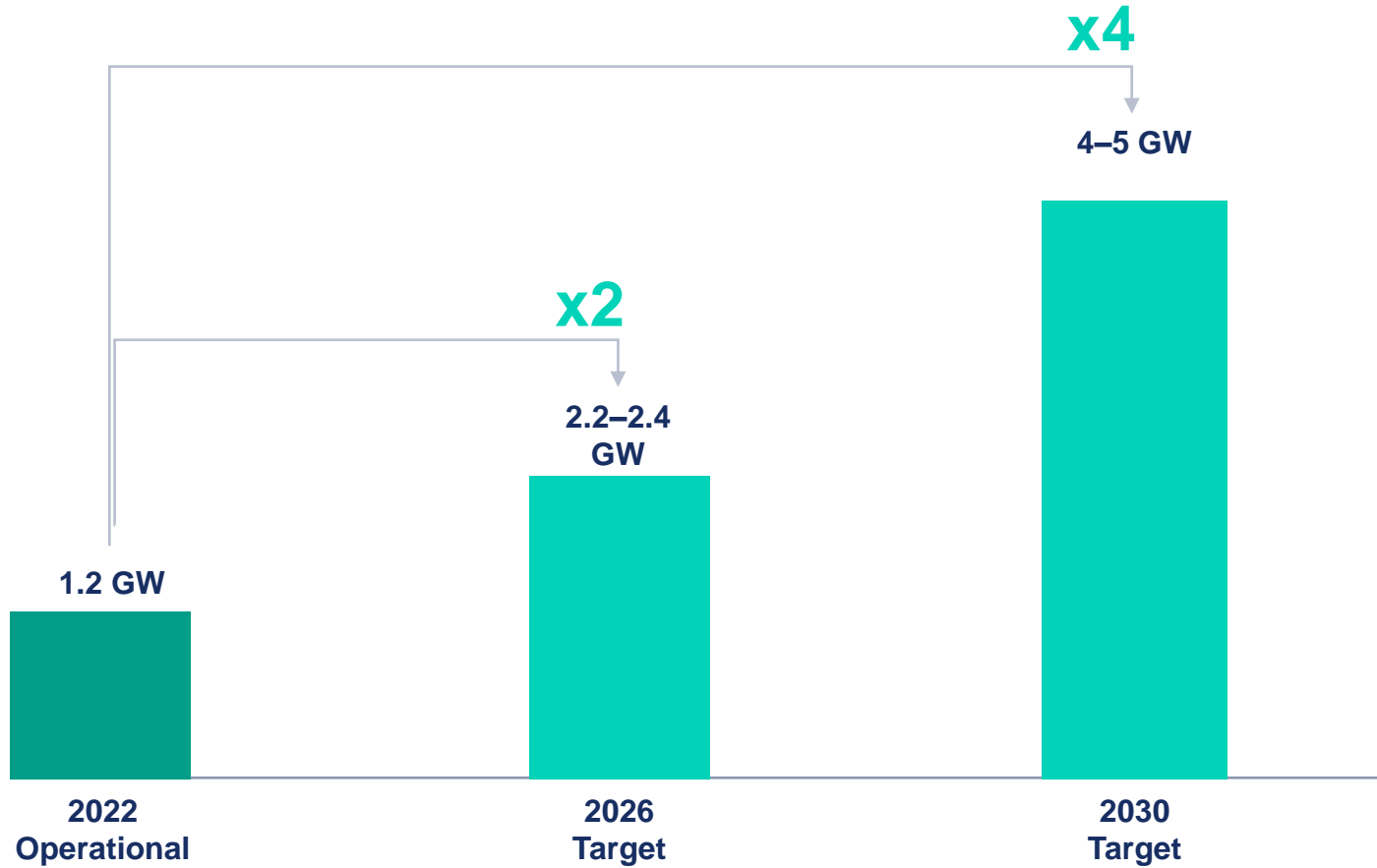


1. Installed capacities include: wind, solar, bio, hydro and battery assets.
 2. Sources: Company analysis based on Litgrid, Arena, European Commission, Ministry of Assets of Poland, Wood Mackenzie, Statistics Estonia, Eurostat, the Ministry of Energy of the Republic of Lithuania, ICIS and Volue.
 3. Sources: Onshore solar <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=SWD%3A2022%3A230%3AFIN&qid=1653033922121> (REPowerEU). Onshore wind: <https://windeurope.org/intelligence-platform/product/financing-and-investment-trends-2022/> (page 39).
 4. Source: Offshore: https://energy.ec.europa.eu/news/member-states-agree-new-ambition-expanding-offshore-renewable-energy-2023-01-19_en.

Green Generation installed capacity targets

2026: 2.2–2.4 GW¹

2030: 4–5 GW¹

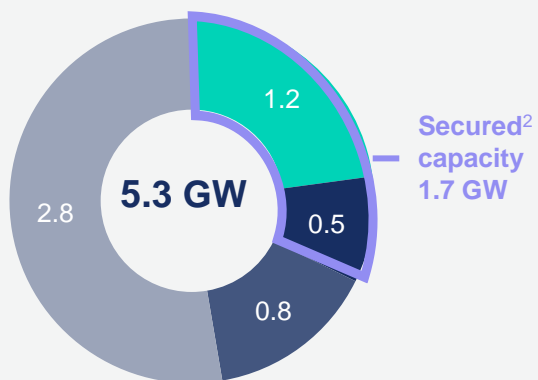




Green Generation Portfolio

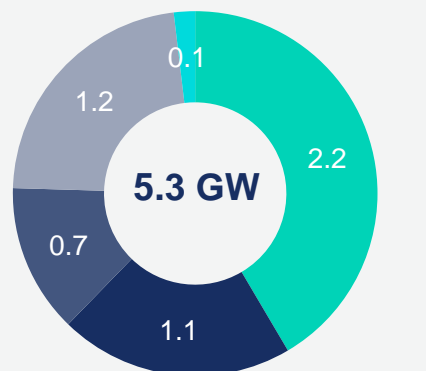
5.3 GW¹

By stage, GW



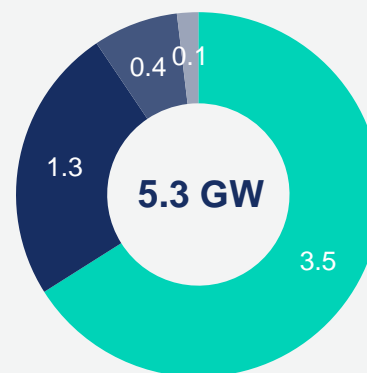
- Installed capacity
- Under construction
- Advanced development pipeline
- Early development pipeline

By technology, GW



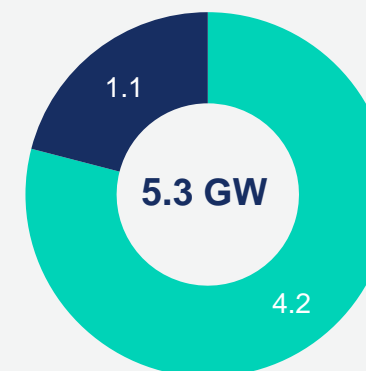
- Onshore wind
- Hydro
- Offshore wind
- Solar
- WtE and biomass CHPs

By geography, GW



- Lithuania
- Latvia
- Poland
- Estonia

By type, GW

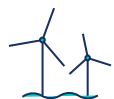


- Generation
- Flexibility

Focus on technologies that can deliver a 100% green and secure energy ecosystem

Generation

Focus on offshore wind and onshore hybrid (wind+solar)



Offshore wind development

Offshore wind development is seen as the backbone of our Green Generation strategy. Therefore, strong emphasis is placed upon the necessary human and financial resources that will be required to be successful in the upcoming tenders.



Hybrid onshore development

Onshore we will focus on hybrid technology generation as this ensures higher utilisation of available grid capacities and a more stable generation profile.

Flexibility

Growth in renewables will lead to an increase in the demand for energy storage and balancing



Batteries

Enable integration of renewables by facilitating demand management, helping improve grid reliability while limiting output curtailment.



Pumped-storage hydro

Very large balancing capacities that enable future renewable energy growth in the region.



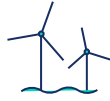
P2X technologies

Potential solutions for attaining global climate goals and decarbonizing industry, transportation and power generation.





Offshore wind



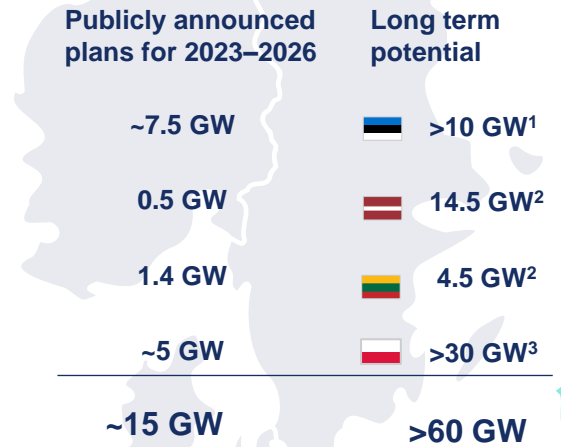
We aim to secure 2 offshore wind development projects in the Baltics:

- one project in Lithuania (COD until 2030), and
- one more project in our home markets (COD post 2030)

Timeline of publicly announced auctions in the Baltics:



Potential in the Baltics and Poland



Offshore wind capacity targets for the EU:
at least 60 GW by 2030 and 300 GW by 2050⁴

1. Ministry of Economic Affairs and Communication of the Republic of Estonia.
 2. Study on Baltic offshore wind energy cooperation under BEMIP.
 3. Poland Wind Energy Association.
 4. https://energy.ec.europa.eu/topics/renewable-energy/offshore-renewable-energy_en.



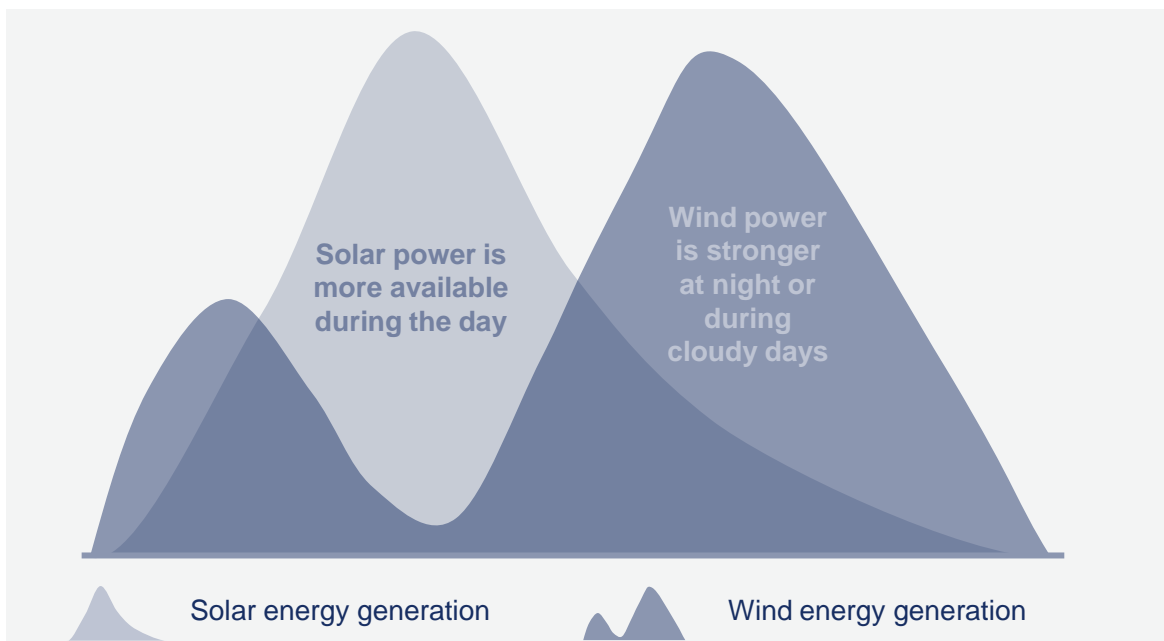
Onshore hybrid



Hybrid technology generation ensures **higher utilisation of available grid capacities** and a **more stable generation profile**.

Hybrid technology generation is when energy sources are diversified, ensuring that green energy is available at most times. They are complimentary technologies as the generation is not synchronised. For example, solar and wind energy sources typically do not correlate, which means that we have energy from the sun when it is not windy and wind energy when it is not sunny. Relying on multiple energy sources rather than one is a fundamental aspect of an energy system based on renewable energy sources.

A hybrid energy generation ecosystem is great for the grid too. Better grid utilisation means lower transmission and distribution costs as well as more capacity for more renewable energy.



Batteries

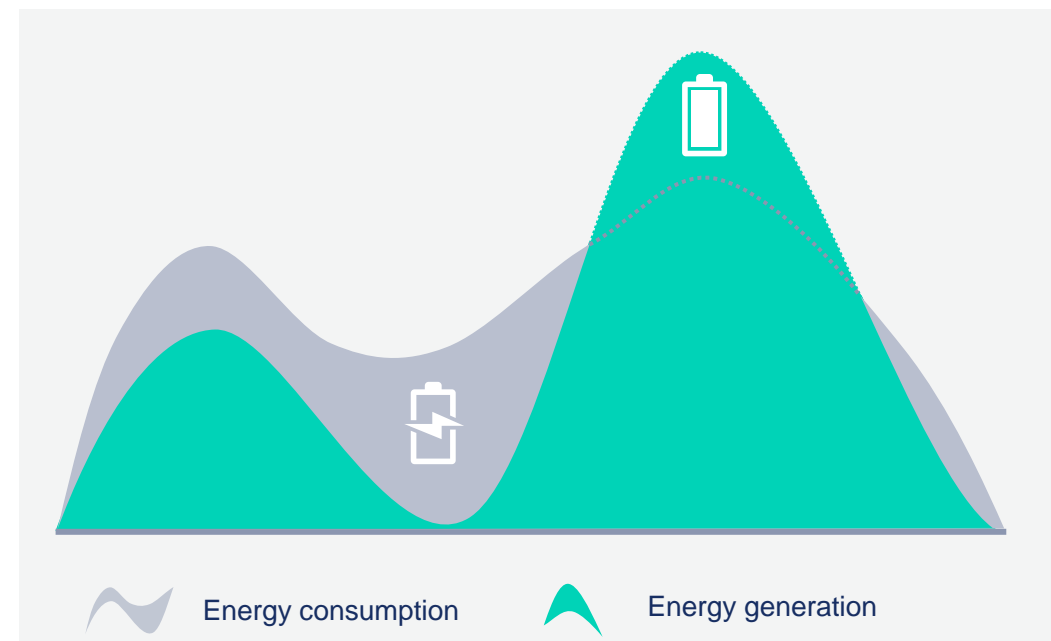


Enable integration of renewables by facilitating **demand management**, helping **improve grid reliability**, and **limiting output curtailment**.

Batteries have roles in a variety of markets – balancing, ancillary, frequency containment reserves and day-ahead arbitrage.

Rapid development of renewables in the region is increasing demand for balancing and grid services.

