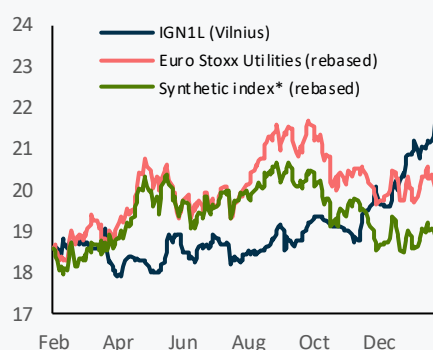


## Ignitis Group

Key share data	
Sector	Integrated Utilities
Ticker - Nasdaq Vilnius	IGN1L
Ticker - London Stock Exchange	IGN
Market Cap (EURm)	1,596
Net Debt (EURm)	1,449
EV (EURm)	3,045
Net debt / Equity	61%
Issued shares, m	72.4

### Share price, last 12m



\* Based on selected peers of Integrated (#12), Networks (#8) and Renewables (#10). See p. 7 for list of peers

Performance			
	1m	3m	12m
IGN1L	7%	17%	20%
Euro Stoxx Utilities	-1%	-1%	8%

### Upcoming events

2024 annual report	February 26, 2025
ex-dividend date	April 8, 2025
1Q25 report	May 14, 2025
2Q25 report	August 13, 2025
ex-dividend date	September 23, 2025
3Q25 report	November 12, 2025

## 2024 EBITDA guidance likely to be smashed

Ignitis Group is set to announce its 4Q24 results on February 26<sup>th</sup>. We believe full-year EBITDA guidance of EUR 480-500m will be surpassed even with a marginal 4Q decline YoY. Despite very strong share price performance, Ignitis Group continues to deliver attractive dividend yield with a discount in multiples compared to peers as well as improving geopolitical landscape. Ahead of 4Q24 report we have made mixed estimate changes which left our valuation range unchanged of EUR 25-39/sh.

### Networks segment shines while Green Capacities contracts

We expect the company's adj. EBITDA to decline by around 2% YoY but still surpass the consensus estimate. This decrease is primarily driven by weaker Nordpool electricity prices in Lithuania—EUR 90.7/MWh in 4Q24 compared to EUR 93.9/MWh in 4Q23—which is likely to weigh on revenues and EBITDA in the Green Capacities segment. On the positive side, Ignitis Group has hedged 73% of its electricity generation portfolio for 2024 at EUR 133 per MWh, which could positively support its green capacity results. On a brighter note, the Networks segment's EBITDA is projected to post a robust 10% YoY improvement, underpinned by an increase in both RAB and WACC.

4Q/24 results	4Q/23	3Q/24	4Q/24e	4Q/24e
EURm			Norne	Consensus*
<b>Revenues</b>	<b>707.5</b>	<b>528.8</b>	<b>617.5</b>	681
<b>Adjusted EBITDA</b>	<b>139.4</b>	<b>107.2</b>	<b>136.0</b>	126
Green Capacities	68.2	46.4	67.4	65
Networks	51.3	49.9	56.6	54
Reserve Capacities	11.6	11.5	6.4	7
Customers & Solutions	9.5	-0.7	6.5	-
Other activities and eliminations	-1.2	0.1	-0.9	3
Adjusted EBIT	118.3	56.9	85.4	111
<b>Net profit to shareholders</b>	<b>107.6</b>	<b>45.6</b>	<b>64.9</b>	65
<b>EPS (EUR)</b>	<b>1.49</b>	<b>0.63</b>	<b>0.90</b>	1.17
Investments	303.4	161.4	228.0	-
Electricity Generated (net) TWh	0.67	0.77	0.81	-

\*Consensus collected by Ignitis Group

### Electricity consumption continues to rise while production is subbed due to worse weather conditions

Electricity consumption in Lithuania increased by ~1% YoY in 4Q24, despite having warmer than a year ago temperatures. The primary reason behind stronger electricity consumption is electrification as more people are using electric vehicles and using electric heating systems.

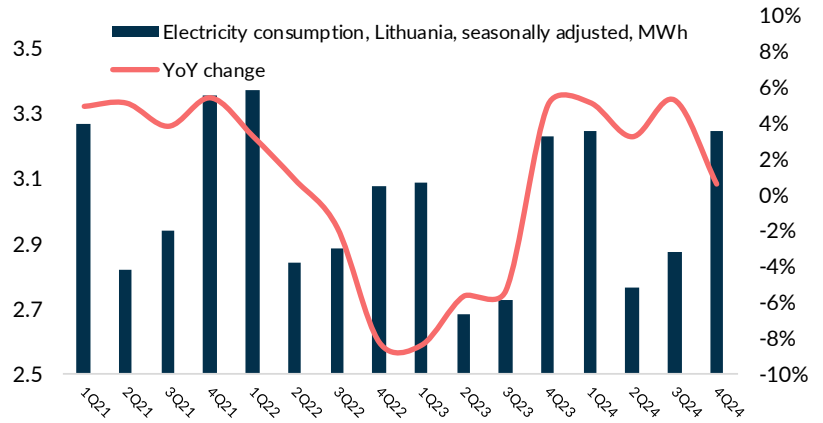
This report is paid for by the company covered in it.

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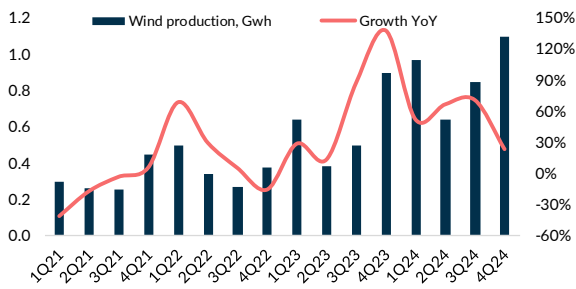
### Electricity consumption, Lithuania, seasonally adjusted, TWh



Source: Litgrid

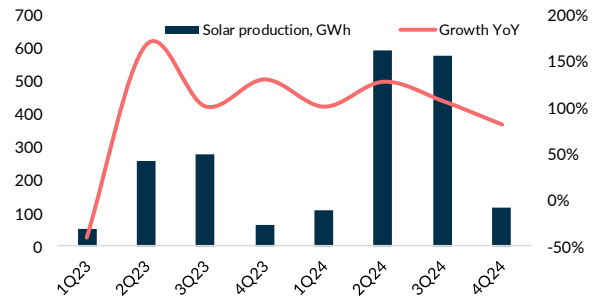
According to Litgrid data, solar and overall electricity generation rose sharply in 4Q24, driven by newly commissioned power plants. Nevertheless, we anticipate that Ignitis power plants will produce roughly the same amount of electricity as they did a year ago as we do not see any changes in weather conditions.

### Wind production, TWh, seasonally adjusted



Source: Litgrid

### Solar production, GWh, seasonally adjusted

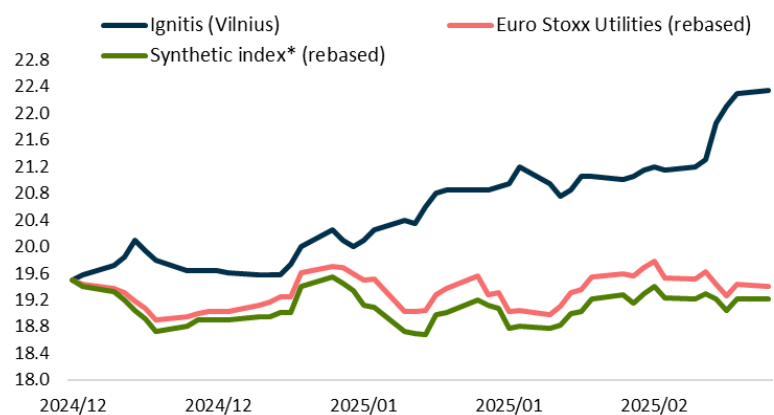


Source: Litgrid

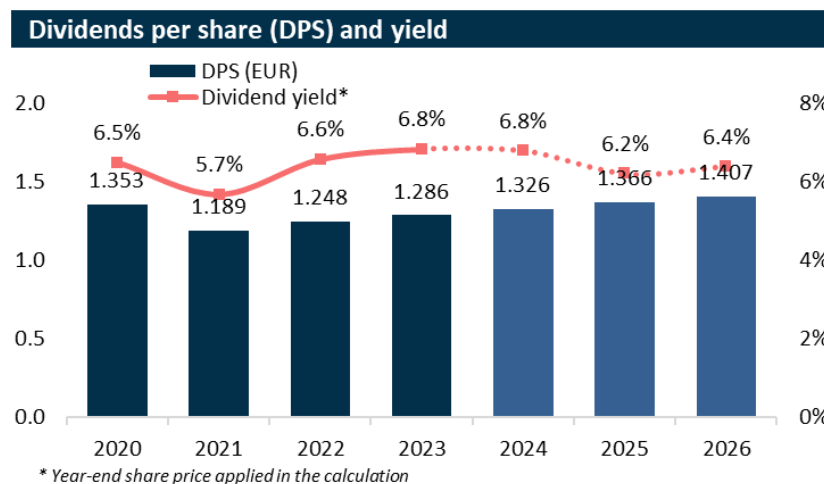
### No major changes in estimates despite the strong share price performance

