ignitis group

Twelve months 2024 interim report

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

Renewables-Focused Integrated Utility

GREEN	FLEXIBLE	INTEGRATED	SUSTAINABLE
Growing green generation and green flexibility capacity: 4–5 GW of installed Green Capacities by 2030	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 Installed Green Capacities build-out	Maximising sustainable value: Net zero emissions by 2040–2050

Contents

MANAGEMENT REPORT

FINANCIAL STATEMENTS

Overview

1.1 CEO's statement

Highlights

Financial performance

- Adjusted EBITDA: 527.9 EURm (+8.9% YoY); Green Capacities contributed 49.7%.
- Investments: 812.0 EURm, with 53.5% to Green Capacities.
- Dividend: EUR 1.326/share[1] (96.0 EURm in total).
- Credit rating: S&P reaffirmed 'BBB+' (stable).

For 2025, we expect Adjusted EBITDA of EUR 500–540 million and Investments of EUR 700–900 million.

Business development

Green Capacities: Portfolio increased to 8.0 GW (from 7.1 GW), Secured Capacity to 3.1 GW (from 2.9 GW), Installed Capacity to 1.4 GW (from 1.3 GW).

Key milestones:

- reached CODs at Silesia WF I (50 MW) in Poland, Vilnius CHP biomass unit (71 MWe, 170 MWth) in Lithuania, Tauragė SF (22.1 MW) in Lithuania;
- completed the construction of and supplied first power to the grid at Silesia WF II (137 MW) in Poland;
- supplied first power to the grid at Kelmė WF (300 MW) in Lithuania;
- made the Final Investment Decision for Tume SF (174 MW) in Latvia;
- secured grid connection capacity for our first BESS projects (<290 MW) in Lithuania;
- secured land for the development of hybrid projects (314 MW), i.e., we are planning to develop wind farms near our Latvian solar farms;
- secured seabed site (Liivi 1) in Estonian offshore wind tender together with CIP.

Networks: 3.5 EURbn (+40%) Investments set in 10-year Investment Plan (2024–2033); 2025 total RAB set at 1.8 EURbn (+0.2 EURbn), WACC (weighted average) – 5.79% (+0.71 pp), and additional tariff component – EUR 37.5 million (-6.3%); smart meters exceeded 1 million installed.

Customers & Solutions: 1,091 (+715 YoY) EV charging points installed.

Sustainability

- Green Share of Generation: 81.5% (-3.5 pp YoY).
- GHG emissions: Scope 1 – 0.48 million CO_2-eq (+14.8% YoY), Scope 2 – 0.12 million CO_2-eq (-35.6% YoY), Scope 3 – 3.45 million (-8.3% YoY), totalling 4.05 million t CO_2-eq (-7.2% YoY).
- Carbon intensity (Scope 1 & 2): 199 g CO_2-eq/kWh (-18.4% YoY).
- No fatalities; TRIR at 1.12 (employees) and 0.84 (contractors).
- eNPS: 65.2 (+7.7 YoY).

[1] *A dividend of EUR 1.326 per share for 2024 comprises of a dividend of EUR 0.663 paid for H1 2024 and a proposed dividend of EUR 0.663 for H2 2024, which is subject to the decision of our Annual General Meeting of Shareholders to be held on 26 March 2025.*

Darius Maikštėnas
Chair of the Management Board and CEO

Continued strategy delivery with strong underlying results. Full-year Adjusted EBITDA guidance beat

Financial performance

In 2024, our Adjusted EBITDA reached EUR 527.9 million, with an increase of EUR 43.2 million (8.9%) compared to 2023, surpassing our market guidance of EUR 480–500 million. This growth was primarily driven by stronger performance in our two largest segments: Green Capacities and Networks.

The Green Capacities segment delivered a strong increase in Adjusted EBITDA as we launched new assets: Silesia WF I, Vilnius CHP biomass unit and Tauragė SF, while Kelmė WF and Silesia WF II began supplying power to the grid. Also, Mažeikiai WF contributed to the result due to full-year effect (COD reached in August 2023). Higher captured electricity prices, supported by the flexibility of our assets, also significantly contributed to this growth. Notably, the Green Capacities segment remained the largest contributor to Adjusted EBITDA with a 49.7% of our total result.

Networks segment's Adjusted EBITDA increased mainly due to higher RAB, which resulted from continued Investments in the distribution network and a higher WACC set by the regulator.

Next, the Reserve Capacities segment delivered a strong performance in both 2024 and 2023 benefiting from the utilised option to earn additional market returns on top of the regulated return. However, the extraordinary market conditions in Q1 and Q4 of 2023, which enabled higher returns, led to a YoY decline in results.

Finally, the Customers & Solutions segment reported a decrease in Adjusted EBITDA, primarily due to lower results in B2B natural gas supply, which was impacted by a significant positive inventory write-down reversal effect in 2023. This decline was partially offset by reduced losses from B2C electricity supply and improved B2B electricity supply results in Poland.

In 2024, our Investments amounted to EUR 812.0 million (-13.3% YoY) and fell within our market guidance range (EUR 750–900 million), with 80.8% of these Investments directed towards projects in Lithuania. In total, more than half of the Investments were made in the Green Capacities segment (53.5% of the total Investments), and the majority of them were for new onshore wind farms in Lithuania.

Despite the 22.4% increase in our Net Debt (EUR 1,612.3 million as of 31 December 2024 compared to EUR 1,317.5 million as of 31 December 2023), our balance sheet remained robust, supported by strong leverage metrics. Our FFO/Net Debt ratio improved to 29.7% (compared to 29.4% as of 31 December 2023) as the FFO growth rate closely matched the increase in Net Debt.

In terms of return to shareholders, we remain committed to our Dividend Policy. For 2024 we intend to distribute a dividend of EUR 1.326 per share, corresponding to EUR 96.0 million, and a yield of 6.8–7.0% for ordinary registered shareholders and global depositary receipt holders (based on year-end closing prices). A total dividend per share for 2024 comprises of a dividend of EUR 0.663 paid for H1 2024 and a proposed dividend of EUR 0.663 for H2 2024, which is subject to the decision of our Annual General Meeting of Shareholders to be held on 26 March 2025.

For 2025, we expect our Adjusted EBITDA to be in the range of EUR 500–540 million. We anticipate growth in three of our four core segments – Green Capacities, Networks, and Reserve Capacities. We assume that Adjusted EBITDA of Green Capacities segment, will increase due to new projects with a total capacity of +700 MW reaching COD in 2025. In Networks segment, we expect growth due to approved higher RAB and higher WACC, and in Reserve Capacities segment increase is anticipated due to higher electricity generation volumes from new services provided. Also, for 2025 we expect our Investments to be in the range of EUR 700–900 million.

Business development

Since the beginning of 2024, we continued to grow and develop our Green Capacities Portfolio, increasing its total capacity by 0.8 GW to 8.0 GW (from 7.1 GW). This is a result of greenfield capacity additions of around 0.5 GW and grid connection capacity secured for our first BESS projects (<290 MW) in Lithuania.

We also increased our Secured Capacity by 0.2 GW to 3.1 GW (from 2.9 GW), as Tume SF (173.6 MW) in Latvia reached the construction

Our Adjusted EBITDA exceeded full-year guidance and amounted to EUR 527.9 million; Investments – fell within guidance range and amounted to EUR 812.0 million. For 2025, we expect Adjusted EBITDA of EUR 500–540 million and Investments of EUR 700–900 million.

phase. Our Installed Capacity increased to 1.4 GW (from 1.3 GW), as Silesia WF I (50 MW) in Poland reached COD in March, Vilnius CHP biomass unit in Lithuania reached full COD for the remaining 21 MWth and 21 MWe capacities in May, and Tauragė SF (22.1 MW) in Lithuania reached COD in July.

In terms of our projects under construction, I am pleased to highlight the progress on Kelmė WF (300 MW) in Lithuania, the largest wind farm under construction in the Baltics. In Q2, we installed the first wind turbine, and by Q3, the project began supplying its first power to the grid. So far, we have successfully completed the installation of all 44 wind turbines.

It's also worth mentioning our progress on the largest solar portfolio under construction in the Baltics – Stelpe SF (145 MW), Varme SF (94 MW), and Tume SF in Latvia. At Stelpe SF 22 out of 145 solar panels have been installed, while at Varme SF nearly two-thirds of the solar panels (61 out of 94) are now in place. Both projects are expected to reach COD in 2025. For Tume SF (174 MW), we have made the Final Investment Decision and started construction with an expected COD in 2026.

Additionally, the construction of the fifth unit (110 MW) at Kruonis PSHP is progressing as planned, with the site prepared for construction. The new unit will enhance Kruonis PSHP's efficiency and flexibility as it will be capable of operating at 77–110 MW in pump mode and 44–110 MW in generator mode, with a cycle efficiency ratio of up to 80.0%, which is 6.0 pp higher than the existing units. The project is expected to reach COD in 2026.

The implementation of our remaining Green Capacities projects under construction is progressing as planned, with no significant changes since Q3 2024 apart from one exception. At our Silesia WF II (137 MW) project in Poland, we have completed the construction works both on time and within budget, with all turbines erected, installed and operational. As planned, the project supplied first power to the grid, reached partial operation (with an operational cap set at 70 MW) in Q4 2024 and has been generating revenue since then, limiting the financial impact. However, due to the delays in reinforcing the grid (that are beyond our control), we now expect the wind farm to reach full operation and capacity COD in H2 2025 (previously – Q1 2025).

Finally, with this report, we provide an update on offshore wind development. Firstly, regarding Lithuania's second 700 MW offshore wind project CfD tender – in October 2024, we took decisions to participate in Lithuania's second 700 MW offshore wind tender and seek partners. As in January 2025 the tender has been temporarily suspended, with the tender expected to be relaunched in due course and awarded in H2 2025, we will make the decision whether to participate in the relaunched tender when we will know the conditions of it.

Next, we have been developing Curonian Nord offshore wind project in Lithuania according to the plan until now. We expect to make a Final Investment Decision after completion of development and obtaining construction permit in 2027. However, as a result of large-scale electrolysis projects being delayed across Europe, including the Baltics, possibilities to secure long-term power offtake have reduced. Combined with challenges in the current offshore wind supply chain environment, financing of the project may become challenging as we approach FID in 2027. As a result, there might be a need to delay the project COD until there is more visibility on the electrolysis demand and/or the interconnector with Germany. We will continue to monitor the market developments and will update our plans accordingly.

And lasty, regarding Estonian offshore wind project Liivi – we are exploring opportunities to participate in the potential CfD tender, which is subject to parliamentary approval in Estonia.

In the Networks segment, the regulator (NERC) has approved our 10-year (2024–2033) Investment Plan for distribution networks, which we submitted to the regulator for public consultation and coordination on 11 June 2024. The plan foresees a 40% increase in Investments to EUR 3.5 billion. The previous 10-year investment plan submitted to NERC projected EUR 2.5 billion in Investments for 2022–2031.

Also, the regulator (NERC) has adopted resolutions, setting 2025 RAB at EUR 1.8 billion (EUR 1.6 billion in 2024), WACC (weighted average) – 5.79% (5.08% in 2024), and additional tariff component – EUR 37.5 million (EUR 40 million in 2024). Finally, we are successfully continuing the roll-out of smart meters. The total number of installed smart meters has exceeded 1 million, and we remain on track to complete the mass roll-out by 2026.

In the Customers & Solutions segment, we continue to expand the EV charging network across the Baltics, with a total of 1,091 EV charging points (+715 since 31 December 2023) now installed in Lithuania, Latvia and Estonia.

> **In 2024, we increased our Green Capacities Portfolio to 8.0 GW (from 7.1 GW), Secured Capacity to 3.1 GW (from 2.9 GW), and Installed Capacity to 1.4 GW (from 1.3 GW). In total, our Investments amounted to EUR 812.0 million, with more than half directed to the Green Capacities segment (53.5% of the total Investments), mainly for new onshore wind farms in Lithuania.**

Sustainability

Sustainability remains a core element of our strategy, with a strong focus on advancing decarbonisation and ensuring health and safety. Our approach is comprehensive, encompassing environmental, social, and economic dimensions as we navigate the evolving landscape of energy transition towards a more sustainable world.

We are proud to present our latest Sustainability statement, which is integrated into this report. From this year onwards, it will be prepared according to and fully comply with the Corporate Sustainability Reporting Directive (CSRD). It reinforces our commitment to transparency and offers stakeholders a clear view of our achievements and future goals.

Our Sustainability statement includes disclosures made on a materiality basis and highlights our progress in aligning with the United Nations Global Compact (UNGC) principles and contributing to the United Nations Sustainable Development Goals (SDGs). It showcases our commitment to follow the leading sustainability reporting frameworks. The statement also features a detailed assessment of our compliance with the EU Taxonomy Regulation, underlines our dedication to meeting rigorous environmental standards and contribution to sustainable economic activities as outlined by the European Union. In 2023, our Sustainability report was accompanied for the first time by a voluntary limited assurance on selected sustainability indicators, while in 2024, we received a comprehensive limited assurance from KPMG.

Over the past year, our journey towards decarbonisation has been strategic and impactful, with a focus on identifying key areas for action, implementing targeted measures and closely monitoring their impact. Our Green Share of Generation amounted to 81.5% (-3.5 pp YoY due to proportionally higher electricity generation in CCGT (Reserve Capacities)). In 2024, our total GHG emissions, based on the updated accounting methodology, were 4.05 million t CO_2-eq, marking a 7.2% decrease YoY. Notably, we achieved a significant 35.6% reduction in Scope 2 emissions and an 8.3% decrease in Scope 3 emissions. This decrease highlights our ongoing efforts to refine our operations and contribute to a more sustainable future, while managing the complexities of overall emissions. However, our Scope 1 emissions rose by 14.8% due to increased energy production.

In 2024, the carbon intensity of our Scope 1 and 2 emissions decreased by 18.4% YoY to 199 g CO_2- eq/kWh, driven by a higher electricity generation from renewables and the reduction of Scope 2 emissions.

We are ambitiously aiming for net zero emissions between 2040 and 2050. A key element of this strategy is the expansion of our Green Capacities segment, dedicated to renewable energy development. This plays a pivotal role in accelerating our decarbonisation efforts, supporting our long-term sustainability goals, and reinforcing our leadership in environmental stewardship within the industry.

Reflecting on the year 2024, we have steadfastly advanced our occupational health and safety programme, "Is it Safe?". Our focus was on comprehensive training, effective communication, innovative solutions, and sharing best practices. We had no fatalities this year, though there were several incidents resulting in injuries. Consequently, we are committed to strengthening our Health, Safety, and Environment function to raise awareness and improve safety for all our employees and contractors. In 2024 our Total Recordable Injury Rate (TRIR) for employees was 1.12, for contractors – 0.84, both well below the targeted level.

To strengthen our commitment to nurturing an internal culture where work and rest is balanced, an environment where employees feel empowered, recognised and united by common values, we have developed a burnout algorithm, i.e., guidelines for prevention, intervention and post-intervention actions, to manage the risk of burnout. When following this algorithm, we monitor burnout risk indicators within the Group, take planned actions when we identify burnout risks, review personal agreements between managers and employees and offer support at the Group level.

Scoring 65.2 in the employee overall experience survey (eNPS) and earning the Top Employer certificate for the fourth consecutive year are significant achievements. These accolades reflect our success in implementing and maintaining a comprehensive employee wellbeing approach. Additionally, we partnered with over 250 educational institutions, delivering 455 lectures to more than 10,500 students. More than 80 colleagues contributed by giving lectures, organizing quizzes, and sharing their knowledge. This initiative aims to educate students and engage communities, furthering our commitment to social impact.

Finally, we are proud that our holistic approach to sustainability is reflected in the ESG ratings and recognitions. We have expanded our Ecovadis assessment scope to include the entire Group, whereas previously it only covered one company of the Group, Ignitis (Customers & Solutions). We have also received high scores in other ESG risk ratings, reinforcing our position as a leader in addressing critical sustainability risks.

Our ongoing efforts to create a 100% green and secure energy ecosystem for current and future generations are evident in our strategic and financial performance. This performance underscores our dedication to sustainability and value creation for our shareholders and society as we lead the energy transition in our region.

Darius Maikštėnas
Chair of the Management Board and CEO

1.2 Business highlights

January

Green Capacities:
- We, together with our partner CIP, won the second seabed site (Liivi 1) in the Estonian offshore wind tender and see the site as a natural extension of the Liivi 2 seabed site secured in December 2023), which will allow for greater synergy and optimisation in developing the sites as a single offshore wind project. The actual capacity of the offshore wind farm is expected to be 1–1.5 GW.

Networks:
- ESO has agreed with the regulator (NERC) to amend the repayment schedule of the EUR 160 million regulatory difference to 2024–2031 (from 2024–2036). In this regard, NERC updated the methodology for calculating the additional tariff component and linked it to the leverage level cap of 5.5x (ESO net debt/ESO adjusted EBITDA, both calculated based on the methodology approved by NERC), which means that, if ESO's leverage level exceeds the predetermined cap, the additional tariff component will increase proportionally.

Reserve Capacities:
- For the first time, all three units in Elektrėnai Complex were operating simultaneously in commercial mode (link in Lithuanian).

Customers & Solutions:
- We have signed an agreement with OG Elektra AS to install EV charging points in the car parks of 25 Grossi stores across Estonia.

Governance:
- For the third year in a row, we were awarded the international Top Employer 2024 Lithuania Certificate for applying the highest HR management standards (link in Lithuanian).

February

Green Capacities:
- We have launched an environmental impact assessment for the Curonian Nord project.

Customers & Solutions:
- We have signed an agreement with the municipality of Marijampolė, Lithuania, to install 22 EV charging points throughout the city.

March

Green Capacities:
- Silesia WF I (50 MW) in Poland has reached COD.
- We have started taking wind and meteorological measurements in the Baltic Sea for the Curonian Nord project.

Finance:
- We concluded a EUR 105 million long-term financing agreement with EIB for the 110 MW Kruonis PSHP expansion project.
- We replaced the corporate finance loan with a project finance loan of EUR 82 million with EIB and NIB for Pomerania WF (94 MW) in Poland.

Governance:
- The AGM was held on 27 March, where the decision, among others, on the allocation of profit for 2023 (EUR 1.286 DPS, or EUR 93.1 million, in total) was made.
- A. Sungailienė was appointed as the new CEO of AB "Ignitis gamyba" (Reserve Capacities).

April

Green Capacities:
- We submitted a bid in the tender for the second 700 MW Lithuanian offshore wind project. However, due to the limited number of participants, the tender did not convene.
- We have secured land for the development of hybrid projects (314 MW), i.e., we are planning to develop wind farms near our Latvian solar projects.

Customers & Solutions:
- We have signed an agreement with Baltic Shopping Centers to install 20 EV charging points in the car park of Mega, a shopping and leisure centre in Kaunas, Lithuania.

Finance:
- In line with our Dividend Policy, a dividend of EUR 0.643 per share, corresponding to EUR 46.5 million, was distributed for H2 2023.
- Norne Securities has initiated the coverage of Ignitis Group's stock.

Governance:
- M. Kowalski, who has been leading Ignitis Renewables in Poland since February, also became the CEO of Ignitis Polska.

May

Strategy:
- We announced our Strategic Plan 2024–2027.

Green Capacities:
- Vilnius CHP biomass unit has reached full COD (71 MWe, 170 MWth).
- We have secured grid connection capacity for our first BESS projects (<260 MW) in Lithuania.
- The first wind turbine has been erected at the largest wind farm under construction in the Baltics at Kelmė WF I & II (300 MW) in Lithuania. The project is expected to reach COD in 2025.

Customers & Solutions:
- A fast charging hub with the ability to charge 20 EVs at once has been opened in Palanga, Lithuania.

Governance:
- The Ministry of Finance, authority implementing the rights and obligations of the majority shareholder, has announced a selection of an independent member of AB "Ignitis grupė" Supervisory Board.

June

Business environment:
- The updated National Energy Independence Strategy was adopted by the Lithuanian Parliament. The strategy aims to make Lithuania a fully energy independent country by 2050 that produces energy for its own needs and exports it.

July

Green Capacities:
- Tauragė SF (22.1 MW) in Lithuania has reached COD.
- We have secured additional grid connection capacity for a 38 MW BESS project in Lithuania.
- Moray West offshore WF project (882 MW), which is owned by Ocean Winds and us (a minority shareholder of 5%), has successfully supplied its first power to the grid.

Reserve Capacities:
- Ignitis Gamyba signed an agreement to donate the equipment from its old Combined Heat and Power Plant (CHP-3), which was mothballed since 2015, to Ukraine. The equipment will be used to assist the rebuilding of the destroyed energy infrastructure in Ukraine.
- Final Investment Decision regarding the refurbishment of Unit no. 7 in Elektrėnai power plant was made at the end of July. The refurbishment will be finished in Q2 2026.

Customers & Solutions:
- A fast charging hub with the ability to charge 10 EVs at once has been opened in Riga, Latvia.

August

Finance:
- S&P Global Ratings reaffirmed the Group's 'BBB+' (stable outlook) credit rating.

September

Green Capacities:
- Kelmė WF (300 MW) in Lithuania supplied first power to the grid.
- We made a Final Investment Decision regarding a 174 MW Tume SF in Latvia.

Customers & Solutions:
- We signed a 4-year PPA with Akmenės Cementas, a Lithuanian cement producer (owned by Schwenk Zement Beteiligungen), which will receive electricity from Mažeikiai WF (63 MW). The power supply will start in 2026.

Governance:
- An EGM was held on 11 September, where decisions, among others, on the allocation of dividends for H1 2024 (EUR 0.663 DPS, or EUR 48.0 million in total) and the new version of the Articles of Associations, were made.
- On 13–14 September, we invited our retail shareholders to an exclusive international event, Investor Day 2024, which took place for the first time.
- S. L. Rees has been appointed as an Independent Supervisory Board Member of the Group. She will supervise the areas of strategic management and international development.
- T. Tatar has been appointed to lead the Group's activities in Estonia.
- For the sixth consecutive year, we have been awarded the highest 'A+' governance rating in Lithuania and acknowledged as the leader in the category of larges SOEs in the Good Corporate Governance Index.

Business environment:
- We and our partners have signed a Letter of Intent with the Research Council of Lithuania to launch MIT's MISTI programme to strengthen the engineering studies in Lithuania.
- Litgrid made final investment decision regarding Harmony Link interconnector. The project should be finalized by 30 June 2031.

October

Networks:
- The regulator NERC has adopted resolutions, setting 2025 RAB at EUR 1.8 billion (EUR 1.6 billion in 2024), WACC (weighted average) – 5.79% (5.08% in 2024) and additional tariff component – EUR 37.5 million (EUR 40 million in 2024).

Finance:
- In line with our Dividend Policy, a dividend of EUR 0.663 per share, corresponding to EUR 48.0 million, was distributed for H1 2024.
- Following a decision made by the AGM held on 30 March 2023, we have provided EUR 4 million in financial humanitarian aid to Ukraine. These funds directed to acquire equipment that will provide additional 120 MW of electricity generation capacity and will ensure electricity supply to approximately 420 thousand Ukrainian households. It will also contribute to the restoration of vital functions of the energy sector.
- We signed a EUR 20.7 million financing agreement with Swedbank, these funds will be used to refinance the liabilities of a Group company Eurakras, which operates a 24 MW wind farm in the Jurbarkas district.

Business environment:
- Baltic states joined the Manually Activated Reserves Initiative (MARI) platform, which enables the exchange of Manual Frequency Restoration Reserve (mFRR) balancing energy between interconnected European TSOs. Estonia, Latvia and Lithuania became the fourth, fifth and sixth country to join the MARI platform. The Czech Republic and Germany joined the MARI platform in October 2022, followed by Austria in June 2023. Other European countries will join the platform in 2025.
- The European Commission approved a EUR 180 million Lithuanian scheme to support electricity storage. The aid will take form of direct grants to support the construction of 1,200 MWh of new battery energy storage systems.

November

Green Capacities:
- Silesia WF II (137 MW) in Poland supplied first power to the grid.

Finance:
- We signed a EUR 19.3 million financing agreement with OP Bank. The funds directed to refinance the liabilities of our subsidiaries, Vėjo Vatas and Vėjo Gūsis, which operate 34 MW wind farms in Lithuania.

December

Green Capacities:
- We have signed a co-development agreement with a renewable energy project development company for early stage onshore development projects in Estonia.

Networks:
- The total number of installed smart meters has exceeded 1 million (out of more than 1.2 million smart meters to be installed by 2026).

Reserve Capacities:
- In relation to the synchronisation of the Baltic electricity systems with the Continental Europe Synchronous area (9 February 2025), aFRR balancing capacity market was launched in Lithuania (December 2024). Since then, the CCGT unit has started to provide balancing capacity services to the Lithuanian TSO (Litgrid).

Customers & Solutions:
- A fast EV charging hub with the ability to charge 8 EVs simultaneously has been opened in Lithuania, connecting the three largest cities on the A1 highway.
- We have signed an agreement with Maxima to install more than 170 EV charging points in the car parks of 41 Maxima stores across Estonia.

Business environment:
- Ignitis Renewables will be the first company in Lithuania to install ProTecBird's advanced bird monitoring systems. These systems detect the birds approaching wind turbines in real time and halt the wind turbines to prevent collisions. The technology protects birds while maintaining wind turbine efficiency. The system is expected to be installed by spring 2025.

After the reporting period

Green Capacities:
- Thierry Aelens, the CEO of Ignitis Renewables, has resigned from his position effective from 30 March 2025. To ensure a seamless transition and maintain business continuity, Gary Bills, COO of Ignitis Renewables, has been appointed as Interim CEO, effective from 31 March 2025.
- On 29 January 2025, the Government passed Resolution No. 32 to temporarily suspend the ongoing second offshore wind farm tender and to review the requirements and conditions of the tender to ensure competitive final electricity prices. Further decisions regarding the tender will be made once the Ministry of Energy reviews the tender requirements and conditions.
- In On 5 February 2025, the joint balancing capacity market for the Baltic States began operations. As a result, the price for Kruonis mFRR balancing services is no longer regulated by the regulator (NERC), shifting to a market-driven model.

Networks:
- The regulator (NERC) has approved our 10-year (2024–2033) Investment Plan for distribution networks, which we submitted to the regulator for public consultation and coordination on 11 June 2024. The plan foresees a 40% increase in Investments to EUR 3.5 billion. The previous 10-year investment plan submitted to NERC projected EUR 2.5 billion in Investments for 2022–2031 (link in Lithuanian).

Customers & Solutions:
- On 1 January 2025, the 10-year designated supply period, during which the Group's company UAB "Ignitis" ensured the delivery of four LNG cargoes annually to the Klaipėda LNG terminal, expired. With the conclusion of this obligation, Lithuania's LNG market has transitioned to a fully commercial model, further enhancing competition.

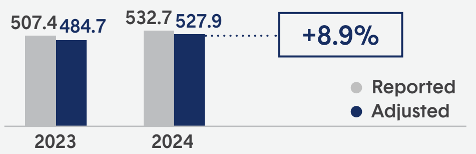
Governance:
- For the fourth year in a row, we were awarded the international Top Employer 2025 Lithuania Certificate for applying the highest HR management standards (link in Lithuanian).
- At the Nasdaq Baltic Awards 2025, we were recognised as the best investor relations company in Lithuania and the second best company in the Baltic States.

Business environment:
- On 9 February 2025, the Baltic states electricity grids were successfully synchronized with the Continental European network, marking the end of the BRELL agreement and the final disconnection from the Russian and Belarusian grids, thereby strengthening Baltic states energy security and system reliability.
- As part of the #EnergySmartSTART education programme to support the development of high-level engineering professionals and attract new talent to the energy sector, we provided EUR 300 thousand for scholarships in Lithuania in 2024 and EUR 180 thousand to the State Study Fund for Lithuanian students to study engineering abroad.

1.3 Performance highlights

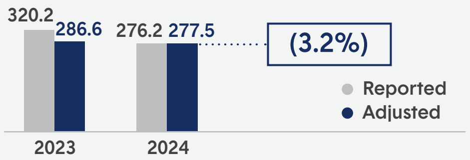
Financial

EBITDA APM
EURm



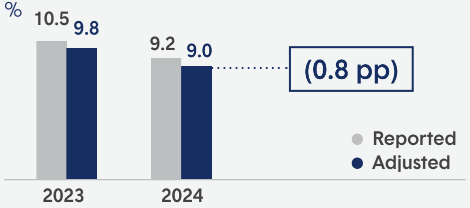
Adjusted EBITDA growth was influenced by better Green Capacities' and Networks' results. The Green Capacities segment remains the largest contributor to Adjusted EBITDA (EUR 262.4 million, or 49.7% of the Group's total).

Net profit APM
EURm



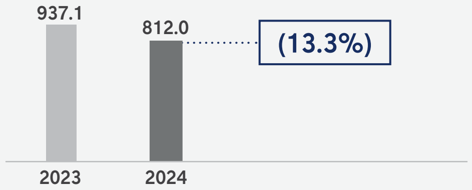
The decrease was primarily driven by higher finance activity expenses, mainly due to higher Net Debt.

ROCE APM
%



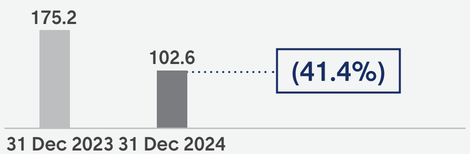
Adjusted ROCE decreased to 9.0%, mainly due to the lag between the deployment of capital in Investments and the subsequent realization of returns. Due to significant Investments made, the average Capital Employed increased by 14.0%, from EUR 3,347 million to EUR 3,815 million, while Adjusted EBIT increased by 4.8%, from EUR 329.5 to EUR 345.2 million.

Investments APM
EURm



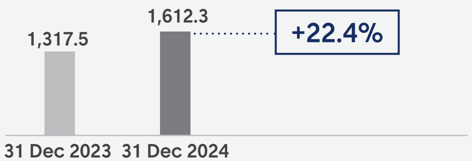
In 2024, we continued to invest heavily in renewable energy projects. More than half of the Investments were made in the Green Capacities segment (53.5% of the total Investments). However, due to successful completion of several major projects, Investments into Green Capacities decreased by 19.9% and amounted to EUR 434.5 million, with the majority of the Investments directed to onshore wind farms.

Net Working Capital APM
EURm



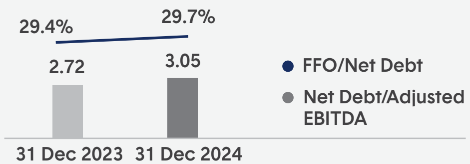
Net Working Capital decreased by 41.4%. The main drivers behind the changes were higher trade payables, due to increased balance of trade financing facilities used for natural gas purchases, and lower inventory, due to lower stored volume of natural gas.

Net Debt APM
EURm



Net Debt increased by 22.4%, driven by negative FCF and dividends paid. The negative FCF is related to considerable Investments made.

Net Debt/Adjusted EBITDA
FFO/Net Debt APM
Times, %



FFO/Net Debt ratio remained stable with a 0.3 pp increase as the FFO growth rate closely matched the increase in Net Debt.

Results comparison with the outlook for 2024

Adjusted EBITDA APM, EURm

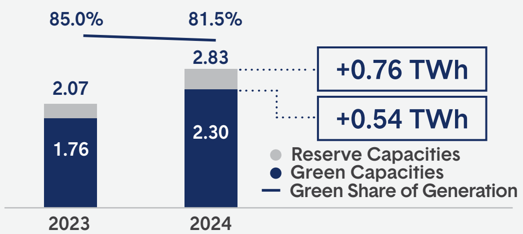
Guidance 2024 (28 Feb 2024)	440–470
Guidance 2024 (15 May 2024)	440–470
Guidance 2024 (14 Aug 2024)	450–480
Guidance 2024 (13 Nov 2024)	480–500
Realised 2024	527.9

Adjusted EBITDA amounted to EUR 527.9 million and exceeded our guidance communicated to the market (EUR 480–500 million). The outperformance was driven by better-than-expected results in Q4 2024 of the Green Capacities segment, mainly due to higher volumes generated in our onshore wind farms driven by favourable weather conditions and the Reserve Capacities segment, due to higher captured electricity prices.

ESG

Electricity Generated (net), Green Share of Generation

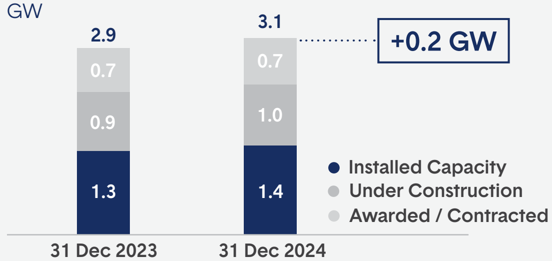
TWh, %



A 0.76 TWh (36.5%) increase in Electricity Generated (net) was driven by new assets (Green Capacities), including Mažeikiai WF and Silesia WF I as well as Vilnius CHP biomass unit. The Green Share of Generation decreased by 3.5 pp to 81.5% due to proportionally higher electricity generation at Elektrėnai Complex (Reserve Capacities). The increase in generated volume was driven by provision of aFRR balancing capacity services, in relation to the synchronisation of the Baltic electricity systems with the Continental Europe Synchronous Area as well as more favourable market conditions for generation.

Secured Green Capacities

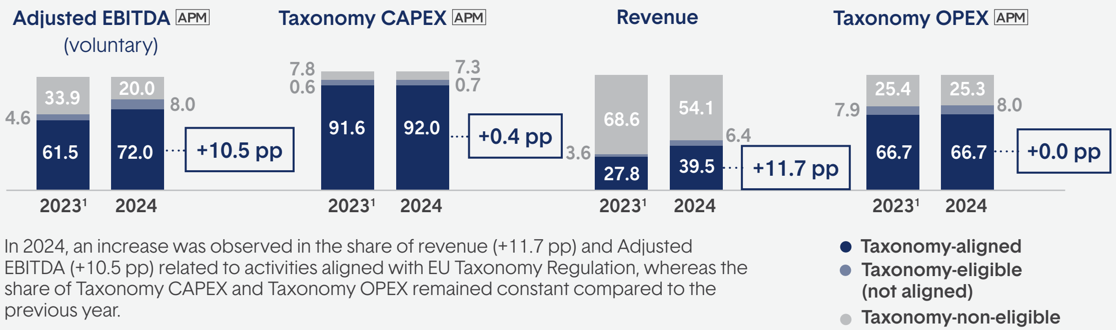
GW



Secured Capacity increased by 0.2 GW to 3.1 GW (from 2.9 GW), as Tume SF (173.6 MW) in Latvia reached the construction phase. Installed Capacity increased to 1.4 GW (from 1.3 GW), as Silesia WF I (50 MW) in Poland reached COD in March, Vilnius CHP biomass unit in Lithuania reached full COD for the remaining 21 MWth and 21 MWe capacities in May, and Tauragė SF (22.1 MW) in Lithuania reached COD in July.

EU Taxonomy KPIs

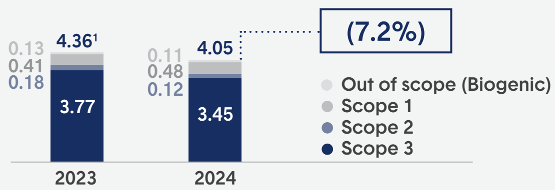
%



In 2024, an increase was observed in the share of revenue (+11.7 pp) and Adjusted EBITDA (+10.5 pp) related to activities aligned with EU Taxonomy Regulation, whereas the share of Taxonomy CAPEX and Taxonomy OPEX remained constant compared to the previous year.

Climate action

GHG emissions, million t CO_2-eq

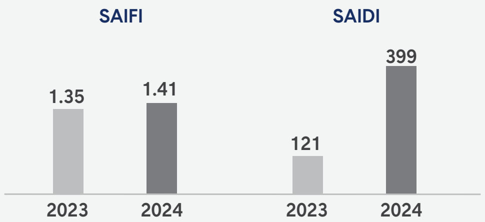


In 2024, the Group's total GHG emissions decreased by 7.2% compared to the same period in 2023. The primary drivers for the decrease were the use of green electricity by Kruonis PSHP (Green Capacities) and lower location-based emission factors for retail electricity. Scope 1 emissions rose by 14.8% due to a significant increase in biomass combustion at Vilnius CHP (Green Capacities) (biomass incineration for energy production grew sixfold) and nearly doubled electricity production at Elektrėnai Complex (Reserve Capacities) compared to 2023. In contrast, Scope 2 emissions dropped by 35.6%, driven by renewable energy guarantees used to cover the electricity consumed by Kruonis PSHP (Green Capacities) and a portion of electricity distribution losses. Scope 3 emissions fell by 8.3% due to updates in emission factors. The totals shown do not include out of scope (biogenic) emissions.

[1] These figures have been restated compared to the Integrated Annual Report 2023. For more information, see section '7.2 Notes on restated figures' of this report.

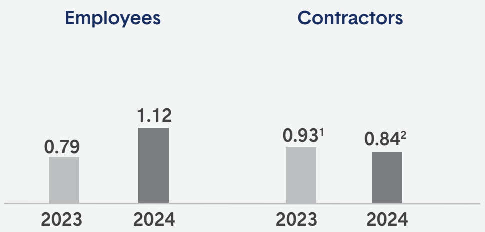
ESG (cont.)

Network quality (electricity)
SAIFI, times/SAIDI, min



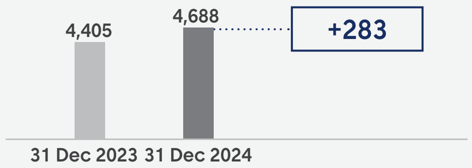
In 2024, electricity quality indicators were impacted by natural phenomena, including heavy snowfall in Q2 and strong winds and local storms in Q3, leading to an increase in SAIFI and SAIDI metrics compared to 2023.

Safety
TRIR



Employee total recordable injury rate (TRIR) was recorded at 1.12 and increased compared to last year as the number of safety incidents rose from 6 to 9. A total of 9 contractor incidents were recorded in 2024 (7 incidents in 2023). No fatal accidents were recorded in 2024, nor in 2023.

Number of employees
Headcount



The Group's headcount increased by 283 (6.4%). The employee growth was driven by the Green Capacities segment in order to facilitate the growing renewables Portfolio.

Supervisory and Management Boards
Nationality and gender diversity

As of 31 December 2024, the main governing bodies of the Group were represented by an equal proportion of male and female members, 42% of whom are international members.

[1] *Contractor TRIR only includes contracts above 0.5 EURm/year.*
[2] *A part of the total hours worked for contracts below 0.5 EURm/year may not be included in Contractor TRIR calculations, while all recordable incidents are included.*

1.4 Outlook

Adjusted EBITDA guidance

For 2025, we expect our Adjusted EBITDA to be in the range of EUR 500–540 million. We anticipate growth in three of our four core segments – Green Capacities, Networks, and Reserve Capacities.

The guidance does not include any gains from asset rotation.

Green Capacities –higher

Increase driven by new projects with a total capacity of +700 MW reaching COD in 2025 (Kelmė WF I and II, Silesia WF II, Stelpe SF, Varme SF and Polish solar portfolio).

Networks – higher

Increase driven by higher RAB due to continued Investments into electricity distribution network and approved higher WACC reflecting higher market interest rates.

Approved total RAB for 2025 amounts to EUR 1,795 million (EUR +211 million YoY). WACC (weighted average) for 2025 is 5.79% (+0.71% YoY).

Reserve Capacities – higher

Increase due to anticipated higher electricity generation volumes from new services provided.

Customers & Solutions – lower

Decrease driven by further negative result in B2C electricity supply, including adverse prosumer effects under the current net-metering scheme.

Investments guidance

Our Investments for 2025 are expected to amount in the range of EUR 700–900 million, mainly driven by:

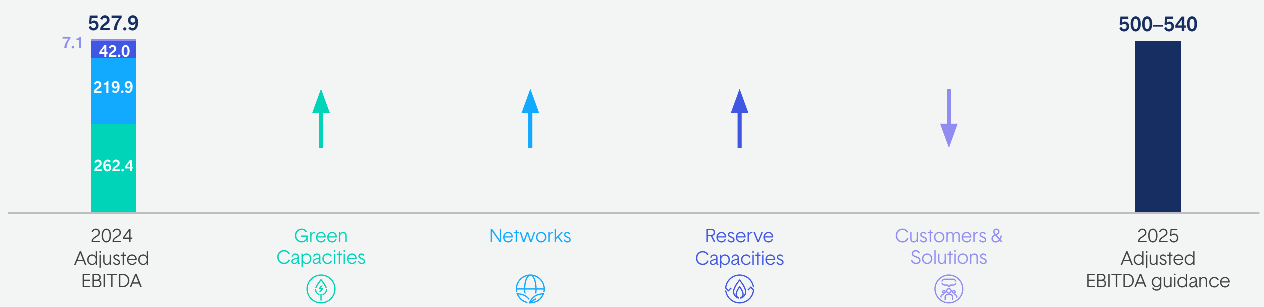
- Green Capacities (Kelmė WF I and II, Stelpe SF, Varme SF, Tume SF, and Kruonis PSHP expansion project);
- Networks due to continued expansion and maintenance of electricity distribution network.

The guidance does not include M&A activities.

Forward-looking statements

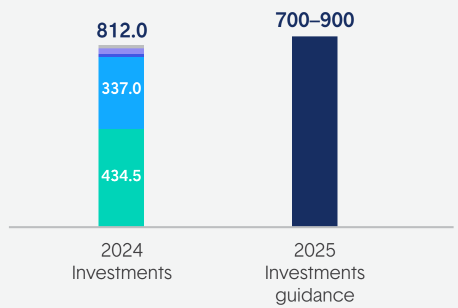
This interim report contains forward-looking statements. For further information, see section '5.4 Legal notice'.

Adjusted EBITDA APM guidance for 2025
EURm[1]



[1] *Adjusted EBITDA indication for the Group is the prevailing guidance, whereas directional effect per business segment serves as a mean to support it. Higher/stable/lower indicates the direction of the business segment's change in 2025 relative to the actual results for 2024.*

Investments APM guidance for 2025,
EURm



1.5 Sustainability highlights

From this year, the Group's Sustainability statement starts the full application and compliance with the Corporate Sustainability Reporting Directive (CSRD). The Group starts applying CSRD requirements to disclose its sustainability information with a comprehensive approach, encompassing all levels and functions, to integrate key sustainability principles throughout the Group. We provide details of all targets, initiatives and achievements across the Group in section '6. Sustainability statement' of our Integrated Annual Report 2024. Our Sustainability statement has been accompanied by a limited assurance in full.

Group's sustainability reporting timeline

2020

First Sustainability report: the Group published its first Sustainability report prepared in accordance with GRI, setting a foundation for transparency and sustainable practices.

2021

First materiality assessment: the Group conducted its first materiality assessment to identify and prioritise the most significant environmental, social, and governance (ESG) issues that impact our business and stakeholders.

2022

Alignment with EU Taxonomy: the Group aligned its sustainability reporting and practices with the EU Taxonomy for sustainable activities.

2023

For the first time, the Group provided a **voluntary limited assurance** on the selected sustainability indicators in the Sustainability report.

2024

The Sustainability statement included in this report **fully adheres to and complies with** the Corporate Sustainability Reporting Directive (**CSRD**).

ESG ratings and rankings

	ISS ESG	MSCI	SUSTAINALYTICS	CDP Climate	ecovadis
Rank compared to utility peers	2nd decile	Top 23%[1]	Top 20%	n/a	Top 15%[4]
ignitis group	**54.8** **B- (Prime)** *Last rating change in May 2024*	**7.3[3]** **AA (Leader)** *Last rating change in September 2024*	**21** **(Medium risk)** *Last rating change in September 2024*	**C** **(Awareness)** *Last rating change in February 2025*	**68[5]** **(Advanced)** *Last rating change in September 2024*
Utiities average	n/a	A[1,2]	32.4[2]	n/d	n/a
Rating scale (worst to best)	D- to A+	CCC to AAA	100 to 0	D- to A	0 to 100

[1] MSCI utilities rank and average based on utilities included in the MSCI ACWI index. [2] Based on publicly available data [3] MSCI Industry-Adjusted Score. [4] In electricity, gas, steam and air conditioning supply industry. [5] Assessment of the Group, while previously the assessment included only the Group's company Ignitis (Customers & Solutions).

Contributing to global initiatives

WE SUPPORT UN GLOBAL COMPACT | SUSTAINABLE DEVELOPMENT GOALS | SCIENCE BASED TARGETS DRIVING AMBITIOUS CORPORATE CLIMATE ACTION | UN WOMEN United Nations Entity for Gender Equality and the Empowerment of Women

1.6 Investor information

Overview

In 2024, the Group's ordinary registered shares (ORS) and global depositary receipts (GDRs) have generated a total shareholder return (TSR) of 10.6% and 8.4% respectively. During the same period, the TSR of our benchmark index (Euro Stoxx Utilities) equalled to 2.5%.

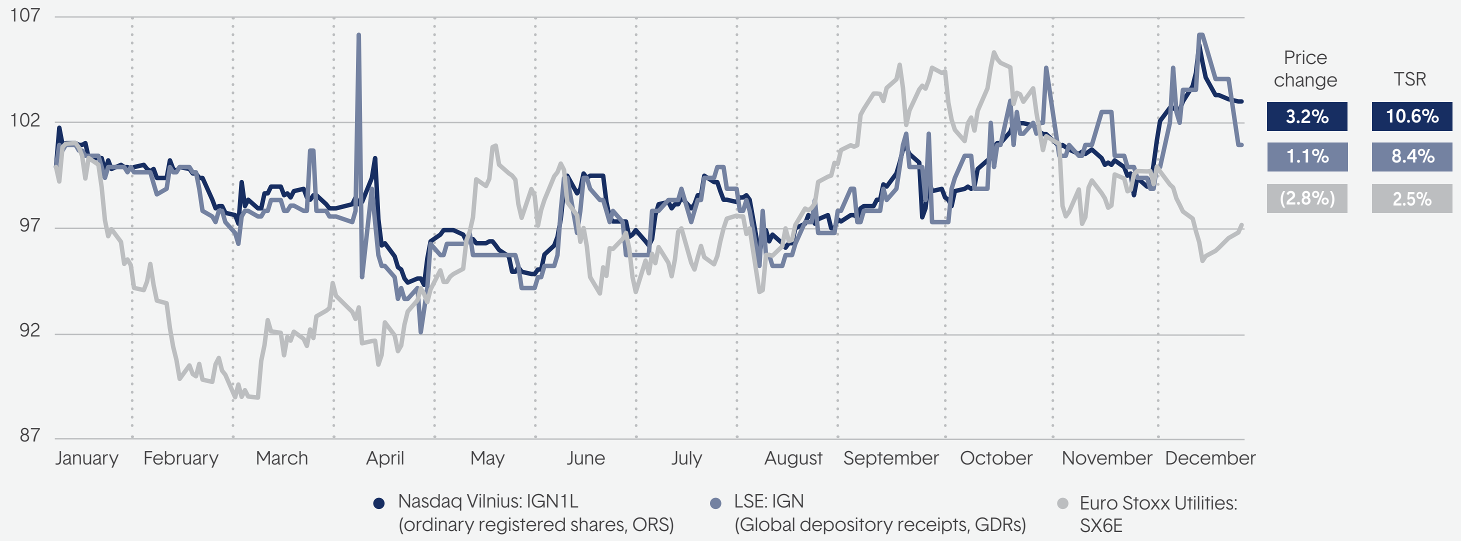
In 2024, the total (ORS and GDRs) turnover was EUR 80.31 million (EUR 60.12 million on Nasdaq Vilnius and EUR 20.18 million on London Stock Exchange, LSE), whereas the average daily turnover totalled to EUR 0.32 million (EUR 0.24 million on Nasdaq Vilnius and EUR 0.08 million on LSE).

At the end of the reporting period, the Group's market capitalisation was EUR 1.4 billion.

Currently, the Group is covered by 5 equity research analysts. Their recommendations and price targets are available on our website.

The Group's securities are included in the MSCI Frontier Markets 100 Index (since 30 November 2020), MSCI Baltic States IM index (since Q3 2023), the Nasdaq OMX Baltic Benchmark Index (since 4 January 2021), and OMX Baltic 10 (since 1 July 2021).

Price development in 2024, EUR[1]



Shareholder return KPIs[2]

	2024	2023	Δ	Δ, %
Dividends declared, EURm	96.0	93.1	*2.9*	*3.1%*
EPS APM, EUR	3.82	4.42	*(0.59)*	*(13.4%)*
DPS APM, EUR	1.33	1.29	*0.04*	*3.1%*
Dividend pay-out APM, %	29.1	29.1	*(1.7 pp)*	-
Dividend yield[3] APM, %				
For ORS owners	6.8	6.8	-	-
For GDR owners	7.0	6.9	*0.1 pp*	*n/a*

[1] Indexed at 100.
[2] Data provided based on the dividends distributed or to be distributed for a specified period. A dividend of EUR 1.326 per share for 2024 comprises of a dividend of EUR 0.663 paid for H1 2024 and a proposed dividend of EUR 0.663 for H2 2024, which is subject to the decision of our Annual General Meeting of Shareholders to be held on 26 March 2025.
[3] Dividend yield is calculated by dividing DPS by the year end price of the ordinary registered share or GDR for the respective period: (i) dividend yield for ordinary registered shares holders is calculated using the EUR 18.84 and EUR 19.58 year end closing prices for 2023 and 2024 respectively; (ii) dividend yield for GDR holders is calculated using the EUR 18.60 and EUR 19.00 year end prices for 2023 and 2024 respectively.

Share capital

The parent company's share capital is divided into 72,338,960 ORS registered in Lithuania. They are all the same class of shares, each entitled to equal voting and dividend rights, specifically – one vote at the General Meetings of Shareholders, and to equal dividend. During the reporting period there were no changes in the parent company's share capital. The parent company does not own any of its own shares and did not make any acquisitions in 2024.

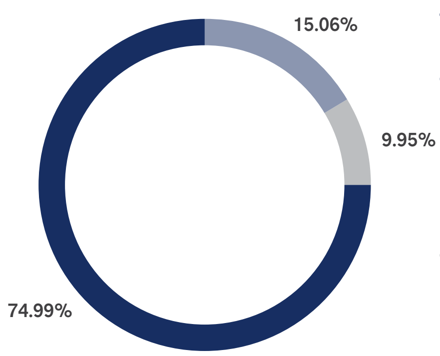
The Republic of Lithuania (the authority implementing the shareholder's rights – the Ministry of Finance of the Republic of Lithuania, the Majority Shareholder) owns 74.99% of the parent company's share capital, with the remaining being held by the institutional (15.06%) and retail investors (9.95%). There are no other parties holding more than 5% of the parent company's share capital.

The composition of the parent company's shareholder structure by type and geography is provided below.

Shareholder composition

At the end of 2024, the Group had 25,116 shareholders. Over the last year, our investor base increased by 12.83% compared to the end of 2023 (22,260 shareholders) and more than tripled compared to the IPO in 7 October 2020 (6,901 shareholders), mostly due to the growing number of retail investors.

Shareholder composition (at the end of the reporting period)



- **Majority Shareholder 74.99%**
  (Ministry of Finance of the Republic of Lithuania)
- **Institutional investors 15.06%**
  Baltics 55.00%
  United Kingdom 31.79%
  Nordics 10.98%
  USA 1.36%
  Continental Europe 0.81%
  Other 0.06%
- **Retail investors 9.95%**
  Lithuania 72.84%
  Estonia 23.28%
  Latvia 3.17%
  Other 0.70%

Performance information in 2024

	Nasdaq Vilnius	LSE	*Combined*
Year opening[1], EUR	18.98	18.80	-
Year high[1] (date), EUR	20.10 (18 Dec)	20.00 (19 Dec)	*20.10*
Year low[1] (date), EUR	17.90 (24 Apr)	17.30 (23 Apr)	*17.30*
Year VWAP[2], EUR	18.74	18.35	*18.54*
Year end[1], EUR	19.58	19.00	-
P/E (year-end), times	5.11	4.96	-
Annual turnover (average daily)[3], EURm	60.12 (0.24)	20.18 (0.08)	*80.31 (0.32)*
Market capitalisation, year-end[1], EURbn	-	-	*1.4*

Parameters of the securities issues

	Nasdaq Vilnius	LSE	*Combined*
Type	Ordinary registered shares (ORS)	Global Depositary Receipts (GDR)	-
ISIN-code	LT0000115768	Reg S: US66981G2075 Rule 144A: US66981G1085	-
Ticker	IGN1L	IGN	-
Nominal value, EUR	-	-	*22.33 per share*
Number of shares (share class)	-	-	*72,388,960 (one share class)*
Number of treasury shares (%)	-	-	-
Free float, shares (%)	-	-	*18,105,203 (25.01%)*
ORS vs GDRs split	76.3%	23.7%	*100%*

[1] Trading day closing price.
[2] VWAP – volume-weighted average price.
[3] In 2023, the total (ORS and GDRs) turnover was EUR 84.31 million (EUR 63.30 million on Nasdaq Vilnius exchange and EUR 21.01 million on LSE), whereas the average daily turnover totalled to EUR 0.37 million (EUR 0.25 million on Nasdaq Vilnius exchange and EUR 0.12 million on LSE).

The Group's securities are constituents of the below indices

Benchmark index	Benchmark index	Benchmark index	Tradable index
MSCI Frontier Markets 100 Index	MSCI Baltic States IM index	OMX Baltic Benchmark	OMX Baltic 10
MSCI	MSCI	Nasdaq	Nasdaq

General Meetings of Shareholders

In 2024, two General Meetings of Shareholders were held, where decisions were made on dividend distribution, election of consolidated sustainability reporting assurance service provider and other items on the agenda. Our next Annual General Meeting of Shareholders will be held on 26 March 2025. Further details, including the shareholders' rights, are available in section '4 Governance' of our Integrated Annual Report 2024 and on our website.

Dividends

Since the Group's IPO, we distribute our profits in line with our Dividend Policy. It is based on a fixed starting level of EUR 85 million distributed for 2020 and a minimum growth rate of at least 3% for each subsequent financial year.

Following our dividend commitment, for 2024 we intend to distribute a dividend of EUR 1.326 per share, corresponding to EUR 96.0 million, and a yield of 6.8–7.0% for ordinary registered shareholders and global depositary receipt holders (based on year-end closing prices). A total dividend per share for 2024 comprises of a dividend of EUR 0.663 paid for H1 2024 and a proposed dividend of EUR 0.663 for H2 2024, which is subject to the decision of our Annual General Meeting of Shareholders to be held on 26 March 2025.

Credit rating

On 12 August 2024, after an annual review, a credit rating agency S&P Global Ratings reaffirmed 'BBB+' (stable outlook) credit rating of the Group. Further information on the credit rating, including credit rating reports, is available on our website.

Investor relations

We strive to ensure the highest transparency and accountability standards in our shareholder communication. On a continuous basis, we engage with the market through quarterly and ad hoc earning calls, non-deal roadshows, conferences and other types of meetings. Our dialogue with the investors and other stakeholders is subject to restrictions prior to the announcements of any non-public information.

On the Group's website, the 'Investors' section, we provide annual, interim reports and presentations, the investor calendar, analyst recommendations and a wide range of other data which might be of interest to our stakeholders.

Additionally, further information on the parent company's ORSs, GDRs and bonds is disclosed in section '7.1 Further investor related information' of this report.

Financial calendar 2025

26 March 2025	Annual General Meeting of Shareholders
8 April 2025	Expected Ex-Dividend Date (for ordinary registered shares)
9 April 2025	Expected Dividend Record Date (for ordinary registered shares)
14 May 2025	First three months 2025 interim report
13 August 2025	First six months 2025 interim report
10 September 2025	Extraordinary General Meeting of Shareholders (regarding the potential allocation of dividends for the six-month period ended 30 June 2025)
23 September 2025	Expected Ex-Dividend Date (for ordinary registered shares)
24 September 2025	Expected Dividend Record Date (for ordinary registered shares)
12 November 2025	First nine months 2025 interim report

Financial calendar is available on our website and is immediately updated if there are any changes.

Selected relevant information

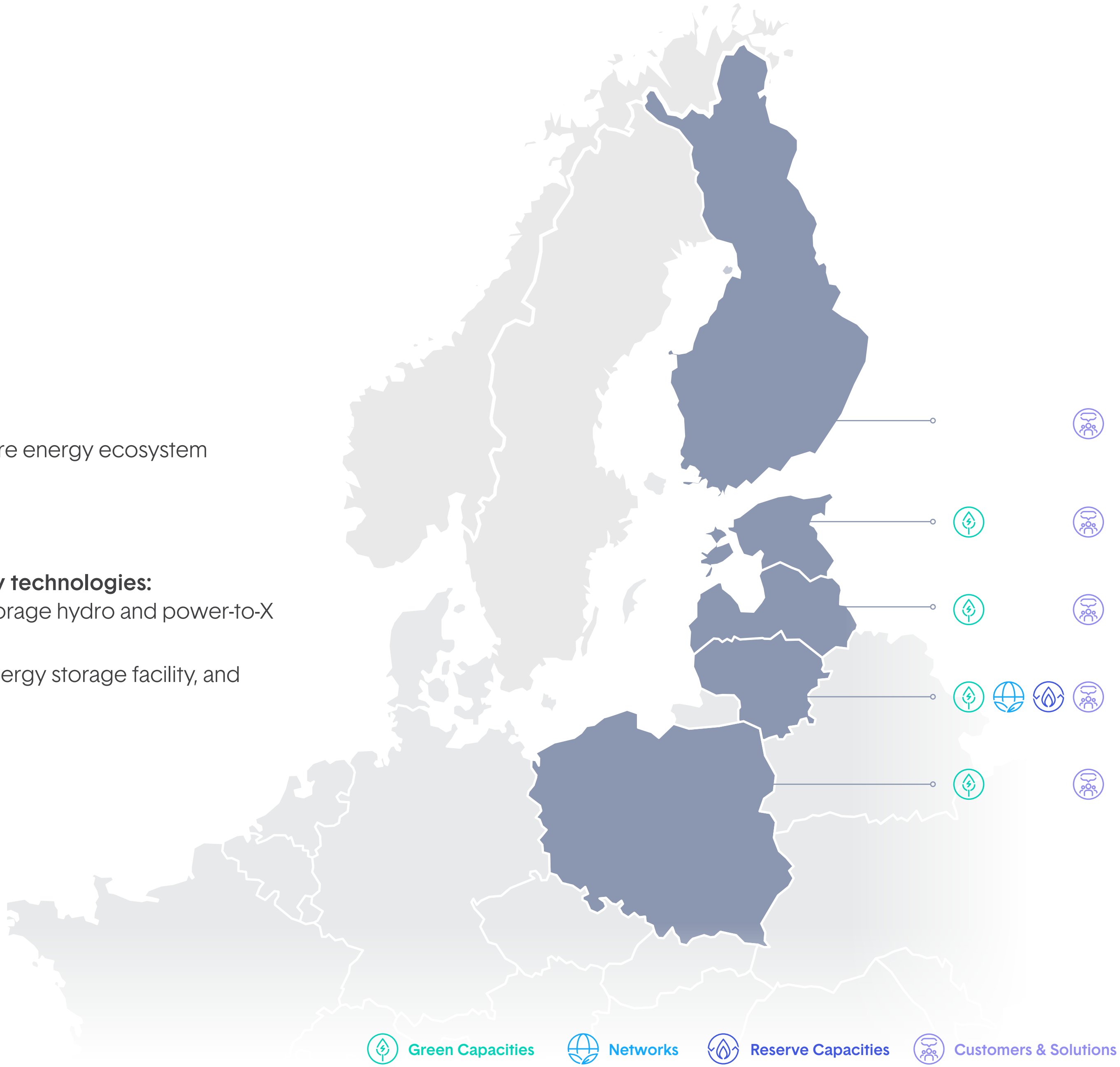
- Investor relations webpage
- Dividend Policy
- General Meetings of Shareholders
- Credit rating
- Financial calendar

Business overview

2.1 Business profile

Ignitis Group

- **Renewables-focused integrated utility**
- **Our purpose** is to create a 100% green and secure energy ecosystem for current and future generations
- **4–5 GW** of installed Green Capacities by 2030
- **Net zero** emissions by 2040–2050
- **Focus on green generation and green flexibility technologies:** onshore and offshore wind, batteries, pumped-storage hydro and power-to-X
- **Integrated business model:** benefiting from the largest customer portfolio, energy storage facility, and network in the Baltics
- Active in the **Baltic states, Poland and Finland**



Integrated business model

We are utilising integrated business model to maximise potential

Green Capacities

#1 in Lithuania[1]
#2 in the Baltics[1]

Installed Capacity: 1.4 GW
Pipeline: 6.6 GW
Total Portfolio: 8.0 GW

Strategic focus
Delivering **4–5 GW** of installed green generation and green flexibility capacity by 2030

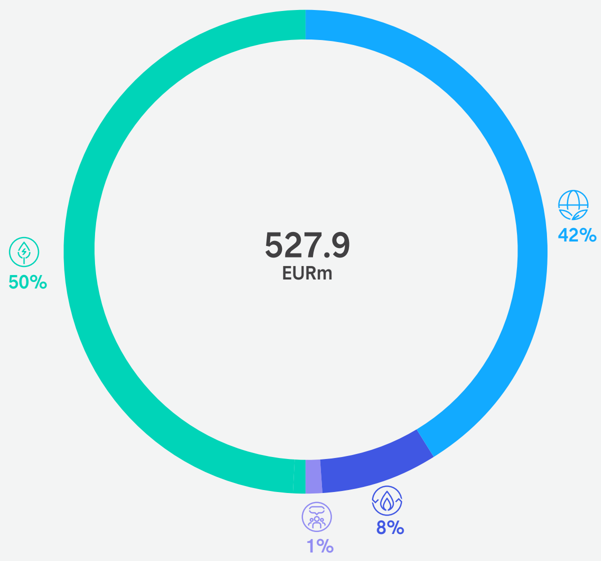
Customers & Solutions

#1 in the Baltics[3]

The largest customer portfolio in the Baltics: **1.4 million customers**

Strategic focus
Utilising and further expanding customer portfolio to enable Green Capacities build-out

Adjusted EBITDA 2024



Networks

#1 in the Baltics[2]

Fully regulated country-wide natural monopoly

Regulated asset base (RAB): **EUR 1.8 billion**

Strategic focus
Expanding a resilient and efficient network that enables electrification

Reserve Capacities

#1 in Lithuania[1]
#2 in the Baltics[1]

Highly regulated gas-fired power plants mainly operating as system reserve

Strategic focus
Contributing to the security of the energy system

[1] Based on Installed Capacity.
[2] Based on the network size and the number of customers.
[3] Based on the number of customers.
Note: data as of 31 December 2024, except for the Networks RAB amount, which is provided for 2025, as approved by the regulator (NERC).
Other activities and eliminations include (1%) of Adjusted EBITDA 2024.

2.2 Strategy and targets

In 2023, we updated our Strategy. As a renewables-focused integrated utility, Ignitis Group is committed to a greener future. We invest to deliver 4–5 GW of installed Green Capacities by 2030 and reach net zero emissions by 2040–2050, thus strengthening our contribution to Europe's decarbonisation and energy security in the region.

We are utilising our integrated business model to enable the Green Capacities build-out. We are expanding our green generation technologies with a focus on onshore and offshore wind. We are also developing green flexibility technologies: battery storage, hydro pumped-storage and power-to-x technologies – with green hydrogen holding a significant potential of contributing towards net zero.

Together we innovate, grow and act with a purpose to create a 100% green and secure energy ecosystem for current and future generations.

