EPSOG group strategy 2035

Amber Grid

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LEGAL DISCLAMER

The statements and indicators outlined in this document are expectations for the future. The information provided is based on the current knowledge, expectations, and assumptions of the "EPSO-G" group of companies (hereinafter – the Group), including Amber Grid, regarding future events and trends that may affect Amber Grid operations.

Forward-looking statements include information about Amber Grid expected performance, business strategies, contractual relationships, competitive environment, operating conditions, potential growth opportunities, future regulatory impacts, competitive effects, and similar matters. Although Amber Grid believes the estimates and forecasts presented are reasonable, there are risks, uncertainties, and other significant factors beyond the Company control. These could cause actual results or achievements to differ substantially from those planned.

The realization of the goals set forth in this document may be influenced by changing legal requirements, cost-benefit analyses, and other research findings. Investment volumes and financial forecasts have been calculated based on the information currently available to Amber Grid future decision-making may change in response to external circumstances beyond the control of the Amber Grid. The strategy is reviewed annually and updated as needed.

Amber Grid, its officers and employees are not liable for any damage incurred through the use of this document or its content.

Amber Grid is not obligated to update or revise any forward-looking statements due to new information, future events, or other circumstances, except as required by law.

WE ARE CREATING THE FUTURE OF LITHUANIAN ENERGY

We are participants of global energy changes. Global energy trends are changing rapidly, and energy transformation is gaining momentum in Lithuania. The National Energy Independence Strategy outlines a clear direction - to provide ourselves with energy resources, develop high-value exports, ensure energy security, a climate-neutral economy, so that energy changes reach all consumers.

Amber Grid sees itself as a reliable partner on this path of change, creating a hydrogen network, a carbon dioxide ecosystem, further actively developing green gas connection to the transmission network, developing markets and strengthening relationships with existing and future customers.

Looking to the future, we must also take care of the present. We can see that for more than a decade gas will be an important energy resource both to the Lithuanian market and to a regional and European scale. Well-developed infrastructure and international flows oblige us as strategic partners to take care of our customers, the gas transmission system, its security, anticipate possible threats, protect and educate communities living close to gas networks.

In the updated Amber Grid strategy, together with the companies of the EPSO-G group, we have refined the common mission of the group - to accelerate energy independence and enhance system security, the vision - to enable the transformation of the energy industry while simultaneously safeguarding national security interests. In order to achieve our goals, we defined the main directions - to drive future infrastructure, to provide reliability and security, to be vital and skilled strategic partner. We use a variety of enablers to achieve strategic change and goals: financing, innovation and digitization, partnerships, asset development and management, and improving supply chains and procurement.

We are already preparing for changes in the energy system - we would not be able to implement them without the basis of our organization and the main enablers - our people. We are already educating employees to develop new infrastructure, we are raising competences of green energy technologies, we are cooperating with international partners in creating a common European hydrogen network, and we are participating in energy initiatives.

We believe that by joining forces with our partners, the Group's companies, we will successfully develop a dynamic energy sector, contributing to the creation of economic benefits for our country and Europe.

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01 | AMBER GRID IN BRIEF

OUR CORE BUSINESS

IS ESSENTIAL FOR THE ENERGY TRANSITION AND SECURITY OF SUPPLY

WE ARE THE OPERATOR OF THE LITHUANIAN NATURAL GAS TRANSMISSION SYSTEM, RESPONSIBLE FOR THE TRANSMISSION OF NATURAL GAS TO CONSUMERS, OPERATION, MAINTENANCE AND DEVELOPMENT OF THE INFRASTRUCTURE.

Key figures in 2023

345 employees	**82** M Eur revenues	**25** M Eur EBITDA[1]
9 M Eur adj. net profit[1]	**15** TWh transported for domestic needs	**46** TWh transported to adjacent systems

[1] Regulated revenue, expenses and profitability indicators are recalculated due to temporary regulatory deviations from the regulated profitability indicator approved by the Council, revaluation of non-current assets and other gain/loss from non-ordinary activities.

Transmission infrastructure
We deliver and manage critical infrastructure to enable secure and sustainable energy

Market development
We facilitate market conditions through creation infrastructure interconnections and transparent rules for market functioning

System operation
We ensure safe and reliable operation of an integrated energy system

Guarantees of origin
We facilitate favorable conditions for the development of gas produced from RES

WE ARE PART OF THE STATE-OWNED ENERGY TRANSMISSION AND EXCHANGE GROUP EPSO-G

EPSOG

- **Litgrid** — Lithuania's electricity TSO
- **Amber Grid** — Lithuania's gas TSO
- **ENERGY CELLS** — Energy storage system operator
- **getbaltic** — Minority shareholder of natural gas exchange
- **TETAS** — Electricity network construction and maintenance
- **EPSOG Invest** — Project management and investment
- **Baltpool** — Biomass and timber exchange
- **TSO Holding** — Minority shareholder of Nord Pool power exchange

Ensure **energy security of Lithuania**

Ensure **integrated and efficient** management of operations

Enable implementation of Lithuania's and the European Union's **sustainable energy strategies**

WE HAVE ENABLED

A SUSTAINABLE AND EFFECTIVE ENERGY EXCHANGE AND SECURED SOLID GROUND FOR THE ENERGY TRANSFORMATION

SOLID COMMITMENT TO SUSTAINABILITY

in enabling a climate-neutral energy transition and creating a progressive and sustainable organisation

ACCELERATING RENEWABLE ENERGY

by providing clear conditions and processes for biomethane producers to access the system and participate in the RES market

INTERCONNECTING ENERGY SYSTEM

integrated with EU gas markets

CREATING ENERGY EXCHANGES

scaled-up in the region with gas exchange

SOLID TRACK RECORD IN EXECUTING LARGE PROJECTS

We aim to strengthen the gas transmission system. Over the past years, we implemented important strategic projects for the country and the region. In this way, we ensure the security of the country, reliable gas transmission to both Lithuania and the Baltic region. Using EU support, we applied innovative solutions in the gas system and modernized it.

Klaipėda-Kuršėnai 2015
The gas pipeline for enabling diversification of gas sources for Baltics

GIPL - 2022
The gas pipeline between Lithuania and Poland

ELLI - 2022
The Enhancement of Latvia-Lithuania interconnection

21 project 2016-2023
of system reconstruction and modernization co-financed from ERDF

We implement national sustainability, independence and security goals

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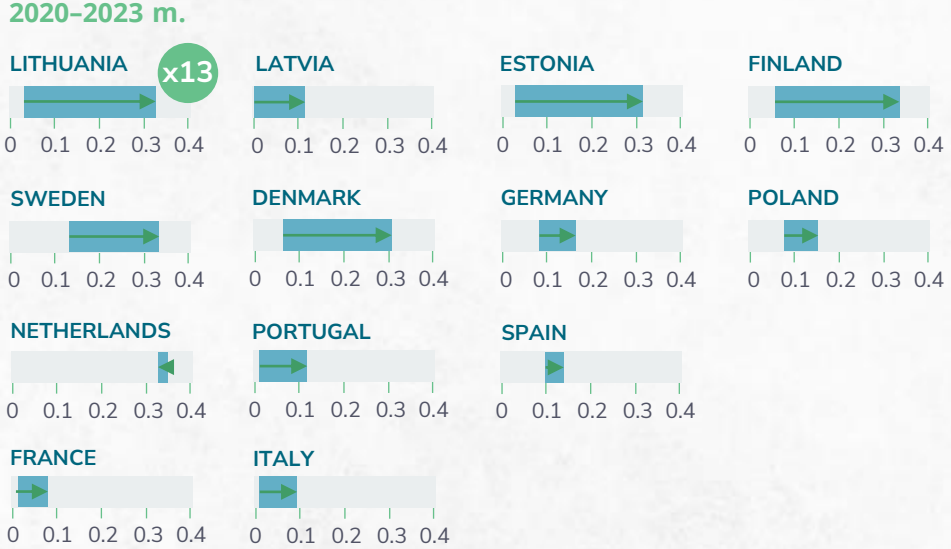
02 | STRATEGIC CONTEXT