Our long-term electricity prices were kept unchanged while terminal electricity price of EUR 65/MWh was reiterated. Over the past three months, Ignitis Group's share price has climbed by 17%, significantly outpacing peer indices. The primary catalyst behind this strong performance appears to be a heightened expectation that the conflict in Ukraine may soon be resolved.

### Share price performance vs peers last 3 months (rebased)

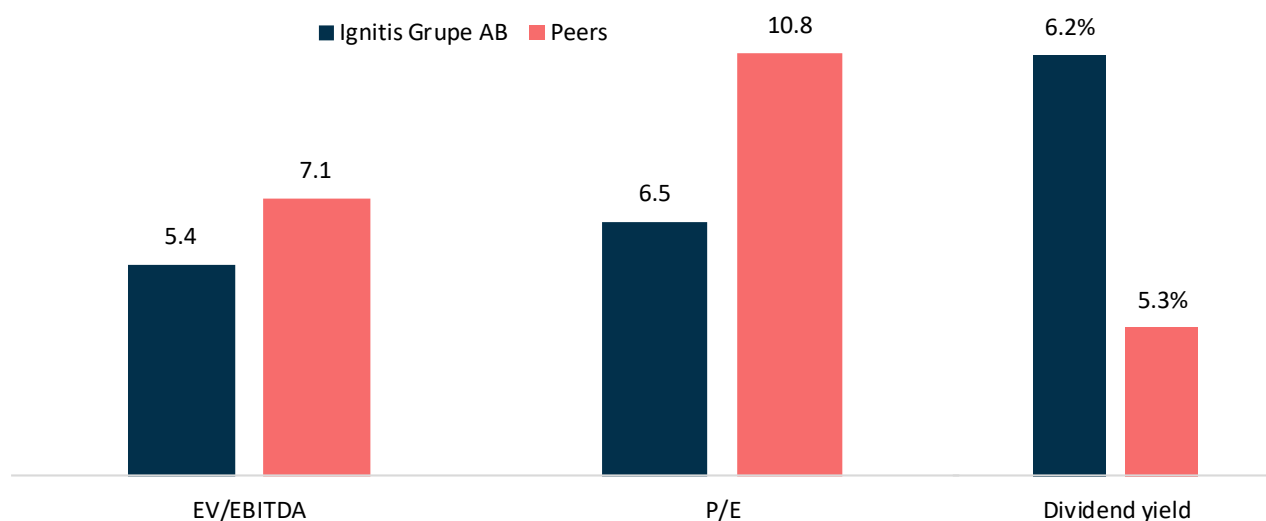


Ignitis Group's dividend yield remains an appealing 6.2–6.4% for 2025–2026, surpassing the 5.3–5.5% range offered by its peers. It is important to note that Ignitis Group distinguishes itself from other utilities through its robust growth in the Green Capacities segment.



Despite the stock's recent strong performance, Ignitis Group continues to trade at notable discounts relative to European peers. According to our projections, the company's 2025 EV/EBITDA multiple is 24% below the peer median, while its 2025 P/E trades at a 40% discount.

### Valuation multiples comparison vs European peers for 2025e



\* For peers list, see the information in the next pages





## Potential triggers of the investment case

- Our terminal electricity price of EUR 65/MWh is rather conservative compared to market futures of EUR 80-90/MWh. Electricity price is very sensitive to DCF model, thus if higher prices materialise in the long-term, that would mean a significant upside potential in EBITDA and DCF valuation as well as potential re-rating to European peers pricing.
- Improving geopolitical landscape with prospects of ending war in Ukraine would improve confidence in CEE region
- Ignitis Group plans to grow its installed renewable energy capacity from 1.3 GW currently to 2.2–2.4 GW by 2026 and to 4–5 GW by 2030. The 2030 target is realistic as it is largely covered by the existing combined 5.8 GW portfolio of early development pipeline. The business environment is supportive: with only 1/3 of electricity consumption covered by national generation, Lithuania is eager to grow its domestic capacities.
- Ignitis Group has a very strong management team with immense experience which allows to deliver projects on time and budget.

## Potential downsides of the investment case

- Lower-than-forecasted Nordpool electricity prices could have a detrimental impact on Ignitis Group’s revenues and profitability.
- Risk of an increase in required Capex
- Large-scale renewables expansion carries execution risk; projects that are not completed successfully or are delayed could lead to value destruction.
- Majority government ownership (74.99% stake) means the Lithuanian government may exert substantial influence over management decisions, potentially pursuing policies that conflict with minority shareholders’ interests.
- Rising numbers of prosumers—individuals producing their own electricity—could dampen demand for the Group’s power generation, especially with governmental support for solar projects.
- Potential corporate tax rate increases in Lithuania (currently at 16%) could erode earnings, as the need for higher military spending and other budgetary pressures may prompt lawmakers to consider raising corporate taxes.

## 2024–2027 Strategic Plan targets progress

KPIs	Time period	Target	2023 result	2024–2027 target
Adjusted EBITDA	2023	315–350 EURm	485 EURm 	550-650 EURm
Investments	2020–2023	1.7–2.0 EURbn	2.0 EURbn 	3.0–4.0 EURbn
Balance sheet strength: - Net Debt / Adjusted EBITDA	2020–2023	< 5x	2.7x 	< 5x
Green Capacities installed	2023 2030	1.6–1.8 GW 4.0 GW	1.3 GW On track 	2.4–2.6 GW 4.0–5.0 GW

# Valuation

We base our valuation of Ignitis Group on a DCF model. We use 2035 as the normalised year as we expect this to be the first full year of generation from the large offshore wind project in Estonia. We apply normalised conservative electricity price of 65 EUR/MWh in 2035 for all the markets of Ignitis Group's operations and apply normalised CapEx assumptions which only include maintenance-investments as well as average annual investment level required to replace the producing assets after the end of their useful lifetime (which is ~30 years for onshore wind and solar, and ~35 years for offshore wind installations).

We derive a DCF value of EUR 36.1/sh (prev. EUR 35.6/sh) per share for Ignitis Group.