This commitment is driven by the urgent need to address the climate change and the EU's response to it through proposed targets. Energy transition trends showcase a shift towards renewable energy, while grids play a crucial role as the key enabler of the green transition.

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

Growing green generation and green flexibility capacity

Flexible

2

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

Integrated

3

Utilising the integrated business model to enable Installed Green Capacities build-out

Sustainable

4

Maximising sustainable value

- **Pumped-storage hydro:** 1.0 GW in 2026
- **Batteries:** commercial-scale by 2027
- **Power-to-X:** successful 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

Net zero by 2040–2050

ESG leadership and Investments aligned with the EU Taxonomy

≥3% annual dividend growth

Strategic focus and our targets for 2024–2027

Our strategic targets are defined based on our purpose-driven priorities to ensure our strategy execution. The Group reviews it's strategy and updates its strategic plan every year for the next 4-year period. The latest Group's strategic plan is published on our website. Additionally, incentive-based short-term (annual) and long-term targets (for a strategic 4-year period) as well as an overview of their achievement are provided in more detail in section '5 Remuneration' of our Integrated Annual Report 2024 and on our website.

Green Capacities

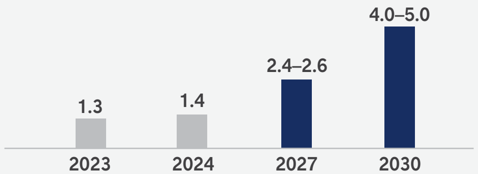
Strategic priorities

Delivering 4–5 GW of installed green generation and green flexibility capacity by 2030. Our focus is on onshore and offshore wind farms, batteries, pumped-storage hydro and power-to-X.

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

We are growing Green Capacities with a focus on technologies that can deliver a 100% green and secure energy ecosystem

Installed Capacity
GW



We expect to reach 2.4–2.6 GW of installed green generation and green flexibility capacity by 2027 and 4–5 GW by 2030.

Networks

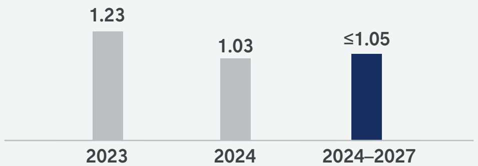
Strategic priorities

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

Focus market: Lithuania

We are expanding and maintaining a resilient electricity network to enable green electrification

Electricity SAIFI[1]
Interruptions per customer



We invest into electricity network expansion and maintenance to ensure its resilience and enable green electrification by targeting to decrease the SAIFI indicator to an average of ≤1.05 interruptions per customer over the 2024–2027 period, improving the network automation to have ~66% of consumers connected to automatically controlled power lines by 2027 and maintaining average technological losses in the electricity network of ≤5.0% over the 2024–2027 period.

Customers & Solutions

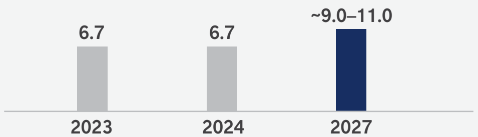
Strategic priorities

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

Focus market: The Baltic states, Poland and Finland

We are utilising and further expanding our customer portfolio to enable the Green Capacities build-out

Electricity supply portfolio
TWh



We are utilising and further expanding our customer portfolio to enable the Green Capacities build-out through internal power purchase agreements (PPAs). We aim to increase the electricity sales volumes to around 9.0–11.0 TWh by 2027 (implying a 7.7–13.2% CAGR for 2024–2027) and speed up the transition from natural gas to power.

Reserve Capacities

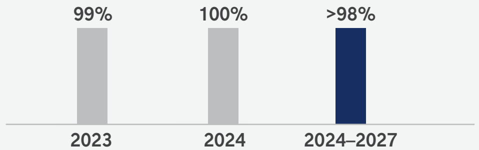
Strategic priorities

Contributing to the security of the energy system

Focus market: Lithuania

We are utilising our reserve capacities to ensure the reliability and security of the power system

Reserved Capacities[2]
Availability, %



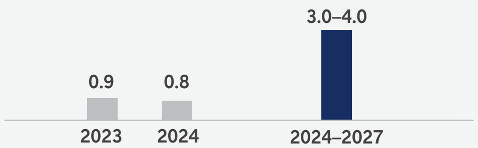
We are targeting to retain high availability of the reserve capacities (Elektrėnai Complex), or >98% over the 2024–2027 period, to ensure reliability and security of the power system. Available assets of Elektrėnai Complex include the CCGT and Units 7&8.

[1]Indicators are calculated in accordance with the provisions of the Description of the Indicators of Electricity Distribution Reliability and Service Quality approved by the National Energy Regulatory Council (NERC) for the regulatory period (established on the basis of Resolution No. O3E–79 of the National Energy Regulatory Council of January 26). The SAIFI targets are determined by NERC based on the level of interruptions and the methodology in force. The methodology excludes the following cases from SAIFI calculations: (1) outages caused by catastrophic natural, meteorological and hydrological phenomena, including wind speed >28 m/s (such interruptions are eliminated at the country level (not regionally); (2) outages caused by faults in the transmission system operator's network. [2] Average availability of Elektrėnai Complex, excluding scheduled repairs.

Financial targets

Investments with a focus on Green Capacities and Networks

Investments
EURbn



We aim to invest EUR 3.0–4.0 billion over 2024– 2027 period, and ≥85–90%[1] of it will be share of Investments aligned with the EU Taxonomy. The major portion of that will be allocated to Green Capacities expansion (1.8–2.4 EURbn) and Networks expansion and maintenance (1.1–1.3 EURbn).

Target returns, mainly driven by Green Capacities and Networks

Targeted IRR–WACC spread

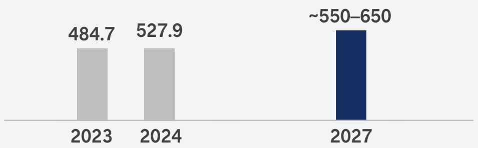
≥ 100 bps

in commercial/
non-regulated activities

≥ 0 bps

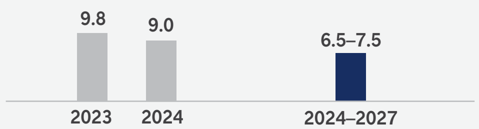
in regulated activities

Adjusted EBITDA
EURm



Adjusted EBITDA is expected to reach EUR 550–650 million in 2027 or grow up to 8% CAGR compared to 2023. The growth will be mainly driven by the Green Capacities and Networks.

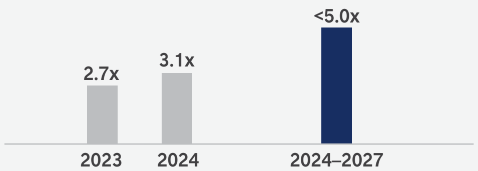
Adjusted ROCE
%



Average Adjusted ROCE during 2024–2027 is expected to be around 6.5–7.5%. Targeted level for 2024–2027 is lower compared to 2023 as results for 2023 were exceptionally strong.

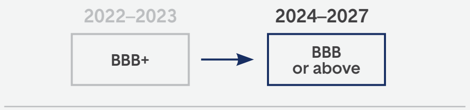
Commitment to a solid investment-grade credit rating

Net Debt / Adjusted EBITDA APM
Times



Net Debt/Adjusted EBITDA is expected to be below 5x over the 2024–2027 period.

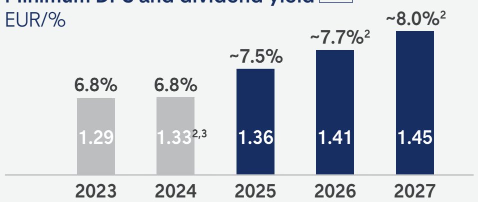
Credit rating
S&P



We are committed to a solid investment-grade rating. We expect to maintain 'BBB' or a better rating over the 2024–2027 period. S&P Global Ratings, after performing annual review of the Group's credit rating, reaffirmed 'BBB+' (stable outlook) credit rating for 2023–2024.

Growing dividends

Minimum DPS and dividend yield APM
EUR/%



We are committed to increase dividends to shareholders at a minimum 3% annual rate. The starting dividend level for 2020 was set at EUR 85 million with EUR 93.0 million declared for 2023 and EUR 96.0 million for 2024. Implied dividend yield for 2025–2027: 7.5–8.0%[2].

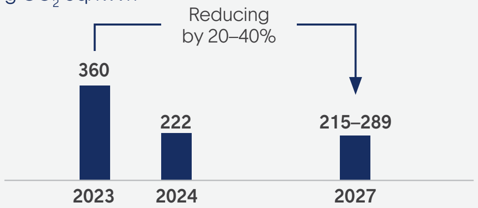
[1] Share of Investments to be directed to the maintenance or expansion of the EU Taxonomy-aligned activities. There are differences in methodologies used to calculate Investments and actual Taxonomy CAPEX KPI. [2] Calculated based on the No. of shares (72,388,960 ordinary registered shares). Implied (annual) dividend yield for the 2025–2027 period is based on the Ignitis Group share price of EUR 18.14 (closing price as of 25 April 2024). [3] A dividend of EUR 1.326 per share comprises of a dividend of EUR 0.663 paid for H1 2024 and a dividend of EUR 0.663 for H2 2024, which is subject to the decision of our Annual General Meeting of Shareholders to be held on 26 March 2025.

ESG priorities and targets

ENVIRONMENTAL

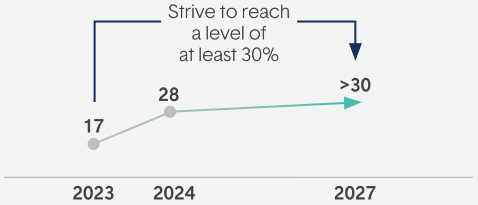
Decarbonisation pathway aligned with our business ambitions

Reducing the carbon intensity of scope 1 & 2 GHG emissions,
g CO_2-eq/kWh



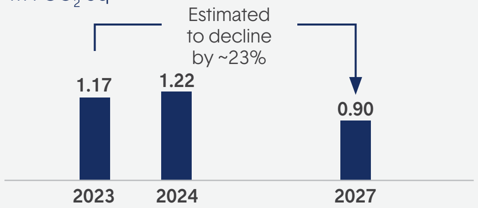
Growing green generation and green flexibility capacity installed[1] and increasing share of own green electricity used for own operations[2].

Growing share of green electricity supplied
%



Actively promoting our customers to use green electricity and expanding electricity supply portfolio within our home markets.

Reducing absolute GHG emissions from natural gas supply
m t CO_2-eq



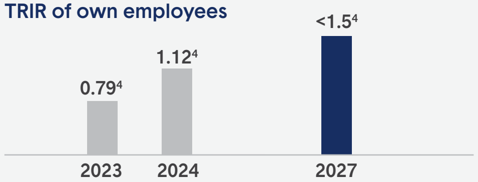
Promoting customers transition from natural gas to electricity[3]

Targeting net zero emissions

We target net zero emissions by 2040–2050

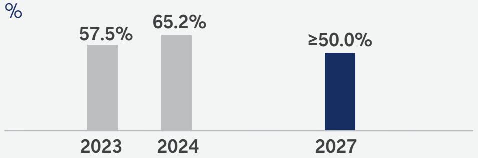
SOCIAL

Our key focus is on safety at work with Zero fatal accidents
TRIR of own employees



We aim to ensure 0 fatal accidents (contractors and own employees) over the 2024–2027 a period. Also, we are targeting for TRIR of own employees to be below 1.5 and contractors below 2.7 in 2027.

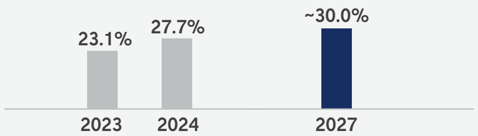
Focusing on employee experience and well-being
Employee NPS
%



Our target is to retain the current level and to have the eNPS level ≥50% over the 2024–2027 period.

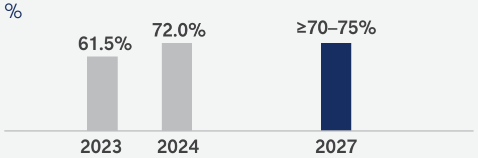
GOVERNANCE

Diversity focusing on gender diversity in top management
Share of women in top management (period end)
%



We aim to reach ~30% share of women in top management positions by 2027.

Sustainable value creation focusing on investments and returns
Share of sustainable Adjusted EBITDA[5]
%



We plan to grow share of sustainable Adjusted EBITDA to ≥70–75% by 2027 (driven by share of Investments aligned with the EU Taxonomy[6] ≥85–90% over 2024–2027; in 2023 it was 91.6%, in 2024 it was 92.0%).

[1] 2.4–2.6 GW by 2027, 4–5 GW by 2030, incl. Kruonis PSHP expansion in 2026, commercial-scale batteries by 2027, further offshore wind build-out post 2030. Implementing green hydrogen production and e-fuel conversion pilot project, analyzing potential carbon capture technologies and considering the development of utility scale green hydrogen and e-fuel production capabilities, and the potential to export surplus energy to contribute to Europe's decarbonization in the long-term. [2] Kruonis PSHP operations, electricity grid losses, offices, replacement of operational vehicle fleet with EVs, etc. [3] We aim to optimize our gas supply portfolio to an estimated ~5.0 TWh level in 2027 and reduce it further while securing the supply levels required for the security of the energy system during the energy transition period in Lithuania. Our key focus is on electricity supply. [4] TRIR of own employees. TRIR of contractors targeted to be below 2.7 in 2027. [5] Sustainable Adjusted EBITDA is the share of Adjusted EBITDA related to Taxonomy-aligned activities in total Adjusted EBITDA. The ratio is calculated using the Group's own methodology as it's not based of the EU Commission Delegated Regulation 2021/2178. [6] Share of Investments to be directed to the maintenance or expansion of the EU Taxonomy-aligned activities. There are differences in methodologies used to calculate Investments and actual Taxonomy CAPEX KPI. [7]The double materiality assessment (DMA) results are aligned with our strategic plan, and our strategic plan consistently reflects the insights derived from the DMA results. The business model of the Group addresses material impacts and risks and takes advantage of the material opportunities, thereby resulting in a resilient business strategy.

Our people

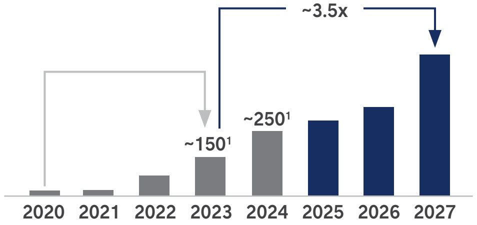
We are a **diverse team of energy smart people** united by a common purpose to create a 100% green and secure energy ecosystem for current and future generations.

We pursue our strategic priorities and contribute to Ignitis Group's purpose and strategy by attracting and retaining diverse top talents, building critical skills and competencies to execute the strategy, and having a human-centric approach (implementing a holistic employee well-being approach, growing a diverse and inclusive organisation and maintaining a positive employee experience).

We are organically building an entire organisation from the scratch in renewables

~4.700[1]
Employees in 2024
(Ignitis Group)

Ignitis Renewables organisation growth
No. of employees



The Group earns Top Employer Lithuania 2025 certification for the fourth consecutive year

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

[1] *FTEs*

Strategic enablers

We are focusing on innovation and digitalisation to keep the pace with the rapidly changing energy sector. The following strategic enablers ensure our sustainable growth and operational efficiency.

Innovation

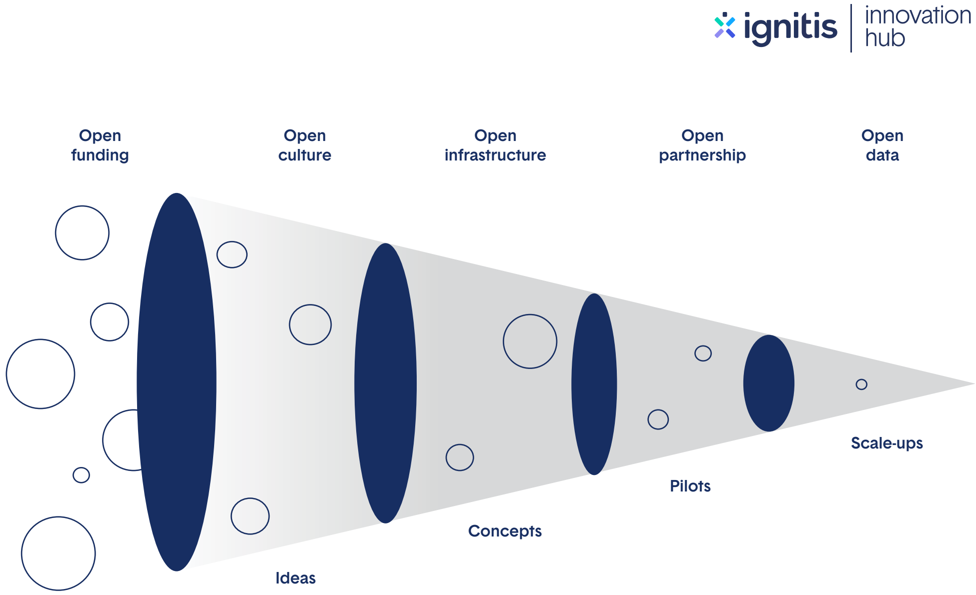
Ignitis Innovation Hub

In 2018, we launched the Ignitis Innovation Hub, which combines internal and external initiatives of Ignitis Group, thereby promoting the development of energy technologies and attracting innovative ideas. The hub is an integral part of the Group and allows other companies to receive and share open data and test their technologies, prototypes or business ideas by utilising the Group's infrastructure through the Sandbox programme. We cooperate with state authorities, universities and other companies to develop new products and services, which we then apply in the Group's activities and offer to our customers. We aim to create and support the EnergyTech ecosystem based on the principles of open innovation in Lithuania and beyond.

In 2024, the hub implemented 17 concepts and 10 pilot projects, and developed 2 solutions, including the following key highlights:

- **We started activities and building competency in the battery energy storage system (BESS) field.** We are focusing on the development of BESS systems to provide critical assets to the energy system, which will provide the energy system with ancillary services. In 2024 we focused on establishing and developing utility-scale systems. Ignitis Innovation Hub has conducted 4 studies and prepared for the active phase of BESS system deployment.
- Ignitis Innovation Hub has **successfully utilised the Plexos market simulation and modelling platform** in several case studies to assess the impact of strategic projects on market development. To reinforce its leadership position in the Baltics, the Group has expanded its modelling capabilities and secured a three-year license extension for the Plexos software. This extension aims to support the Group's interests in the commercial energy landscape and enhance its ability to navigate market complexities. In this dynamic environment, acquiring comprehensive market insights and expertise remains essential to maintaining a competitive advantage and driving forward the Group's strategic objectives.
- In 2024, we **expanded our P2X competency centre** and utilised the knowledge we gained from studies on hydrogen and its derivative technologies as well as carbon capture and storage technologies. This work supports the development of new hydrogen, eFuel, and grid flexibility markets, while also preparing for and evaluating opportunities for pilot projects, including developing critical elements and accelerating the expansion of green capacities.
- In an effort to help the Group companies develop new products and services, **we initiated partnerships with demand side response (DSR) aggregators and acquired an independent DSR activity authorisation** in Lithuania for Ignitis (Customers & Solutions). The Group plans to continue the development of innovative products and services in this area throughout 2025.

Open-innovation pillars and the process of idea development



In 2024	17 concepts implemented	10 pilot projects implemented	2 solutions developed

Venture capital activities

In 2017, the Group established the first energy-focused venture capital fund in the Baltics, the Smart Energy Fund powered by Ignitis Group, managed by Contrarian Ventures, following a public tender. The fund has a total size of EUR 12.5 million, with the Group as its sole investor. The fund has finished its investment period, having made investments in 24 companies. The fund has generated a return of EUR 15.6 million so far. The exit period is planned to conclude by August 2027, with the possibility of extension for up to five years.

In 2023, the Group joined a European climate tech venture capital fund, World Fund, after an international public tender. The fund has a total size of EUR 300 million, with the Group committing approximately EUR 25 million. The investment period is ongoing, with investments already made in 17 companies. The Group's commitment to the fund is expected to last until August 2032.

Priorities for 2025

The main objectives of the Group's innovation team for 2025 are to pursue new technologies applicable to the Group's business activities and to continue building essential competencies in the P2X and BESS fields. Additionally, the team will focus on improving decision-making by leveraging the modelling capabilities of Plexos, providing expertise on the Group's strategic activities, and analysing innovative market solutions to guide stakeholders in making informed strategic decisions.

Digitalisation

Through digitalisation we aim to improve the digital experience of employees, increase the operational efficiency and help create the greatest possible added value for the organisation. We do this by taking into account the needs of different teams and analysing the digital experience of the Group employees. In 2024, we focused on applying and disseminating design-thinking principles across the Group, organising hackathons, enhancing employees' digital skills, decentralising automation and piloting AI technologies.

Overview of activities in 2024

Piloting AI technologies

In 2024, with further improvements to large language models, we continued developing and piloting AI technologies in various areas of our business. Specifically, our main AI projects were focused on automating the call centre's functions, chatbots and information retrieval. Furthermore, we launched an internal ChatGPT, which is focused on information security, and piloted AI technologies in different areas of our business. It included optical character recognition (OCR)CR, automatic content generation, customer NPS analysis, and large language models. This led to over 60% employees constantly using AI-related solutions.

Hackathons

To address the internal and external challenges affecting the Group, we organised an internal hackathon. This year's hackathon had six different topics, all focusing on improving different processes and employee efficiency through automation. Teams suggested ideas for reducing manual labour through low-code applications, automated data extraction and processing, and use of AI. Prototypes of proposed solutions were developed during the hackathon and teams continue to work on implementing these into different areas of the business.

Improving digital skills

In 2024, we continued running our digital skills training programme. The main objective remained the same as before, i.e., to upskill and reskill the Group employees to increase employee efficiency and ensure the sufficiency of digital skills for the future. In addition to topics from the previous years, this year we ran more than 30 training sessions focused on large language models and their efficient and safe use, including their practical use cases. We also ran many sessions focussed on different employee groups with an aim to increase AI awareness and understanding.

Priorities for 2025

In 2025, the digitalisation team will remain focused on adopting AI technologies in different areas of our Group. We are planning to do more than 6 pilots, with an aim of automating processes and bringing new capabilities to our businesses. We will remain focused on the digital skills programme, fostering the digital culture while spreading knowledge and understanding of AI solutions within the Group, and ensuring that employees regularly and securely use AI solutions in their day-to-day work.

2.3 Investment program

Overview

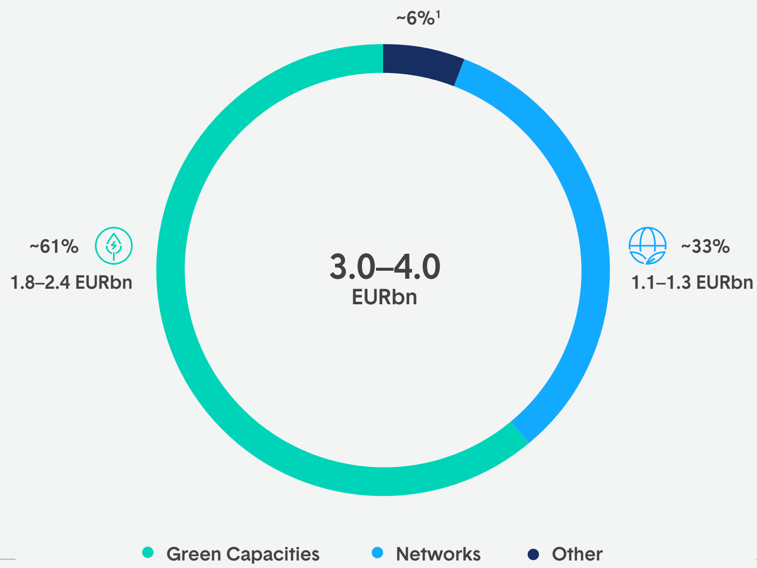
The Group makes investment decisions based on a four-year investment plan. Over the period of 2024–2027, the Group targets to invest EUR 3.0–4.0 billion or around EUR 750–1,000 million annually, primarily directed towards sustainable growth in Green Capacities and Networks business segments. Out of total, around 61% of the Investments are aimed towards Green Capacities expansion, while around 33% of the Investments are focused on the Networks segment, its maintenance and expansion.

To successfully implement our investment plan while achieving financial targets, including a commitment to increase dividends annually, we have established and apply a disciplined investment policy. We disclose the updates on our key investments in the Green Capacities and Networks segments in our interim and annual reports. The latest information on the key ongoing investment projects is presented below. More information on the investment program, including the investment strategy, is available in the Strategy section of our website.

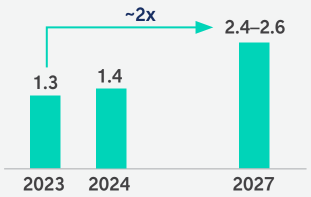
Investments aligned with the EU Taxonomy
92.0% (2024)

>85–90%[2]
2024–2027 targeted level

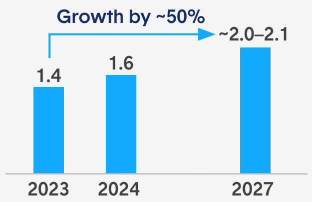
Investments over 2024–2027



Green Capacities installed
GW



Regulated Asset Base
EURbn



[1] Includes Reserve Capacities segment, Customers & Solutions segment, IT and other investments.
[2] Share of Investments to be directed to the maintenance or expansion of the EU Taxonomy-aligned activities. There are differences in methodologies used to calculate Investments and actual Taxonomy CAPEX KPI.

Green Capacities

Investment policy

The Group applies a disciplined investment framework with hurdle rates for returns on Green Capacities projects to ensure value-creating growth. Our Investment policy targets a spread of at least 100 basis points over WACC on an unlevered basis, depending on the risk profile on a project-by-project basis.

Pursuant to our asset rotation program, we plan to sell up to 49% of equity stakes in our implemented Green Capacities projects to capture value premium and recycle capital for future growth.

Target markets
The Baltics and Poland

Technologies
Offshore and onshore wind, batteries, pumped-storage hydro and power-to-X

Entry stage
Primarily greenfield and early-to-late development stages

Financing
Targeted 60–75% leverage at the project level

Asset rotation
Up to 49% of equity stakes in implemented projects to be sold under the program

Target returns
- ≥100 bps over targeted IRR–WACC spread
- Depends on the risk profile on a project-by-project basis

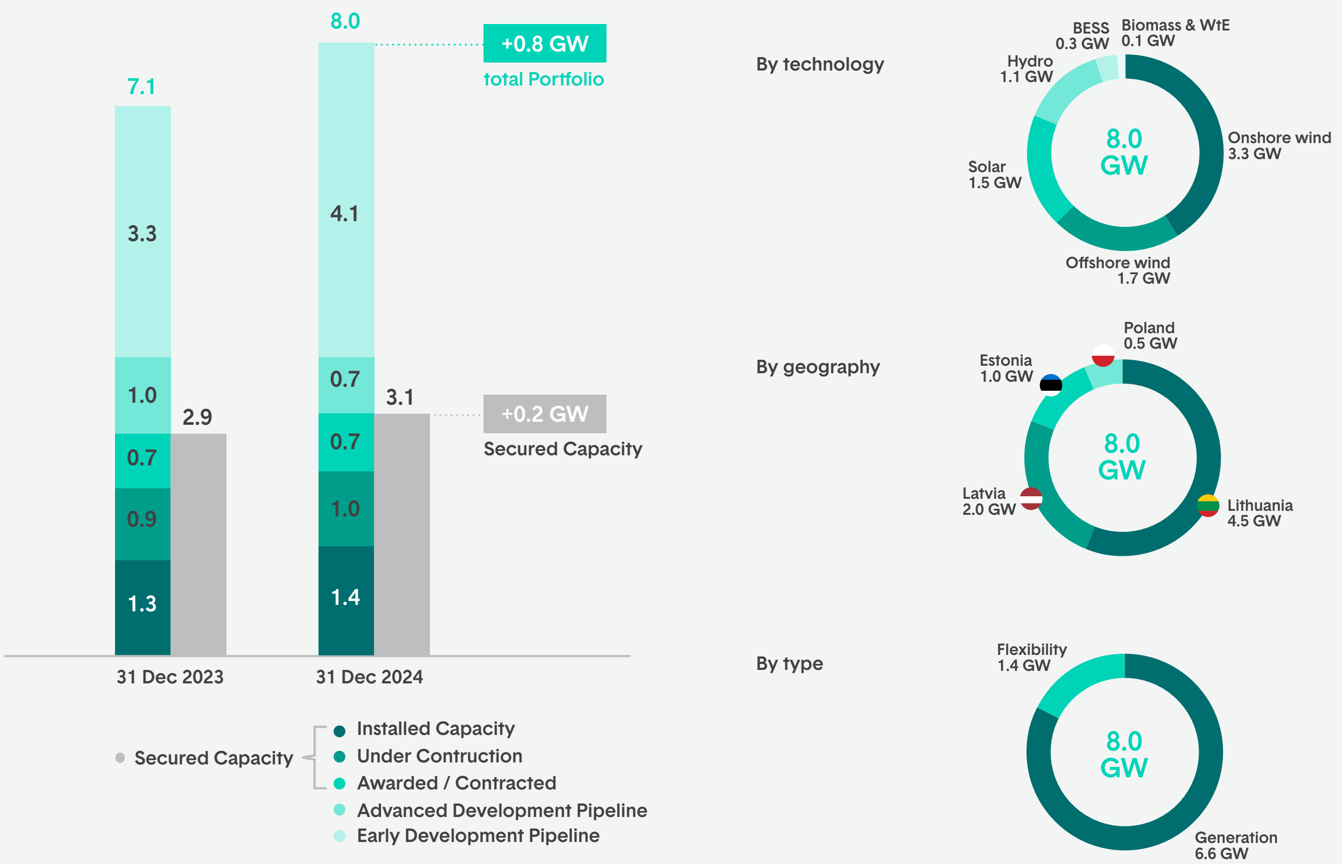
Portfolio development overview

Since the beginning of 2024, we continued to grow and develop our Green Capacities Portfolio, increasing its total capacity by 0.8 GW to 8.0 GW (from 7.1 GW). This is a result of greenfield capacity additions of around 0.5 GW and grid connection capacity secured for our first BESS projects (<290 MW) in Lithuania.

We also increased our Secured Capacity by 0.2 GW to 3.1 GW (from 2.9 GW) as Tume SF (173.6 MW) in Latvia reached the construction phase. Our Installed Capacity increased to 1.4 GW (from 1.3 GW), as Silesia WF I (50 MW) in Poland reached COD in March, Vilnius CHP biomass unit in Lithuania reached full COD for the remaining 21 MWth and 21 MWe capacities in May, and Tauragė SF (22.1 MW) in Lithuania reached COD in July.

The implementation of our Green Capacities projects under construction is progressing as planned, with no significant changes since Q3 2024 apart from one exception. At our Silesia WF II (137 MW) project in Poland, we have completed the construction works both on time and within budget, with all turbines erected, installed and operational. As planned, the project supplied first power to the grid, reached partial operation (with an operational cap set at 70 MW) in Q4 2024 and has been generating revenue since then, limiting the financial impact. However, due to the delays in reinforcing the grid (that are beyond our control), we now expect the wind farm to reach full operation and capacity COD in H2 2025 (previously – Q1 2025).

Green Capacities Portfolio overview
GW



Offshore wind development update

Lithuania's second 700 MW offshore wind project CfD tender

- In October 2024, we took decisions to participate in Lithuania's second 700 MW offshore wind tender and seek partners.
- In January 2025, the tender has been temporarily suspended, with the tender expected to be relaunched in due course and award in H2 2025.
- We will make the decision whether to participate in the relaunched tender when we will know the conditions of it.

Curonian Nord

- The project has been developing according to the plan until now. Final Investment Decision is expected after completion of development and obtaining construction permit in 2027.
- However, as a result of large-scale electrolysis projects being delayed across Europe, including the Baltics, possibilities to secure long-term power offtake have reduced. Combined with challenges in the current offshore wind supply chain environment, financing of the project may become challenging as we approach FID in 2027. As a result, there might be a need to delay the project COD until there is more visibility on the electrolysis demand and/or the interconnector with Germany.
- We will continue to monitor the market developments and will update our plans accordingly.

Liivi

- We are exploring opportunities to participate in the potential CfD tender, which is subject to parliamentary approval in Estonia.

Wind and meteorological measurements for an offshore wind project in the Baltic Sea

Status on key investment projects / UNDER CONSTRUCTION

Project name	Polish solar portfolio	Silesia WF II	Moray West offshore wind project[3]	Stelpe SF	Vārme SF	Kelmė WF I	Kelmė WF II	Tume SF	Kruonis PSHP expansion	TOTAL
Country	Poland	Poland	The United Kingdom	Latvia	Latvia	Lithuania	Lithuania	Latvia	Lithuania	
Technology	Solar	Onshore wind	Offshore wind	Solar	Solar	Onshore wind	Onshore wind	Solar	Hydro pumped storage	
Capacity	24 MW	137 MW	882 MW	145 MW	94 MW	105.4 MW	194.6 MW	173.6 MW	110 MW	**1.0 GW**
Turbine / module / other type of unit manufacturer	17 MW Jinko Solar; 7 MW JA Solar	38 x 3.6 MW Nordex	60 x 14.7 MW Siemens Gamesa	145 MW Trina Solar	94 MW Trina Solar	16 x 6.6 MW Nordex	28 x 7.0 MW Nordex	173.6 MW TBD	1 x 110 MW Voith Hydro	
Investment	~EUR 19 million	~EUR 240 million[2]	Not disclosed	~EUR 112 million[2]	~EUR 66 million[2]	~EUR 190 million[2]	~EUR 360 million[2]	~EUR 105.8 million	~EUR 150 million	**~EUR 1.2 billion[4]**
Investments made by 31 December 2024	~EUR 16 million	~EUR 235 million	Not disclosed	~EUR 65 million	~EUR 43 million	~EUR 165 million	~EUR 289 million	~EUR 8 million	~EUR 43 million	**~EUR 0.9 billion[4]**
Proportion of secured revenue[1]	100%	100%	85%	50%	50%	65%	65%	51%	0%	
Type of secured revenue	CfD	CfD / PPA	CfD / PPA	PPA	PPA	PPA	PPA	PPA	PPA	
Ownership	100%	100%	5%[3]	100%	100%	100%	100%	100%	100%	
Partnership	n/a	n/a	Ocean Winds	n/a	n/a	n/a	n/a	n/a	n/a	
Progress										
FID made	+	+	+	+	+	+	+	+	+	
WTGs erected (units) / Solar modules & inverters installed (MW) / Other type of turbines or units installed (units)	14 / 24	38 / 38	60 / 60	22 / 145	61 / 94	16 / 16	28 / 28	0 / 173.6	0 / 1	
First power / heat to the grid supplied	+	+	+	–	–	+	+	–	–	
Expected COD	H1 2025	H2 2025	2025	2025	2025	2025	2025	2026	2026	
Status	On track	Time delay	On track	On track	On track	On track	On track	On track	On track	

[1] Secured revenue timeframe differs on a project-by-project basis.
[2] Including project acquisition and construction works.
[3] As the Group owns a minority stake of 5%, the project's capacity is not consolidated and is not reflected in the data of the Green Capacities Portfolio.
[4] Excluding not disclosed investments.

Networks

Investment policy

Investments into our Networks segment, as a Lithuania's distribution system operator that is working in a fully regulated business environment, are clearly defined by the regulatory framework, coordinated, and approved by the regulator (National Energy Regulatory Council, NERC).

Target markets
Lithuania

Technologies
Electricity and natural gas distribution networks

Type
Expansion (new customer connections and upgrades, including prosumers and EV network, smart-meter roll-out) and maintenance

Investment capacity
10-year investment plans are updated, coordinated, and approved by the regulator (NERC)

Target returns
≥0 bps over targeted IRR–WACC spread

Update on key ongoing and planned Investments

In 2024, we have successfully continued working on grid maintenance and expansion, including the smart meter roll-out. Smart meter installation for private and business customers whose energy consumption exceeds 1,000 kWh a year began in July 2022 and is approaching final stage. Since the end of 2023, around 302 thousand smart meters were installed, exceeding 1 million installed smart meters in total (out of more than 1.2 million smart meters to be installed by 2026).

While the smart metering system is already running and performing routine daily tasks, we have continued to work on upgrading it and adding additional functionalities throughout 2024. For example, we are integrating the smart meter information system into the distribution management system, and the complete integration is estimated for mid-2025. Also, we successfully launched Readings HUB, a cloud-based big data platform for smart meters, was successfully launched in June 2024. We are now integrating data into it and setting up analytical algorithms. Additionally, a project to calculate electricity network losses using smart meter data has been initiated.

Regarding our investment programme, the regulator (NERC) has approved (link in Lithuanian) our 10-year (2024–2033) Investment Plan for distribution networks, which we submitted to the regulator for public consultation and coordination on 11 June 2024. The plan foresees a 40% increase in Investments to EUR 3.5 billion. The previous 10- year investment plan submitted to NERC projected EUR 2.5 billion in Investments for 2022–2031. The planned Investments continue to focus on the two main areas: improving the network resilience and efficiency (~38% of the planned Investments) as well as expanding the electricity network and facilitating the market (~57%). The maintenance of the natural gas network represents ~5% of the total planned Investments.

Status on key investment projects

Project name	Electricity network expansion and facilitation of the energy market	Maintenance and other	TOTAL
Country	Lithuania	Lithuania	–
Investments 2024–2033 (10-year investment plan)	~EUR 1.9 billion	~EUR 1.6 billion	**~EUR 3.5 billion**
Investments 2024–2027 (Strategic plan)	~EUR 620–750 million	~EUR 480–580 million	**~EUR 1.1–1.3 billion**
Investments covered by customers and grants (3-year average)	31.0% (covered by customers' fees)	10.7% (covered on a project-by-project basis by EU funds and customers' fees)	**21.7%**
Ownership	100%	100%	**100%**
Progress	In 2024, 40,151 new electricity customers were connected and 18,587 capacity upgrades were carried out. It resulted in around 2,647 km of new power lines (300 km in Q4 2024).	In 2024, around 766 km of power lines were reconstructed (197 km in Q4 2024). Around 85% of the reconstructed power lines were replaced with underground cables.	
Status	On track	On track	

2.4 Business environment

The Group's performance continues to be affected by macroeconomic and industry dynamics, particularly in the specific markets in which it operates. In order to assess the business environment and identify potential opportunities and challenges, we closely monitor economic indicators and industry developments. Our commitment to providing a comprehensive overview extends to highlighting relevant changes in the regulatory framework, ensuring a nuanced understanding of the markets in which we operate.

Macroeconomic environment

GDP

In 2024, GDP in the euro area and European Union (EU) grew slightly compared to 2023. Looking ahead, GDP in the euro area is expected to grow by 1.3% in 2025 and 1.6% in 2026, while the EU's GDP is projected to increase by 1.5% and 1.8% respectively. Meanwhile, Lithuania's GDP in 2024 showed a strong rebound, growing by 3.6% compared to 2023 and outperforming other countries we are active in. The growth is expected to slow down slightly to 3.0% in 2025 and in 2026 while maintaining positive momentum. According to Eurostat's autumn forecast, GDP growth in the countries we are active in should be similar to those of the EU and the euro area in 2025, but are expected to surpass them in 2026, except for Poland, which is also expected to show a growth momentum similar to Lithuania.

Inflation

In December 2024 the annual inflation rate in the euro area settled around 2.4%, down from 2.9% in 2023. Among the countries we operate in, Latvia, Estonia and Poland had the highest inflation, exceeding both the euro area and EU averages at the end of the year. Similarly, Lithuania and Finland had the lowest inflation rates compared to euro area and EU. Poland and Estonia are expected to have the highest harmonised CPI in 2025 and 2026, while all other countries we active in are expected to have inflation either slightly below or similar to the EU and euro area.

GDP change, %

	2024 vs 2023	2025F	2026F
Lithuania	+3.6	+3.0	+3.0
Latvia	-[1]	+1.0	+2.1
Estonia	(0.1)	+1.1	+2.6
Finland	-[1]	+1.5	+1.6
Poland	-[1]	+3.6	+3.1
Euro area	**+0.9**	**+1.3**	**+1.6**
EU	**+1.1**	**+1.5**	**+1.8**

Source: Eurostat.
[1] No data is released yet.

Inflation rate change measured by harmonised CPI, %

	2024	2025F	2026F
Lithuania	+1.9	+1.7	+1.6
Latvia	+3.4	+2.2	+2.2
Estonia	+4.1	+3.6	+2.4
Finland	+1.6	+2.0	+1.8
Poland	+3.9	+4.7	+3.0
Euro area	**+2.4**	**+2.1**	**+1.9**
EU	**+2.7**	**+2.4**	**+2.0**

Source: Eurostat.

Industry environment

Overview of energy industry trends

- The prices in the wholesale electricity market, Nord Pool, fell in 2024 across all the bidding areas compared to 2023. This was a result of normal hydro balances in Scandinavia, lower gas prices and significant growth in renewables generation, driven by favourable weather as well as wind and solar capacity additions. The maintenance of the power lines related to the preparations for the synchronisation with the EU power grid caused price differences between the Scandinavian and Baltic regions. Additionally, the periods with negative prices have increased, highlighting the need for flexible solutions, such as BESS and hydrogen, to reduce the market volatility.
- Electricity generation has increased across all countries we are active in, with most in Lithuania, which generated 36.0% more electricity compared to 2023, due to higher wind (increased by 35.8%) and solar (increased by 112.7%) generation levels. Electricity demand in all Scandinavia region 2024 has increased due to colder weather in Q1 and heat waves in Q3, which increased the cooling demand. Improved energy efficiency and higher energy savings were responsible for some of the constraints on demand.
- The Dutch TTF natural gas price experienced a declining trend in Q1 2024, resulting in a 29% decrease. However, from spring 2024 until the end of the year, the price changed the trajectory and corrected upwards by 42%. This was mainly supported by tensions in the Middle East, gas infrastructure outages in both Europe and the USA, intensifying sanctions against Russian gas and LNG, and the expiry of the gas transit agreement via Ukraine. Global market turbulences and geopolitical events continue to drive the market prices. Europe was comfortable at the start of the natural gas injection season, reducing the need for significant imports. Nevertheless, the region had to compete with Asia to attract any cargoes to the continent. European LNG imports were down YoY by 20%. In 2024, natural gas demand in the Baltics increased by 9% YoY (including Finland), tracking close to European levels, though still 34% below the pre-war average (-18% in Europe). Meanwhile, Poland saw significant growth of natural gas-based electricity generation in Poland, which pushed out the oldest hard coal-fired units out of the merit order stack.

Electricity

Consumption
TWh

	2024	2023	Δ, %
Lithuania	12.2	11.7	*3.7%*
Latvia	7.0	6.5	*7.5%*
Estonia	8.0	8.1	*(1.4%)*
Finland	82.0	79.1	*3.7%*
Poland	163.2	166.1	*(1.7%)*
Total	**272.4**	**271.5**	***0.3%***

Generation
TWh

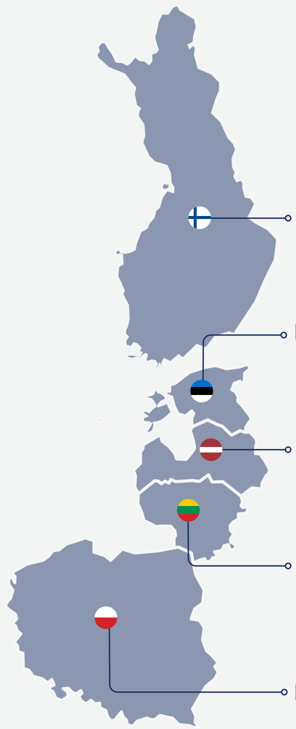
	2024	2023	Δ, %
Lithuania	8.4	6.2	*43.9%*
Latvia	5.9	5.7	*12.7%*
Estonia	4.9	4.6	*4.8%*
Finland	77.6	74.0	*3.0%*
Poland	154.7	153.3	*2.6%*
Total	**251.5**	**243.8**	***3.1%***

Natural gas

Consumption
TWh

	2024	2023	Δ, %
Lithuania	17.1	14.9	*14.9%*
Latvia	8.8	8.2	*7.5%*
Estonia	3.7	3.4	*9.2%*
Finland	14.0	13.3	*4.7%*
Poland	197.5	179.9	*9.7%*
Total	**241.1**	**219.7**	***9.7%***

Electricity and natural gas prices in the countries where the Group is active



Countries the Group is active in

Average electricity price in 2024 (vs 2023)

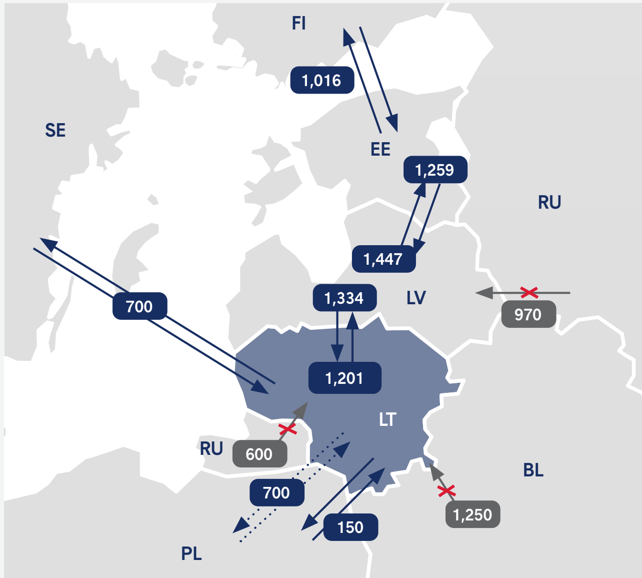
Average natural gas price in 2024 (vs 2023)

Regional interconnections and infrastructure

In recent years, there have been significant changes in terms of power and natural gas flows in our region. Electricity imports from Russia and Belarus to Lithuania have been stopped since autumn 2021 due to the launch of the Belarusian Astravyets Nuclear Power Plant (Belarusian ANPP). In addition, all Baltic countries have stopped importing electricity from Russia since Q2 2022, after Europe's Nord Pool power market stopped trading Russian electricity. It's important to note that this has not affected the energy supply, as Lithuania is one of the most interconnected countries in Europe, which allows it to cover its electricity demand despite the reduction in flows from third countries. Additionally, resilience and reliability of the Baltic electricity system is expected to increase significantly after February 2025, when the synchronization with the grid of Continental Europe is completed. This milestone will mark the end of the BRELL agreement with Russian and Belarusian operators as announced by the Baltic electricity transmission system operators Litgrid, AST and Elering (TSOs of the Baltic states), paving the way for disconnection from their grids.

Moreover, the success of the Harmony Link project is vital for regional energy independence. On 22 August 2024, the Board of Litgrid (Lithuania's TSO) made a Financial Investment Decision regarding the overland link project in Lithuania, Harmony Link interconnector, in accordance with the Harmony Link Cooperation Agreement signed with the Polish operator PSE S.A. This project will reinforce the integration of the Baltic states' electricity grids in the European grid, enhancing energy security, grid stability and the efficiency of electricity import and export. Furthermore, the project will result in a reduction in energy prices in the region, whilst also fostering market competition and thereby strengthening Baltic states' role in the European energy network. In addition to these benefits, the project will also support environmental goals through the integration of renewable energy sources. On 25 December 2024, the EstLink 2 submarine power cable experienced an unplanned failure, reducing Estonia–Finland cross-border capacity from 1,016 MW to 358 MW, raising concerns about potential sabotage due to other recent outages in the Baltic Sea. This incident further highlights the importance of diversified and resilient energy connections and reinforces the need for projects like Harmony Link to ensure a stable electricity supply and price stability in the region.

Power interconnections[1]: enough to cover the demand despite the stopped Russian power imports



xx Transmission capacity (MW)

Interconnections with Russia and Belarus no longer in use for trade

Interconnections in place

Interconnection under construction (Harmony Link, expected to be operational around 2031)

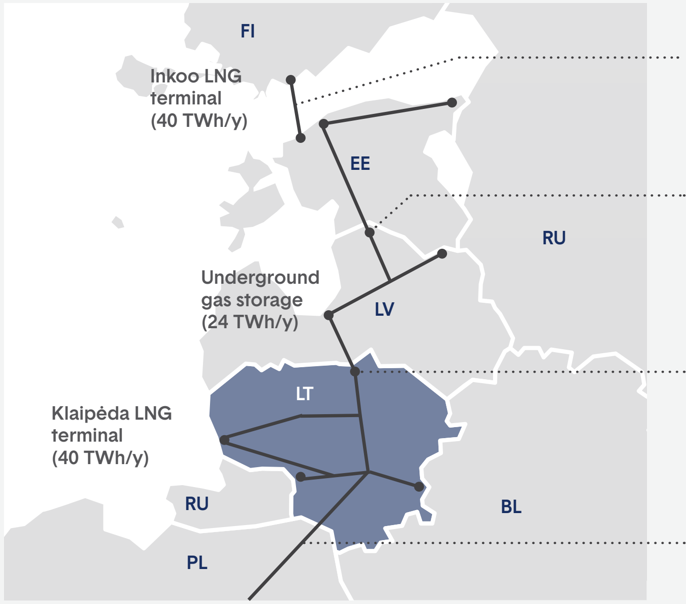
Lithuanian power capacity

Pre-war	Current	In 2031	Peak demand
4.1 GW	2.2 GW	3.2 GW	2.1 GW

[1] Source: Nord Pool, IEA.

Regarding natural gas, Lithuania was the first EU member state to stop purchasing gas from Gazprom (Q2 2022) and replaced it with LNG cargoes, mainly from the USA and Scandinavia. Furthermore, on 1 July 2022, a law prohibiting natural gas imports from Russia and other countries posing threat to the country's national security has entered into force. Finally, in autumn 2022, we secured a spot for 6 additional LNG cargoes per year until the end of 2032 at the Lithuanian LNG terminal in Klaipėda. Although natural gas is not the core business of the Group, we actively participate in every way possible to reduce the natural gas dependency on Russia while ensuring uninterrupted supply to our customers. This effort was further supported by the completion of the ELLI project in 2023, which improved the Latvia-Lithuania natural gas interconnection. By increasing bi-directional capacity and integrating the Baltic and Finnish gas markets, ELLI has strengthened regional energy security and improved access to key infrastructure, such as Klaipėda LNG terminal and Latvia's Inčukalns Underground Gas Storage facility. Also, on 6 December 2024, a state-owned company, KN Energies, purchased and took over the ownership of Klaipėda LNG terminal (Floating Storage and Regasification Unit). Together, these developments ensure a more resilient and independent energy system in the region.

Natural gas infrastructure[1]: supply ensured by imports through LNG terminals and inventory in underground storage



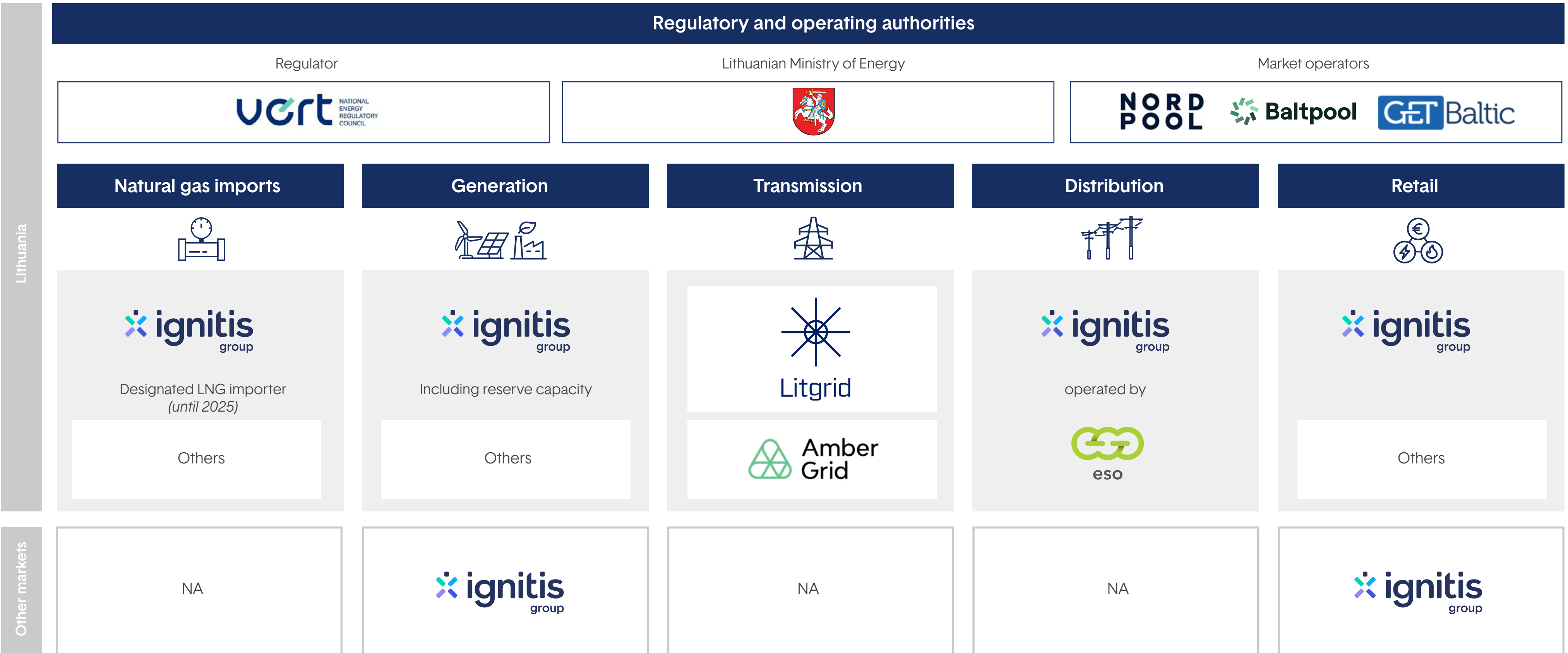
	Annual natural gas demand 2024 TWh/y	Change in natural gas consumption 2024 vs 2023,%
Poland	197.5	*9.7%*
Lithuania	17.1	*14.9%*
Finland	14.0	*4.7%*
Latvia	8.8	*7.5%*
Estonia	3.7	*9.2%*
Total	**241.1**	***9.7%***

[1] *Source: publicly available data.*
[2] *Source: based on the Group's data.*

The Group's role in home market countries

As the Group operates in the Baltic states, Poland, and Finland, its role varies from country to country. In Lithuania, the Group plays a critical role in the energy value chain by participating in all energy-related activities, except the transmission services. By comparison, in other countries we either own and operate power generation assets, manage the retail business, or both. For further details, see the figure below.

The Group's contribution to the energy market's value chain



Regulatory environment: EU wide

REMIT II

On 11 April 2024, the European Parliament and the European Council adopted the updated Regulation on Wholesale Energy Market Integrity and Transparency, known as the REMIT II regulation (Regulation (EU) No 1227/2011), along with the Regulation on the Establishment of ACER (Regulation (EU) 2019/942), effective from 7 May 2024. This regulation aims to enhance market transparency and integrity, thereby increasing public trust in the functioning of wholesale energy markets, also introduces new rules on algorithmic trading and imposes new obligations on third-country market participants.

Key aspects of the updated regulation include:

- expanded scope of data reporting, encompassing new electricity balancing markets, coupled markets, and algorithmic trading. Market participants must design their algorithms to avoid causing disruptions in the market. REMIT II also stipulates monitoring and documentation obligations;
- clearer and stricter requirements for market participants in the EU who are residents of third countries;
- empowering the European Union Agency for the Cooperation of Energy Regulators (ACER) to investigate cases with a cross-border dimension, involving at least two Member States;
- introducing new tools for ACER to conduct investigations, including the ability to perform on-site inspections, issue requests for information, and take statements;
- granting ACER the power to impose periodic penalty payments to ensure compliance with on-site inspection decisions and requests for information. The authority to impose fines for infringements or breaches of the prohibitions or substantive obligations included in the regulation will remain with the Member States.

Date of adoption: 11 April 2024

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, the financial impact cannot be evaluated, but is not expected to have a significant impact at the Group level

Net Zero Industry Act

On 13 June 2024, the European Parliament and the European Council adopted the Net Zero Industry Act (NZIA) (Regulation (EU) 2024/1735), which establishes a regulatory framework to enhance the EU's competitiveness in decarbonisation technologies. NZIA aims to attract investments, boost market access, and support the clean energy transition, thus strengthening the EU's energy resilience. By 2030, the NZIA targets net zero manufacturing capacity to meet 40% of the EU's annual deployment needs and mandates an annual CO_2 storage capacity of at least 50 million tonnes.

The NZIA covers a wide range of technologies that are essential for decarbonisation, including solar, wind, battery storage, hydrogen, sustainable fuels, carbon capture, and energy efficiency technologies. It also includes nuclear energy, transport propulsion, and biotech solutions. NZIA applies to manufacturers in energy-intensive industries, such as steel, chemicals, and cement, who produce components for net zero technologies or invest in decarbonisation.

The NZIA focuses on building a skilled workforce, enabling industries, and supporting net zero projects. It establishes Net-Zero Industry Academies to train 100,000 people in net zero technologies over three years. The act also addresses CO_2 storage issues by targeting 50 million tonnes of annual CO_2 injection capacity by 2030 and encourages EU oil and gas companies to invest in CO_2 capture solutions.

NZIA introduces a net zero strategic project status, which enables faster permitting and financial support for key projects. It also enforces new procurement rules, requiring public authorities to consider sustainability, resilience, and cybersecurity in clean tech contracts and renewable energy auctions. Additionally, NZIA establishes the Net Zero Europe Platform to monitor progress, advise on financing, and foster international partnerships for the global clean energy transition.

Date of adoption: 13 June 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the regulation aims to accelerate the energy transition, which is in line with the Group's Strategy

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: EU wide (cont.)

Electricity Market Design Review

In response to severe energy price spikes caused by Russia's 2022 invasion of Ukraine, on 13 June 2024, the EU restructured its electricity market through the so-called Electricity Market Design (EMD) package (Directive EU/2024/1711, Regulation EU/2024/1747).

The reform establishes several key rules to protect consumers, enhance stability and competitiveness for companies, increase green electricity, and improve preparedness against future crises.

For better consumer protection, the reform introduces a variety of contract options, including fixed price, fixed term, and dynamic pricing with multiple contracts. It mandates clearer pre-signing information and facilitates easier access to locally traded renewable energy. Vulnerable consumers will benefit from enhanced protections, such as ensuring a sufficient number of suppliers of last resort to guarantee uninterrupted electricity access, and improved government oversight of retail prices for households and SMEs.

To provide more stability and competitiveness for companies, the reform establishes the use of long-term contracts like power purchase agreements (PPAs), where power producers sell directly to consumers at agreed prices. It ensures an option of the stable revenue for power producers through two-way contracts for difference (CfDs), supporting investments in new facilities for wind, solar, geothermal, hydro (without reservoir), and nuclear energy. These contracts guarantee minimum returns on investments and mitigate excessive costs during crises.

The rules also aim to increase the share of green electricity by streamlining the integration of renewables into the energy system. Enhanced transparency obligations for system operators and improved market monitoring will facilitate a more predictable renewable energy generation.

Lastly, to better prepare against future crises, the Council has been authorised to declare a crisis in response to high wholesale electricity prices or sharp retail price increases. Member States are required to implement the existing EU measures, such as reducing electricity prices for vulnerable customers and ensuring fair competition among suppliers to prevent market distortions during a crisis.

*Date of adoption:*13 June 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

AI Act

On 13 June 2024, the European Parliament and the European Council adopted Artificial Intelligence (AI) Act 2024/1689, establishing harmonised rules on artificial intelligence. The AI Act aims to ensure safe and secure use of AI across all EU countries.

The regulation seeks to improve the internal market by providing a uniform legal framework for the development, marketing, and use of AI systems in the EU and also aims to protect against the detrimental effects of AI systems and support innovation. AI systems are categorised by risk levels: unacceptable, high, limited, and minimal. Unacceptable AI systems will be banned from 2 February 2025. High-risk AI systems, as defined in Annex III to the regulation, include critical infrastructure for water, gas, heat, and electricity supply. Suppliers of high-risk AI systems must provide technical specifications, detailed data used for development, and a pre-market risk assessment to the supervisory authority. Users must ensure these systems are used according to suppliers' instructions and supervised by qualified personnel. The AI Act entered into force on 2 August 2024, and will fully apply from 2 August 2026, with certain exceptions. The Commission has nine months to develop codes of practice for implementation. Once the Commission drafts the necessary documents (guidelines, codes), Member States may begin discussing national legislation to implement the AI Act.

Date of adoption: 13 June 2024

Relevance to the Group's business segments: Group

Impact on the Group: As of report publication date, the financial impact cannot be evaluated, but is not expected to have a significant impact at the Group level

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: EU wide (cont.)

Methane Regulation

On 13 June 2024, the European Parliament and the Council adopted Regulation (EU) 2024/1787 on the reduction of methane emissions in the energy sector, amending Regulation (EU) 2019/942. This regulation aims to prevent the avoidable release of methane into the atmosphere and to minimise leaks by fossil energy companies operating in the EU. The rules introduced by the regulation include:

1. enhanced measurement, reporting, and verification of methane emissions in the energy sector;
2. immediate reduction in emissions through mandatory leak detection and repair, along with a ban on venting and flaring practices, which involve the release of methane directly into the atmosphere;
3. a transparency requirement for methane emissions from imports, collecting information on whether and how exporter countries/ companies are measuring, reporting, and abating methane emissions, with the aim of establishing a methane intensity profile for those entities.

Date of adoption: 13 June 2024

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, the financial impact cannot be evaluated, but is not expected to have a significant impact at the Group level

Regulatory environment: Pan-Baltic

Harmony Link Land Connection Project

On 26 April 2024, the Minister of Energy of the Republic of Lithuania confirmed the Programme of the engineering infrastructure development plan for the Harmony Link land connection project, which serves as a suitable technical alternative to the previously planned maritime connection for the synchronisation of the electricity system. The programme regulates the planning objectives and goals of the state-level special spatial planning document, the stages of the planning process, and the requirements for the preparation of the plan. The planned area includes Vilkaviškis district municipality, Kalvarija municipality, and Marijampolė municipality.

At the end of December 2024, the Polish electricity transmission system operator, PSE, has approved the financial investment decision for the onshore construction of the Harmony Link connection. According to the cooperation agreement signed by the operators, the financial investment decision made by the Lithuanian electricity transmission system operator Litgrid in September also comes into effect. This confirms the operators' commitments to finance and implement the interconnection project. Litgrid has already announced a public procurement for the design services of the onshore Harmony Link connection in the territory of Lithuania.

Date of adoption: 26 April 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as amendments aim to accelerate the energy transition and the Baltic market's integration in the European energy market

Non-extension of the BRELL Agreement

On 16 July 2024, the transmission system operators (TSOs) of Estonia, Latvia, and Lithuania sent a notice of non-extension for the agreement on parallel energy system operation, known as the BRELL agreement. This agreement has defined the terms of operation for the Baltic countries within the Russia-controlled electricity system IPS/UPS. The agreement expired on 7 February 2025.

On 8 February 2025, the Baltic TSOs disconnected the Estonian, Latvian, and Lithuanian electricity systems from IPS/UPS and commenced a joint isolated operation test. On 9 February 2025, the Baltic electricity systems were synchronised with the Continental Europe Synchronous Area.