Targeting commercial-scale batteries by 2026.





Pumped-storage hydro



Kruonis PSHP is one of the largest energy storage facilities in Europe

Current capacity

900 MW

Four operating units (4x225 MW) can perform up to 300 cycles¹ per year.

The upper reservoir can hold around 48.7 million cubic metres of working water.



Expansion by 2026

+110 MW

New 5th unit (1x110MW) will provide extra flexibility.

It will also allow us to provide more balancing and ancillary services.



Capabilities post-2026

1,010 MW

All 5 turbines will be able to run at full load for ~10 hours.

10 hours x 1 GW = 10 GWh of storage capacity.

Flexibility in generation mode: 0 – 1,010 MW
(pre-expansion: 160 – 900 MW)

Flexibility in pump mode: 59 – 1,010 MW
(pre-expansion: 220 – 900 MW)

5th unit cycle efficiency of 82.5%
(pre-expansion: 74%)

5th unit max capacity reachable in 80 seconds (pre-expansion: 180 seconds)



Power-to-X

Hydrogen & e-fuels

Ignitis group's strategy is to pursue the development of a pilot project, leading to the full commercialization of Power-to-X technologies in the longer term.

1st stage

Implementation of a hydrogen production and e-fuel conversion pilot project

2nd and later stages

Successful pilot project will pave the way to developing strategic partnerships and gaining resources for industry-scale hydrogen and e-fuel production capabilities

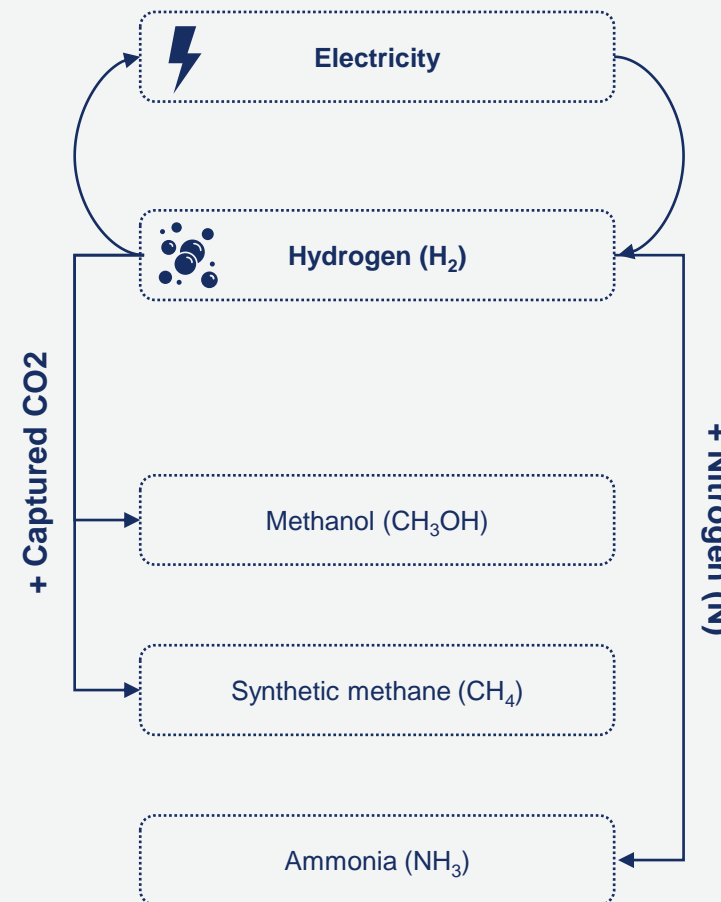
Where will hydrogen and e-fuels be used?

Methanol, synthetic methane and ammonia are usually referred to as key alternative e-fuels. With the implementation of renewable-source-based energy systems, energy conversion to hydrogen will gradually take place as a practical measure to absorb large amounts of surplus electricity.

Energy converted to hydrogen can be conveniently reverted to electricity for peak energy demand periods or for longer-term storage. It can be converted to other e-fuels when combined with carbon dioxide or nitrogen gas collected from fossil fuel sources or ambient air.

Hydrogen is expected to be used mainly as a short-term energy storage measure rather than as a direct fuel in transport or other sectors. Heavy industry or fertilizer activities may adopt green hydrogen as feedstock for production earlier.

E-fuels, however, are expected to be used directly in transportation, light industry activities or energy generation during peak demand periods to support other energy storage methods.





Strategic partnerships

We partner with strategic investors to adopt new technologies or enter new markets



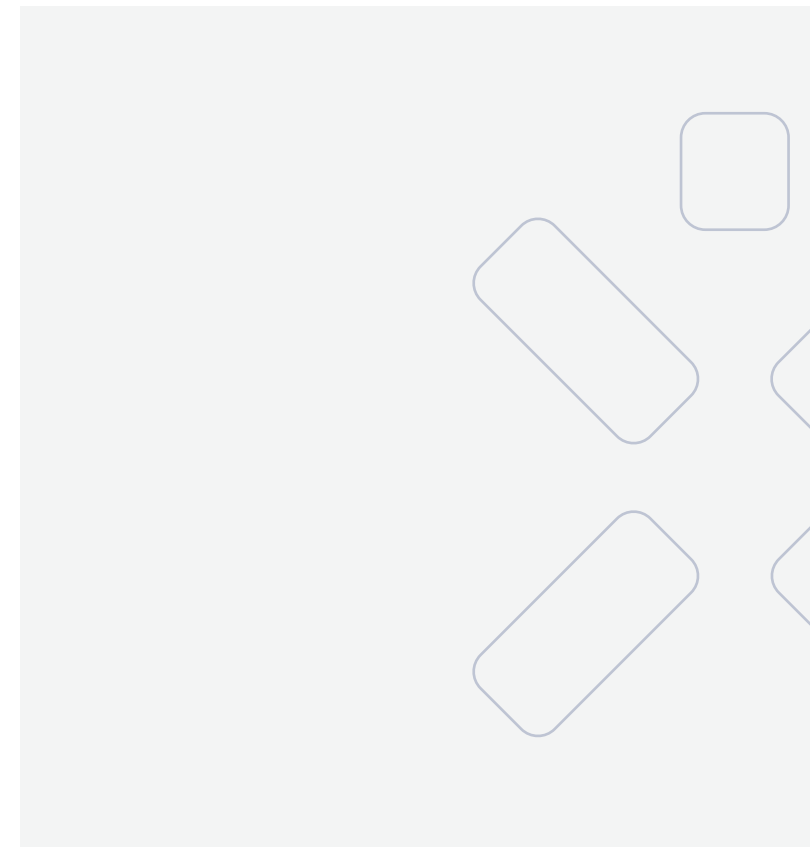
Partnership with Fortum: adopting WtE technologies

Rationale	We partnered with Fortum (a leading WtE player) in 2015 to build Kaunas CHP
Structure	Ignitis (51%) and Fortum (49%)
Capacity	24 MW electricity and 70 MW heat capacity
Investments	~EUR 152m
Status	Kaunas CHP has been successfully completed and operational since 2020



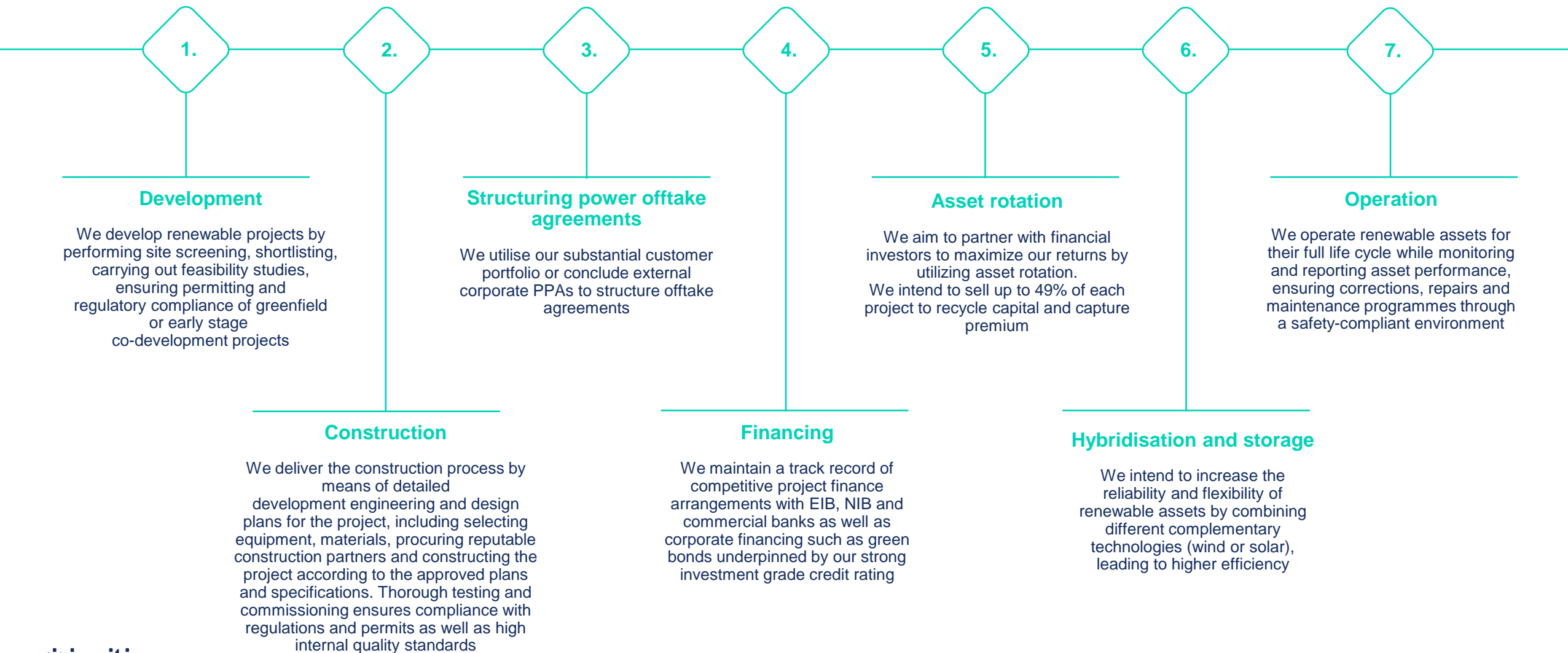
Partnership with Ocean Winds: adopting offshore wind technologies

Rationale	In 2020 we partnered with Ocean Winds (OW) to participate in the first 700 MW offshore wind auction in Lithuania. OW is a joint venture of EDP Renewables and Engie, leading energy companies in Europe which manage more than 30 GW of renewable energy sources globally.
Structure	Ignitis (51%) and Ocean Winds (49%)
Capacity	700 MW
Status	In preparation for bidding in the auction





Operating model



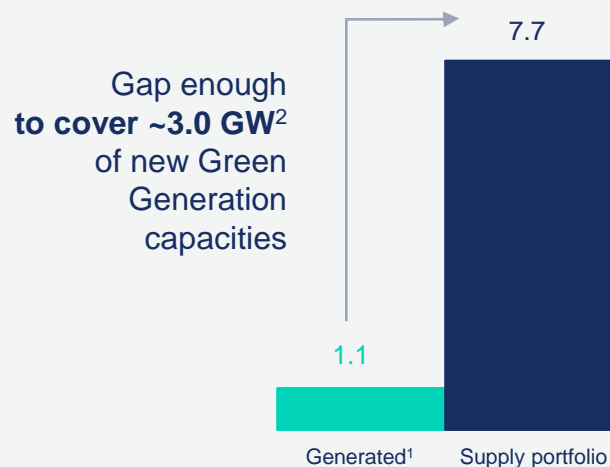


Power offtake capabilities

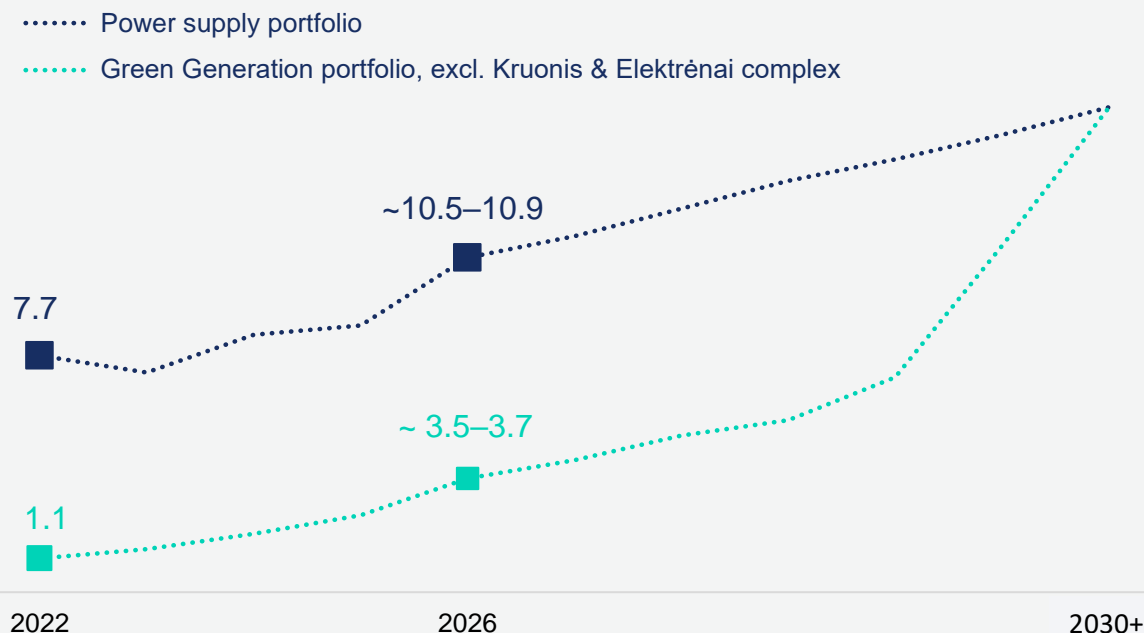
We utilise our supply portfolio to structure offtake agreements and enable Green Generation build-out

Offtake capabilities – sizeable uncovered supply portfolio creates a significant competitive advantage for Green Generation

Electricity generated¹ vs supplied by Ignitis Group in 2022, TWh



Electricity generated¹ vs supplied by Ignitis Group over 2022 – 2030, TWh

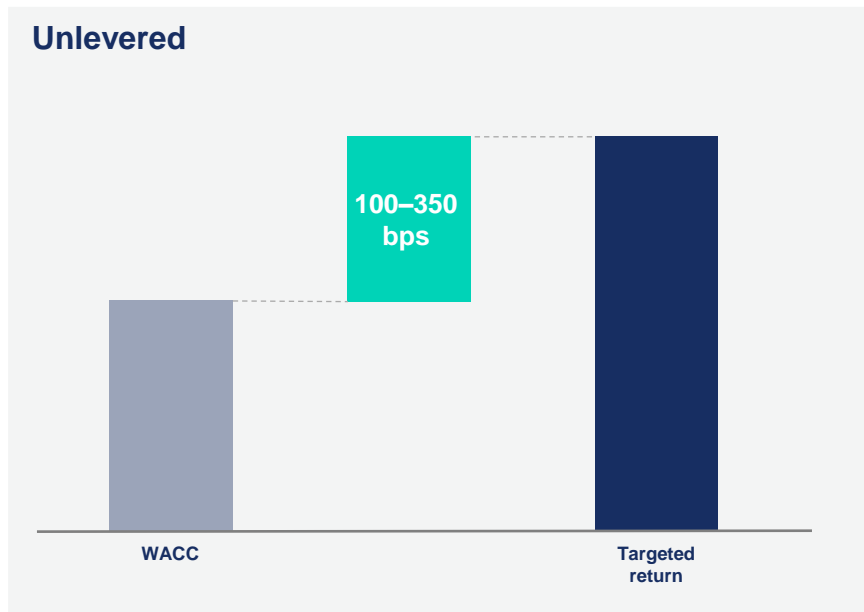


1. Excluding opportunistic assets (Elektrėnai, which accounted for 15% of the total generated volume, and Kruonis, with 25% of total generation in 2022).
 2. Assuming the whole surplus of electricity supply (6.6 TWh) can be utilised for new wind and solar generation offtake with a load factor of ~25% (57/43 split between wind and solar with load factors of ~35% and ~12% respectively).