## DCF model

Proportionate basis	4Q 2024e	2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e
EURm												(normalised year)
Electricity market price Lithuania, EUR/MWh	91	87	85	80	79	79	77	76	75	74	73	65
Electricity production (proportionate), TWh	0.65	2.92	4.03	5.74	5.97	6.45	7.41	7.83	7.82	7.79	7.78	9.67
Revenues	613	2,492	2,650	2,795	2,843	3,066	3,259	3,312	3,300	3,316	3,331	3,315
<b>EBIT</b>	<b>80</b>	<b>320</b>	<b>310</b>	<b>339</b>	<b>342</b>	<b>366</b>	<b>387</b>	<b>400</b>	<b>356</b>	<b>341</b>	<b>330</b>	<b>341</b>
Tax on EBIT	-12	-47	-46	-51	-52	-55	-58	-60	-53	-51	-50	-53
Income tax rate	14.4%	14.7%	14.8%	15.1%	15.2%	15.1%	15.0%	15.0%	15.0%	15.0%	15.0%	15.4%
<b>EBIT less tax</b>	<b>68</b>	<b>273</b>	<b>264</b>	<b>288</b>	<b>290</b>	<b>311</b>	<b>329</b>	<b>340</b>	<b>302</b>	<b>290</b>	<b>280</b>	<b>289</b>
Depreciation & amortization (+)	47	221	254	319	326	346	362	370	371	368	365	362
Investments	-237	-742	-769	-759	-745	-541	-347	-352	-548	-986	-508	-362
Change in working capital	-1	1	43	33	-6	-37	-82	-20	-1	-5	-6	0
<b>Free Cash Flow to the Firm</b>	<b>-123</b>	<b>-248</b>	<b>-208</b>	<b>-119</b>	<b>-135</b>	<b>79</b>	<b>263</b>	<b>338</b>	<b>124</b>	<b>-333</b>	<b>131</b>	<b>289</b>
<b>NPV of FCFF</b>	<b>-121</b>	<b>-232</b>	<b>-184</b>	<b>-100</b>	<b>-107</b>	<b>59</b>	<b>187</b>	<b>227</b>	<b>79</b>	<b>-201</b>	<b>75</b>	<b>156</b>

WACC	Assumptions	Valuation
Debt ratio	55%	Net debt (-)/cash (+)
Cost of debt (after ta:	3.4%	-1,449
Risk free rate*	3.8%	NPV cash flow:
Beta	0.75	Explicit period
Market risk premium	6.0%	Terminal value
Cost of equity	8.3%	Total NPV cash flow
<b>WACC</b>	<b>5.6%</b>	Equity value
		<b>Value per share, EUR</b>

\*Lithuania 10Y govt. bond yield (approx.)

The following table represents DCF value under different combinations of WACC and long-term growth rate:

Sensitivity of DCF to WACC and long-term growth, EUR/sh.						
		L.t. growth				
		1.0%	1.5%	2.0%	2.5%	3.0%
WACC	4.0%	61.8	79.2	105.1	148.4	235.0
	4.5%	45.8	57.6	74.1	98.8	140.0
	5.6%	22.9	28.7	<b>36.1</b>	45.9	59.4
	6.1%	16.1	20.6	26.1	33.1	42.5
	6.6%	10.6	14.1	18.3	23.6	30.3
	7.1%	6.1	8.9	12.2	16.2	21.3
	7.6%	2.3	4.6	7.2	10.4	14.3

We have also looked into sensitivity of the DCF value to electricity price, one of the key assumptions in the model. We note that e.g. Ignitis Group said during 1Q24 conference call that it estimates long-term power price in the range of EUR 80- 90/MWh, which indicates a significant upside potential in estimates and thus our valuation, as we are more conservative on this assumption. However, the provided sensitivity table allows to calculate the approximate fair value in case of anticipated higher/lower electricity prices than our base case scenario.

Sensitivity of DCF to electricity price					
Electricity market price 2035, EUR/MWh (LT, LV, EE, PL)	55	60	65	70	75
DCF, EUR/sh.	21.0	28.5	35.6	43.7	51.2

Finally, we arrive at the fair value range for the Ignitis Group stock, which is based on the DCF value with a 10% discount on top to account for various risks related to estimates (e.g. renewable energy projects not being realised due to increased costs) as well as market related issues (e.g. Lithuania as a frontier market, geopolitical aspect, share liquidity and thin trading). We see the Low-case scenario, assuming electricity prices for the normalised year of 60 EUR/MWh, gives fair value of EUR 25/sh, which is around 30% higher than the last closing price. The High-case scenario, assuming electricity price of 70 EUR/MWh, yields fair value of EUR 39/sh. The Base-case fair value is indicated at EUR 30/sh under electricity price of EUR 65/MWh.

Fair value range		
	Electricity market price 2035, EUR/MWh	Fair value (DCF with 10% discount), EUR/sh.
Low Case	60	25.7
Base Case	65	32.0
High Case	70	39.3

We also apply the Dividend Discount Model (DDM) approach for valuation since Ignitis Group is a high dividend-paying entity. With a stable dividend growth rate of 3% we get a fair value of EUR 25.4/sh.

DDM (Dividend Discount Model)	
Dividend next 12m, EUR/sh.	1.346
Cost of equity	8.3%
Growth of dividends	3.0%
<b>Fair value of stock, EUR</b>	<b>25.4</b>

## Estimate changes (EURm)

	4Q24e		1Q25E		2024E		2025E		2026E	
	New	Old	New	Old	New	Old	New	Old	New	Old
<b>Revenues</b>	<b>620</b>	<b>643</b>	<b>744</b>	<b>744</b>	<b>2,240</b>	<b>2,263</b>	<b>2,515</b>	<b>2,504</b>	<b>2,664</b>	<b>2,651</b>
Green Capacities	110	110	137	137	395	395	443	441	468	465
Networks	227	232	249	249	758	763	915	913	985	983
Reserve Capacities	36	36	29	29	133	133	120	120	122	122
Customers & Solutions	284	302	379	379	1,124	1,142	1,190	1,183	1,214	1,206
Other activities and eliminations	-37	-37	-50	-50	-170	-170	-153	-153	-126	-126
<b>Adjusted EBITDA</b>	<b>136</b>	<b>136</b>	<b>175</b>	<b>175</b>	<b>534</b>	<b>534</b>	<b>568</b>	<b>567</b>	<b>578</b>	<b>575</b>
Green Capacities	67	67	96	96	249	249	284	283	281	279
Networks	57	57	68	68	222	222	245	245	249	249
Reserve Capacities	6	6	4	4	43	43	18	18	19	19
Customers & Solutions	7	7	5	5	18	18	19	19	27	27
Other activities and eliminations	-1	-1	1	1	2	2	1	1	1	1
<b>Net profit to shareholders</b>	<b>46</b>	<b>65</b>	<b>65</b>	<b>65</b>	<b>279</b>	<b>279</b>	<b>245</b>	<b>243</b>	<b>214</b>	<b>212</b>
<b>EPS (EUR)</b>	<b>0.63</b>	<b>0.90</b>	<b>0.90</b>	<b>0.90</b>	<b>3.85</b>	<b>3.86</b>	<b>3.38</b>	<b>3.36</b>	<b>2.96</b>	<b>2.93</b>
<b>Investments</b>	<b>-213</b>	<b>-213</b>	<b>-218</b>	<b>-218</b>	<b>-773</b>	<b>-773</b>	<b>-747</b>	<b>-747</b>	<b>-893</b>	<b>-893</b>

## Portfolio overview

Wind & Solar plants	Energy source	Ignitis grupe ownership share, %	Financial consolidation	COD / Expected COD	Installed capacity, MW	Electricity generation, GWh	Load factor, %	Proportion of secured revenue	OPEX kEur/MW	Construction CAPEX, mEur
Vėjo gūsis (Liepynė)	Onshore Wind	100%	Full	2010	9.1	22	28%	100%	43	
Vėjo gūsis (Kreivėnai)	Onshore Wind	100%	Full	2010	10.0	24	27%	70%		
Vėjo Vatas	Onshore Wind	100%	Full	2011	14.9	33	25%	73%	43	
Tuuleenergia	Onshore Wind	100%	Full	2013-2014	18.3	46	29%	70%	74	
Eurakras	Onshore Wind	100%	Full	2016	24.0	72	34%	72%	49	
Pomerania	Onshore Wind	100%	Full	Q4 2021	93.9	269	33%	100%	52	128
Mazėikiai	Onshore Wind	100%	Full	2023	63.0	173	31%	65%	36	82
Silesia I	Onshore Wind	100%	Full	2024	50.0	110	25%	100%	28-32	75
Tauragė solar project I	Solar farm	100%	Full	2024	22.1	24	12%	0%	12-17	16
<b>Total operating wind and solar farms</b>					<b>305.3</b>	<b>773.1</b>	<b>29%</b>	<b>79%</b>		
Silesia II	Onshore Wind	100%	Full	2025	137.0			100%		240
Polish solar portfolio	Solar farm	100%	Full	2024	30.0			100%		21
Kelmė WF I	Onshore Wind	100%	Full	2025	105.4			65%		190
Kelmė WF II	Onshore Wind	100%	Full	2025	194.6			65%		360
Stelpe SF	Solar farm	100%	Full	2025	145.0			50%		112
Varme SF	Solar farm	100%	Full	2025	95.0			50%		66
Tume SF	Solar farm	100%	Full	2026	173.6			51%		106
Lithuanian offshore WF	Offshore wind	51%	Full	2030	700.0			0%		Not disclosed
<b>Total wind and solar farms under construction</b>					<b>1,580.6</b>			<b>36%</b>		