Synchronisation will enable better EU transmission system interconnectivity and market integration, allowing Baltic electricity systems to operate under common and transparent European rules to the benefit of all consumers. It will also foster the development of renewable energy in the Baltic states and Poland as newly installed power lines, substations, and synchronous condensers will enhance the transmission grids' capacity to support a higher share of renewable energy sources in overall electricity generation.

Date of adoption: 16 July 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition and the Baltic market's integration in the European energy market

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: Pan-Baltic (cont.)

Natural Gas Delivery Standards and Solidarity Storage Service

On 12 September 2024, the Parliament of the Republic of Latvia adopted Amendments to the Energy Law. Decisions on the user protection were adopted and strengthened in regulatory acts in accordance with Regulation (EU) 2017/1938 of the European Parliament and the Council of 25 October 2017 concerning measures to safeguard the security of gas supply and repealing Regulation (EU) No 994/2010. Later, the implementing regulations were also adopted. On 1 October 2024, Conexus Baltic Grid adopted the Regulation on use of the solidarity section of the Inčukalns Underground Gas Storage facility (hereinafter – Regulation on Solidarity Product).

Accordingly, in the amendment to the Energy Law and in the Regulation on Solidarity Product (taking into account the type of storage capacity reservation) Inčukalns Underground Gas Storage facility was divided into two parts: the storage part with a capacity of four terawatt-hours (the Inčukalns Underground Gas Storage facility solidarity part, dedicated to meet the solidarity needs of neighboring countries of the European Union that have concluded agreements on solidarity measures to ensure the security of gas supply); the storage area in Inčukalns Underground Gas Storage for facilitating the market. Also, the amendment and new Regulation on Solidarity Product determine the procedure for reserving the storage capacity of the solidarity part of Inčukalns Underground Gas Storage facility and establish that the fee will be set according to the tariff set by the Public Utilities Commission. For the market part of the storage system services, the fee will be applied, the final amount of which will be determined by auction. The new solidarity product, developed through amendments, is a specialised natural gas storage service designed to enhance the regional energy security by ensuring the availability of gas reserves during emergencies or supply disruptions.

Date of adoption: 12 September 2024
and 1 October 2024 for the Regulation on Solidarity Product

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, the financial impact cannot be evaluated, but it will not be material.

Baltic Balancing Capacity Market

On 30 January 2025, National Energy Regulatory Council (NERC) approved the start date of 5 February 2025 for the Baltic balancing capacity market being established by the Baltic electricity transmission operators Litgrid, AST, and Elering. This market is crucial for synchronization with the Continental European networks, after which the Baltic States will operate as a unified frequency control block.

Balancing capacities are necessary to ensure the balance between electricity production and consumption. Synchronization requires technical solutions to increase or decrease electricity production or consumption.

Effective balancing services can be provided by battery systems, renewable energy plants with control systems adapted for balancing, and demand aggregators.

Balancing capacity services will be procured daily through auctions. Starting in 2025, the market will procure automatic and manual frequency restoration reserves (aFRR and mFRR), and after synchronization with the Continental European networks, also the frequency containment reserve (FCR).

According to transmission system operators' calculations, up to 1512 MW of balancing capacity will be needed in 2025, with 80% of this being procured from the market. After synchronization, an additional 25 MW of FCR will be required. The expansion of renewable energy will lead to a further increase in this demand by 2031.

Group company AB "Ignitis gamyba" will provide aFRR and FCR services through the Combined Cycle Gas Turbine Plant, and mFRR services through the Kruonis Pumped Storage Hydroelectric Power Plant

Regulatory environment: Pan-Baltic (cont.)

(Kruonis PSHP). From February 2025, with the launch of the common Baltic balancing capacity market, the price of the mFRR balancing capacity services provided by Kruonis PSHP will no longer be regulated by NERC.

Date of adoption: 30 January 2025

Relevance to the Group's business segments:

Impact on the Group: Positive impact both for Green Capacities and Reserve Capacities

Regulatory environment: Lithuania

Renewable Electricity Production Contribution

On 3 April 2024, the Government of the Republic of Lithuania passed a resolution establishing the Rules of Payment Procedures for the Renewable Electricity Production Contribution and Support Funds for Local Communities. These rules govern the calculation, collection, administration, and payment procedures for the renewable electricity production contribution.
For onshore development projects, the contribution is paid for the previous calendar year and calculated by multiplying the electricity produced and supplied to the electricity grid in the last calendar year by EUR 0.0010/kWh.

For offshore development projects, the winner of the tender must grant financial support to the coastal communities. The contribution is paid starting from the day the permit to produce electricity is issued to the tender winner, throughout the project's duration. The contribution is set at EUR 1.00/MWh.

Date of adoption: 3 April 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Hydrogen Guidelines 2024–2050 and Action Plan for Implementation

On 26 April 2024, the Ministry of Energy of the Republic of Lithuania adopted the Hydrogen Guidelines 2024–2050. This document serves as Lithuania's primary strategic plan for developing a comprehensive legal framework for hydrogen regulation. It aims to promote hydrogen use in the transport and industrial sectors, foster integration between the hydrogen and electricity sectors, create hydrogen valleys and transport systems, evaluate hydrogen storage possibilities, and establish a hydrogen competency development system. In order to achieve the objectives and targets set forth in the Hydrogen Guidelines, on 11 December 2024, the Government approved the Action Plan for the Implementation of the Hydrogen Development Guidelines in Lithuania for 2025–2027. It details 8 specific objectives, along with the measures, responsible parties, and timeline required to meet them. This document will be pivotal for the ongoing development of the hydrogen sector as it will shape the market and the regulatory environment.

Date of adoption: 26 April 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: Lithuania (cont.)

Effective Tax Rate

On 6 June 2024, the Law on Ensuring the Minimum Level of Taxation of Groups of Entities of the Republic of Lithuania was adopted by transposing and implementing the part of the Directive 2022/2523 on the global minimum level of taxation of multinational enterprise groups and large-scale domestic groups in the Union.

The directive was designed to prevent tax practices that allow large groups of entities to shift profits to jurisdictions where such profits are exempt or subject to very low taxation, and to ensure that these groups pay their fair share of tax, regardless of the jurisdiction in which they operate. The directive establishes rules to ensure a global minimum level of taxation for groups of entities (multinational groups of entities and domestic groups of entities) with annual revenues of EUR 750 million or more, including the taxation of the profits of such groups in each jurisdiction at an effective tax rate of at least 15%.

Date of adoption: 6 June 2024

Relevance to the Group's business segments: Group

Impact on the Group: The Group will be required to pay a top-up tax of EUR 1.2 million in Finland for the year 2024 due to the implementation of the Global Minimum Tax. For more, see Note 9 to '8. Consolidated financial statements'

Procedures for Access to the Electricity Network

On 11 June 2024, NERC adopted both the updated Rules of Procedure for Access to the Electricity Transmission Network by Litgrid and the revised Rules of Procedure for Access to the Electricity Distribution Network by ESO (Networks). These updates implement the provisions of the revised Law on Electricity and the Law on Energy from Renewable Sources, introducing several significant changes aimed at enhancing the efficiency and transparency of the electricity network procedures, and support the integration of renewable energy sources.

The substantial amendments to the Rules of Procedure for Access to the Electricity Transmission Network include updates to reflect the amendments to relevant legislation, improvements to the process of identifying, reserving, and selecting connection point locations, and the development of electricity transmission network capacity. Additionally, the procedure for reserving electricity transmission network capacity has been updated, including potential generation limits and specific cases where these limits may apply.

Detailed principles for the reception and transmission of electricity through transmission networks have been provided, including the potential generation limits and the specific cases where these limits may apply.

In the revised Rules of Procedure for Access to the Electricity Distribution Network, the system of grid capacity reservation has been significantly revised. The maximum capacity (Pmax) limit for power plants that cannot be controlled by the operator and thus cannot be connected to the grid if curtailment is required has been reduced from 250 kW to 100 kW. The exception allowing non-commercial prosumers with power plants generating up to 10 kW to connect to the grid has been extended to include other network users with power plants and storage facilities with the same generating capacity. The list of priority groups for grid capacity allocation has been streamlined from nine groups to three, providing greater opportunities to reserve grid capacity. Grid capacities for wind farms are now allocated to priority groups based on nationwide grid capacity, rather than by sections of the 110 kV grid. New rules have been established for grid access for entities seeking to participate in balancing services. A system for the application of connection and operation restrictions (curtailment) has also been established.

Date of adoption: 11 June 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Regulatory environment: Lithuania (cont.)

Changes in Electricity and Gas Laws

On 25 June 2024, amendments to the Law on Energy, the Law on Electricity, and the Law on Natural Gas were adopted with the aim to regulate energy data exchange among market participants in the electricity sector through a centralised energy exchange platform (Data Hub). ESO (Networks) has been designated as the operator and developer of the centralised Data Hub.

The procedure for public consultation of stakeholders on the procedure for access to the electricity grid has been improved. Additionally, the amendments regulate the payment of costs for the relocation or reconstruction of electricity distribution grids.

Taking into account changes in the market (purchase prices of products), energy supply companies are now permitted to set prices and tariffs for regulated energy supply products (gas and electricity public supply) for private customers once every three months during the calendar year, instead of every six months. If energy companies do not propose recalculations, NERC is allowed to unilaterally recalculate those prices and tariffs for private customers.

Furthermore, the amendments establish that renewable projects with a generation capacity of 150 MW and higher are considered to be projects of state interest.

Date of adoption: 25 June 2024

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, no significant financial impact is expected

National Energy Independence Strategy

On 27 June 2024, the Parliament of the Republic of Lithuania adopted amendments to the National Energy Independence Strategy. The revised strategy aims to uphold Lithuania's longstanding tradition of sustainable energy policy and to prepare for the global transition from fossil fuels to clean energy sources, with a primary focus on electricity. The document sets forth an aim to make Lithuania a fully energy independent country by 2050 that produces energy for its own needs and exports it. Developed after careful consideration of studies and research on energy sector trends, the strategy sets forth several key objectives – to achieve 100% domestic renewable energy-based electricity generation in Lithuania and the region, to transition to an electricity economy and develop a high value-added energy industry, as well as to ensure the accessibility of energy resources for consumers.

To achieve this, it includes an aim to develop renewable energy production capacities on land and sea and to promote the transition to climate-neutral energy sources across various sectors. Lithuania's objective is to achieve a positive energy balance by 2030 and complete climate neutrality in the energy sector by 2050. Electricity consumption is estimated to increase more than 6-fold by 2050, from the current demand of 12 TWh to a projected 74 TWh. The largest share of the growth will come from synthetic gas production (35.5 TWh), industrial consumption (12.6 TWh), transport consumption (6.3 TWh), and the heat sector (3.4 TWh).

The strategy also sets forth aims to guarantee a secure and dependable energy infrastructure while facilitating local energy production to support industrial decarbonisation and expansion. If focuses specifically on the development of electricity infrastructure and security from physical and cyber threats. Additionally, it focuses on attracting new investments in energy product manufacturing and technologies. The strategy prioritises the production of green hydrogen, sustainable biogas, and biomethane, as well as other high-tech industries that can contribute to the national economic prosperity.

Lastly, the strategy sets forth aims to ensure that the benefits of green transition are felt by all residents and businesses, thus reducing social disparities in the energy sector. It emphasises the importance of reducing energy price fluctuations and providing support systems for lower-income residents.

These amendments position Lithuania to effectively navigate the upcoming shifts in the energy landscape, fostering a sustainable and resilient green energy future.

Date of adoption: 27 June 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: Lithuania (cont.)

Cyber Security

On 11 July 2024, the Lithuanian Parliament adopted amendments to the Law on Cyber Security, aligning it with the NIS 2 Directive (Directive (EU) 2022/2555, adopted on 14 December 2022). Entities will be categorised as either essential or important based on their significance and size. The Group will be designated as an essential entity and will need to adhere to stricter cyber security requirements.

On 6 November 2024, the Government approved amendments to the Resolution No. 818 'On the implementation of the Law of the Republic of Lithuania on Cyber Security' implementing the Law on Cyber Security. As a result, the Group will be obliged to implement comprehensive organisational, administrative, and technical measures to comply with these amendments. These measures include enhanced risk management protocols, regular security audits, incident reporting procedures, and the development of robust cyber security policies to ensure compliance and protect against potential threats.

Date of adoption: 11 July 2024

Relevance to the Group's business segments: Group

Impact on the Group: As of report publication date, the financial impact cannot be evaluated, but is not expected to have a significant impact at the Group level

Law on Equal Opportunities for Women and Men

On 3 October 2024, the Parliament adopted an amendment to the Law on Equal Opportunities for Women and Men of the Republic of Lithuania (the Law on Equal Opportunities). This amendment transposes Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (hereinafter – Directive on Gender Balance) into the Lithuanian legal system.

The regulation mandates that large companies, including listed companies, take measures to achieve the objective by 30 June 2026 that members of the underrepresented gender must hold at least 33% (but not exceeding 49%) of all positions of CEOs, members of the management board, and members of the supervisory board, encompassing both executive and non-executive directors. To reach this target, candidates must be selected based on a comparative assessment of their qualifications. When choosing between equally qualified candidates in terms of their suitability, competency, and professional performance, priority should be given to the candidate of the underrepresented sex.

If the process for selecting candidates for supervisory and management positions involves voting of shareholders, companies must ensure that voters are properly informed about the measures provided in the Directive on Gender Balance and the Law on Equal Opportunities, including liability for non-compliance.

In the Group, the following companies are considered as large companies: AB "Ignitis grupė", AB "Energijos skirstymo operatorius", UAB "Ignitis", AB "Ignitis gamyba", UAB Kauno kogeneracinė jėgainė, UAB Vilniaus kogeneracinė jėgainė, UAB "Ignitis grupės paslaugų centras".

Date of adoption: 3 October 2024

Relevance to the Group's business segments: Group

Impact on the Group: Positive – the amendment promotes gender diversity and equality within the leadership of large and listed companies in Lithuania, which is in line with the Group's Strategy

Regulatory environment: Lithuania (cont.)

Legislation Implementing the Law on Construction

At the end of 2023, the Parliament of the Republic of Lithuania adopted a total of 13 amendments to laws, including a revised Law on Construction, which made significant changes to the construction of buildings. The aim of the amendments was to speed up the construction procedures, reduce the administrative burden, increase the transparency of construction processes and improve the quality of decisions. The main change is that construction permits are now issued on the basis of design proposals (concept designs) rather than a technical design. Therefore, the construction permit is issued at an earlier stage, following the verification of concept design solutions. However, obtaining a construction permit does not give the right to start construction as construction cannot start until the technical design (detailed design) has been prepared and approved. Also, detailed solutions must be checked by a private expert.

In 2024, the Ministry of Environment has adopted amendments to the Technical Construction Regulations (STR) to implement the amendments to the Law on Construction. The new procedures apply to the construction of new onshore and offshore projects from 1 November 2024.

Date of adoption: Over the year 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Lithuanian Offshore Wind Legal Framework

The Lithuanian competent authorities have been very active in developing the legal framework for offshore wind and have adopted several laws and secondary legislation to improve the conditions for offshore tenders and continue the development of the first offshore wind farm.

The second tender for the development and operation of offshore wind farms with incentive measures (subsidies) was launched on 15 January 2024. Prior to the launch, the Government of the Republic of Lithuania included collective investment undertakings as entities eligible to participate in the tender and the NERC made changes to the tender procedure that were expected to improve the tender process. However, according to the Law on Energy from Renewable Sources effective at the time of launching the second tender, at least two tenderers were required for a tender to take place. As only one tenderer participated in the tender, the tender was declared not to have taken place.

Following the cancelled tender, members of the Parliament of the Republic of Lithuania proposed amendments to the Law on Energy from Renewable Sources aimed at improving the attractiveness of the tender. On 16 July 2024, the Parliament of the Republic of Lithuania adopted amendments to the Law on Energy from Renewable Sources, extending the tender registration period from 90 to 120 calendar days and stipulating that one participant, instead of two, is sufficient for the tender to be held. In addition, the winning transaction price (CfD) or development fee offered in the tender will also be subject to partial indexation. Finally, the first development fee, if offered by the tenderer, must be at least EUR 5 million. In the case of overlapping development fees offered by tenderers, the next development fee offered by the tenderer must be at least EUR 5 million higher than the previously offered development fee. The development fee will also be subject to indexation.

In accordance with the amendments to the Law on Energy from Renewable Sources, NERC adopted the amendments to the Description of the Offshore Tender Procedure on 13 September 2024, which bring the tender procedure in line with the Law on Energy from Renewable Sources and include the extension of the registration deadlines, the development fee requirements and the conditions for organising tenders.

On 25 September 2024, the Government passed Resolution No. 808, setting the launch date of the second offshore tender with incentive measures (subsidies), i.e. 18 November 2024. On this date, NERC published information on the tender, thus starting the second tender's procedure. The potential winner of the tender was expected to be announced in April/May 2025.

On 15 November 2024, NERC has set the maximum transaction price of EUR 125.74/MWh and the minimum transaction price of EUR 75.45/MWh that shall be used in the second offshore tender. Tenderers' bids, if they apply for state support, cannot exceed the maximum transaction price and cannot be lower than the minimum transaction price.

On 16 September 2024, the Minister of Energy has approved the Concept Plan for the Development of Offshore and Onshore Engineering Infrastructure for a Project of Special National Interest, and the alternatives for connecting the first and second offshore wind farms to the transmission grid with the least impact on the natural environment were selected. The concrete solutions in the concept plan have been drafted and published for the public and institutions. They are expected to be adopted by the end of 2025. The planned

Regulatory environment: Lithuania (cont.)

territories include Lithuania's Exclusive Economic Zone and part of the territory in the Baltic Sea, the municipalities of Palanga City and Kretinga District.

On 29 January 2025, the Government passed Resolution No. 32 to temporarily suspend the ongoing second offshore wind farm tender and to review the requirements and conditions of the tender to ensure competitive final electricity prices. Further decisions regarding the tender will be made once the Ministry of Energy reviews the tender requirements and conditions, with the new tender expected to be announced in Q1-Q2 2025.

Finally, the Law on Energy from Renewable Sources stipulates that the Government or its authorised body or bodies shall establish specific conditions for the use of land and maritime areas where offshore wind farms are to be developed and operated. Therefore, on 8 August 2024 the Government of the Republic of Lithuania published a draft resolution aimed at establishing the rights, obligations and conditions for the use of the maritime and onshore areas for the winners of the offshore wind energy tenders, including navigation and fishing rules, scientific and other research and environmental monitoring in the areas, preparation of a risk management plan and its submission and any amendments thereto to the Ministry of Energy and the Lithuanian Energy Agency, etc. However, this Government resolution is not adopted yet.

Date of adoption: Over the year 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Energy System Security

On 12 November 2024, the Parliament of the Republic of Lithuania passed an amendment to the Law on Electricity, introducing new requirements related to the security of energy storage facilities and power plants. The key requirements include ensuring the protection of information management systems and industrial control systems for energy storage facilities and power plants with an installed capacity of more than 100 kW. This is to prevent entities from states identified in the National Security Strategy, namely the People's Republic of China, the Russian Federation, and the Republic of Belarus, from accessing these systems. This includes preventing remote control of electricity production or storage device power parameters and the ability to turn these devices on or off.

System operators are required to establish conditions for implementing the security requirements and verify whether energy storage facilities and power plants are compliant. In case of non-compliance, system operators must inform NERC, which will decide on the suspension of the permit for the development of electricity production capacities or energy storage capacities. If it is revealed after grid connection that the security requirements are not met, NERC will issue a binding order to the network user to suspend its activities or rectify the violation.

These requirements will apply to new connection services from 1 May 2025. All network users with energy storage facilities and power plants with generation permits issued before this date, as well as those with energy storage facilities and power plants with an installed capacity of more than 100 kW installed before this date (even if a permit is not required), must comply with these requirements by 1 May 2026, and provide a declaration to prove their compliance to the system operator by 31 May 2026.

Date of adoption: 12 November 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: Lithuania (cont.)

National Energy and Climate Action Plan

The Ministry of Energy of the Republic of Lithuania, in collaboration with the Ministry of Environment, has initiated and on 11 December 2024 the Government has approved the National Energy and Climate Action Plan of the Republic of Lithuania 2021–2030. The plan was prepared in accordance with Article 14 of Regulation (EU) No 2018/1999 of the European Parliament and of the Council on the Governance of the Energy Union and Climate Action. The updated plan outlines specific measures to achieve the European Union's energy and climate change policy objectives and targets by 2030.

Numerous key strategic documents have been integrated into the updated plan, thus providing a comprehensive framework for achieving its goals. The measures aim to achieve the following goals by 2030:

- reduce greenhouse gas emissions in sectors not covered by the Emissions Trading System by 21% compared to 2005 levels;
- ensure that the share of renewable energy sources in total energy consumption reaches 55%, and 100% in electricity consumption;
- achieve a projected demand for green hydrogen of 129,000 tonnes (4.26 TWh), requiring the installation of 1.3 GW of electrolysis capacity and the consumption of 6.51 TWh of green electricity;
- develop additional flexibility capacities, such as storage devices (batteries), with a target capacity of 1.5 GW by 2030.

Date of adoption: 11 December 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Formation of the New Government in Lithuania and New Programme

Following the elections in October 2024, a new centre-left coalition Government in Lithuania was sworn in on 12 December 2024. The new Government administration plans to maintain the current strategic direction in the energy sector and has outlined a comprehensive strategy for Lithuania's transition to green energy.

The programme emphasises the synchronisation of the Baltic states' electricity network with Continental Europe, moving away from the current BRELL system. It focuses on developing renewable energy sources such as solar, wind, hydro, biomass, and other renewables, aiming to minimise fossil fuel usage to the technological minimum necessary for grid stability. By 2028, the Government aims for Lithuania to produce more electricity from renewable energy sources than its annual consumption.

A key component of the programme is the expansion of energy storage capacities, including the deployment of advanced battery storage technologies and the development of electricity storage capabilities at Kruonis Pumped Storage Hydroelectric Power Plant (Kruonis PSHP). The importance of developing both offshore and onshore wind energy projects is highlighted in the programme, but it also sets out a condition that offshore projects should not significantly increase electricity costs for consumers and the industry. The programme also supports the development of hydrogen technology, aiming to use surplus renewable energy for green hydrogen production to meet the needs of the chemical industry and synthetic fuel production.

The programme promotes decentralised energy production, encouraging participation from individuals, small and medium-sized enterprises, and renewable energy communities. There is a strong emphasis on expanding electric vehicle (EV) charging infrastructure to support the increasing number of EVs, including the installation of public charging stations and charging facilities near apartment buildings.

The Government is determined to support investments in modernising and expanding the transmission and distribution grids to enhance their reliability and integrate more renewable energy sources. Additionally, the Government plans to ensure that small and vulnerable private customers retain the option to use the services provided by the public electricity supplier.

Date of adoption: 12 December 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: Lithuania (cont.)

Amendment to the Standard Terms and Conditions of the Imbalance Settlement

On 9 January 2025, NERC approved the amendment to the Lithuanian electricity transmission system operator's, Litgrid, Standard Terms and Conditions of the Imbalance Settlement Agreement. Litgrid is implementing changes to the settlement process for the costs of purchasing balancing capacity. These changes are motivated by the need to align with the European Commission's Regulation (EU) 2017/2195 (the Balancing Code), the increasing demand for balancing capacity, and the direct relationship between this demand and the accuracy of production and consumption planning.

Key reasons for these changes include the necessity to balance production and consumption to maintain system stability as imbalances can potentially cause systemic disruptions. Additionally, the growing demand for balancing capacity, particularly due to the increased share of renewable energy sources, highlights the direct link between the need for balancing capacity and the precision of production and consumption forecasts. There is also an intention to promote better planning quality of responsible parties, thus reducing imbalances and ensuring that costs related to acquiring balancing capacity are allocated fairly. The parties causing greater imbalances will bear a larger share of these costs.

Changes to the settlement procedure include shifting the costs of balancing capacity from the transmission tariff to additional service components for balance responsible parties (suppliers and producers), and, subsequently, from those parties to final customers. These responsible parties will also continue to pay for balancing energy costs when imbalances occur due to their actions. The transfer of balancing capacity costs to the parties responsible for the balance will be implemented progressively from 1 January 2026.

Date of adoption: 9 January 2025

Relevance to the Group's business segments:

Impact on the Group: As of report announcement date, a negative but not significant impact is expected on the Group level

Regulatory environment: Latvia

NET billing system

On 6 February 2024, the Cabinet of Ministers of the Republic of Latvia adopted amendments to the Rules of Sale and Use of Electricity, enhancing the existing net-metering system by introducing a net-billing system, available to all customers, legal entities, and the private sector.

To utilise the net-billing system, active users and electricity traders must enter into an agreement specifically for the use of the net-billing system.

Starting from 1 May 2024 traders are required to include the universal net-billing system service in their electricity net-billing system offers. Additionally, traders are permitted to develop alternative net-billing system offers with different conditions. Starting from the same date, private customers who use the net-metering system have the opportunity to become active users and start using the net settlement system at any time. The electricity they generate but do not consume immediately can be stored in a virtual wallet, which the active user can use to cover the cost of the electricity bill and system services not only for the facility where electricity is produced, but also for other objects served by same electricity trader.

Date of adoption: 6 February 2024

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, the financial impact cannot be evaluated, but the overall impact is positive

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: Latvia (cont.)

Wind Power Station Payment Procedure for Local Community Development

The Cabinet of Ministers on 27 August 2024 approved the regulations implementing Article 22.1 of the Energy Market Law. The approved regulations outline the procedures on how the electricity producers who have installed wind farms with a capacity of one or more megawatts in Latvia, including its inland sea waters, territorial sea, or exclusive economic zone, should contribute to local community development. The regulations specify the payment amounts, their intended uses, and the monitoring arrangements.

Municipalities and residents living near the wind farm will receive EUR 2,500 per year, excluding value-added tax, for each megawatt (or part thereof) of the wind farm's nominal capacity. This payment will be divided equally, with 50% allocated to residents (building owners within 2 kilometres of the wind farm's outer boundary) and 50% to the municipality, in accordance with defined priorities.

These regulations apply to all wind turbine generators connected to the electricity transmission or distribution system after the regulations come into effect.

Date of adoption: 27 August 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Military Radars

White Paper (policy document) proposes procurement of additional sensor technologies to support the development of wind energy in Latvia, proceeded in parallel with respective allocations in the national budget of Latvia for the period of 2025–2028.

The National Armed Forces have identified a solution to make a larger area of Latvia's territory available for wind farm development by positioning new defence radar locations. The plan includes relocating existing mobile radars and deploying airspace monitoring sensors. This strategy aims to significantly increase the accessibility of Latvia's land for wind farm development starting 1 January 2028.

For wind farms that fall within the legally defined protection zones around the radar installations, additional capital expenditures (CAPEX) for private mitigations may be required. These costs are to be paid as compensation to the National Armed Forces/Ministry of Defence, if applicable.

Date of adoption: 12 November 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Amendments to the Rules of Sale and Use of Electricity

On 3 December 2024, the Cabinet of Ministers of the Republic of Latvia adopted amendments to the Rules of Sale and Use of Electricity.

The proposed amendments include the following key changes:

- in case of disputes, the system operator must supply electricity to consumers who confirm ownership, usage, or possession rights;
- fee for early termination of electricity trade agreement must be determined in such a way that from the moment the agreement comes into force, the fee for early termination of the agreement is reduced in proportion to the period from the start of electricity supply until the early termination of the agreement, which must be reduced at least every three months;
- the price of electricity supply of last resort for consumers whose electrical devices are connected to the distribution system comprises the day-ahead trading interval price of the Latvian trading area at the electricity exchange Nord Pool during the settlement period, which is published on the website of the electricity exchange, and the markup, which is determined by the supplier providing the supply of last resort services. Consumers can access this type of supply for a maximum of 6 months and must sign a contract during this period;
- ensuring that the electricity imbalance period transitions to a 15-minute interval by 31 December 2024.

Date of adoption: 6 December 2024

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, financial impact cannot be evaluated, but it will not be material

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: Estonia

Amendment to the Energy Economy Organisation Act

On 12 June 2024, an amendment was made to the Energy Economy Organisation Act. This amendment stipulates measures to achieve the national energy efficiency goal; principles of renewable energy promotion; requirements for improving energy efficiency and for obliged parties in both public and private sectors. This amendment implements the principles and obligations arising from the European Union's legal regulation on the promotion of renewable energy, which will help achieve the European Union's energy policy objective of increasing the use of sustainable and renewable energy.

The key changes include: stipulating the conditions based on which renewable energy subsidies for produced energy, including bioenergy, which is considered renewable energy, are paid; specifying the rights of producers of renewable electricity who consume it for their own use; specifying the conditions applicable to the planning of renewable energy subsidies; establishing a requirement for the grid company to publish the expected budget for renewable energy subsidies; setting obligations for the Competition Authority in connection with renewable electricity sales contracts.

Date of adoption: 12 June 2024

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, the financial impact cannot be evaluated, but the overall impact is positive

Building Code

Under the new regime established in Building Code on 21 June 2024, 3 authorisation procedures (superficies licence, building permit and water permit) are combined into one, creating a single permit under the superficies licence. This means that a superficies licence for an offshore wind farm will give the right to construct a building and the right to special use of water. Superficies licence grants the developer the right to establish both offshore wind farm and its necessary service facilities. This will make it possible to dispense with repetitive procedures, such as the submission of applications and documents to different administrative bodies or the initiation of an additional environmental impact assessment.

Date of adoption: 21 June 2024

Relevance to the Group's business segments:

Impact on the Group: An overall positive impact as the amendments aim to accelerate the energy transition, which is in line with the Group's Strategy

Regulatory environment: Poland

Balancing Market Reform

On 26 January 2024, the President of the Energy Regulatory Office adopted new Balancing Conditions, introducing obligations from Regulation (EU) 2019/943 on the internal market for electricity and Commission Regulation 2017/2195 on electricity balancing into the Polish market. These new conditions regulate the functioning of the balancing market. Following these changes, the Network Instructions for the Transmission System Operator and the Five Largest Distribution System Operators were also amended to align them with the new Balancing Conditions.

The key changes include:

- shortening the balancing and energy imbalance settlement periods to 15 minutes (previously one hour). The energy price will now also include the valuation of the operating reserve and costs associated with maintaining the sources that stabilize the system;
- participants will now be designated as Balancing Service Providers and Entities Responsible for Balancing. Entities with a minimum generation capacity of 0.2 MW will be allowed to participate in the balancing market compared to the previous threshold of 1 MW. The possibility of merging smaller market participants into larger groups has also been introduced, increasing competitiveness in the balancing market;
- new balancing services now enable not only the acquisition of electricity, but also balancing capacity, including frequency maintenance reserve, frequency restoration reserve, and replacement reserve;
- introducing the rules for the participation of Polish producers in the European platform for exchanging balancing energy generated by replacement reserves and the European platform for compensating imbalances. This will enable Poland to participate in the instruments for balancing the EU energy market.

Green Capacities Networks Reserve Capacities Customers & Solutions

Regulatory environment: Poland (cont.)

These updates aim to enhance the efficiency and integration of the Polish electricity market with the broader European energy market.

Date of adoption: 26 January 2024

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, no significant financial impact is expected

Extension of Energy Prices Caps

On 23 May 2024, an amendment was made to the Act of 27 October 2022 on Emergency Measures Aimed at Limiting Electricity Prices and Supporting Certain Recipients in 2023 and 2024. This amendment, introduced by the Act of 23 May 2024 on the Energy Voucher and the Amendment of Certain Laws to Reduce the Price of Electricity, Natural Gas, and System Heat, extended the maximum price for energy:

– for private customers, the maximum price was set at PLN 500/MWh for the period from 1 July 2024 to 31 December 2024, except for customers who have contracts with dynamic electricity pricing. On 6 December 2024, this cap was extended until the end of September 2025;

– for local government institutions, local authorities, SMEs, and similar entities, the maximum price was set at PLN 693/MWh for the same period. On 6 December 2024, this cap was extended until the end March 2025.

The amendment, which was also aimed at limiting electricity prices and supporting certain recipients in 2023 and 2024, introduced the procedure for granting discounts for reduced consumption in 2023.

End consumers who reduced their energy consumption in 2023 compared to the comparative period of 2018–2022 were entitled to a 10% discount on bills, which was granted by the supplier with whom the contract was in force as of 31 December 2023. Ignitis Polska (Customers & Solutions) acts as an agent for the settlement administrator (Zarządca Rozliczeń) and will be reimbursed for the discounts by the settlement administrator. Therefore the supplier only has the administrative functions.

Date of adoption: 23 May 2024

Relevance to the Group's business segments:

Impact on the Group: As of report publication date, no significant financial impact is expected

Results

3.1 Annual results

Follow-up on 2024 guidance

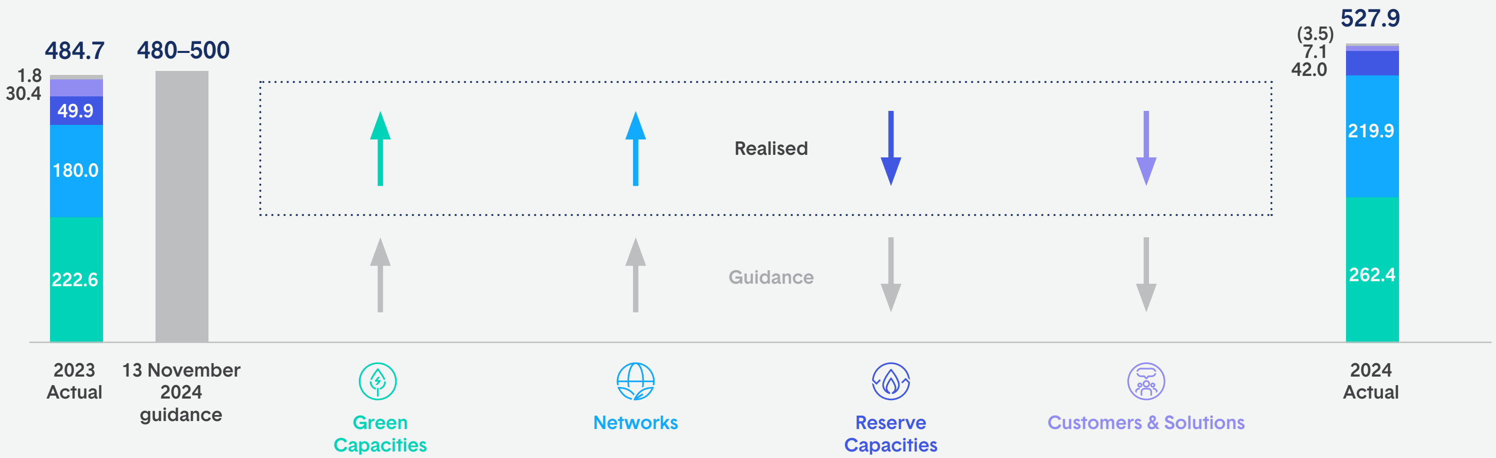
Adjusted EBITDA

In the outlook provided in our First nine months 2024 interim report, we expected Adjusted EBITDA in 2024 to be in the range of EUR 480–500 million. Adjusted EBITDA amounted to EUR 527.9 million and surpassed the higher end of our guidance communicated to the market by 5.6% (7.7% versus midpoint). The outperformance was driven by better-than-expected results in Q4 2024 of the Green Capacities segment, mainly due to higher volumes generated in our onshore wind farms driven by favourable weather conditions and the Reserve Capacities segment, due to higher captured electricity prices. Additionally, the results of all business segments were in line with provided directional guidance.

Investments

In the outlook provided in our First nine months 2024 interim report, we expected Investments in 2024 to be in the range of EUR 750–900 million. Investments amounted to EUR 812.0 million and fell within the provided guidance range. As planned, the majority of the Investments were made in our two largest business segments – Green Capacities and Networks.

Adjusted EBITDA APM, EURm



Guidance history, EURm

Date of the report	Adjusted EBITDA	Investments
28 February 2024	440–470	850–1,000
15 May 2024	440–470	850–1,000
14 August 2024	450–480	850–1,000
13 November 2024	480–500	750–900
2024 Actual	**527.9**	**812.0**

Revenue

In 2024, total revenue decreased by EUR 242.1 million compared to 2023. The main reason for the decrease was lower revenue in the Customers & Solutions segment, which outweighed the increase of revenue in all the remaining segments. A more detailed information is provided in section '8 Consolidated financial statements', note '6 Revenue'.

The Customers & Solutions segment's revenue was 25.5% (EUR 419.8 million) lower than in 2023. The YoY decrease in revenue was recorded in both natural gas and electricity activities. Revenue from natural gas activities decreased the most (EUR -353.8 million), mainly due to lower average supply price (-46.6%) and lower volume supplied (-6.3%).

The Networks segment's revenue was 18.4% (EUR 108.8 million) higher compared to 2023. The increase was mainly driven by higher revenue from electricity transmission activities (EUR +148.4 million). The result was partly offset by lower revenue from electricity distribution activities (EUR -29.2 million) due to the lower tariffs set by the regulator. The decrease in electricity distribution tariffs was mainly caused by lower expenses from electricity distribution technological losses, which have decreased due to lower electricity purchase prices.

The Green Capacities segment's revenue was 23.7%, or EUR 81.1 million, higher compared to 2023. Revenue increased primarily due to the launch of new assets (Silesia WF I, Vilnius CHP biomass unit and Tauragė SF, additionally Kelmė WF and Silesia WF II supplied first power to the grid), full-year effect of Mažeikiai WF (COD reached in August 2023) and higher captured electricity prices, mainly due to the flexibility of the assets.

Consolidated statement of profit or loss, EURm

	2024	2023	Δ	Δ, %	2024	2023	Δ	Δ, %
	Adjusted				Reported			
Total revenue	**2,302.2**	**2,526.4**	***(224.2)***	***(8.9%)***	**2,307.0**	**2,549.1**	***(242.1)***	***(9.5%)***
Purchase of electricity, natural gas and other services	(1,444.7)	(1,757.7)	*313.0*	*(17.8%)*	(1,444.7)	(1,757.7)	*313.0*	*(17.8%)*
Ineffective energy hedging expenses	-	(8.1)	*8.1*	*(100.0%)*	-	(8.1)	*8.1*	*(100.0%)*
OPEX APM	(329.6)	(275.9)	*(53.7)*	*19.5%*	(329.6)	(275.9)	*(53.7)*	*19.5%*
Salaries and related expenses	(163.1)	(136.7)	*(26.4)*	*19.3%*	(163.1)	(136.7)	*(26.4)*	*19.3%*
Repair and maintenance expenses	(66.5)	(61.1)	*(5.4)*	*8.8%*	(66.5)	(61.1)	*(5.4)*	*8.8%*
Other OPEX	(100.0)	(78.1)	*(21.9)*	*28.0%*	(100.0)	(78.1)	*(21.9)*	*28.0%*
EBITDA APM	**527.9**	**484.7**	***43.2***	***8.9%***	**532.7**	**507.4**	***25.3***	***5.0%***
Depreciation and amortization	(178.3)	(153.1)	*(25.2)*	*16.5%*	(178.3)	(153.1)	*(25.2)*	*16.5%*
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	(4.4)	(2.1)	*(2.3)*	*109.5%*	(4.4)	(2.1)	*(2.3)*	*109.5%*
Operating profit (EBIT) APM	**345.2**	**329.5**	***15.7***	***4.8%***	**350.0**	**352.2**	***(2.2)***	***(0.6%)***
Finance activity, net	(36.0)	(15.1)	*(20.9)*	*138.4%*	(41.7)	1.7	*(43.4)*	*n/a*
Income tax (expenses)/benefit	(31.7)	(27.8)	*(3.9)*	*14.0%*	(32.1)	(33.7)	*1.6*	*(4.7%)*
Net profit	**277.5**	**286.6**	***(9.1)***	***(3.2%)***	**276.2**	**320.2**	***(44.0)***	***(13.7%)***
EPS APM, EUR	n/a	n/a	*n/a*	*n/a*	3.82	4.42	*(0.60)*	*(13.6%)*
DPS APM, EUR	n/a	n/a	*n/a*	*n/a*	1.33	1.29	*0.04*	*3.1%*

Revenue, EURm

	2024	2023	Δ	Δ, %
Customers & Solutions	1,227.0	1,646.8	*(419.8)*	*(25.5%)*
Networks	700.8	592.0	*108.8*	*18.4%*
Green Capacities	423.7	342.6	*81.1*	*23.7%*
Reserve Capacities	150.1	128.5	*21.6*	*16.8%*
Other activities and eliminations	(194.5)	(160.8)	*(33.7)*	*(21.0%)*
Total revenue	**2,307.0**	**2,549.1**	***(242.1)***	***(9.5%)***

The Reserve Capacities segment's revenue was 16.8% (EUR 21.6 million) higher than in 2023. The increase was mainly related to favourable market conditions, utilisation of all three units in Elektrėnai Complex and increased electricity generation related to provision of aFRR balancing capacity services, in relation to the synchronisation of the Baltic electricity systems with the Continental Europe Synchronous Area.

The substantial negative amount under Other activities and eliminations primarily reflects the removal of related-party transactions, with a major portion arising from Green Capacities segment revenues generated through sales to Customers & Solutions segment companies.

EBITDA

In 2024, Adjusted EBITDA amounted to EUR 527.9 million and was EUR 43.2 million (8.9%) higher than in 2023.

The Green Capacities segment's Adjusted EBITDA was 17.9% (EUR 39.8 million) higher compared to 2023. Adjusted EBITDA increased primarily due to the launch of new assets (Silesia WF I, Vilnius CHP biomass unit and Tauragė SF, additionally Kelmė WF and Silesia WF II supplied first power to the grid), full-year effect of Mažeikiai WF (COD reached in August 2023) and higher captured electricity prices, mainly due to the flexibility of the assets.

The Networks segment's Adjusted EBITDA was EUR 39.9 million higher than in 2023, mainly due to the higher WACC effect (EUR +13.5 million) and higher RAB effect (EUR +12.1 million).

The Reserve Capacities segment's Adjusted EBITDA was 15.8% (EUR 7.9 million) lower than in 2023. Strong performance during both periods was driven by the utilised option to earn additional return in the market on top of the regulated return. However, the YoY decrease is related to the fact that in Q1 2023 and Q4 2023 the conditions to earn additional return in the market were extraordinary.

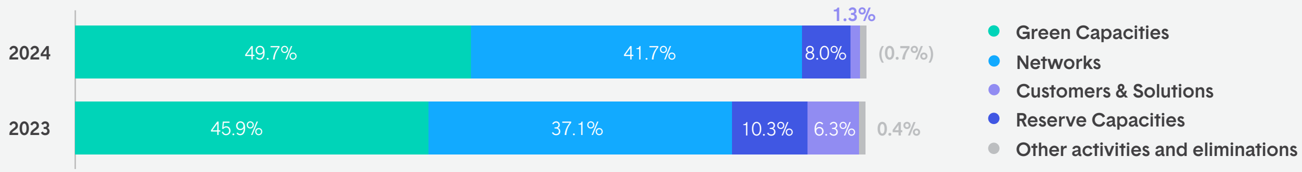
The Customers & Solutions segment's Adjusted EBITDA was EUR 23.3 million lower than in 2023. The decrease was driven by lower B2B natural gas supply results, mainly due to larger reduction of COGS in 2023 from inventory write down reversal. The decrease was partly offset by better B2B electricity supply results in Poland and lower losses from B2C electricity supply activities. In 2024, electricity B2C activities loss amounted to EUR -32.8 million (EUR -61.1 million in 2023), of which EUR -15.2 million was driven by prosumers under the current net-metering scheme, while the remaining loss was mainly related to other regulatory and competitive environment challenges.

The negative result of Other activities and eliminations primarily reflects the humanitarian aid provided to the Ukraine.

Adjusted EBITDA by segments, EURm

	2024	2023	Δ	Δ, %
Green Capacities	262.4	222.6	*39.8*	*17.9%*
Networks	219.9	180.0	*39.9*	*22.2%*
Reserve Capacities	42.0	49.9	*(7.9)*	*(15.8%)*
Customers & Solutions	7.1	30.4	*(23.3)*	*(76.6%)*
Other activities and eliminations	(3.5)	1.8	*(5.3)*	*n/a*
Adjusted EBITDA APM	**527.9**	**484.7**	***43.2***	***8.9%***

Adjusted EBITDA by segments, EURm



EBIT

In 2024, Adjusted EBIT amounted to EUR 345.2 million and was EUR 15.7 million (4.8%) higher than in 2023. The main cause of the increase was higher Adjusted EBITDA (EUR +43.2 million) (the reasons behind the increase are described in section 'EBITDA' above), and the increase was partly offset by higher depreciation and amortisation expenses (EUR -25.2 million).

Adjusted EBIT by segment, EURm

	2024	2023	Δ	Δ, %
Green Capacities	217.7	193.4	*24.3*	*12.6%*
Networks	105.1	77.1	*28.0*	*36.3%*
Reserve Capacities	31.1	39.1	*(8.0)*	*(20.5%)*
Customers & Solutions	4.1	27.3	*(23.2)*	*(85.0%)*
Other activities and eliminations	(12.8)	(7.4)	*(5.4)*	*(73.0%)*
Adjusted EBIT APM	**345.2**	**329.5**	***15.7***	***4.8%***

Net profit

In 2024, Adjusted Net Profit amounted to EUR 277.5 million and was EUR 9.1 million (3.2%) lower than in 2023. The decrease was primarily driven by higher finance activity expenses, mainly due to higher Net Debt.

Investments

In 2024, Investments amounted to EUR 812.0 million and were EUR 125.1 million (13.3%) lower compared to 2023. The decrease was mainly driven by lower Investments in the Green Capacities segment.

The largest share of Investments was made in the Green Capacities segment (53.5% of the total Investments). The total Investments in the Green Capacities segment decreased by EUR 108.2 million, totalling EUR 434.5 million. The main reason for the decrease was successful completion of several major projects. In 2024, Silesia WF I and Vilnius CHP biomass unit have reached COD, while Silesia WF II construction work has been completed. The decrease in Investments was partly offset by continued Investments in Kelmė WF, Stelpe SF, Vārme SF and offshore projects.

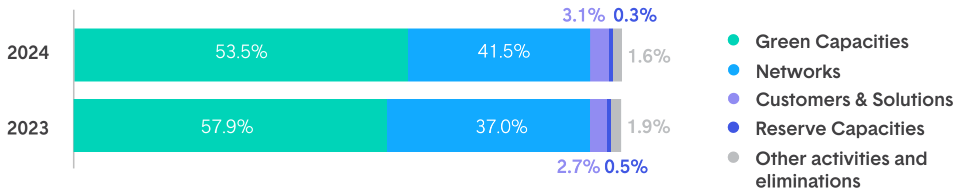
Investments in the Networks segment in 2024 amounted to EUR 337.0 million and were 2.8% (EUR 9.8 million) lower compared to 2023. The decrease is mainly related to lower Investments in the smart meters, which have decreased by EUR 19.7 million (44.1%) as the majority of smart meters were installed last year, causing a gradual decline in the number of smart meters being installed over 2024.

In the Customers & Solutions segment, we continued to expand the EV charging network across the Baltics, with Investments in the EV network reaching EUR 21.2 million in 2024. Compared to 2023, Investments in the EV charging network increased by EUR 2.6 million, or 14.0%.

In 2024, grants and Investments covered by customers amounted to EUR 76.5 million and accounted for 9.4% of the total Investments. A part of the Investments into the Networks segment that are related to new connections, upgrades and infrastructure equipment transfers were covered by customers (EUR 72.2 million). Also, in 2024, the Group has received EUR 4.3 million in grants for Investments which are related to the maintenance of electricity and natural gas distribution networks.

In 2024, EUR 656.5 million were invested in Lithuania. This amount represents 80.8% of the total Investments.

Distribution of Investments, %



Investments by segment, EURm

	2024	2023	Δ	Δ, %
Green Capacities	434.5	542.7	*(108.2)*	*(19.9%)*
Onshore wind	263.8	386.3	*(122.5)*	*(31.7%)*
Solar	112.4	26.8	*85.6*	*319.4%*
Offshore wind	20.9	50.8	*(29.9)*	*(58.9%)*
Hydro	25.4	24.6	*0.8*	*3.3%*
Biomass/WtE	10.7	53.4	*(42.7)*	*(80.0%)*
Other	1.3	0.8	*0.5*	*62.5%*
Networks	337.0	346.8	*(9.8)*	*(2.8%)*
Total electricity network investments:	310.2	319.2	*(9.0)*	*(2.8%)*
Expansion of electricity distribution network (excl. smart meters)	195.6	178.0	*17.6*	*9.9%*
Expansion of electricity distribution network (smart meters)	25.0	44.7	*(19.7)*	*(44.1%)*
Maintenance of the electricity distribution network	89.6	96.6	*(7.0)*	*(7.2%)*
Total gas network investments:	13.6	14.6	*(1.0)*	*(6.8%)*
Expansion of gas distribution network	6.3	7.8	*(1.5)*	*(19.2%)*
Maintenance of the gas distribution network	7.3	6.8	*0.5*	*7.4%*
Other	13.2	12.9	*0.3*	*2.3%*
Customers & Solutions	25.2	25.0	*0.2*	*0.8%*
EV charging network	21.2	18.6	*2.6*	*14.0%*
Other	4.0	6.4	*(2.4)*	*(37.5%)*
Reserve Capacities	2.6	4.9	*(2.3)*	*(46.9%)*
Other activities and eliminations	12.7	17.7	*(5.0)*	*(28.2%)*
Investments APM	**812.0**	**937.1**	***(125.1)***	***(13.3%)***
Total grants and Investments covered by customers:	(76.5)	(74.7)	*(1.8)*	*2.4%*
Grants	(4.3)	(15.9)	*11.6*	*(73.0%)*
Investments covered by customers[1]	(72.2)	(58.8)	*(13.4)*	*22.8%*
Investments (excl. grants and investments covered by customers)	**735.5**	**862.4**	***(126.9)***	***(14.7%)***

Investments by countries, EURm

	2024	2023	2024, %	2023, %
Lithuania	656.5	686.6	*80.8%*	*73.3%*
Other countries[2]	155.5	250.5	*19.2%*	*26.7%*
Total Investments:	**812.0**	**937.1**	***100.0%***	***100.0%***

[1] Investments covered by customers include new connections and upgrades, and infrastructure equipment transfers.
[2] Other countries mainly represent investments in Latvia, Poland and the United Kingdom.

Capital Employed

Capital Employed

As of 31 December 2024, Capital Employed amounted to EUR 4,049.1 million and increased by EUR 468.2 million compared to 31 December 2023, mainly due to significant Investments made.

Equity

As of 31 December 2024, Equity was EUR 173.4 million (7.7%) higher compared to 31 December 2023, mostly due to net profit earned in 2024 (EUR +276.2 million). The increase was partly offset by the dividends paid (EUR -94.5 million). A more detailed information is provided in section '8 Consolidated financial statements', note '21 Equity'.

Net Working Capital

As of 31 December 2024, Net Working Capital amounted to EUR 102.6 million and was EUR 72.6 million lower compared to 31 December 2023. The main drivers behind the changes were higher trade payables (EUR +68.9 million), due to increased balance of trade financing facilities used for purchasing natural gas, and lower inventories (EUR -27.1 million), due to lower volume of natural gas stored. The decrease was partly offset by higher trade receivables (EUR +28.1 million).

Capital employed, EURm

	31 Dec 2024	31 Dec 2023	Δ	Δ, %
Non-current assets	4,752.0	4,216.9	*535.1*	*12.7%*
Net Working Capital APM	102.6	175.2	*(72.6)*	*(41.4%)*
Other assets	72.4	15.4	*57.0*	*370.1%*
Grants and subsidies	(287.5)	(300.1)	*12.6*	*(4.2%)*
Deferred income	(289.9)	(241.6)	*(48.3)*	*20.0%*
Deferred tax liabilities	(84.7)	(87.4)	*2.7*	*(3.1%)*
Non-current provisions	(100.5)	(60.7)	*(39.8)*	*65.6%*
Other assets and liabilities	(115.3)	(136.8)	*21.5*	*(15.7%)*
Capital Employed APM	**4,049.1**	**3,580.9**	***468.2***	***13.1%***
Equity	**2,436.8**	**2,263.4**	***173.4***	***7.7%***
Net Debt APM	**1,612.3**	**1,317.5**	***294.8***	***22.4%***
Adjusted ROCE APM	9.0%	9.8%	*(0.8 pp)*	*n/a*

Financing

Net Debt

As of 31 December 2024, Net Debt amounted to EUR 1,612.3 million and was 22.4% (EUR 294.8 million) higher compared to 31 December 2023, mainly due to negative FCF and dividends paid. FFO/Net Debt ratio remained stable with a 0.3 pp increase as the FFO growth rate closely matched the increase in Net Debt. A more detailed information is provided in section '8 Consolidated financial statements', note '23 Financing'.

Interest rate

As of 31 December 2024, financial liabilities amounting to EUR 1,320.1 million were subject to a fixed interest rate (71.5% of Gross Debt), and the remaining amount of financial liabilities were subject to a floating interest rate, with an effective interest rate of 2.63%. In comparison as of 31 December 2023, financial liabilities amounting to EUR 1,282.5 million were subject to a fixed interest rate (78.5% of gross debt), and the remaining amount of financial liabilities were subject to a floating interest rate and the effective interest rate was 2.59%.

Currency rate

As of 31 December 2024, 95.0% of the total debt is in EUR (95.0% as of 31 December 2023), and 5.0% in PLN (5.0% as of 31 December 2023).

Net debt, EURm

	31 Dec 2024	31 Dec 2023	Δ	Δ, %
Gross Debt APM	1,846.8	1,633.2	*213.6*	*13.1%*
Short-term deposits (including accrued interests)	-	(110.4)	*110.4*	*(100.0%)*
Cash and cash equiv.	(234.5)	(205.3)	*(29.2)*	*14.2%*
Net Debt APM	**1,612.3**	**1,317.5**	***294.8***	***22.4%***
Net Debt / Adjusted EBITDA APM	3.05	2.72	*0.33*	*12.1%*
Net Debt / EBITDA APM	3.03	2.60	*0.43*	*16.5%*
FFO / Net Debt APM	29.7%	29.4%	*0.3 pp*	*n/a*

Debt summary, EURm

	Outstanding as of 31 Dec 2024	Effective interest rate (%)	Average time to maturity (years)	Fixed interest rate	Euro currency
Bonds (incl. interest)	902.7	1.96	3.8	100.0%	100.0%
Non-current loans including current portion of non-current loans	659.7	3.10	6.3	63.3%[1]	88.4%
Bank overdrafts, credit lines, and current loans	210.3	3.98	1.5	0.0%	100.0%
Lease liabilities	74.1	-	6.7	0.0%	78.7%
Gross Debt APM	**1,846.8**	**2.63**	**4.5**	**71.5%**	**95.0%**

[1] As of 31 December 2024, one loan with a floating interest rate (with an outstanding debt of EUR 93.5 million) was reclassified as a fixed interest rate loan because an interest rate swap was carried out for this loan.

Maturities

Bonds maturing in 2027 (EUR 300.0 million, green), in 2028 (EUR 300.0 million, green) and in 2030 (EUR 300.0 million) comprise the largest portion of the Group's financial liabilities. The average maturity of financial liabilities as of 31 December 2024 was 4.5 years (5.8 years on 31 December 2023).

Bond issues

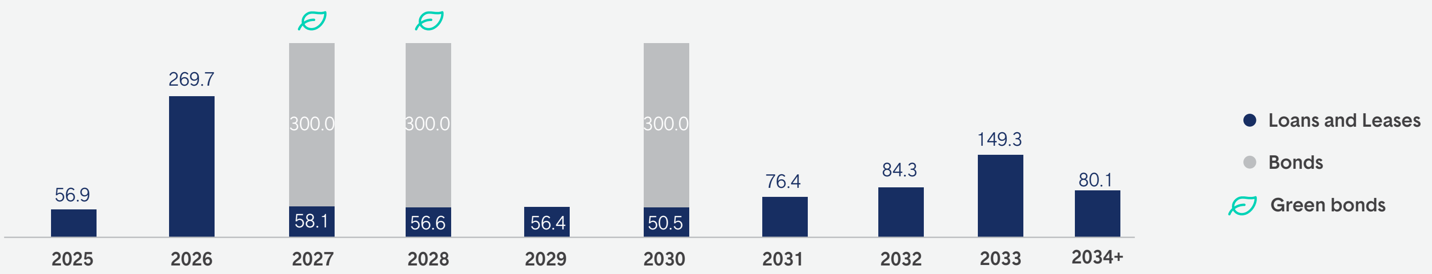
The Group has three bond issues with a total nominal outstanding amount of EUR 900.0 million. Two of them are green bonds (EUR 600.0 million).

During the reporting period, there have been no material changes regarding the bonds. The related information, including the structure of the bondholders as of the issue date, is available in section '7.1 Further investor related information' of our Integrated Annual Report 2024.

Outstanding bond issues

	2017 issue	2018 issue	2020 issue
ISIN-code	XS1646530565	XS1853999313	XS2177349912
Currency	EUR	EUR	EUR
Nominal amount	300,000,000	300,000,000	300,000,000
Coupon	2.000	1.875	2.000
Maturity	17 July 2027	10 July 2028	21 May 2030
Credit rating	BBB+	BBB+	BBB+

Repayment schedule of the Group's financial liabilities[1], EURm



[1] The nominal value of the issued bonds amounts to EUR 900 million. As of 31 December 2024, bonds accounted for EUR 893.5 million in the Consolidated statement of financial position as the nominal remaining capital will be capitalised until maturity according to IFRS.

Cash flows

CFO

Net cash flows from operating activities (CFO) in 2024 amounted to EUR 661.2 million. Compared to 2023, CFO decreased by EUR 139.6 million, mainly due to the lower cash inflow from changes in the working capital (EUR 104.7 million in 2024 compared to EUR 420.3 million in 2023). The decrease was partly offset by lower income tax paid (EUR 7.8 million in 2024 compared to EUR 81.0 million in 2023).

CFI

Net cash flows from investing activities (CFI) amounted to EUR -654.3 million in 2024. The CFI indicator was less negative (EUR +426.8 million), mainly due to the withdrawal of deposits in the amount of EUR 109.0 million, while in 2023 the Group made a deposit in the amount of EUR 109.0 million. Additionally, CFI was less negative due to reduced cash outflows related to the acquisition of subsidiaries (EUR +142.1 million).

CFF

Net cash flows from financing activities (CFF) amounted to EUR 22.3 million in 2024. CFF was positive, mainly due to the loans received (EUR +110.9 million) and a positive net change of overdrafts (EUR +122.8 million). Positive impact was partly offset by dividends (EUR -94.5 million) and interest (EUR -46.3 million) paid. In comparison, CFF in 2023 amounted to EUR -208.5 million and was negative due to the repaid credit lines and overdrafts (EUR -341.1 million). Negative CFF was partly offset by additional loans received in the amount of EUR 285.9 million.

A more detailed information is provided in section '8.5 Consolidated statement of cash flow'.

FFO

In 2024, FFO increased by 23.5% (EUR 91.2 million) and amounted to EUR 478.6 million. The main reasons for the increase were higher EBITDA and lower income tax paid.

FCF

In 2024, FCF amounted to EUR -193.9 million. The main reason for the negative FCF was significant Investments made. Negative FCF was partially offset by FFO and positive changes in the Net Working Capital.

Cash flows, EURm

	2024	2023	Δ	Δ, %
Cash and cash equivalents at the beginning of the period	**205.3**	**694.1**	***(488.8)***	***(70.4%)***
CFO	661.2	800.8	*(139.6)*	*(17.4%)*
CFI	(654.3)	(1,081.1)	*426.8*	*39.5%*
CFF	22.3	(208.5)	*230.8*	*n/a*
Increase (decrease) in cash and cash equivalents	**29.2**	**(488.8)**	***518.0***	***n/a***
Cash and cash equivalents at the end of period	**234.5**	**205.3**	***29.2***	***14.2%***

FFO and FCF, EURm

	2024	2023	Δ	Δ, %
EBITDA APM	532.7	507.4	*25.3*	*5.0%*
Interest paid	(46.3)	(39.0)	*(7.3)*	*18.7%*
Income tax paid	(7.8)	(81.0)	*73.2*	*(90.4%)*
FFO APM	**478.6**	**387.4**	***91.2***	***23.5%***
Interests received	6.2	10.7	*(4.5)*	*(42.1%)*
Investments APM	(812.0)	(937.1)	*125.1*	*(13.3%)*
Grants received	4.3	15.9	*(11.6)*	*(73.0%)*
Cash effect of new connection points and upgrades	53.6	39.7	*13.9*	*35.0%*
Proceeds from sale of PPE and intangible assets[1]	2.8	2.9	*(0.1)*	*(3.4%)*
Change in Net Working Capital	72.6	268.1	*(195.5)*	*(72.9%)*
FCF APM	**(193.9)**	**(212.4)**	***18.5***	***8.7%***

[1] Cash inflow indicated in the statement line 'Proceeds from sale of PPE and intangible assets' exclude the gain or loss which is already included in FFO.

Key operating indicators

In 2024, the Green Capacities Portfolio increased to 8.0 GW, up from 7.1 GW on 31 December 2023. The growth was primarily attributed to greenfield capacity additions, including the plots of land secured for the development of hybrid projects, i.e., wind farms near our Latvian solar farms (314 MW). Additionally, grid connection capacity was secured for the first BESS projects (<290 MW) in Lithuania. The growth was also supported by secured land for wind farm projects in Latvia (200 MW) and Poland (150 MW). The Secured Capacity increased by 0.2 GW to 3.1 GW (from 2.9 GW) as Tume SF (173.6 MW) has reached the construction phase. The Installed Capacity increased to 1.4 GW (from 1.3 GW), as Silesia WF I (50 MW) in Poland reached COD in March, Vilnius CHP biomass unit in Lithuania reached full COD for the remaining 21 MWth and 21 MWe capacities in May, and Tauragė SF (22.1 MW) reached COD in July.

Electricity Generated (net) increased by 0.76 TWh (36.5%) YoY and in 2024 amounted to 2.83 TWh. The increase in Electricity Generated (net) was driven by the new assets (Green Capacities) generation, including Mažeikiai WF, Silesia WF I and Vilnius CHP biomass unit.

Electricity sales increased by 0.06 TWh (0.8%) compared to 2023. The increase was noticed among both B2B and B2C customers, driven by generally higher consumption in the region.

The total distributed electricity volume rose by 0.34 TWh (3.5%) YoY, driven by higher consumption among B2B customers.

Electricity SAIFI indicator, which reflects the average number of unplanned long interruptions per customer, increased compared to the previous year and was 1.41 interruptions (1.35 interruptions in 2023). Electricity SAIDI indicator, which shows the average duration of unplanned interruptions, increased to 399 minutes (compared to 121 minutes in 2023). Electricity quality indicators were impacted by natural phenomena, including heavy snowfall in Q2 and strong winds and local storms in Q3, contributing to the higher SAIFI and SAIDI metrics compared to the previous year.

In 2024, Heat Generated (net) amounted to 1.66 TWh and increased by 0.59 TWh (55.3%) YoY due to higher generation at Vilnius CHP.

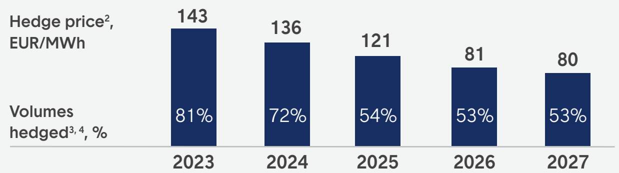
Natural gas sales decreased by 0.58 TWh (6.3%), driven by lower wholesale volumes sold in 2024 compared to the previous year.