Target returns

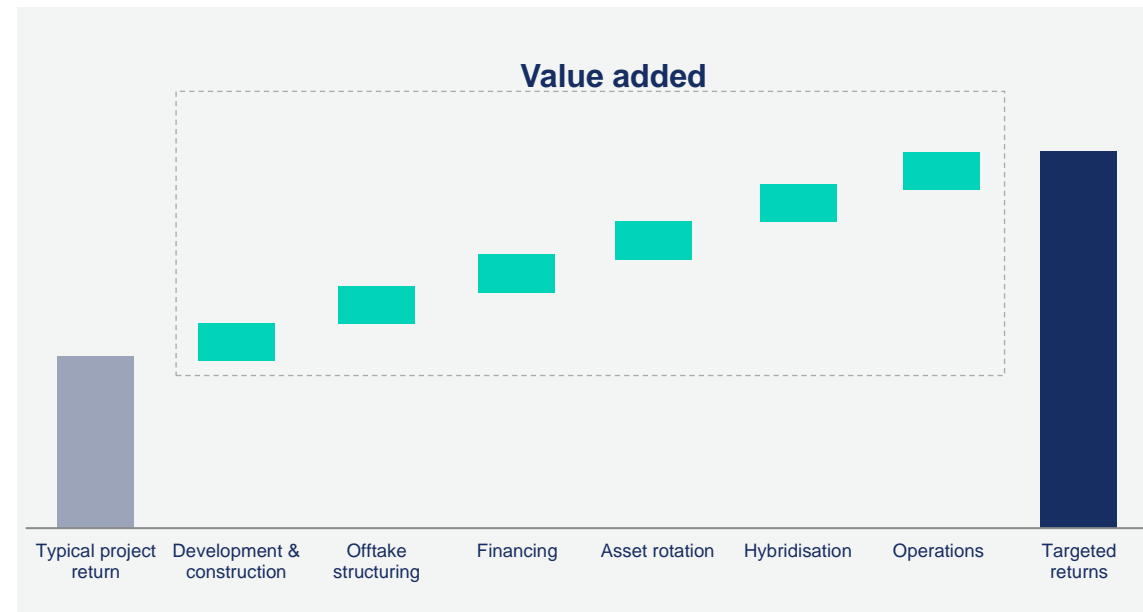
Target returns



Levered

High single-digit, low double-digit depending on the risk profile

Value-creation concept



Ignitis Group is able to **capture additional value throughout the project execution stages**

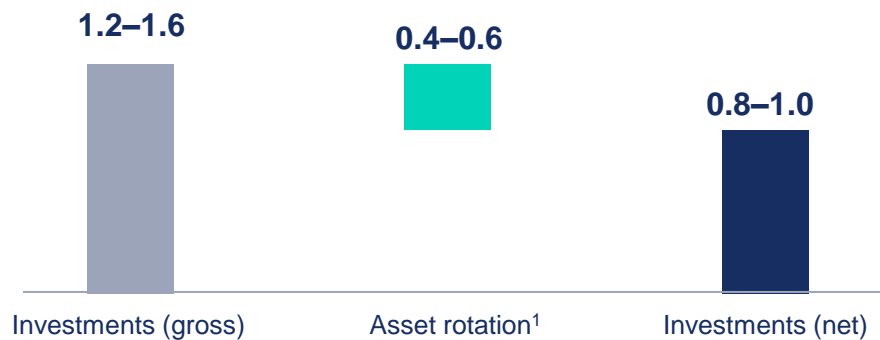


Asset rotation

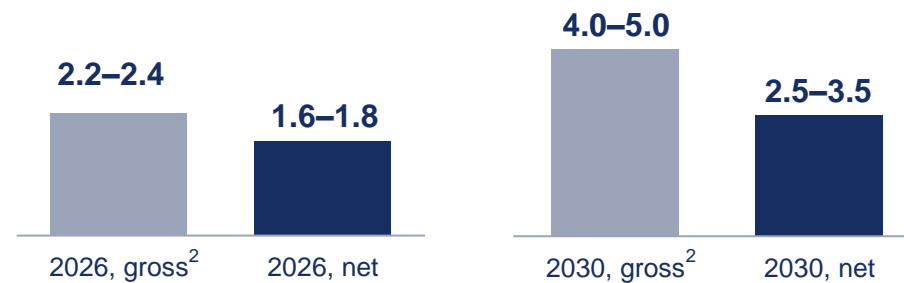
We intend to sell up to 49% of each project to recycle capital and capture value premium

- ◆ Rotation of up to 49% stakes in each project
- ◆ Capital recycling, enabling faster growth
- ◆ Capturing value premium by selling de-risked assets

Green Generation investments 2023–2026, EURbn



Green Generation capacity, GW





Customers & Solutions

Strategic priorities:

1. Utilising and further expanding customer portfolio to enable Green Generation build-out
2. Building a leading EV public charging network in the Baltics
3. Speeding up the transition from gas to power

Home markets:

The Baltic States, Poland and Finland.





Utilising and further expanding customer portfolio to enable Green Generation build-out

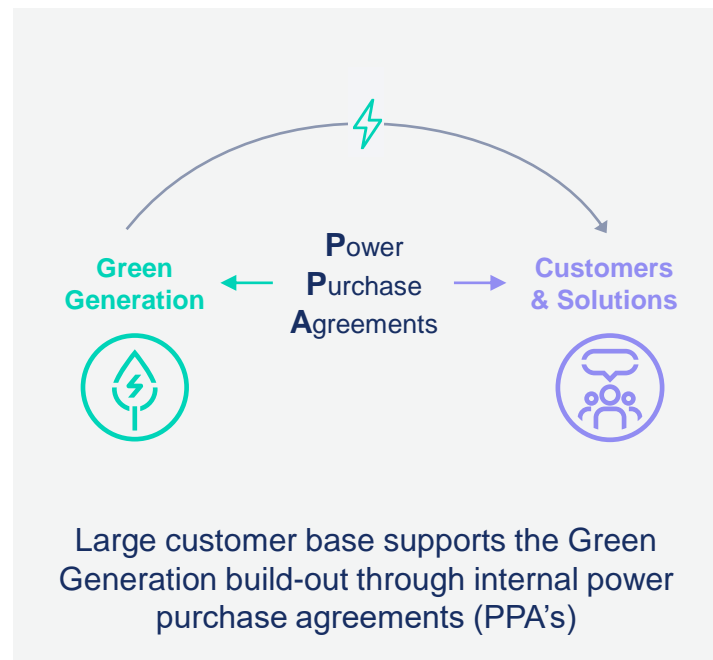
Customers
B2B & B2C

1.4 million
in 2022

The largest customer base
in the Baltics



Exploiting synergies with the Green Generation segment



Expanding electricity supply portfolio to accelerate the green transformation of our customers





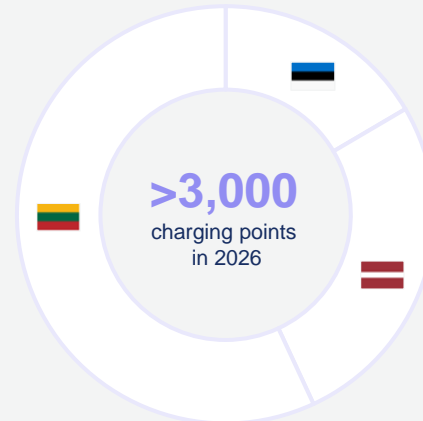
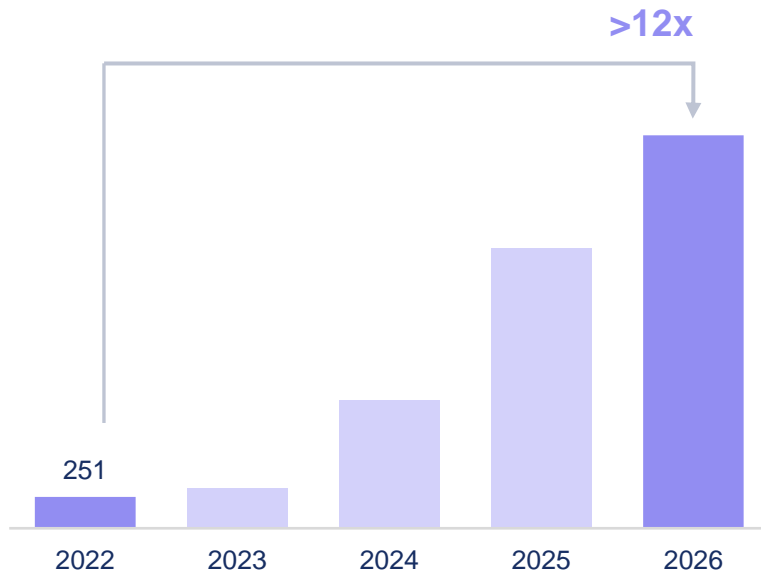
Building a leading EV public charging network in the Baltics

Targeting to reach ~50% market share of public EV charging infrastructure by 2026

Public EV charging network

charging points

| on



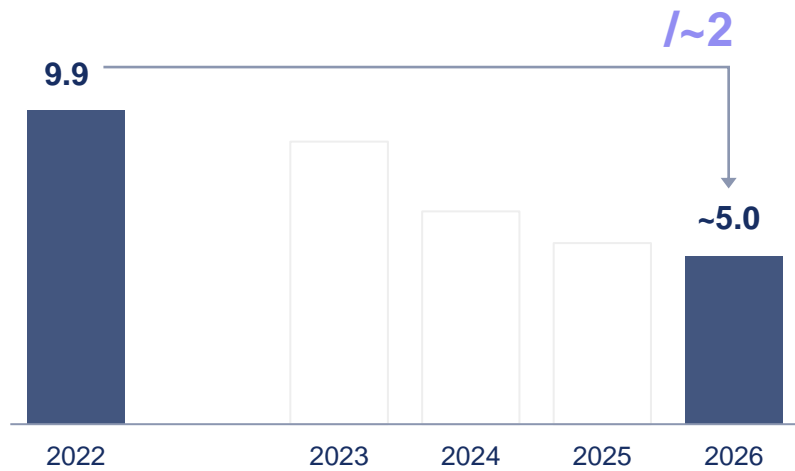
- Utilisation of own EV network' s balancing capabilities
- EV network will become a significant offtaker of green electricity in the future

Speeding up the transition from gas to power

We aim to optimize our retail gas supply portfolio to **~5.0 TWh in 2026** and have committed to reduce it further by securing the supply levels required for the security of the energy system during the energy transition period in Lithuania.

Retail gas supply portfolio

Sales volume, in TWh

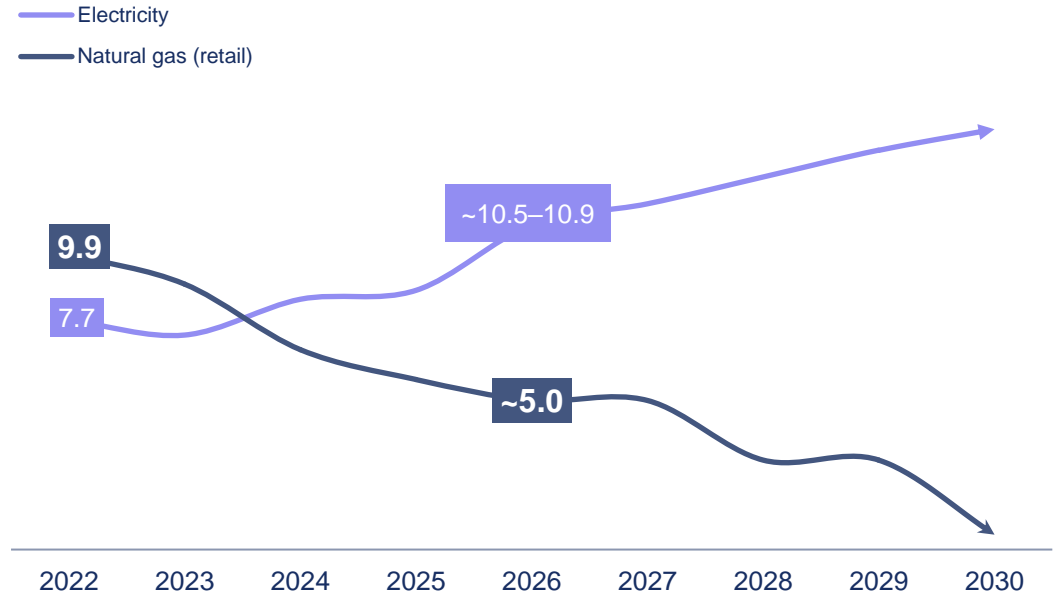


Speeding up the transition from gas to power

Proactively promoting customers to move from gas to power.

Retail supply portfolio: electricity and natural gas

Sales volume, in TWh





Reserve Capacities

Strategic priorities:

1. Contributing to the security of the energy system

Focus markets:

Lithuania





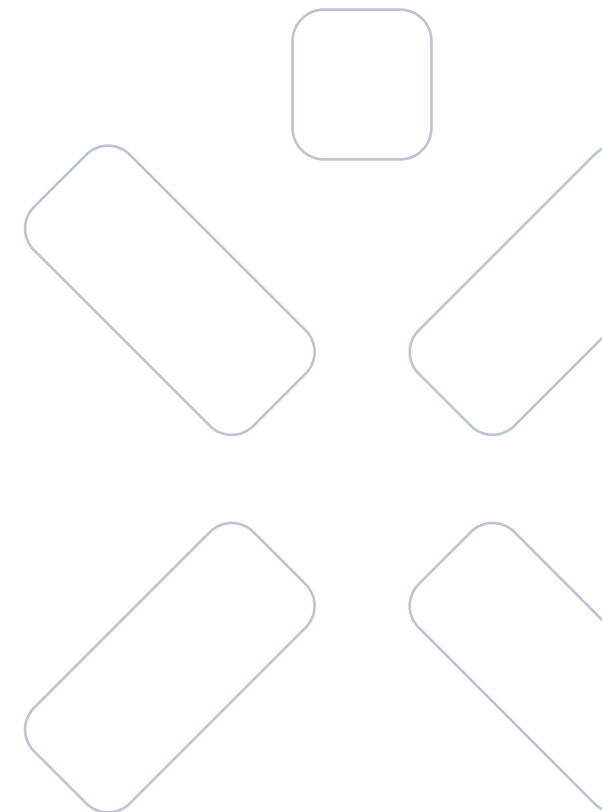
Utilising reserve capacities to ensure reliability and security of the power system

Option to generate electricity in the market during low renewables generation /positive clean spark spread periods



2023–2030

No significant changes



1 In 2023, gas-fired capacity of 891 MW has been dedicated to isolated regime services.
 2. Average availability of Elektrėnai Complex – (CCGT – 97.3%, Unit 7– 97.6%; Unit 8 – 99.2%).
 3 Production volumes of electricity in Elektrėnai Complex in 2022 were low due to unfavourable market conditions (high gas prices).
 4 Share from EBITDA, which was earned in Elektrėnai Complex.