THE ENERGY TRANSFORMATION OF THE BALTIC STATES LAYS THE FOUNDATION FOR INTEGRATED GROWTH IN GREEN ENERGY AND INDUSTRY

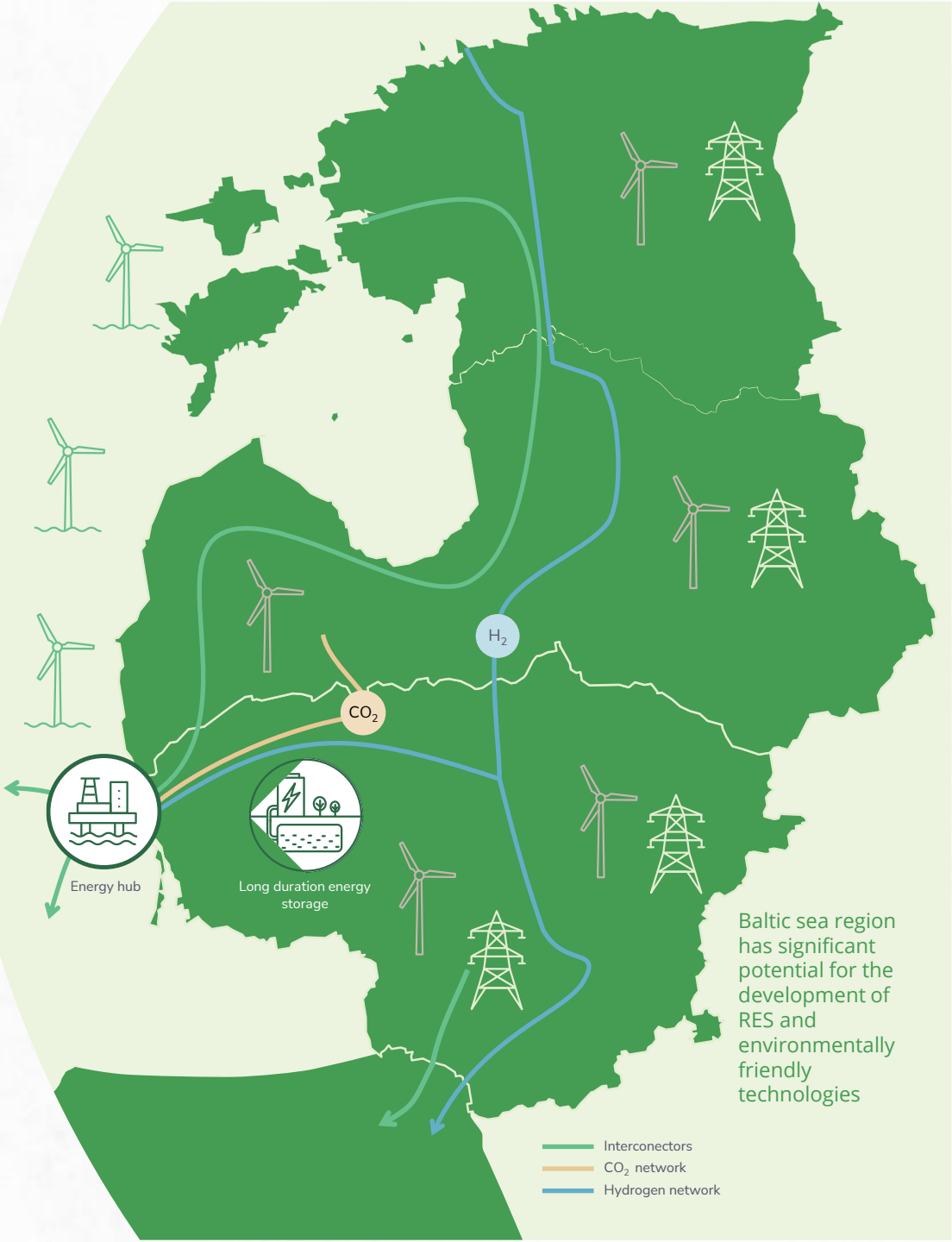
Annual new wind and solar capacity installation per capita in selected European countries from start 2020 to end 2023 (kW/cap)*



Regional trends

- The Baltic region is currently the leader in Europe for Renewable Energy Sources (RES) capacity additions per capita
- The greatest concerns are threats to regional security, supply chain issues, and volatile commodity prices, but these are offset by a stable policy promoting RES
- Regional cross-border integration, new transmission infrastructure, growth of demand via electrification and flexibility resources are needed to maintain development of RES and zero-carbon technologies

*Source: ENTSO-E Transparency Platform; PCI-PMI Transparency platform; Lithuania Energy System Transformation to 2050 study, LITGRID (for Lithuania only), and other sources. *Note: data takes the first day of the year. Lithuania 2020: additional 72 MW, 2,809,977 population. Lithuania 2023: additional 934 MW, 2,857,279 population.*



COMPLEX GLOBAL DYNAMICS ARE SHAPING OUR ENVIRONMENT

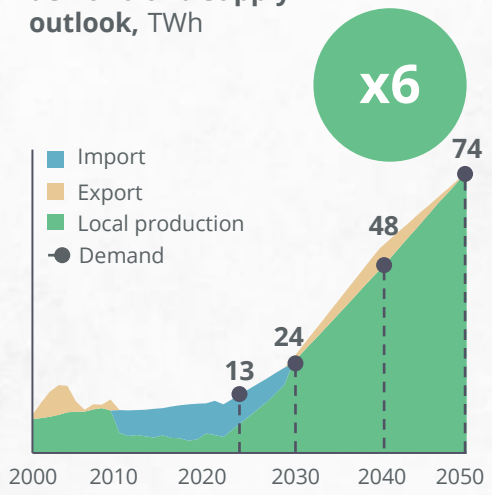
LITHUANIA HAS APPROVED ITS NATIONAL ENERGY INDEPENDENCE STRATEGY

The aim is for RES capacities to grow rapidly, and for demand and energy exports to increase. Lithuania's goal is to transition from fossil methane to green gases. The expansion of RES requires greater system flexibility, utilizing intersystem connections and other cross-sectoral flexibility measures.

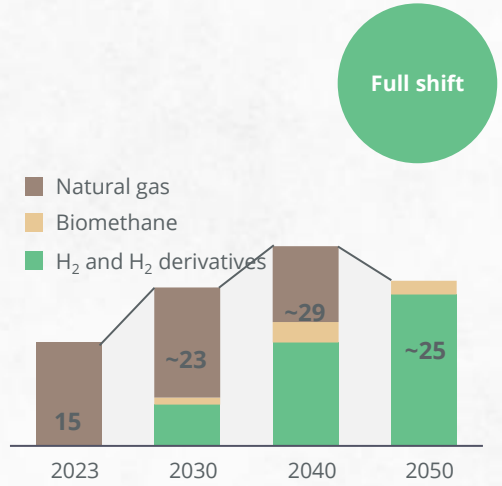
An ambitious national strategy

To become a country that produces energy for its own needs and exports it by 2050, creating a climate-neutral and high value-added energy industry.