Source: Ignitis Group

Hydro plants	Energy source	Ignitis grupe ownership share, %	COD	Commercial activity				Regulated activity			
				Installed capacity, MW	Electricity generation, GWh	Load factor, %	Proportion of secured revenue	RAB, mEur	WACC, %	D&A regulatory, mEur	Construction CAPEX, mEur
Kruonis PSHP	Hydro Pumped-Storage	100%	1992-1998 <sup>1</sup>	900	534	7%	0%	13.5	5.39%	1.3	
Kaunas HPP	Hydro	100%	1959	101	382	43%	75%				
<b>Total operating hydro units</b>	<b>Hydro</b>			<b>1,001</b>	<b>917</b>						
Kruonis PSHP expansion	Hydro Pumped-Storage	100%	2026	110			0%				150
<b>Total hydro units under construction</b>				<b>110</b>							<b>150</b>

Source: Ignitis Group

Bio&WTE	Energy source	Ignitis grupe ownership share, %	COD / Expected COD	Installed electricity capacity, MW	Installed heat capacity, MW	Electricity generation, GWh	Heat generation, GWh	Waste incineration amount, t	Biofuel volumes, GWh	Proportion of secured revenue	COGS and OPEX, mEur
Kaunas CHP	Waste	51%	Q3 2020	24	70	159	386	203		87%	17.5
Vilnius CHP WtE unit	Waste	100%	Q1 2021	20	70	110	438	168		87%	24.6
Vilnius CHP biomass unit	Biomass	100%	Q1 2024	73	169	188	498	-	1,152	87%	
Elektrėnai biomass boiler	Biomass	100%	2015		40					0%	n/a
<b>Total operational</b>	<b>Waste/Bio</b>			<b>117</b>	<b>349</b>	<b>457</b>	<b>1411</b>	<b>371</b>			

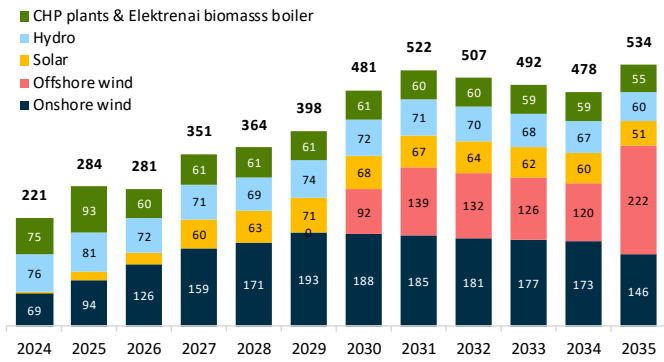
Source: Ignitis Group

## Peer comparison

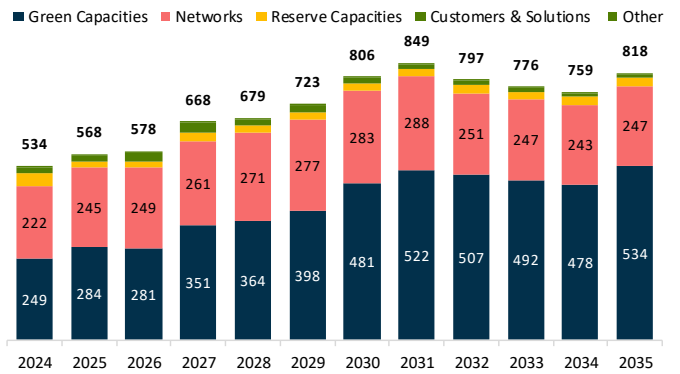
Company	Source	Mcap (EURm)	EV (EURm)	EV/EBITDA			EV/EBIT			P/E			Dividend yield		
				2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e	2024e	2025e	2026e
Ignitis Grupe AB	Norne	1,596	3,045	5.7	5.4	5.4	8.7	9.0	9.7	5.1	6.5	7.4	6.8%	6.2%	6.4%
<b>Integrated</b>															
CEZ AS	Bloomberg	21,706	29,953	5.8	6.3	7.0	8.3	10.1	12.2	17.8	19.9	14.7	4.9%	4.4%	4.7%
EDP SA	Bloomberg	12,150	38,264	7.7	7.9	7.7	13.2	13.0	12.7	9.2	10.3	10.1	6.9%	6.9%	7.0%
Endesa SA	Bloomberg	22,562	32,605	6.2	6.0	5.8	10.5	10.1	9.8	12.3	11.5	11.0	5.8%	6.2%	6.5%
Enel SpA	Bloomberg	69,327	145,884	6.4	6.3	6.2	9.7	9.8	9.5	10.1	10.1	9.8	6.7%	6.9%	7.1%
Engie SA	Bloomberg	37,857	72,616	4.8	5.2	5.3	7.4	8.2	8.4	7.0	8.7	9.3	9.3%	7.9%	7.6%
EVN AG	Bloomberg	4,236	5,415	6.9	6.6	6.3	12.7	12.0	11.5	9.2	9.7	9.6	4.4%	3.7%	3.7%
E.ON SE	Bloomberg	30,415	67,356	7.5	7.3	7.0	11.9	11.8	11.7	10.3	10.5	10.6	4.8%	5.0%	5.2%
Iberdrola SA	Bloomberg	86,014	161,440	9.9	9.9	9.3	16.0	15.6	14.7	15.1	14.8	14.0	4.6%	4.8%	5.1%
Naturgy Energy Group SA	Bloomberg	23,620	37,525	7.0	7.3	7.3	10.8	11.5	11.7	12.4	13.5	13.8	5.7%	5.8%	5.7%
Public Power Corp SA	Bloomberg	5,048	10,388	5.7	5.2	4.5	11.8	9.0	7.5	15.3	11.1	8.4	2.9%	4.3%	5.7%
SSE PLC	Bloomberg	19,526	33,174	8.7	8.3	7.7	11.9	11.4	10.8	9.3	9.1	8.9	4.1%	4.4%	4.7%
Verbund AG	Bloomberg	24,336	27,343	8.2	9.0	10.9	10.2	11.3	14.6	13.0	15.0	19.4	4.0%	3.4%	2.7%
<b>Average</b>		<b>29,733</b>	<b>55,163</b>	<b>7.1</b>	<b>7.1</b>	<b>7.1</b>	<b>11.2</b>	<b>11.2</b>	<b>11.3</b>	<b>11.8</b>	<b>12.0</b>	<b>11.6</b>	<b>5.3%</b>	<b>5.3%</b>	<b>5.5%</b>
<b>Median</b>		<b>23,091</b>	<b>35,349</b>	<b>7.0</b>	<b>7.0</b>	<b>7.0</b>	<b>11.3</b>	<b>11.4</b>	<b>11.6</b>	<b>11.3</b>	<b>10.8</b>	<b>10.3</b>	<b>4.8%</b>	<b>4.9%</b>	<b>5.5%</b>
<b>Networks</b>															
Elia Group SA/NV	Bloomberg	4,547	15,591	10.7	8.5	7.1	18.6	14.6	11.8	12.0	11.2	10.4	3.3%	3.4%	3.5%
Enagas SA	Bloomberg	3,157	5,854	7.9	8.6	9.3	13.9	15.8	17.7	24.6	12.3	14.0	8.7%	8.3%	8.3%
Italgas SpA	Bloomberg	4,777	11,896	8.9	7.9	7.0	14.9	13.1	11.4	10.0	9.8	9.3	6.5%	7.0%	7.5%
National Grid PLC	Bloomberg	55,584	101,190	12.1	11.2	10.3	17.4	15.9	14.8	13.4	13.1	12.5	5.7%	4.9%	5.0%
Redeia Corp SA	Bloomberg	8,955	15,183	11.6	11.3	10.3	19.5	18.6	15.9	18.6	17.7	15.0	5.1%	5.0%	5.2%
REN - Redes Energeticas Nacionais S	Bloomberg	1,608	4,143	8.2	8.1	7.8	16.8	16.8	16.2	13.9	13.8	13.0	6.3%	6.5%	6.5%
Snam SpA	Bloomberg	14,852	30,830	11.2	10.6	10.1	17.9	17.2	16.4	12.0	11.4	11.1	6.6%	6.8%	7.0%
Terna - Rete Elettrica Nazionale SpA	Bloomberg	15,614	25,578	10.3	10.0	9.1	15.7	15.7	14.1	15.1	15.9	14.9	4.9%	4.8%	5.1%
<b>Average</b>		<b>13,637</b>	<b>26,283</b>	<b>10.1</b>	<b>9.5</b>	<b>8.9</b>	<b>16.8</b>	<b>16.0</b>	<b>14.8</b>	<b>15.0</b>	<b>13.1</b>	<b>12.5</b>	<b>5.9%</b>	<b>5.8%</b>	<b>6.0%</b>
<b>Median</b>		<b>6,866</b>	<b>15,387</b>	<b>10.5</b>	<b>9.3</b>	<b>9.2</b>	<b>17.1</b>	<b>15.8</b>	<b>15.4</b>	<b>13.7</b>	<b>12.7</b>	<b>12.7</b>	<b>6.0%</b>	<b>5.7%</b>	<b>5.8%</b>
<b>Renewables</b>															
Acciona Energia SA	Bloomberg	5,823	10,915	10.0	7.5	8.7	17.1	11.0	15.4	18.6	9.8	16.8	2.1%	2.8%	2.4%
Alerion Cleanpower SpA	Bloomberg	821	1,368	7.3	10.0	9.2	10.1	16.5	15.2	8.2	17.9	16.8	5.1%	3.9%	2.1%
Encavis AG	Bloomberg	2,835	5,012	15.7	14.2	12.7	26.0	22.9	19.9	31.7	28.7	26.4	na	na	na
Enfit Green AS	Bloomberg	717	1,376	12.4	10.6	na	20.2	18.5	na	14.3	15.3	na	3.6%	3.3%	na
ERG SpA	Bloomberg	2,775	4,972	9.1	8.3	7.9	17.1	15.1	14.4	13.9	12.5	12.2	5.5%	5.7%	5.9%
Neoen SA	Bloomberg	6,095	9,897	19.8	13.9	12.1	34.7	22.0	19.6	93.5	42.3	38.8	0.4%	0.6%	0.5%
RWE AG	Bloomberg	20,969	32,192	5.8	6.5	5.9	9.3	11.9	10.6	9.4	13.3	11.8	3.9%	4.2%	4.5%
Scatec ASA	Bloomberg	1,047	3,240	7.2	8.6	8.1	9.1	12.0	11.7	8.8	20.5	21.2	0.0%	na	na
Voltaia SA	Bloomberg	1,007	2,930	13.1	11.1	9.0	29.0	22.1	16.6	na	94.7	39.7	0.0%	0.0%	0.0%
Ørsted AS	Bloomberg	16,797	28,906	8.3	7.2	6.7	29.1	11.6	10.4	62.0	11.8	10.4	na	0.0%	3.5%
<b>Average</b>		<b>5,889</b>	<b>10,081</b>	<b>10.9</b>	<b>9.8</b>	<b>8.9</b>	<b>20.2</b>	<b>16.4</b>	<b>14.9</b>	<b>28.9</b>	<b>26.7</b>	<b>21.6</b>	<b>2.6%</b>	<b>2.6%</b>	<b>2.7%</b>
<b>Median</b>		<b>2,805</b>	<b>4,992</b>	<b>9.5</b>	<b>9.3</b>	<b>8.7</b>	<b>18.7</b>	<b>15.8</b>	<b>15.2</b>	<b>14.3</b>	<b>16.6</b>	<b>16.8</b>	<b>2.8%</b>	<b>3.0%</b>	<b>2.4%</b>