Networks

Strategic priorities:

1. Resilient and efficient electricity distribution
2. Electricity network expansion and energy market facilitation
3. End-to-end customer experience

Focus market:

Lithuania



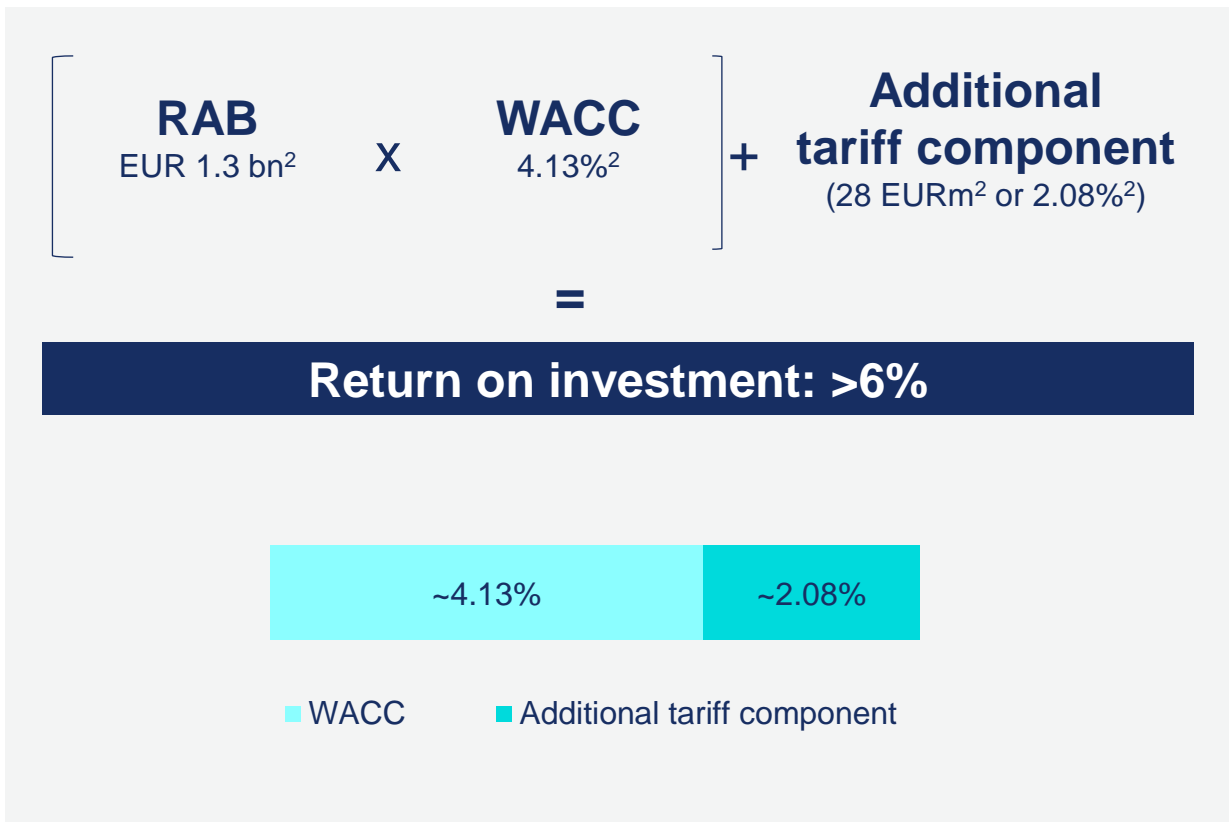
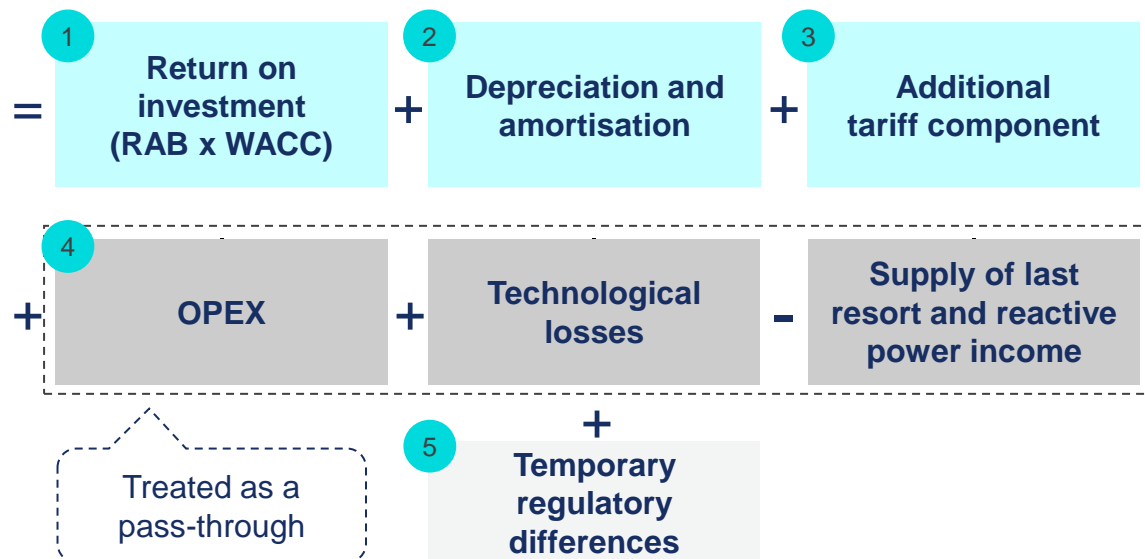


Networks regulatory framework

1.

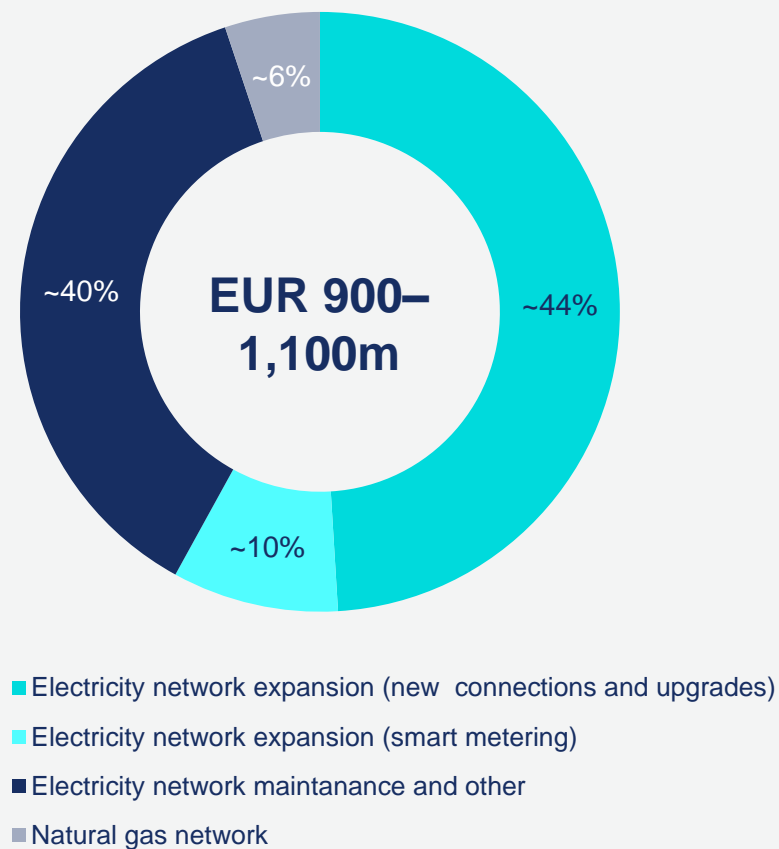
The largest network in the Baltics, a natural monopoly for distribution services
 >99.5%¹ of the Lithuanian market

Allowed revenue

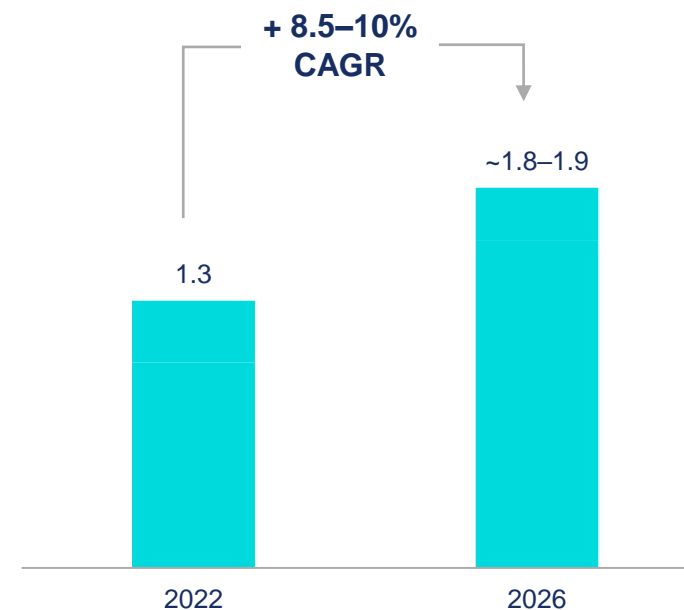


Investing to ensure network resilience and enable the energy transition in Lithuania

Investments over 2023–2026, EURm



Regulated Asset Base, EURbn



Focus on electricity network and customers

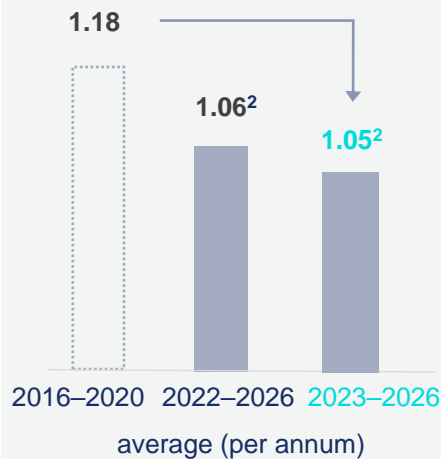
Resilient and efficient electricity distribution

1

Electricity network maintenance

~40% of total investments over 2023–2026
(network modernization, automation and digitisation)

✓ **Electricity SAIFI¹**
interruptions per customer



✓ **Network efficiency**
technological losses
(electricity network)

≤5.0%
2023–2026
average³

✓ **Network automation**
share of users
connected to
automated
control lines

~63%
in 2026⁴

Electricity network expansion and facilitation of energy market development

2

Electricity network expansion

~ 54% of total investments over 2023–2026
(to enable green electrification)

+ **New connections**

+ **Network capacity expansion**

+ **Smart meter rollout**
>1.2 million smart meters in the network by 2026.

✓ **Facilitating the energy market's development:**

- Transport electrification/EV charging
- Energy efficiency
- Industrial electrification
- Heating electrification

Facilitating the energy market's development through electricity network expansion – creating additional value for society by investing into network expansion with a focus on the development of the energy markets.

End-to-end customer experience

3

Standardised solutions and channels reflect expanding customer needs



- As consumer habits change, consumers must be enabled to become active market participants
- We expand the current concept of the customer by including suppliers, aggregators, third-party service providers and forming relationships based on consistent two-way dialogue
- We continue to develop remote service channels to provide an end-to-end overview of key customer journeys

1. Unplanned disconnections of electricity are calculated in accordance with the methodology approved by the National Energy Regulatory Council – excluding (1) interruptions that have occurred as a result of natural phenomena corresponding to the values of indicators of natural, catastrophic meteorological and hydrological phenomena; (2) interruptions resulting from failures in the transmission system operator's network.
2. The value of the SAIFI indicator can vary depending on the volume of investments and changes in the prices of materials and contractors.
3. Electricity network's technological losses of 5.1% in 2022 to be reduced to 4.8% in 2026.
4. Share of users connected to automated control lines in 2021 was 45%, We are aiming to reach ~ 78% by 2031.



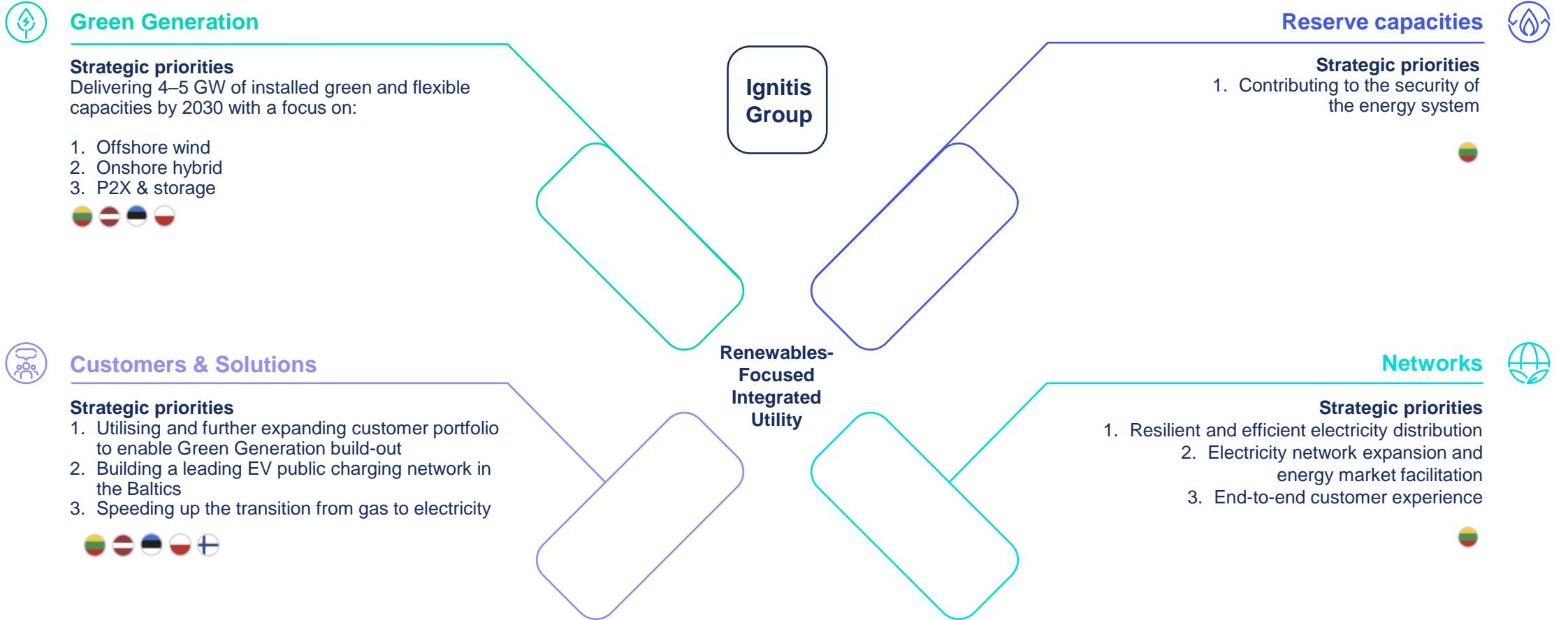
Summary

Business segment priorities



Summary | Strategic priorities by business segment

Our purpose is to create a **100% green and secure energy ecosystem** for current and future generations



Our focus is on our home markets – **the Baltic states, Poland and Finland**.
We are also exploring opportunities in other EU markets undergoing energy transition.