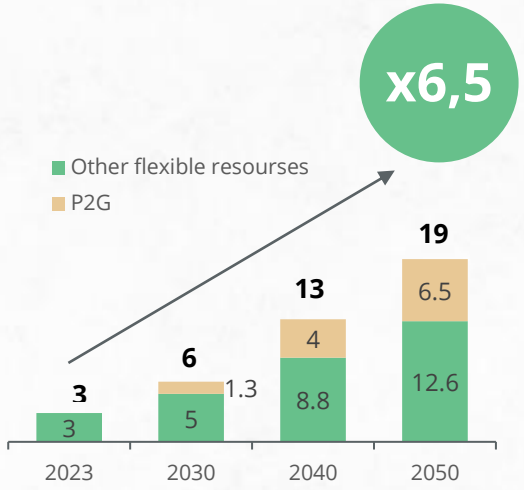
Lithuanian electricity demand and supply outlook, TWh



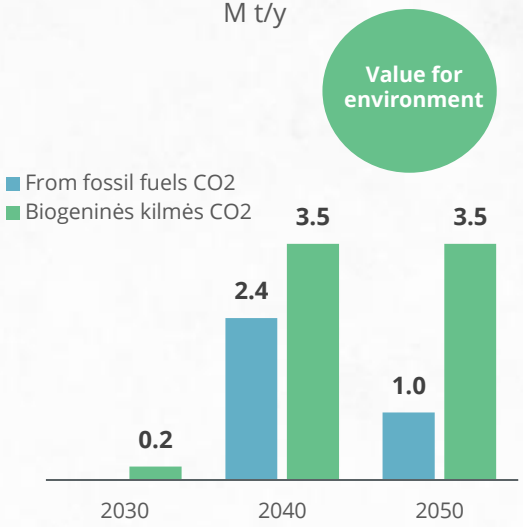
Lithuanian methane and green gases demand outlook, TWh



Lithuanian flexible resources (excl. interconnections), GW



CO_2 collection potential in Lithuania, M t/y



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03 MISSION AND COMMITMENTS

WE EXIST

OUR PURPOSE

To power a confident and green future in an ever-changing world

WE SEEK

OUR VISION

To enable the transformation of the energy industry while simultaneously safeguarding national security interests

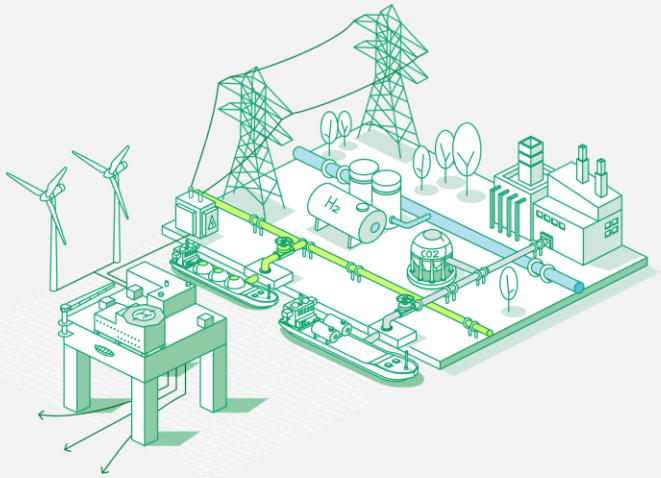
OUR ACTION NOW

OUR MISSION

To accelerate energy independence and enhance system security

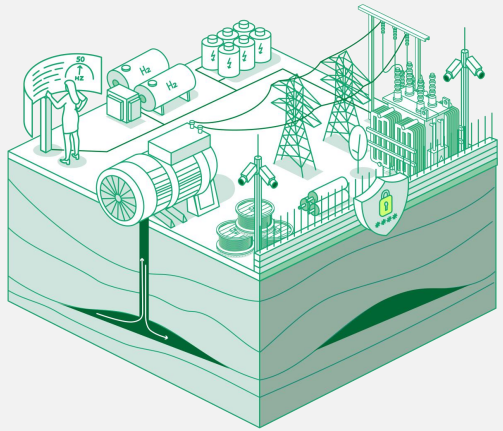
OUR THREE FUNDAMENTAL COMMITMENTS

DRIVER OF TOMORROW'S INFRASTRUCTURE



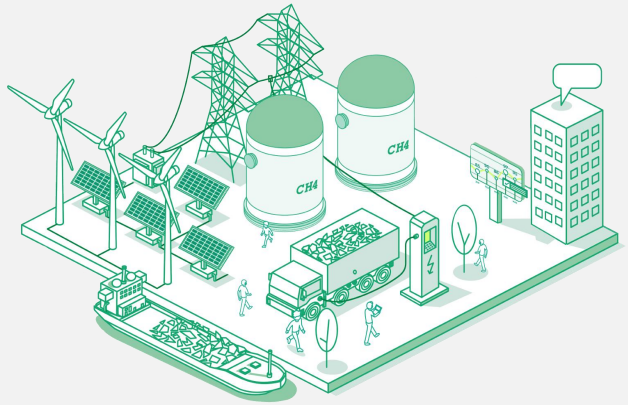
1 We see the transformation of the energy sector as a **fundamental change**. Our goal is **to provide the infrastructure** upon which the **net-zero energy system** will be based

PROVIDER OF SECURITY AND RELIABILITY



2 We aim **to enhance security** and **reliability** within and beyond the energy sector, strengthening **system flexibility** and **national security**. Our work is essential for a reliable future

VITAL AND SKILLED STRATEGIC PARTNER



3 **Energy transformation** requires a systemic and **close cooperation** of various industry peers, investors and governments. Our goal is to **be a vital partner** in developing low-carbon infrastructure and markets.

WE ADHERE TO GOVERNANCE PRINCIPLES ORIENTED TOWARDS A SUSTAINABLE FUTURE

Creating a positive culture and a safe environment free from accidents

Net zero by 2050

Transparency, responsible governance and supply chain management and sustainable finance

No net loss of biodiversity

Empowered people and positive impact on communities

Our business strategy directly targets 7 UN SDGs while contributing to all the others

BUILDING A STRONGER ORGANISATION FOR OUR PEOPLE

Focusing on a unified group culture, identity and people growth

We are targeting:

Building a **unified Group culture** and identity

To be **an employer of choice for employees**

Ensure **development and growth** of our people

ORGANISATIONAL CAPABILITY AND SUSTAINABILITY

We develop capabilities to enable the energy transformation. We refine our work environment and processes and interact with education institutions

- Identification and application of future competences, reskilling employees and ensuring succession
- Matrix leadership focused development
- Promote energy profession
- Creating new tools to attract and maintain workforce
- Data-driven decisions in employment relations

LEADERSHIP AND TALENT GROWTH

We rely on our ability to constantly learn for the Group and its people to flourish. We will focus on creating opportunities to further develop talents and leadership skills

- Attracting, developing, and retaining talent
- Focused development of professionals, attracting competences internationally
- Empowering the personal leadership of team members
- Ensure transparency, diversity and engagement