# Key Operating Indicators

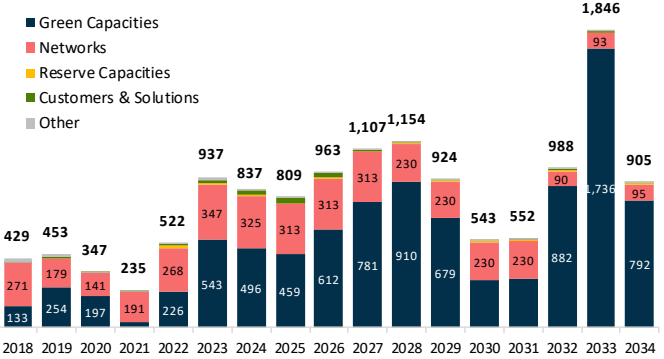
**Green Capacities adj. EBITDA (consolidated), EURm**



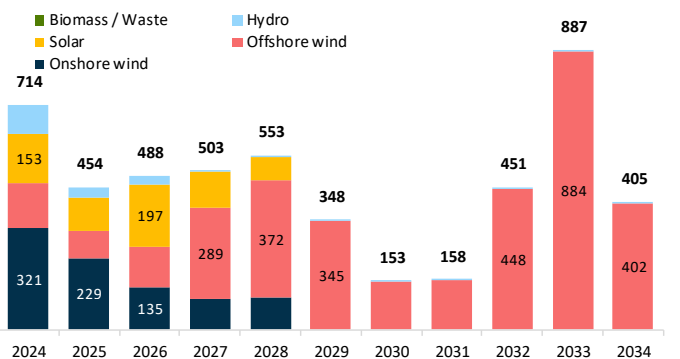
**Adj. EBITDA by segment, EURm**



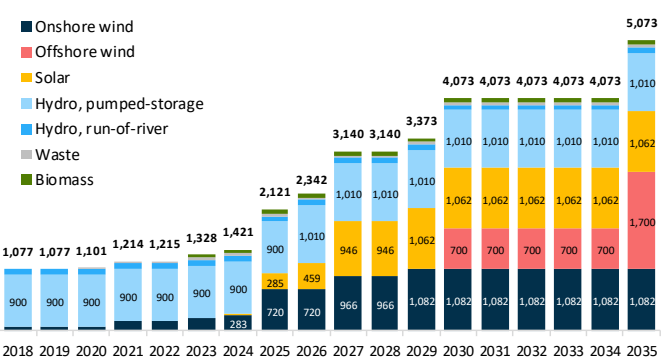
**Investments by segment (consolidated), EURm**



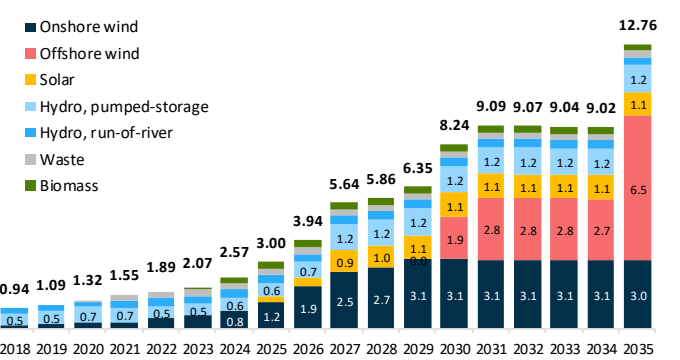
**Investments in Green Capacities (proportionate), EURm**



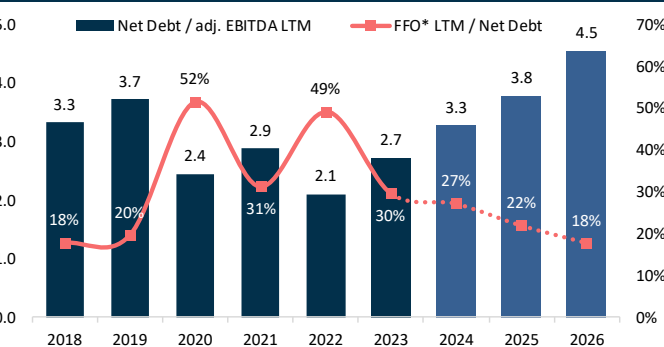
**Installed electricity capacity of Green Cap. (gross), GW, EOY**