Natural gas distribution volume in Lithuania has increased by 0.59 TWh (9.3%), driven by rising production volumes in industrial companies that use gas in their operations.

Key operating indicators

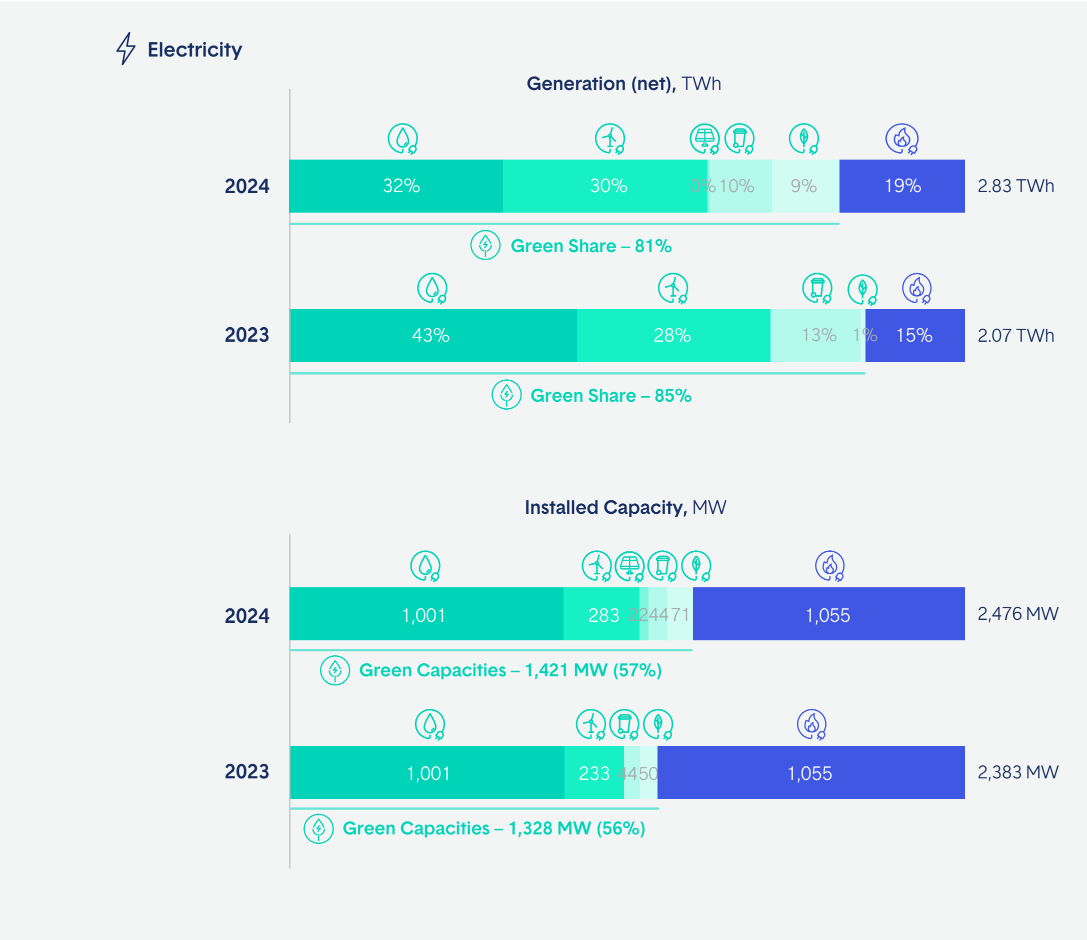
		31 Dec 2024	31 Dec 2023	Δ	Δ, %
Electricity					
Green Capacities Portfolio	GW	8.0	7.1	*0.8*	*11.7%*
Secured Capacity	GW	3.1	2.9	*0.2*	*5.6%*
Installed Capacity	GW	1.4	1.3	*0.1*	*7.0%*
Under Construction	GW	1.0	0.9	*0.1*	*8.0%*
Awarded / Contracted	GW	0.7	0.7	*-*	*-%*
Advanced Development Pipeline	GW	0.7	1.0	*(0.2)*	*(22.3%)*
Early Development Pipeline	GW	4.1	3.3	*0.9*	*27.2%*
Heat					
Heat Generation Capacity	GW	0.4	0.3	*0.0*	*0.3%*
Installed Capacity	GW	0.4	0.3	*0.0*	*6.4%*
Under Construction	GW	-	0.0	*(0.0)*	*(100.0%)*
		2024	**2023**	**Δ**	**Δ, %**
Electricity					
Electricity Generated (net)	TWh	2.83	2.07	*0.76*	*36.5%*
Green Electricity Generated (net)	TWh	2.30	1.76	*0.54*	*30.9%*
Green Share of Generation	%	81.5%	85.0%	*(3.5 pp)*	*-%*
Electricity sales	TWh	6.94	6.88	*0.06*	*0.8%*
Electricity distributed	TWh	10.07	9.73	*0.34*	*3.5%*
SAIFI	times	1.41	1.35	*0.06*	*4.3%*
SAIDI	min.	399	121	*278*	*230.5%*
Heat					
Heat Generated (net)	TWh	1.66	1.07	*0.59*	*55.3%*
Natural gas					
Natural gas sales	TWh	8.71	9.29	*(0.58)*	*(6.3%)*
Natural gas distributed	TWh	6.91	6.32	*0.59*	*9.3%*

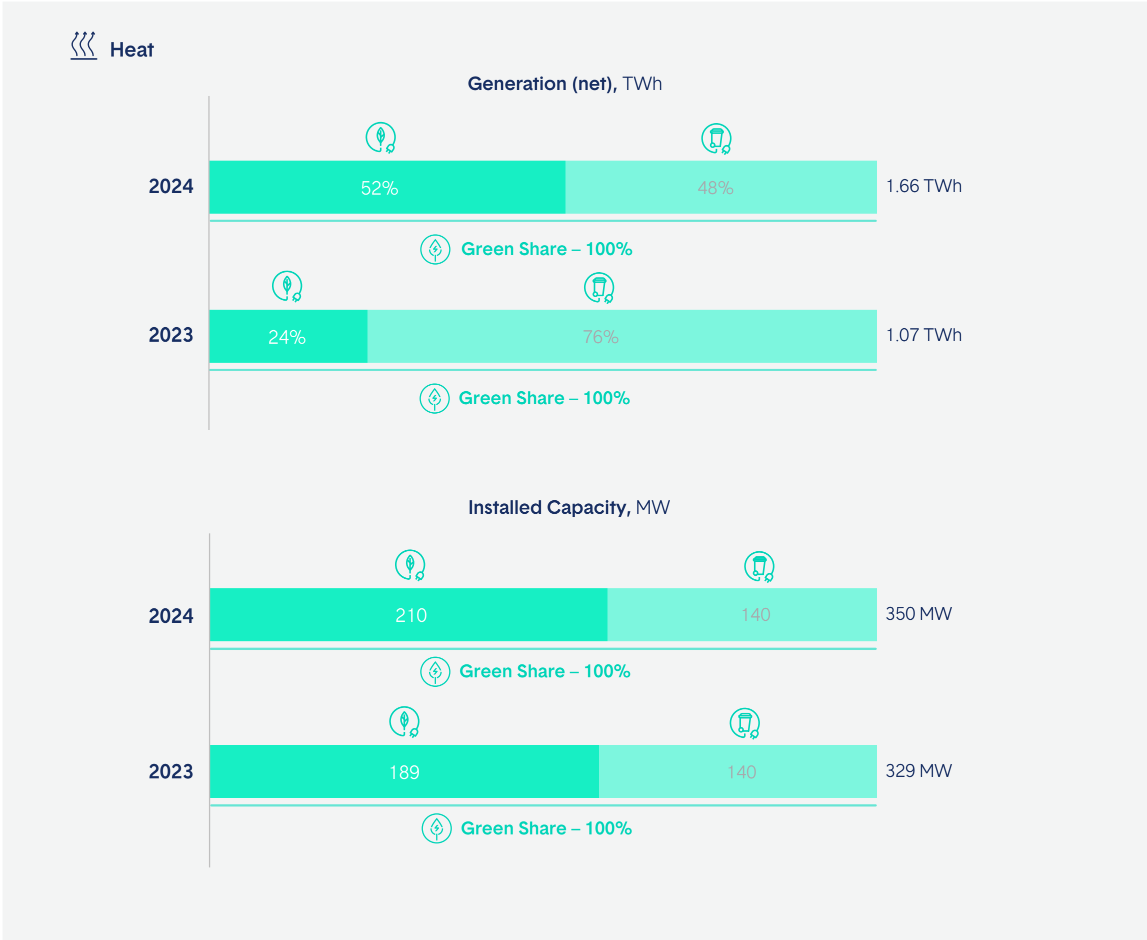
Generation Portfolio hedging levels[1]



[1] Hedging levels are provided for the duration of the strategic period. [2] Most PPAs are concluded for the base load, therefore, the actual effective hedge price can differ from the price in the contract due to the profile effect. [3] Generation Portfolio includes the total electricity generation of Secured Capacity projects, excluding Kruonis PSHP as well as units 7, 8 and CCGT at Elektrėnai Complex. [4] Some of the PPAs are internal, the graph above illustrates the Green Capacities segment's outlook (generated volumes).

Installed Capacity and generation mix overview





Green Capacities | Hydro | Wind | Solar | Biomass | Waste to energy | Reserve Capacities | Natural gas

3.2 Five-year annual summary

Key financial indicators

		2024	2023	2022	2021	2020	*2024 vs 2023, Δ*	*2024 vs 2023, Δ %*
Total revenue	EURm	2,307.0	2,549.1	4,386.9	1,898.7	1,223.1	*(242.1)*	*(9.5%)*
Adjusted EBITDA APM	EURm	527.9	484.7	469.3	332.7	245.9	*43.2*	*8.9%*
Green Capacities	EURm	262.4	222.6	252.4	107.5	50.4	*39.8*	*17.9%*
Networks	EURm	219.9	180.0	164.5	145.4	137.7	*39.9*	*22.2%*
Reserve Capacities	EURm	42.0	49.9	34.6	37.2	29.3	*(7.9)*	*(15.8%)*
Customers & Solutions	EURm	7.1	30.4	15.6	40.6	26.7	*(23.3)*	*(76.6%)*
Other activities and eliminations	EURm	(3.5)	1.8	2.2	2.0	1.8	*(5.3)*	*n/a*
Adjusted EBITDA margin APM	%	22.9%	19.2%	10.9%	17.6%	24.8%	*3.7 pp*	*n/a*
EBITDA APM	EURm	532.7	507.4	539.7	343.2	334.3	*25.3*	*5.0%*
EBITDA margin APM	%	23.1%	19.9%	12.3%	18.1%	27.6%	*3.2 pp*	*n/a*
Adjusted EBIT APM	EURm	345.2	329.5	317.4	206.4	126.6	*15.7*	*4.8%*
Operating profit (EBIT) APM	EURm	350.0	352.2	387.8	192.1	215.0	*(2.2)*	*(0.6%)*
EBIT margin APM	%	15.2%	13.8%	8.8%	10.1%	17.6%	*1.4 pp*	*n/a*
Adjusted Net profit APM	EURm	277.5	286.6	256.0	162.8	95.5	*(9.1)*	*(3.2%)*
Net profit	EURm	276.2	320.2	293.4	160.2	170.6	*(44.0)*	*(13.7%)*
Net profit margin APM	%	12.0%	12.6%	6.7%	8.4%	13.8%	*(0.6 pp)*	*n/a*
Investments APM	EURm	812.0	937.1	521.8	234.9	346.8	*(125.1)*	*(13.3%)*
Green Capacities	EURm	434.5	542.7	226.2	32.3	197.0	*(108.2)*	*(19.9%)*
Networks	EURm	337.0	346.8	268.1	191.2	141.1	*(9.8)*	*(2.8%)*
Reserve Capacities	EURm	2.6	4.9	15.0	0.2	1.5	*(2.3)*	*(46.9%)*
Customers & Solutions	EURm	25.2	25.0	6.8	2.9	3.2	*0.2*	*0.8%*
Other activities and eliminations	EURm	12.7	17.7	5.7	8.3	4.0	*(5.0)*	*(28.2%)*
FFO APM	EURm	478.6	387.4	484.1	299.4	309.4	*91.2*	*23.5%*
FCF APM	EURm	(193.9)	(212.4)	17.3	(240.6)	5.1	*18.5*	*8.7%*
Adjusted ROE APM	%	11.8%	13.1%	12.9%	8.9%	6.0%	*(1.3 pp)*	*n/a*
ROE APM	%	11.8%	14.6%	14.7%	8.7%	10.6%	*(2.8 pp)*	*n/a*
Adjusted ROCE APM	%	9.0%	9.8%	10.7%	7.9%	5.4%	*(0.8 pp)*	*n/a*
ROCE APM	%	9.2%	10.5%	13.1%	7.3%	9.1%	*(1.3 pp)*	*n/a*
ROA APM	%	5.0%	6.1%	6.2%	3.9%	4.8%	*(1.1 pp)*	*n/a*
EPS APM	EUR	3.82	4.42	4.04	2.16	2.30	*(0.60)*	*(13.6%)*
DPS APM	EUR	1.33	1.29	1.24	1.19	1.14	*0.04*	*3.1%*

Key financial indicators (cont.)

		31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	*2024 vs 2023, Δ*	*2024 vs 2023, Δ %*
Total assets	EURm	5,706.0	5,244.4	5,271.6	4,258.1	3,920.9	*461.6*	*8.8%*
Equity	EURm	2,436.8	2,263.4	2,125.6	1,855.9	1,813.3	*173.4*	*7.7%*
Net Debt APM	EURm	1,612.3	1,317.5	986.9	957.2	600.3	*294.8*	*22.4%*
Net Working Capital APM	EURm	102.6	175.2	443.3	438.7	94.4	*(72.6)*	*(41.4%)*
Net Working Capital/Revenue APM	%	4.4%	6.9%	10.1%	23.1%	7.7%	*(2.5 pp)*	*n/a*
Capital Employed APM	EURm	4,049.1	3,580.9	3,112.5	2,813.2	2,413.6	*468.2*	*13.1%*
Equity Ratio APM	times	0.43	0.43	0.40	0.44	0.46	*-*	*-%*
Net Debt/Adjusted EBITDA APM	times	3.05	2.72	2.10	2.88	2.44	*0.33*	*12.1%*
Net Debt/EBITDA APM	times	3.03	2.60	1.83	2.79	1.80	*0.43*	*16.5%*
Gross Debt/Equity APM	times	0.76	0.72	0.79	0.76	0.71	*0.04*	*5.6%*
FFO /Net Debt APM	%	29.7%	29.4%	49.1%	31.3%	51.5%	*0.3 pp*	*n/a*
Current Ratio APM	times	1.35	1.55	1.87	1.87	3.36	*(0.20)*	*(12.9%)*
Asset Turnover APM	times	0.42	0.48	0.92	0.46	0.34	*(0.06)*	*(12.5%)*

Key operating indicators

		31 Dec 2024	31 Dec 2023	31 Dec 2022	31 Dec 2021	31 Dec 2020	*2024 vs 2023, Δ*	*2024 vs 2023, Δ %*
Electricity								
Green Capacities Portfolio	GW	8.0	7.1	5.1	2.6	2.6	*0.8*	*11.7%*
Secured Capacity	GW	3.1	2.9	1.6	1.4	1.4	*0.2*	*5.6%*
Installed Capacity	GW	1.4	1.3	1.2	1.2	1.1	*0.1*	*7.0%*
Under Construction	GW	1.0	0.9	0.4	0.1	0.2	*0.1*	*8.0%*
Awarded / Contracted	GW	0.7	0.7	-	-	-	*-*	*-%*
Advanced Development Pipeline	GW	0.7	1.0	0.7	0.1	-	*(0.2)*	*(22.3)%*
Early Development Pipeline	GW	4.1	3.3	2.8	1.1	1.0	*0.9*	*27.2%*
Heat								
Heat Generation Capacity	GW	0.4	0.3	0.3	0.3	0.3	*0.0*	*0.3%*
Installed Capacity	GW	0.4	0.3	0.2	0.2	0.1	*0.0*	*6.4%*
Under Construction	GW	-	0.0	0.2	0.2	0.2	*(0.0)*	*(100.0%)*

		2024	2023	2022	2021	2020	*2024 vs 2023, Δ*	*2024 vs 2023, Δ %*
Electricity								
Electricity Generated (net)	TWh	2.83	2.07	1.92	2.36	2.52	*0.76*	*36.5%*
Green Electricity Generated (net)	TWh	2.30	1.76	1.65	1.55	1.32	*0.54*	*30.9%*
Green Share of Generation	%	81.5%	85.0%	85.9%	65.4%	52.4%	*(3.5 pp)*	*n/a*
Electricity sales	TWh	6.94	6.88	7.98	7.11	6.79	*0.06*	*0.8%*
Electricity distributed	TWh	10.07	9.73	10.01	10.37	9.55	*0.34*	*3.5%*
SAIFI	times	1.41	1.35	1.52	1.45	1.34	*0.06*	*4.3%*
SAIDI	min.	399	121	179	202	208	*278*	*230.5%*
Heat								
Heat Generated (net)	TWh	1.66	1.07	0.89	0.85	0.32	*0.59*	*55.3%*
Natural gas								
Natural gas sales	TWh	8.71	9.29	12.80	11.55	14.70	*(0.58)*	*(6.3%)*
Natural gas distributed	TWh	6.91	6.32	6.68	8.49	7.06	*0.59*	*9.3%*

3.3 Results Q4

Financial results

Revenue

In Q4 2024, total revenue decreased by EUR 21.6 million compared to Q4 2023. The main reason for the decrease was lower revenue in the Customers & Solutions segment, which outweighed the increase of revenue in all the remaining segments.

Adjusted EBITDA

Adjusted EBITDA in Q4 2024 decreased by EUR 8.5 million (6.1%) compared to Q4 2023. The main reasons for the decrease were lower results in the Customers & Solutions and Reserve Capacities segments, which outweighed the increase of Adjusted EBITDA in the Green Capacities and Networks segments.

Key financial indicators, EURm

		Q4 2024	Q4 2023	Δ	Δ, %
Total revenue	EURm	685.9	707.5	*(21.6)*	*(3.1%)*
Adjusted EBITDA APM	EURm	130.9	139.4	*(8.5)*	*(6.1%)*
Adjusted EBITDA Margin APM	%	19.2%	20.3%	*(1.1 pp)*	*n/a*
EBITDA APM	EURm	134.9	159.2	*(24.3)*	*(15.3%)*
Adjusted EBIT APM	EURm	81.2	98.5	*(17.3)*	*(17.6%)*
Operating profit (EBIT) APM	EURm	85.2	118.3	*(33.1)*	*(28.0%)*
Adjusted Net Profit APM	EURm	64.1	93.5	*(29.4)*	*(31.4%)*
Net Profit	EURm	62.2	107.6	*(45.4)*	*(42.2%)*
Investments APM	EURm	228.3	303.4	*(75.1)*	*(24.8%)*
FFO APM	EURm	125.7	142.9	*(17.2)*	*(12.0%)*
FCF APM	EURm	(69.4)	(97.1)	*27.7*	*28.5%*

Adjusted Net Profit

In Q4 2024, Adjusted Net Profit decreased by EUR 29.4 million (31.4%) compared to Q4 2023. The decrease is related to lower Adjusted EBITDA (EUR -8.5 million), absence of last year's positive foreign exchange rate impact, which had favourably affected financial results in the previous period (EUR -6.9 million) and higher depreciation and amortisation expenses (EUR -5.7 million).

Investments

Compared to Q4 2023, Investments in Q4 2024 were lower due to the successful completion of several major Green Capacities projects. During the last twelve months, Silesia WF I and Vilnius CHP biomass unit have reached COD, and Silesia WF II construction work has been completed.

Operating performance

As of 31 December 2024, the Green Capacities Portfolio increased to 8.0 GW, up from 7.7 GW on 30 September 2024. The growth is attributed to greenfield capacity additions in Poland and Latvia. Secured Capacity remained flat at 3.1 GW.

Electricity Generated (net) increased by 0.27 TWh (39.6%). The increase was driven by higher generation in the Green Capacities segment, including Vilnius CHP biomass unit as well as Kelmė WF and Silesia WF II, which supplied their first power to the grid and started commissioning activities.

Electricity sales increased by 0.05 TWh (2.6%) compared to Q4 2023. The increase was driven by higher electricity sales to B2B customers.

The electricity distribution quality indicator SAIFI decreased to 0.28 interruptions (compared to 0.40 in Q4 2023), and electricity SAIDI decreased to 43 minutes (compared to 46 minutes in Q4 2023). The quarterly quality indicators improved due to higher number of installed automatic solutions, management of staff levels based on weather forecast, and more favourable weather conditions in the fourth quarter of 2024.

Heat Generated (net) in Q4 2024 amounted to 0.60 TWh and was 0.20 TWh (49.5%) higher compared to Q4 2023. The increase was driven by heat generated by Vilnius CHP biomass unit.

Natural gas sales increased by 0.12 TWh (4.5%). The growth was driven by higher retail sales to B2B customers, mainly in Lithuania and Finland.

Key operating indicators

		31 Dec 2024	30 Sep 2024	Δ	Δ, %
Electricity					
Green Capacities Portfolio	GW	8.0	7.7	*0.3*	*3.8%*
Secured Capacity	GW	3.1	3.1	*(0.0)*	*(0.2%)*
Installed Capacity	GW	1.4	1.4	-	*-%*
Under Construction	GW	1.0	1.0	*(0.0)*	*(0.6%)*
Awarded / Contracted	GW	0.7	0.7	-	*-%*
Advanced Development Pipeline	GW	0.7	0.8	*(0.0)*	*(4.3%)*
Early Development Pipeline	GW	4.1	3.8	*0.3*	*8.6%*
Heat					
Heat Generation Capacity	GW	0.4	0.4	-	*-%*
Installed Capacity	GW	0.4	0.4	-	*-%*
Under Construction	GW	-	-	-	*-%*
		Q4 2024	**Q4 2023**	**Δ**	**Δ, %**
Electricity					
Electricity Generated (net)	TWh	0.93	0.67	*0.27*	*39.6%*
Green Electricity Generated (net)	TWh	0.72	0.51	*0.21*	*40.5%*
Green Share of Generation	%	77.1%	76.6%	*0.5 pp*	*n/a*
Electricity sales	TWh	1.93	1.88	*0.05*	*2.6%*
Electricity distributed	TWh	2.73	2.70	*0.03*	*1.2%*
SAIFI	times	0.28	0.40	*(0.12)*	*(29.9%)*
SAIDI	min.	43	46	*(3)*	*(7.3%)*
Heat					
Heat Generated (net)	TWh	0.60	0.40	*0.20*	*49.5%*
Natural gas					
Natural gas sales	TWh	2.77	2.65	*0.12*	*4.5%*
Natural gas distributed	TWh	2.22	2.26	*(0.04)*	*(1.8%)*

In Lithuania, the natural gas distribution volume decreased by 0.04 TWh (1.8%) due to warmer weather conditions in Q4 2024 compared to Q4 2023.

3.4 Quarterly summary

Key financial indicators

		Q4 2024	Q3 2024	Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022
Total revenue	EURm	685.9	528.8	438.8	653.5	707.5	471.2	442.1	928.3	1,359.1	1,294.7	741.9	991.2
Adjusted EBITDA APM	EURm	130.9	107.2	108.0	181.7	139.4	91.8	103.6	149.9	112.1	150.8	95.1	111.4
Adjusted EBITDA Margin APM	%	19.2%	20.1%	24.5%	28.1%	20.3%	20.2%	20.7%	17.0%	8.9%	11.4%	13.3%	11.0%
EBITDA APM	EURm	134.9	103.6	105.3	188.9	159.2	108.3	44.6	195.3	206.2	122.1	119.8	91.6
Adjusted EBIT APM	EURm	81.2	60.6	63.2	140.3	98.5	52.7	67.1	111.3	68.5	112.0	60.0	76.9
Operating profit (EBIT) APM	EURm	85.2	56.9	60.4	147.5	118.3	69.1	8.2	156.6	162.6	83.3	84.7	57.2
Adjusted Net Profit APM	EURm	64.1	48.7	52.0	112.6	93.5	42.9	61.4	88.7	53.7	94.4	46.8	61.1
Net Profit	EURm	62.2	45.6	49.7	118.7	107.6	56.8	28.6	127.2	108.5	70.1	68.0	46.8
Investments APM	EURm	228.3	161.4	212.8	209.5	303.4	231.1	281.8	120.8	154.0	188.1	117.5	62.0
FFO APM	EURm	125.7	127.6	55.9	169.5	142.9	82.8	(23.7)	185.3	197.2	101.4	96.2	89.3
FCF APM	EURm	(69.4)	(19.5)	(110.0)	5.0	(97.1)	(165.5)	(157.8)	208.0	652.9	(385.5)	(92.8)	(157.2)
Adjusted ROE LTM APM	%	11.8%	13.7%	13.5%	14.2%	13.1%	11.4%	14.2%	13.9%	12.9%	13.7%	10.7%	10.0%
ROE LTM APM	%	11.8%	14.4%	15.0%	14.2%	14.6%	14.8%	15.9%	18.4%	14.7%	11.5%	10.8%	8.6%
Adjusted ROCE LTM APM	%	9.0%	10.3%	10.4%	11.1%	9.8%	8.6%	11.3%	12.1%	10.7%	10.7%	9.1%	8.8%
ROCE LTM APM	%	9.2%	10.9%	11.6%	10.7%	10.5%	11.4%	13.0%	16.7%	13.1%	8.3%	7.9%	7.1%

		31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Total assets	EURm	5,706.0	5,459.1	5,366.0	5,327.5	5,244.4	5,067.9	5,049.7	4,928.2	5,271.6	5,304.7	4,614.5	4,623.0
Equity	EURm	2,436.8	2,372.1	2,369.5	2,321.4	2,263.4	2,100.9	2,083.6	2,060.3	2,125.6	2,228.2	2,127.8	2,005.3
Net Debt APM	EURm	1,612.3	1,448.8	1,411.0	1,287.8	1,317.5	1,114.1	966.7	762.9	986.9	1,512.8	1,156.2	1,000.7
Net Working Capital APM	EURm	102.6	116.2	113.7	144.4	175.2	216.8	191.0	314.8	443.3	1,030.0	717.4	633.6
Capital Employed APM	EURm	4,049.1	3,820.9	3,780.5	3,609.2	3,580.9	3,214.8	3,050.1	2,823.3	3,112.5	3,741.0	3,284.0	3,006.0
Net Debt/Adjusted EBITDA LTM APM	times	3.05	2.70	2.71	2.49	2.72	2.44	1.87	1.50	2.10	3.23	2.96	2.73
Net Debt/EBITDA LTM APM	times	3.03	2.60	2.51	2.57	2.60	2.01	1.70	1.19	1.83	3.65	3.08	2.95
FFO LTM /Net Debt APM	%	29.7%	34.2%	32.0%	28.9%	29.4%	39.6%	47.6%	76.0%	49.1%	23.9%	28.4%	29.7%

Key operating indicators

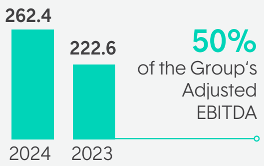
		31 Dec 2024	30 Sep 2024	30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sep 2022	30 Jun 2022	31 Mar 2022
Electricity													
Green Capacities Portfolio	GW	8.0	7.7	7.7	7.4	7.1	6.3	5.7	5.3	5.1	3.6	3.0	2.7
Secured Capacity	GW	3.1	3.1	2.9	2.9	2.9	2.5	1.8	1.6	1.6	1.4	1.4	1.4
Installed Capacity	GW	1.4	1.4	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2
Under Construction	GW	1.0	1.0	0.8	0.9	0.9	0.5	0.6	0.4	0.4	0.2	0.1	0.1
Awarded / Contracted	GW	0.7	0.7	0.7	0.7	0.7	0.7	-	-	-	-	-	-
Advanced Development Pipeline	GW	0.7	0.8	0.9	0.7	1.0	1.4	1.3	0.9	0.7	0.1	0.3	0.2
Early Development Pipeline	GW	4.1	3.8	3.8	3.8	3.3	2.4	2.6	2.8	2.8	2.1	1.4	1.1
Heat													
Heat Generation Capacity	GW	0.4	0.4	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Installed Capacity	GW	0.4	0.4	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Under Construction	GW	-	-	-	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2
		Q4 2024	**Q3 2024**	**Q2 2024**	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**	**Q4 2022**	**Q3 2022**	**Q2 2022**	**Q1 2022**
Electricity													
Electricity Generated (net)	TWh	0.93	0.58	0.55	0.77	0.67	0.44	0.41	0.55	0.56	0.37	0.41	0.59
Green Electricity Generated (net)	TWh	0.72	0.47	0.50	0.61	0.51	0.36	0.36	0.53	0.42	0.31	0.37	0.55
Green Share of Generation	%	77.1%	80.8%	91.7%	79.9%	76.6%	81.1%	88.4%	95.6%	75.7%	83.3%	90.9%	93.8%
Electricity sales	TWh	1.93	1.63	1.54	1.84	1.88	1.56	1.56	1.89	1.91	1.81	2.07	2.19
Electricity distributed	TWh	2.73	2.30	2.27	2.78	2.70	2.22	2.22	2.60	2.51	2.29	2.44	2.77
SAIFI	times	0.28	0.56	0.36	0.21	0.40	0.37	0.32	0.27	0.31	0.28	0.31	0.62
SAIDI	min.	43	307	36	14	46	42	14	19	34	19	20	105
Heat													
Heat Generated (net)	TWh	0.60	0.24	0.37	0.46	0.40	0.20	0.20	0.28	0.25	0.16	0.18	0.30
Natural gas													
Natural gas sales	TWh	2.77	1.83	1.27	2.84	2.65	1.34	1.45	3.86	3.83	2.52	2.44	4.01
Natural gas distributed	TWh	2.22	0.89	1.11	2.68	2.26	0.78	0.97	2.31	2.02	0.77	1.21	2.68

3.5 Results by business segments

Overview

Green Capacities

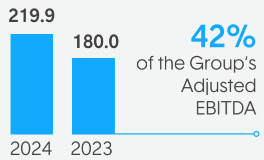
Adjusted EBITDA, EURm



Revenue, EURm	423.7
Adjusted EBIT, EURm	217.7
Investments, EURm	434.5

Networks

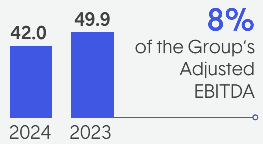
Adjusted EBITDA, EURm



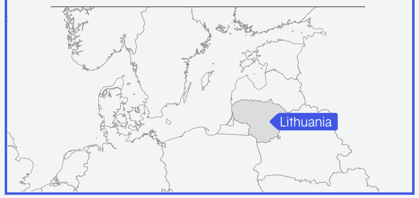
Revenue, EURm	700.8
Adjusted EBIT, EURm	105.1
Investments, EURm	337.0

Reserve Capacities

Adjusted EBITDA, EURm

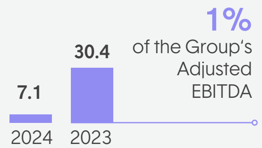


Revenue, EURm	150.1
Adjusted EBIT, EURm	31.1
Investments, EURm	2.6

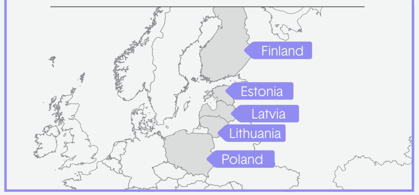


Customers & Solutions

Adjusted EBITDA, EURm



Revenue, EURm	1,227.0
Adjusted EBIT, EURm	4.1
Investments, EURm	25.2



Indicators provided in this page (except Revenue) are considered as Alternative Performance Measures APM.

Green Capacities

Q4 2024 highlights

- Silesia WF II (137 MW) in Poland supplied first power to the grid.
- We have signed a co-development agreement with a renewable energy project development company for early stage onshore development projects in Estonia.

After the reporting period:

- On 5 February 2025, the joint balancing capacity market for the Baltic States began operations. As a result, the price for Kruonis mFRR balancing services is no longer regulated by the regulator (NERC), shifting to a market-driven model.

Key financial indicators, EURm

	2024	2023	Δ	Δ, %	Q4 2024	Q4 2023	Δ	Δ, %
Total revenue	423.7	342.6	*81.1*	*23.7%*	138.8	105.3	*33.5*	*31.8%*
Adjusted EBITDA APM	262.4	222.6	*39.8*	*17.9%*	81.5	68.2	*13.3*	*19.5%*
EBITDA APM	273.1	223.0	*50.1*	*22.5%*	92.2	68.6	*23.6*	*34.4%*
Adjusted EBIT APM	217.7	193.4	*24.3*	*12.6%*	69.5	60.7	*8.8*	*14.5%*
Operating profit (EBIT) APM	228.3	193.7	*34.6*	*17.9%*	80.1	61.0	*19.1*	*31.3%*
Investments APM	434.5	542.7	*(108.2)*	*(19.9%)*	99.3	180.8	*(81.5)*	*(45.1%)*
Adjusted EBITDA Margin APM	63.5%	65.1%	*(1.6 pp)*	*n/a*	63.7%	65.1%	*(1.4 pp)*	*n/a*
	31 Dec 2024	**31 Dec 2023**	**Δ**	**Δ, %**	**31 Dec 2024**	**30 Sep 2024**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	1,829.0	1,325.3	*503.7*	*38.0%*	1,829.0	1,640.3	*188.7*	*11.5%*

Financial results

Q4 results

The Green Capacities segment's revenue was 31.8% (EUR 33.5 million) higher compared to Q4 2023. Revenue increased primarily due to the launch of new assets (Silesia WF I and Vilnius CHP biomass unit, additionally Kelmė WF and Silesia WF II supplied first power to the grid) and higher captured electricity prices, mainly due to the flexibility of the assets.

The Green Capacities segment's Adjusted EBITDA was 19.5% (EUR 13.3 million) higher compared to Q4 2023. Adjusted EBITDA increased primarily due to the launch of new assets (Silesia WF I and Vilnius CHP biomass unit, additionally Kelmė WF and Silesia WF II supplied first power to the grid) and higher captured electricity prices, mainly due to the flexibility of the assets.

Compared to Q4 2023, Investments in Q4 2024 were lower due to the successful completion of several major Green Capacities projects. During the last twelve months, Silesia WF I and Vilnius CHP biomass unit have reached COD, while Silesia WF II construction work has been completed. The majority of Investments in Q4 were made in Kelmė WF, Stelpe SF, Vārme SF and offshore projects.

Operating performance

Q4 results

As of 31 December 2024, the Green Capacities Portfolio increased to 8.0 GW, up from 7.7 GW on 30 September 2024. The growth is attributed to greenfield capacity additions in Poland and Latvia. Secured Capacity remained flat at 3.1 GW.

Electricity Generated (net) increased by 0.21 TWh (40.5%). The increase was driven by electricity generated by Vilnius CHP biomass unit as well as Kelmė WF and Silesia WF II, which supplied their first power to the grid and started commissioning activities.

Heat Generated (net) in Q4 2024 amounted to 0.60 TWh and was 0.20 TWh (49.5%) higher compared to Q4 2023. The increase was driven by heat generated by Vilnius CHP biomass unit.

Key operating indicators

		31 Dec 2024	31 Dec 2023	Δ	Δ, %	31 Dec 2024	30 Sep 2024	Δ	Δ, %
Electricity									
Green Capacities Portfolio	GW	7.98	7.14	*0.84*	*11.7%*	7.98	7.69	*0.29*	*3.8%*
Secured Capacity	GW	3.11	2.94	*0.17*	*5.6%*	3.11	3.11	*(0.01)*	*(0.2%)*
Installed Capacity	GW	1.42	1.33	*0.09*	*7.0%*	1.42	1.42	-	*-%*
Onshore wind	GW	0.28	0.23	*0.05*	*21.4%*	0.28	0.28	-	*-%*
Solar	GW	0.02	-	*0.02*	*-%*	0.02	0.02	-	*-%*
Hydro	GW	1.00	1.00	-	*-%*	1.00	1.00	-	*-%*
Pumped-storage	GW	0.90	0.90	-	*-%*	0.90	0.90	-	*-%*
Run-of-river	GW	0.10	0.10	-	*-%*	0.10	0.10	-	*-%*
Waste	GW	0.04	0.04	-	*-%*	0.04	0.04	-	*-%*
Biomass	GW	0.07	0.05	*0.02*	*42.0%*	0.07	0.07	-	*-%*
Under Construction	GW	0.98	0.91	*0.07*	*8.0%*	0.98	0.99	*(0.01)*	*(0.6%)*
Onshore wind	GW	0.44	0.49	*(0.05)*	*(10.3%)*	0.44	0.44	-	*-%*
Solar	GW	0.44	0.29	*0.15*	*50.1%*	0.44	0.44	*(0.01)*	*(1.4%)*
Hydro	GW	0.11	0.11	-	*-%*	0.11	0.11	-	*-%*
Biomass	GW	-	0.02	*(0.02)*	*(100.0%)*	-	-	-	*-%*
Awarded / Contracted	GW	0.70	0.70	-	*-%*	0.70	0.70	-	*-%*
Advanced Development Pipeline	GW	0.74	0.95	*(0.21)*	*(22.3%)*	0.74	0.77	*(0.03)*	*(4.3%)*
Early Development Pipeline	GW	4.13	3.25	*0.88*	*27.2%*	4.13	3.81	*0.33*	*8.6%*
Heat									
Heat Generation Capacity	GW	0.35	0.35	*0.00*	*0.3%*	0.35	0.35	-	*-%*
Installed Capacity	GW	0.35	0.33	*0.02*	*6.4%*	0.35	0.35	-	*-%*
Under Construction	GW	-	0.02	*(0.02)*	*(100.0%)*	-	-	-	*-%*
		2024	**2023**	**Δ**	**Δ, %**	**Q4 2024**	**Q4 2023**	**Δ**	**Δ, %**
Electricity									
Electricity Generated (net)	TWh	2.30	1.76	*0.54*	*30.9%*	0.72	0.51	*0.21*	*40.5%*
Onshore wind	TWh	0.86	0.58	*0.27*	*47.2%*	0.34	0.21	*0.13*	*62.7%*
Solar	TWh	0.01	-	*0.01*	*-%*	0.00	-	*0.00*	*-%*
Hydro	TWh	0.90	0.89	*0.01*	*1.0%*	0.20	0.22	*(0.02)*	*(10.7%)*
Pumped-storage	TWh	0.54	0.52	*0.02*	*3.8%*	0.13	0.14	*(0.01)*	*(6.0%)*
Run-of-river	TWh	0.36	0.37	*(0.01)*	*(2.9%)*	0.06	0.08	*(0.01)*	*(19.6%)*
Waste	TWh	0.29	0.27	*0.02*	*5.5%*	0.08	0.07	*0.01*	*9.8%*
Biomass	TWh	0.24	0.01	*0.23*	*1,923.2%*	0.10	0.01	*0.09*	*748.5%*
Onshore wind farms availability factor	%	95.6%	95.8%	*(0.2 pp)*	*n/a*	97.8%	96.8%	*1.0 pp*	*n/a*
Onshore wind farms load factor	%	31.2%	31.5%	*(0.3 pp)*	*n/a*	40.2%	40.6%	*(0.4 pp)*	*n/a*
Wind speed	m/s	6.8	7.0	*(0.2)*	*(2.3%)*	7.3	7.7	*(0.4)*	*(5.3%)*
Heat									
Heat Generated (net)	TWh	1.66	1.07	*0.59*	*55.3%*	0.60	0.40	*0.20*	*49.5%*
Waste[1]	TWh	0.80	0.81	*(0.02)*	*(2.1%)*	0.24	0.23	*0.01*	*3.7%*
Biomass	TWh	0.87	0.26	*0.61*	*235.3%*	0.36	0.17	*0.19*	*113.1%*

[1] *Vilnius CHP and Kaunas CHP can use natural gas for starting/stopping the plant, running tests, etc., which is included in the reported values of 'Waste'.*

Networks

Q4 2024 highlights

- The regulator NERC has adopted resolutions, setting 2025 RAB at EUR 1.8 billion (EUR 1.6 billion in 2024), WACC (weighted average) – 5.79% (5.08% in 2024) and additional tariff component – EUR 37.5 million (EUR 40 million in 2024).
- The total number of installed smart meters has exceeded 1 million (out of more than 1.2 million smart meters to be installed by 2026).

After the reporting period:

- The regulator (NERC) has approved our 10-year (2024–2033) Investment Plan for distribution networks, which we submitted to the regulator for public consultation and coordination on 11 June 2024. The plan foresees a 40% increase in Investments to EUR 3.5 billion. The previous 10-year investment plan submitted to NERC projected EUR 2.5 billion in Investments for 2022–2031.

Financial results

Q4 results

The Networks segment's revenue in Q4 2024 was 13.5% (EUR 22.5 million) higher than in Q4 2023. The increase was mainly driven by higher revenue from electricity transmission activities (EUR +40.3 million). The result was partly offset by lower revenue from electricity distribution activities (EUR -11.5 million) due to lower tariffs set by the regulator. The decrease in electricity distribution tariffs was mainly caused by lower expenses from electricity distribution technological losses, which have decreased due to lower electricity purchase prices.

The Networks segment's Adjusted EBITDA was EUR 3.0 million higher than in Q4 2023, mainly due to the higher WACC effect (EUR +3.8 million) and higher RAB effect (EUR +3.3 million). The increase was partly offset by reverse of temporary volumes effect amounting to EUR -11.4 million. Annual ROI, compensated depreciation and amortisation and additional tariff component are fixed for the year but allocated between the months based on the distributed volumes. As a higher share of these adjusted EBITDA components was earned in Q1–Q3, a reversal occurred in Q4.

In Q4 2024, Investments increased by 19.7% (EUR 19.7 million) due to higher Investments made in the expansion of the electricity distribution network (EUR +23.8 million). The increase was partly offset by lower Investments in smart meters (EUR -5.0 million) as the majority of smart meters were installed last year, causing gradual decline in the number of smart meters being installed over the Q4 2024 period.

Key financial indicators, EURm

	2024	2023	Δ	Δ, %	Q4 2024	Q4 2023	Δ	Δ, %
Total revenue	700.8	592.0	*108.8*	*18.4%*	189.1	166.6	*22.5*	*13.5%*
Adjusted EBITDA APM	219.9	180.0	*39.9*	*22.2%*	54.3	51.3	*3.0*	*5.8%*
EBITDA APM	202.7	292.2	*(89.5)*	*(30.6%)*	57.2	73.8	*(16.6)*	*(22.5%)*
Adjusted EBIT APM	105.1	77.1	*28.0*	*36.3%*	22.8	24.9	*(2.1)*	*(8.4%)*
Operating profit (EBIT) APM	87.8	189.3	*(101.5)*	*(53.6%)*	25.5	47.3	*(21.8)*	*(46.1%)*
Investments APM	337.0	346.8	*(9.8)*	*(2.8%)*	119.9	100.2	*19.7*	*19.7%*
Adjusted EBITDA Margin APM	30.6%	37.5%	*(6.9 pp)*	*n/a*	29.1%	35.4%	*(6.3 pp)*	*n/a*
	31 Dec 2024	**31 Dec 2023**	**Δ**	**Δ, %**	**31 Dec 2024**	**30 Sep 2024**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	2,259.2	2,046.5	*212.7*	*10.4%*	2,259.2	2,177.0	*82.2*	*3.8%*

Key regulatory indicators

		2025[1]	2024	2023
Regulated activity share in Adjusted EBITDA	%	**100.00**	**100.00**	**100.00**
Total				
RAB[3]	EURm	1,795	1,584	1,429
WACC (weighted average)	%	5.79	5.08	4.14
D&A (regulatory)	EURm	99.5	79.3	74.9
Additional tariff component	EURm	37.5	40.0	28.0
Deferred part of investments covered by clients and electricity equipment transfer[2]	EURm	n/a	22.2	22.3
Electricity distribution				
RAB[3]	EURm	1,541	1,332	1,183
WACC	%	5.82	5.09	4.17
D&A (regulatory)	EURm	88.6	67.6	64.5
Additional tariff component	EURm	37.5	40.0	28.0
Deferred part of investments covered by clients and electricity equipment transfer[2]	EURm	n/a	20.6	20.7
Natural gas distribution				
RAB[3]	EURm	254	252	246
WACC	%	5.64	5.03	3.99
D&A (regulatory)	EURm	11.0	11.7	10.4
Deferred part of investments covered by clients and electricity equipment transfer[2]	EURm	n/a	1.6	1.6

[1] Numbers approved and published by the regulator (NERC).
[2] Actual numbers from the Networks segment's Statement of profit or loss for the reporting period.
[3] RAB number at the beginning of the period.

Operating performance

Q4 results

The volume of distributed electricity has increased by 0.03 TWh (1.2%) in Q4 2024 compared to Q4 2023. The increase was mainly driven by higher consumption among B2B customers.

The electricity distribution quality indicator SAIFI decreased to 0.28 interruptions (compared to 0.40 in Q4 2023), and electricity SAIDI decreased to 43 minutes (compared to 46 minutes in Q4 2023). The quarterly quality indicators improved due to higher number of installed automatic solutions, management of staff levels based on weather forecast, and more favourable weather conditions in the fourth quarter of 2024.

In Lithuania, the distributed natural gas volume in Q4 2024 decreased by 0.04 TWh (or 1.8%), amounting to 2.22 TWh. The decline was driven by warmer weather conditions in Q4 2024 compared to Q4 2023.

Key operating indicators

		31 Dec 2024	31 Dec 2023	Δ	Δ, %	31 Dec 2024	30 Sep 2024	Δ	Δ, %
Electricity									
Distribution network	thousand km	131	128	*3*	*2.1%*	131	131	*0*	*0.2%*
Number of customers	thousand	1,869	1,851	*18*	*1.0%*	1,869	1,863	*5*	*0.3%*
of which prosumers and producers	thousand	90	65	*25*	*38.1%*	90	85	*5*	*6.1%*
admissible power of prosumers and producers	MW	1,559	1,117	*442*	*39.5%*	1,559	1,440	*119*	*8.2%*
Number of smart meters installed	thousand	1,032	729	*302*	*41.5%*	1,032	968	*64*	*6.6%*
Natural gas									
Distribution network	thousand km	9.72	9.69	*0.03*	*0.3%*	9.72	9.71	*0.01*	*0.1%*
Number of customers	thousand	626	626	*1*	*0.1%*	626	626	*1*	*0.1%*

		2024	2023	Δ	Δ, %	Q4 2024	Q4 2023	Δ	Δ, %
Electricity									
Electricity distributed	TWh	10.07	9.73	*0.34*	*3.5%*	2.73	2.70	*0.03*	*1.2%*
of which B2C	TWh	3.26	3.25	*0.01*	*0.3%*	0.92	0.94	*(0.03)*	*(3.0%)*
of which B2B	TWh	6.80	6.47	*0.33*	*5.1%*	1.81	1.75	*0.06*	*3.4%*
Technological losses	%	5.0%	4.1%	*0.9 pp*	*n/a*	5.1%	5.0%	*0.1 pp*	*n/a*
New connection points	thousand	40.2	50.9	*(10.7)*	*(21.1%)*	9.4	9.4	*(0.0)*	*(0.1%)*
Connection point upgrades	thousand	18.6	25.1	*(6.5)*	*(26.0%)*	4.3	5.5	*(1.2)*	*(22.4%)*
Admissible power of new connection points and upgrades	MW	399	556	*(157)*	*(28.3%)*	98	126	*(28)*	*(22.1%)*
Time to connect (average)	c. d.	39	42	*(3)*	*(6.9%)*	50	40	*10*	*25.3%*
SAIFI	times	1.41	1.35	*0.06*	*4.3%*	0.28	0.40	*(0.12)*	*(29.9%)*
SAIDI	min.	399	121	*278*	*230.5%*	43	46	*(3)*	*(7.3%)*
Supply of Last Resort	TWh	0.24	0.23	*0.01*	*5.0%*	0.07	0.06	*0.01*	*17.8%*
Natural gas									
Natural gas distributed	TWh	6.91	6.32	*0.59*	*9.3%*	2.22	2.26	*(0.04)*	*(1.8%)*
of which B2C	TWh	2.29	2.29	*(0.00)*	*(0.0%)*	0.85	0.87	*(0.02)*	*(2.0%)*
of which B2B	TWh	4.62	4.03	*0.59*	*14.6%*	1.37	1.39	*(0.02)*	*(1.7%)*
New connection points and upgrades	thousand	2.0	2.5	*(0.5)*	*(18.7%)*	0.5	0.7	*(0.1)*	*(17.2%)*
Technological losses	%	1.5%	1.8%	*(0.3 pp)*	*n/a*	0.8%	1.5%	*(0.7 pp)*	*n/a*
Time to connect (average)	c. d.	63	55	*8*	*13.8%*	75	59	*17*	*28.7%*
SAIFI	times	0.005	0.003	*0.002*	*46.1%*	0.001	0.001	*(0.000)*	*(15.0%)*
SAIDI	min.	0.49	0.30	*0.20*	*65.9%*	0.07	0.04	*0.02*	*50.3%*
Customer experience									
NPS (Transactional)	%	56.2%	52.1%	*4.1 pp*	*n/a*	53.1%	53.2%	*(0.1 pp)*	*n/a*

Reserve Capacities

Q4 2024 highlights

– In relation to the synchronisation of the Baltic electricity systems with the Continental Europe Synchronous area (9 February 2025), aFRR balancing capacity market was launched in Lithuania (December 2024). Since then, the CCGT unit has started to provide balancing capacity services to the Lithuanian TSO (Litgrid).

Financial results

Q4 results

The Reserve Capacities segment's revenue was 24.5% (EUR 10.5 million) higher compared to Q4 2023. The increase was mainly driven by favourable market conditions and increased electricity generation related to provision of aFRR balancing capacity services, in relation to the synchronisation of the Baltic electricity systems with the Continental Europe Synchronous Area.

The Reserve Capacities segment's Adjusted EBITDA was 54.3% (EUR 6.3 million) lower than in Q4 2023. The YoY decrease is related to the fact that in Q4 2023 the conditions to earn additional return in the market were extraordinary.

Key financial indicators, EURm

	2024	2023	Δ	Δ, %	Q4 2024	Q4 2023	Δ	Δ, %
Total revenue	150.1	128.5	*21.6*	*16.8%*	53.4	42.9	*10.5*	*24.5%*
Adjusted EBITDA APM	42.0	49.9	*(7.9)*	*(15.8%)*	5.3	11.6	*(6.3)*	*(54.3%)*
EBITDA APM	42.1	50.0	*(7.9)*	*(15.8%)*	5.4	11.7	*(6.3)*	*(53.8%)*
Adjusted EBIT APM	31.1	39.1	*(8.0)*	*(20.5%)*	2.5	9.0	*(6.5)*	*(72.2%)*
Operating profit (EBIT) APM	31.3	39.2	*(7.9)*	*(20.2%)*	2.7	9.1	*(6.4)*	*(70.3%)*
Investments APM	2.6	4.9	*(2.3)*	*(46.9%)*	0.3	2.6	*(2.3)*	*(88.5%)*
Adjusted EBITDA Margin APM	28.0%	38.9%	*(10.9 pp)*	*n/a*	10.0%	27.2%	*(17.2 pp)*	*n/a*

	31 Dec 2024	31 Dec 2023	Δ	Δ, %	31 Dec 2024	30 Sep 2024	Δ	Δ, %
PPE, intangible and right-of-use assets	253.3	278.6	*(25.3)*	*(9.1%)*	253.3	256.7	*(3.4)*	*(1.3%)*

Key regulatory indicators

		2025[1]	2024[1]	2023[1]
Regulated activity share in Adjusted EBITDA	%	-	**28.6**	**22.0**
Total				
D&A (regulatory)	EURm	11.3	11.2	10.6
CCGT				
D&A (regulatory)	EURm	7.5	7.2	7.6
Units 7 and 8				
D&A (regulatory)	EURm	3.8	4.0	3.0

[1] *Numbers approved and published by the regulator (NERC).*

Operating performance

Q4 results

In Q4 2024, Electricity Generated (net) by CCGT as well as units 7 and 8 at Elektrėnai Complex amounted to 0.21 TWh and was 36.7% higher compared to Q4 2023. The increase was driven by provision of aFRR balancing capacity services, in relation to the synchronisation of the Baltic electricity systems with the Continental Europe Synchronous Area. Accordingly, it resulted in a 2.5 pp higher load factor in Q4 2024. The availability of Elektrėnai Complex increased by 1.2 pp to 99.1%.

The total Installed Capacity of Elektrėnai Complex is 1,055 MW, and, during the reporting period, 891 MW were used for isolated system operation services, with 260 MW provided by unit 7, 260 MW by unit 8 and 371 MW by CCGT.

Key operating indicators

		31 Dec 2024	31 Dec 2023	Δ	Δ, %	31 Dec 2024	30 Sep 2024	Δ	Δ, %
Electricity									
Installed Capacity	MW	1,055	1,055	-	-%	1,055	1,055	-	-%
Isolated system operation services	MW	891	891	-	-%	891	891	-	-%

		2024	2023	Δ	Δ, %	Q4 2024	Q4 2023	Δ	Δ, %
Electricity									
Electricity Generated (net)	TWh	0.52	0.31	*0.21*	*68.4%*	0.21	0.16	*0.06*	*36.7%*
Availability factor[1]	%	99.5%	99.4%	*0.2 pp*	*n/a*	99.1%	97.9%	*1.2 pp*	*n/a*
Load factor	%	5.7%	3.4%	*2.3 pp*	*n/a*	9.2%	6.7%	*2.5 pp*	*n/a*

[1] *Excluding the planned overhaul works.*

Customers & Solutions

Q4 2024 Highlights

- A fast EV charging hub with the ability to charge 8 EVs simultaneously has been opened in Lithuania, connecting the three largest cities on the A1 highway.
- We have signed an agreement with Maxima to install more than 170 EV charging points in the car parks of 41 Maxima stores across Estonia.

After the reporting period:

- On 1 January 2025, the 10-year designated supply period, during which the Group's company UAB "Ignitis" ensured the delivery of four LNG cargoes annually to the Klaipėda LNG terminal, expired. With the conclusion of this obligation, Lithuania's LNG market has transitioned to a fully commercial model, further enhancing competition.

Financial results

Q4 results

In Q4 2024, the Customers & Solutions segment's revenue was 17.2% (EUR 76.1 million) lower than in Q4 2023. The decrease in revenue was driven by natural gas supply business, mainly due to the lower average natural gas supply price (-36.3%).

Key financial indicators, EURm

	2024	2023	Δ	Δ, %	Q4 2024	Q4 2023	Δ	Δ, %
Total revenue	1,227.0	1,646.8	*(419.8)*	*(25.5%)*	366.2	442.3	*(76.1)*	*(17.2%)*
Adjusted EBITDA APM	7.1	30.4	*(23.3)*	*(76.6%)*	(4.0)	9.5	*(13.5)*	*n/a*
EBITDA APM	18.3	(59.9)	*78.2*	*n/a*	(13.5)	6.1	*(19.6)*	*n/a*
Adjusted EBIT APM	4.1	27.3	*(23.2)*	*(85.0%)*	(5.0)	8.7	*(13.7)*	*n/a*
Operating profit (EBIT) APM	15.3	(62.9)	*78.2*	*n/a*	(14.5)	5.3	*(19.8)*	*n/a*
Investments APM	25.2	25.0	*0.2*	*0.8%*	8.1	19.6	*(11.5)*	*(58.7%)*
Adjusted EBITDA Margin APM	0.6%	1.8%	*(1.2 pp)*	*n/a*	(1.1%)	2.1%	*(3.2 pp)*	*n/a*
	31 Dec 2024	**31 Dec 2023**	**Δ**	**Δ, %**	**31 Dec 2024**	**30 Sep 2024**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	52.4	25.0	*27.4*	*109.6%*	52.4	41.7	*10.7*	*25.7%*

In Q4 2024, the Customers & Solutions segment's Adjusted EBITDA decreased by EUR 13.5 million. The results of natural gas supply activities were lower due to the positive effect in Q4 2023 as a result of the adjusted methodology for calculating the income related to customer over-declaration. The result was partly offset by lower electricity supply losses as the market is more stable compared to Q4 2023, when B2C customers migrated to lower fixed-price plans, resulting in large losses.

Operating performance

Q4 results

In Q4 2024, electricity sales increased by 0.04 TWh (2.1%) compared to Q4 2023, driven by higher sales to B2B customers, mainly in Lithuania and Latvia. The natural gas sales increased by 0.12 TWh (4.5%) in Q4 2024, driven by higher retail sales, primarily in Lithuania, due to lower natural gas market prices, and in Finland, where a rise in sales was recorded after the Balticconnector pipeline resumed its commercial operations in April 2024.

Key operating indicators

		31 Dec 2024	31 Dec 2023	Δ	Δ, %	31 Dec 2024	30 Sep 2024	Δ	Δ, %
Electricity									
Number of customers	m	1.4	1.4	*(0.0)*	*(0.4%)*	1.4	1.4	*0.0*	*0.0%*
EV charging points	units	1,091	376	*715*	*190.2%*	1,091	867	*224*	*25.8%*
Natural gas									
Number of customers	m	0.6	0.6	*(0.0)*	*(0.2%)*	0.6	0.6	*0.0*	*0.0%*
Gas inventory	TWh	0.9	1.7	*(0.8)*	*(47.5%)*	0.9	2.3	*(1.4)*	*(60.2%)*
		2024	**2023**	**Δ**	**Δ, %**	**Q4 2024**	**Q4 2023**	**Δ**	**Δ, %**
Electricity sales									
Lithuania	TWh	5.12	5.22	*(0.10)*	*(1.8%)*	1.46	1.41	*0.05*	*3.3%*
Latvia	TWh	0.78	0.75	*0.03*	*4.0%*	0.21	0.19	*0.02*	*9.6%*
Estonia	TWh	0.00	0.00	*(0.00)*	*(48.7%)*	-	0.00	*(0.00)*	*(100.0%)*
Poland	TWh	0.80	0.69	*0.11*	*15.9%*	0.19	0.22	*(0.03)*	*(12.3%)*
Total retail	TWh	6.70	6.65	*0.04*	*0.7%*	1.86	1.82	*0.04*	*2.1%*
of which B2C	TWh	2.21	2.19	*0.02*	*0.8%*	0.62	0.62	*(0.00)*	*(0.2%)*
of which B2B	TWh	4.49	4.46	*0.03*	*0.6%*	1.24	1.20	*0.04*	*3.3%*
Natural gas sales	TWh	8.71	9.29	*(0.58)*	*(6.3%)*	2.77	2.65	*0.12*	*4.5%*
Lithuania	TWh	4.98	4.58	*0.40*	*8.6%*	1.67	1.58	*0.09*	*5.4%*
Latvia	TWh	0.29	0.31	*(0.02)*	*(4.9%)*	0.06	0.08	*(0.01)*	*(17.9%)*
Estonia	TWh	0.00	0.01	*(0.01)*	*(99.2%)*	-	0.00	*(0.00)*	*(100.0%)*
Poland	TWh	0.26	0.34	*(0.09)*	*(25.8%)*	0.07	0.09	*(0.03)*	*(27.3%)*
Finland	TWh	1.34	1.34	*0.01*	*0.4%*	0.38	0.16	*0.23*	*145.1%*
Total retail	TWh	6.86	6.58	*0.29*	*4.4%*	2.18	1.91	*0.27*	*14.2%*
of which B2C	TWh	2.34	2.34	*0.00*	*0.0%*	0.87	0.89	*(0.02)*	*(2.1%)*
of which B2B	TWh	4.53	4.24	*0.29*	*6.8%*	1.31	1.02	*0.29*	*28.5%*
Wholesale market	TWh	1.84	2.71	*(0.87)*	*(32.1%)*	0.58	0.74	*(0.15)*	*(20.8%)*
Customer experience									
NPS (B2C – Transactional)	%	68.7%	67.3%	*1.5 pp*	*n/a*	68.7%	68.2%	*0.5 pp*	*n/a*
NPS (B2B – Transactional)	%	64.0%	73.0%	*(9.0 pp)*	*n/a*	61.0%	65.0%	*(4.0 pp)*	*n/a*

Governance

4.1 Supervisory Board Chair's statement

A year of significant progress: Supervisory Board's active role

As Chair of the Supervisory Board, I am privileged to lead Ignitis Group during this pivotal moment of green transition. Our strategic vision goes beyond mere adaptation – we are actively reshaping the regional energy landscape. Through focused execution and with clear purpose in mind, we are turning ambitious goals into real-world progress that will define the future of sustainable energy sector.

In 2024, the Supervisory Board has diligently supported the Group's strategic goals, ensuring their careful oversight and guidance towards a 100% green and secure energy future, always mindful of its responsibility to all stakeholders and the society.

Strategic alignment and performance

Ignitis Group's strategy is closely aligned with regional goals of accelerating green transition and achieving full energy independence. This year, the Group made substantial steps towards its objectives outlined in its 2024–2027 Strategic Plan.

Our commitment to increasing the Green Capacities remains resolute. The Group aims to expand from 1.4 GW in 2024 to 4–5 GW by 2030, demonstrating a strategic dedication to shareholders and making a positive impact on regional energy landscape. The Group's purpose, which reflects its core values and operational approach, continues to inspire and engage its customers, communities and employees across the Baltics.

Achieved milestones in renewables

In 2024, Ignitis Group significantly expanded its green energy portfolio across the Baltics and Poland. We finalized projects and started commercial operations at Silesia WF I (50 MW) in Poland, Vilnius CHP biomass unit (71 MWe, 170 MWth), and Tauragė SF (22.1 MW) in Lithuania. Our Kelmė WF (300 MW), the largest one in the Baltics, and Silesia WF II (137 MW) started feeding power to the grid. We also launched the construction of Tume SF (174 MW) in Latvia, strengthening our regional presence in renewable energy development. Furthermore, we secured grid connection capacity for our first battery energy storage system (BESS) projects (<290 MW) in Lithuania.

Financial strength and investment strategy

Following a strong performance in our two largest segments, Green Capacities and Networks, the Group's Adjusted EBITDA reached EUR 527.9 million and exceeded Adjusted EBITDA guidance of EUR 480–500 million for the full-year 2024. The Group also continued to invest heavily, with total Investments amounting to directed EUR 812.0 million. More than half of this were directed to Green Capacities projects.

Alfonso Faubel
Chair of the Supervisory Board

The Supervisory Board has approved an updated 2024–2027 Strategic Plan, with Investments increasing to EUR 3.0–4.0 billion. Approximately two-thirds of the Investments will be directed towards the Green Capacities build-out, and one-third to the Networks expansion.

Notably, S&P Global Ratings has reaffirmed the Group's 'BBB+' credit rating with a stable outlook, validating the Group's sustainable financial management despite significant investments.

Governance and human capital

We continue to prioritize corporate governance excellence. In 2024, the Group maintained its 'A+' rating in the Corporate Governance Index for SOEs, receiving the highest rating since 2012.

Recognizing that rapid renewables growth requires skilled professionals, the Group invests in talent development. By partnering with educational institutions and attracting international talent, Ignitis Group is proactively nurturing the next generation of energy professionals.