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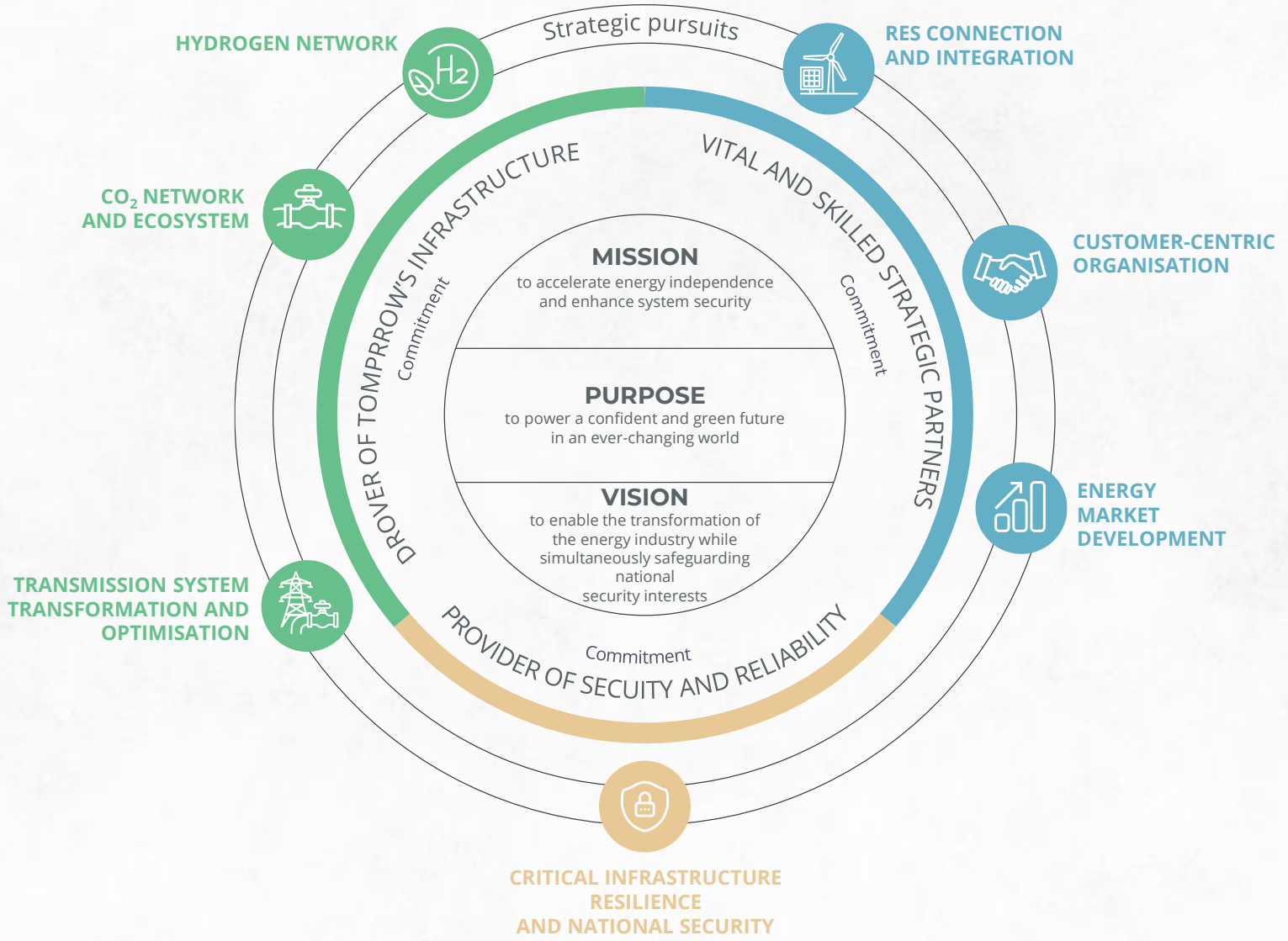
04 STRATEGIC FRAMEWORK AND STRATEGIC PURSUITS

OUR STRATEGIC FRAMEWORK

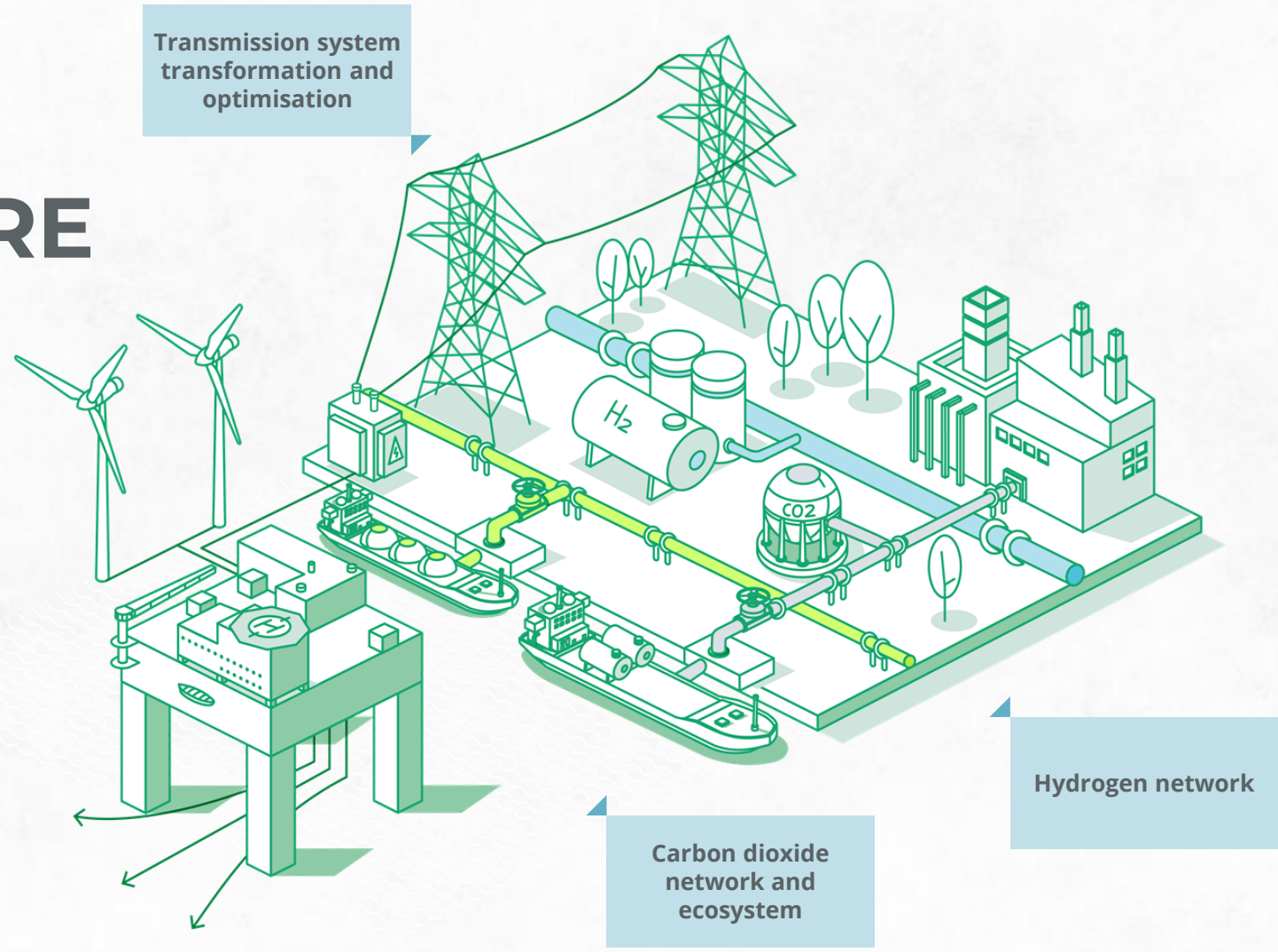
ENABLERS

- People, culture & capabilities
- Financing
- Partnership
- Asset delivery & management
- Supply chain & procurement
- Innovation & digitaliation



DRIVER OF TOMORROW'S INFRASTRUCTURE

- We see the transformation of the energy sector as a fundamental change
- We support increasing connectivity across existing and new energy vectors
- We are leading the way for successful integration of the new energy vectors like hydrogen (H_2), carbon dioxide (CO_2) and synthetic green gases



1 OBJECTIVE
to adapt and build the infrastructure upon which the future of energy will be based

LITHUANIAN ENERGY STRATEGY 2050

Implementing the energy transformation requires the **creation of new transmission networks, transformation and optimisation of the gas transmission system**