**Electricity generated, Green Cap. (100% basis), TWh**

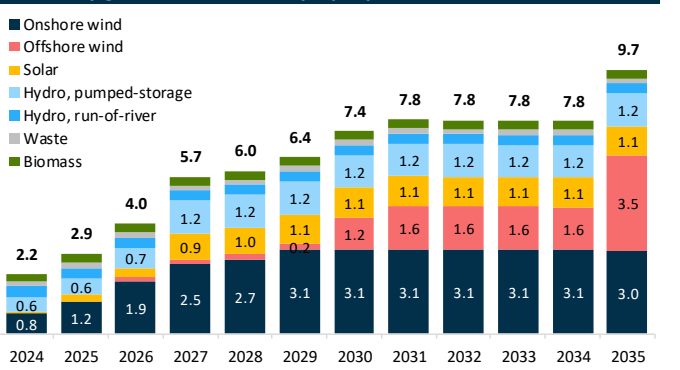


**Debt ratios**



\*FFO (Funds From Operations) = EBITDA + interest received - interest paid - income tax paid

**Electricity generated, Green Cap. (proportionate), TWh**



## Annual Financial Statements

Income statement (EURm)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Revenue from contracts with customers	1,024	1,080	1,215	1,877	4,381	2,542	2,244	2,491	2,636	2,779
Other income	46	9	8	22	6	7	15	17	18	19
<b>Total revenues</b>	<b>1,070</b>	<b>1,089</b>	<b>1,223</b>	<b>1,899</b>	<b>4,387</b>	<b>2,549</b>	<b>2,239</b>	<b>2,508</b>	<b>2,653</b>	<b>2,798</b>
Purchases of electricity, nat. gas and other s	-795	-729	-706	-1,381	-3,609	-1,758	-1,363	-1,532	-1,587	-1,536
Repair and maintenance expenses	-21	-30	-34	-32	-41	-61	-86	-117	-160	-223
Salaries and related expenses	-80	-87	-93	-97	-116	-137	-166	-192	-220	-246
Other expenses	-26	-42	-56	-46	-82	-86	-93	-106	-119	-131
<b>EBITDA</b>	<b>148</b>	<b>202</b>	<b>335</b>	<b>343</b>	<b>540</b>	<b>507</b>	<b>531</b>	<b>561</b>	<b>567</b>	<b>662</b>
Depreciation and amortisation	-88	-110	-113	-123	-138	-153	-180	-223	-252	-317
Write-offs, revaluation and impairments	-81	-9	-6	-28	-14	-2	-1	-2	-2	-2
<b>Operating profit (EBIT)</b>	<b>-20</b>	<b>83</b>	<b>215</b>	<b>192</b>	<b>388</b>	<b>352</b>	<b>350</b>	<b>337</b>	<b>314</b>	<b>343</b>
Finance income	2	2	2	18	4	42	17	3	6	6
Finance expenses	-15	-19	-23	-34	-54	-40	-53	-52	-68	-98
Equity earnings	0	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>-34</b>	<b>66</b>	<b>195</b>	<b>176</b>	<b>337</b>	<b>354</b>	<b>315</b>	<b>287</b>	<b>251</b>	<b>251</b>
Taxes	12	-7	-25	-16	-44	-34	-36	-42	-37	-38
Non-controlling interest	0	-2	0	0	0	0	0	0	0	0
<b>Net profit to shareholders of the company</b>	<b>-22</b>	<b>57</b>	<b>170</b>	<b>160</b>	<b>293</b>	<b>320</b>	<b>279</b>	<b>245</b>	<b>214</b>	<b>213</b>
EPS (EUR)	-0.41	1.04	2.85	2.16	4.04	4.42	3.85	3.38	2.96	2.95
Dividends per share (EUR)	0.239	0.516	1.353	1.189	1.248	1.286	1.326	1.366	1.407	1.449
Balance sheet (EURm)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Deferred tax asset	14	12	6	14	31	57	27	27	27	27
Intangible assets	106	143	95	114	148	315	323	323	323	323
Goodwill	0	0	0	0	0	0	0	0	0	0
Property, plant and equipment	2,091	2,348	2,560	2,618	2,811	3,363	3,939	4,463	5,105	5,825
Right-of-use assets	0	61	64	58	49	50	58	58	58	58
Other long-term assets	199	207	174	150	211	433	408	448	451	455
<b>Non-current assets</b>	<b>2,411</b>	<b>2,771</b>	<b>2,899</b>	<b>2,954</b>	<b>3,250</b>	<b>4,217</b>	<b>4,755</b>	<b>5,319</b>	<b>5,964</b>	<b>6,688</b>
Inventories	43	47	66	186	570	275	384	374	322	267
Accounts receivable	143	118	128	275	424	266	252	299	337	341
Other current assets	129	131	169	395	333	171	174	174	174	174
Cash and cash equivalents	128	132	659	449	694	205	93	73	134	156
Short-term deposits	0	0	0	0	0	110	0	0	0	0
<b>Current assets</b>	<b>443</b>	<b>428</b>	<b>1,022</b>	<b>1,304</b>	<b>2,022</b>	<b>1,028</b>	<b>902</b>	<b>919</b>	<b>966</b>	<b>938</b>
<b>Total assets</b>	<b>2,854</b>	<b>3,198</b>	<b>3,921</b>	<b>4,258</b>	<b>5,272</b>	<b>5,244</b>	<b>5,657</b>	<b>6,238</b>	<b>6,930</b>	<b>7,625</b>
Shareholders' equity	1,255	1,300	1,812	1,856	2,126	2,263	2,389	2,536	2,650	2,760
Non-controlling interests	48	49	1	0	0	0	0	0	0	0
<b>Equity</b>	<b>1,303</b>	<b>1,349</b>	<b>1,813</b>	<b>1,856</b>	<b>2,126</b>	<b>2,263</b>	<b>2,389</b>	<b>2,536</b>	<b>2,650</b>	<b>2,760</b>
Deferred tax liability	36	38	46	47	55	87	80	80	80	80
Provisions	35	36	41	30	18	61	63	63	63	63
Long-term interest bearing debt	735	822	1,246	1,118	1,423	1,521	1,663	2,114	2,351	2,946
Long-term lease liabilities	14	34	29	46	45	42	51	51	51	51
Other long-term liabilities	347	421	442	463	523	608	619	635	643	652
<b>Non-current liabilities</b>	<b>1,169</b>	<b>1,350</b>	<b>1,804</b>	<b>1,705</b>	<b>2,064</b>	<b>2,320</b>	<b>2,476</b>	<b>2,942</b>	<b>3,188</b>	<b>3,792</b>
Current interest bearing debt	110	234	15	237	209	65	120	49	356	355
Short-term lease liabilities	5	8	13	5	4	5	4	4	4	4
Accounts payable	93	79	52	100	177	177	196	233	259	241
Other current liabilities	175	178	223	355	692	414	473	473	473	473
<b>Current liabilities</b>	<b>383</b>	<b>499</b>	<b>304</b>	<b>697</b>	<b>1,082</b>	<b>661</b>	<b>793</b>	<b>760</b>	<b>1,092</b>	<b>1,073</b>
<b>Total equity and liabilities</b>	<b>2,854</b>	<b>3,198</b>	<b>3,921</b>	<b>4,258</b>	<b>5,272</b>	<b>5,244</b>	<b>5,657</b>	<b>6,238</b>	<b>6,930</b>	<b>7,625</b>
Cash flow (EURm)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Operating profit (EBIT)	-20	83	215	192	388	352	350	337	314	343
Depreciation & amortisation (+)	88	110	113	123	138	153	180	223	252	317
Other items	73	18	17	46	91	46	6	-14	-7	-7
Paid taxes	-6	-5	-10	-18	-27	-81	-17	-42	-37	-38
Change in working capital	45	-29	-55	-237	-25	329	-1	1	40	33
<b>Cash flow from operating activities</b>	<b>179</b>	<b>177</b>	<b>281</b>	<b>105</b>	<b>564</b>	<b>800</b>	<b>518</b>	<b>504</b>	<b>562</b>	<b>648</b>
Acquis. of prop., plant & equip. and intang. a	-416	-428	-301	-245	-439	-839	-773	-747	-893	-1,037
Proceeds from sale of assets	48	40	14	2	3	3	1	0	0	0
Interest received	1	1	1	1	1	11	7	3	2	2
Other items	0	40	28	8	-20	-257	113	0	3	4
<b>Cash flow from investment activities</b>	<b>-367</b>	<b>-347</b>	<b>-258</b>	<b>-235</b>	<b>-456</b>	<b>-1,081</b>	<b>-653</b>	<b>-745</b>	<b>-887</b>	<b>-1,031</b>
<b>Free cash flow</b>	<b>-188</b>	<b>-170</b>	<b>22</b>	<b>-129</b>	<b>108</b>	<b>-281</b>	<b>-135</b>	<b>-241</b>	<b>-326</b>	<b>-383</b>
Change in interest bearing debt	197	61	392	93	276	-55	206	380	543	595
Share issues / buy-backs	0	0	450	-27	-14	0	7	0	0	0
Dividends paid	-81	-14	-73	-88	-89	-106	-95	-97	-100	-103
Interest paid	-10	-14	-16	-26	-29	-39	-49	-52	-68	-98
Lease payments	-1	-7	-10	-14	-5	-6	-7	-7	-7	-7
Other items	7	0	-47	-20	-2	-3	-39	-2	19	19
<b>Cash flow from financing activities</b>	<b>112</b>	<b>25</b>	<b>696</b>	<b>-81</b>	<b>137</b>	<b>-209</b>	<b>24</b>	<b>221</b>	<b>386</b>	<b>406</b>
<b>Change in cash</b>	<b>-76</b>	<b>-145</b>	<b>718</b>	<b>-210</b>	<b>245</b>	<b>-490</b>	<b>-111</b>	<b>-20</b>	<b>61</b>	<b>22</b>