Strengthening the Supervisory Board, embracing innovation and sustainability

This year, we are pleased to welcome Sian Lloyd Rees to our Supervisory Board. Her extensive experience in renewable energy will be invaluable as we navigate the evolving energy landscape.

The Supervisory Board dedicated time to sharing their knowledge, empowering the Group to actively explore the potential of artificial intelligence (AI) in enhancing operational efficiency, sustainability, and decision-making. By leveraging AI, we aim to optimize our processes and drive innovation across the organisation.

The Supervisory Board remains committed to fostering a strong culture of sustainability. We are focused on health, safety, and environmental stewardship and actively work to reduce the Group's carbon footprint while mitigating climate change.

Looking ahead

As we move forward, our top priority remains ensuring business continuity until the end of our term in 2025. We remain committed to guiding Ignitis Group towards its ambitious goals, contributing to Lithuania's economic growth and the broader green energy transition in the Baltic region.

Our journey continues to be driven by a shared vision of creating value and driving progress across environmental, social, and governance dimensions – ultimately working towards a better world for future generations.

Alfonso Faubel
Chair of the Supervisory Board

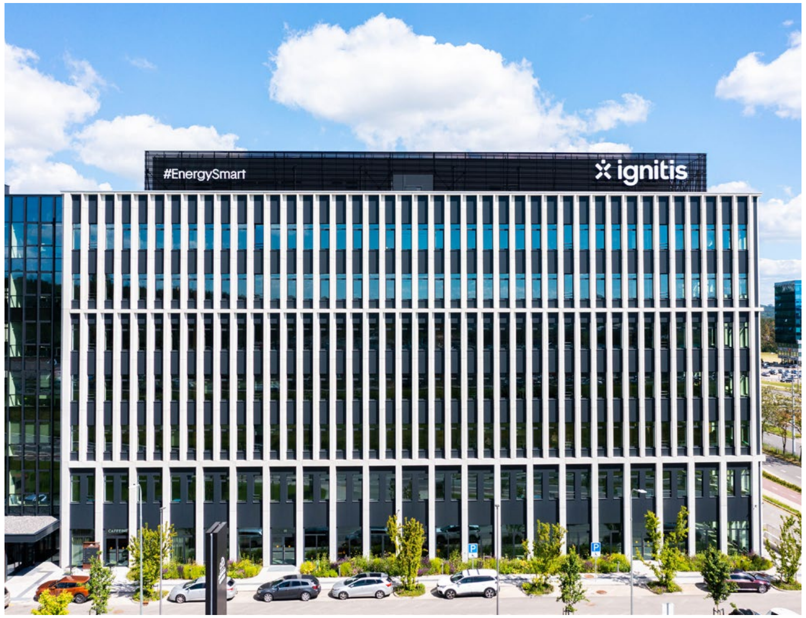
4.2 Governance framework

Overview of the Group's corporate governance

The Group's governance structure and model have been developed on the basis of the most advanced international and national practices, by following the G20/OECD Principles of Corporate Governance, the OECD Guidelines on Corporate Governance of State-Owned Enterprises (SOEs) and the recommendations published by the OECD, while having regard to the Corporate Governance Code for the companies listed on Nasdaq Vilnius. Additionally, the corporate governance model of a state-owned energy group was implemented in accordance with the description of Corporate Governance Guidelines approved by the Ministry of Finance of the Republic of Lithuania.

The parent company acknowledges the importance of good corporate governance and follows the Corporate Governance Code for the companies listed on Nasdaq Vilnius to the extent possible. This code is based on the principle of "comply or explain". In accordance with Article 12(3) of the Law on Securities and Paragraph 25.4 of the Nasdaq Vilnius Listing Rules, the parent company must disclose annually how it complies with, or reasons for non-compliance with, the Nasdaq Vilnius Corporate Governance Code (including its specific provisions or recommendations). For a detailed description, please see section '7 Additional information' of our Integrated Annual Report 2024.

Overall, the Group's governance principles and model aim at the assessment and harmonisation of stakeholders' interests and their translation into measurable targets and indicators.



Ignitis Group headquarters

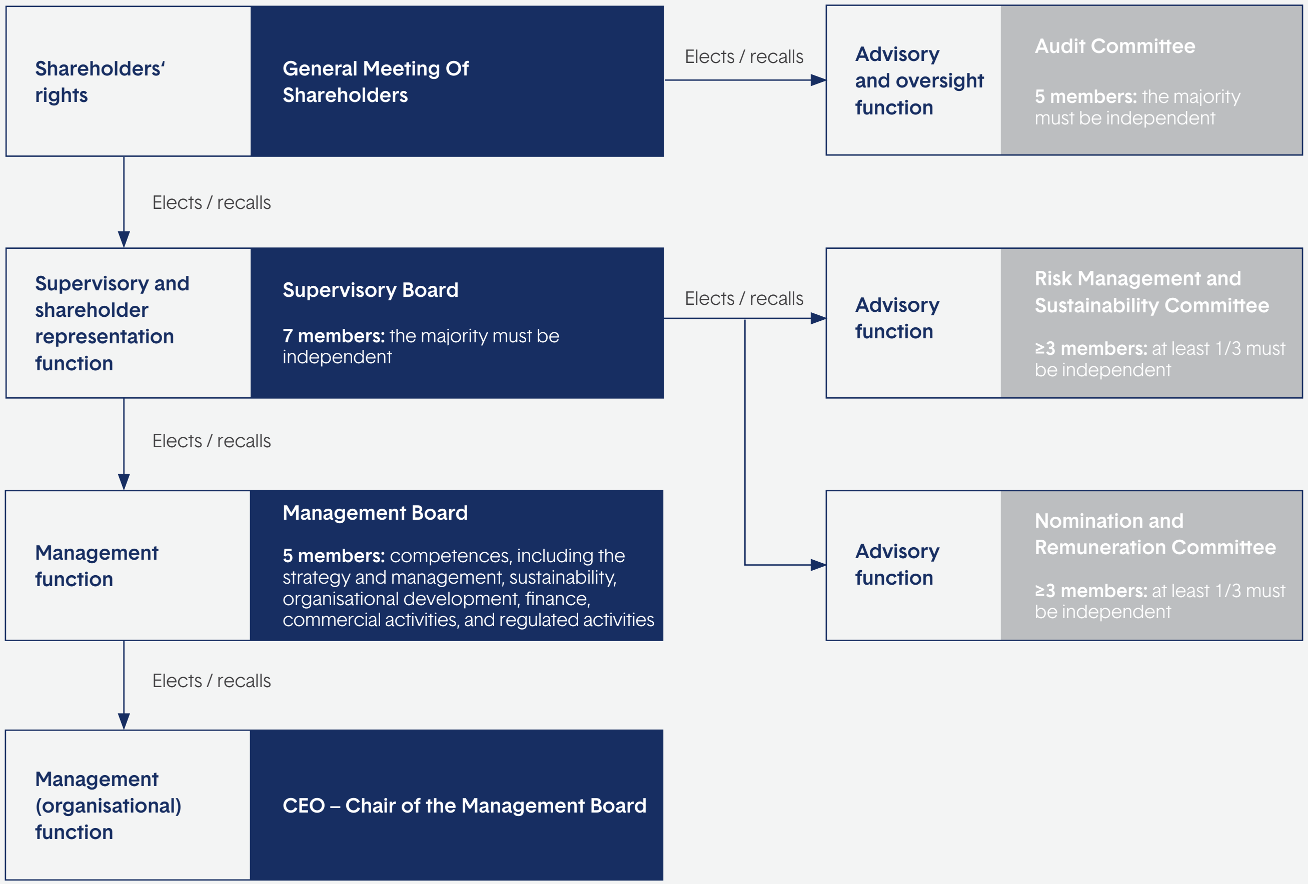
The parent's company governance model

The parent company employs a corporate governance system designed to manage and control the Group as a whole and aimed at achieving common objectives. The corporate governance of the Group is exercised through the parent company's functions, i.e., by coordinating common areas such as finance, law, risk management, etc. within the Group. Activities in these areas are based on mutual agreement within the Group, i.e., through cooperation with a focus on achieving a common result, and are coordinated by using the policies (common provisions and norms) applicable to the whole Group.

The parent company has a Chief Executive Officer (CEO) and a two-tier board system consisting of a Management Board and a Supervisory Board. The CEO represents the parent company in all matters and, together with the Management Board, is responsible for its management, while the Supervisory Board is the body that oversees the Management Board and the CEO. The CEO manages the parent company's day-to-day operations and is entitled to solely represent the parent company.

The parent company's management and supervisory bodies are designed and are to be operated in such a way as to ensure the proper representation of the Republic of Lithuania as the Majority Shareholder, alongside other stakeholders, and the separation of the management and supervisory functions.
A more detailed description of each collegial body and its members is available in the following sections.

Corporate governance model



Key competences of the Group's bodies and committees

1. **The General Meeting** is the highest decision-making body of the parent company. Shareholders can use their votes during the General Meeting to vote on important matters related to the parent company.
   - **the Audit Committee** is elected by the General Meeting and is responsible for monitoring the preparation process of financial statements of the Group, the effectiveness of the Group's internal control and risk management systems affecting the financial reporting of audited Group companies and the Group's sustainability reporting. Also, the effectiveness of the internal control and risk management systems for the prevention of corruption, bribery of foreign public officials in international transactions. The committee is also responsible for monitoring the effectiveness of internal audit, the audit of the annual financial statements of the Group companies which are public interest entities, the consolidated financial statements of the Group and the limited assurance of consolidated sustainability reporting of the Group, with a particular focus on audit performance and provision of assurance services.
2. **The Supervisory Board** is a collegial supervisory body elected by the General Meeting. The main functions and responsibilities of the Supervisory Board include consideration and approval of the Group strategy, election and removal of members of the Management Board, supervision of the activities of the Management Board and the CEO, submission of comments to the General Meeting regarding the financial statements, profit (loss) distribution, and the annual management report. The Supervisory Board has two committees that submit proposals to the Supervisory Board in these key areas:
   - **the Risk Management and Sustainability Committee** oversees the risk management (including, but not limited to, the functioning of the risk management and internal control system, the key risk factors, the status of implementation of risk management measures within the Group), sustainability management, ethical business practices, including, among others, the risks related to corruption.
   - **the Nomination and Remuneration Committee** assesses candidates for the management and supervisory bodies of the Group, their structure, composition and performance, the continuity of the activities of the management and supervisory bodies. It is also responsible for developing a Group remuneration policy.
3. **The Management Board** is a collegial management body responsible for the implementation of the key functions of corporate management and strategy.
4. **The CEO** represents the parent company in all matters and, together with the Management Board, is responsible for its management. The CEO manages the parent company's day-to-day operations and is entitled to solely represent the parent company.

Implementation of the Directive on Gender Balance

On 1 December 2024, the amendment of the Law on Equal Opportunities for Women and Men of the Republic of Lithuania (the Law on Equal Opportunities) transposing the Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies and related measures (the Directive on Gender Balance) into the Lithuanian legal system came into force.

The regulation obliges large, including listed, companies to take measures by 30 June 2026 to ensure that members of the underrepresented gender hold at least 33% (but not exceed 49%) of all manager positions (i.e. CEO, Management Board and Supervisory Board). The lawful means to implement this obligation are the following:

- candidates shall be selected based on a comparative assessment of qualifications of each candidate;
- when choosing between candidates who are equally qualified in terms of suitability, competence and professional performance, priority shall be given to the candidate of the underrepresented gender.

In 2024, women were the underrepresented gender in the management and supervisory bodies of the parent company, occupying 46% of the CEO, Management Board, and Supervisory Board positions. The gender distribution is as follows: Supervisory Board – 2 males and 5 females, Management Board – 4 males and 1 female, and CEO – 1 male.

The Equal Opportunities and Diversity Policy of the Group applies to all selections for CEO, Management Board, and Supervisory Board positions. As of 1 December, no new selections were initiated for these positions.

To achieve gender balance, since 2021 the parent company has been consistently raising its gender diversity targets for top management positions with a goal of reaching 30% female representation in top management by 2027. Additionally, from 2023 onwards the Group is including gender balance targets for shortlists in top management recruitments in the annual performance targets of the Group companies.

In 2024, the parent company undertook a series of initiatives to enhance gender balance within the top management of the parent company and its subsidiaries.

These initiatives include:

- the Women's Referral Challenge to increase referrals for female candidates;
- boosting gender balance through the succession programme;
- partnering with recruitment agencies to source diverse and qualified candidates;
- ensuring job titles in all advertisements are listed in the feminine form first, with the masculine form in parentheses (a reversal of the common market practice) to attract more female candidates;
- requiring hiring managers to pledge their commitment to equal opportunities before posting job ads;
- providing equal opportunity and anti-discrimination training for new hiring managers;
- running a public awareness campaign to address gender stereotypes in professions;
- hosting employee discussions under the #EnergiseEquality project to promote a culture supportive of women's leadership;
- conducting focus groups with female managers to better understand and improve the current leadership environment.

Corporate governance recognitions

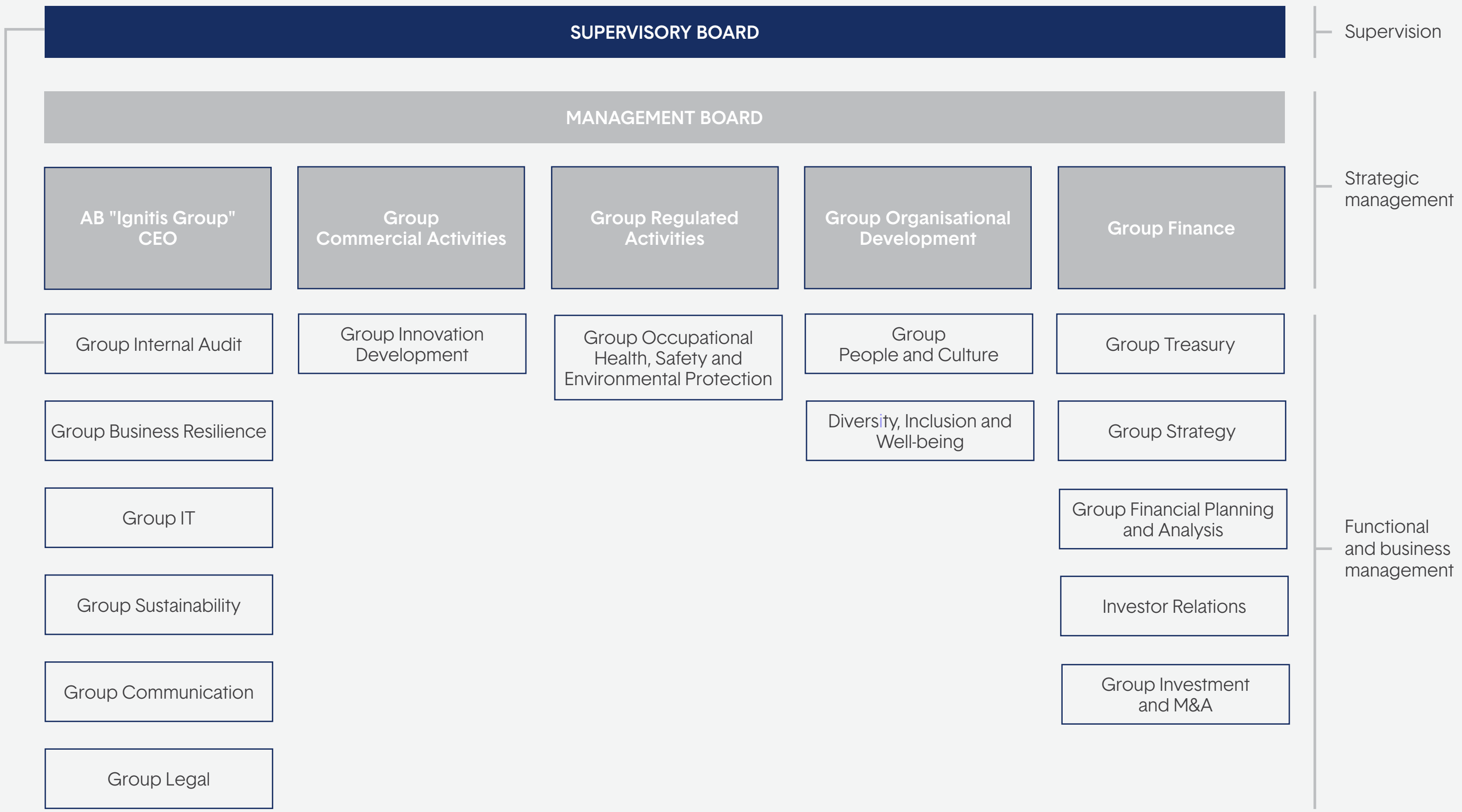
The corporate governance excellence of the Group is reflected in numerous ratings and rankings. Additionally, ESG rankings are available in Sustainability Statement, in section 'Other information' of this report.

Corporate Governance Index of Lithuanian SOEs in 2023/2024

A+	A+	A+	A+
Overall rating	Collegial bodies	Strategic planning and Implementation	Transparency

Highest possible rating since 2012 in the assessment of how SOEs have implemented good governance practices

The parent company's organisational structure at the end of the reporting period



After the reporting period:

- new departments were established: Group Regulated Activity Projects and Group Risk Management;
- the names of the departments were changed: Diversity, Inclusion and Well-being to Group Diversity, Inclusion and Well-being and Group Strategy to Group Strategic Planning.

4.3 General Meetings

Shareholders' rights and General Meetings

Our shareholders exercise their rights at the General Meeting. The General Meeting is the highest decision-making body of the parent company and passes the resolutions in accordance with the Law on Companies of the Republic of Lithuania (link in Lithuanian).

Each shareholder who has been entered in the register of shareholders of the parent company before the record date (the fifth working day before the General Meeting) has the right to attend the General Meeting and exercise his/her power of decision in the matters falling within the competence of the General Meeting. Notices about the convening of the General Meeting, including all relevant and necessary information, the annex of items on the agenda of the meeting and the decisions of the General Meeting are published on our website as well as through Nasdaq Vilnius and London Stock Exchange.

The parent company is not aware of any restrictions on shareholders' voting rights and agreements between shareholders.

Shareholders' competence

The competence of the parent company's General meeting covers the following key areas:

- electing and removing individual members of the Supervisory Board or the entire Supervisory Board of the parent company, making decisions on the payment of remuneration to members of the Supervisory Board;
- amending the Articles of Association of the parent company;
- approving the sets of annual financial statements of the parent company and annual consolidated financial statements of the Group companies;
- making decisions on the allocation of profit (loss);
- making decisions on the allocation of dividends for a period shorter than the financial year;
- agreeing or not agreeing to the consolidated annual management report of the Group and the consolidated interim management report of the Group, which is submitted together with the set of interim financial statements prepared for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year;
- electing and removing an auditor or an audit firm for the auditing of the financial statements of the parent company and of the consolidated financial statements of the Group companies, setting the terms and conditions of payment for audit services as well as electing and removing an auditor, an audit firm or an independent sustainability reporting assurance service provider;
- making decisions on increasing or reducing the authorised capital of the parent company;
- making decisions on the reorganisation or separation of the parent company and the approval of the terms and conditions thereof as well as on the restructuring, liquidation or cancelation of the liquidation of the parent company;
- agreeing or not agreeing to the decisions of the Management Board of the parent company regarding the parent company becoming a founder or participant of other legal entities (except associations);
- agreeing or not agreeing to the decisions of the Management Board of the parent company regarding the transfer, pledge, other restriction, disposal of shares or rights, transfer of business, reorganisation, separation, restructuring, liquidation, transformation or other actions that change the status of the Group companies which are important to national security and engage in generation, distribution and supply activities in the energy sector as well as of the companies directly controlled by the parent company which engage in energy generation activities.

General Meetings

During the reporting period, two General Meetings of the parent company's shareholders were held::

On 27 March 2024, the Annual General Meeting passed the following resolutions:

- agreed to the Group's consolidated annual report;
- approved the set of audited annual financial statements of AB "Ignitis grupė" and the set of consolidated financial statements of AB "Ignitis grupė" group of companies for the year 2023;
- cancelled the reserve for the acquisition of own ordinary registered shares;
- allocated the profit (loss) of AB "Ignitis grupė" for the year 2023;
- approved the Group's updated Remuneration Policy and determined the updated remuneration for the members of the Supervisory Board and the Audit Committee.

On 11 September 2024, the Extraordinary General Meeting passed the following resolutions:

- agreed to the Group's consolidated interim report for the 6-month period;
- approved the set of interim financial statements and allocated interim dividends to the shareholders;
- elected an independent member of the Supervisory Board;
- elected a consolidated sustainability reporting assurance service provider;
- approved the new wording of the Articles of Association;
- approved the new wording of the Regulations of the Audit Committee.

Further information, including the resolutions of the General Meetings of the parent company's shareholders held previously, is available on our website.


Ignitis Group employees

Majority Shareholder

The Majority Shareholder of the parent company, the Republic of Lithuania, held 74.99% of the parent company's shares at the end of the reporting period. The rights and obligations of the Republic of Lithuania are exercised by the Ministry of Finance of the Republic of Lithuania. The management of the shares is carried out in accordance with the current wording of the Law on Companies (link in Lithuanian), which establishes property and non-property rights and obligations of all shareholders, the Description of the Procedure of the Implementation of State Property and Non-Property Rights in State-Owned Enterprises approved by the Resolution No 665 of the Government of the Republic of Lithuania of 6 June 2012 (the Property Guidelines) (link in Lithuanian), and the latest wording of the Articles of Association of the parent company.

One of the corporate governance principles outlined in the Corporate Governance Guidelines, approved by the order of the Minister of Finance, is the exercise of the rights conferred by shareholders' shares, which is set to ensure that the Majority Shareholder exercises the voting rights attached to the shares within its competence and undertakes its best effort to ensure that the parent company and the Group companies are able to operate independently, i.e., the Majority Shareholder:

- shall not take actions that could prevent the parent company and the Group companies from conducting business independently;
- shall not influence the day-to-day running of the parent company's business or hold or acquire a material shareholding in one or more significant subsidiaries of the Group companies;
- shall not take any action (or refuse to take any action) which would be prejudicial to the parent company's status as a listed company or the parent company's eligibility for listing, or would reasonably prevent the parent company from complying with the obligations and requirements established by the law applicable to listed companies;
- shall conduct all transactions and ensure relationships with the Group companies on the market basis (following the arm's length principle) and on a normal commercial basis;
- shall not vote in favour of or propose any decision to amend the Articles of Association of the parent company which would be contrary to the principle of independence of the parent company's business;
- shall vote in a manner that ensures that the management of the parent company complies with the principles of good governance set out in the Nasdaq's Corporate Governance Code.

For further information on the parent company's shareholders, see section '1.6 Investor information' of this report.

Expectations of Majority Shareholder

In accordance with the Property Guidelines (link in Lithuanian), the Majority Shareholder submits a Letter of Expectations to the parent company at least once every four years on the objectives pursued by the Majority Shareholder in the SOE and its expectations. With that in mind, the Letter of Expectations regarding the activities of the Group was approved by the order of the Minister of Finance on 11 May 2023.

In this letter, the Majority Shareholder indicates the following expectations in respect of the Group's strategic priorities:

- to prioritise focused, sustainable and profitable development of green generation capacities in order to significantly contribute to energy security and green transition in the region;
- to ensure the availability and the long-term operational capacity of the infrastructure that is important for national and energy security;
- to strive to increase the electricity supply in the region by supplying final consumers with clean energy generated by its green generation assets;
- to ensure the resilience of the electricity distribution network to external factors, efficient distribution, network development, facilitation of the energy market and electrification in Lithuania;
- to ensure the reliability and flexibility of the Lithuanian energy system and its development while contributing to the implementation of changes in the energy sector in Lithuania and across the region;
- to ensure sustainable development of the Group's activities.

4.4 Supervisory Board and committees

Overview

The Supervisory Board is a collegial supervisory body established in the Articles of Association of the parent company. The Supervisory Board is functioning at the Group level, i.e., where appropriate, it addresses the issues related not only to the activities of the parent company, but also to those of the Group companies or their respective management and supervisory bodies.

For the purposes of effective fulfilment of its functions and obligations, the Supervisory Board forms committees. Currently, two committees are formed – the Risk Management and Sustainability Committee and the Nomination and Remuneration Committee. If necessary, other committees may be formed according to the ad hoc principle (e.g., to solve specific issues, to prepare, supervise or coordinate strategic projects).

The Supervisory Board is elected by the General Meeting for the period of four years. The Supervisory Board members were elected by the General Meeting on 26 October 2021, their term of office ends on 25 October 2025. The Supervisory Board of the parent company comprises seven members: five independent members and two representatives of the Majority Shareholder. The Supervisory Board also elects its Chair from its members.

Key competence of the Supervisory Board covers the following:

- considering and approving the business strategy, annual budget and Investment policy of the Group;
- analysing and evaluating the implementation of the business strategy, providing this information to the General Meeting;
- electing and removing members of the Management Board;
- supervising activities of the Management Board and the CEO;
- providing comments to the General Meeting on a set of financial statements, allocation of profit or loss and consolidated annual management reports;
- making decisions regarding the parent company's transactions to be concluded with a related party;
- approving the Policy on Related-Party Transactions of the Group.

The Supervisory Board also addresses other matters within its competence as stated in the parent company's Articles of Association and the Law on Companies.

Information on selection criteria of the Supervisory Board members

The selection of the members of the Supervisory Board is initiated and conducted by the Majority Shareholder in accordance with the Description of Selection of Candidates for a Collegial Supervisory or Management Body of a State or Municipal Company, a State-Owned or Municipally-Owned Parent Company or its Subsidiary approved by the Resolution No 631 of the Government of the Republic of Lithuania of 17 June 2015 (link in Lithuanian), which sets out the obligation to ensure fair and equitable treatment of candidates in the selection process. According to the above-mentioned legislation, the Supervisory Board was formed to ensure the diversity in competencies. All its members must have at least one of the following competencies: finance (financial management, financial analysis or audit), strategic planning and management, knowledge of the industry in which the parent company operates (i.e., the energy sector) and other competencies (i.e., law, management, human resources). Therefore, the members of the Supervisory Board were selected on the basis of the general expectations and competencies set out in the Competency Profile of the Supervisory Board.

Equal Opportunities and Diversity Policy of the Group is referred during the selection of the members of the Supervisory Board and its committees of the parent company.

Information on the remuneration of the Supervisory Board members during the reporting period

The remuneration of the members of the Supervisory Board is paid to them in accordance with the Articles of Association, the Group Remuneration Policy and the Description of the Procedure for the Payment of Remuneration to Members of Collegial Bodies of State-Owned Enterprises and Municipal-Owned Enterprises approved by the Resolution No 1092 of the Government of the Republic of Lithuania of 14 January 2015 (link in Lithuanian). The terms and conditions of the agreements with the members of the Supervisory Board, including their remuneration, are determined by the General Meeting.

Details of the remuneration paid to the members of the Supervisory Board during the reporting period are provided in section '5 Remuneration' of our Integrated Annual Report 2024.

Conflicts of interest

In accordance with the Articles of Association of the parent company, each candidate for the Supervisory Board must provide the General Meeting with a written consent to participate in the selection and the Declaration of Interests, stating therein all the circumstances which may give rise to a conflict of interest between the candidate and the parent company. If circumstances that could result in a conflict of interest between the member of the Supervisory Board and the parent company arise, the member of the Supervisory Board must immediately notify the Supervisory Board and shareholders in writing of such new circumstances. A member of the Supervisory Board must withdraw from the preparation, consideration and/or making decisions on the issue if the issue may cause a conflict of interest between the member of the Supervisory Board and the parent company and/or the Group companies and, inter alia, may not participate in making the decisions related to the issue if they may create or create a conflict of interest. If a conflict of interest becomes apparent and the member of the Supervisory Board fails to withdraw, the Supervisory Board must consider the motives and/or circumstances that may cause a conflict of interest and make a decision on the removal of that member of the Supervisory Board.

Kelmė WF in Lithuania

Supervisory Board and its committees

In order to perform its functions and duties effectively, the parent company's Supervisory Board forms committees. The committees submit their conclusions, opinions and suggestions to the parent company's Supervisory Board in accordance with their competence. A committee must have at least three members, where at least one member is a member of the Supervisory Board and at least 1/3 of the members are independent. Members of the committees are elected for a maximum term of four years. Where individual members are elected to a committee, they shall be elected only for the period until the end of the term of office of the existing committee.

Current committees of the Supervisory Board:

- **the Risk Management and Sustainability Committee**;
- **the Nomination and Remuneration Committee.**

If necessary, other committees may be formed according to the ad hoc principle (e.g., to solve specific issues, to prepare, supervise or coordinate strategic projects, etc.). At the end of the reporting period and as of the date of this report, there were no ad hoc committees operating in the parent company.

Activities, composition of the Supervisory Board and its committees as well as information on members' education, experience, place of employment and shareholdings in the Group companies at the end of the reporting period are provided below. Furthermore, details of remuneration paid to the members during the reporting period are provided in section '5 Remuneration' of our Integrated Annual Report 2024.

No members of the Supervisory Board and its committees had any participation in the capital of the parent company or its subsidiaries. Additionally, no members of the Supervisory Board and its committees had 5% or more shareholdings in other companies that are the parent company's business partners, suppliers, clients or other related companies.

Overview of the Risk Management and Sustainability Committee

The Risk Management and Sustainability Committee is responsible for submitting proposals and recommendations to the Supervisory Board on the matters of risk management, sustainability management and business ethics assurance.

The key responsibilities of the Risk Management and Sustainability Committee are the following:

- monitoring and overseeing how the risks relevant to the achievement of the parent company's and the Group companies' objectives are identified, assessed and managed, providing recommendations thereon;
- assessing the adequacy of internal control procedures, operational ethics and risk management measures for identified risks, internal control procedures related to the implementation of the sustainability policy, strategic directions and ESG targets as well as risk management in these areas;
- assessing the risks and the risk management plan of the parent company and the Group companies, as well as whether risk registers are compiled, analysing their data, submitting proposals;
- monitoring the implementation of the risk management process and the business continuity management process, the preparation of internal documents related to the risk management, the Sustainability Policy and the strategic directions related to the ESG targets of the Group companies, providing an opinion and recommendations on these targets, with a particular focus on ensuring OHS and reducing the impact on the climate;
- performing other functions assigned to the competence of the committee by the decision of the Supervisory Board and submitting a report on its activities to the Supervisory Board at least every 6 months.

Overview of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee is responsible for submitting conclusions or proposals to the Supervisory Board on the matters of appointment, removal or promotion of the Management Board members and members of the supervisory and management bodies of the parent company's subsidiaries. In addition, the committee assesses the structure, size, composition and activities of the Management Board and supervisory and management bodies of the parent company's subsidiaries and their respective members while issuing the respective opinions thereon. The functions of the committee also cover the establishment of a common remuneration policy for the Group companies, including the composition and the amount of remuneration and the principles of promotion.

Key responsibilities of the Nomination and Remuneration Committee are the following:

- submitting proposals in relation to the long-term remuneration policy of the parent company and the Group companies (fixed base salary, performance-based incentives, pension, insurance, other guarantees and forms of compensation, severance pay, other items in the compensation package), and the principles of compensation for expenses related to the person's activities;
- monitoring the compliance of remuneration and incentive policies of the parent company and the Group companies with the international practices, including good governance guidelines, and providing suggestions for their improvement;
- assessing the terms and conditions of the agreements between the parent company or the Group companies and the members of the management and/or supervisory bodies;
- assessing the procedures for recruiting and hiring candidates for the management bodies of the parent company and for the management and/or supervisory bodies of the parent company's subsidiaries: ESO (Networks), Ignitis Gamyba (Green Capacities and Reserve Capacities), Ignitis (Customers & Solutions) and Ignitis Renewables (Green Capacities), establishing qualification requirements for them and submitting comments and proposals thereon to the Supervisory Board;
- assessing the structure, size, composition and activities of management and/or supervisory bodies of the parent company and the Group companies;
- overseeing and assessing the implementation of measures ensuring the business continuity of the management and/or supervisory bodies of the parent company and the Group companies;
- performing other functions falling within the scope of competence of the committee as decided by the Supervisory Board.

Overview of the Supervisory Board and its committees (during the reporting period)

	Supervisory Board	Risk Management and Sustainability Committee	Nomination and Remuneration Committee
Term of office	26 October 2021 – 25 October 2025	22 April 2022 – 25 October 2025	3 November 2021 – 25 October 2025
Independence, including the Chair	71%	100%	67%
Meeting attendance	99%	100%	100%
Shareholdings of the parent company or its subsidiaries	None	None	None

Members of the Supervisory Board and its committees and their meeting attendance[1] (during the reporting period)

	Supervisory Board	Risk Management and Sustainability Committee	Nomination and Remuneration Committee
Alfonso Faubel Ⓘ	17/17 Ⓒ	12/12	-
Ana Riva Ⓘ	-	12/12	-
Aušra Vičkačkienė Ⓜ	16/17	-	13/13
Ingrida Muckutė Ⓜ	17/17	-	-
Judith Buss Ⓘ	17/17	-	-
Lorraine Wrafter Ⓘ	17/17	-	13/13 Ⓒ
Sian Lloyd Reeds[2] Ⓘ	5/17	-	3/13
Tim Brooks Ⓘ	17/17	12/12 Ⓒ	-
Wolf Willems Ⓘ	-	12/12	-

[1] *The numbers indicate how many meetings the members have attended out of the total meetings held during the reporting period.*
[2] *On 11 September 2024, Sian Lloyd Rees was elected as an Independent Member of the Supervisory Board of the parent company. By the decision of the Supervisory Board of 12 September 2024, Sian Lloyd Rees has been appointed to the Nomination and Remuneration Committee and has attended each meeting of the committee since joining.*

Ⓘ - *Independent member*
Ⓜ - *Majority Shareholder's representative*
Ⓒ - *Chair*

Competency matrix[1]

Area of competency	Alfonso Faubel Renewable energy	Ana Riva Risk management	Aušra Vičkačkienė Public policy and governance	Ingrida Muckutė Public policy and governance	Judith Buss Finance management	Lorraine Wrafter Organisational development	Sian Lloyd Rees[2] Strategy development and international expansion	Tim Brooks Sustainable development and risk management	Wolf Willems Occupational health and safety and Sustainability/ESG
Experience in:									
Top-level management	+	+	+	+	+	+	+	+	+
Non/Executive management bodies	+	+	+	+	+	+	+	+	+
International development/expansion	+				+	+	+	+	+
Energy sector	+	+	+	+	+	+	+	+	+
Renewable energy field	+	+	+	+	+	+	+	+	+
Listed company	+	+	+	+	+	+	+	+	+
Regulated business	+	+	+	+	+	+			
Competency[1] in:									
Corporate finance	+	+	+	+	+				
Audit		+		+	+				
Business strategy	+	+	+	+	+	+	+	+	+
Mergers & acquisitions	+		+		+	+			+
Risk management	+	+		+	+		+	+	
Innovation/Digitalisation	+	+					+	+	
Public policy and governance			+	+					+
Sustainability-related[2]:	+	+	+	+	+	+	+	+	+
Environment (incl. climate change)	+				+		+	+	+
Organisational development / HR / Diversity, equity, and inclusion	+		+		+	+	+	+	
Health & Safety	+					+	+	+	+
ESG regulatory frameworks (incl. CSRD, EU Taxonomy)		+		+	+		+	+	+

[1] Competencies are assigned according to the competencies members have had during the hiring procedure and acquired while managing different strategic areas and targets and participating in various trainings. The parent company seeks to ensure its composition of management bodies reflects a range of skills, experience and perspectives that are relevant to parent company's sector, business and geographic locations – including expertise in material sustainability matters.
[2] On 11 September 2024, Sian Lloyd Rees was elected as an Independent Member of the Supervisory Board. By the decision of the Supervisory Board of 12 September 2024, Sian Lloyd Rees has been appointed to the Nomination and Remuneration Committee.

Supervisory Board

Overview

During the reporting period, there was a change in the composition of the Supervisory Board and the Nomination and Remuneration Committee. On 21 December 2023, the parent company received a Letter of Resignation from Bent Christensen, an independent member of the Supervisory Board and the Nomination and Remuneration Committee. Bent Christensen's term as a member of the Supervisory Board and the Nomination and Remuneration Committee ended on 4 January 2024. On 11 September 2024, Sian Loyd Rees has been elected as an independent Supervisory Board member by the General Meeting of Shareholders to supervise the areas of strategic management and international development. On 12 September 2024, Sian Loyd Rees was appointed a member of the Nomination and the Remuneration Committee.

The Supervisory Board plans and operates its activities according to the annual action plan. On 15 December 2023, the Supervisory Board approved its 2024 work plan, which was implemented properly. After evaluating the implementation of the strategy, the Supervisory Board noted that significant progress has been made, including the Green Capacities Portfolio's increase to 8.0 GW (from 7.1 GW) since the beginning of 2023. The oversight of ESG issues, especially occupational health and safety, and Green Capacities' expansion remained the key topics discussed by the Supervisory Board throughout 2024. The Supervisory Board's objective for 2025 is to continue overseeing the Group's progress in reaching its ambitious goals.

The Supervisory Board's meetings are held at least once a quarter but planned on a monthly basis. Additionally, ad hoc meetings are being held if necessary.

During the reporting period

Overall, 17 meetings of the Supervisory Board were held in 2024, covering the following key areas:
- the annual report and annual financial statements for the year 2023;
- the submission of opinions to the Management Board on the nominations of the members of the management bodies of the main subsidiaries;
- approval of the Group's planning documents and targets for 2025;
- sustainability issues, including occupational health and safety and the results of the Double Materiality Assessment;
- the approval of the strategy and the Strategic Plan 2024–2027 of the Group;
- issues related to strategic investments;
- issues related to the remuneration system of the Group, including the long-term incentive programme for executives and the proposed peer group for the Remuneration Policy;
- the approval of the long-term incentive programme targets of the Group for the 2024–2027 period;
- approval of the updated Investment Policy;
- issues related to the consolidated interim report of the parent company for the six-month period ended 30 June 2024 and the set of audited interim condensed financial statements for the six months, and the allocation of dividends to shareholders.

In addition, intense two-day strategic sessions took place in April and September 2024, where the latest situation in the energy sector, challenges and opportunities as well as the updated strategy of the Group, its strategic plans and the key strategic topics were discussed.

After the reporting period

Overall, 4 meetings of the Supervisory Board were held from 1 January 2025 until 25 February 2025, covering the following key areas:
- the Integrated Annual Report, including the audited annual financial statements, the Sustainability Statement and the Remuneration;
- the auditor's draft report on the audit of the annual consolidated and the separate financial statements, the conclusion of the independent assurance service provider on the Sustainability Statement;
- the draft allocation of the Company's profit (loss);
- the Audit Committee's Report to the Supervisory Board;
- evaluating the achievement of the Group's annual targets for 2024 and making a decision on the payment of the variable part of remuneration to the Management Board members and the CEO of AB "Ignitis grupė";
- evaluating the achievement of the Group's long-term targets;
- the Supervisory Board committees' reports for 2024;
- the Group's strategic plan for Governance Coordination Centre.

Performance evaluation

In line with good governance practices and the Majority Shareholder's expectations, each year the Supervisory Board conducts a self-assessmsent and agrees on further actions to improve the functioning of the Supervisory Board. It is also notable that at least once every three years, the parent company contracts an independent external consultant to carry out an evaluation of the Supervisory Board's performance. The first such evaluation was conducted in 2021. The second evaluation was carried out in 2024. After the latest evaluation, the Supervisory Board approved an action plan for the improvement of its performance while referring to the recommendations of the external consultant.

Members of the Supervisory Board

Alfonso Faubel

Chair, member since 26/10/2021
Independent
Competency: renewable energy
Committees: Risk Management and Sustainability Committee
Term of office expires: 25/10/2025

Experience
Alfonso has held executive responsibilities in Siemens Gamesa, Alstom/GE (which are leading players in the global wind power & energy markets) and Delphi Automotive. As CEO he has led the turn-around and integration of Siemens Gamesa, secured key target projects for over EUR 12 billion in new orders across Alstom/GE's power businesses, and earlier opened 16 new markets worldwide for their wind power business. Alfonso Faubel is an executive with a career that spans 34 years and five continents in automotive, digitalization and energy industries and is valued for his skills in business turnaround, improving operational excellence, working with teams in different cultural environments on assignments worldwide.

Education
University of Cologne, Business Administration & Economics, Richmond American University London, Bachelor's degree in Business Administration; INSEAD, Executive Education.

Other current place of employment, position
As of July 2024, Alfonso Faubel has been appointed Director of the Board at JERA Nex.

Shareholdings of the parent company
None.

Aušra Vičkačkienė

Member since 30/08/2017
Re-elected on 26/10/2021
Majority shareholder's representative
Competency: public policy and governance
Committees: Nomination and Remuneration Committee
Term of office expires: 25/10/2025

Experience
Aušra has more than 20 years of experience in civil service. For the last 14 years she has been the Director of Asset Management Department of the Ministry of Finance, previously managed the Financial Services Division of the Ministry's Financial Markets Department and was the Head of the Loan and Guarantee Supervision Division. In addition to this, Aušra has served on management boards of various state-owned companies: Būsto Paskolų Draudimas, Turto Bankas and Viešųjų Investicijų Plėtros Agentūra, where she was the Chair of the Management Board. She was also a member of the Supervisory Board at UAB Valstybės investicijų valdymo agentūra.

Education
Vilnius University, Master's degree in Management and Business Administration; Vilnius University, Bachelor's degree in Management and Business Administration

Other current place of employment, position
Ministry of Finance of the Republic of Lithuania, Director of Asset Management Department.

Shareholdings of the parent company
None.

Ingrida Muckutė

Member since 26/10/2021
Majority Shareholder's representative
Competency: public policy and governance
Committees: Audit Committee
Term of office expires: 25/10/2025

Experience
Ingrida is a highly experienced accounting, reporting and financial audit regulation professional with a career of over 20 years working at the Ministry of Finance. She started her career in the Ministry of Finance as a Director of Accounting Methodology Department in 2004, where she initiated and led the public sector accounting reform. In 2013, during Lithuania's presidency in the European Council, she was chairing the Task Force on Company Law meetings on Audit Directive and Regulation. Her responsibilities cover developing and coordinating legislative proposals on financial reporting, sustainability reporting, accounting, audit, insolvency and property and business valuation, as well as monitoring their implementation. She also chairs the Committee of National Accounting Standards for private and public sectors.

Before her career in the Ministry of Finance, she worked as a financial controller at Konica Minolta Baltija and as a senior auditor in Arthur Andersen, and later in Ernst & Young Baltic.

Education
Vilnius University, Master's degree in Economics, Accounting, Finance and Banking; Uppsala University, Financial Management Programme.

Other current place of employment, position
Director of the Reporting, Audit, Property Valuation and Insolvency Policy Department at the Ministry of Finance of the Republic of Lithuania.

Shareholdings of the parent company
None.

Judith Buss

Member since 12/11/2020
Re-elected on 26/10/2021
Independent
Competence: financial management
Committees: Audit Committee
Term of office expires: 25/10/2025

Experience
Judith has more than 30 years of experience in various senior leadership positions in the global energy industry and financial markets and has worked internationally in Germany, Norway and the UK. She has significant experience in corporate finance, leading and negotiating large international M&A growth acquisitions, integration processes and organisational and cultural change processes. Judith has held several executive positions at E.ON group, most recently as Chief Financial Officer of E.ON Climate & Renewables. She also has experience in corporate governance serving as a member of several boards of directors in companies operating in Germany, Norway, the UK, Russia and Algeria.

Education
University of Augsburg, Master's degree in Business Administration (Banking, Finance and Controlling); Leadership Programs at IMD Business School, Lausanne, and Massachusetts Institute of Technology, Boston. Dresdner Bank Group (OLB) Bank Appreticeship (Bankkauffrau)

Other current place of employment, position
Member of the Supervisory Board of Uniper SE; Chair of the Audit Committee of Uniper SE; Member of the Supervisory Board of Hella GmbH & Co. KGaA, Lippstadt, Germany; Member of the Shareholder's Committee of Hella GmbH & Co. KGaA, Lippstadt, Germany; Chair of the Audit Committee of Hella GmbH & Co. KGaA, Lippstadt, Germany (all starting as of Oct 1, 2022 for a term of four years).

Shareholdings of the parent company
None.

Lorraine Wrafter

Member since 26/10/2021
Independent
Competency: organisational development
Committees: Nomination and Remuneration Committee
Term of office expires: 25/10/2025

Experience
Lorraine is a Chartered HR Director with a specialisation in Organisation Effectiveness (change, culture, M&A, organisation design, reward and talent management), working with boards and executive teams to transform organisations and workforce performance to deliver business value in complex multinational organisations.
Lorraine has more than 30 years of experience in big multinational corporations: CARGILL Inc. and HOLCIM. Currently she has her own business 'The Problem' and works on varied projects such as organisation transformation, culture, team performance, and coaching. She is also a Board Advisor to a German start-up company HACK - CMP.

Education
Limerick University, Diploma in Business Studies; University West of London, Diploma in Human Resources and Fellow of the Chartered Institute of Personal Development; Leicester University, Master's degree in Human Resources Management and Development; INSEAD, Diploma in Clinical Organisational Psychology, Executive Masters, Consultancy and Coaching for Change. The Corporate Governance Institute, Diploma in Environmental, Social and Governance (ESG).

Other current place of employment, position
Consultant and owner of 'The problem'.

Shareholdings of the parent company
None.

Sian Lloyd Rees[1]

Member since 11/09/2024
Independent
Competency: strategic management and international development
Committees: Nomination and Remuneration Committee
Term of office expires: 25/10/2025

Experience
Sian is a senior executive with more than 25 years of international experience in the energy sector and over 5 years of experience as a member of a board, remuneration, nomination, audit and sustainability committees. She held senior management positions within the Aker ASA group, Stena Offshore and Halliburton Corporation. Under her leadership in the Aker group, a strategic business transformation was implemented, transitioning from servicing oil and gas industry to servicing offshore wind farms in the UK supply chain company; the strategy for offshore wind energy expansion was established which included the development of a 2.3 GW offshore wind farm in deep waters and a 200 MW hydrogen production onshore. She also worked at Oracle Corporation UK for 13 years, where she latterly led a global team responsible for development and implementation of digitalization strategies.

Education
Non-Executive Director Diploma, Financial Times. Postgraduate studies in Ecotoxicology, University of Aberdeen. BSc (Hons) Marine Biology & Oceanography, University of Swansea.

Other current place of employment, position
Non-executive board member at Ricardo plc, Serica Energy plc and Aberdeen Harbour ltd.

Shareholdings of the parent company
None.

Tim Brooks

Member since 26/10/2021
Independent
Competency: sustainable development and risk management
Committees: Risk Management and Sustainability Committee
Term of office expires: 25/10/2025

Experience
Tim is a senior executive with more than 25 years of experience in sustainability both as a consultant, and in large corporate entities. Tim is currently the Chief Sustainability Officer for FTSE 100 listed Hikma Pharmaceutical plc. Prior to this role he was Vice President and Head of Sustainability at the LEGO Group for 12 years and regularly contributed to the company's risk and compliance boards. Tim has valuable experience in developing sustainability strategies and working with a broad range of stakeholders to implement industry leading sustainability programmes.

Whilst at the LEGO Group, Tim worked with KIRKBI to support and coordinate over USD 700 million of funding for renewable energy projects, resulting in construction of two offshore wind farms, and delivery of over 70 MW of building and ground mounted solar PV. Tim has previous led Sustainability R&D for TESCO plc and has worked as Environmental Policy advisor to the Mayor of London.

Education
University of Sheffield, Bachelor's degree in Environmental Geoscience; Imperial College, Master's degree in Environmental Technology (Energy Policy); Cambridge University, Institute of Sustainability Leadership.

Other current place of employment, position
CSO Head of Sustainability, Hikma Pharmaceuticals.

Shareholdings of the parent company
None.

71%
Independence, including the Chair

71%
Share of women in the Supervisory Board

[1] *On 21 December 2023, the parent company received a Letter of Resignation from Bent Christensen, an Independent Member of the Supervisory Board and the Nomination and Remuneration Committee. Bent Christensen's term of office as a Member of the Supervisory Board and the Nomination and Remuneration Committee ended on 4 January 2024. On 11 September 2024, Sian Lloyd Rees was elected as an Independent Member of the Supervisory Board. By the decision of the Supervisory Board of 12 September 2024, Sian Lloyd Rees has been appointed to the Nomination and Remuneration Committee.*

Risk Management and Sustainability Committee

The Risk Management and Sustainability Committee comprises four members, two members of the Supervisory Board and two external independent members.

There were no changes in the composition of the Risk Management and Sustainability Committee during the reporting period.

Activities of the Risk Management and Sustainability Committee in 2024

The Risk Management and Sustainability Committee plans and carries out its activities according to the annual activity plan. The annual activity plan of 2024 was implemented properly. The committee had deep dive sessions during which there were discussed the main risks of the Group as well as focused on CSRD implementation and OHS incidents' analysis. The committee's objective for 2025 is to continue overseeing the Group's progress in reaching its ambitious goals. The committee will discuss the key topics, such as risk management, ESG, especially OHS, issues and the implementation of CSRD, throughout 2025.

The Risk Management and Sustainability Committee's ordinary meetings are held at least once a quarter. Additionally, ad hoc meetings are being held if necessary. During the reporting period, the Risk Management and Sustainability Committee held 12 meetings. However, in favour of work efficiency and optimisation, in 2025 the Risk Management and Sustainability Committee is planning to hold 6 ordinary meetings.

During the reporting period

Overall 12 meetings of the Risk Management and Sustainability Committee were held in 2024, covering the following key areas:

- occupational health and safety.
- periodical risk management reports of the Group;
- risk register and risk management plan of the Group;
- internal controls' governance of the Group;
- sustainability/ESG governance of the Group;
- climate risk assessment;
- CSRD implementation, double materiality assessment;
- anticorruption management system of the Group and the Group Code of Ethics;
- cooperation with the Audit Committee;
- disclosure of risks in integrated reports of the Group;
- deep-dive sessions of company risk management;
- performance report of the committee.

After the reporting period

Overall, 1 meeting of the Risk Management and Sustainability Committee was held from 1 January until 25 February 2025, covering the following key areas:

- approving of the risk management information and Sustainability Statement for Group's annual management report 2024;
- risk management, ESG information and occupational health and safety quarter reports;
- evaluating of anti-corruption management systems report 2024;
- approving of the committee's report 2024.

100%

Independence, including the Chair

25%

Share of women in the Risk Management and Sustainability Committee

Members of the Risk Management and Sustainability Committee

Tim Brooks

Chair, member since 03/11/2021
Re-elected on 22/04/2022
Independent
Competency: sustainable development and risk management
Term of office expires: 25/10/2025

Experience
See page 107.

Alfonso Faubel

Member since 03/11/2021
Re-elected on 22/04/2022
Independent
Competency: renewable energy
Term of office expires: 25/10/2025

Experience
See page 106.

Ana Riva

Member since 01/04/2023
Independent
Competency: risk management
Term of office expires: 25/10/2025

Experience
Ana has more than 20 years of experience in international companies and consulting firms, including Nouryon, Grundfos and Big4. While working in these companies, she was developing and leading internal audit and risk management strategies as well as leading financial, performance and business risk audits. She also oversaw the transformation of internal audit and risk functions at the companies while focusing on strategic partnership, digitalisation and business continuity issues.

Education
IMD Business school, Leading Digital Business Transformation; University of Oxford, Said Business School, Finance Strategy; Baltic Management Institute (EMBA), joint program by HEC & CBS; Vilnius University, Applied Macroeconomics; Vilnius University, Audit and Financial Accounting.

Other current place of employment, position
Chief Audit Executive at a Swiss company, COFRA Group.

Shareholdings of the parent company
None.

Wolf Willems

Member since 01/04/2023
Independent
Competency: occupational health and safety and sustainability/ESG
Term of office expires: 25/10/2025[1]

Experience
Wolf has over 28 years of experience in the areas of sustainability, health and safety management, security and environmental affairs. During his career, Wolf has focused on improving organisational performance by aligning governance and strategies with business models, improving organisational culture, identifying and implementing the best practices and developing leadership. He assumed global executive positions in such companies as Stora Enso, AT&T, Chassis Brakes International (now Hitachi Astemo) and LVX Consulting.

Education
Rome Business School, Sustainability and Circular Bioeconomy (in progress); Liverpool John Moores University, Security Management (in progress); Business School Nederland, Business Administration; HAS Green Academy, Environmental Engineering.

Other current place of employment, position
LVX Consulting Oy, CEO.

Shareholdings of the parent company
None.

[1] *The term of the Risk Management and Sustainability Committee ends on 25 October 2025, however according to the Articles of Association of the parent company, if a member of the Supervisory Board ceases to be a member of the Supervisory Board, he or she shall be deprived of the office in the committee, therefore, the term of office of individual Supervisory Board members on the committee is aligned with the term of the current Supervisory Board.*

Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises three members, all of them are members of the Supervisory Board (two independent members and one representative of the Majority Shareholder).

On 21 December 2023, the parent company received a Letter of Resignation from Bent Christensen, an Independent Member of the Supervisory Board and the Nomination and Remuneration Committee. Bent Christensen's term as a Member of the Supervisory Board and the Nomination and Remuneration Committee ended on 4 January 2024. Following the resignation of Bent Christensen, Sian Lloyd Rees was elected as an Independent Member of the Supervisory Board on 11 September 2024 and as a Member of Nomination and Remuneration Committee on 12 September 2024.

Activities of the Nomination and Remuneration Committee in 2024

The Nomination and Remuneration Committee's ordinary meetings are held at least once a quarter. Additionally, ad hoc meetings are being held if necessary. During the reporting period, the committee held 13 meetings. However, in favour of work efficiency and optimisation, in 2025 the committee is planning to hold 8 ordinary meetings.

The Nomination and Remuneration Committee plans and operates its activities according to the annual activity plan.

The Nomination and Remuneration Committee's annual activity plan of 2024 was implemented properly. The committee analysed information and submitted its opinion on issues related to the changes of Group Remuneration Policy and its application, nomination to the position of subsidiary CEO and other issues related to organisational development. In addition, the committee carried out an assessment and stated that there are no known circumstances that would call into question the independence of the independent members of the Supervisory Board of the parent company and the independent members of the collegial bodies of its subsidiaries.

The Nomination and Remuneration Committee's objective for 2025 is to continue overseeing the Group's progress in reaching its ambitious goals. The committee will discuss the key topics, such as the remuneration policy of the parent company and the Group companies as well as the plans to secure the human resources to ensure the talent pipeline for the Group's strategic projects, throughout 2025. Additionally, the committee will also focus on preparations for the upcoming end of the Supervisory Board's term of office on 25 October 2025, in view of ensuring the continuity and effectiveness of the parent company's supervisory and management bodies.

During the reporting period

Overall, 13 meetings of the Nomination and Remuneration Committee were held in 2024, covering the following key areas:

- issues related to the development of the remuneration policy;
- issues related to executive remuneration;
- evaluating the nominees for the position of CEO of Ignitis Gamyba (Green Capacities and Reserve Capacities);
- issues on succession planning of strategic positions in the Group;
- assessing the independence of the independent members of the collegial bodies of the parent company and its subsidiaries;
- issues related to the implementation of the parent company's strategy and objectives in the area of people and culture;
- committee's organisational issues.

After the reporting period

Overall 3 meetings of the Nomination and Remuneration Committee were held from 1 January 2025 until 25 February 2025, covering the following key areas:

- the performance report for the year 2024 of the committee;
- evaluation of the achievement of the objectives for which the variable remuneration is paid;
- reviewing the Remuneration (part of the management report) of the parent company for 2024;
- evaluating candidates for the management bodies of the parent company's subsidiary, Energijos Skirstymo Operatorius (Networks);
- issues related to the development and implementation of the Remuneration Policy.

Members of the Nomination and Remuneration Committee

Lorraine Wrafter

Chair, member since 03/11/2021
Independent
Competency: organisational development
Term of office[1] expires: 25/10/2025

Experience
See page 107.

Aušra Vičkačkienė

Member since 03/11/2021
Majority Shareholder's representative
Competency: public policy and governance
Term of office[1] expires: 25/10/2025

Experience
See page 106.

Sian Lloyd Rees[1]

Member since 11/09/2024
Independent
Competency: strategic management and international development
Term of office[1] expires: 25/10/2025[2]

Experience
See page 107.

67%
Independence

100%
Share of women in the Nomination and Remuneration Committee

[1] *The term of the Nomination and Remuneration Committee ends on 2 November 2025, however according to the Articles of Association of the parent company, if a member of the Supervisory Board ceases to be a member of the Supervisory Board, he or she shall be deprived of the office in the committee, therefore, the term of office of the individual Supervisory Board members on the committee is aligned with the term of the current Supervisory Board. On 21 December 2023, the parent company received a Letter of Resignation from Bent Christensen, an Independent Member of the Supervisory Board and the Nomination and Remuneration Committee. Bent Christensen's term of office as a Member of the Supervisory Board and the Nomination and Remuneration Committee ended on 4 January 2024. On 11 September 2024, Sian Lloyd Rees was elected as an Independent Member of the Supervisory Board. By the decision of the Supervisory Board of 12 September 2024, Sian Lloyd Rees has been appointed to the Nomination and Remuneration Committee.*

4.5 Audit Committee's report

Overview

Q4 2024 Highlights

The General Meeting of Shareholder's has approved the new version of the Regulations of the Audit Committee on 11 September 2024. The main amendments were related to the provisions of Lithuanian legal acts implementing the Corporate Sustainability Reporting Directive.

Activities of the committee

During the reporting period

- In implementing the functions laid down in the Regulations of the Audit Committee of the parent company, the Audit Committee held 17 meetings.
- In addition, continuing its cooperation with the Risk Management and Sustainability Committee, the Audit Committee held a joint meeting to discuss topics of mutual interest, mainly CSRD implementation matters, Internal Control Governance, and the Risk-Based Internal Audit Engagement Plan 2025.

Key areas covered in 2024

The committee carried out the following activities:

Financial reporting

- monitored the preparation process of financial statements of the Group companies and discussed the financial statements.
- ensured that financial statements are prepared in the European Single Electronic Format (ESEF).
- discussed accounting policies.
- discussed legal disputes in which the Group companies were involved.
-

External audit

- reviewed the external audit strategy, scope and materiality as well as key audit matters.
- periodically assessed updates from the audit company on the external audit process.
- discussed the audit company's report on AB "Ignitis grupė" separate financial statements for the period ended 30 June 2024.

Sustainability reporting

- supervised the selection procedure of a limited assurance service provider for ESG data limited assurance and ensured its independence.
- discussed the sustainability reporting process.
- discussed sustainability data management process and its improvements.
- acknowledged the Double Materiality Assessment methodology.
- reviewed the sustainability assurance plan prepared by the elected independent assurance service provider.

Internal audit

- discussed the Internal Audit's activity reports.
- discussed relevant internal audit reports.
- monitored the implementation of recommendations provided in internal audit reports.
- reviewed the implementation of internal audit plan.
- discussed the developments in the Standards of Professional Practice for Internal Audit and the issues arising from the impact of the changes in the standards.
- discussed the internal audit budget and resources plan 2025.
- reviewed and approved the Risk-Based Internal Audit Plan 2025
- reviewed the changes to the Internal Audit Charter following the amendments of the Global Internal Audit Standards.

Governance and risk management including internal controls in the context of the financial and sustainability reporting

- discussed the update on the Group's internal control governance and the Audit Committee's role therein.
- reviewed periodic reports on the Group's financial performance.
- discussed the anti-corruption management system evaluation analysis report.
- discussed the financial reporting risks and relevant internal controls.
- based on the review of internal audit report encouraged the Company to accelerate the implementation of recommendations on the whistleblowing channel.

After the reporting period

Overall, 3 meetings of the Audit Committee were held from 1 January 2025 until 25 February 2025, where committee members carried out the following activities:

– discussed legal disputes in which the Group companies were involved;
– discussed the annual report on implementation of actions resulting from the Internal Audit reports;
– submitted the Audit Committee's report on its activities to the Supervisory Board of the parent company for 2024/2025;
– reviewed the report on the Group's financial results for Q4 2024, including annual information on related party transactions;
– discussed the Group's financial statements and the audit results;
– discussed the Sustainability Statement 2024 and limited assurance exercise results.

Focus for 2025

In 2025 the Audit Committee will focus attention on:

– internal controls related to financial and sustainability reporting;
– the implementation of recommendations resulting from internal and external audits.

The Audit Committee declares that there were no factors restricting the activity of the Audit Committee and the Audit Committee received from the Group all the information necessary for the exercise of its functions.

Irena Petruškevičienė
Chair of the Audit Committee
Ignitis Group

Ignitis Group office in Vilnius

Audit Committee

The Audit Committee is responsible for monitoring the process of preparing the financial statements of the Group, with a focus on the relevance and consistency of accounting methods used. The committee is also responsible for monitoring the audit of the annual financial statements of the Group companies which are public interest entities, the consolidated financial statements of the Group and assurance of consolidated sustainability reporting of the Group, with a particular focus on audit performance and provision of assurance services. In addition, the committee is responsible for monitoring the effectiveness of the Group's internal audit, as well as the effectiveness of the internal control and risk management systems in the context of the financial reporting and the sustainability reporting (see the table for more on key responsibilities of the Audit Committee).

Audit Committee and Internal Audit function

The Group has a centralised Internal Audit function since 5 January 2015. This helps ensure the independence and objectivity of the Internal Audit, the consistency in application of uniform methodology and reporting principles, and a more rational allocation of available audit resources and competencies. To ensure the effectiveness of the Internal Audit function, the Audit Committee monitors and periodically evaluates its work, approves the internal audit plan and monitors its implementation, discusses the results of assessments, ways to eliminate identified deficiencies.

Key responsibilities of the Audit Committee are the following:

Financial reporting

- monitoring the process of preparing the parent company's and the Group companies' financial statements, paying particular attention to the assessment of suitability and consistency of applied accounting methods.

External audit

- monitoring the independence of the independent auditor and submitting recommendations regarding the selection of an audit firm;
- making sure that the rotation requirements for independent audit companies and key audit partners are not violated.

Internal audit

- monitoring the effectiveness of the Internal Audit function.
- submitting recommendations to the Supervisory Board regarding selection, appointment and dismissal of the Head of Group Internal Audit.
- periodically coordinating and evaluating the work of the Internal Audit function, the implementation of internal audit plans, discussing the assessment results and the elimination of identified deficiencies.
- approving the operational rules of the Internal Audit function and the Internal Audit Plan

Internal control and risk management

- monitoring the effectiveness of the Group's internal control and risk management systems in the context of the financial reporting and the sustainability reporting.
- monitoring the effectiveness of the Group's internal control and risk management systems for prevention of corruption, bribery of foreign public officials in international transactions, money laundering and terrorist financing.
- submitting opinions to the parent company regarding the transactions with related parties as provided in Article 37^2(5) of the Law on Companies of the Republic of Lithuania.

Governance

- performing the functions related to the committee's responsibilities provided in the legal acts of the Republic of Lithuania and the Corporate Governance Code for the Companies Listed on Nasdaq Vilnius.

Sustainability reporting and limited assurance

- monitoring the consolidated sustainability reporting necessary to prepare the management report.
- monitoring the selection procedure of the sustainability reporting assurance service provider and monitoring its independence.

Information about the Audit Committee

The Audit Committee's members Irena Petruškevičienė, Saulius Bakas and Marius Pulkauninkas were elected by the General Meeting of the parent company on 27 September 2021. Additionally, the Audit Committee's members Judith Buss and Ingrida Muckutė were elected by the General Meeting of the parent company on 15 December 2021.