≥ 24 TWh
Green H_2 production

≥ 9 TWh
Green H_2 derivatives

≥ 65 TWh
Demand for gas transmission

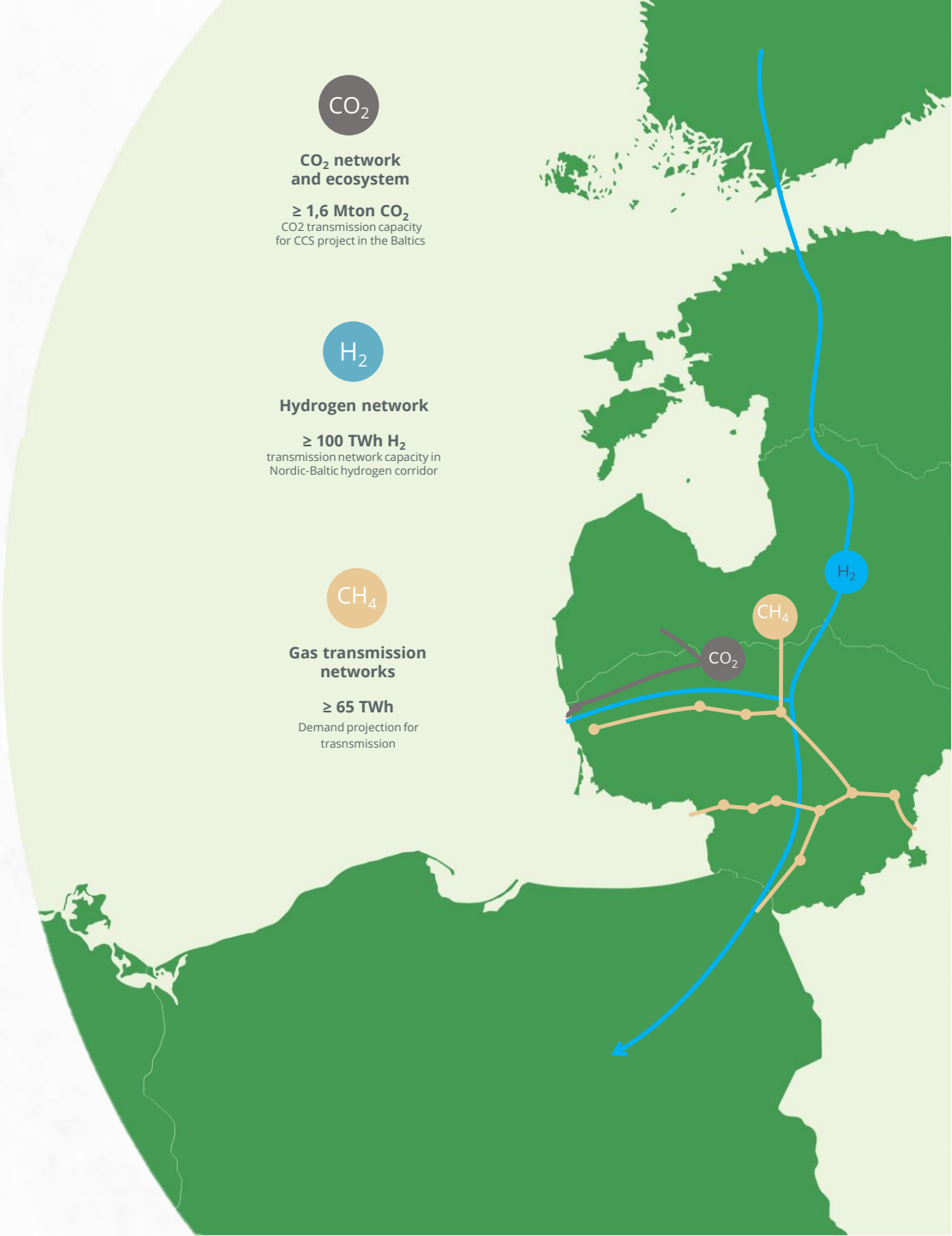
Potential investments until 2035
3.3 B EUR

We promote greater system interoperability and the integration of existing and new energy vectors

We are preparing for the **transformation of the gas system** to ensure its future-proofing, safety and reliability. We will assess technical infrastructure changes and initiate changes and explore opportunities to adapt the gas network to other alternatives.

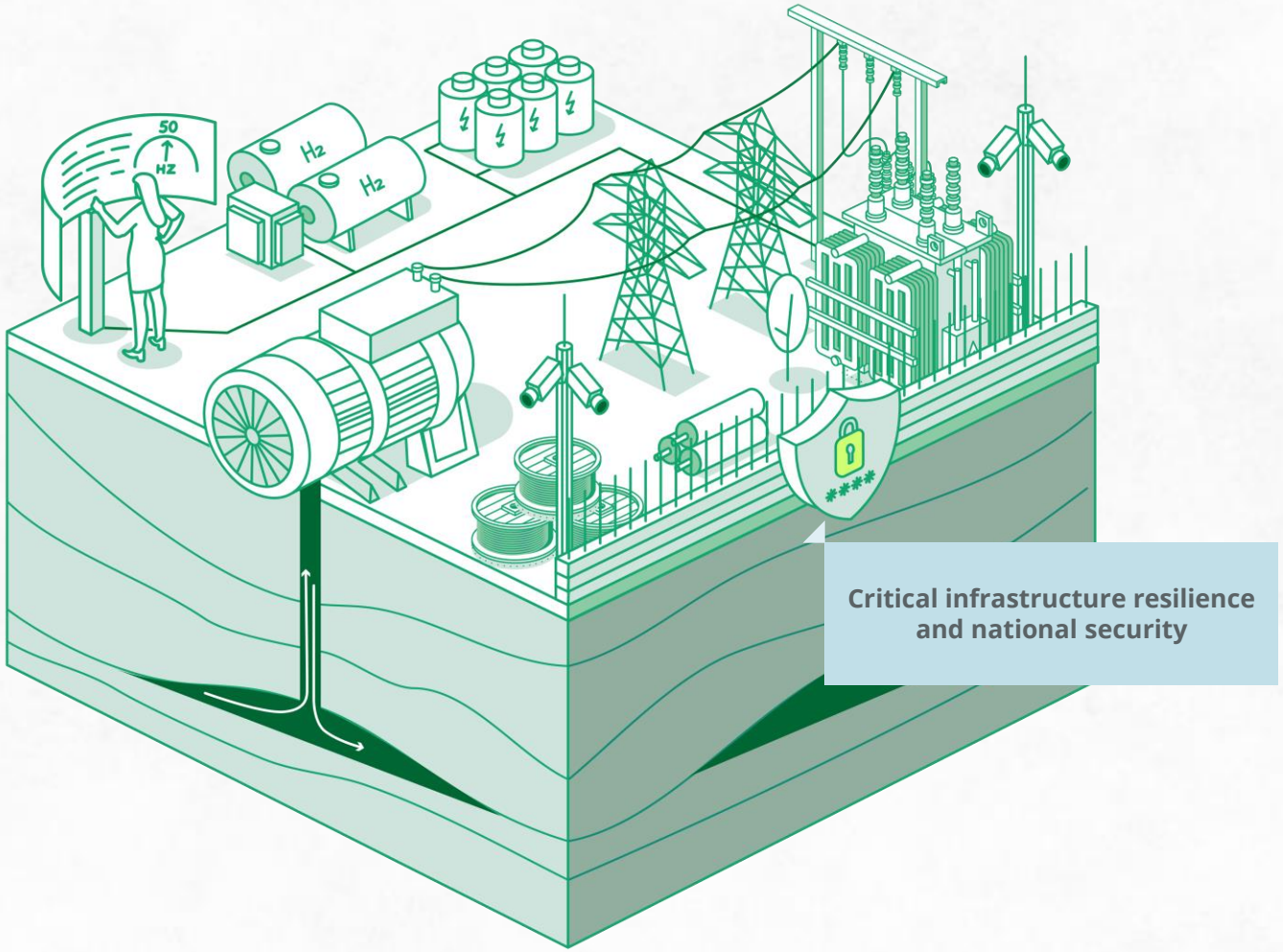
We are creating a **hydrogen transportation infrastructure** that will stimulate the development of the Lithuanian hydrogen ecosystem. The Lithuanian hydrogen network is very important in creating conditions for hydrogen transit along the Nordic-Baltic corridor.

We are exploring the possibilities **of creating a CO_2 network** for the development of a climate-neutral and high-value-added ecosystem and industry.