## Annual Segmental and Operating Data

Revenues per segment (EURm)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Green Capacities (adj.)*	77	84	90	218	458	343	386	441	468	580
Networks (adj.)	440	465	439	510	698	592	778	902	979	1,064
Reserve Capacities (adj.)	63	66	111	152	237	129	129	118	121	127
Customers & Solutions (adj.)	630	539	505	1,024	3,001	1,734	1,079	1,165	1,198	1,149
Other and Eliminations (adj.)	-65	-3	-10	-14	-77	-161	-165	-154	-128	-131
<b>Total adjusted</b>	<b>1,145</b>	<b>1,151</b>	<b>1,135</b>	<b>1,888</b>	<b>4,317</b>	<b>2,636</b>	<b>2,208</b>	<b>2,472</b>	<b>2,639</b>	<b>2,789</b>
Adjustments	-75	-52	88	10	70	23	2	-7	-10	-7
<b>Total reported</b>	<b>1,070</b>	<b>1,099</b>	<b>1,223</b>	<b>1,899</b>	<b>4,387</b>	<b>2,659</b>	<b>2,210</b>	<b>2,464</b>	<b>2,629</b>	<b>2,782</b>

EBITDA per segment (EURm)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Green Capacities (adj.)*	38	43	50	108	253	223	244	281	279	347
Networks (adj.)	169	181	138	145	164	180	221	245	249	261
Reserve Capacities (adj.)	13	22	29	37	35	50	37	19	19	24
Customers & Solutions (adj.)	7	11	27	41	16	30	18	18	25	30
Other and Eliminations (adj.)	-6	3	2	2	2	2	2	0	0	0
<b>Total adjusted</b>	<b>221</b>	<b>260</b>	<b>246</b>	<b>333</b>	<b>469</b>	<b>484</b>	<b>522</b>	<b>564</b>	<b>573</b>	<b>662</b>
Adjustments	-76	-53	88	10	70	23	2	-7	-10	-7
<b>Total reported</b>	<b>145</b>	<b>207</b>	<b>334</b>	<b>343</b>	<b>540</b>	<b>507</b>	<b>524</b>	<b>556</b>	<b>563</b>	<b>655</b>

Green Generation, key metrics	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
<b>Installed Electricity Capacity (period end), MW</b>										
Onshore wind	76	76	76	170	170	233	283	770	766	966
Offshore wind	0	0	0	0	0	0	0	0	0	0
Solar	0	0	0	0	0	0	52	311	349	946
Hydro	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,111	1,111
<i>Pumped-storage</i>	<i>900</i>	<i>900</i>	<i>900</i>	<i>900</i>	<i>900</i>	<i>900</i>	<i>900</i>	<i>900</i>	<i>1,010</i>	<i>1,010</i>
<i>Run-of-river</i>	<i>101</i>	<i>101</i>	<i>101</i>	<i>101</i>	<i>101</i>	<i>101</i>	<i>101</i>	<i>101</i>	<i>101</i>	<i>101</i>
Waste	0	0	24	43	44	44	44	44	44	44
Biomass	0	0	0	0	0	50	73	73	73	73
<b>Total installed electricity capacity</b>	<b>1,077</b>	<b>1,077</b>	<b>1,101</b>	<b>1,214</b>	<b>1,215</b>	<b>1,328</b>	<b>1,453</b>	<b>2,199</b>	<b>2,342</b>	<b>3,140</b>
<b>Electricity Generated, TWh</b>										
Onshore wind	0.13	0.23	0.24	0.30	0.47	0.58	0.78	1.21	1.91	2.56
Offshore wind	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Solar	0.00	0.00	0.00	0.00	0.00	0.00	0.03	0.25	0.35	0.94
Hydro	0.82	0.81	0.94	0.94	0.92	0.89	0.93	0.96	1.10	1.56
<i>Pumped-storage</i>	-	<i>0.54</i>	<i>0.72</i>	<i>0.65</i>	<i>0.54</i>	<i>0.52</i>	<i>0.56</i>	<i>0.58</i>	<i>0.72</i>	<i>1.18</i>
<i>Run-of-river</i>	-	<i>0.27</i>	<i>0.23</i>	<i>0.29</i>	<i>0.38</i>	<i>0.37</i>	<i>0.38</i>	<i>0.38</i>	<i>0.38</i>	<i>0.38</i>
Waste	0.00	0.00	0.07	0.24	0.26	0.27	0.29	0.27	0.27	0.27
Biomass	0.00	0.00	0.00	0.00	0.00	0.01	0.24	0.32	0.32	0.32
<b>Total electricity generated</b>	<b>0.94</b>	<b>1.09</b>	<b>1.32</b>	<b>1.55</b>	<b>1.65</b>	<b>1.76</b>	<b>2.27</b>	<b>3.00</b>	<b>3.95</b>	<b>5.64</b>
<b>Electricity market price, EUR/MWh:</b>										
Lithuania	50.0	46.1	34.0	90.2	229.2	92.9	93.2	85.5	84.7	79.5
Latvia	49.9	46.3	34.0	88.6	225.9	94.1	90.2	85.2	84.4	79.3
Estonia	47.0	45.9	33.7	86.5	192.0	91.0	87.3	81.8	81.0	76.0
Poland	53.1	53.6	47.2	87.3	166.3	111.9	94.7	104.2	101.0	98.0
Avg. realised el. price, EUR/MWh (ex. Kruoni)	na	na	na	na	na	na	105.2	112.3	87.5	79.3
<b>Heat</b>										
Installed heat capacity (period end), MW	40	40	110	170	180	329	349	349	349	349
Heat generated, TWh	-	0.09	0.32	0.85	0.89	1.08	1.61	1.67	1.67	1.67

Networks, key metrics	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
RAB (Regulated Asset Base), EURm	-	1,416	1,186	1,258	1,345	1,429	1,584	1,795	1,948	2,086
WACC (regulatory), combined el. and gas	-	4.85%	5.00%	5.05%	4.13%	4.14%	5.08%	5.65%	5.05%	4.96%

Reserve Capacities, key metrics	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Installed electricity capacity (period end), M	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055
Electricity generated, TWh	0.07	0.02	1.20	0.82	0.28	0.31	0.69	0.30	0.30	0.32

Customers & Solutions, key metrics	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Electricity sales (retail), TWh	5.40	5.40	6.37	6.77	7.71	6.65	6.92	8.31	9.97	10.67
Natural gas sales (retail and wholesale), TWh	11.33	9.83	14.77	11.56	12.80	9.29	7.00	6.87	6.06	6.12