The Audit Committee comprises five members, with four independent members, including the Chair, and one representative of the Majority Shareholder.

Information on education, experience and place of employment of the Audit Committee's members is available below. Furthermore, details of remuneration paid to the members during the reporting period are provided in section '5 Remuneration' of our Integrated Annual Report 2024.

No members of the Audit Committee had any participation in the capital of the parent company or its subsidiaries. Additionally, no members of the Audit Committee had 5% or more shareholdings in other companies that are the parent company's business partners, suppliers, clients or other related companies.

There were no changes in the composition of the committee during the reporting period.

Overview of the Audit Committee (during the reporting period)

Term of office	27 September 2021 – 26 September 2025
Independence, including the Chair	80%
Meeting attendance	100%
Shareholdings in the parent company or its subsidiaries	None

Members of the Audit Committee and their meeting attendance[1] (during the reporting period)

Member	Attendance
Irena Petruškevičienė ⒾⒸ	17/17
Ingrida Muckutė Ⓜ	17/17
Judith Buss Ⓘ	17/17
Saulius Bakas Ⓘ	17/17
Marius Pulkauninkas Ⓘ	17/17

Ⓘ - Independent member
Ⓜ - Majority Shareholder's representative
Ⓒ - Chair

Competency matrix

	Irena Petruškevičienė	Ingrida Muckutė	Judith Buss	Saulius Bakas	Marius Pulkauninkas
Experience in:					
Top-level management	+	+	+	+	+
Non/Executive management bodies	+	+	+	+	+
International companies and organisations	+	+	+	+	+
Energy sector	+	+	+		+
Listed company	+	+	+	+	+
Regulated business	+	+	+	+	+
Competency[2] in:					
Accounting or financial statements auditing	+	+	+	+	+
Accounting or financial statements auditing, internal auditing in energy sector	+	+	+	+	+
Audit of public-interest entities	+	+	+	+	+
Risk management	+	+	+	+	+

[1] The numbers indicate how many meetings the members have attended out of the total meetings during the reporting period.
[2] Competences are assigned according to the competences members have had during the hiring procedure and acquired while managing different strategic areas and targets as well as participating in various trainings.

Members of the Audit Committee

Irena Petruškevičienė

Chair, member since 13/10/2017
Re-elected on 27/09/2021
Independent
Term of office expires: 26/09/2025

Experience
Ilrena has over 30 years of experience in the field of auditing in Lithuania and at international organisations. She worked for 10 years at an audit and consulting company PricewaterhouseCoopers, was a Head of Financial Strategy & Management Programme at ISM University of Management and Economics. Irena also worked for many years at international institutions, including the European Court of Auditors, the European Commission, the UN World Food Programme and European Stability Mechanism. She is a member of the Lithuanian Association of Certified Auditors and the Association of Chartered Certified Accountants (ACCA), and a member of the Association of Internal Auditors. She was elected as a member of the parent company's Audit Committee for the first time in November 2014.

Education
Vilnius University, Diploma in Economics.

Other current place of employment, position
Maxima Grupė, Chair of the Audit Committee. State Enterprise Centre of Register, Member of the Audit Committee. UAB "Vilniaus viešasis transportas", Member of the Audit Committee.

Shareholdings in the parent company
None.

Ingrida Muckutė

Member since 23/03/2018
Re-elected on 15/12/2021
Majority Shareholder's representative
Term of office[1] expires: 26/09/2025

Experience
See page 106.

Judith Buss

Member since 15/12/2021
Independent
Term of office[1] expires: 26/09/2025

Experience
See page 106.

[1] *The term of the Audit Committee ends on 26 September 2025, however, according to the Articles of Association of the parent company, if a member of the Supervisory Board ceases to be a member of the Supervisory Board, he or she shall be deprived of the office in the committee, therefore, the term of office of the individual Supervisory Board members on the committee is linked to the term of the current Supervisory Board.*

Marius Pulkauninkas

Member since 27/09/2021
Independent
Term of office expires: 26/09/2025

Experience
Marius is a highly experienced finance and audit professional with a career of 14 years working at an audit and assurance services company Ernst & Young, coupled with business experience as CFO at KN Energies (former Klaipėdos Nafta), a company operating oil and liquefied natural gas terminals in Lithuania. His business expertise was further developed at Valstybinė miškų urėdija, where he held a position of General Manager.

Education
Vilnius University, Master's degree in Business Administration and Management; Baltic Institute of Corporate Governance, Professional Board Member Education Programme.

Other current place of employment, position
General Manager and shareholder at UAB "Kalnų grupė".

Shareholdings in the parent company
None.

Saulius Bakas

Member since 27/09/2021
Independent
Term of office expires: 26/09/2025

Experience
Saulius is an experienced professional with over 25 years of experience in accounting & reporting, audit and assurance, internal controls and risk management. From the start of his career until 2020 he worked at international accounting and audit firms (Big4) and most recently from 2012 to 2020 was a partner with Deloitte Central Europe and in-charge of audit and assurance business in the Baltics region. Since 2021 he is a partner at Viridis sustainability, a boutique sustainable finance advisory firm. He is a member of the Lithuanian Association of Certified Auditors and a fellow member of the Association of Chartered Certified Accountants (ACCA).

Education
Vilnius University, Master's degree in Economics; Vilnius University, Bachelor's degree in Business Administration.

Other current place of employment, position
Co-founder and CEO of Viridis Sustainability.

Shareholdings in the parent company
None.

80%
Independence, including the Chair

60%
Share of women in the Audit Committee

4.6 Management Board

Overview

The Management Board is a collegial management body established in the Articles of Association of the parent company. The activities of the Management Board are regulated by the Law on Companies (link in Lithuanian), its implementing legislation, the Corporate Governance Guidelines, the Articles of Association of the parent company and the Rules of Procedure of the Management Board. During the reporting period, the rules governing the election of the members of the Management Board of the parent company were not amended. The Management Board comprises five executive members. The Chair of the Management Board is elected by the Management Board and is appointed as CEO of the parent company.

Key responsibilities of the Management Board are the following:

- analysing and assessing the draft strategy and strategic plan of the Group and the information of their implementation;
- analysing and assessing the drafts of the long-term financial plan, the annual budget, the risk management plan and the investment policy of the Group;
- considering and approving the top priority strategic initiatives portfolio, long-term and annual sustainability plans of the Group;
- approving the operational guidelines, rules and indicators of the Group companies, common policies, and the management of the Group companies;
- making decisions regarding the parent company becoming a founder or participant of other legal entities, the establishment of branches and representative offices of the parent company;
- making decisions regarding the approval of nominations for members of the supervisory and/or management bodies of the Group companies and the parent company's branches and representative offices while considering the opinion of the Supervisory Board;
- making decisions regarding the transactions established by the legislations, Articles of Association and internal policies;
- making other decisions assigned to the Management Board by the Law on Companies (link in Lithuanian), the Articles of Association or the decisions of the General Meeting.

The members of the Management Board were selected on the basis of the general expectations and competencies set out in the competency matrix of the Management Board, which is described on the following page. The members were selected based on the following areas of competency: strategy and management, sustainability, organisational development, finance, commercial activities, and regulated activities. Each member of the Management Board has to ensure the appropriate performance of the parent company's activities/ supervise the respective areas at the Group level in the field of their competency. Also, each of them is responsible for the analysis of the issues related to their competency, i.e., when a decision must be made in the field under his/her supervision, and for the presentation of all the relevant information to other members of the Management Board so that the necessary decisions of the Management Board could be made in a timely manner.

The members of the Management Board, acting within their competence, must ensure the proper performance of the parent company's activities and supervise their respective areas at the Group level. Specific areas of competency may be changed upon the proposal of the Chair of the Management Board with the approval of the Supervisory Board of the parent company.

Information on the selection criteria of the members

The members of the Management Board are employees of the parent company. They are elected by the Supervisory Board on the proposal of the Nomination and Remuneration Committee. Each member of the Management Board is elected for a term of four years. The Management Board of the parent company is formed in view of the provision that the competencies of the members of the Management Board must be diverse.

The following persons cannot be the member of the Management Board:

- a member of the Supervisory Board;
- a member of the committee of the Supervisory Board or the Audit Committee;
- a member of a supervisory body, management body or administrative body of a legal entity engaged in electricity or natural gas transmission activities;
- an auditor, an assurance specialist, an employee of an audit company, or an independent assurance service provider who participates and/or participated in the audit of financial statements or in the verification of information on sustainability matters, which is provided in the parent company's

management report, if a period of more than 2 years has not elapsed from the performance thereof.
- a person who is not legally entitled to hold this position.

Members of the Management Board of the parent company must meet the general and specific criteria laid down by the law as well as specific competencies are determined by the Supervisory Board when forming the Management Board.

Moreover, Equal Opportunities and Diversity Policy of the Group is referred during the selection of the Management Board of the parent company.

Information on remuneration paid to the members during the reporting period

Remuneration for the activities of the Management Board, including the achievement of annual targets, is provided in section '5 Remuneration' of our Integrated Annual Report 2024 and on our website, and is paid in accordance with the Group Remuneration Policy. The policy's latest wording was approved by the General Meeting on 27 March 2024.

Conflicts of interest

In accordance with the Articles of Association of the parent company, each candidate for the Management Board must submit the Supervisory Board a written consent to stand as a candidate for the Management Board and a Declaration of Interests, stating therein all the circumstances which may give rise to a conflict of interest between the candidate and the parent company. In the event of new circumstances that could result in a conflict of interest between the member of the Management Board and the parent company arise, the member of the Management Board must immediately notify the Management Board and the Supervisory Board in writing of such new circumstances. Also, the members of the Management Board may not do any other work or hold other positions if they are incompatible with their activities in the Management Board, including executive positions in other legal entities (except for positions within the parent company and the Group companies), work in civil service or statutory service. The members of the Management Board may hold other office or do other work, except for the positions within the parent company and other legal entities the parent company is a member of, and may carry out pedagogical, creative or authorship activities only with the prior consent of the Supervisory Board.

Ignitis Group employees

Information about the Management Board and its activities in 2024

Overview

There were no changes in the composition of the Management Board during the reporting period. The term of the Management Board started on 18 February 2022 and will end on 17 February 2026.

Information on education, experience and place of employment of the Management Board's members is available below.

All Management Board members hold shares of the Group companies (please refer to the information on the following page). The Group publishes relevant transactions through stock exchanges according to Article 19 of the Market abuse regulation (EU) No. 596/2014 and other relevant disclosure requirements. Additionally, no members of the Management Board had 5% or more shareholdings in other companies who are the parent company's business partners, suppliers, clients or other related companies.

Activities of the Management Board in 2024

Management Board meetings take place on a weekly basis. Additionally, *ad hoc* meetings are held if necessary.

During the reporting period

Overall, 84 meetings of the Management Board were held in 2024, covering the following key areas:

- approving the Group's annual report of 2023 and submitting it to the Supervisory Board and the General Meeting;
- evaluating the Group's annual financial statements and draft allocation of profit (loss) for 2023 and submitting comments to the Supervisory Board and the General Meeting
- approving the interim reports of the Group for the three-month period ended on 31 March 2024 and the nine-month period ended on 30 September 2024;
- approving the interim report of the Group for the six- month period ended on 30 June 2024 and the set of audited interim condensed financial statements for the six months, proposing to allocate dividends to shareholders and submitting the proposal to the General Meeting;
- agreeing to the updated Group Remuneration Policy and submitting it to the Supervisory Board;
- evaluating the most significant transactions planned by the Group, approving their conclusion and material terms and conditions;
- making decisions on participation and voting in General Meetings of Shareholders of the companies whose shares are held by the parent company;
- evaluating the organisation of the parent company's and the Group companies' activities and making decisions related thereto;
- evaluating and approving the Group's operational and strategic planning documents while taking into account the opinion of the parent company's Supervisory Board;
- making decisions on the approval of the Group's internal policies.

After the reporting period

Overall 8 meetings of the Management Board were held from 1 January 2025 until 25 February 2025, covering the following key areas, approving:

- the Group's strategic plan for Governance Coordination Centre;
- achievement of LTI Performance objectives 2021–2024;
- achievement of STI Performance objectives 2024.

Meeting attendance[1] and number of owned shares of the parent company (at the end of the reporting period)

Member	Position	Attendance	Number of shares
Darius Maikštėnas	Chair, CEO	84/84	3,000
Jonas Rimavičius	Member, CFO	84/84	1,300
Dr. Živilė Skibarkienė	Member, Chief Organisational Development Officer	84/84	300
Vidmantas Salietis	Member, Chief Commercial Officer	84/84	200
Mantas Mikalajūnas	Member, Chief Regulatory Officer	84/84	220

[1] *The numbers indicate how many meetings in 2024 the members have attended out of the total meetings.*

Competency matrix[1]

Area of competency	Darius Maikštėnas Strategy development and management	Jonas Rimavičius Finance management	Dr. Živilė Skibarkienė Organisational development	Vidmantas Salietis Commercial activities	Mantas Mikalajūnas Regulated activities
Experience in:					
Top-level management	+	+	+	+	+
Non/Executive management bodies	+	+	+	+	+
International development/expansion	+	+	+	+	+
Energy sector	+	+	+	+	+
Renewable energy field	+	+	+	+	+
Listed company	+	+	+	+	+
International companies and organisations	+	+	+	+	+
Regulated business	+	+	+	+	+
Commercial business	+	+	+	+	+
Competency[1] in:					
Corporate finance	+	+	+	+	
Investment portfolio policy	+	+	+	+	
Business strategy	+	+	+	+	+
Mergers & acquisitions	+	+	+	+	+
Risk Management	+	+	+		
IT/Innovation/Digitalisation	+		+	+	+
Public policy and governance	+		+	+	+
Sustainability-related:					
Environment (incl. climate change)	+			+	
Organizational development / HR / Diversity, equity, and inclusion			+		
Health & Safety			+		+
Sustainable finance		+			
ESG reporting		+			

[1] *Competencies are assigned according to the competencies members have had during the hiring procedure and acquired while managing different strategic areas and targets as well as participating in various trainings.*

Members of the Management Board

Darius Maikštėnas

Chair, CEO since 01/02/2018
Re-elected on 18/02/2022
Competency: strategy and management, sustainability
Term of office expires: 17/02/2026

Experience
Darius is a top-level executive with 20+ years of executive experience in energy, telecommunications, IT, and venture capital sectors. He joined Ignitis Group in 2018 and since then he serves as CEO and Chair of the Management Board. Darius Maikštėnas successfully prepared Ignitis Group for transitioning from a local monopoly to a renewable-focused integrated utility and the largest energy group in the Baltic states, oversaw Ignitis Group's IPO and has been leading the Group towards ESG excellence. Prior to joining Ignitis Group, he had led an international company based in Silicon Valley, offering innovative telecommunications solutions and operating in the United States and the UK.

Education
Harvard Business School, General Management Program; Baltic Management Institute, Executive MBA degree; Kaunas University of Technology, Bachelor's degree in Business Administration.

Other current place of employment, position
Eurelectric, Member of Board of Directors; Energijos Skirstymo Operatorius, Member of the Board.

Shareholdings in the parent company[1]
3,000.

Jonas Rimavičius

Member since 18/02/2022
Competency: finance
Term of office expires: 17/02/2026

Experience
Jonas is an experienced finance professional. Since joining the Group in 2016, Jonas has been leading M&A activities and capital raising projects, including Ignitis Group's IPO and green bonds' issues. Additionally, Jonas has been serving as Chair and Member of the Management Board at Ignitis Renewables since January 2019. Prior to joining the Group, Jonas had accumulated experience in the areas of investment banking and corporate finance at Swedbank, EY and Telia.

Education
University of Cambridge, Master's degree in Business Administration; University of Warwick, Bachelor's degree in Accounting and Finance; former CFA charterholder.

Other current place of employment, position
Ignitis Renewables, Chair and Member of the Board; Ignitis Renewables Offshore Development, Member of the Board; Ignitis Renewables Projektai 5, Member of the Board; Ignitis Renewables Projektai 6, Chair and Member of the Board.

Shareholdings in the parent company[1]
1,300.

Dr. Živilė Skibarkienė

Member since 01/02/2018
Re-elected on 18/02/2022
Competency: organisational development
Term of office expires: 17/02/2026

Experience
Živilė is a professional in law and organisational development with over 10 years of executive experience. She joined the Group in 2018 and has since transformed how the Group is governed, resulting in the Group being constantly awarded the highest governance rating by the Governance Coordination Centre. She also led the transformation of the organisation into an attractive employer, whose compliance with the best human resources policies and practices has been certified by the Top Employers Institute (the Netherlands). This achievement was supported by growing employee net promoter score from 9 to 65 over several years.

Živilė also serves as a Member of the Board at ESO and Chair of the Board at Ignitis Grupės Paslaugų Centras. Prior to that, Živilė gained executive experience while working in the financial sector. She was Head of Legal and Administrative Division at Šiaulių Bankas, Member of the Management Board and Deputy CEO at Finasta Bank, Head of Compliance at DNB Bankas (now Luminor), and Head of Legal Department at SEB Bankas. Živilė holds a board member's education certificate issued by the Baltic Institute of Corporate Governance.

Education
Harvard Business School, Business Leadership Program; Saïd Business School, University of Oxford, Executive Leadership Program; Mykolas Romeris University, PhD in Law; Vilnius University, Master's degree in Law.

Other current place of employment, position
Ignitis Grupės Paslaugų Centras, Chair and Member of the Board; Energijos Skirstymo Operatorius, Member of the Board.

Shareholdings in the parent company[1]
300.

[1] *The number indicates shares owned at the end of the reporting period.*

Vidmantas Salietis

Member since 01/02/2018
Re-elected on 18/02/2022
Competence: commercial
Term of office expires: 17/02/2026

Experience
Vidmantas, who is a professional with 10+ years of experience in top-level positions in the energy sector, joined the Group in 2011 and since has served as an executive in various Group companies. During this time, he spearheaded one of the major changes in the electricity sector – market deregulation. In addition to becoming a Member of the Management Board of the parent company in 2018, Vidmantas was also serving as Chair of the Supervisory Board at Ignitis, Chair of the Supervisory Board at Ignitis Gamyba as well as Member of the Board at Ignitis Renewables. Prior to that, he had served as CEO at Energijos Tiekimas and led an electricity wholesale trading department at Ignitis Gamyba. He had also served as Chair and Member of the Board of Elektroninių Mokėjimų Agentūra and Member of the Board of Gamybos Optimizavimas.

Education
Baltic Institute of Corporate Governance, a board member's education certificate, Stockholm School of Economics in Riga (SSE Riga), Bachelor's degree in Economics and Business.

Other current place of employment, position
Ignitis, Chair and Member of the Board; Ignitis Gamyba, Chair and Member of the Board; Ignitis Renewables, Member of the Board.

Shareholdings in the parent company[1]
200.

Mantas Mikalajūnas

Member since 18/02/2022
Competence: regulated activities
Term of office expires: 17/02/2026

Experience
Mantas, who has almost 20 years of executive experience in various energy companies, launched his career in Lietuvos Dujos. Later, he had an internship in a German energy group. After returning to Lithuania, he was working in strategic positions at Lietuvos Dujos, where he served as an executive team member and was responsible for issues related to investor relations, state authorities and the regulator as well as integration of Lietuvos Dujos into Lietuvos Energija (current Ignitis Group). Before transitioning to the current position of Chief Regulated Activities Officer, Mantas had served as Head of Business Development at Ignitis Group and CEO at Lietuvos Dujų Tiekimas (later, Lietuvos Energijos Tiekimas).

Education
Baltic Institute of Corporate Governance, a board member's and board chair's certificate, Saïd Business School, University of Oxford, Strategic Management Executive Programme; Vilnius University, Master's degree in Business Administration and Management.

Other current place of employment, position
Ignitis, Member of the Board; Vilnius CHP, Chair and Member of the Board; Kaunas CHP, Member of the Board; Ignitis Gamyba, Member of the Board.

Shareholdings in the parent company[1]
220.

0%
Independence, including the Chair (all executives)

20%
Share of women in the Management Board

[1] *The number indicates shares owned at the end of the reporting period.*

CEO

At the executive level, the parent company is managed by the CEO and the Management Board. CEO is a single-person management body of the parent company, who organises, directs, acts on behalf of the parent company and concludes transactions unilaterally as provided by the Law on Companies (link in Lithuanian), its implemented legislation and the Articles of Association of the parent company. CEO is entitled to solely represent the parent company and execute documents on the parent company's behalf.

The competence of a CEO, the procedure of his/her appointment and removal and the terms of office are established according to the Law on Companies (link in Lithuanian), its implemented legislation, the Corporate Governance Guidelines and the Articles of Association of the parent company. In accordance with the Corporate Governance Guidelines, the Chair of the Management Board is elected by the Management Board and is appointed as CEO of the parent company. It should be noted that the CEO of the parent company, as a SOE, is also subject to special regulations set out in the Law on Companies (link in Lithuanian), according to which the term of a CEO is limited to five years. It stipulates that the same person can only be appointed for two consecutive five-year terms. Equal Opportunities and Diversity Policy of the Group is referred to the selection of the parent company's CEO.

The term of the current CEO started on 1 March 2022 and will end on 28 February 2027.

The main functions and responsibilities of the CEO are:

- ensuring the implementation of the Group's strategy and strategic plans as well as decisions of the Management Board;
- entering into and terminating employment contracts, incentivising and imposing penalties on employees;
- ensuring the security of the parent company's assets, appropriate working conditions, security of the parent company's commercial secrets and confidential information;
- submitting proposals to the Management Board regarding the annual budgets of the parent company and the Group companies, being responsible for the preparation of the sets of annual financial statements of the parent company and the annual consolidated financial statements of the Group companies as well as the preparation of the consolidated annual and interim management reports of the Group companies;
- preparing a decision on the allocation of dividends for a period shorter than the financial year, preparing a set of interim financial statements;
- carrying out other duties set out in the Law on Companies, other laws and legal acts, the Articles of Association and in the job description of the CEO as well as resolving other issues which are not attributed to the competence of other bodies of the parent company under the laws or the Articles of Association.

At the end of the reporting period, the parent company's CEO, Darius Maikštėnas, held 3,000 shares of the parent company.

Information on education, experience and place of employment of the CEO is available in the previous section, and the details of his remuneration during the reporting period as well as key contractual terms of his employment contract with the parent company are provided in section '5 Remuneration' of our Integrated Annual Report 2024.

4.7 Risk management

Risk management framework

Overview

The Group is exposed to a range of internal and external risks that could affect its performance. To address these risks, we adhere to standardized risk management principles based on the best practices, including COSO and ISO 31000:2018. Our 'Three-lines enterprise risk management framework' ensures a clear segregation of responsibilities among management, supervisory bodies, structural units, and functions. We ensure that our risk management information and decision-making are consistent by utilising a uniform risk management process implemented across all Group companies and functions. This process includes quarterly monitoring of risks, measures, and key risk indicators, as well as the preparation of internal reports for management. This section outlines the Group's risk management governance model, the key components of the risk management process, a review of significant risks we faced in 2024, and the risk management plan for 2025.

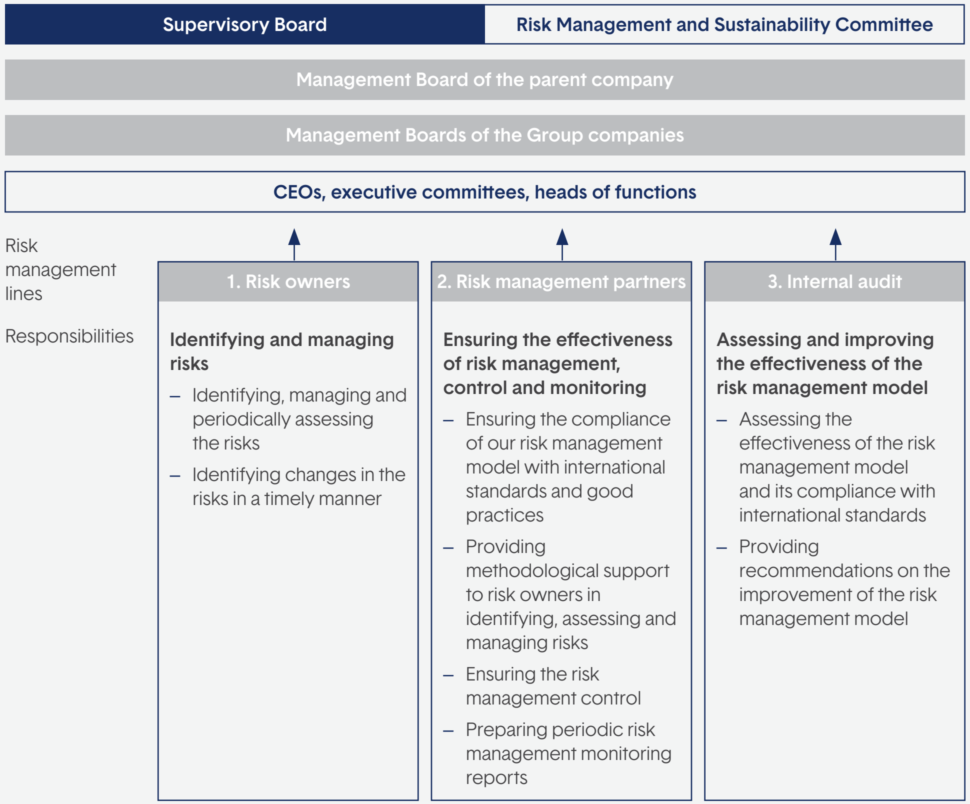
Our risk management objectives include:

- ensuring that all the decisions made to achieve our goals are in line with the values of the Group;
- eliminating or reducing the impact of the risks on the Group's goals for different periods as much as possible;
- ensuring the stability (including financial) and sustainability of the Group's activities;
- ensuring that correct information is provided to relevant parties in a timely manner;
- protecting and ensuring the Group's reputation and reliability;
- protecting the interests of stakeholders.

Risk management process

The Group promotes proactive risk management to achieve its strategic goals and adapt to a dynamic environment. Quarterly reviews of risks ensure timely and effective decision-making in all Group companies. ESG risks (including the risks related to climate change) and opportunities are fully integrated into a Group-wide unified risk management process, which is briefly described below. More information on the risk management framework and the processes we apply in the Group is disclosed in the Group's website.

Three-lines risk management framework



1. Identifying risks. The Group analyses potential impacts arising from climate change, regulatory changes, geopolitical and economic situations, market trends, and social issues. All employees are responsible for identifying risks in a timely manner. Risk are assessed based on the following periods (when the risk is the most relevant): short term (0–1 years), medium term (2–4 years), long term (≥5 years).

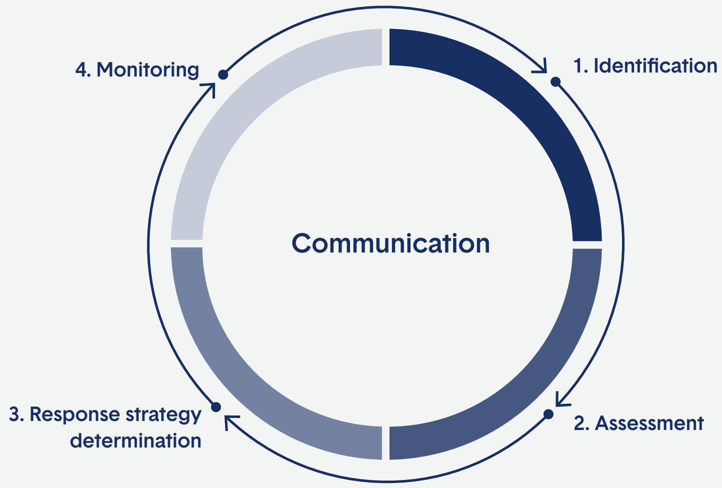
2. Assessing risks. The Group determines the level of the risks (from low to very high) based on their probability and impact assessment. The risks are assessed while considering their impact on the four categories: financial, reputational, OHS and compliance. The Group assigns ESG types to all risks.

The risks the Group faces in its operations are separated into four different categories described below.

3. Determining the response strategy. The Group decides whether to accept, mitigate, avoid, or transfer the risks. All risks exceeding the Group's risk appetite must be mitigated. The Group is determined to achieve its goals in a sustainable manner, therefore, it pays special attention to and mitigates the risks related to occupational health and safety, corruption, climate change and environmental protection, cyber threats, non-compliance with legal requirements (such as the European Union's Third Energy Package, money laundering and terrorist financing prevention requirements, the General Data Protection Regulation, etc.), partnerships that would have any links to the countries that are hostile towards Lithuania, etc.

4. Monitoring risks. The Group assesses the impact, the probability of the risks and their relevant sources, updates risk mitigation measures and key risk indicators while reporting other risk-related information to the management every quarter. During the monitoring stage, we identify new risks and eliminate the ones that are no longer relevant. The management bodies of the Group are periodically informed about sustainability matters, including all information related to double materiality assessment (DMA) – impacts, risks and opportunities.

Risk management process



Strategic risks	Financial[1] risks	Operational risks	Legal risks
Risks that affect the Group's long-term goals and objectives, including market competition, technological and regulatory changes.	Risks related to the Group's financial performance, including risks related to credit, working capital demand, market fluctuations, interest rates and liquidity issues.	Risks in day-to-day operations, including system failures, supply chain disruptions, and human errors.	Risks associated with legal obligations and compliance, including litigation, regulatory fines, and contractual disputes.

[1] *Financial risks of the Group (market, currency, interest rate, credit, liquidity) which do not exceed the Group's risk appetite and KRI tolerance thresholds, in accordance with the IFRS requirements, are disclosed in section 'Financial statements' of this report.*

Risk management in 2024

Overview of key risks

The Group's risk management context in 2024 was mostly influenced by successful completion of the Vilnius CHP biomass project and the structural changes of the Group's key risks related to the updated Group Risk Management Policy and risk assessment methodology:

- in Q1 2024, the risk of failure to complete the Vilnius CHP biomass unit properly and on time decreased from 'High' to 'Low' and dropped out from the list of key risks. In Q2 2024, the risk became obsolete as Vilnius CHP biomass project was finished;
- the objectives of the Group Risk Management Policy's revision were to enhance compliance with ISO31000:2018 standards and improve the precision in assessing the likelihood and impact of risks (adjusted scales and their values). As a result of this methodological update, the risk level associated with ensuring the security of the Lithuanian electricity system was adjusted from 'High' to 'Medium'.

Overview

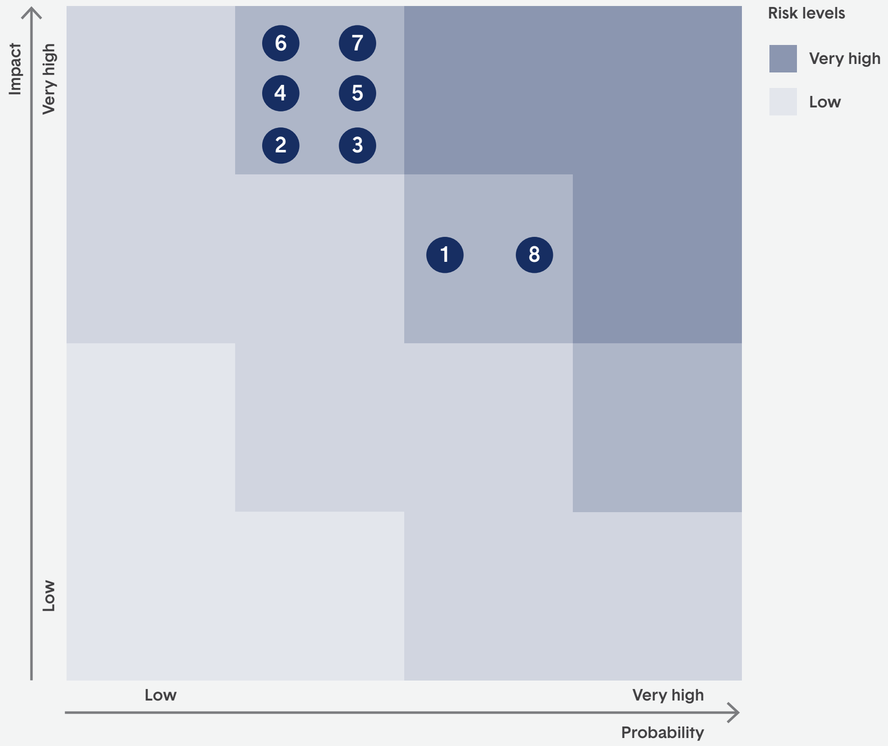
At the close of 2024, the Group undertook a comprehensive restructuring of its key risks. This initiative was influenced by several factors, including adherence to the Corporate Sustainability Reporting Directive (CSRD) and the alignment with best market practices and risk disclosure standards for energy companies.

In 2024 the Group implemented a double materiality assessment (DMA) in accordance with the CSRD and EFRAG guidelines. This process included a financial evaluation of the Group's ESG risks. Throughout this assessment, all risks of the Group were reviewed, leading to the identification of new sustainability-related risks and the consolidation of existing ones. These risks were subsequently integrated into the Group's Enterprise Risk Management (ERM) framework during the annual planning process. Risk management information on these risks is described below in section 'Management plan of the key risks of the Group'. More information on sustainability-related impacts, risks and opportunities is available in Sustainability statement.

Risk management in 2025

Business-related risks were reviewed and consolidated in accordance with best practices in the energy sector and various institutional requirements for enterprise risk disclosure. These business-related risks categorized by their likelihood and potential impact, are illustrated in the heat map below. It is worth noting that these risks exceed the Group's risk appetite and are designated as key risks. Other risks are monitored at the operational level.

Heat map of the key risks of the Group



1. Risk of occupational health & safety
2. Market risks
3. Energy infrastructure failure
4. Large-capital projects execution risk
5. Regulatory changes and political risks
6. Risk of human capital
7. Financial risks
8. Risk of high impact cyber attack

Management plan of the key risks of the Group

This section discloses the key business-related risks, those identified as material to the Group during the DMA process, and other significant sustainability-related risks to the Group, along with their sources and the control measures implemented.

Key business-related risks of the Group

1 Risk of occupational health & safety

Risk category
Operational

ESG type
Social

Period
Long-term

Primary potential impact
On peoples' lives & health

Impact on business segments
All

Risk description:

– This risk includes workplace injuries and fatalities of workers and contractors related to high-risk working environment, inadequate social and cultural context on health and safety issues, as well as failure to develop risk mitigation actions. Although the direct financial costs associated with a fatal event are not significant, the Group considers human life to have the highest value and, therefore, the highest financial impact is assigned to this risk for all time horizons.

Key mitigation directions include:

– providing employees with instructions based on the approved health and safety guidelines relevant to their roles;
– conducting compulsory training and certification of employees as required by applicable standards;
– instructing the persons responsible for contractors on our health and safety protocols;
– monitoring occupational health and safety (OHS) in workplaces, including the workplaces of contractors;
– conducting and initiating occupational risk assessments of workplaces;
– sharing accident and incident investigation materials and findings with employees and OHS specialists from other Group companies;
– ensuring that most of the Group companies are ISO 45001 certified;
– offering OHS training and education to contractors;
– periodically monitoring the Total Recordable Incident Rate (TRIR) of both employees and contractors.

2 Market risks

Risk category
Financial

ESG type
Not related

Period
Long-term

Primary potential impact
Financial

Impact on business segments
All

Risk description:

- Key sources of the market risk relevant to the Group includes price volatility: risk of fluctuating prices for natural gas, electricity, biomass, emission allowances, and waste can be influenced by changes in supply and demand, geopolitical events, and market speculation.

Key mitigation directions include:

- adhering to the Energy Commodities Market Price Fluctuation Risk Management Policy, Market Risk Management Standard, and Sales Hedging Standard;
- utilising derivative hedging instruments;
- storing gas in the Inčukalns Underground Gas Storage (UGS);
- coordinating with the LNG terminal operator regarding regasification schedule adjustments;
- tracking electricity and gas price forecasts, data, and forecasting deviations;
- maintaining biomass storage capacities to address potential fuel shortages;
- diversifying biomass fuel supply and securing fixed medium- to long-term supply contracts;
- concluding SPAs (Sales and Purchase Agreements) with counterparties in all operating markets to cover surplus supply or demand;
- diversifying supply chains and continuously monitoring the market for new supply sources.

More information on market risks management is disclosed in financial statements of this report.

3 Energy infrastructure failure

Risk category
Operational

ESG type
Not related

Period
Long-term

Primary potential impact
Reputational, financial

Impact on business segments
Green Capacities, Networks, Reserve Capacities

Risk description:

Ignitis Group owns and operates energy infrastructure for commercial use, with some assets providing national-importance services, such as reserve capacities, electricity, and gas supply and distribution. The infrastructure could fail due to various reasons:

- Some of energy infrastructure is aging and prone to failure.
- Severe weather, such as heavy rain, storms, hails, floods, heat waves can cause significant damage to energy infrastructure. These events are becoming more frequent and intense due to climate change.
- Cybersecurity threats: As the energy system becomes more digitalized, its vulnerability to cyberattacks is increasing. These attacks can disrupt operations, steal sensitive data, or even cause physical damage.
- Physical attacks and sabotage: Energy infrastructure can be targeted by physical attacks or sabotage, leading to disruptions in energy generation or supply.
- Operational failures: Energy system failures, such as equipment malfunctions or human errors, can lead to outages and other issues.
- Supply chain issues: Disruptions in the supply chain, whether due to geopolitical tensions, natural disasters, or other factors, can impact the availability of critical components needed for energy infrastructure maintenance and development.
- Regulatory and policy risks: Changes in regulations or policies can impact the operation and maintenance of energy infrastructure, potentially leading to failures if not managed properly.

Key mitigation directions include:

- preparing, regularly updating, and testing business continuity and emergency management plans;
- implementing detailed processes for managing disruptions, including mass disconnections and gas flow restrictions;
- regularly updating processes for managing mass disconnections, including IT solutions and network restoration actions;
- ensuring physical and cyber security of assets;
- conducting regular personnel training, certification, and equipment testing;
- performing timely technical maintenance and updates;
- updating a 10-year investment plan annually, focusing on replacing overhead power lines with underground power lines in forested areas;
- establishing a distribution network automation program;
- installing remote-controlled equipment and self-healing network solutions;
- strengthening internal repair teams to reduce dependency on contractors;
- maintaining gas and biomass storage facilities;
- collaborating with state institutions, i.e., conducting security-based exercises, ensuring effective communication during emergency situations.

4 Large-capital projects execution risk

Risk category
Operational

ESG type
Not related

Period
Long-term

Primary potential impact
Reputational, financial

Impact on business segments
Green Capacities, Networks, Reserve Capacities

Risk description:

Large-capital projects execution risk (risks that are relevant to the project after FID is made) could be related to issues, such as:

- Cost overruns: Large-capital projects could exceed their initial budget estimates due to unforeseen expenses, changes in project scope, or inaccurate cost estimations.
- Schedule delays: Delays can occur due to a variety of factors, including supply chain disruptions, labour shortages, or unexpected technical challenges.
- Regulatory, political changes: Changes in regulations or compliance requirements can impact project timelines and costs, especially in the regions with stringent environmental and safety standards.
- Stakeholder management: Coordination between multiple stakeholders, including the government, municipalities' bodies, contractors, and local communities, can be challenging and may lead to disputes that could cause project delays, scope adjustments or budget increase.
- Environmental and social impact: Large projects can have significant environmental and social impacts, which need to be carefully managed to avoid legal and reputational risks.

Key mitigation directions include:

- submitting regular project performance reports to the management to monitor progress, costs, and schedules, including regular updates on and adjustments to the project plans;
- developing contingency plans for potential delays or cost overruns, including setting aside contingency budgets and having backup suppliers;
- maintaining continuous communication with stakeholders to manage expectations and address concerns promptly;
- attracting highly skilled and competent talent and continuing training programmes to keep the teams updated on the latest technologies and practices;
- leveraging advanced technologies, such as project management software, automation, and data analytics, to improve operational efficiency and decision-making;
- monitoring legal and regulatory requirements to avoid compliance issues that could delay the project.

5 Regulatory changes and political risks

Risk category
Strategic

ESG type
Not related

Period
Long-term

Primary potential impact
Financial

Impact on business segments
All

Risk description:

Regulatory changes and political risks could be related to issues, such as:

- new regulatory changes could negatively impact financial performance of the Group companies;
- possible changes of legal framework for secondary and tertiary power reserves, including evolving requirements and expectations;
- challenges of coordinating investments and costs with the regulator to ensure adequate returns that cover investments and other expenses;
- economically unprofitable cost compensation for electricity supply to private customers;
- possible repayment of not notified State-aid (The EC has not been notified by the state about support allocated to AB "Ignitis gamyba" (Reserve Capacities)).

Key mitigation directions include:

- sactively cooperating with regulators and other state and municipal institutions, including analysing effective and draft regulations and proposing rational amendments thereto with explanations;
- engaging third parties (lawyers, consultants) in order to analyze regulations;
- collaborating with other market participants to propose joint positions on relevant regulations;
- aligning the Group's decisions with regulatory requirements;
- continuously evaluating regulatory initiatives and changes while informing the Group companies about the planned regulatory changes and their potential impact.

6 Risk of human capital

Risk category
Strategic

ESG type
Social

Period
Long-term

Primary potential impact
Financial

Impact on business segments
All

Risk description:

- Attracting, retaining, and developing a highly skilled workforce is essential for achieving the Group's strategic objectives. As we rapidly expanding into onshore and offshore wind projects and power-to-x solutions, a lack of expertise could significantly hinder our progress and damage our reputation. To ensure our continued success, we must attract, retain and develop competencies while fostering innovation and excellence.

Key mitigation directions include:

- developing, implementing, monitoring, and reviewing recruitment plans for various periods;
- creating competency development plans and programmes (e.g., EnergySmartSTART, internal training courses);
- promoting internal career opportunities through Group-wide initiatives, e.g., EnergyTalentLab;
- utilising different forms of talent acquisition (B2B contracts, expat packages, regular employment contracts, etc.);
- partnering with educational institutions in all the countries we operate;
- tracking employee satisfaction rates and actively responding to negative trends;
- offering and regularly reviewing the additional benefits package.

7 Financial risks

Risk category
Financial

ESG type
Not related

Period
Long-term

Primary potential impact
Financial

Impact on business segments
All

Risk description:

Key sources of financial risks relevant to Ignitis Group are the following:

- Capital expenditure and financing: the high capital costs associated with energy projects are a significant risk. The Group needs to make substantial upfront investments, while it can be challenging to secure financing, especially in volatile markets.
- Liquidity risks: the risk of not having sufficient liquidity to meet short-term obligations is a common concern. This can be exacerbated by delays in project completion or unexpected operational issues.
- Credit risks: the risk of counterparties failing to meet their financial obligations can impact the Group's cash flow and profitability. This includes the risks related to customers and suppliers.
- Exchange rate risks: the Group operates globally and is exposed to fluctuations in exchange rates. This can affect the cost of imports and exports as well as the value of foreign investments.
- Interest rate risks: changes in the interest rates can impact the cost of borrowing and the value of the Group's financial assets and liabilities.
- Asset impairments: the risk of asset impairment can materialize due to changes in market conditions, regulatory environment or technological advancements, it can lead to significant write-downs and affect the company's financials.

Key mitigation directions include:

CAPEX:

- tendering the main capital expenditure contracts prior to making an FID, and gathering binding offers;
- including a project capital expenditure contingency buffer in the financial model of an FID.

Financing:

- sourcing financing in parallel to the FID process; obtaining offers that are at least non-binding.

Liquidity risk:

- liquidity needs are managed according monthly cashflow forecast for the current and the following year, which is prepared on a quarterly basis;
- liquidity reserve is maintained through committed multiple diversified credit lines; overdrafts, term loans and trade finance facilities;
- liquidity in concentrated daily using external cash pool platform.

Budgeting and forecasting:

- budget planning, short-term and long-term forecasting, and regular monitoring.

Credit risk:

- established credit risk policy and checking the creditworthiness of private customers.

More information on financial risks management is disclosed in financial statements of this report.

8 Risk of high impact cyber-attack

Risk category
Operational

ESG type
Social

Period
Short-term

Primary potential impact
Reputational, compliance

Impact on business segments
All

Risk description:

Due to geopolitical factors, the critical services provided by the Group are significant targets for hostile state-sponsored cyber-attacks. These attacks could exploit:

- unresolved vulnerabilities in IT and OT systems;
- human factors, such as insufficient employee resistance to social engineering attacks;
- inadequate privileged access control and monitoring of privileged users.

Key mitigation directions include:

- periodically preparing and submitting vulnerability reports to responsible personnel;
- implementing a vulnerability management process that classifies and addresses vulnerabilities based on their criticality;
- limiting and isolating critical systems within a local network;
- developing digital security competencies by developing accredited CERT team members in the organisation and participating in cybersecurity exercises with external partners;
- ensuring 24/7 Group-wide cybersecurity supervision;
- maintaining an incident management process to ensure effective response;
- conducting regular phishing simulations across all Group companies to increase the vigilance of employees.

Material sustainability-related risks of the Group identified through DMA process

During the DMA process, new ESG risks were identified, and existing ESG risks were refined. Three significant risks, that were assessed during DMA (Risk of human capital, Risk of occupational health & safety, Risk of high impact cyber attack) are listed and described in the business-related risks section above. Section below presents four newly identified ESG risks significant to the Group.

Risk of physical acute and chronic climate-related events

Risk category
Strategic

ESG type
Environmental-climate

Period
Long-term

Primary potential impact
Financial

Impact on business segments
Green Capacities, Networks

Risk description:

- This risk includes chronic physical risks referring to longer-term shifts in climate patterns and acute physical risks manifesting in increased severity and frequency of extreme weather events, such as storms, hail, cold/heat waves, heavy precipitation, floods. Chronic events may lead to uncertainty in production estimates due to renewable energy's generation dependency on natural resources, such as wind patterns. Acute events may result in disruption of construction or operation of wind farms and an increase in repair needs, especially for overhead power lines

Key mitigation directions include:

- climate scenario modelling for specific project areas;
- season-based planning for renewable projects' construction;
- defined roles and responsibilities for managing mass disconnections, including IT solutions and distribution network restoration actions;
- moving electricity distribution power lines underground in forested areas;
- implementing remote-controlled equipment and self-healing network solutions;
- consistently removing hazardous trees near overhead power lines in collaboration with the State Forests Authority;
- emergency situation management and business continuity plans for handling disruptions;
- regular testing, drills, and coordination with other institutions;
- utilising automatic braking systems in wind turbines during strong winds and icing conditions.

Risk of balancing renewable energy expansion with community interests and concerns

Risk category
Strategic

ESG type
Social

Period
Long-term

Primary potential impact
Financial

Impact on business segments
Green Capacities

Risk description:

– Ensuring that the deployment of renewable energy projects aligns with the goals of global climate action while also addressing the concerns and priorities of local communities requires finding the right balance and engaging the communities in the early development stages. Failing to address local opposition or complains of communities in the early stages of our projects may lead to longer project implementation periods, higher project development costs or even project closure.

Key mitigation directions include:

– appointing dedicated community managers in all the countries we operate;
– early and timely engagement with local communities during all project development stages;
– providing a general benefits package for communities.

Risk of lack of support for energy transition

Risk category
Strategic

ESG type
Environmental (climate transition)

Period
Long-term

Primary potential impact
Financial

Impact on business segments
All

Risk description:

– This transition risk relates to the potential lack of support for climate change mitigation and ongoing renewable energy build-out. The exposure of this risk may be related to insufficient grid expansion, strict environmental or building permit requirements for renewable energy projects, lack of support for climate-related technologies, etc. This could hamper our climate change mitigation efforts and slow the expansion of renewable energy capacity, creating uncertainty for future investments.

Key mitigation directions include:

– focusing on public awareness and education through lessons, lectures, interactive presentations, and other initiatives to highlight the societal benefits of renewable energy expansion;
– engaging actively, timely, and transparently with local communities to build trust and support. This includes hosting informational sessions, open houses, and community forums to discuss the benefits of renewable energy projects and address any concerns;
– forming strategic partnerships with other businesses, non-profits, and government agencies to create a united front in support of renewable energy initiatives;
– engaging in discussions with policymakers to demonstrate the societal benefits of energy transition.

Risk of materials and components shortage

Risk category
Operational

ESG type
Environmental

Period
Long-term

Primary potential impact
Financial, reputational

Impact on business segments
Green Capacities

Risk description:

- The surging demand for energy transition, combined with inflexible supply chains, stricter ESG requirements and unstable geopolitical situation presents potential challenges. These challenges may be related to the availability of needed materials and components, delivery terms and prices. The Group's focus is required to ensure a sustainable supply chain management.

Key mitigation directions include:

- establishing relationships with multiple suppliers across different regions to reduce dependency on any single source, thereby mitigating risks associated with geopolitical issues or regional disruptions;
- continuously monitoring the market and engaging with new suppliers;
- conducting due diligence and KYC (Know Your Customer) processes for suppliers, who are required to read and sign the Group Suppliers' Code of Ethics and Anticorruption Policy;
- including quality, insurance, defects liability, and other control measures in contracts.

Other important sustainability-related risks

Due to the applied effective risk management measures, the risk of not meeting GHG emission reduction targets and the risks related to corruption and non-compliance with market integrity regulations have not been included in the Group's key risk list. The Group understands the importance of managing these risks to achieve the Group's goals, therefore, it discloses the information about their management below. More information on the Group's sustainability goals and initiatives is available in Sustainability statement.

Risk of not meeting GHG emission reduction targets

Risk category
Strategic

ESG type
Environmental (climate)

Period
Long-term

Primary potential impact
Financial, reputational

Impact on business segments
All

Risk description:

Group's strategy includes a commitment to achieve net zero GHG emissions by 2040–2050. To achieve this goal, Ignitis Group has agreed on interim emission reduction targets with the Science Based Targets Initiative (SBTi) in 2021, covering a ten-year period. In total, four targets have been agreed, including reducing the Group's emissions by 47% by 2030 and reaching net zero by 2040–2050 compared to 2020.

Key mitigation directions include:

- calculating the Group's emissions on a quarterly basis, analysing trends and drawing conclusions after each calculation;
- setting emission reduction targets and implementing measures across the Group companies;
- increasing the share of green electricity used (Scope 2), boosting green electricity sales (Scope 3), and reducing emissions from sold gas (Scope 3), leading to significant emission reductions;
- ensuring high involvement of the Management Board of the parent company and the Group's functions responsible for innovation, transport, building management, etc.;
- conducting external studies and analyses to assess the feasibility of the Group's targets;
- monitoring the evolution of the SBTi methodology, including the emergence of new pollution abatement instruments (e.g., carbon removal solutions).

Corruption risk

Risk category
Operational

ESG type
Corporate governance

Period
Short-term

Primary potential impact
Compliance, reputational

Impact on business segments
All

Risk description:

As the Group invests unprecedented amounts of capital in the green energy sector, there is a risk of corruption. This includes instances where employees may give or accept bribes for illegal actions. While the direct financial impact of corruption may not be significant, the reputational damage, especially if high-level managers are involved, could be substantial and lead to severe financial consequences in the future.

Key mitigation directions include:

The Group is ISO 37001 (Standard for Anti-Bribery Management Systems) certified. According to the Group's system, the following controls are put in place to mitigate the corruptions risks:

- applying a centralized Code of Ethics;
- conducting thorough candidate screening;
- providing basic anti-corruption online courses for employees;
- managing conflicts of interest through systems like Private Interest Declaration System (PID), PINREG, and the Recusal Register;
- managing gifts and hospitality through a Gift Register;
- conducting thorough procurement screening before signing a contract;
- implementing a whistleblowing mechanism (Trust Line);
- conducting internal investigations;
- performing corruption risk assessments;
- thoroughly screening transactions and business partners before signing a contract;
- ensuring anti-corruption controls and commitments by business partners;
- implementing financial and non-financial control measures;
- providing additional anti-corruption training for employees;
- offering additional anti-corruption training for business partners;
- conducting an annual corruption perception survey.

Risk of non-compliance with market integrity regulations

Risk category
Legal

ESG type
Corporate governance

Period
Short-term

Primary potential impact
Compliance, reputational

Impact on business segments
All

Risk description:

As renewables-focused integrated utility group, active in Baltic states, Poland and Finland, whose shares are listed on the financial markets, Ignitis Group has to comply with various market integrity regulations: REMIT (Regulation on Wholesale Energy Market Integrity and Transparency), EMIR (European Market Infrastructure Regulation), MAR (Market Abuse Regulation), which are designed to ensure market stability and transparency. Failure to comply with these regulations may result in significant fines and might have a negative impact on the Group's reputation.

Key mitigation directions include:

- centralized coordination of market integrity regulations compliance issues in the Group;
- improving control mechanisms and procedures, internal legislation;
- mandatory periodic employee trainings;
- performing periodic internal audits;
- proactive communication with regulators.

Compliance with financial market transparency rules

The Group strives for maximum transparency, effective management of inside information and equality of all financial market participants regarding the availability of the issuer's material information. Effective prevention of market abuse is one of our main priorities. The Group is listed in both London and Nasdaq Vilnius stock exchanges and complies with all relevant EU, Lithuanian and UK laws and regulations.

The Group's own internal market abuse prevention and transparency rules are regularly updated, and the main regulations are made available to the public. The Group periodically trains its employees on market abuse and insider rules. The coordination of market abuse prevention is one of the responsibilities of the Group Business Resilience.

The main market abuse prevention projects carried out in 2024 include:

- updating the Group Market Abuse Prevention Guidelines - the document sets out prohibited insider dealing and market manipulation actions and provides recommendations to avoid them within the Group;
- updating the Group Inside Information Management Guidelines - the document provides for inside information management, disclosure requirements, compilation of an Insider list and other aspects of efficient transparency and disclosure of information to investors;
- updating the Group's inside information position matrix and presenting specialized inside information management instructions for target groups;
- a new specialized Inside information management and share trading course was introduced for those on the Insider list and other Group employees to ensure efficient market abuse prevention.

Also, the Inside Information Disclosure Committee (comprising 5 experts from finance, law, compliance, investor relations and communication areas) is operating successfully by dealing with complex inside information management issues effectively while ensuring maximum transparency. In its activities, the committee follows the principles of ensuring proper competence and the ability to manage emerging risks, promptly making appropriate decisions, constantly improving the knowledge of the Group employees in the field of market abuse prevention and implementing the best practices.

By implementing Article 19 of the Market Abuse Regulation (EU) No 596/2014 (MAR) the Group applies a stricter Closed Period calendar than the requirements of Lithuanian and UK legal acts provide, prohibiting trading for a period of 30 calendar days not only before the publication of annual and half-year financial results, but also before the publication of 3- and 9-month results, and 2 days after the publication, thus aiming to ensure even greater market abuse prevention and transparency.

In 2024, same as in the previous years, the Group has successfully ensured the compliance with all MAR requirements.

Related party transactions

The parent company follows the provisions of the Law on Companies of the Republic of Lithuania (link in Lithuanian) when conducting related party transactions. The Policy on Related Party Transactions of the Group was updated by the decision of the Supervisory Board on 16 June 2023 in accordance with changes in the provisions of the Law on Companies of the Republic of Lithuania. It must be noted that the Supervisory Board of the parent company considers the conclusions of the Audit Committee and makes decisions regarding related party transactions of the parent company and the Group companies if these transactions meet all of the following materiality criteria: (i) the type of the transaction is an investment, acquisition, transfer, lease, pledge and mortgage of assets, surety or guarantee for the fulfilment of obligations; (ii) the amount of the transaction or the aggregate amount of such transactions during the financial year exceeds 1/10 of the asset value shown in the most recent balance sheet; (iii) transactions are conducted under unusual market conditions and/or are not attributable to ordinary economic activities. We disclose information about the concluded related party transactions on our website and, in accordance with the IFRS requirements, in the section '8 Consolidated financial statements' of this report. Additionally, according to Article 372(11) of the Law on Companies of the Republic of Lithuania, the Group's management report must include transactions concluded with related parties regarding the investment, acquisition, transfer, lease, pledge and mortgage of assets, surety or guarantee for the fulfilment of obligations, which are entered into in the ordinary course of business under normal market conditions where a transaction or the aggregate amount of such transactions during the financial year exceeds 1/10 of the asset value shown in the most recent balance sheet, as well as information on the legal name, registration code, business form, official register and address of the related party and the amount of the transaction, which is also disclosed in section '8 Consolidated financial statements' of this report.

4.8 Group's structure

Overview

AB "Ignitis grupė" is a parent company of the Group, responsible for the coordination and transparent management of its activities. Information on the Group companies at the end of the reporting period is presented on the following page. Further information, including the financials of the parent company and its subsidiaries, is available in the section '7 Additional information' of our Integrated Annual Report 2024 and on our website.

Changes in the Group's structure during the reporting period

- In January 2024, AB "Ignitis gamyba" established a new subsidiary UAB "Ignitis gamyba projektai".
- In April 2024, UAB "Ignitis renewables" established two new subsidiaries: UAB "Ignitis renewables projektai 9" and UAB "Ignitis renewables projektai 10".
- In May 2024, UAB "Ignitis renewables" established a new subsidiary UAB "Ignitis renewables projektai 11".
- In June 2024, UAB "Ignitis renewables" established two new subsidiaries in Estonia: Ignitis renewables DevCo1 OÜ and Ignitis renewables Estonia OÜ.
- In August 2024, the name of UAB "Ignitis renewables projektai 3" was changed to UAB ARROW HOLDCO.
- In August 2024, the name of UAB "Vėjo galia bendruomenei" was changed to UAB ARROW CLUSTER.
- In September 2024, there was a change in shareholder composition of UAB "Ignitis renewables projektai 6". 100% of the shares of UAB "Ignitis renewables projektai 6" were acquired by UAB "Ignitis renewables projektai 11" from UAB "Ignitis renewables".
- In October 2024, UAB "Ignitis renewables" acquired 100% of the shares of the following Polish companies: Sunrise 1 Sp. z o.o., Sunrise 2 Sp. z o.o., Sunrise 4 Sp. z o.o.
- In December 2024, UAB "Ignitis renewables" acquired 50% of the shares of the following Estonian companies: Kadrina 1 Energiapark OÜ, Pärnu 1 Energiapark OÜ, Tõrva 1 Energiapark OÜ.

Changes in the Group's structure after the reporting period

- In February 2025, Ignitis renewables DevCo1 OÜ acquired 50 % shares of the following Estonian companies: Väike-Maarja 1 Energiapark OÜ and Pärnu 2 Energiapark OÜ.