PROVIDER SECURITY AND RELIABILITY

- Our activities are integral to ensuring a reliable future
- We are creating a more resilient and flexible energy system
- We are taking additional actions within and beyond our operations to strengthen national security



2 OBJECTIVE

enhance security and reliability within and beyond the energy sector, strengthening system flexibility and national security

PROVIDER OF SECURITY AND RELIABILITY

Safeguarding resilience of critical infrastructure and national security

We strengthen the safety of our assets against physical and cyber threats, and act as a strategic partner for national security initiatives

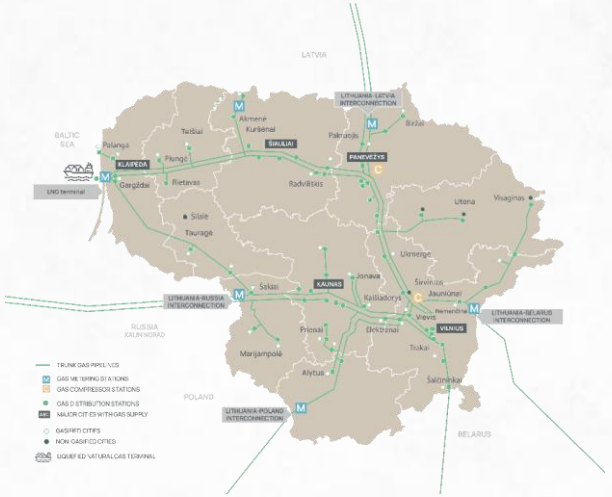
Cyber & physical security
Energy system

National security
Partnerships & projects

We are increasing safety and reliability in the energy sector and beyond, strengthening system resilience and national security

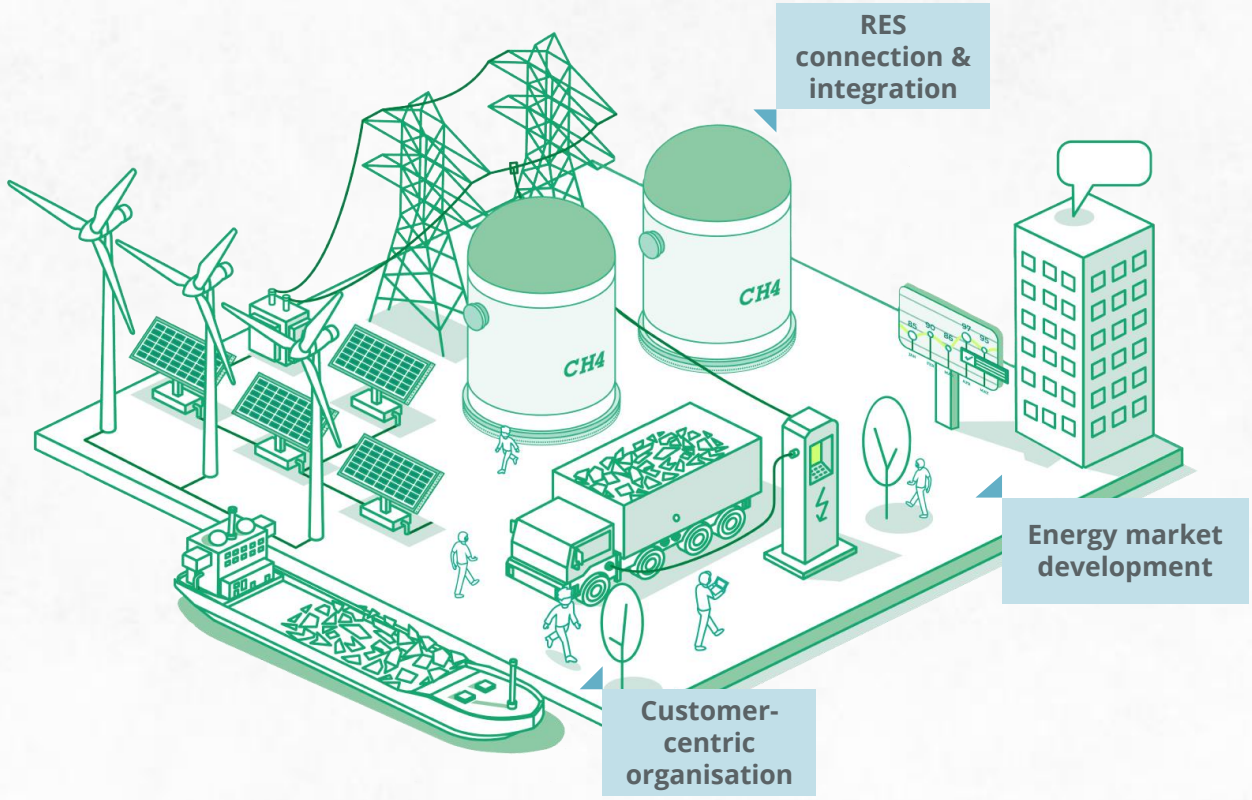
- We **strengthen physical security** by installing drone protection systems, ensuring contingency reserves and the presence of personnel and equipment
- We **strengthen cybersecurity** by ensuring the latest digital security measures for critical transmission network assets, implementing advanced cybersecurity programs, and continuously educating employees and partners
- By reorganising critical sections of the main gas pipeline, paying attention to determining the depth of gas pipelines and their deepening, we **strengthen the safety and reliability** of the transmission system
- By consistently maintaining gas pipelines, monitoring gas parameters in the transmission system, organising emergency exercises, improving the emergency management plan, and cooperating with transmission operators in neighboring countries, distribution and LNG terminal operators, we **ensure the security** of the gas transmission system.

- Ensuring that residents, businesses and people's property near gas pipelines remain safe even in the event of a minor accident, we are conducting information campaigns to increase their awareness of gas pipeline protection zones, safety-enhancing area classes, and applicable building codes. We hope that this knowledge will encourage the public to plan their activities near gas pipelines more carefully



VITAL AND SKILLED STRATEGIC PARTNER

- Energy transition requires a systemic and close cooperation of various industry peers, investors and governments
- We will foster close cooperation to unlock the potential of renewables both at home and in the Baltic Sea region
- We will enhance synergy and integration of different business sectors



3 OBJECTIVE

Be a vital partner in developing low-carbon infrastructure and markets

Biomethane production (2040)

3.4 TWh

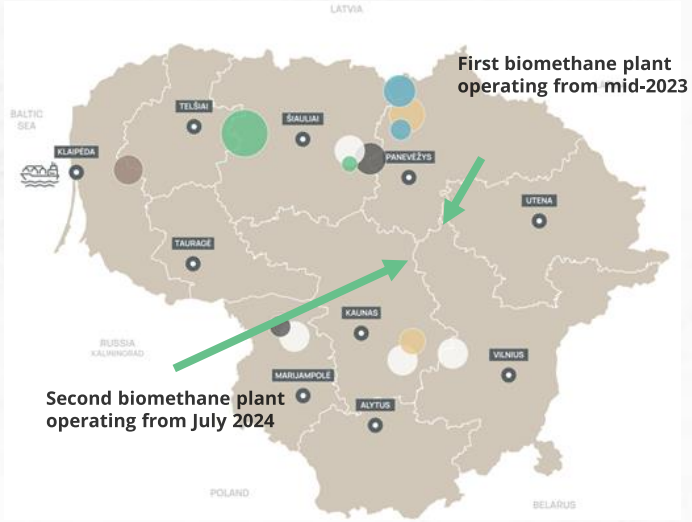
Customer experience evaluation (GCSI)

≥80

- The Lithuanian Register of guarantees of origin for **RES gas connection to European schemes** (2025-2026)
- Transparent and non-discriminatory **new markets functioning models and rules** created

RENEWABLE ENERGY CONNECTION & INTEGRATION

We connect biomethane producers to existing networks, accelerating the development of renewable energy in Lithuania. **The integration of biomethane into the overall energy system** is now one of the main energy goals of European countries, and for Amber Grid's customers it is a key future development opportunity



CUSTOMER-CENTRIC ORGANISATION

We focus **on strengthening approach to our customer and developing future customer service competence**, and we strive to ensure a reliable partnership for all current and future customers on the path of energy transformation

When evaluating existing services and the ongoing energy transformation, new infrastructure development initiatives, we must be ready to respond to changing customer expectations. Therefore, we constantly study customer experience and accordingly set priorities that meet expectations

ENERGY MARKET DEVELOPMENT

We aim to create **transparent rules for the functioning of the H_2 market** and offer new opportunities to renewable gas market participants.