5. Sustainability

Strategic priorities: decarbonisation, safety, employee experience, diversity and sustainable value creation

Our commitment to a sustainable future: 2026 targets

Priority	Decarbonisation	Safety		Employee experience	Diversity	Sustainable value creation	
	Reduction of GHG emissions in accordance with science-based targets	Zero fatal accidents	Total recordable injury rate	Employee overall experience ³	Gender diversity in top management	Sustainable investments	Sustainable returns
2026 strategic milestones and targets	3.9¹ m t CO ₂ -eq -27%¹ GHG emissions reduction (vs. 2020)	0 fatalities of employees & contractors	<1.75 <3.5 TRIR of employees & contractors	≥50% employees promoting the Group as an employer (eNPS)	≥35% share of women in top management positions	>85–90% share ⁴ of CAPEX aligned to the EU Taxonomy (2023–2026)	>75% sustainable Adjusted EBITDA share ⁴
2022	4.98m t CO ₂ -eq ¹	3 (1 2)	1.69 0.46 ²	61.8%	23%	89.5% (356 EURm)	74.6% (350 EURm)
2021	4.57m t CO ₂ -eq ¹	0 (0 0)	2.01 n/d	57.4%	27%	71.3% (192 EURm)	63.1% (210 EURm)
2020	5.31m t CO ₂ -eq ¹	0 (0 0)	0.45 n/d	56.0%	28%	n/a	n/a
SDG contribution	   	 		  			
ESG contribution	ENVIRONMENTAL	SOCIAL		GOVERNANCE			

1. GHG emissions from Vilnius CHP are not included.

2. For the period: Jun-Dec 2022.

3. Experiences of employees in areas such as well-being, learning and growth, equal pay, diversity and inclusion, etc.

4. CAPEX and adjusted EBITDA from EU Taxonomy-aligned activities.

Science-based emissions reduction pathway

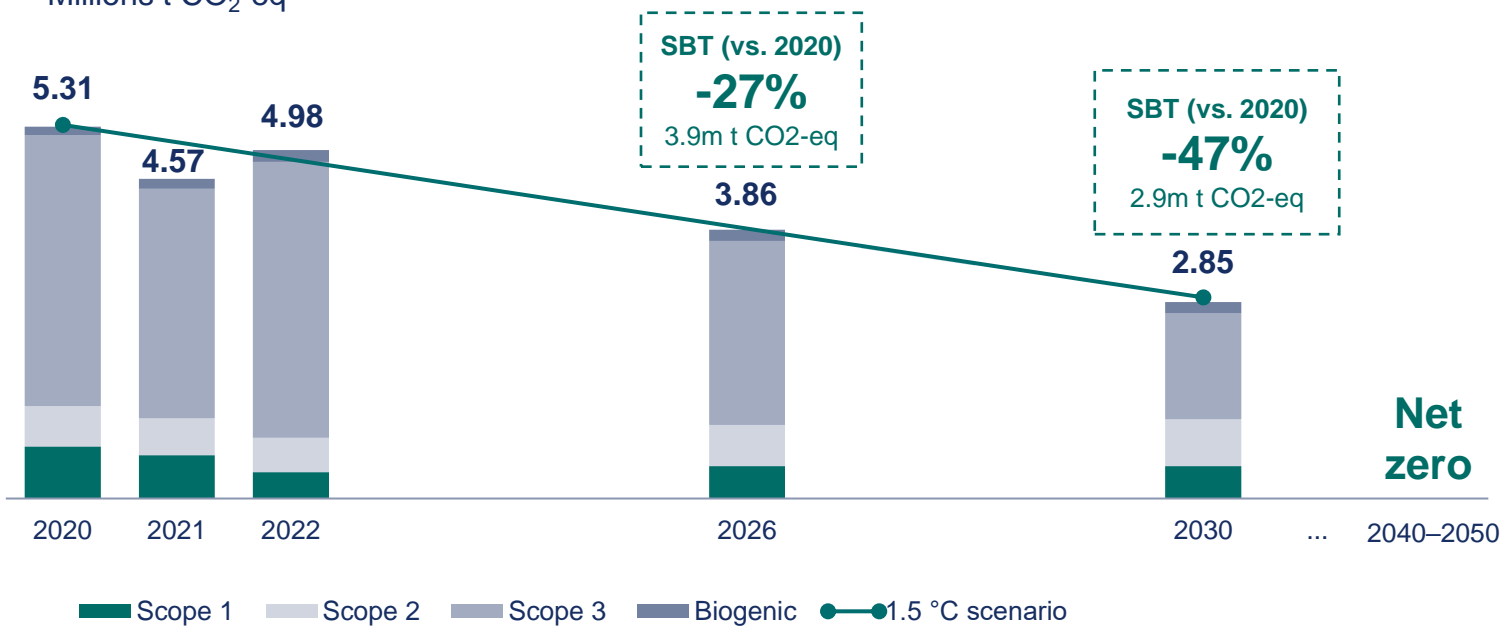
Ignitis Group plans to halve its GHG emissions by 2030 – our near-term targets are aligned with a 1.5°C scenario and validated by the Science Based Targets initiative (SBTi).

As a result of a targeted approach, **Ignitis Group anticipates significant reductions in emissions in both Scope 1 and Scope 3** compared to the baseline for 2020¹.

We target **net zero emissions by 2040–2050**.

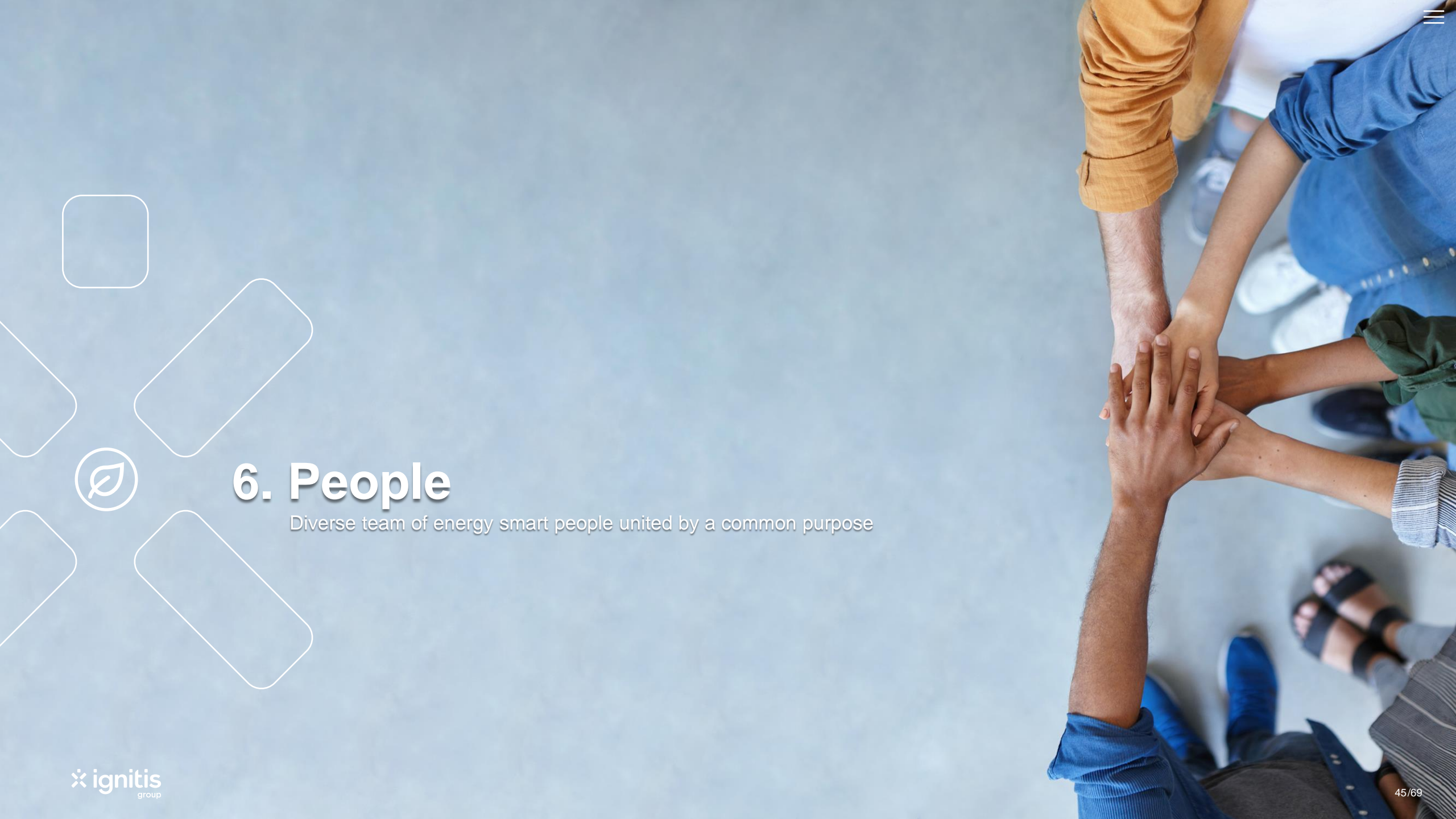
GHG emissions and science-based targets (excluding Vilnius CHP¹)

Millions t CO₂-eq



	Target value 2026 (vs. 2020) ¹
GHG emissions intensity from power generation	43 g CO ₂ -eq/kWh (-81%)
GHG emissions intensity from power generation and sold electricity	71 g CO ₂ -eq/kWh (-72%)
GHG emissions not related to power generation	0.44 m t CO ₂ -eq (-25%)
GHG emissions from use of sold products	1.77 m t CO ₂ -eq (-15%)

1. In this slide, GHG emissions from Vilnius CHP are not included since this power plant only began its waste-to-energy unit tests at the end of 2020, and only a very small amount of Vilnius CHP emissions (0.02m t CO₂-eq) is included in 2020 base. As a result, the targets were set without including Vilnius CHP. After Vilnius CHP has operated with fully operational waste-to-energy and biomass units for at least a year, its comprehensive effects will be evaluated, and the Group's targets will be revalidated. This also applies to other excluded categories (for more information [see the Group's GHG inventory reports](#)).



6. People

Diverse team of energy smart people united by a common purpose



Our People

We are a **diverse team of energy smart people** united by a **common purpose** to create a 100% green and secure energy ecosystem for current and future generations



Take YOUR part in **#EnergySmart!**

Our Values



RESPONSIBILITY
Care. Do. For Earth.
Starting with myself



PARTNERSHIP
Diverse. Strong.
Together



OPENNESS
See. Understand.
Share. Open to the
world



GROWTH
Curious. Bold.
Everyday



People Strategy

Contributing to Ignitis Group’s purpose and strategic priorities by building a diverse team of energy smart people



Strategic priorities

Green

Flexible

Integrated

Sustainable

Creating a 100% green and secure energy ecosystem

Attracting and retaining top talents

Creating new jobs in renewables
Increasing attractiveness of the energy sector
TOP employer with international HR standards

Top employer



Building critical skills and competencies

Building current and future leadership bench
Renewables competence hub
Internal career platform

100%

ensured **talent pipeline** for strategy execution

Having a human-centric approach

Applying a holistic employee well-being approach
Growing a diverse and inclusive organisation
High rate of positive employee experience

≥50%

employee NPS

≥35%

women in top management positions in 2026



7. Financials

Target returns, leverage and dividends



Investments over 2023–2026

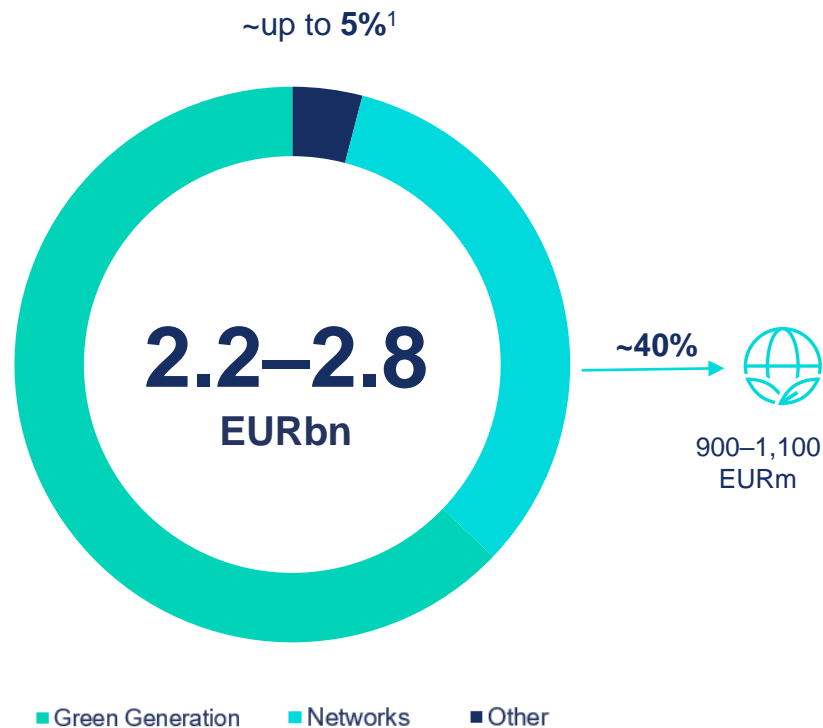
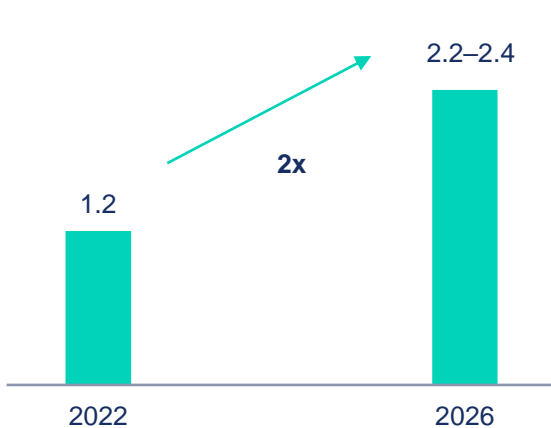
EUR 2.2–2.8 billion