Ignitis Group employees

Group's structure

AB "Ignitis grupė"

- UAB "Ignitis renewables" 100%
  - UAB "Ignitis renewables projektai" 100%
  - UAB "Ignitis renewables projektai 2" 100%
  - UAB "Ignitis renewables offshore development" 100%
  - UAB "Ignitis renewables projektai 5" 100%
  - UAB "Ignitis renewables projektai 6" 100%
  - UAB "Ignitis renewables projektai 7" 100%
  - UAB "Ignitis renewables projektai 8" 100%
  - UAB "Ignitis renewables projektai 9" 100%
  - UAB "Ignitis renewables projektai 10" 100%
  - UAB "Ignitis renewables projektai 11" 100%
  - UAB "EURAKRAS" 100%
  - UAB "VĖJO GŪSIS" 100%
  - UAB "VĖJO VATAS" 100%
  - UAB "VVP Investment" 100%
  - UAB "Plungės vėjo energija" 100%
  - UAB "Vėjas LT" 100%
  - WINDLT, UAB 100%
  - UAB "Offshore wind farm 1" 51%
  - UAB ARROW CLUSTER 100%
  - UAB ARROW HOLDCO 100%
  - Moray West Holdings Limited 5%
  - IGN RES DEV1 SIA 100%
  - IGN RES DEV2 SIA 100%
  - IGN RES DEV3 SIA 100%
  - IGN RES DEV4 SIA 100%
  - IGN RES DEV5 SIA 100%
  - IGN RES DEV6 SIA 100%
  - IGN RES DEV7 SIA 100%
  - Ignitis renewables Latvia SIA 100%
  - "SP Venta" SIA 100%
  - SIA CVE 100%
  - SIA BRVE 100%
  - "Tuuleenergia osaühing" 100%
  - Estonia offshore Wind DevCo OU 50%
  - Ignitis Renewables DevCo1 OÜ 100%
  - Ignitis Renewables Estonia OÜ 100%
  - Kadrina 1 Energiapark OÜ 50%
  - Pärnu 1 Energiapark OÜ 50%
  - Tõrva 1 Energiapark OÜ 50%
  - Pomerania Wind Farm sp. z o. o. 100%
  - Silezia1 Wind Farm Sp. z o.o. 100%
  - Silezia2 Wind Farm S.A. 100%
  - Ignitis Renewables Polska sp. z o. o. 100%
  - Ignitis Res Dev sp. z o. o. 100%
  - Sunrise 1 sp. z o.o. 100%
  - Sunrise 2 sp. z o.o. 100%
  - Sunrise 4 sp. z o.o. 100%
- UAB Kauno kogeneracinė jėgainė 51%
- UAB Vilniaus kogeneracinė jėgainė 100%
- AB "Energijos skirstymo operatorius" 100%
- UAB "Ignitis" 100%
  - Ignitis Latvija SIA 100%
  - Ignitis Eesti OÜ 100%
  - Ignitis Polska sp. z o. o. 100%
  - Ignitis Suomi Oy 100%
- AB "Ignitis gamyba" 100%
  - UAB "Ignitis gamyba projektai" 100%
- UAB "Ignitis grupės paslaugų centras" 100%
- UAB Elektroninių mokėjimų agentūra 100%
- UAB "Gamybos optimizavimas" 100%
- UAB "Transporto valdymas" 100%

Parent company
Green Capacities segment
Networks segment
Reserve Capacities segment
Costumers & Solutions segment
Other activities

Governance model of Group companies

The entities presented above are directly or indirectly controlled by the Group, which applies the governance model as on the right side:

Changes in collegial bodies during the reporting period

- **The composition of the Supervisory Board and the Nomination and Remuneration Committee of AB "Ignitis grupė" has changed.** Bent Christensen's term of office as a Member of the Supervisory Board and the Nomination and Remuneration Committee ended on 4 January 2024. On 11 September 2024, Sian Lloyd Rees was elected as an Independent Member of the Supervisory Board. By the decision of the Supervisory Board of 12 September 2024, Sian Lloyd Rees has been appointed to the Nomination and Remuneration Committee.
- **The composition of the Management Board of Ignitis Renewables Polska Sp. z o.o. has changed.** On 31 January 2024, the General Meeting of Shareholders of Ignitis Renewables Polska Sp. z o.o. made a decision to appoint Maciej Kowalski as the new Member and Chair of the Management Board of Ignitis Renewables Polska sp. z o.o. Therefore, Jacek Wojerz was dismissed as the Chair and Laurynas Jocys was dismissed as a Member of the Management Board.
- **The CEO of AB "Ignitis gamyba" has changed.** On 27 March 2024 Asta Sungailienė was appointed as CEO.
- **The CEO of UAB Elektroninių mokėjimų agentūra has announced her resignation.** Gabrielė Lubytė, CEO of UAB Elektroninių mokėjimų agentūra, announced her resignation. Justina Charlamova has been appointed as Interim CEO from 27 February 2024 until 8 June 2024. On 9 June 2024 Jurgita Blažienė was appointed as the new CEO for a five-year term.
- **The CEO of UAB "Transporto valdymas" has been appointed for the second term of office.** On 28 February 2024, by the decision of the sole shareholder, Jurgita Navickaitė-Dedelienė was appointed as the CEO of UAB "Transporto valdymas" for a second five-year term.
- **The Board of Kaunas CHP has been appointed for a new four-year term of office.** On 30 April 2024, the new Board of Kaunas CHP took office. The Board comprises three members: independent member Mantas Bartuška and parent company's' representatives Mantas Mikalajūnas (delegated by the parent company) and Vitalijus Žuta (delegated by UAB GREN Lietuva).
- **The corporate governance model of Ignitis Polska was changed from a two-tier to a one-tier model, abolishing the Supervisory Board on 17 June 2024.** Maciej Kowalski was appointed as the CEO and Chair of the Board of Ignitis Polska on 1 April 2024.
- **The composition of the Boards of the subsidiaries of Ignitis Renewables has changed.** In June, the composition of the Boards of the below-listed subsidiaries of Ignitis Renewables has changed, and the current Board members are indicated below.
  - the Board of Ignitis renewables Latvia SIA: Garry Bills and Baiba Lāce;
  - the Board of IGN RES DEV1 SIA: Matthew Michael Charles Braund and Baiba Lāce;

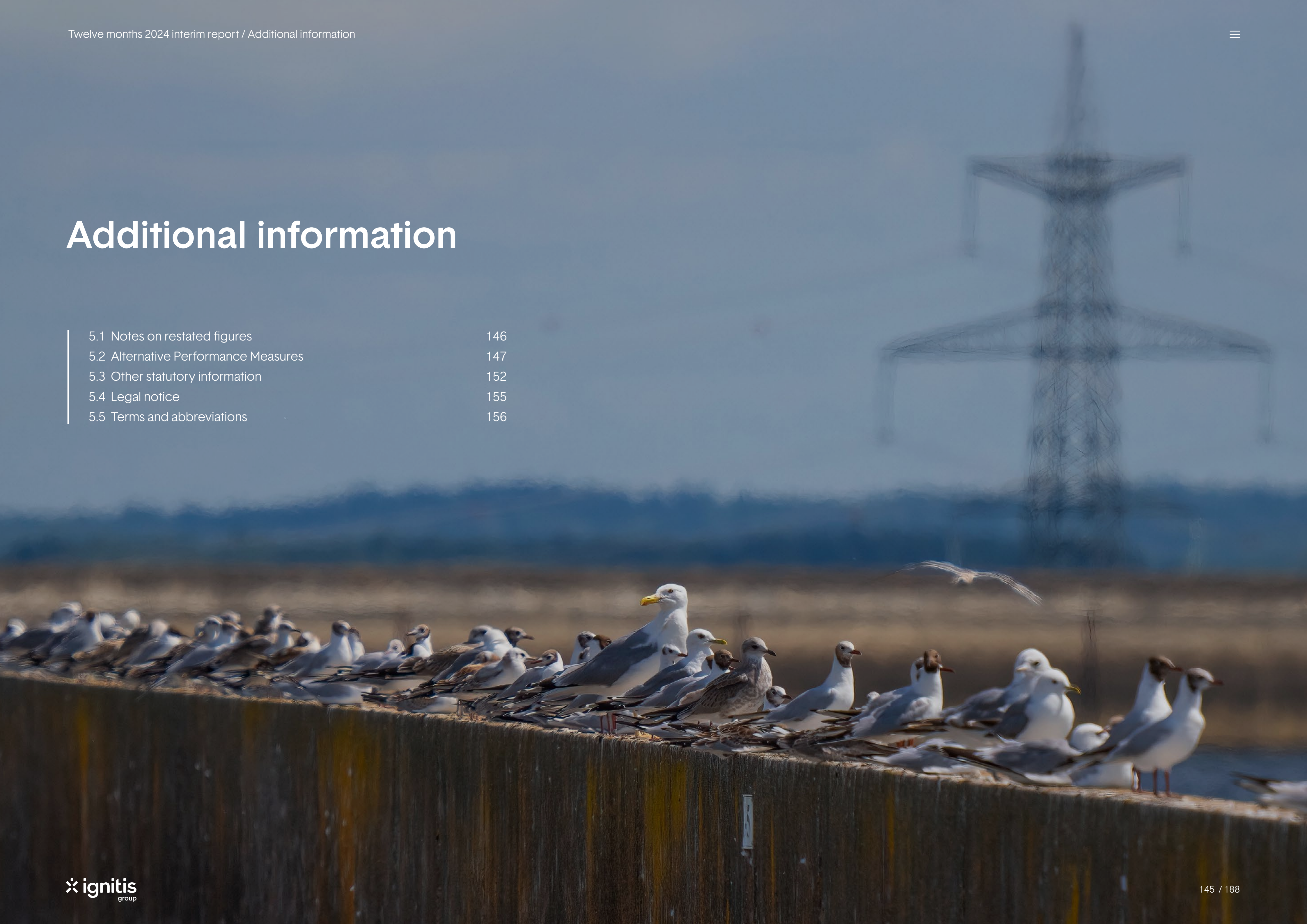
Corporate governance model	Group companies
Supervisory Board Management Board CEO	The parent company
Board CEO	AB "Energijos skirstymo operatorius", AB "Ignitis gamyba", UAB "Ignitis", UAB "Ignitis renewables", UAB Vilniaus kogeneracinė jėgainė, UAB Kauno kogeneracinė jėgainė, UAB Elektroninių mokėjimų agentūra, UAB "Ignitis grupės paslaugų centras", UAB "Ignitis renewables offshore development", UAB "Ignitis renewables projektai 5", UAB "Ignitis renewables projektai 6", UAB "Ignitis renewables projektai 11".
Supervisory Board Management Board	Silezia2 Wind Farm S.A.
CEO	UAB "VVP Investment", UAB "VĖJO GŪSIS", UAB "VĖJO VATAS", UAB "EURAKRAS", UAB "Ignitis renewables projektai", UAB "Ignitis renewables projektai 2", UAB ARROW HOLDCO, UAB "Ignitis renewables projektai 7", UAB "Ignitis renewables projektai 8", UAB ARROW CLUSTER, UAB "Plungės vėjo energija", UAB "Vėjas LT", WINDLIT, UAB, UAB "Offshore wind farm 1", UAB "Gamybos optimizavimas", UAB "Transporto valdymas", UAB "Ignitis gamyba projektai", UAB "Ignitis renewables projektai 9", UAB "Ignitis renewables projektai 10".
Management Board	Ignitis Eesti OÜ, Ignitis Latvija SIA, Ignitis Polska Sp. z o.o., Ignitis Suomi Oy, Tuuleenergia OÜ, Ignitis renewables Latvia SIA, IGN RES DEV1 SIA, IGN RES DEV2 SIA, IGN RES DEV3 SIA, IGN RES DEV4 SIA, IGN RES DEV5 SIA, IGN RES DEV6 SIA, IGN RES DEV7 SIA, SIA CVE, Pomerania Wind Farm sp. z o.o., Ignitis renewables Polska sp. z o.o., Silezia1 Wind Farm sp. z o.o, Ignitis Res Dev sp. z o.o., Estonia Offshore Wind DevCo OÜ, "SP Venta", SIA, SIA BRVE, Ignitis renewables DevCo1 OÜ, Ignitis renewables Estonia OÜ, Sunrise 1 sp. z o.o., Sunrise 2 sp. z o.o., Sunrise 4 sp. z o.o.

- the Board of IGN RES DEV2 SIA: Garry Bills and Baiba Lāce;
- the Board of IGN RES DEV3 SIA: Matthew Michael Charles Braund and Baiba Lāce;
- the Board of IGN RES DEV4 SIA: Matthew Michael Charles Braund and Baiba Lāce;
- the Board of IGN RES DEV5 SIA: Matthew Michael Charles Braund and Baiba Lāce;
- the Board of IGN RES DEV6 SIA: Matthew Michael Charles Braund and Baiba Lāce;
- the Board of IGN RES DEV7 SIA: Matthew Michael Charles Braund and Baiba Lāce;
- the Board of SP Venta SIA: Garry Bills and Baiba Lāce;
- the Board of SIA BRVE: Matthew Michael Charles Braund and Baiba Lāce;
- the Board of SIA CVE: Matthew Michael Charles Braund and Baiba Lāce.

- **The Board members of Ignitis Eesti OÜ were re-elected for the next four-year term, which started in 16 August 2024.** Timo Tatar was appointed as CEO of Ignitis Eesti OÜ on 2 September 2024 (according to the Estonian legislation, CEO position is not considered as the management body).
- **The corporate governance model of Ignitis Latvija SIA was changed from a two-tier to a one-tier model, abolishing the Supervisory Board on 21 August 2024.**
- **A Board member of AB "Energijos skirstymo operatorius" has resigned.** Jonas Skardinskas resigned from the Board on 12 November 2024. The selection of a new member of the Board has been announced and is in progress.
- **The composition of the Management Board of Ignitis Eesti OÜ has changed.** The General Meeting of Shareholders of Ignitis Eesti OÜ made a decision to appoint Timo Tatar as the new Member of the Management Board of Ignitis Eesti OÜ. The Management Board, consisting of three members Timo Tatar, Haroldas Nausėda and Eimantas Balta, was reappointed for a new 4-year term of office, which started on 2 December 2024.

Changes in collegial bodies after the reporting period

- **Thierry Aelens, CEO of UAB "Ignitis renewables" has decided to resign from his position effective from 30 March 2025.** Gary Bills has been appointed as the interim CEO, effective from 31 March 2025.



Additional information

5.1 Notes on restated figures

In this section we provide a summary of restated figures, if any, presented in this report compared to previous reporting periods.

1. Regarding restated EU Taxonomy figures and updated methodology for calculations

Due to changes in methodology of calculating EU Taxonomy ratios, figures were recalculated retrospectively for the year 2023 reported in Integrated Annual report 2023. For more detailed information, see part 'Changes in calculations' of the section '6.2 Environment' under 'Disclosures under the EU Taxonomy Regulation' of this report.

2. Regarding changes in methodology for GHG accounting

Due to changes in the methodology for calculating GHG emissions, the figures in sections '1.3 Performance highlights' (Climate action), '6.2 Environment', in the tables 'Key Decarbonisation Actions, Targets, and Progress in 2024', 'GHG Emissions', 'GHG Intensity' and 'Resource outflows' have been recalculated retrospectively for the year 2023 as reported in the Integrated Annual Report 2023. These methodological changes mainly involve the addition of new categories and the clarification of previously calculated. More detailed information can be found on the Group's website in Carbon accounting report.

3. Regarding the incorrect conversion of units of measurement

Due to an incorrect conversion of units of measurement, the figure in section '6.2 Environment', table 'Total Use of Land Area' (Thermal) has been amended retrospectively for the year 2023 as reported in the Integrated Annual Report 2023. There has been no physical increase in the area.

4. Regarding the affect of CSRD requirements on energy consumption accounting

Due to the implementation of CSRD requirements, the figures in '6.2 Environment', table 'Energy consumption and mix' have been calculated and grouped differently, which may result in differences retrospectively for the year 2023 as reported in the Integrated Annual Report 2023, as a different standard for calculations was used.

5.2 Alternative Performance Measures

Indicator	Formula	Definition	Meaning and interpretation of indicator
Adjusted EBIT	Adjusted EBITDA - depreciation and amortization expenses - write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets (excluding significant one-off items)	Adjusted EBITDA less depreciation and amortization expenses, write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets except significant one-off items (if any).	Adjusted EBIT is a profit measure, which allows for a more reliable comparison of the Group's results over time and with peers, than EBIT.
Adjusted EBIT margin	$\frac{\text{Adjusted EBIT}}{\text{Total revenue + management adjustments (for revenues)}}$	Profitability ratio, which shows Adjusted EBIT as a percentage of revenue	The higher the indicator value, the higher the profitability of the Group.
Adjusted EBITDA	EBITDA + temporary regulatory differences + result of asset rotation + significant one-off gains or losses	EBITDA after eliminating items, which are nonrecurring, 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.	Adjusted EBITDA is a key measure of the Group's performance, used as a measure for Group's targets. This indicator allows for a more reliable comparison of the Group's results over time and with peers, than EBITDA.
Adjusted EBITDA margin	$\frac{\text{Adjusted EBITDA}}{\text{Total revenue + management adjustments (for revenues)}}$	Profitability ratio, which shows Adjusted EBITDA as a percentage of revenue.	The higher the indicator value, the higher the profitability of the Group. The indicator is also useful for monitoring Group's efficiency. The higher the Adjusted EBITDA margin of the Group, the lower the Group's OPEX compared to Revenue, and the higher the efficiency.
Adjusted net profit	Adjusted EBIT + finance income – finance expenses - Income tax (expenses)/benefit - adjustments' impact on income tax	Net profit after eliminating items which are non-recurring, 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.	This is one of the key indicators that measures profitability of the Group. It is also used for computing Adjusted ROE, which is another key indicator of the Group's performance.
Adjusted net profit margin	$\frac{\text{Adjusted net profit}}{\text{Total revenue + management adjustments (for revenues)}}$	Profitability ratio, which shows Adjusted net profit as a percentage of revenue.	The higher the indicator value, the higher the profitability of the Group. The indicator is also useful for monitoring Group's efficiency.

Indicator	Formula	Definition	Meaning and interpretation of indicator
Adjusted return on equity (Adjusted ROE)	$\frac{\text{Adjusted net profit}}{\text{Average equity at the beginning and end of the reporting period}}$	Profitability ratio of Adjusted net profit in relation to equity.	Adjusted ROE is a key measure of Group's performance, used for setting up and monitoring of Group's targets. The principal shareholder of the Group express expectation in terms of Adjusted ROE. Adjusted return on equity shows how effectively the company is using shareholders' capital to generate profits.
Asset turnover	$\frac{\text{Total revenue}}{\text{Average Total assets at the beginning and end of the reporting period}}$	Efficiency ratio, which measures revenues relative to total assets.	The indicator shows the effectiveness of use of the Group's assets. A higher value indicates a higher degree of effectiveness in managing the assets.
Capital employed	Net debt + Equity	Capital employed is a financial metric that represents the total amount of capital used by a company to generate profits	The indicator represents the total amount of financial resources employed in a business.
Current ratio	$\frac{\text{Current assets at the end of the period}}{\text{Current liabilities at the end of the period}}$	Liquidity ratio, which shows how many times current assets cover current liabilities.	Current ratio shows the ability of the Group to meet its current liabilities by using its current assets and reflects the liquidity position of the Group. The higher the ratio, the better the liquidity position.
Dividend pay-out	$\frac{\text{Dividend per share (DPS)}}{\text{Earnings per share (EPS)}}$	The ratio of the total amount of dividends to be paid out to shareholders relative to the net profit of the parent company.	The indicator shows the percentage of earnings to be paid to shareholders via dividends.
Dividend per share (DPS)	$\frac{\text{Total proposed dividend for the reporting period}}{\text{Weighted average numbers of nominal shares for the reporting period}}$	Profitability ratio, which shows proposed dividends for the period attributable to one ordinary nominal share.	The higher the indicator value, the higher the dividends attributable to one security for the period.
Dividend yield	$\frac{\text{DPS}}{\text{Ordinary registered shares or GDR price at the end of reporting period}}$	Profitability ratio, which shows how much a company pays out in dividends each year relative to its security price.	The dividend yield is an estimate of the dividend-only return of a security investment.
Earnings per share (EPS)	$\frac{\text{Net profit of the period attributable to equity holders of the parent company}}{\text{Weighted average numbers of nominal shares for the reporting period}}$	Profitability ratio, which shows net profit for the period attributable to equity holders of the parent to one security at the end of reporting period.	The higher the indicator value, the higher the profitability attributable to one security for the period.

Indicator	Formula	Definition	Meaning and interpretation of indicator
EBIT	EBITDA - Depreciation and amortisation - Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	EBIT – earnings before interest and tax expenses are deducted.	Profit measure used as a proxy for operating cash flow, after accounting for estimate of capital expenditures through depreciation and amortization expenses
EBIT margin	$\frac{\text{EBIT}}{\text{Total revenue}}$	Profitability ratio, which shows EBIT as a percentage of revenue.	The higher the indicator value, the higher the profitability of the Group.
EBITDA	Total revenue - Purchases of electricity, gas and other services - Salaries and related expenses - Repair and maintenance expenses - Other expenses	EBITDA - earnings before interest, taxes, depreciation, and amortization.	Profit measure used as a proxy for operating cash flow.
EBITDA margin	$\frac{\text{EBITDA}}{\text{Total revenue}}$	Profitability ratio, which shows EBITDA as a percentage of revenue.	The higher the indicator value, the higher the profitability of the Group.
Equity ratio	$\frac{\text{Equity at the end of the period}}{\text{Total assets at the end of the period}}$	Leverage ratio, which shows the proportion of the total assets financed by equity	This indicator shows the share of equity in the capital structure. The lower the ratio, the more the Group depends on debt financing to fund its activities.
Free Cash Flow (FCF)	FFO + interests received- Investments + grants received + investments covered by guarantee + cash effect of new connection points and upgrades + cash inflow of proceeds from sale of property, plant, and equipment less gain or loss - change in net working capital.	Free cash flow is the cashflow remaining to the Group after covering operating and capital expenditures.	The higher the FCF, the more cash flow is available for shareholders and lenders of the Group. If FCF is negative, the Group needs to raise additional financing to fund its operations.
Funds from operations (FFO)	EBITDA - interest paid - income tax paid	FFO is the proxy for Group's cashflow after taking into account EBITDA, interest paid, and income tax paid.	FFO shows the Group's ability to generate cash from operations. This indicator is used during the credit rating review process of the Group.
Gross debt	Non-current loans and bonds + Current loans+ Lease liabilities	Total debt of the Group.	Indicator shows the level of debt of the Group.

Indicator	Formula	Definition	Meaning and interpretation of indicator
Gross debt/Equity	$\frac{\text{Gross debt}}{\text{Equity}}$	Leverage ratio, which measures of the degree to which the Group is financing its operations through debt versus equity.	The lower the indicator value, the greater the Group's ability to meet its financial liabilities and attract new debt capital. It is one of the indicators specified in the Group's dividend policy.
Investments	Additions of property, plant and equipment and intangible assets + assets acquired through the acquisition of subsidiaries + additions of other financial assets + additions of investment property + Capital granted (related with development projects with no controlling interest by the Group) + Prepayments for property, plant, and equipment - Prepayments for non-current assets reclassified to additions of property, plant and equipment or intangible assets – Contingent considerations (business combinations)	Capital spent on acquiring property, plant and equipment, intangible assets, other financial assets, and investment property, prepayments for non-current assets as well as assets acquired through the acquisition of subsidiaries.	Indicator shows the amount of capital the Group spends on acquiring, upgrading, and repairing non-current tangible and intangible assets, other financial assets and investment property, as well as assets acquired through the acquisition of subsidiaries. This is one of the main indicators that significantly impacts the Group's cash flows and leverage levels.
Net debt	Non-current loans and bonds + Current loans+ Lease liabilities - Cash and cash equivalents - Short-term deposits	Net debt of the Group is the total debts to financial institutions, issued bonds and related interest payables and lease liabilities, net of cash and cash equivalents and short-term deposits.	Net debt shows the level of indebtedness of the Group if its cash and cash equivalents and short-term deposits were used to pay out the outstanding debt. Indicator is used during the credit rating review process of the Group.
Net debt/Adjusted EBITDA	$\frac{\text{Net debt}}{\text{Adjusted EBITDA}}$	Leverage ratio, which shows the Group's ability to repay its debt from the profit earned.	The value of the indicator shows how many years it would take for the Group to pay back its debt if Net debt and Adjusted EBITDA were held constant. The lower the indicator value, the greater the Group's ability to cover its financial liabilities from the profit earned. This is one of the key indicators of the Group's leverage level.
Net debt/EBITDA	$\frac{\text{Net debt}}{\text{EBITDA}}$	Leverage ratio, which shows the Group's ability to repay its debt from the profit earned.	The value of the indicator shows how many years it would take for the Group to pay back its debt if Net debt EBITDA were held constant. The lower the indicator value, the greater the Group's ability to cover its financial liabilities from the profit earned. This indicator is used during the credit rating review process of the Group.
Net working capital	Current assets (excluding non-current assets held for sale) - cash and cash equivalents - other current financial assets - short-term deposits - short term interest receivables – prepaid income tax - derivative financial instruments assets - amounts receivable on disposal of property plant and equipment + non-current receivables (excluding EPSO-G) - current liabilities (excluding non-current liabilities of assets held for sale) + current portion of non-current loans + current loans + current lease liabilities + payable income tax + current portion of deferred revenue related to new customers connection and upgrade fees + derivative financial instruments liabilities + current provision + dividends payable	Net working capital shows the amount of capital, other than that used for investing in noncurrent assets, tied in business operations.	Net working capital is a measure of operating efficiency. The lower the net working capital, the more efficient the Group's operations and use of funds.

Indicator	Formula	Definition	Meaning and interpretation of indicator
Net working capital/ Revenue	$\frac{\text{Net working capital}}{\text{Total revenue}}$	Efficiency ratio, which shows Net working capital as proportion of revenue.	Net working capital/Revenue is a measure of operating efficiency. The lower the indicator, the more efficient the Group's operations and use of funds.
OPEX	Salaries and related expenses + repair and maintenance expenses + other expenses - Ineffective energy hedging result	Selling, general and administrative expense.	This indicator helps management to evaluate the effectiveness of the Group's operations by monitoring the overhead expenses.
Return on assets (ROA)	$\frac{\text{Net profit}}{\text{Average assets at the beginning and end of the reporting period}}$	Profitability ratio, which shows how well the Group employs its total assets.	This indicator shows how well the Group utilizes its assets to generate profit. A higher indicator value shows higher profitability of the Group's total assets.
Return on Capital Employed (ROCE)	$\frac{\text{EBIT}}{\text{Average Capital employed at the beginning and end of the reporting period}}$	Profitability ratio, which shows how well the Group employs its capital.	This indicator shows how well the Group utilizes its capital employed to generate profit. A higher indicator value shows higher profitability of the Group's capital employed.
Return on equity (ROE)	$\frac{\text{Net profit}}{\text{Average equity at the beginning and end of the reporting period}}$	Profitability ratio of net profit in relation to equity.	ROE is a measure of Group's performance. Return on equity shows how effectively the Group is using shareholders' capital to generate profits.
Taxonomy CAPEX	Additions (including acquisitions through business combinations) of property, plant and equipment, intangible assets (except goodwill), investment property + additions of right-of-use assets	Capital expenditures calculated as defined by the EU Commission Delegated Regulation 2021/2178.	This indicator shows capital expenditures related with additions and acquisitions through business combinations of property, plant and equipment, intangible assets (except goodwill) and investment property as well as additions of right-of-use assets and is used to calculate capital expenditure KPI under the EU Taxonomy.
Taxonomy OPEX	Repair and maintenance expenses + short-term lease expenses + IT maintenance expenses	Operational expenses calculated as defined by the EU Commission Delegated Regulation 2021/2178 (including differences described in 'Accounting policies' of the section '6.2 Environment' under 'Disclosures under the EU Taxonomy Regulation').	This indicator shows costs related to maintenance and repair, short-term lease, IT maintenance expenses and is used to calculate operating expenditure KPIs under the EU Taxonomy.

5.3 Other statutory information

This interim report provides information to shareholders, creditors, and other stakeholders of AB "Ignitis grupė" (the parent company) about the operations of the parent company and the companies it controls, which are collectively referred to as the Group companies (the Group or Ignitis Group), for the period of January–December 2024.

The parent company's CEO is responsible for its preparation, while the parent company's Management Board considers and approves the Integrated Annual Report. The Integrated Annual Report 2024, including the consolidated and the parent company's financial statements, was considered and approved by the parent company's Management Board on 25 February 2025. This report has been prepared in accordance with the Law on Companies of the Republic of Lithuania (link in Lithuanian), the Law on Financial Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania (link in Lithuanian), the Listing of Rules of Nasdaq Vilnius as well as legal acts and recommendations of relevant supervisory authorities and operators of the regulated markets.

Information that must be published by the parent company according to the legal acts of the Republic of Lithuania is made public, depending on the disclosure requirements, either on our website, on the websites Nasdaq Vilnius and London stock exchanges or both.

Ignitis Group employees

Material events notifications of the parent company	The parent company's securities are being traded on regulated exchanges, which ensure transparency, protection of the legitimate interests of market participants and fair pricing. In respect of this, regulated information, including the Group's reports, material events, strategic decisions and other relevant information, is being published on London Stock Exchange and Nasdaq Vilnius to ensure investors' right to access relevant and reliable information.
Information on the parent company's ordinary registered shares account manager	AB SEB bankas (info@seb.lt) is appointed as the parent company's ordinary registered shares' account manager for the purposes of accounting securities and paying dividends. The owners of Global Depositary Receipts representing the ordinary registered shares (hereinafter – GDR) of the parent company must consult with the GDR issuer (the Bank of New York Mellon), its authorised party or their securities' account managers for GDR-related information.
Alternative performance measures	Alternative Performance Measures (APM) are adjusted figures used in this report that refer to the measures used for internal performance management. As such, they are not defined or specified under International Financial Reporting Standards (IFRS), nor do they comply with IFRS requirements. Definitions of Alternative Performance Measures can be found in section '7.3 Alternative performance measures' of this report and on the Group's website.
Internal control and risk management systems involved in the preparation of the financial statements	The Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The employees of the company providing accounting services to the parent company ensure that the financial statements are prepared properly and that all the data is collected in a timely and accurate manner. The preparation of the company's financial statements, internal control and financial risk management systems are monitored and managed based on the legal acts governing the preparation of financial statements.
Related party transactions	Related-party transactions concluded during the reporting period are disclosed in section '9 Parent company's financial statements' of this report and on our website. More detailed information regarding our related-party transaction policy is available here.
Information on significant arrangements to which the parent company is a party and which would take effect, be amended or terminated in the event of changes in the parent company's control, and their impact, except where by reason of the nature of the arrangements, disclosure would cause material prejudice to the parent company	Significant arrangements concluded by the parent company during the reporting period that would take effect, be amended or terminated in the event of changes in the parent company's control: **13 March 2024:** Ignitis Group concluded EUR 105 million long-term financing agreement with EIB

Information on agreements concluded between the parent company, the members of the management and supervisory bodies or employees, that provide for compensation in case of their resignation or dismissal without a reasonable cause or in case of termination of their employment as a result of the change in control of the parent company (official offer)	There were no agreements concluded between the parent company, the members of the management and supervisory bodies or employees that provide for compensation in case of their resignation or dismissal without a reasonable cause or in case of termination of their employment as a result of the change in control of the parent company.
Information on restrictions on the transfer of securities of the parent company imposed by law, articles of association or shareholders' agreements	There were no restrictions on the transfer of securities of the parent company imposed by law, articles of association or shareholders' agreements.
Information on the parent company's branches and representative offices and research and development activities	The parent company has no branches and representative offices and parent company does not carry out research and development activities.
Information on delisted companies	Since September 2021, the parent company owns 100% of shares of ESO (Networks) and Ignitis Gamyba (Reserve Capacities and Green Capacities). More information about the delisted companies, including the details of the share buy-out, is available in section '7.1 Further investor related information' of this report and on our website.
Notice on the language	In the event of any discrepancy between the Lithuanian and the English versions of the document, the English version shall prevail.

5.4 Legal notice

This document has been prepared by AB "Ignitis grupė" (hereinafter – Ignitis Group) solely for informational purposes and must not be relied upon, disclosed or published, or used in part for any other purpose.

The document should not be treated as investment advice or provide basis for valuation of Ignitis Group's securities and should not be considered as a recommendation to buy, hold, or dispose of any of its securities, or any of the businesses or assets referenced in the document.

The information in this document may comprise information which is neither audited nor reviewed by independent third parties and should be considered as preliminary and potentially subject to change.

This document may also contain certain forward-looking statements, including but not limited to, the statements and expectations regarding anticipated financial and operational performance. These statements are based on the management's current views, expectations, assumptions, and information as of the date of this document announcement as well as the information that was accessible to the management at that time. Statements herein, other than the statements of historical fact, regarding Ignitis Group's future results of operations, financials, business strategy, plans and future objectives are forward-looking statements. Words such as "forecast", "expect", "intend", "plan", "will", "may", "should", "continue", "predict" or variations of these words, as well as other statements regarding the matters that are not a historical fact or regarding future events or prospects, constitute forward-looking statements.

Ignitis Group bases its forward-looking statements on its current views, which involve a number of risks and uncertainties, which may be beyond Ignitis Group's control or difficult to predict, and could cause the actual results to differ materially from those predicted and from the past performance of Ignitis Group. The estimates and projections reflected in the forward-looking statements may prove materially incorrect and the actual results may materially differ due to a variety of factors, including, but not limited to, legislative and regulatory factors, geopolitical tensions, economic environment and industry development, commodity and market factors, environmental factors, finance-related risks as well as expansion and operation of generation assets. Therefore, you should not rely on these forward-looking statements. For further risk-related information, please see section '4.2 Risk management update' of our latest interim report and '4.7 Risk management' section of this report, all available at https://ignitisgrupe.lt/en/reports-presentations-and-fact-sheets.

Certain financial and statistical information presented in this document is subject to rounding adjustments. Accordingly, any discrepancies between the listed totals and the sums of the amounts are due to rounding. Certain financial information and operating data relating to Ignitis Group presented in this document has not been audited and, in some cases, is based on the management's information and estimates, and is subject to change. This document may also include certain non-IFRS measures (e.g., Alternative Performance Measures, described in '5.2 Alternative performance measures' section of this report and at https://ignitisgrupe.lt/en/reports-presentations-and-fact-sheets, which have not been subjected to a financial audit for any period.

In the event of any discrepancy between the Lithuanian and the English versions of the document, the English version shall prevail.

No responsibility or liability will be accepted by Ignitis Group, its affiliates, officers, employees, or agents for any loss or damage resulting from the use of forward-looking statements in this document. Unless required by the applicable law, Ignitis Group is under no duty and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

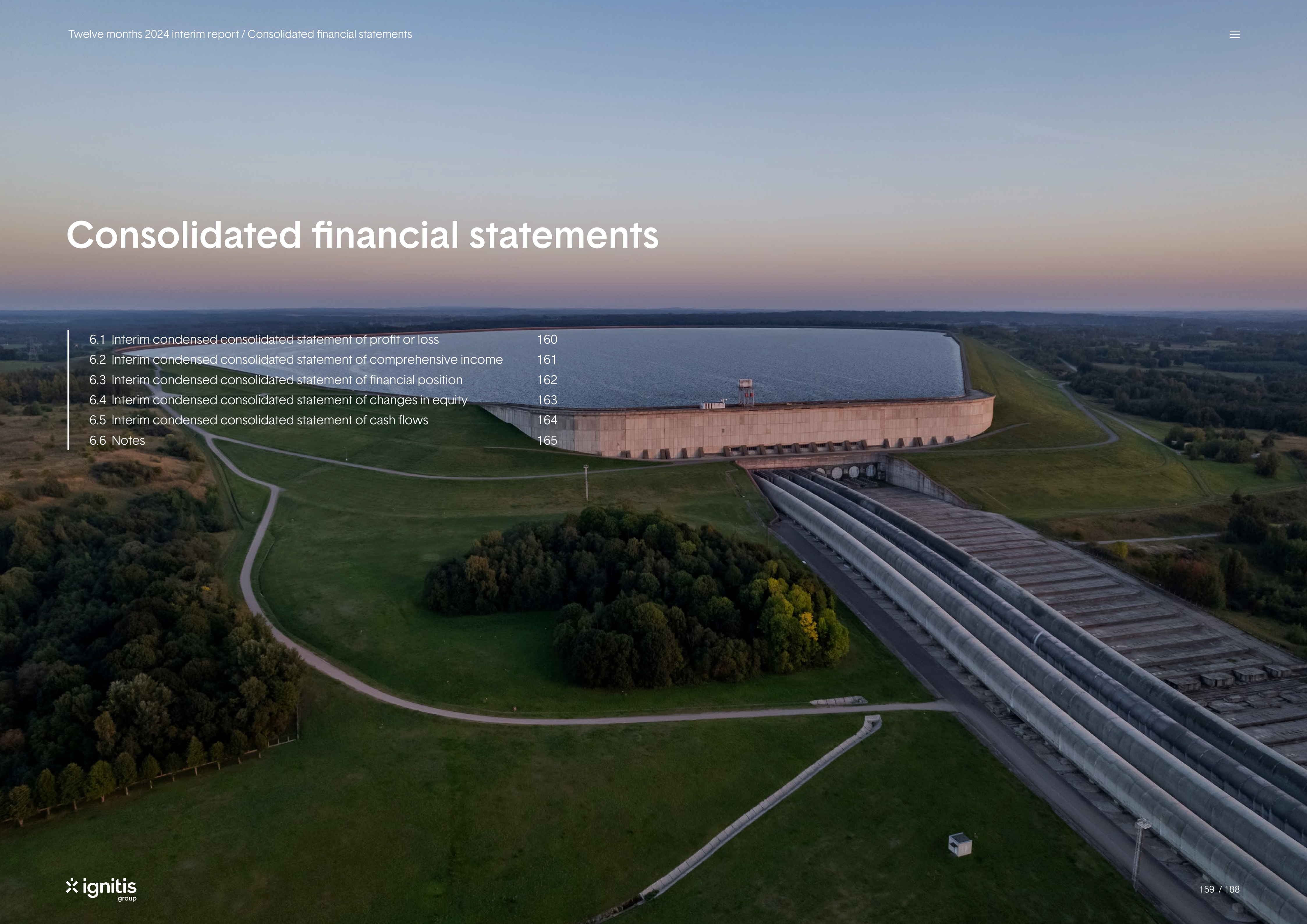
5.5 Terms and abbreviations

#	Number
%	Per cent
‘000 / k	Thousand
AB	Public limited liability company
Advanced Development Pipeline	Projects which have electricity grid connection secured through a preliminary grid connection agreement (the agreement has been signed and the grid connection fee has been paid)
AML	Anti-money laundering
APM	Alternative performance measure (link)
Awarded / Contracted	Projects with one of the following: (i) awarded in government auctions and tenders (incl. CfD, FiP, FiT, seabed with grid connection), or (ii) for which offtake is secured through PPA or similar instruments (total secured offtake through PPA and other instruments should cover at least 50% of the annual expected generation volume of the asset)
B2B	Business to business
B2C	Business to consumer
BESS	Battery energy storage system
BICG	Baltic Institute of Corporate Governance
bn	Billion
CCGT	Combined Cycle Gas Turbine
CDP	Carbon Disclosure Project
CfD	Contract for difference
CHP	Combined heat and power (cogeneration) plant
Clean Spark Spread	The difference between the combined cost of gas and emissions allowances and the price of electricity
CO_2	Carbon dioxide
COD	Projects with installed capacity achieved
CPI	Consumer Price Index
CSRD	Corporate Sustainability Reporting Directive
DMA	Double Materiality Assessment
E	Electricity
Early Development Pipeline	Projects with planned capacity above 50 MW and where substantial share of land rights are secured
Electricity Generated (net)	Electricity generated and sold by wind farms, solar farms, biomass and WtE CHPs, hydropower plants (including Kruonis Pumped Storage Hydroelectric Power Plant) and Elektrėnai Complex
EMIT	European Market Infrastructure Regulation
eNPS	Employee Net Promoter Score
ESG	Environmental, social and corporate governance
ESRS	European Sustainability Reporting Standards
EURbn	Billion euros
EURm	Million euros
FBS	Fixed base salary
Final Investment Decision (FID)	Final investment decision, a decision of a relevant governance body on making significant financial commitments related to the project
FiT	Feed-in tariff

FIP	Feed-in premium, a fixed premium to the electricity market price
FTE	Full-time equivalent
Full Completion	The action of obtaining a project completion certificate, implying the transfer of operational responsibilities of a power plant to the Group
GDP	Gross domestic product
GDPR	General Data Protection Regulation
GDR	Global depositary receipt
General Meeting	General meeting of shareholders
GHG	Greenhouse gas
Green Electricity Generated (net)	Electricity generated by wind farms, solar farms, biomass and WtE CHPs, hydroelectric power plants (including Kruonis Pumped Storage Hydroelectric Power Plant)
Green Capacities	Previously, Green Generation business segment
Green Capacities Portfolio	All projects in the Green Capacities business segment, including: (i) Secured Capacity, (ii) Advanced Development Pipeline and (iii) Early Development Pipeline
Green Capacities Pipeline	Green Capacities Portfolio, excluding Installed Capacity
Green Share of Generation	Green Share of Generation is calculated as follows: Green Electricity Generated (including Kruonis Pumped Storage Hydroelectric Power Plant) divided by the total electricity generated by the Group
GRI	Global Reporting Initiative
Group or Ignitis Group	AB "Ignitis grupė" and the companies it controls
GW	Gigawatt
Heat Generated (net)	Heat generated by biomass and WtE CHPs
HPP	Hydroelectric power plant
IFRS	International Financial Reporting Standards
Installed Capacity	The date at which all the equipment is: (1) installed, (2) connected, (3) authorized by a competent authority to generate energy, and (4) commissioned. Performance testing may still be ongoing.
ILO	International Labour Organisation
ISIN	International Securities Identification Number
YoY	Year over year
IPO	Initial Public Offering
ISO	International Organization for Standardization
LNG	Liquefied natural gas
LRAIC	Long-run average incremental cost
LTIP	Long-Term Incentive Programme
LTIR	Lost-Time Incident Rate
LTM	Last twelve months
m	Million
MAR	Market Abuse Regulation
MCM	Million Cubic Meters
min	Minutes
MW	Megawatt
MWh	Megawatt hour
n/a	Not applicable
n/d	No data
NERC	National Energy Regulatory Council
New connection points and upgrades	Number of new customers connected to the network and capacity upgrades of the existing connection points

NPS	Net promoter score
OECD	Organisation for Economic Co-operation and Development
OHS	Occupational health and safety
Other activities and eliminations	Includes consolidation adjustments, related-party transactions and financial results
Parent company	AB "Ignitis grupė"
PPA	Power purchase agreement
pp	Percentage point
PPE	Property, plant and equipment
PSHP	Pumped-storage hydroelectric power plant
PSO	Public service obligation
Public supply	Electricity supply activity performed in accordance with the procedure and terms established by legal acts by an entity holding a public supply licence
Q	Quarter
RAB	Regulated asset base
Regulated monopolistic activities	Electricity and gas distribution, electricity supply of last resort, public supply of electricity, gas supply to residents of Lithuania and designated LNG supplier service, secondary reserve (till the end of 2020)
RES	Renewable energy sources
REMIT	Regulation (EU) 1227/2011 on wholesale energy market integrity and transparency
ROI	Return on Investment
SAIDI	Average duration of unplanned interruptions in electricity or gas transmission
SAIFI	Average number of unplanned long interruptions per customer
SBTi	Science Based Targets initiative
Secured Capacity	Green Capacities projects under the following stages: (i) installed capacity, or (ii) under construction, or (iii) awarded / contracted
SOE	State-owned enterprise
STI	Short-term incentives
SF	Solar farm
Supply of Last Resort	Supply of electricity to customers who have not selected an independent supplier in accordance with the established procedure or whose independent supplier fails to fulfil its obligations, terminates its activities or power purchase and sale agreement
Taxonomy-eligible	An economic activity that is described in the delegated acts supplementing Regulation (EU) 2020/852, irrespective of whether that economic activity meets any or all of the technical screening criteria laid down in those delegated acts
Taxonomy-non-eligible	Any economic activity that is not described in the delegated acts supplementing Regulation (EU) 2020/852
Taxonomy-aligned	An economic activity that complies with the requirements laid down in Article 3 of Regulation (EU) 2020/852
TCFD	Task Force on Climate-Related Financial Disclosures
TE-3	Vilnius Third Combined Heat and Power Plant
TRIR	Total Recordable Incident Rate
TWh	Terawatt-hour
UAB	Private limited liability company
UN	The United Nations
Under Construction	Project with building permits secured or permitting in process, including one of following: (i) a notice to start the construction has been given to the first contractor or (ii) a Final Investment Decision has been made
UDHR	Universal Declaration of Human Rights
UN SDGs	United Nations Sustainable Development Goals
UNGC	United Nations Global Compact
Units	Units
vs.	Versus
WACC	Weighted average cost of capital
WF	Wind farm
WtE	Waste-to-energy

Consolidated financial statements



6.1 Interim condensed consolidated statement of profit or loss

For the twelve-month period ended 31 December 2024

EURm	Note	12M 2024	12M 2023	Q4 2024	Q4 2023
Revenue from contracts with customers	6	2,295.6	2,542.4	685.6	705.1
Other income		11.4	6.7	0.3	2.4
Total revenue		**2,307.0**	**2,549.1**	**685.9**	**707.5**
Purchase of electricity, natural gas and other services	7.1	(1,444.7)	(1,757.7)	(461.8)	(457.5)
Salaries and related expenses	7.2	(163.1)	(136.7)	(43.0)	(40.1)
Repair and maintenance expenses	7.3	(66.5)	(61.1)	(12.4)	(23.3)
Other expenses	7.4	(100.0)	(86.2)	(33.8)	(27.4)
Total expenses		**(1,774.3)**	**(2,041.7)**	**(551.0)**	**(548.3)**
EBITDA	5	**532.7**	**507.4**	**134.9**	**159.2**
Depreciation and amortisation		(178.3)	(153.1)	(46.4)	(40.7)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets		(4.4)	(2.1)	(3.3)	(0.2)
Operating profit (EBIT)		350.0	352.2	85.2	118.3
Finance income	8	23.2	41.7	7.0	7.9
Finance expenses	8	(64.9)	(40.0)	(22.7)	(8.4)
Finance activity, net		**(41.7)**	**1.7**	**(15.7)**	(0.5)
Profit (loss) before tax		**308.3**	**353.9**	**69.5**	117.8
Income tax (expenses)/benefit	9	(32.1)	(33.7)	(7.3)	(10.2)
Net profit for the period		**276.2**	**320.2**	**62.2**	**107.6**
Attributable to:					
Shareholders in AB "Ignitis grupė"		276.2	320.2	62.2	107.6
Non-controlling interest		-	-	-	-
Basic and diluted earnings per share (EUR)	14.5	**3.82**	**4.42**	**0.86**	**1.49**
Weighted average number of shares	14.5	**72,388,960**	**72,388,960**	**72,388,960**	**72,388,960**

6.2 Interim condensed consolidated statement of comprehensive income

For the twelve-month period ended 31 December 2024

EURm	Note	12M 2024	12M 2023	Q4 2024	Q4 2023
Net profit for the period		**276.2**	**320.2**	**62.2**	**107.6**
Change in actuarial assumptions	10	(0.2)	3.8	(0.4)	1.3
Revaluation of property, plant and equipment	10	-	1.3	(0.4)	0.2
Items that will not be reclassified to profit or loss in subsequent periods (net of tax), total		**(0.2)**	**5.1**	**(0.8)**	**1.5**
Cash flow hedges – effective portion of change in fair value	10	(3.4)	(136.7)	(0.9)	(5.6)
Cash flow hedges – reclassified to profit or loss	10	1.8	34.4	3.6	40.8
Foreign operations – foreign currency translation differences	10	5.3	24.7	0.5	18.4
Items that may be reclassified to profit or loss in subsequent periods, total		**3.7**	**(77.6)**	**3.2**	**53.6**
Total other comprehensive income (loss) for the period		**3.5**	**(72.5)**	**2.4**	**55.1**
Total comprehensive income (loss) for the period		**279.7**	**247.7**	**64.6**	**162.7**
Attributable to:					
Shareholders in AB "Ignitis grupė"		279.7	247.7	64.6	162.7
Non-controlling interests		-	-	-	-

6.3 Interim condensed consolidated statement of financial position

As at 31 December 2024

EURm	Note	31 December 2024	31 December 2023
Assets			
Intangible assets	11	305.8	315.4
Property, plant and equipment	11	4,027.4	3,362.5
Right-of-use assets		77.6	49.9
Prepayments for non-current assets		236.1	309.9
Investment property		6.6	5.9
Non-current receivables		27.4	76.3
Other financial assets	12	35.2	37.0
Other non-current assets		4.0	3.5
Deferred tax assets		31.9	56.5
Non-current assets		**4,752.0**	**4,216.9**
Inventories		247.7	274.8
Prepayments and deferred expenses		17.1	14.4
Trade receivables	13	294.0	265.9
Other receivables		145.2	126.0
Other financial assets	12	-	110.4
Other current assets		9.4	24.0
Prepaid income tax		5.5	6.2
Cash and cash equivalents		234.5	205.3
Assets held for sale		0.6	0.5
Current assets		**954.0**	**1,027.5**
Total assets		**5,706.0**	**5,244.4**

EURm	Note	31 December 2024	31 December 2023
Equity and liabilities			
Share capital	14.1	1,616.4	1,616.4
Reserves		258.7	284.4
Retained earnings		561.7	362.6
Equity attributable to shareholders in AB "Ignitis grupė"		**2,436.8**	**2,263.4**
Non-controlling interests		-	-
Equity		**2,436.8**	**2,263.4**
Non-current loans and bonds	15	1,711.6	1,521.2
Non-current lease liabilities	15	68.1	42.3
Grants and subsidies		287.5	300.1
Deferred tax liabilities		84.7	87.4
Provisions	16	100.5	60.7
Deferred income		289.9	241.6
Prepayments received		-	-
Other non-current liabilities		18.2	66.6
Non-current liabilities		**2,560.5**	**2,319.9**
Loans	15	61.1	64.5
Lease liabilities	15	6.0	5.2
Trade payables		246.1	177.2
Advances received		75.5	61.8
Income tax payable		16.1	4.9
Provisions	16	28.5	27.6
Deferred income		20.6	35.2
Other current liabilities		254.8	284.7
Current liabilities		**708.7**	**661.1**
Total liabilities		**3,269.2**	**2,981.0**
Total equity and liabilities		**5,706.0**	**5,244.4**

6.4 Interim condensed consolidated statement of changes in equity

For the twelve-month period ended 31 December 2024

EURm	Note	Share capital	Legal reserve	Revaluation reserve	Hedging reserve	Treasury shares reserve	Other reserves	Retained earnings	Shareholders in AB "Ignitis grupė" interest	Non-controlling interest	Total
Balance as at 1 January 2023		**1,616.4**	**138.4**	**73.0**	**100.6**	**37.7**	**(4.8)**	**164.3**	**2,125.6**	**-**	**2,125.6**
Net profit for the period		-	-	-	-	-	-	320.2	**320.2**	-	**320.2**
Other comprehensive income (loss) for the period	10	-	-	3.8	(102.3)	-	24.7	1.3	**(72.5)**	-	**(72.5)**
Total comprehensive income (loss) for the period		**-**	**-**	**3.8**	**(102.3)**	**-**	**24.7**	**321.5**	**247.7**	**-**	**247.7**
Transfer of revaluation reserve (net of tax)		-	-	(9.0)	-	-	-	8.4	**(0.6)**	-	**(0.6)**
Transfers to legal reserve		-	22.3	-	-	-	-	(22.3)	**-**	-	**-**
Dividends	14.3	-	-	-	-	-	-	(91.7)	**(91.7)**	-	**(91.7)**
Dividends to non-controlling interest								(14.3)	**(14.3)**		**(14.3)**
Other movement		-	-	-	-	-	-	(3.3)	**(3.3)**	-	**(3.3)**
Balance as at 31 December 2023		**1,616.4**	**160.7**	**67.8**	**(1.7)**	**37.7**	**19.9**	**362.6**	**2,263.4**	**-**	**2,263.4**
Balance as at 1 January 2024		**1,616.4**	**160.7**	**67.8**	**(1.7)**	**37.7**	**19.9**	**362.6**	**2,263.4**	**-**	**2,263.4**
Net profit for the period		-						276.2	**276.2**	-	**276.2**
Other comprehensive income (loss) for the period		-	-	(0.2)	(1.6)	-	5.4	(0.1)	**3.5**	-	**3.5**
Total comprehensive income (loss) for the period		**-**	**-**	**(0.2)**	**(1.6)**	**-**	**5.4**	**276.1**	**279.7**	**-**	**279.7**
Transfer of revaluation reserve (net of tax)		-	-	(7.7)	-	-	-	7.7	**-**	-	**-**
Transfers to legal reserve		-	16.1	-	-	-	-	(16.1)	**-**	-	**-**
Transfers to treasury shares reserve	14.2	-	-	-	-	(37.7)	-	37.7	**-**	-	**-**
Dividends	14.3	-	-	-	-	-	-	(94.5)	**(94.5)**	-	**(94.5)**
Dividends to non-controlling interest	14.4	-	-	-	-	-	-	(11.8)	**(11.8)**	-	**(11.8)**
Balance as at 31 December 2024		**1,616.4**	**176.8**	**59.9**	**(3.3)**	**-**	**25.3**	**561.7**	**2,436.8**	**-**	**2,436.8**

6.5 Interim condensed consolidated statement of cash flows

For the twelve-month period ended 31 December 2024

EURm	Note	12M 2024	12M 2023	Q4 2024	Q4 2023
Net profit for the period		276.2	320.2	62.2	107.6
Adjustments for:					
Depreciation and amortisation expenses		195.2	165.7	50.7	43.8
Depreciation and amortisation of grants		(16.9)	(12.6)	(4.3)	(3.1)
Impairment (reversal) of property, plant and equipment and goodwill		1.8	(1.1)	1.3	(0.4)
Fair value changes of derivatives	17	(1.4)	6.8	0.8	2.7
Fair value changes of financial instruments		5.7	(16.7)	5.7	3.5
Income tax expenses/(benefit)	9	32.1	33.7	7.3	10.2
Increase/(decrease) in provisions	16	43.4	36.0	12.7	9.2
Inventory write-off to net realizable value/(reversal)		(13.2)	(88.6)	0.2	10.4
Loss/(gain) on disposal/write-off of assets held for sale and property, plant and equipment		5.5	3.6	2.3	0.7
Interest income		(14.0)	(17.6)	(2.9)	(4.6)
Interest expenses		46.6	34.6	13.0	9.7
Other expenses/(income) of financing activities		4.0	(1.9)	-	(8.0)
Other non-monetary adjustments		(0.7)	(0.6)	(1.5)	(0.6)
Changes in working capital:					
(Increase)/decrease in trade receivables and other receivables		21.7	204.0	(54.0)	(10.0)
(Increase)/decrease in inventories, prepayments and deferred expenses, other current and non-current assets and other financial assets		48.0	495.8	45.1	59.5
Increase/(decrease) in trade payables, deferred income, advances received, other non-current and current liabilities		35.0	(279.5)	(1.7)	30.2
Income tax (paid)/received		(7.8)	(81.0)	(1.8)	(9.5)
Net cash flows from operating activities		**661.2**	**800.8**	**135.1**	**251.3**
Acquisition of property, plant and equipment and intangible assets		(773.8)	(838.6)	(213.5)	(326.3)
Proceeds from sale of property, plant and equipment, assets held for sale and intangible assets		3.2	3.4	0.6	1.5
Investments in subsidiaries, net of cash acquired		(0.7)	(142.7)	(0.7)	(71.9)
Loans granted		(1.1)	(27.6)	(1.1)	(0.6)
Grants received		4.3	15.9	0.8	(2.4)
Interest received		6.2	10.7	0.5	2.3
Finance lease payments received		2.4	1.5	0.9	0.3
(Increase)/decrease of deposits	15.2	109.0	(109.0)	-	(59.0)
(Investments in)/return from investment funds	12.1	(3.8)	5.3	(0.9)	(0.8)
Net cash flows from investing activities		**(654.3)**	**(1,081.1)**	**(213.4)**	**(456.9)**

EURm	Note	12M 2024	12M 2023	Q4 2024	Q4 2023
Loans received	15.2	110.9	285.9	40.0	10.1
Repayments of loans	15.2	(48.6)	(180.7)	(12.1)	(11.3)
Overdrafts net change	15.2	122.8	(160.4)	135.3	12.5
Lease payments	15.2	(7.4)	(5.7)	(2.0)	(1.5)
Interest paid	15.2	(46.3)	(39.0)	(7.5)	(6.8)
Dividends paid	14.3	(94.5)	(91.7)	(48.0)	(46.5)
Dividends paid to non-controlling interest	14.4	(11.8)	(14.3)	-	-
Other increases/(decreases) in cash flows from investing activities		(2.8)	(2.6)	(2.6)	1.5
Net cash flows from financing activities		**22.3**	**(208.5)**	**103.1**	**(42.0)**
Increase/(decrease) in cash and cash equivalents		**29.2**	**(488.8)**	**24.8**	**(247.6)**
Cash and cash equivalents at the beginning of the period		**205.3**	**694.1**	**209.7**	**452.9**
Cash and cash equivalents at the end of the period		**234.5**	**205.3**	**234.5**	**205.3**

6.6 Notes

For the twelve-month period ended 31 December 2024

1 General information

AB "Ignitis grupė" (hereinafter referred to as 'the parent company') is a public limited liability company registered in the Republic of Lithuania. The parent company's registered office address is Laisvės Ave. 10, LT-04215, Vilnius, Lithuania. The parent company was registered on 28 August 2008 with the Register of Legal Entities managed by the State Enterprise Centre of Registers. The parent company's code is 301844044. The parent company has been founded for an indefinite period.

The parent company and its subsidiaries are hereinafter collectively referred to as 'the Group'. The Group's core business is focused on operating Lithuania's electricity distribution network (Networks) and managing and developing its Green Capacities Portfolio (Green Capacities). The Group also manages strategically important reserve capacities (Reserve Capacities) and provides services to its customers (Customers & Solutions), including the supply of electricity and natural gas, solar, e-mobility, energy efficiency and innovative energy solutions for private (hereinafter referred to as 'B2C') and business (hereinafter referred to as 'B2B') customers. Information on the Group's structure is provided on our website.

These are interim condensed consolidated financial statements of the Group. The parent company also prepares interim condensed separate financial statements in accordance with International Accounting Standard (hereinafter referred to as 'IAS') 34 'Interim Financial Reporting' as required by local legislations.

2 Basis of preparation

2.1 Basis of accounting

These interim condensed consolidated financial statements are prepared for the twelve-month period ended 31 December 2024 (hereinafter referred to as 'interim financial statements') in accordance with IAS 34.

These interim financial statements do not provide all the information required for the preparation of annual financial statements, therefore this must be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (hereinafter referred to as 'IFRS'), which were issued by the International Accounting Standards Board (hereinafter referred to as 'IASB') and endorsed for application in the European Union.

Interim financial statements have been prepared on a going concern basis while applying measurements based on historical costs, except for certain items of property, plant and equipment, investment property, and certain financial instruments measured at fair value.

2.2 Functional and presentation currency

These interim financial statements are presented in euros and all values are rounded to the nearest million (EURm), except when indicated otherwise.

2.3 Alternative performance measures

The Group presents financial measures in the interim financial statements which are not defined according to IFRS. The Group uses these alternative performance measures (hereinafter referred to as 'APM') as it believes that these financial measures provide valuable information to stakeholders and the management.

These financial measures should not be considered a replacement for the performance measures as defined under IFRS but rather as supplementary information.

The APM may not be comparable to similarly titled measures presented by other companies as the definitions and calculations may be different.
The most commonly used APMs in the interim financial statements: EBITDA, EBIT, Adjusted EBITDA, Adjusted EBIT, Investments, Net Debt.
For more information on the APMs – see Note 5.

3 Changes in material accounting policies

3.1 Changes in accounting policy and disclosures

The accounting policies applied during the preparation of these interim financial statements are consistent with the accounting policies applied during the preparation of the Group's annual financial statements for the year ended 31 December 2023, with the exception for the adoption of new standards effective as of 1 January 2024. Several amendments the adoption of which is effective from 1 January 2024 were applied, but they did not have a material impact on our interim financial statements. The Group has not applied any standard, interpretation, or amendment for which the early application is permitted but is not yet effective.

4 Significant accounting estimates and judgments used in the preparation of the financial statements

While preparing these interim financial statements, significant management's judgements regarding the application of the accounting policies and accounting estimates were the same as the ones used while preparing the annual financial statements for the year ended 31 December 2024, except for the changes in the estimated amounts (assumptions below):

Significant accounting estimates and judgments	Note	Estimate/judgment
Impairment of goodwill	11.1	Estimate
Fair value of Investment funds – at FVTPL	12.2	Estimate
Expected credit losses of trade receivables and other receivables: collective assessment of ECL, applying provision matrix and individual assessment of ECL	13	Estimate/judgment
Provisions for rights to servitudes	16.1	Estimate
Provision for servitudes of real estate	16.2	Estimate
Provision for compensations for the Special Land Use Conditions (Protected Areas)	16.3	Estimate
Regulated activity: accrual of income and regulatory provision from services, ensuring isolated operation of the power system and capacity reserve	19	Estimate
Regulated activity: accrual of income and regulatory provision from public electricity supply	19	Estimate

5 Business segments

EURm	Green Capacities	Networks	Reserve Capacities	Customers & Solutions	Other activities and eliminations	Total adjusted	Adjustments	Total reported
12M 2024								
Total revenue	**412.9**	**718.1**	**149.9**	**1,215.8**	**(194.5)**	**2,302.2**	**4.8**	**2,307.0**
Purchase of electricity, natural gas and other services	(75.1)	(316.8)	(83.1)	(1,165.2)	195.5	(1,444.7)		(1,444.7)
Salaries and related expenses	(24.1)	(82.2)	(11.9)	(20.9)	(24.0)	(163.1)		(163.1)
Repair and maintenance expenses	(15.1)	(44.4)	(6.7)	(0.3)	-	(66.5)		(66.5)
Other expenses	(36.2)	(54.8)	(6.2)	(22.3)	19.5	(100.0)		(100.0)
EBITDA	**262.4**	**219.9**	**42.0**	**7.1**	**(3.5)**	**527.9**	**4.8**	**532.7**
Depreciation and amortization	(42.7)	(111.6)	(11.6)	(3.0)	(9.4)	(178.3)		(178.3)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	(2.0)	(3.2)	0.7	-	0.1	(4.4)		(4.4)
EBIT	**217.7**	**105.1**	**31.1**	**4.1**	**(12.8)**	**345.2**	**4.8**	**35.0**
Finance activity, net						(36.0)	(5.7)	(41.7)
Income tax (expenses)/benefit						(31.7)	(0.4)	(32.1)
Net profit						**277.5**	**(1.3)**	**276.2**
Investments	**434.5**	**337.0**	**2.6**	**25.2**	**12.7**	**812.0**	**-**	**812.0**
12M 2023								
Total revenue	**342.1**	**479.8**	**128.3**	**1,736.9**	**(160.7)**	**2,526.4**	**22.7**	**2,549.1**
Purchase of electricity, natural gas and other services	(68.9)	(135.5)	(57.8)	(1,658.7)	163.2	(1,757.7)	-	(1,757.7)
Salaries and related expenses	(18.2)	(71.9)	(9.6)	(16.7)	(20.3)	(136.7)	-	(136.7)
Repair and maintenance expenses	(8.7)	(46.2)	(6.0)	-	(0.2)	(61.1)	-	(61.1)
Other expenses	(23.7)	(46.2)	(5.0)	(31.1)	19.8	(86.2)	-	(86.2)
EBITDA	**222.6**	**180.0**	**49.9**	**30.4**	**1.8**	**484.7**	**22.7**	**507.4**
Depreciation and amortization	(29.1)	(101.2)	(11.1)	(3.1)	(8.6)	(153.1)	-	(153.1)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	(0.1)	(1.7)	0.3	-	(0.6)	(2.1)	-	(2.1)
EBIT	**193.4**	**77.1**	**39.1**	**27.3**	**(7.4)**	**329.5**	**22.7**	**352.2**
Finance activity, net						(15.1)	16.8	1.7
Income tax (expenses)/benefit						(27.8)	(5.9)	(33.7)
Net profit						**286.6**	**33.6**	**320.2**
Investments	**542.7**	**346.8**	**4.9**	**25.0**	**17.7**	**937.1**	**-**	**937.1**

Business segments (equal to 'Operating segments' in accordance with IFRS 8) are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the business segments, has been identified as the Management Board.

The Group is divided into four business segments based on their core activities. For more information about the segments, see sections '2.1 Business profile and strategy' and '3.5 Results by business segment' of the Integrated Annual Report 2024. The list of entities assigned to each segment is provided on our website.

The chief operating decision-maker monitors the results with reference to the financial reports that have been prepared using the same accounting policies as those used for the preparation of the financial statements. The primary alternative performance measure is Adjusted EBITDA. Additionally, the management also analyses Investments of each individual segment. All measures are calculated using the data presented in the financial statements, and selected items which are not defined by IFRS are adjusted by the management. The Group's management calculates the main performance measures as described by the definitions of Alternative Performance Measures, which can be found in section '7.3 Alternative Performance Measures' of the Integrated Annual Report 2024.

5.1 EBITDA

The management's adjustments include:
- temporary regulatory differences (if any);
- asset rotation result (if any);
- significant one-off gains or losses (if any).

In the management's view, Adjusted EBITDA more accurately presents the results of the operations and enables a better comparison of the results between the periods as they indicate the amount that was actually earned by the Group in the reporting period.

The management's adjustments used in calculating Adjusted EBITDA:

	12M 2024	12M 2023	Δ	Δ, %
EBITDA APM	532.7	507.4	*25.3*	*5.0%*
Adjustments				
Temporary regulatory differences[1]	**5.0**	**(22.7)**	***27.7***	***n/a***
Networks	17.3	(112.2)	*129.5*	*n/a*
Customers & Solutions	(11.2)	90.2	*(101.4)*	*n/a*
Reserve Capacities	(0.2)	(0.2)	-	*0.0%*
Green Capacities	(0.9)	(0.5)	*(0.4)*	*(80.0%)*
Significant one-off gains or losses	**(9.8)**	**-**	**(9.8)**	***n/a***
Green Capacities	(9.8)	-	(9.8)	*n/a*
Total EBITDA adjustments	**(4.8)**	**(22.7)**	***17.9***	***78.9%***
Adjusted EBITDA APM	**527.9**	**484.7**	***43.2***	***8.9%***
Adjusted EBITDA Margin APM	22.9%	19.2%	3.7%	***n/a***

[1] Temporary regulatory differences. The difference between the actual profit earned during the reporting period and the profit approved by the regulator (NERC) is eliminated.

5.2 Operating profit (EBIT)

Operating profit (EBIT) adjustments:

	12M 2024	12M 2023	Δ	Δ, %
Operating profit (EBIT) APM	350.0	352.2	*(2,2)*	*(0.6%)*
Adjustments				
Total EBITDA adjustments	(4.8)	(22.7)	*17.9*	*78.9%*
Total Operating profit (EBIT) adjustments	**(4.8)**	**(22.7)**	***17.9***	***78.9%***
Adjusted EBIT APM	**345.2**	**329.5**	***15.7***	***4.8%***

5.3 Net profit

Net profit adjustments:

	12M 2024	12M 2023	Δ	Δ, %
Net profit	276.2	320.2	*(44.0)*	*(13.7%)*
Adjustments				
Total EBITDA adjustments	(4,8)	(22.7)	*17.9*	*78.9%*
One-off financial activity adjustments (2)	5.7	(16.8)	*22.5*	*n/a*
Adjustments' impact on income tax (3)	0.4	5.9	*(5.5)*	*(93.2%)*
Total net profit adjustments	**1.3**	**(33.6)**	***34.9***	***n/a***
Adjusted Net Profit APM	**277.5**	**286.6**	***(9.1)***	***(3.2%)***

(2) One-off financial activity adjustments.
One-off financial activity adjustments for 12M 2023 include the elimination of investment funds' increase in fair value (EUR 16.8 million).