We will analyse opportunities to contribute to the development of the **CO_2 market.**

We are creating an opportunity for **customers to exchange guarantees of origin for renewable gas (biomethane, hydrogen) in Europe**, for which purpose we are organising the connection of the Lithuanian Register of Guarantees of Origin for Renewable Gas to the European Guarantees of Origin Schemes (AIB and ERGaR schemes).

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05 | KEY ENABLERS

CULTURE & CAPABILITIES

Our success is driven by expertise, continuous learning and the ability to act in a constantly changing environment

AREAS DRIVING BUSINESS GROWTH

- Renewables
- Carbon dioxide transportation, storage & utilisation
- Hydrogen and its products integration and/or transportation
- Power to X technologies

Lithuania's energy future is driven by our people with unified values

Open

Reliable

Responsible

Our team will grow by around

30%

by bringing in Lithuanian and international talent

1 FINANCING

- Diversified funding base
- Strong relationships with capital providers
- Prioritisation of investments that have the highest return and impact

2 PARTNERSHIPS

- With other companies in the energy and other sectors
- With local and EU regulation institutions and organisations
- With academic organisations

3 SUPPLY CHAIN & PROCUREMENT

- Diverse range of suppliers
- Leveraging collective buying power
- Utilising a wide range of procurement platforms

4 ASSET DELIVERY & MANAGEMENT

- Advanced project management
- Digital asset management tools
- Proactively managing portfolio-level risks

5 INNOVATION & DIGITALISATION

- Cutting-edge technologies for value creation
- From 'big data' to 'smart data'
- Digital literacy & Culture to exploit opportunities

OUR KEY ENABLERS

To achieve our goals, we are developing a range of enablers to accelerate the attainment of results

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06 STRATEGIC ROADMAP AND KPIs

1 SOCIETY
THRIVES IN A SUSTAINABLE ECONOMY

-50 %
GHG gas emission (Scope 1 and 2) reduction by 2030, reaching net-zero by 2050

Ensured safety of people
0 accidents for those living near gas infrastructure

2 CLIENTS
EXPERIENCE SEAMLESS AND HIGH QUALITY SERVICES

0 unplanned gas interruptions
Uninterrupted gas transmission and fast fault recovery

≥ 80 points
Global Customer Satisfaction Index (GCSI) as a leading companies rating scores

3 OUR PEOPLE
ARE EMPOWERED

Safe, positive, and accident free workspace and culture
0 severe and fatal accidents for employees and contractors

≥ 70 %
employee engagement rate maintained

Top Employer certificate

4 FOUNDERS AND INVESTORS
UNLOCK NEW POSSIBILITIES AND REAP THE REWARDS

≥ 87 M EUR
adjusted EBITDA

Hight single digit
average adjusted ROE

90–110 %
Execution of the CAPEX plan

5 PARTNERS
COLLABORATE FOR SUCCESS

≥ 26 TWh/year H_2
International transmission capacity in 2035, reaching 100 TWh/ year by 2050

≥ 1,6 Mt CO_2
International transmission capacity for CO_2 captured by cement producers by 2035

~2,4 TWh
of RES gases injected into the gas grid in 2035, compared to 0.05 TWh in 2023

DESCRIBING 2035 SUCCESS: VALUE PROPOSITION FOR OUR STAKEHOLDERS

We are creating a sustainable and reliable future in an ever-changing world

OUR ROADMAP DELINEATES THREE DISTINCT TIME HORIZONS, EACH WITH UNIQUE OUTCOMES BUILT ON THE SUCCESSES OF ITS PREDECESSORS

CREATING ENERGY SELF-SUFFICIENCY
Now – 2029
A fully developed system of guarantees of origin that meets the needs of customers. Preparatory works are completed ensuring the active phase of hydrogen activity

1

- Implementation of preparatory actions related to hydrogen (H_2) and carbon dioxide (CO_2) transportation networks
- Initiation of gas network optimisation, considering gas consumption, transmission volumes, and infrastructure safety
- Creation of market operation models and rules to enable the functioning of H_2 market
- Development and implementation of strategic partnerships to maintain national security
- The Lithuanian origin guarantees registry for renewable gas is connected to European schemes
- Alignment of near-term GHG reduction targets with the SBTi methodology

EXPANDING INTO NEW ENERGIES
2030 – 2035
Hydrogen economy is kicked-off, allowing further renewable expansion and first steps for major shift from fossil fuels

2

- For the first time in Lithuania, green H_2 demand and supply points have been connected through the transmission network. Creation of a regional green H_2 corridor from Finland to Germany (through Estonia, Latvia, Lithuania, and Poland)
- Objects that cannot be decarbonised due to the nature of their activities are connected to the CO_2 transportation network
- The gas network is being restructured and optimised
- The H_2 market operates efficiently based on created market operation models and transparent rules
- By 2035, at least 50% of suppliers will have set GHG targets

SCALING OUR ACTIVITIES
2036 – 2050+
The region's connected for existing and new energy exchanges, Lithuania becomes an exporter of power and low carbon energy products

3

- Fully developed hydrogen network to meet regional market needs
- CO_2 network developed in response to market demand
- Achieving net-zero GHG emissions by 2050
- By 2050, the restructured gas transmission network will meet the needs for transporting green gases and other products

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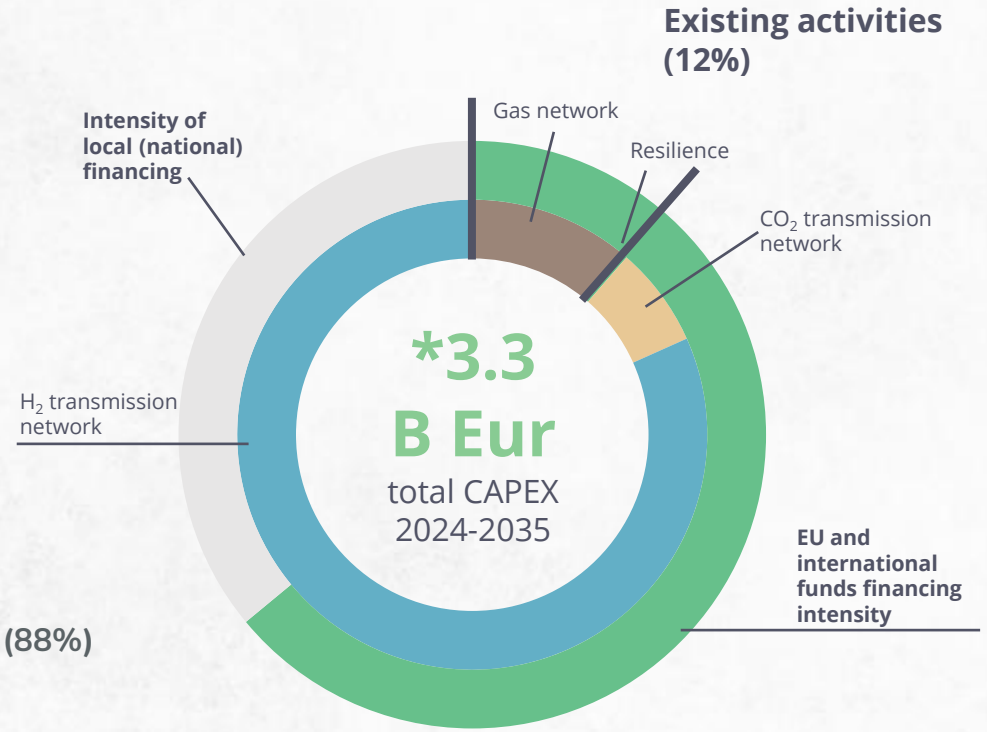
07 | FINANCIAL OUTLOOK