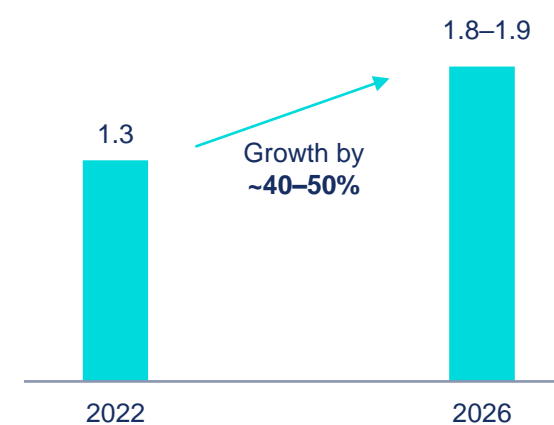
Aligned with EU Taxonomy

>85-90%
of investments are aligned with EU Taxonomy

Green Generation capacity, GW



Regulated Asset Base, EURbn

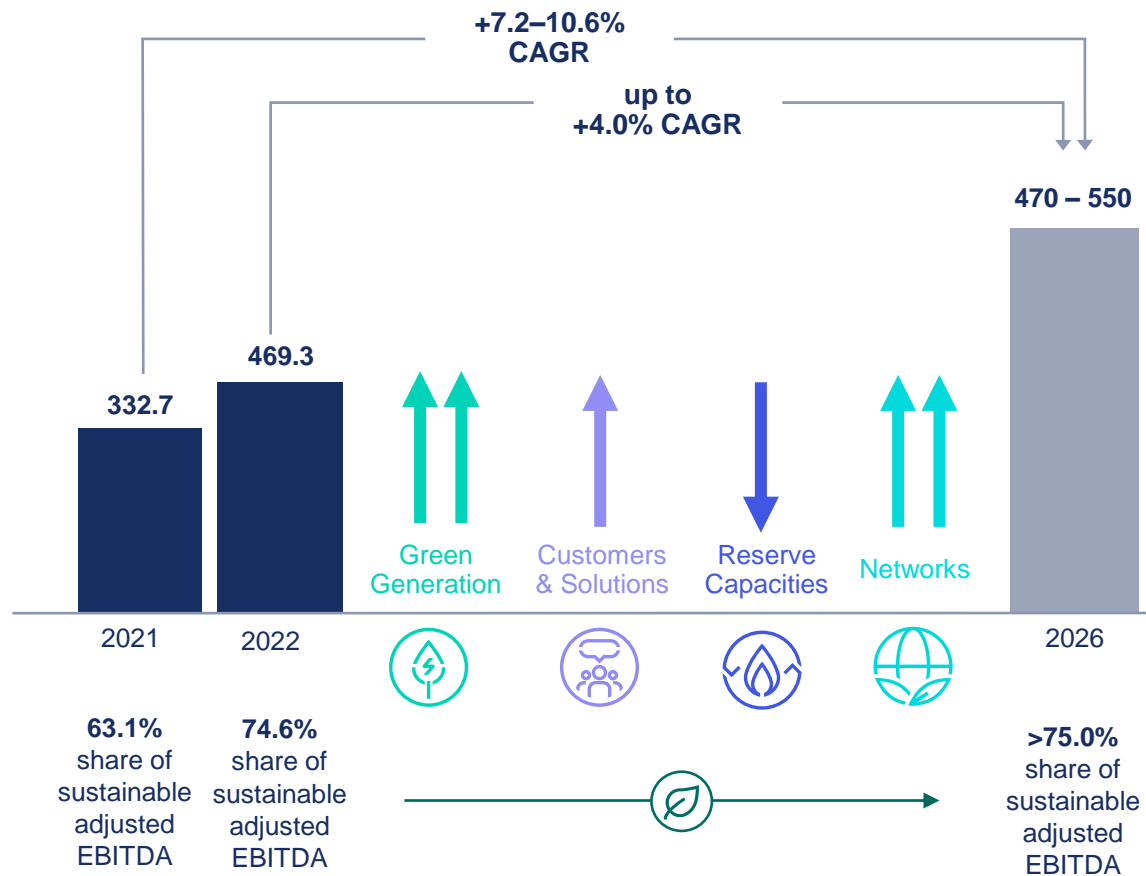




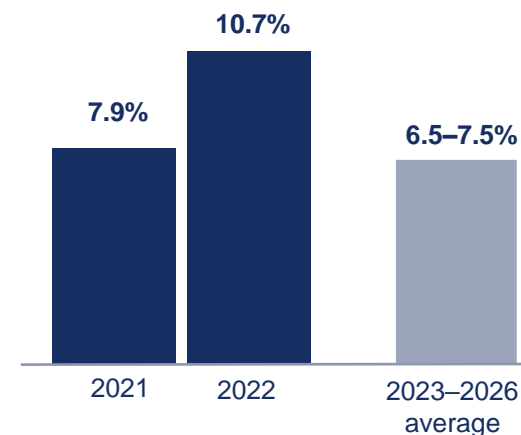
Target returns

EBITDA expected to reach EUR 470–550m in 2026, mainly driven by Green Generation

Adjusted EBITDA, EURm



Adjusted ROCE, %

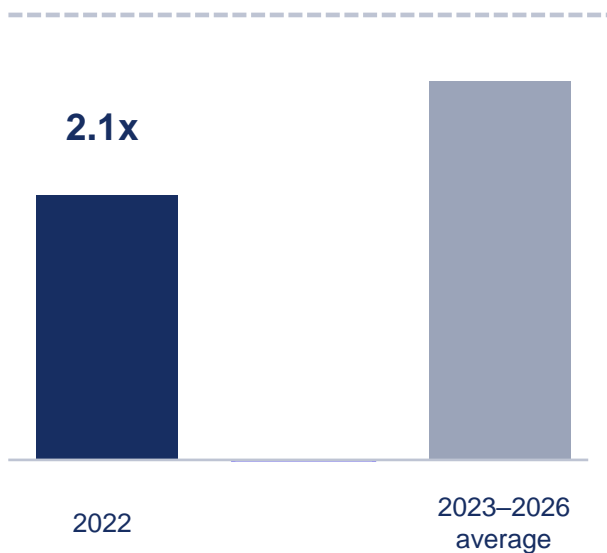




Commitment to a solid investment-grade credit rating

Net debt/Adjusted EBITDA

Targeted level <5.0x



We expect to maintain

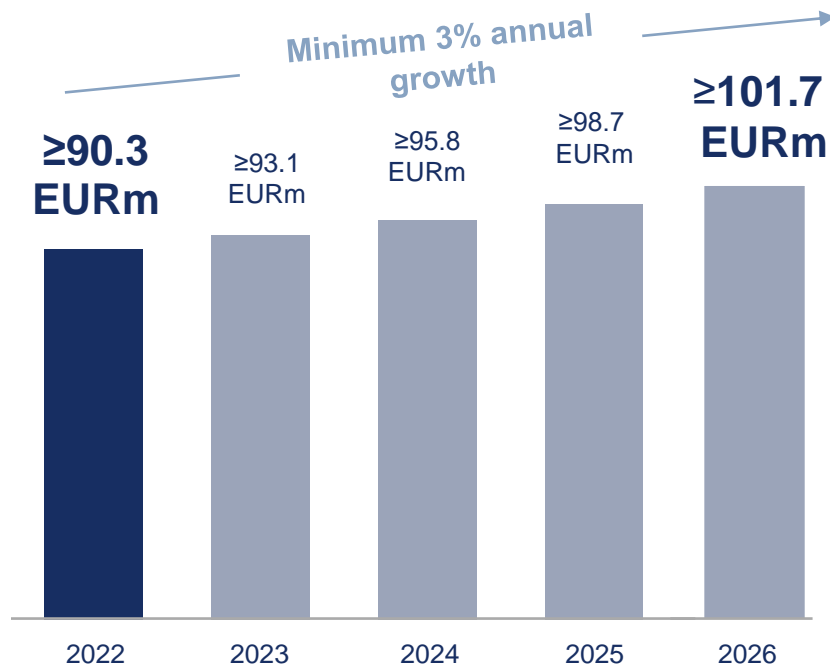
BBB or above

credit rating over the 2023–2026 period



€ | Growing dividends

Minimum annual dividends, EURm (declared for the financial year)



Minimum DPS¹	≥1.25 EUR	≥1.29 EUR	≥1.32 EUR	≥1.36 EUR	≥1.40 EUR
Dividend yield²	~6.1%	~6.3%	~6.5%	~6.7%	~6.9%

Dividend policy

We aim to grow our dividends to shareholders at a minimum **3% annual rate**.

We also have the flexibility to distribute excess cash, if available.

6.3–6.9%

Implied dividend yield in 2023–2026

1. Calculated based on the No. of shares (72,388,960 ordinary shares).

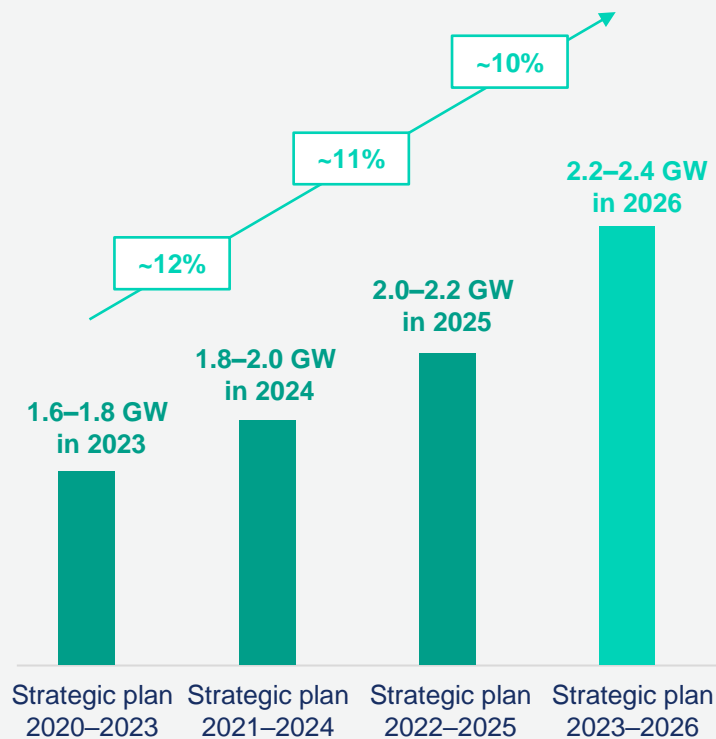
2. Implied dividend yield (annual) over the 2023–2026 period is calculated based on Ignitis Group's share price: 20.5 €/sh. Dividend yield for GDRs: 6.6% in 2022.



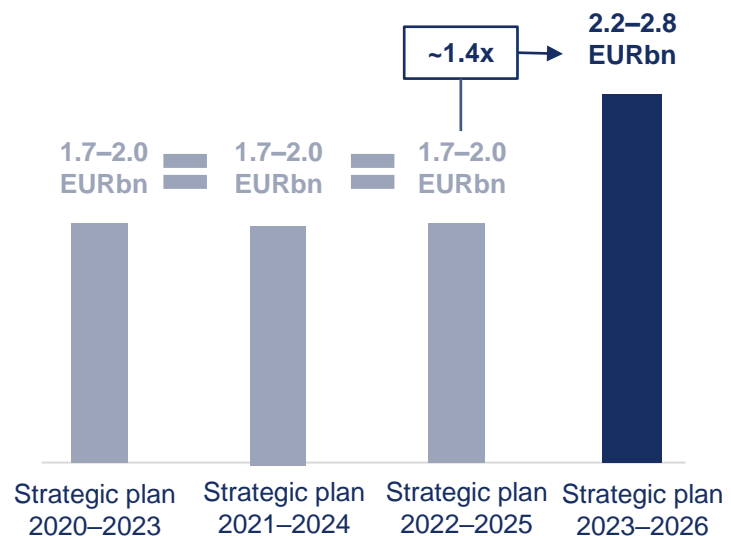
Strategic plan 2023–2026

vs. 2022–2025, 2021–2024, 2020–2023

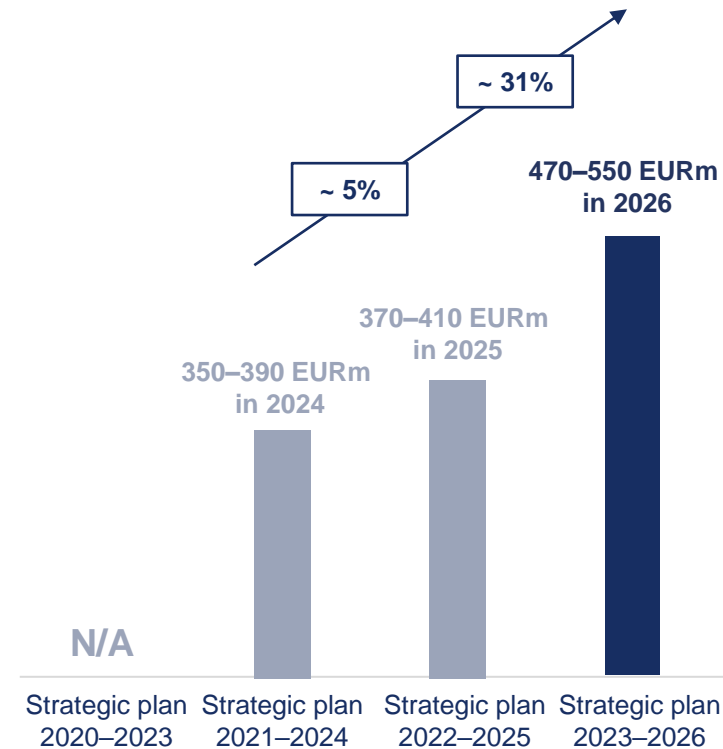
Green Generation capacity



Investments



Adjusted EBITDA





8. Highlights

Highlights

Our purpose is to create a **100% green and secure** energy ecosystem for current and future generations

Green

Flexible

Integrated

Sustainable



2026: 2.2–2.4 GW
2030: 4–5 GW
 Green Generation capacity

2040–2050: Net Zero emissions
2026: emissions -27%¹



EUR 2.2–2.8 bn
 Investments
 2023–2026

EUR 470–550m
 Adjusted EBITDA
 2026

BBB or above
 Credit rating
 2023–2026

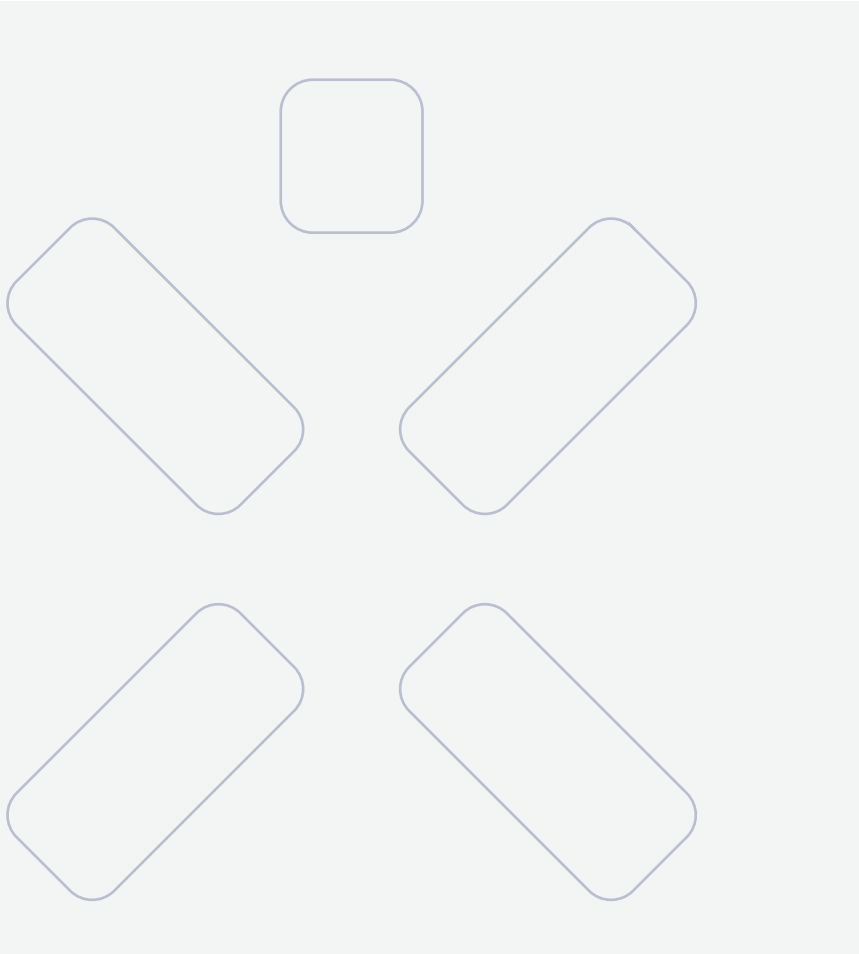
6.3–6.9%
 Implied dividend yield²
 2023–2026

¹ Excl. Vilnius CHP.