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

6 Revenue

6.1 Revenue by type

EURm	12M 2024	12M 2023
Revenue from the sale of electricity	574.7	682.2
Revenue from electricity transmission and distribution	571.8	452.8
Revenue from sale of produced electricity	410.1	310.1
Revenue from services ensuring the isolated operation of power system and capacity reserve	81.5	63.3
Revenue from public electricity supply	43.9	48.4
Revenue from other electricity related activity	10.8	9.0
Electricity related revenue	**1,692.8**	**1,565.8**
Revenue from gas sales	398.3	807.0
Revenue from gas distribution	69.2	73.1
Revenue of LNGT security component	31.8	11.2
Revenue from other gas related activity	1.5	1.6
Gas related revenue	**500.8**	**892.9**
Revenue from sale of heat energy	55.4	39.8
Other revenue from contracts with customers	46.6	43.9
Other revenue	**102.0**	**83.7**
Total revenue from contracts with customers	**2,295.6**	**2,542.4**
Other	11.4	6.7
Total other income	**11.4**	**6.7**
Total revenue	**2,307.0**	**2,549.1**

6.2 Revenue by geographic segment

During 12M 2024, the Group earned 82.7% (82.0% in 12M 2023) of its revenue in Lithuania. The Group's revenue from other countries decreased to 17.3%, mainly due to lower electricity and natural gas volumes sold and lower market prices, mostly in Finland and Latvia.

EURm	12M 2024	12M 2023
Lithuania	1,909.0	2,090.4
Poland	167.5	133.6
Latvia	99.7	117.3
Finland	85.5	167.7
Estonia	11.5	19.0
Other countries	33.8	21.1
Total	**2,307.0**	**2,549.1**

7 Expenses

7.1 Purchase of electricity, natural gas and other services

EURm	12M 2024	12M 2023
Purchase of electricity and related services	945.8	840.8
Purchase of natural gas and related services	451.3	886.1
Other purchases	47.6	30.8
Total	**1,444.7**	**1,757.7**

The Group's purchase of electricity, natural gas and other purchases in 12M 2024 decreased by 17.8% compared to 12M 2023. The decrease was caused by the lower purchase of natural gas and related services, mainly due to lower volumes purchased and lower market prices. Expenses from the purchase of electricity and related services increased by 12.5%. The increase was mainly impacted by higher electricity transmission expenses.

7.2 Salaries and related expenses

EURm	12M 2024	12M 2023
Fixed wages and salaries	159.5	132.9
Variable wages and salaries	28.6	23.6
Other wages and salaries expenses	5.5	5.0
Attributable cost to property, plant and equipment and intangible assets	(30.5)	(24.8)
Total	**163.1**	**136.7**

In 12M 2024, salaries and related expenses increased by 19.3% compared to 12M 2023, mainly due to the growth in the average salary and headcount at the Group.

7.3 Repairs and maintenance expenses

EURm	12M 2024	12M 2023
Electricity network	40.1	42.1
Electricity and heat power generation equipment	20.6	14.6
Gas network	4.2	4.0
Other	1.6	0.4
Total	**66.5**	**61.1**

7.4 Other expenses

EURm	12M 2024	12M 2023
Asset management and administration	19.4	15.8
Telecommunications and IT services	14.4	12.8
Taxes (other than income taxes)	11.8	9.2
Customer service	10.1	11.6
People and culture	7.4	5.2
Finance and accounting	7.0	5.0
Communication	4.2	3.2
Legal	3.9	2.7
Ineffective energy hedging result	-	8.1
Other	21.8	12.6
Total	**100.0**	**86.2**

8 Finance activity

EURm	12M 2024	12M 2023
Interest income at the effective interest rate	14.0	17.6
Investment funds – at FVTPL (Note 12.1)	-	16.7
Other income from financing activities	9.2	7.4
Total finance income	**23.2**	**41.7**
Interest expenses	44.9	33.4
Interest and discount expense on lease liabilities	1.7	1.2
Other expenses of financing activities	18.3	5.4
Total finance expenses	**64.9**	**40.0**
Finance activity, net	**(41.7)**	**1.7**

9 Income taxes

9.1 Amounts recognised in profit or loss

EURm	12M 2024	12M 2023
Income tax expenses (benefit)	33.9	32.4
Deferred tax expenses (benefit)	(9.2)	1.3
Total	**25.9**	**33.7**

9.2 Reconciliation of effective tax rate

Income tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to the profit of the Group:

EURm	12M 2024	12M 2024	12M 2023	12M 2023
Profit (loss) before tax		308.3		353.9
Income tax expenses (benefit) at tax rate of 15%	15.00%	46.2	15.00%	53.1
Income tax expenses related to global minimum top-up tax	0.39%	1.2	-	-
Effect of tax rates in foreign jurisdictions	0.45%	1.4	0.03%	0.1
Non-taxable income and non-deductible expenses	0.48%	1.5	1.32%	4.7
Income tax relief for the investment project	(4.77%)	(14.7)	(5.15%)	(18.3)
Adjustments in respect of prior years	0.13%	0.4	(1.42%)	(5.0)
Different tax rate due to other law requirements	(0.96%)	(3.0)	-	-
Other	(0.30)%	(0.9)	(0,25%)	(0.9)
Income tax expenses (benefit)	**10.42%**	**32.1**	**9.54%**	**33.7**

Standard income tax rate of 15% was applicable to the companies in Lithuania (starting from 2025 – 16%), in Poland – 19%, in Finland – 20%. Standard income tax rate in Latvia and Estonia is 20% on the gross amount of the distribution (starting from 2025, income tax rate in Estonia will be increased up to 22%). 'Income tax relief for the investment project' included the income tax relief for the investment projects in 2024 and the income tax relief from previous periods, for which the deferred tax assets were not recognized.

9.3 Global minimum tax

In December 2021, the Organisation for Economic Co-operation and Development (OECD) introduced the Pillar 2 model rules, aimed at overhauling international corporate taxation. The primary objective of these regulations is to guarantee that large multinational enterprises, specifically those with global revenues surpassing EUR 750 million, are subject to a minimum effective tax rate of 15%. These rules need to be incorporated into the national laws of the countries that choose to adopt them.

The Group's effective income tax rate in Lithuania is below the minimum threshold of 15% due to the tax relief on investment project incentive applied at the Group level in Lithuania. In other countries where the Group operates, namely Latvia, Estonia, Poland, and Finland, the Group's effective income tax rate exceeds 15% or the activities result in a loss.

Within all jurisdictions where the Group operates, only Finland adopted a new law on 31 December 2023, implementing the Global Minimum Tax, which came into effect on 1 January 2024. Since the provisions for the Global Minimum Tax will be fully incorporated into national law in Poland and take effect on 1 January 2025 and there are currently no plans to implement the Global Minimum Tax in Lithuania, Latvia, or Estonia, the Group will be obligated to pay a top-up tax in Finland for the year 2024. For the year 2025, the Group will be obligated to pay a top-up tax in both Poland and Finland.

For the year 2024, the Group has calculated the top-up tax of EUR 1.2 million. The aggregated jurisdictional profit for Lithuania was calculated by considering mandatory exclusions and optional elections. Based on the jurisdictional net profit, the jurisdictional effective tax rate was calculated by incorporating the accounted income tax and assessing deferred taxes related to tax relief. The top-up tax rate was derived by subtracting the jurisdictional effective tax rate from the minimum effective tax rate of 15%. The top-up tax rate was applied to the excess profit, which was calculated by deducting the jurisdictional substance-based income (i.e., salary expenses and average carrying amount of property, plant, and equipment) from the aggregated jurisdictional profit. No deferred tax was recognized related to top-up tax.

10 Other comprehensive income

EURm	Revaluation reserve	Hedging reserve	Other reserves	Retained earnings	Total
Items that will not be reclassified to profit or loss in subsequent periods					
Revaluation of property, plant and equipment	4.5	-	-	-	**4.5**
Result of change in actuarial assumptions	-	-	-	1.4	**1.4**
Tax	(0.7)	-	-	(0.1)	**(0.8)**
Items that may be reclassified to profit or loss in subsequent periods					
Cash flow hedges – effective portion of change in fair value	-	(159.9)	-	-	**(159.9)**
Cash flow hedges – reclassified to profit or loss	-	40.5	-	-	**(40.5)**
Foreign operations – foreign currency translation differences	-	-	25.4	-	**25.4**
Tax	-	17.1	(0.7)	-	**16.4**
Total as at 31 December 2023	**3.8**	**(102.3)**	**24.7**	**1.3**	**(72.5)**
Items that will not be reclassified to profit or loss in subsequent periods					
Revaluation of property, plant and equipment	0.6	-	-	-	**0.6**
Result of change in actuarial assumptions	-	-	-	(0.1)	**(0.1)**
Tax	(0.8)	-	-	-	**(0.8)**
Items that may be reclassified to profit or loss in subsequent periods					
Cash flow hedges – effective portion of change in fair value	-	(3.9)	-	-	**(3.9)**
Cash flow hedges – reclassified to profit or loss	-	2.1	-	-	**2.1**
Foreign operations – foreign currency translation differences	-	-	5.6	-	**5.6**
Tax	-	0.2	(0.2)	-	**-**
Total as at 31 December 2024	**(0.2)**	**(1.6)**	**5.4**	**(0.1)**	**3.5**

Total amount of taxes recognised in other comprehensive income in 2024 was EUR -0.8 million. This amount includes EUR 1.3 million in income tax benefit and EUR -2.1 million in deferred tax expenses (9.9 Note) (the total amount of taxes recognised in 2023 was EUR 15.6 million. This amount includes EUR 4.5 million in income tax benefit and EUR 11.1 million in deferred tax benefit).

11 Investments

In 12M 2024, Investments amounted to EUR 812.0 million and were EUR 125.1 million, or 13.3%, lower compared to 12M 2023. The decrease was mainly driven by the Green Capacities segment.

The Investments mainly comprise the additions to property, plant and equipment (EUR 828.9 million) and intangible assets (EUR 20.2 million). For more detailed information on our Investments, see section '3.1 Results 12M' of the Twelve Months 2024 Interim Report.

11.1 Significant accounting estimate: Impairment of goodwill

The Group performed an impairment test of goodwill recognised on acquisitions of the subsidiaries and determined that no impairment is needed as at 31 December 2024 except for goodwill identified through business combination of subsidiaries Sunrise 1 sp. z o.o., Sunrise 2 sp. z o.o. and Sunrise 4 sp. z o.o., which were acquired in 2024 (Note 30.3.1). The Group recognised an impairment loss in the amount of EUR 2.0 million.

The impairment test was performed using the discounted cash flow method for each Cash-Generating Unit (CGU), which for impairment testing purposes is treated to be every individual Green Capacities project acquired, using the following key assumptions:

1. The cash flow forecast covered the period from 2025 until 2046–2060, with reference to the typical operational period of 30 years.
2. The cash flow forecast also included the envisaged capital expenditure amounts required to complete the projects under development or under construction for the period from 2025 until 2027-2030 based on actually signed contracts, as well as taking into account inflation and learning curve developments provided by reputable market forecasters.
3. The production volume is stable each year according to a third-party study of a wind farm or actual production capacity (depending on the wind and solar farm).
4. The price of electricity is set at the agreed tariff if the project is awarded in government auctions or tenders, or offtake is secured through PPA (Power Purchase Agreement) or similar instruments. Otherwise, a third-party electricity price forecast is applied.
5. A discount rate of 5.79–7.39% after tax (weighted average costs of capital after tax) (6.91–8.79% pre-tax) was used to calculate the discounted cash flows.

The carrying amount of goodwill, other intangible asset, licenses and rights to produce electricity, property, plant and equipment and right-of-use assets allocated to CGUs amounted to EUR 906.0 million as at 31 December 2024.

The Group exercised goodwill impairment assessment analysis of unobservable inputs variation, relying on the following scenarios:

- sensitivity of variation in the (1) average captured electricity price for the period of 2025–2060 (real), as well as (2) the discount rate (WACC). The possible changes in enterprise value due to the variation of these inputs are disclosed in the tables below (EUR million):

UAB "Eurakras"

			Average discount rate (after tax)				
			4.79%	5.29%	5.79%	6.29%	6.79%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	54.25	(10.0)%	(2.2)	(3.8)	(5.4)	(6.8)	(8.2)
	57.26	(5.0)%	0.8	(1.0)	(2.7)	(4.3)	(5.7)
	60.27	0.0%	3.7	1.8	-	(1.7)	(3.3)
	63.29	5.0%	6.7	4.6	2.7	0.9	(0.8)
	66.30	10.0%	9.6	7.4	5.4	3.5	1.7

Pomerania Wind Farm Sp. z o. o.

			Average discount rate (after tax)				
			6.39%	6.89%	7.39%	7.89%	8.39%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	62.61	(10.0)%	11.2	1.6	(7.4)	(15.7)	(23.4)
	66.09	(5.0)%	15.7	5.6	(3.7)	(12.3)	(20.4)
	69.56	0.0%	20.2	9.7	-	(9.0)	(17.3)
	73.04	5.0%	24.7	13.8	3.7	(5.6)	(14.3)
	76.52	10.0%	29.2	17.8	7.4	(2.3)	(11.2)

UAB "VVP Investment"

			Average discount rate (after tax)				
			4.79%	5.29%	5.79%	6.29%	6.79%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	54.25	(10.0)%	5.1	(4.3)	(12.8)	(20.7)	(27.9)
	57.26	(5.0)%	12.4	2.6	(6.4)	(14.7)	(22.3)
	60.27	0.0%	19.8	9.5	-	(8.7)	(16.7)
	63.29	5.0%	27.2	16.3	6.4	(2.7)	(11.1)
	66.30	10.0%	34.6	23.2	12.8	3.3	(5.5)

UAB "Plungės vėjo energija"

			Average discount rate (after tax)				
			5.94%	6.44%	6.94%	7.44%	7.94%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	54.25	(10.0)%	1.1	(17.4)	(33.5)	(47.5)	(59.7)
	57.26	(5.0)%	20.9	0.8	(16.7)	(32.1)	(45.5)
	60.27	0.0%	40.8	19.0	-	(16.7)	(31.3)
	63.29	5.0%	60.6	37.3	16.7	(1.3)	(17.1)
	66.30	10.0%	80.5	55.5	33.5	14.1	(2.9)

SP Venta SIA

			Average discount rate (after tax)				
			5.36%	5.86%	6.36%	6.86%	7.36%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	48.96	(10.0)%	9.7	(20.0)	(46.8)	(70.9)	(92.7)
	51.68	(5.0)%	36.7	5.1	(23.4)	(49.1)	(72.3)
	54.40	0.0%	63.7	30.2	-	(27.2)	(51.8)
	57.12	5.0%	90.7	55.3	23.4	(5.4)	(31.4)
	59.84	10.0%	117.7	80.4	46.8	16.4	(11.0)

BRVE SIA

			Average discount rate (after tax)				
			5.91%	6.41%	6.91%	7.41%	7.91%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	51.95	(10.0)%	0.2	(6.6)	(12.8)	(18.4)	(23.4)
	54.84	(5.0)%	7.5	0.2	(6.4)	(12.4)	(17.8)
	57.73	0.0%	14.8	7.0	-	(6.4)	(12.1)
	60.61	5.0%	22.0	13.8	6.4	(0.4)	(6.5)
	63.50	10.0%	29.3	20.6	12.8	5.7	(0.8)

CVE SIA

			Average discount rate (after tax)				
			5.91%	6.41%	6.91%	7.41%	7.91%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	51.95	(10.0)%	1.7	(12.3)	(25.0)	(36.4)	(46.8)
	54.84	(5.0)%	15.9	1.0	(12.5)	(24.7)	(35.8)
	57.73	0.0%	30.2	14.3	-	(13.0)	(24.7)
	60.61	5.0%	44.5	27.7	12.5	(1.2)	(13.7)
	63.50	10.0%	58.7	41.0	25.0	10.5	(2.6)

UAB "Vėjas LT"

			Average discount rate (after tax)				
			5.36%	5.86%	6.36%	6.86%	7.36%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	54.25	(10.0)%	10.4	(3.5)	(16.3)	(28.0)	(38.8)
	57.26	(5.0)%	19.9	5.2	(8.2)	(20.4)	(31.7)
	60.27	0.0%	29.3	14.0	-	(12.8)	(24.6)
	63.29	5.0%	38.8	22.8	8.2	(5.2)	(17.5)
	66.30	10.0%	48.2	31.6	16.3	2.4	(10.4)

UAB "WINDLIT"

			Average discount rate (after tax)				
			5.36%	5.86%	6.36%	6.86%	7.36%
		Δ	(1.0)%	(0.5)%	(0.0)%	0.5%	1.0%
Average captured electricity price in 2025-2060 (real), EUR/MWh	54.25	(10.0)%	21.9	(3.3)	(26.3)	(47.3)	(66.7)
	57.26	(5.0)%	37.4	11.0	(13.1)	(35.2)	(55.4)
	60.27	0.0%	52.8	25.2	-	(23.1)	(44.2)
	63.29	5.0%	68.3	39.5	13.1	(10.9)	(33.0)
	66.30	10.0%	83.8	53.7	26.3	1.2	(21.8)

12 Other financial assets

EURm	31 December 2024	31 December 2023
Other non-current financial assets		
Investment funds – at FVTPL	30.1	32.0
Equity securities – at FVOCI	5.1	5.0
Carrying amount	**35.2**	**37.0**
Other current financial assets		
Short-term deposits	-	110.4
Carrying amount	**-**	**110.4**

12.1 Movement of fair value in investment funds

EURm	12M 2024	12M 2023
Carrying amount as at 1 January	**32.0**	**20.6**
Additional investments	3.8	10.3
Return from investments	-	(15.6)
Change in fair value	(5.7)	16.7
Carrying amount as at 31 December	**30.1**	**32.0**

12.2 Significant accounting estimates: Investment funds – at FVTPL

The Group has invested into investment funds. The funds are managed by independent entities (managers), which are responsible for the investment decisions. Accordingly, in the Group management's view, the Group does not have the power to manage the activities of the funds and does not have the control over them.

As at 31 December 2024, the carrying value of the Smart Energy Fund amounted to EUR 18.6 million (31 December 2023: EUR 22.4 million), the carrying value of the World Fund amounted to EUR 11.5 million (31 December 2023: EUR 9.6 million).

The fair value of the funds was determined by reference to the exits of investments, new investment rounds or other recent events and data (Note 21).

The fair value of the funds corresponds to Level 3 in the fair value hierarchy.

13 Trade receivables

EURm	31 December 2024	31 December 2023
Amounts receivable under contracts with customers		
Receivables from electricity related sales	204.6	168.1
Receivables from gas related sales	76.8	91.3
Other trade receivables	23.8	18.5
Total	**305.2**	**277.9**
Less: loss allowance	(11.2)	(12.0)
Carrying amount	**294.0**	**265.9**

As at 31 December 2024 and 31 December 2023, the Group had not pledged the claim rights to trade receivables.

No interest is charged on trade receivables, and the regular settlement period is between 15 and 30 days. Trade receivables for which the settlement period is more than 30 days comprise an insignificant part of the total trade receivables. The Group doesn't provide a settlement period that is longer than 1 year. The Group didn't identify any financing components. For terms and conditions on settlements between the related parties, see Note 20.

14 Equity

14.1 Share capital

The Group's share structure and shareholders were as follows:

Shareholder of the Group	31 December 2024		31 December 2023	
	Share capital, in EURm	%	Share capital, in EURm	%
The Republic of Lithuania represented by the Ministry of Finance of the Republic of Lithuania	1,212.1	74.99	1,212.1	74.99
Other shareholders	404.3	25.01	404.3	25.01
Total	**1,616.4**		**1,616.4**	

As at 31 December 2024, the Group's share capital comprised EUR 1,616.4 million (31 December 2023: 1,616.4 million) and was divided into 72,388,960 ordinary shares with a EUR 22.33 nominal value per share (31 December 2023: 72,388,960 ordinary registered shares with a EUR 22.33 nominal value per share).

14.2 Cancellation of the treasury shares reserve

At the Annual General Meeting of Shareholders held on 27 March 2024, it was decided to cancel the reserve for the acquisition of own ordinary registered shares and to transfer EUR 37.7 million from the 'Treasury shares reserve' to 'Retained earnings'.

14.3 Dividends

Dividends declared by the parent company during the 12M period:

EURm	12M 2024	12M 2023
AB "Ignitis grupė"	94.5	91.7

In total, the Group paid EUR 94.5 million dividends in cash during 12M 2024 (EUR 91.7 million during 12M 2023).

14.4 Dividends declared to non-controlling interest

The Group uses the anticipated-acquisition method for recognising the put option redemption liability because, under the anticipated-acquisition method, the interests of the non-controlling shareholders are derecognised when the financial liability is recognised, therefore, the underlying interests are presented as already owned by the equity holders of the parent company both in the Statement of financial position and in the Statement of profit or loss and other comprehensive income, even though legally they still are the non-controlling interest.

Due to the above, the dividends declared during 12M 2024 by the parent company's subsidiary UAB Kauno kogeneracinė jėgainė for the non-controlling interest of EUR 11.8 million (EUR 14.3 million in 12M 2023) were presented as dividends to non-controlling interest.

14.5 Earnings per share

The Group's earnings per share and diluted earnings per share were as follows:

EURm	12M 2024	12M 2023
Net profit for the period	**276.2**	**320.2**
Attributable to:		
Shareholders in AB "Ignitis grupė"	276.2	320.2
Non-controlling interests	-	-
Weighted average number of nominal shares (units)	72,388,960	72,388,960
Basic and diluted earnings/(loss) per share attributable to shareholders in AB "Ignitis grupė" (EUR)	3.82	4.42

Indicators of basic and diluted earnings per share have been calculated based on the weighted average number of ordinary shares as at 31 December 2024 of 72,388,960 (31 December 2023: 72,388,960).

15 Financing

15.1 Loans, bonds and lease liabilities

EURm	31 December 2024	31 December 2023
Bonds issued	893.5	891.8
Bank loans	682.8	629.4
Bank overdrafts, credit line	135.3	-
Lease liabilities	68.1	42.3
Total non-current	**1,779.7**	**1,563.5**
Current portion of non-current loans received	51.9	42.7
Current portion of bonds issued	9.2	9.2
Bank overdrafts, credit line	-	12.6
Lease liabilities	6.0	5.2
Total current	**67.1**	**69.7**
Total	**1,846.8**	**1,633.2**

Loans, bonds and lease liabilities by maturity:

EURm	31 December 2024	31 December 2023
Up to 1 year	67.1	69.7
From 1 to 2 years	270.1	120.1
From 2 to 5 years	772.9	747.3
After 5 years	736.7	696.1
Total	**1,846.8**	**1,633.2**

Loans and lease liabilities of the Group are denominated in euros or Polish zlotys, bonds – in euros.

15.2 Net Debt

Net Debt is a non-IFRS liquidity metric used to determine the value of debt against highly liquid assets owned by the Group. The management is monitoring the Net Debt metric as a part of its risk management strategy. Only the debts to financial institutions, issued bonds, related interest payables and lease liabilities are included in the Net Debt calculation. The management defines the Net Debt metric for the purposes of these financial statements in the manner presented below.

Net Debt balances:

EURm	31 December 2024	31 December 2023
Cash and cash equivalents	(234.5)	(205.3)
Short term deposits	-	(110.4)
Non-current portion	1,779.7	1,563.5
Current portion	67.1	69.7
Net Debt	**1,612.3**	**1,317.5**

15.2.1 Liquidity reserve

The Group manages liquidity risks by entering in credit line and overdraft agreements with banks. As at 31 December 2024, there were six credit line facilities available in four separate banks with a total limit of EUR 570.2 million. The disbursed amount was EUR 135.5 million. The credit line and overdraft facilities are committed, i.e., the funds must be paid by the bank upon request.

EURm	31 December 2024	31 December 2023
Credit line agreements	270.0	270.1
Overdraft agreements	164.7	287.5
Total unwithdrawn balances	**434.7**	**557.6**
Cash balances in bank accounts	212.1	204.8
Restricted cash	22.4	0.5
Total cash and cash equivalents	**234.5**	**205.3**
Short-term deposits	-	110.4
Total short-term deposits	**-**	**110.4**
Total liquidity reserve	**669.2**	**873.3**

15.2.2 Reconciliation of the Group's Net Debt balances to cash flows from financing activities

	Loans and bonds		Lease liabilities		Assets		
EURm	Non-current	Current	Non-current	Current	Cash and cash equivalents	Short-term deposits	Total
Net Debt as at 1 January 2024	**1,521.2**	**64.5**	**42.3**	**5.2**	**(205.3)**	**(110.4)**	**1,317.5**
Cash changes							
(Increase) decrease in cash and cash equivalents	-	-	-	-	79.8	-	**79.8**
Proceeds from loans	102.9	8.0	-	-	-	-	**110.9**
Repayments of loans	-	(48.6)	-	-	-	-	**(48.6)**
Lease payments	-	-	-	(7.4)	-	-	**(7.4)**
Interest paid	-	(45.1)	-	(1.2)	-	-	**(46.3)**
Overdrafts net change	135.3	(12.5) -	-	-	-	-	**122.8**
Received interest	-	-	-	-	-	3.1	**3.1**
Reclassifications between items	-	-	-	-	(109.0)	109.0	**-**
Non-cash changes							
Lease contracts concluded	-	-	29.4	2.1	-	-	**31.5**
Accrual of interest receivable	-	-	-	-	-	(1.7)	**(1.7)**
Accrual of interest payable	1.5	45.8	-	2.1	-	-	**49.4**
Remeasurement of lease liabilities	-	-	0.8	0.1	-	-	**0.9**
Reclassifications between items	(48.8)	48.8	(5.2)	5.2	-	-	**-**
Assumed through business combination	-	-	1.3	-	-	-	**1.3**
Other non-monetary changes	(1.9)	-	(0.2)	-	-	-	**(2.1)**
Change in foreign currency	1.4	0.2	(0.3)	(0.1)	-	-	**1.2**
Net Debt as at 31 December 2024	**1,711.6**	**61.1**	**68.1**	**6.0**	**(234.5)**	**-**	**1,612.3**

16 Provisions

The movement of the Group's provisions was as follows:

EURm	Emission allowance	Employee benefits	Servitudes	Regulatory difference of isolated power system operations and system services	Regulatory differences of public electricity supply activity	Other	Total
Balance as at 1 January 2024	**8.8**	**6.0**	**5.5**	**46.3**	**13.1**	**8.6**	**88.3**
New provisions that were not calculated before	-	-	-	-	-	0.2	**0.2**
Increase (decrease) during the year	18.8	1.3	-	42.4	(11.0)	4.0	**55.5**
Utilised during the year	(9.3)	(0.4)	-	(1.2)	-	(6.5)	**(17.4)**
Result of change in assumptions	-	0.1	(4.7)	-	(1.4)	0.7	**(5.3)**
Discount effect	-	-	-	2.1	-	0.2	**2.3**
Reclassification from other categories	-	-	-	-	-	5.2	**5.2**
Foreign currency exchange difference	-	-	-	-	-	0.2	**0.2**
Balance as at 31 December 2024	**18.3**	**7.0**	**0.8**	**89.6**	**0.7**	**12.6**	**129.0**
Non-current	-	5.6	0.6	86.5	-	7.8	**100.5**
Current	18.3	1.4	0.2	3.1	0.7	4.8	**28.5**

The total change in the provisions in 12M 2024 was EUR 40.7 million. The change recognised in the Statement of profit or loss was EUR 43.4 million, capitalised to 'Right-of-use assets' was EUR 0.9 million, recognised in the Statement of other comprehensive income was EUR 0.1 million, recognised in the Intangible assets was EUR -5.1 million and recognised in the Property, plan and equipment was EUR 1.4 million.

16.1 Significant accounting estimates and judgements

16.1.1 Provisions for rights to servitudes

Following the amendments to the Law on Electricity of the Republic of Lithuania entered into force on 1 November 2017, which provide a basis for the reimbursement of easements established during the installation of electricity networks on land plots not belonging to the operator, and the servitudes payment methodology, which entered into force in 31 July 2018, the total amount of easement benefits was estimated and accounted for. In making this assessment, a significant assumption was made regarding the number of landowners who will apply for compensation, as the law provides reimbursement payments to those owners who will apply for it.

The Group reviewed the assumptions used in the calculation of the provision, specifically, the expected number of applicants and the period over which all benefits will be paid:

- In 2023, the expected number of applicants was estimated on the basis of available actual historical four-year information. The percentage of clients who are unlikely to claim benefits was used to calculate the total amount of benefits. 81.86% was used as at 31 December 2023, which was based on the management's assessment and the number of clients actually submitting claims over the 2018–2019 and 2022–2023 periods, with an average annual rate of around 1.42% (historical data for 2021 and 2020 are not included in the methodology calculations due to the methodological break described above, which would distort the overall average).

- In 2024, the expected number of applicants was estimated on the basis of available actual 2022–2023 information, with an average annual rate of only around 0.24%. The percentage of clients who are unlikely to claim benefits is around 91.41% and it was used in the calculations as at 31 December 2024.

After assessing the changed circumstances, the Group decided to adjust the provision, decreasing the amount of the provision from EUR 5.5 million to EUR 0.8 million. In the part of intangible assets, this provision decreased from EUR 5.5 million down to EUR 0.6 million (Note 11.4).

16.1.2 Provision for compensations for the Special Land Use Conditions (Protected Areas)

In addition to the above, the Ministry of Environment has prepared a methodology for the calculation and payment of compensation for the application of special land use conditions in the territories specified in the Law on Special Land Use Conditions of the Republic of Lithuania, established in the public interest, which entered into force on 8 April 2020. In the light of the letter of the Ministry of Energy of the Republic of Lithuania issued on 18 June 2020, the provisions of the methodology apply to both the existing network and the newly built network. According to the provisions of the methodology, compensation for protection zones would be paid upon registration of protection zones, i.e., this would happen after 2023 under a simplified procedure, and the amount of compensation is of an evaluative nature, while taking into account the main purpose of the plot, the scope of restrictions, the specific losses incurred and/or incurred by the plot owners based on the supporting documents.

In view of these Methodological requirements and the data available to the Group, the Group cannot reliably estimate future compensation for registered Special Land Use Conditions (Protected Areas), therefore, in accordance with IAS 37, this liability does not qualify for recognition and is therefore not recognised in the financial statements. In addition, the management is not able to provide a quantitative assessment of a possible contingency without having all the necessary information.

17 Derivatives

The Group's derivative financial instruments are related to electricity and natural gas commodities and comprise:
- *contracts made directly with other parties over the counter (OTC);*
- *contracts made through the Nasdaq Commodities market;*
- *other contracts.*

The fair value of Nasdaq contracts is being settled with cash on a day-to-day basis. Accordingly, no financial assets or liabilities are being recognised in the Statement of financial position. Gain or loss of such transactions is recognised the same as all derivative financial instruments.

17.1 Derivative financial instruments included in the Statement of financial position

EURm	31 December 2024	31 December 2023
Other non-current assets	2.3	2.6
Other current assets	2.9	8.9
Other non-current liabilities	-	(8.1)
Other current liabilities	(8.4)	(9.2)
Carrying amount	**(3.2)**	**(5.8)**

The movement of derivative financial instruments was as follows:

EURm	12M 2024	12M 2023
Carrying amount as at 1 January	**(5.8)**	**39.5**
Fair value change of derivatives in 'Finance income'	0.7	0.1
Fair value change of derivatives in 'Finance expenses'	(0.2)	(0.8)
Fair value change of OTC ineffectiveness	0.9	(6.1)
Unrealised gain (loss) of OTC and other financial instruments ineffectiveness	**1.4**	**(6.8)**
Unrealised gain (loss) of Nasdaq ineffectiveness	**(0.3)**	**(17.9)**
Total Unrealised gain (loss)	***1.1***	***(24.7)***
Fair value change of OTC effectiveness	1.2	(38.6)
Fair value change of Nasdaq effectiveness	(2.9)	(80.7)
Unrealised gain (loss) in 'Other comprehensive income'	***(1.7)***	***(119.3)***
Fair value change of Nasdaq set off with cash	***3.2***	***98.7***
Carrying amount as at 31 December	**(3.2)**	**(5.8)**

17.2 Derivatives included in the Statement of profit or loss

EURm	12M 2024	12M 2023
Realised gain (loss) from OTC and Nasdaq	2.7	15.9
Unrealised gain (loss)	1.1	(24.7)
Total in profit or loss – ineffective energy hedging result	***3.8***	***(8.8)***
Cash flow hedges – reclassified to profit or loss from OCI	(2.1)	(40.5)
Total in profit or loss – effective energy hedging result	***(2.1)***	***(40.5)***
Total recognised in the Statement of profit or loss	**1.7**	**(45.3)**

18 Composition of the Group

18.1 List of subsidiaries

The Group's structure is provided in section '4.8 Group's structure' of our Integrated Annual Report 2024 and on our website.

18.2 Changes in the composition

18.2.1 Acquisition of shares through business combinations

In 2024, the Group acquired the following subsidiaries operating in the development of renewables projects:
- On 1 October 2024, the Group acquired a 100% shareholding in Sunrise 1 sp. z o.o., a 100% shareholding in Sunrise 2 sp. z o.o. and a 100% shareholding in Sunrise 4 sp. z o.o.
- On 20 December 2024, the Group acquired a 50% shareholding in TÕRVA 1 ENERGIAPARK OÜ, a 50% shareholding in PÄRNU 1 ENERGIAPARK OÜ and a 50% shareholding in KADRINA 1 ENERGIAPARK OÜ.

18.2.2 Establishment of new subsidiaries

In January 2024, AB "Ignitis gamyba" established a new subsidiary, UAB "Ignitis gamyba projektai".

In April 2024, UAB "Ignitis renewables" established two new subsidiaries: UAB "Ignitis renewables projektai 9" and UAB "Ignitis renewables projektai 10".

In May 2024, UAB "Ignitis renewables" established a new subsidiary, UAB "Ignitis renewables projektai 11".

In July 2024, UAB "Ignitis renewables" established two new subsidiaries: Ignitis renewables Estonia OÜ and Ignitis renewables DevCo1 OÜ.

18.3 Business combinations

The Group applied the acquisition accounting method to account for business combination according to the provisions of IFRS 3. Under the latter method, the acquisition cost is measured as the sum of the fair values, at the date of exchange, of assets given, liabilities incurred and equity instruments issued in exchange for control of the business being acquired.

During business combinations, the Group's management carried out the assessment and established that the difference between the acquisition cost of the business and the fair value of the net assets acquired represents goodwill.

18.3.1 Acquisition of subsidiaries in 2024

At the time of business combinations of newly acquired subsidiaries in 2024, the fair values of assets acquired and liabilities assumed were as follows:

EURm	Note	Sunrise 1 sp. z o.o. Sunrise 2 sp. z o.o. Sunrise 4 sp. z o.o.
Assets acquired		
Property, plant and equipment		15.3
Right-of-use assets		1.3
Other receivables		2.7
Liabilities assumed		
Lease liabilities	15.2.2	(1.3)
Other liabilities		(3.7)
Total identifiable net assets acquired		**14.3**
Consideration paid		(16.0)
Contingent consideration		(0.3)
Total consideration transferred		**(16.3)**
Goodwill arising from the acquisition of subsidiaries		2.0
Net cash flows from acquisition of subsidiary		
Cash paid to seller of shares (current period)		(0.7)
Cash and cash equivalents acquired		-
Net cash flows		**(0.7)**

Acquisition of Sunrise 1 sp. z o.o., Sunrise 2 sp. z o.o. and Sunrise 4 sp. z o.o.

On 1 October 2024, the Group acquired 100% shareholding in Sunrise 1 sp. z o.o., Sunrise 2 sp. z o.o. and Sunrise 4 sp. z o.o. from a legal entity. As at 31 December 2024, the ownership rights of shares were held by the Group. Total consideration transferred for all entities amounts to EUR 16.3 million, EUR 16.0 million of which were paid through a bank account, EUR 0.3 million were identified as contingent consideration, which relates to the fulfilment of specific seller's obligations set out in the share purchase agreement. As at 31 December 2024, contingent consideration has not been paid and will be paid only if the specific sellers obligations are fulfilled. The Group's management estimated that the range of outcomes (undiscounted) is 100% of the total contingent consideration booked as at 31 December 2024.

Since the acquisition date, the contributed revenue and profit or loss from the acquiree are not significant for the reporting period.

If the acquisition of subsidiaries Sunrise 1 sp. z o.o., Sunrise 2 sp. z o.o. and Sunrise 4 sp. z o.o. had occurred on 1 January 2024, the management estimates that the Group's total revenue and net profit would not have changed significantly. In determining these amounts, the management has assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2024. The Group did not incur material acquisition-related costs.

As at 31 December 2024, the contingent consideration for acquisition of these subsidiaries amounts to EUR 0.3 million and is presented as 'Other current liabilities' in the Statement of financial position.

Acquisition of TÕRVA 1 ENERGIAPARK OÜ, PÄRNU 1 ENERGIAPARK OÜ and KADRINA 1 ENERGIAPARK OÜ

On 20 December 2024, the Group acquired a 50% shareholding in TÕRVA 1 ENERGIAPARK OÜ, PÄRNU 1 ENERGIAPARK OÜ and KADRINA 1 ENERGIAPARK OÜ from a legal entity. As at 31 December 2024, the 50% of ownership rights of shares were held by the Group. According to the Shareholders' Agreement, the Group has an option to buy (call option) any time all remaining shares (50%). As a result, the Group's management determined the Group exercises the control over TÕRVA 1 ENERGIAPARK OÜ, PÄRNU 1 ENERGIAPARK OÜ and KADRINA 1 ENERGIAPARK OÜ. All three companies were registered on 27 November 2024. The total consideration transferred by the Group for all entities amounts to EUR 0.2 million and was paid through a bank account. No contingent consideration has been identified. The fair values of assets acquired and liabilities assumed are immaterial, therefore, the disclosure is not presented.

18.3.2 Contingent consideration for acquisition of subsidiaries

The contingent consideration for acquisition of subsidiaries is presented in the Statement of financial position as follows:

	31 December 2024		31 December 2023	
EURm	**Other non-current liabilities**	**Other current liabilities**	**Other non-current liabilities**	**Other current liabilities**
Contingent consideration for acquisition of subsidiaries	4.7	33.4	38.5	27.5

19 Contingent liabilities and commitments

19.1 Litigations

The most significant litigations as at 31 December 2024:

Litigation	Any significant changes since 31 December 2023?	Is the Group a party to the process?	Is the provision recognised in the Statement of financial position?
Litigation concerning the designated supplier state aid scheme and LNG price component	No	No	No
Investigation by the European Commission on State aid in the context of a strategic reserve measure	No	No	No
Litigation with UAB Kauno termofikacijos elektrinė	Yes	Yes	No

Litigation with UAB Kauno termofikacijos elektrinė

On 13 June 2024, the Vilnius City District Court dismissed the claim of UAB Kauno termofikacijos elektrinė.

On 15 July 2024, UAB Kauno termofikacijos elektrinė filed two appeals: (1) against the supplementary judgment of the Vilnius City District Court dated 25 June 2024, by which UAB Kauno termofikacijos elektrinė was ordered to pay the costs of the proceedings (incurred for legal aid) to the Ministry of Energy; (2) against the judgment of the Vilnius City District Court dated 13 June 2024, which dismissed UAB Kauno termofikacijos elektrinė claim against UAB "Ignitis".
Information on events after the reporting period is provided in Note 22.

20 Related-party transactions

Related parties	Accounts receivable 31 December 2024	Accounts payable 31 December 2024	Sales 12M 2024	Purchases 12M 2024
LITGRID AB	31.3	29.9	163.9	262.8
AB "Amber Grid"	7.9	4.3	37.3	32.5
BALTPOOL UAB	0.4	-	20.8	0.1
UAB GET Baltic	13.1	0.7	24.8	68.9
Other related parties	1.7	5.2	19.0	31.3
Total	**54.4**	**40.1**	**265.8**	**395.6**

Related parties	Accounts receivable 31 December 2023	Accounts payable 31 December 2023	Sales 12M 2023	Purchases 12M 2023
LITGRID AB	15.4	15.2	143.1	125.2
AB "Amber Grid"	6.0	3.4	20.6	24.4
BALTPOOL UAB	0.1	1.7	72.9	1.0
UAB GET Baltic	4.2	0.2	116.7	104.1
Other related parties	10.3	3.9	18.5	23.9
Total	**36.0**	**24.4**	**371.8**	**278.6**

20.1 Compensation to key management personnel

EURm	12M 2024	12M 2023
Wages and salaries and other short-term benefits to key management personnel	1.7	1.3
Whereof:	-	
Short-term benefits: wages, salaries and other	*1.5*	*1.1*
Long-term benefits	*0.2*	*0.2*
Number of key management personnel	12	12

In 12M 2024 and 12M 2023, members of the Management Board (incl. CEO) and the Supervisory Board were considered to be the Group's key management personnel. For more information on the key management personnel, see section '4 Governance' of the Integrated Annual Report 2024.

21 Fair values of financial instruments

21.1 Financial instruments for which fair value is disclosed

The fair value of the Group's loans granted was calculated by discounting the cash flows with a market interest rate applied for a similar-period bond. The cash flows were discounted using a weighted average discount rate of 3.55% as at 31 December 2024 (31 December 2023: 3.95%). The measurement of the fair value of the financial instruments related to the loans granted is attributed to Level 2 in the fair value hierarchy.

The fair value of the Group's issued bonds was calculated by discounting the future cash flows related to the coupon payments with reference to the interest rate observable in the market and the regular future payments related to the bonds issued. The cash flows were discounted using a weighted average discount rate of 3.55% as at 31 December 2024 (31 December 2023: 3.95%). The discount rates for each issued bond were determined as certain bond yields. The measurement of the fair value of issued bonds is attributed to Level 2 in the fair value hierarchy.

The fair value of the Group's loans received was calculated by discounting the cash flows with a market interest rate applied for a similar-period bond. The cash flows were discounted using a weighted average discount rate of 3.55% as at 31 December 2024 (31 December 2023: 3.95%). The measurement of the fair value of loans received is attributed to Level 2 in the fair value hierarchy.

21.2 Financial instruments' fair value hierarchy levels

The table below presents allocation between the fair value hierarchy levels of the Group's financial instruments as at 31 December 2024:

EURm	Note	Carrying amount	Level 1 Quoted prices in active markets	Level 2 Other directly or indirectly observable inputs	Level 3 Unobser-vable inputs	Total
Financial instruments measured at FVTPL or FVOCI						
Assets						
Derivatives	17	**5.2**	-	5.2	-	**5.2**
Investment funds - at FVTPL	12	**30.1**	-	-	30.1	**30.1**
Equity securities - at FVOCI	12	**5.0**	-	-	5.0	**5.0**
Liabilities						
Put option redemption liability		**38.0**	-	-	38.0	**38.0**
Derivatives	17	**8.4**	-	8.4	-	**8.4**
Contingent consideration for acquisition of subsidiaries		**38.1**	-	-	38.1	**38.1**
Financial instruments for which fair value is disclosed						
Assets						
Loans granted		**64.8**	-	-	64.6	**64.6**
Liabilities						
Bonds issued	15.1	**902.6**	-	859.6	-	**859.6**
Loans received	15.1	**870.1**	-	837.2	-	**837.2**

The table below presents the allocation between the fair value hierarchy levels of the Group's financial instruments as at 31 December 2023:

EURm	Note	Carrying amount	Level 1 Quoted prices in active markets	Level 2 Other directly or indirectly observable inputs	Level 3 Unobser-vable inputs	Total
Financial instruments measured at FVTPL or FVOCI						
Assets						
Derivatives	17	**11.5**	-	11.5	-	**11.5**
Investment funds - at FVTPL	12	**32.0**	-	-	32.0	**32.0**
Equity securities - at FVOCI	12	**5.0**	-	-	5.0	**5.0**
Liabilities						
Put option redemption liability		**38.0**	-	-	38.0	**38.0**
Derivatives	17	**17.3**	-	17.3	-	**17.3**
Contingent consideration for acquisition of subsidiaries		**66.0**	-	-	66.0	**66.0**
Financial instruments for which fair value is disclosed						
Assets						
Loans granted		**55.9**	-	-	55.9	**55.9**
Liabilities						
Bonds issued	15.1	**900.9**	-	831.8	-	**831.8**
Loans received	15.1	**684.7**	-	640.3	-	**640.3**

22 Events after the reporting period

22.1 Litigation with UAB Kauno termofikacijos elektrinė

On 14 January 2025, the Court of Appeal of Lithuania reviewed the case on appeal (see Note 31.1.3 for more information on this litigation) and on 13 February 2025 decided to return the case back to the Court of First Instance for re-examination.

There were no other significant events after the reporting period till the issue of these financial statements.

Parent company's financial statements

7.1 Interim condensed statement of profit or loss and other comprehensive income

For the twelve-month period ended 31 December 2024

EURm	Note	12M 2024	12M 2023	Q4 2024	Q4 2023
Revenue from contracts with customers	5	3.7	3.2	1.1	0.9
Dividend income		210.3	222.4	-	-
Total revenue		**214.0**	**225.6**	**1.1**	**0.9**
Salaries and related expenses		(5.3)	(4.1)	(1.5)	(1.3)
Depreciation and amortisation		(2.6)	(2.2)	(0.6)	(0.6)
Other expenses		(12.6)	(6.4)	(6.7)	(1.7)
Total expenses		**(20.5)**	**(12.7)**	**(8.8)**	**(3.6)**
Operating profit		193.5	212.9	(7.7)	(2.7)
Finance income	7	74.9	82.5	20.2	14.5
Finance expenses	7	(43.6)	(29.5)	(16.1)	(9.1)
Finance activity, net		**31.3**	**53.0**	**4.1**	**5.4**
Profit (loss) before tax		**224.8**	**265.9**	**(3.6)**	**2.7**
Income tax (expenses)/benefit		(1.5)	(6.0)	(1.7)	(0.5)
Net profit for the period		**223.3**	**259.9**	**(5.3)**	**2.2**
Total other comprehensive income (loss) for the period		**-**	**-**	**-**	**-**
Total comprehensive income (loss) for the period		**223.3**	**259.9**	**(5.3)**	**2.2**

7.2 Interim condensed statement of financial position

As at 31 December 2024

EURm	Note	31 December 2024	31 December 2023
Assets			
Intangible assets		1.6	1.7
Property, plant and equipment		-	0.1
Right-of-use assets		16.9	16.9
Investment property		0.1	0.1
Investments in subsidiaries	8	1,407.4	1,388.2
Non-current receivables		1,880.3	1,558.8
Other financial assets		30.1	32.0
Deferred tax assets		0.9	-
Non-current assets		**3,337.3**	**2,997.8**
Prepayments and deferred expenses		0.3	0.3
Trade receivables	5	0.7	0.3
Other financial assets		-	110.4
Other current assets		3.5	3.5
Current loans		386.1	329.6
Cash and cash equivalents		1.2	3.2
Current assets		**391.8**	**447.3**
Total assets		**3,729.1**	**3,445.1**
Equity and liabilities			
Share capital		1,616.4	1,616.4
Reserves		117.8	142.4
Retained earnings		495.6	342.2
Equity		**2,229.8**	**2,101.0**
Non-current loans and bonds		1,283.3	1,156.1
Non-current lease liabilities		14.8	15.1
Other non-current liabilities		1.2	-
Deferred tax liabilities		-	3.2
Non-current liabilities		**1,299.3**	**1,174.4**
Loans		184.7	156.4
Lease liabilities		2.6	2.1
Trade payables		2.1	0.8
Income tax payable		0.8	3.3
Other current liabilities		9.8	7.1
Current liabilities		**200.0**	**169.7**
Total liabilities		**1,499.3**	**1,344.1**
Total equity and liabilities		**3,729.1**	**3,445.1**

7.3 Interim condensed statement of changes in equity

For the twelve-month period ended 31 December 2024

EURm	Note	Share capital	Legal reserve	Treasury shares reserve	Retained earnings	Total
Balance as at 1 January 2023		**1,616.4**	**99.6**	**37.7**	**179.1**	**1,932.8**
Net profit for the period		-	-	-	259.9	**259.9**
Other comprehensive income (loss) for the period		-	-	-	-	**-**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**259.9**	**259.9**
Transfers to legal reserve		-	5.1	-	(5.1)	**-**
Dividends	6	-	-	-	(91.7)	**(91.7)**
Balance as at 31 December 2023		**1,616.4**	**104.7**	**37.7**	**342.2**	**2,101.0**
Balance as at 1 January 2024		**1,616.4**	**104.7**	**37.7**	**342.2**	**2,101.0**
Net profit for the period		-	-	-	223.3	**223.3**
Other comprehensive income (loss) for the period		-	-	-	-	**-**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**223.3**	**223.3**
Transfers to legal reserve		-	13.1	-	(13.1)	**-**
Transfers to treasury shares reserve		-	-	(37.7)	37.7	**-**
Dividends	6	-	-	-	(94.5)	**(94.5)**
Balance as at 31 December 2024		**1,616.4**	**117.8**	**-**	**495.6**	**2,229.8**

7.4 Interim condensed statement of cash flows

For the twelve-month period ended 31 December 2024

EURm	Note	12M 2024	12M 2023
Net profit for the period		223.3	259.9
Adjustments for:			
Depreciation and amortisation expenses		2.6	2.2
Fair value changes of financial assets	7	5.7	(16.7)
Income tax expenses/(benefit)		1.5	6.0
Interest income	7	(74.9)	(65.7)
Interest expenses	7	34.4	28.6
Dividend income		(210.3)	(222.4)
Other expenses/(income) of financing activities		3.5	0.9
Other expenses/(income) of investing activities		-	(0.1)
Changes in working capital:			
(Increase)/decrease in trade receivables, other receivables and other financial assets		10.3	0.9
(Increase)/decrease in inventories, prepayments and deferred expenses and other current and non-current assets		-	0.1
Increase/(decrease) in trade payables and other current liabilities		(3.2)	2.2
Income tax (paid)/received		(6.5)	(2.2)
Net cash flows from operating activities		**(13.6)**	**(6.3)**
Acquisition of property, plant and equipment and intangible assets		-	(0.1)
Proceeds from sale of property, plant and equipment and intangible assets		-	0.2
Loans granted		(441.2)	(519.5)
Loan repayments received		251.5	540.2
Investments in subsidiaries	8	(19.2)	(230.9)
Interest received		60.7	62.3
Dividends received		210.3	222.4
Return of capital from subsidiaries		-	97.9
(Increase)/decrease of short-term deposits		109.0	(109.0)
(Investments in)/return from investment funds		(3.8)	5.3
Net cash flows from investing activities		**167.3**	**68.8**
Loans received		-	270.7
Repayments of loans		(146.3)	(244.8)
Overdrafts net change		122.8	12.5
Lease payments		(2.4)	(1.9)
Interest paid		(32.8)	(26.1)
Dividends paid	6	(94.5)	(91.7)
Other increases/(decreases) in cash flows from financing activities		(2.5)	(2.8)
Net cash flows from financing activities		**(155.7)**	**(84.1)**
Increase/(decrease) in cash and cash equivalents		**(2.0)**	**(21.6)**
Cash and cash equivalents at the beginning of the period		3.2	24.8
Cash and cash equivalents at the end of the period		**1.2**	**3.2**

7.5 Notes

For the twelve-month period ended 31 December 2024

1 General information

AB "Ignitis grupė" (hereinafter referred to as 'the parent company') is a public limited liability company registered in the Republic of Lithuania. The parent company's registered office address is Laisvės Ave. 10, LT-04215, Vilnius, Lithuania. The parent company was registered on 28 August 2008 with the Register of Legal Entities managed by the State Enterprise Centre of Registers. The parent company's code is 301844044. The parent company has been founded for an indefinite period.

AB "Ignitis grupė" is a parent company, which is responsible for the management and coordination of activities of the group companies directly controlled by the parent company (Note 8) and indirectly controlled through its subsidiaries. The parent company and its directly and indirectly controlled subsidiaries are hereinafter collectively referred to as 'the Group'. The Group's core business is focused on operating Lithuania's electricity distribution network (Networks) and managing and developing its Green Capacities Portfolio (Green Capacities). The Group also manages strategically important reserve capacities (Reserve Capacities) and provides services to its customers (Customers & Solutions), including the supply of electricity and natural gas, solar, e-mobility, energy efficiency and innovative energy solutions for private and business customers.

The parent company analyses the activities of the Group companies, represents the whole Group, implements its shareholders' rights and obligations, defines operation guidelines and rules, and coordinates the activities in the fields of finance, law, strategy and development, human resources, risk management, audit, technology, communication, etc.

The parent company seeks to ensure effective operation of the Group companies, implementation of goals set forth in the National Energy Independence Strategy and other legal acts that are related to the Group's activities, ensuring that it creates sustainable value in a socially responsible manner.

These are interim condensed financial statements of the parent company. The Group also prepares interim condensed consolidated financial statements in accordance with International Accounting Standard (hereinafter referred to as 'IAS') 34 'Interim Financial Reporting'.

2 Basis of preparation

2.1 Basis of accounting

These interim condensed financial statements have been prepared for the twelve-month period ended 31 December 2024 (hereinafter referred to as 'interim financial statements') in accordance with IAS 34.

These interim financial statements do not provide all the information required for the preparation of annual financial statements, therefore this must be read in conjunction with the parent company's annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (hereinafter referred to as 'IFRS'), which were issued by the International Accounting Standards Board (hereinafter referred to as 'IASB') and endorsed for application in the European Union.

Interim financial statements have been prepared on a going concern basis while applying measurements based on historical costs (hereinafter referred to as 'acquisition costs'), except for certain financial instruments measured at fair value.

2.2 Functional and presentation currency

These interim financial statements are presented in euros, which is the parent company's functional currency, and all values are rounded to the nearest million (EURm), except when indicated otherwise. The interim financial statements provide comparative information in respect of the previous period.

3 Changes in material accounting policies

The accounting policies applied during the preparation of these interim financial statements are consistent with the accounting policies applied during the preparation of the parent company's annual financial statements for the year ended 31 December 2023, with the exception for the adoption of new standards effective as of 1 January 2024. Several amendments the adoption of which is effective from 1 January 2024 were applied, but they did not have a material impact on our interim financial statements. The parent company has not applied any standard, interpretation, or amendment for which the early application is permitted but is not yet effective.

4 Significant accounting estimates and judgments used in the preparation of the financial statements

While preparing these interim financial statements, the significant management judgements regarding the application of the accounting policies and accounting estimates were the same as the ones used while preparing the annual financial statements for the year ended 31 December 2023, except the changes mentioned below:

Significant accounting estimates and judgments	Note	Estimate/judgement	Significant changes during 12M 2024
Option agreement over UAB Kauno kogeneracinė jėgainė shares	-	Estimate/judgement	None
Impairment of investments in subsidiaries	8.1	Estimate	None
Investment funds – at FVTPL	-	Estimate/judgement	Change in estimated amount
Estimating the incremental borrowing rate	-	Estimate	None

5 Revenue from contracts with customers

EURm	12M 2024	12M 2023
Management fee revenue	3.7	3.2
Total	**3.7**	**3.2**

The parent company's revenue from contracts with customers during the 12M 2024 and 12M 2023 periods mainly comprised revenue from advisory and management services provided to subsidiaries. The parent company did not present any segment-related information as there is only one segment. All performance obligations of the parent company are settled over time.

The parent company's balances under the contracts with customers:

EURm	31 December 2024	31 December 2023
Trade receivables	0.7	0.3

6 Dividends

Dividends declared by the parent company:

EURm	12M 2024	12M 2023
AB "Ignitis grupė"	94.5	91.7

A dividend of EUR 48.0 million was approved for the first half of 2024 at the Extraordinary General Meeting of Shareholders held on 11 September 2024 and EUR 46.5 million was approved for the second half of 2023 at the Annual General Meeting of Shareholders held on 27 March 2024. A dividend of EUR 46.5 million was approved for the first half of 2023 at the Extraordinary General Meeting of Shareholders held on 21 September 2023 and EUR 45.2 million was approved for the second half of 2022 at the Annual General Meeting of Shareholders held on 30 March 2023.

7 Finance activity

EURm	12M 2024	12M 2023
Finance income		
Interest income at the effective interest rate	74.9	65.7
Investment funds – at FVTPL	-	16.7
Other income from financing activities	-	0.1
Total finance income	**74.9**	**82.5**
Finance expenses		
Interest expenses	34.4	28.6
Interest and discount expense on lease liabilities	5.7	-
Other expenses of financing activities	3.5	0.9
Total finance expenses	**43.6**	**29.5**
Finance activity, net	**31.3**	**53.0**

The parent company earns interest income from long-term and short-term loans, the majority of which is granted to the Group companies.
The parent company incurs interest expenses on long-term and short-term loans payable and issued bonds.

8 Investments in subsidiaries

Information on the parent company's investments in subsidiaries as at 31 December 2024 is provided below:

EURm	Acquisition cost	Impair ment	Carrying amount	Parent company's ownership interest, %	Group's effective ownership interest, %
Subsidiaries:					
AB "Energijos skirstymo operatorius"	750.4	-	750.4	100.00	100.00
AB "Ignitis gamyba"	223.3	-	223.3	100.00	100.00
UAB "Ignitis renewables"	201.8	-	201.8	100.00	100.00
UAB "Ignitis"	142.1	-	142.1	100.00	100.00
UAB Vilniaus kogeneracinė jėgainė	52.3	-	52.3	100.00	100.00
UAB Kauno kogeneracinė jėgainė	20.4	-	20.4	51.00	51.00
UAB "Ignitis grupės paslaugų centras"	12.9	-	12.9	100.00	100.00
UAB "Transporto valdymas"	2.4	-	2.4	100.00	100.00
UAB Elektroninių mokėjimų agentūra	1.5	-	1.5	100.00	100.00
UAB "Gamybos optimizavimas"	0.4	-	0.4	100.00	100.00
	1,407.4	**-**	**1,407.4**		

In 12M 2024, the share capital of UAB "Ignitis renewables" was increased by EUR 18.6 million with the full amount paid in cash during the 12M 2024 period, and the share capital of UAB Elektroninių mokėjimų agentūra was increased by EUR 0.6 million with the full amount paid in cash during the 12M 2024 period.

8.1 Impairment of investments

On 31 December 2024, the parent company carried out an analysis to determine the existence of indications of impairment for investments into subsidiaries. The parent company considered information from external and internal sources of information.

For the purpose of determining the impairment indications, an assessment was carried out whether at least one of the following conditions exists (except for the early-stage companies):

1. the actual Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortisation) is lower than the budgeted Adjusted EBITDA;
2. the actual Adjusted Net Profit is lower than the actual dividends paid;
3. the carrying amount of investments is higher than the carrying amount of net assets.

In case at least one of the abovementioned conditions existed before performing the impairment tests, additional analysis was performed, helping to determine whether the current conditions show any impairment indications.

Additionally, the management assessed whether, during the reporting year, there have been no significant adverse changes in the technological, market, economic and legal environment in which the subsidiaries operate.

The management did not find any impairment indications for investments in subsidiaries as at 31 December 2024.

9 Contingent liabilities and commitments

9.1 Issued guarantees related to loans

The parent company's guarantees issued in respect of the loans received by subsidiaries were as follows:

Beneficiary of the guarantee	Maximum amount of the guarantee	31 December 2024[1]	31 December 2023[1]
Banks	-	-	288.4
Total	**-**	**-**	**288.4**

[1] The amount which should be covered by the parent company in case an entity could not perform its obligations.

9.2 Other issued guarantees

Other guarantees provided by the parent company are the following:

Beneficiary of the guarantee	Maximum amount of the guarantee	31 December 2024[2]	31 December 2023[2]
Banks	81.1	81.1	75.2
Other companies	710.0	31.4	46.7
Total	**791.1**	**112.5**	**121.9**

[2] The amount which should be covered by the parent company in case an entity could not perform its obligations.

10 Related-party transactions

The balance of the parent company's transactions with related parties during the period and at the end of the period are presented below:

Related parties, EURm	Accounts receivable 31 December 2024	Loans receivable 31 December 2024	Accounts payable 31 December 2024	Sales 12M 2024	Purchases 12M 2024	Finance income/ (cost) 12M 2024
Subsidiaries	0.7	2,266.2	2.7	3.7	5.8	72.5
Total	**0.7**	**2,266.2**	**2.7**	**3.7**	**5.8**	**72.5**

Related parties, EURm	Accounts receivable 31 December 2023	Loans receivable 31 December 2023	Accounts payable 31 December 2023	Sales 12M 2023	Purchases 12M 2023	Finance income/ (cost) 12M 2023
Subsidiaries	0.3	1,888.4	0.4	3.4	3.9	56.8
Total	**0.3**	**1,888.4**	**0.4**	**3.4**	**3.9**	**56.8**

The parent company's dividend income received from subsidiaries in 12M 2024 of EUR 210.3 million (12M 2023: EUR 222.4 million) is presented as 'Dividend income' in the Statement of profit or loss.

10.1 Compensation to key management personnel

EURm	12M 2024	12M 2023
Remuneration, salary and other short-term benefits for key management personnel	1,7	1.3
Whereof:		
Short-term benefits – wages, salaries and other	*1.5*	*1.2*
Other long-term benefits	*0.2*	*0.1*
Number of key management personnel	12	12

In 12M 2024 and 12M 2023, members of the Management Board (incl. CEO) and Supervisory Board were considered as the parent company's key management personnel. For more information on the key management personnel, see '4 Governance' in our Integrated Annual Report 2024.

11 Events after the reporting period

There were no other significant events after the reporting period till the issue of these financial statements.

8 Responsibility statement

25 February 2025

Referring to the provisions of the Article 14 of the Law on Securities of the Republic of Lithuania and the Rules of disclosure of information of the Bank of Lithuania, we, Darius Maikštėnas, Chief Executive Officer at AB "Ignitis grupė", Jonas Rimavičius, Chief Financial Officer at AB "Ignitis grupė", and Paulius Žukovskis, Head of Financial Statements and Consultations at UAB "Ignitis grupės paslaugų centras", acting under Decision No 24_GSC_SP_0051 of 30 September 2024, hereby confirm that, to the best of our knowledge, the Interim condensed consolidated financial statements and the Parent company's interim condensed financial statements for the twelve-month period ended 31 December 2024, prepared in accordance with International accounting standard 34 'Interim financial reporting' as adopted by the European Union, give a true and fair view of the Group's consolidated and the Parent company's assets, liabilities, financial position, profit or loss and cash flows for the period, and the interim management report includes a fair review of the development and performance of the business as well as the condition of AB "Ignitis grupė" and its group of companies, together with the description of the principle risks and uncertainties it faces.

Darius Maikštėnas
Chief Executive Officer

Jonas Rimavičius
Chief Financial Officer

Paulius Žukovskis
UAB "Ignitis grupės paslaugų centras",
Head of Financial Statements and Consultations,
acting under Decision No 24_GSC_SP_0051
(signed 30 September 2024)

AB "Ignitis grupė"
Laisvės Ave. 10, LT-04215 Vilnius, Lithuania

+370 5 278 2222
grupe@ignitis.lt

www.ignitisgrupe.lt/en/

Company code 301844044
VAT payer code LT100004278519

AB "Ignitis grupė"

Laisvės Ave. 10, LT-04215 Vilnius, Lithuania
Company code 301844044
+370 5 278 2222
grupe@ignitis.lt
www.ignitisgrupe.lt/en/

Investor relations
ir@ignitis.lt

Sustainability
sustainability@ignitis.lt

Corporate communication
media@ignitis.lt

Publication
26 February 2025