OUR CAPEX INVESTMENT GOAL

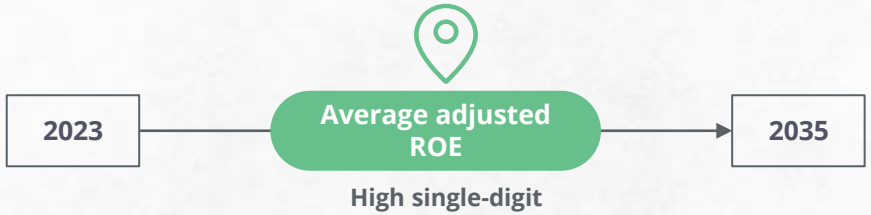
Planned distribution of investments by existing and planned activities until 2035, B EUR

We focus mainly on the renewal and expansion of the existing infrastructure network, as well as the creation of new transmission infrastructure

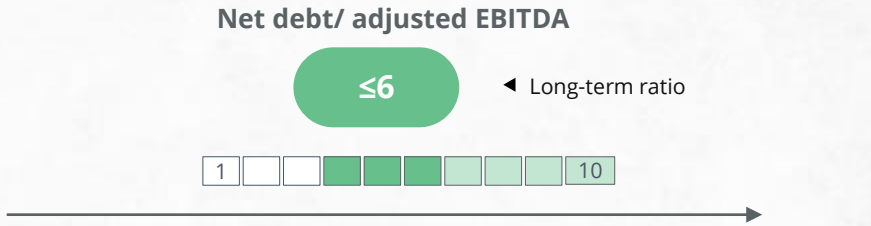


PROFITABILITY

We will maintain the Company's **profitability** for the shareholders



NET DEBT/ ADJUSTED EBITDA



Long-term perspective ≤6, however during implementation of new H_2 transmission network leverage ratio will be higher than 6.
The ratio of existing activities all time ≤6

Investments to be financed through multiple funding sources, such as:

- **Maximize** EU & external funding
- **Introduce** Partnerships
- **Optimization** of debt and equity

** CAPEX projections based on the latest best estimate.*

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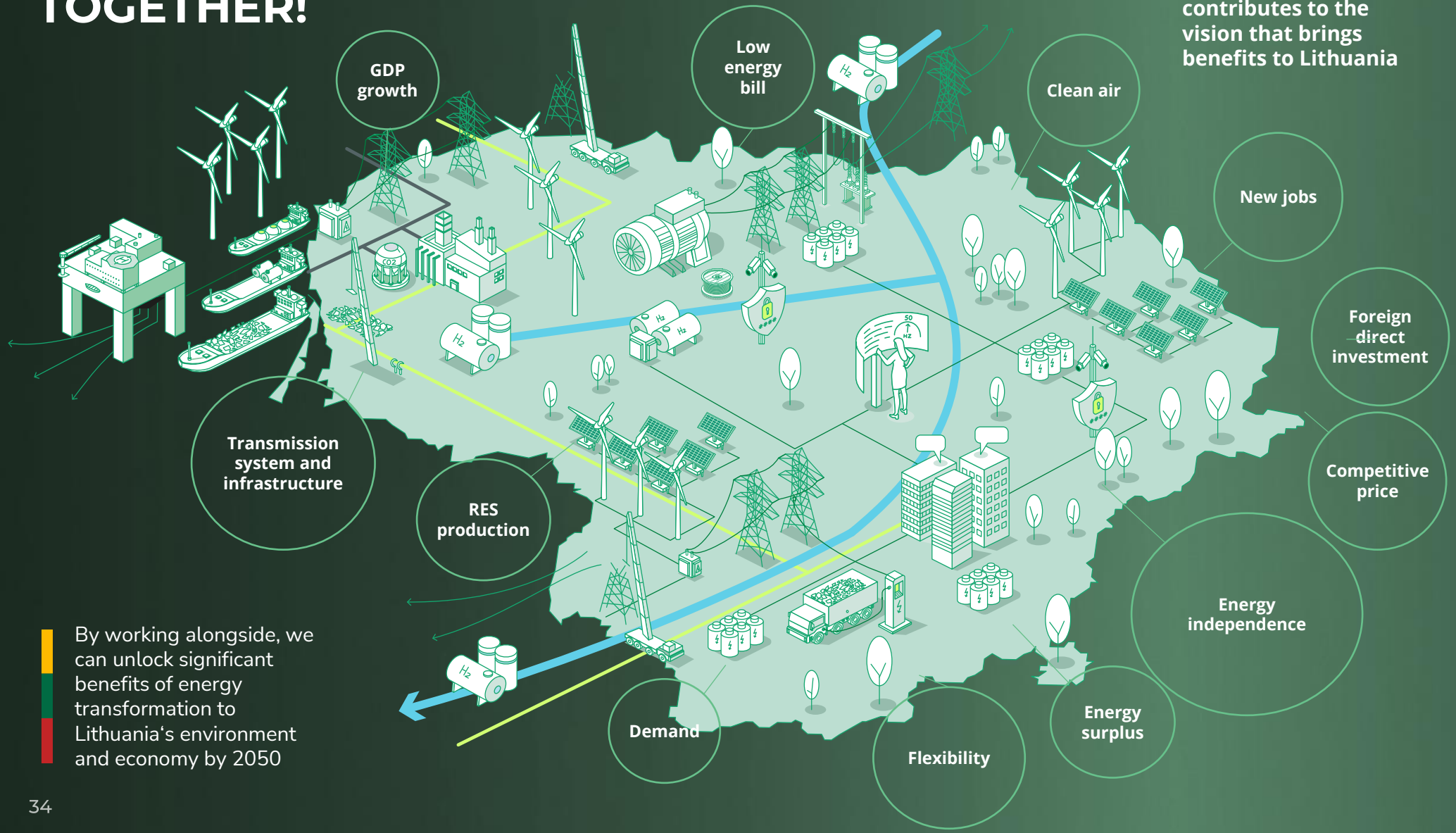
08 VALUE FOR LITHUANIA

LET'S CREATE LITHUANIA'S ENERGY FUTURE TOGETHER!



By working alongside, we can unlock significant benefits of energy transformation to Lithuania's environment and economy by 2050

As part of the Group, Amber Grid significantly contributes to the vision that brings benefits to Lithuania

Significant benefits for Lithuania's environment and economy by 2050

Up to
6.3 B EUR
due to positive impact on employment and economy

6 B EUR
avoided energy import costs

1.4 B EUR
avoided costs on EU Carbon Permits

Up to
1 B EUR
due to lower electricity wholesale price

Up to
10 %
growth of labour market

GLOSSARY

Acronym	Definition	Acronym	Definition
AIB	Association of Issuing Bodies	LT	Lithuania
B	Billion	Mton	Millions of tonnes
CAPEX	Capital expenditure	MW / MWh	Megawatt / Megawatt hour
CCS	Carbon capture & storage	P2G	Power to gas
CCUS	Carbon capture, usage & storage	ROE	Return on equity
CO_2	Carbon dioxide	RES	Renewable energy sources
EBITDA	Earnings before interest, tax, depreciation, and amortisation	Scope 1 emissions	The Group's direct GHG emissions that are directly controlled by the organization
ERGaR	European Renewable Gas Registry	Scope 2 emissions	The Group's indirect GHG emissions from uncontrolled sources, which result from the Group's consumption of externally sourced electricity and heat
ESG	Environmental, social, and corporate governance	Scope 3 emissions	Other indirect GHG emissions during the Group's operations (in the supply chain) from sources not owned or controlled by the Group (such as purchased goods and services, transportation, waste, etc.)
EU	European Union	SBTi	Science based targets initatives
EUR	Euro	TSO	Transmission system operator
GCSI	Global customer satisfaction index	TW / TWh	Terawatt / Terawatt hour
GDP	Gross domestic product	UN SDG	UN Sustainable development goals
GHG	Green-house gases		
GW / GWh	Gigawatt / Gigawatt hour		

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Amber Grid