² Dividend yield for the 2023–2026 period is calculated based on the Ignitis group share price: 20.5 €/sh.

Key investment highlights

The largest listed company in the Baltics



Renewables-focused: 4–5 GW of installed green and flexible capacity by 2030 (4x vs current 1.2GW)

Integrated business model: positioned to benefit from the largest customer portfolio, energy storage facility, network, and energy hub in the Baltics.

Leader in an attractive market: Baltics is the fastest growing region in the EU: GDP growth 2x EU's average¹, expected renewable capacity growth ~3x vs ~1.8x in EU^{2,3}

Strong financial profile: BBB+ credit rating

ESG leader committed to net zero emissions by 2040–2050: placed among top rated European utilities according to multiple ESG ratings

Attractive blend of yield and growth: dividend yield of ~6-7%⁴ and Adjusted EBITDA growth of ~7-11%⁵

1. 5-year (2018–2022) average Real GDP growth (source): EU-27 – 1.4%; Lithuania – 3.3%; Latvia – 2.3%; Estonia – 2.7%.

2. Sources: Company analysis based on Litgrid, Arena, European Commission, Ministry of Assets of Poland, Wood Mackenzie, Statistics Estonia, Eurostat, the Ministry of Energy of the Republic of Lithuania, ICIS and Volue.

3. Source: EU Long-Term Power Analytics – ICIS (2023).

4. Implied dividend yield (annual) over the 2023–2026 period.

5. CAGR, 2021–2026.



Annexes

Disclosure summary

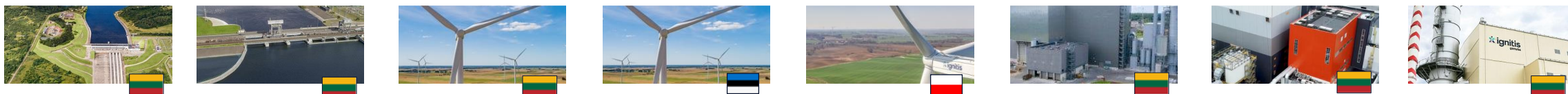
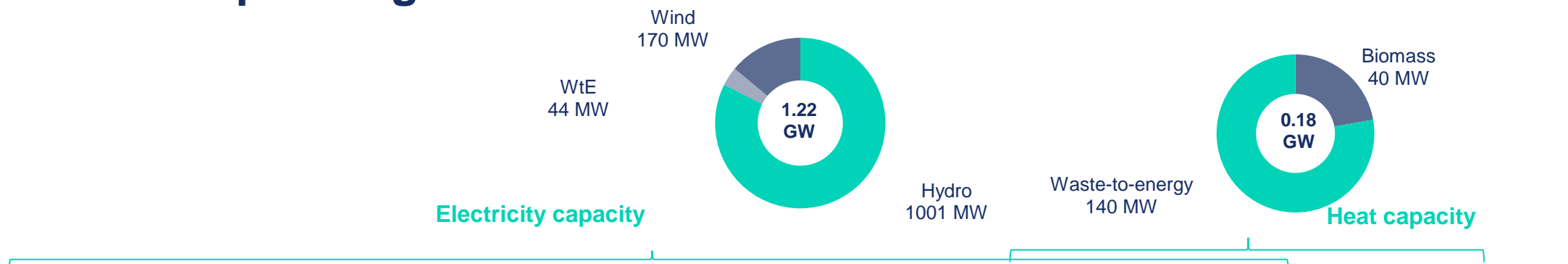
Strategic ambitions and financial guidance

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%

Green Generation operating assets



Kruonis PSHP

Kaunas HPP

**Eurakras,
Vėjo vatas, Vėjo
gūsis**

Tuuleenergia

Pomerania WF

Kaunas CHP

Vilnius CHP

Elektrėnai boiler

Electricity capacity	900 MW	101 MW	58 MW	18 MW	94 MW	24 MW (WtE)	20 MW (WtE)	-
Heat capacity	-	-	-	-	-	70 MW (WtE)	70 MW (WtE)	40 MW
Energy source	Hydro (pumped storage)	Hydro (river flow)	Wind	Wind	Wind	Waste	Waste	Biomass
Revenue source	~3/97% regulated/merchant ¹	Merchant	FIT	FIP	Indexed CfD	Merchant	Merchant	Merchant
Other info	4 units of 225 MW	4 units of 25 MW	26 turbines	6 turbines	29 turbines	Partnership with Fortum	EU CAPEX subsidy	-
Investments 2023–2026	~25 EURm ²	~2 EURm	0 EURm	0 EURm	0 EURm	~3 EURm	0 EURm	0 EURm









1. Proportions based on 2022 adjusted EBITDA.
 2. Major refurbishments included. Normal level of maintenance capex is substantially lower. Kruonis PSHP 1-4 units (excluding additional capacity expansion).

Green Generation portfolio under construction

Portfolio (23 May 2023)

Capacity, total: ~ 495.1 MWe (169 MWth)

Investments, total: ~ EUR 866 million⁷

								
Project name	Mažeikiai WF	Vilnius CHP (biomass unit)	Silesia WF I	Polish solar portfolio II	Silesia WF II	Tauragė solar project	Moray West offshore wind project ⁶	Kruonis PSHP expansion
Country	Lithuania	Lithuania	Poland	Poland	Poland	Lithuania	The United Kingdom	Lithuania
Technology	Onshore wind	Biomass	Onshore wind	Solar	Onshore wind	Solar	Offshore wind	Hydro pumped storage
Capacity	63 MW	73 MWe, 169 MWth	50 MW	~ 40 MW	< 137 MW	22.1 MW	882 MW	110 MW
Turbine / module / other type of unit manufacturer	14 x 4.5 MW Nordex	1 x 73 MWe Siemens; 2 x 84.5 MWth Rafako	14 x 3.6 MW Nordex	17 MW ⁴ Jinko Solar	38 x 3.6 MW Nordex	22.1 MW Trina Solar	60 x 14.7 MW Siemens Gamesa	1 x 110 MW Voith Hydro
Investment	~ EUR 80–85 million	~ EUR 270 million ¹	~ EUR 75 million ³	~ EUR 30 million	~ EUR 240 million ³	~ EUR 16 million	Not disclosed	~ EUR 150 million
Revenue model	Internal PPA	Merchant	CfD	CfD / Internal PPA	CfD / External PPA	Internal PPA	CfD / External PPA	Merchant
Proportion of secured revenue	65%	0%	100%	100%	35%	0%	85%	0%
Ownership	100%	100% ²	100%	100% ⁵	100%	100%	5% ⁶	100%
Partnership	n/a	n/a	n/a	n/a	n/a	n/a	Ocean Winds	n/a
Progress								
FID made	+	+	+	+	+	+	+	+
WTGs erected (units) / Solar modules & inverters installed (MW) / Other type of turbines or units installed (units)	14 / 14	3 / 3	0 / 14	8 / 40	0 / 38	0 / 22	0 / 60	0 / 1
First power to the grid supplied	+	-	-	-	-	-	-	-
Expected COD	Q2 2023	Q3 2023	Q1 2024	2023 – Q1 2024	H2 2024	2024	2025	2026
Status	On track	On track	On track	On track	On track	On track	On track	On track

1. Includes EU CAPEX grant for Vilnius CHP (i.e., waste-to-energy (operational since Q1 2021) and biomass units) which in total amounts to ~EUR 140 million.

2. 49% to be divested post COD according to EU CAPEX grant rules.

3. Including project acquisition and construction works.

4. For the remaining capacity, the contract for the supply of modules has not yet been concluded with any manufacturer.

5. After full completion of construction works.

6. As the Group owns a minority stake of 5%, the project's capacity is not consolidated and is not reflected in the data of Green Generation Portfolio.

7. Excluding not disclosed investments.

Green Generation portfolio advanced development pipeline

Portfolio (23 May 2023)

Capacity, total: ~ 822 MW

Investments, total: ~ EUR 773 million



Project name	Latvian solar portfolio I	Latvian onshore WF portfolio I: Project 1	Jonava solar project	Latvian hybrid portfolio I
Country	Latvia	Latvia	Lithuania	Latvia
Technology	Solar	Onshore wind	Solar	Onshore wind & solar
Capacity	< 300 MW	~ 70 MW	252 MW	~ 200 MW
Investment	~EUR 213 million ¹	~EUR 90 million ¹	~ EUR 200 million	~EUR 270 million ¹
Ownership	100%	100%	100%	100%
Partnership	n/a	n/a	n/a	n/a
Progress				
Land secured	+	+	+	+
EIA completed	n/a	-	n/a	-
Grid connection secured	+	+	+	+
Building permits in place	-	-	-	-
Expected COD	2025	2025	2026	2025–2027
Status	On track	On track	Time delay	On track

1. Including project acquisition and construction works.

Green Generation portfolio early development pipeline

Portfolio (23 May 2023)

Capacity, total: ~ 2.8 GW

Investments, total: ~ EUR 410 million⁵



Project name	Latvian onshore WF portfolio I: Project 2 & 3	Plungė WF project	Lithuanian offshore WF (spring)	Greenfield portfolio
Country	Latvia	Lithuania	Lithuania	Lithuania, Latvia, Poland
Technology	Onshore wind	Onshore wind	Offshore wind	Onshore wind & solar
Capacity	~ 90 MW	< 218 MW	700 MW	~ 1.8 GW ³
Investment	~EUR 110 million ¹	~EUR 300 million ¹	Not disclosed	Not disclosed
Ownership	100% ²	100% ²	51%	100%
Partnership	n/a	n/a	Ocean Winds	n/a
Progress				
Land secured	+	+	+	n/a
Expected COD	2026–2027	2026–2030	2028–2030	2025–2030 ⁴
Status	On track	On track	On track	On track

1. Including project acquisition and construction works.

2. After construction permits are granted or prior grid deposit is paid.

3. Secured land lease agreements for the development of the indicated capacity.

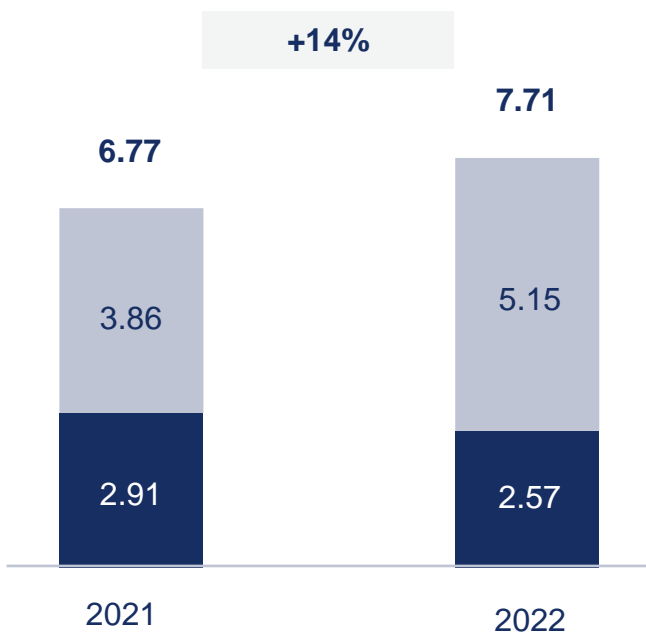
4. As the indicated capacity includes different projects, expected COD depends on the progress of individual projects. Additionally, Lithuanian projects should begin operations towards the end of the indicated time range.

5. Excluding not disclosed investments.

Customers & Solutions portfolio

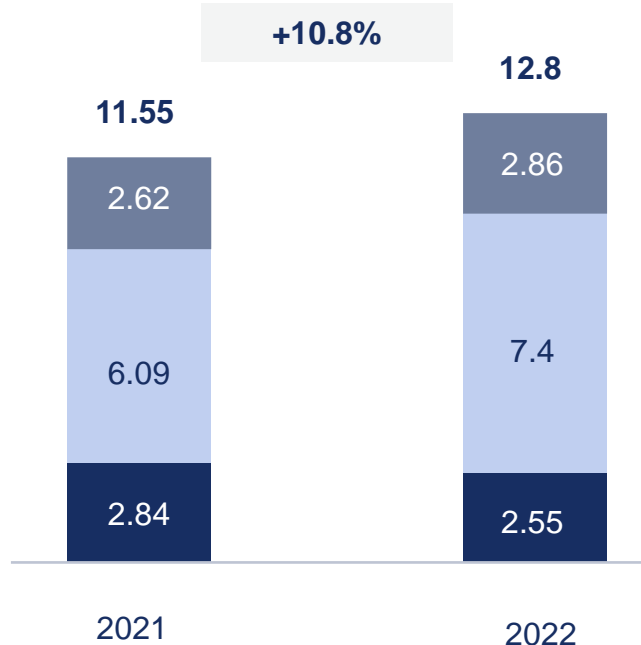
Electricity supply portfolio, TWh

■ B2B ■ B2C



Natural gas supply portfolio, TWh

■ Wholesale ■ Retail B2B ■ Retail B2C



EV charging stations, #
(Ignitis ON - own network/period end)



1.4 M

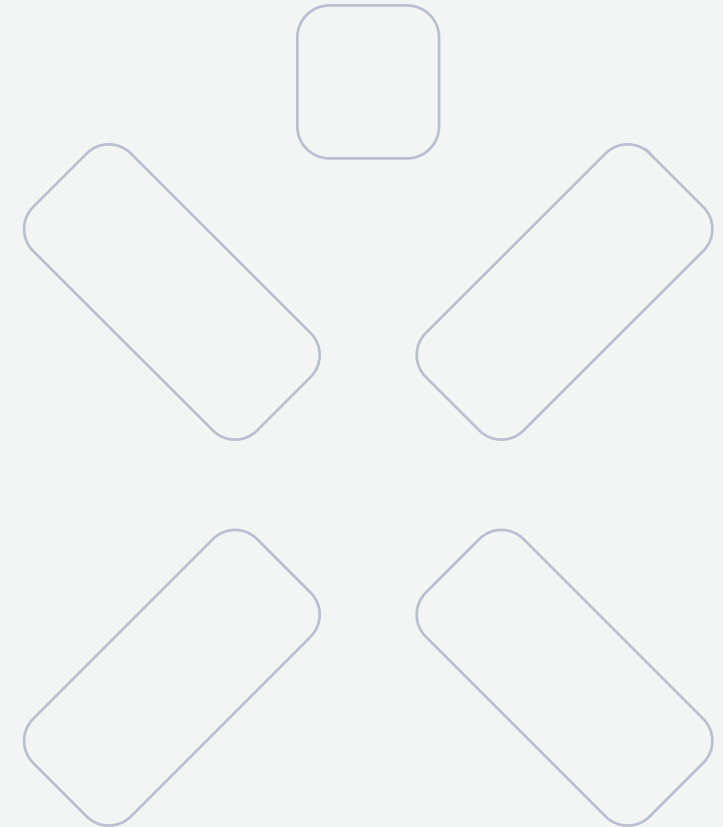
Customers
end of 2022



Reserve Capacities operating assets

Elektrėnai complex	CCGT	Units 7–8
Electricity capacity	455 MW	600 MW
Energy source	Gas	Gas
Location	Lithuania	Lithuania
Revenue source	~ 29%/71% regulated/merchant ¹	100% regulated
Other info	COD in 2012	2 units of 300 MW
Investments 2022–2025	Up to 18 EURm ²	

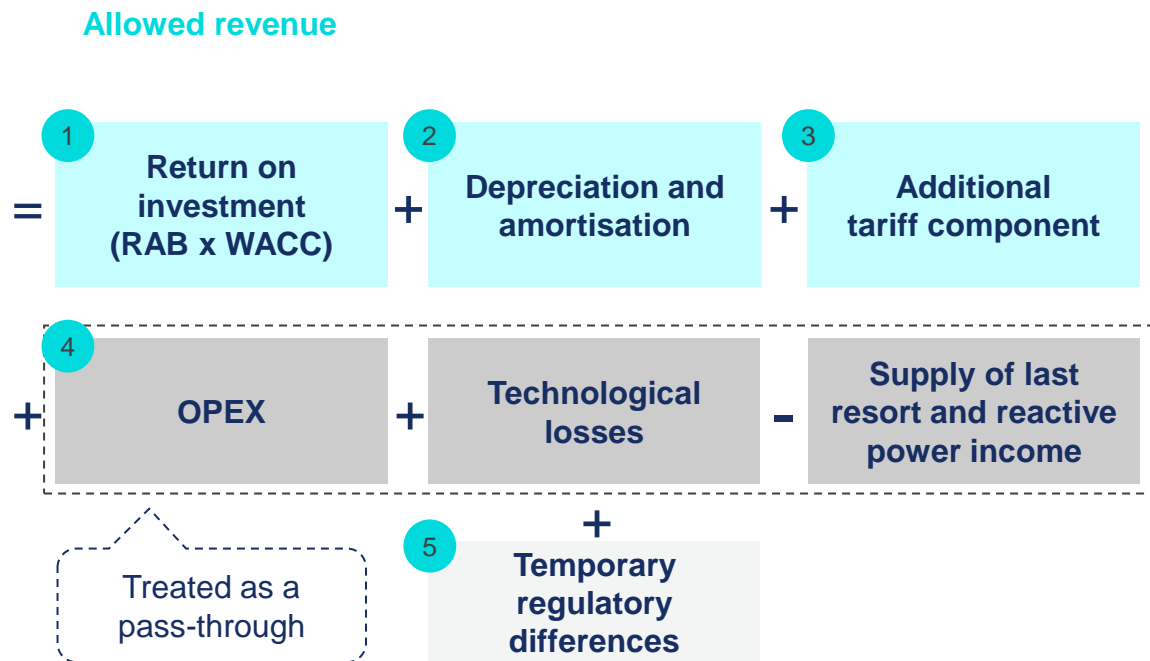
Option to exploit gas-fired generation assets during low renewables generation /positive clean spark spread periods



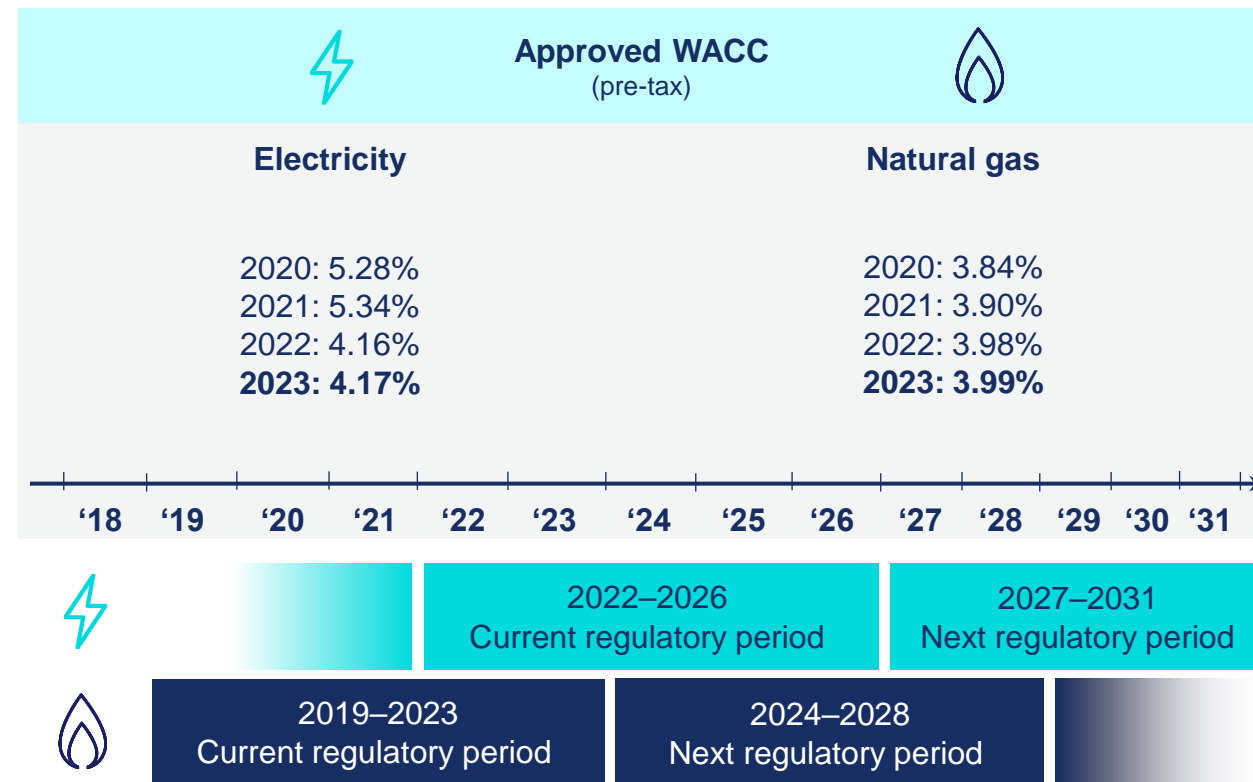
Networks regulatory framework



Largest Network in the Baltics, with a natural monopoly in both electricity and gas distribution services **>99.5%¹ of the Lithuanian market**



Regulated WACC & regulatory periods



1. In 2020, based on electricity distribution volumes (Source: NERC).

Science-based emissions reduction targets

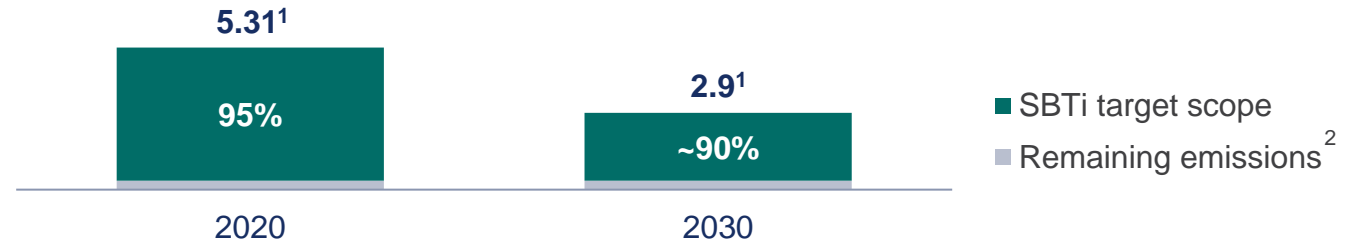


Most of the Group’s GHG emissions are covered by emission reduction targets validated by the SBTi. We expect that the remaining emissions will not change significantly.

The projected effect of the validated targets on total Group emissions is a 47% reduction by 2030 (vs. 2020)¹.

Share of Group’s GHG emissions covered by targets validated by the SBTi

Millions t CO₂-eq




Target scope	Target value 2030 (vs. 2020)	Emissions scope	Main reduction areas
GHG emissions intensity from power generation	15 g CO₂-eq/kWh (-94%)	Scope 1 (stationary combustion) + biogenic emissions	<ul style="list-style-type: none"> Increasing green electricity generation capacity Optimising consumption of resources necessary for operations
GHG emissions intensity from power generation and sold electricity	27 g CO₂-eq/kWh (-90%)	Scope 1 (stationary combustion) + Scope 3 (sold electricity and heat)	<ul style="list-style-type: none"> Increasing green electricity generation capacity Developing solutions that support customer energy efficiency (e. g. implementation of smart metering for customers) Increasing share of green electricity sold to customers
GHG emissions not related to power generation	0.34m t CO₂-eq (-42%)	Scope 1 + Scope 2	<ul style="list-style-type: none"> Increasing share of green electricity usage Natural gas grid loss reduction Replacing operational vehicle fleet with EVs
GHG emissions from use of sold products	1.5m t CO₂-eq (-25%)	Scope 3 (sale of natural gas to end-users)	<ul style="list-style-type: none"> Promotion customer transition from gas to electricity

1. GHG emissions from Vilnius CHP are not included (see slide 44). The historical data has been recalculated.
 2. Emissions not covered by emission reduction targets validated by SBTi (remaining emissions) come from electricity grid losses, well-to-tank of fuel, etc. The exclusion of these emissions is consistent with the SBTi methodology for target validation. In 2020, these emissions in total amounted to 0.33 million t CO₂-eq.

Performance objectives for 2023–2026

Based on the strategic plan for 2023–2026 of the Ignitis group

Strategic Priority		Weight	Objective	
			Entry (70%)	Target (100%) (equal to maximum)
Performance	TSR TSR of Ignitis Group vs. average TSR of EURO STOXX® Utilities Index ¹	40%	≥70% ²	≥100% ²
Returns	Average adjusted ROCE³ over the four years 2023–2026	20%	6.5% ²	7.5% ²
 Growing renewables	Green generation installed capacity⁴, GW	20%	2.2 ²	2.4 ²
 Increasing Networks resiliency	Average electricity SAIFI⁵ over the four years 2023–2026 (per annum)	10%	≤1.09	≤1.05
Targeting net zero emissions	GHG emissions reduction, 2026 vs. 2020 ⁶	10%	-15% ²	-27% ²

1. TSR (Total Shareholders Return) is calculated as the ratio of the difference between the average share price at the end of the period and the beginning of the period and adding the amount of dividends per share over performance period to the share price at the beginning of the performance period. The average TSR (Total Shareholders Return) of Ignitis Group and EURO STOXX® Utilities Index is calculated in the two-month period (Nov and Dec accordingly) preceding the beginning and the end of the performance period (January 1, 2023–December 31, 2026), in order to neutralise any possible volatility on the market. TSR of Ignitis Group is calculated with the assumption that dividends are reinvested as well as EURO STOXX® Utilities Index used for benchmarking (based on gross return index type and EUR currency). Change in the value of the Ignitis Group shares between the beginning and the end of the reference period calculated as a weighted average of the IGN1L (Nasdaq Baltic) and IGN GDR (London Stock Exchange) prices based on volume traded.

2. Target will be measured according to the achievement scale with linear interpolation between the entry (70%) and target (100%) thresholds.

3. ROCE is calculated by dividing Ignitis Group adjusted earnings before interest and tax (adjusted EBIT) by its capital employed (average net debt at the beginning and end of the reporting period + average book value of equity at the beginning and end of the reporting period).

4. Gross installed capacity (COD reached), 2026.

5. Electricity SAIFI (System Average Interruption Frequency Index) is calculated based on the National Energy Regulatory Council methodology, excluding (1) interruptions due to natural phenomena corresponding to the values of natural, catastrophic meteorological and hydrological phenomena indicators; (2) interruptions due to failures in the network of the transmission system operator. Target objective is defined based on the decision of the National Energy Regulatory Council on January 26 of 2022 no. O3E-79.

6. Based on the Ignitis group GHG emissions level in 2020: 5.31m t CO₂-eq. (excl. Vilnius CHP), targeted 2026 level: 3.9m t CO₂-eq.

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
CfD	Contract for difference
CHP	Combined heat and power
CO ₂	Carbon dioxide
COD	Commercial operations date
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
FIT	Feed-in tariff – fixed electricity purchase tariff
FIP	Feed-in premium – fixed premium to the electricity market price
GHG	Greenhouse Gas

Indicator	Definition
GRI	Global Reporting Initiative
GW	Gigawatt
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
IRR	Internal Rate of Return
MW	Megawatt
MWe	Megawatts electric
MWth	Megawatt thermal
Net debt/ adjusted EBITDA	Leverage ratio, which shows the Group's ability to repay its debt from the profit earned.
PPA	Power purchase agreement
P2X	Power to X
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
SDG	Sustainable Development Goal
TCFD	Task Force on Climate-Related Financial Disclosures
TRIR	Total recordable injury rate: Total recordable injuries x 1 million hours worked divided by all hours worked during the reporting period.
TSR	Total Shareholder Return
TWh	Terawatt-hour
UN	United Nations
vs.	versus
WACC	Weighted average cost of capital
WtE	Waste-to-energy



Strategy update | Strategic plan 2023–2026