## Annual Segmental and Operating Data

Revenues per segment (EURm)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Green Capacities (adj.)*	77	84	90	218	458	343	395	443	468	583
Networks (adj.)	440	465	439	510	698	592	758	915	985	1,059
Reserve Capacities (adj.)	63	66	111	152	237	129	133	120	122	129
Customers & Solutions (adj.)	630	539	505	1,024	3,001	1,734	1,124	1,190	1,214	1,165
Other and Eliminations (adj.)	-65	-3	-10	-14	-77	-161	-170	-153	-126	-131
<b>Total adjusted</b>	<b>1,145</b>	<b>1,151</b>	<b>1,135</b>	<b>1,888</b>	<b>4,317</b>	<b>2,636</b>	<b>2,240</b>	<b>2,515</b>	<b>2,664</b>	<b>2,804</b>
Adjustments	-75	-52	88	10	70	23	2	-7	-10	-7
<b>Total reported</b>	<b>1,070</b>	<b>1,099</b>	<b>1,223</b>	<b>1,899</b>	<b>4,387</b>	<b>2,659</b>	<b>2,243</b>	<b>2,508</b>	<b>2,653</b>	<b>2,798</b>

EBITDA per segment (EURm)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Green Capacities (adj.)*	38	43	50	108	253	223	249	284	281	351
Networks (adj.)	169	181	138	145	164	180	222	245	249	261
Reserve Capacities (adj.)	13	22	29	37	35	50	43	18	19	24
Customers & Solutions (adj.)	7	11	27	41	16	30	18	19	27	31
Other and Eliminations (adj.)	-6	3	2	2	2	2	2	1	1	1
<b>Total adjusted</b>	<b>221</b>	<b>260</b>	<b>246</b>	<b>333</b>	<b>469</b>	<b>484</b>	<b>534</b>	<b>568</b>	<b>578</b>	<b>668</b>
Adjustments	-76	-53	88	10	70	23	2	-7	-10	-7
<b>Total reported</b>	<b>145</b>	<b>207</b>	<b>334</b>	<b>343</b>	<b>540</b>	<b>507</b>	<b>536</b>	<b>561</b>	<b>567</b>	<b>662</b>

Green Capacities, key metrics	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
<b>Installed Electricity Capacity (period end), MW</b>										
Onshore wind	76	76	76	170	170	233	283	720	720	966
Offshore wind	0	0	0	0	0	0	0	0	0	0
Solar	0	0	0	0	0	0	22	285	459	946
Hydro	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,111	1,111
<i>Pumped-storage</i>	900	900	900	900	900	900	900	900	1,010	1,010
<i>Run-of-river</i>	101	101	101	101	101	101	101	101	101	101
Waste	0	0	24	43	44	44	44	44	44	44
Biomass	0	0	0	0	0	50	71	73	73	73
<b>Total installed electricity capacity</b>	<b>1,077</b>	<b>1,077</b>	<b>1,101</b>	<b>1,214</b>	<b>1,215</b>	<b>1,328</b>	<b>1,421</b>	<b>2,123</b>	<b>2,407</b>	<b>3,140</b>
<b>Electricity Generated, TWh</b>										
Onshore wind	0.13	0.23	0.24	0.30	0.47	0.58	0.77	1.20	1.90	2.55
Offshore wind	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Solar	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.25	0.35	0.94
Hydro	0.82	0.81	0.94	0.94	0.92	0.89	0.96	0.96	1.10	1.56
<i>Pumped-storage</i>	-	0.54	0.72	0.65	0.54	0.52	0.58	0.59	0.72	1.19
<i>Run-of-river</i>	-	0.27	0.23	0.29	0.38	0.37	0.37	0.38	0.38	0.38
Waste	0.00	0.00	0.07	0.24	0.26	0.27	0.28	0.27	0.27	0.27
Biomass	0.00	0.00	0.00	0.00	0.00	0.01	0.23	0.32	0.32	0.32
<b>Total electricity generated</b>	<b>0.95</b>	<b>1.04</b>	<b>1.25</b>	<b>1.48</b>	<b>1.65</b>	<b>1.76</b>	<b>2.26</b>	<b>3.00</b>	<b>3.94</b>	<b>5.64</b>
<b>Electricity market price, EUR/MWh:</b>										
Lithuania	50.0	46.1	34.0	90.2	229.2	92.9	93.0	86.5	84.6	79.8
Latvia	49.9	46.3	34.0	88.6	225.9	94.1	90.1	86.3	84.4	79.6
Estonia	47.0	45.9	33.7	86.5	192.0	91.0	87.1	82.8	80.9	76.3
Poland	53.1	53.6	47.2	87.3	166.3	111.9	78.7	106.4	103.1	100.0
Avg. realised el. price, EUR/MWh (ex. Kruoni)	na	na	na	na	na	na	90.9	112.7	87.6	79.7
<b>Heat</b>										
Installed heat capacity (period end), MW	40	40	110	170	180	329	349	349	349	349
Heat generated, TWh	-	0.09	0.32	0.85	0.89	1.07	1.56	1.67	1.67	1.67

Networks, key metrics	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
RAB (Regulated Asset Base), EURm	-	1,416	1,186	1,258	1,345	1,429	1,584	1,795	1,948	2,084
WACC (regulatory), combined el. and gas	-	4.85%	5.00%	5.05%	4.13%	4.14%	5.08%	5.65%	5.05%	4.96%

Reserve Capacities, key metrics	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Installed electricity capacity (period end), M	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055
Electricity generated, TWh	0.07	0.02	1.20	0.82	0.28	0.31	0.80	0.31	0.32	0.33

Customers & Solutions, key metrics	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Electricity sales (retail), TWh	5.40	5.40	6.37	7.97	6.89	6.83	6.85	8.22	9.87	10.56
Natural gas sales (retail and wholesale), TWh	11.33	9.83	14.77	11.56	12.80	9.29	7.84	7.40	6.62	6.70

## Quarterly Financial Statements

Income statement (EURm)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Revenue from contracts with customers	1,358	927	441	470	705	651	438	541	614
Other income	2	1	1	2	2	3	1	7	3
<b>Total revenues</b>	<b>1,359</b>	<b>928</b>	<b>442</b>	<b>471</b>	<b>708</b>	<b>654</b>	<b>439</b>	<b>529</b>	<b>618</b>
Purchases of electricity, nat. gas and others	-1,181	-678	-325	-297	-458	-393	-253	-337	-380
Repair and maintenance expenses	-15	-9	-13	-17	-23	-14	-17	-23	-32
Salaries and related expenses	-32	-30	-35	-32	-40	-38	-42	-40	-46
Other expenses	75	-16	-25	-17	-27	-19	-22	-25	-27
<b>EBITDA</b>	<b>206</b>	<b>195</b>	<b>45</b>	<b>108</b>	<b>159</b>	<b>189</b>	<b>105</b>	<b>104</b>	<b>134</b>
Depreciation and amortisation	-35	-38	-36	-39	-41	-41	-45	-47	-48
Write-offs, revaluation and impairments	-9	-1	-1	0	0	-1	0	0	0
<b>Operating profit (EBIT)</b>	<b>163</b>	<b>157</b>	<b>8</b>	<b>69</b>	<b>118</b>	<b>148</b>	<b>60</b>	<b>57</b>	<b>85</b>
Finance income	-9	3	26	6	8	7	5	5	1
Finance expenses	-28	-11	-8	-13	-8	-15	-13	-14	-11
Equity earnings	0	0	0	0	0	0	0	0	0
<b>Pre-tax profit</b>	<b>126</b>	<b>148</b>	<b>26</b>	<b>62</b>	<b>118</b>	<b>139</b>	<b>52</b>	<b>48</b>	<b>76</b>
Taxes	-17	-21	3	-5	-10	-21	-2	-2	-11
Non-controlling interest	0	0	0	0	0	0	0	0	0
<b>Net profit to shareholders of the company</b>	<b>109</b>	<b>127</b>	<b>29</b>	<b>57</b>	<b>108</b>	<b>119</b>	<b>50</b>	<b>46</b>	<b>65</b>
EPS (EUR)	1.50	1.76	0.40	0.78	1.49	1.64	0.69	0.63	0.90
Dividends per share (EUR)	0.624	-	0.643	-	0.643	-	0.663	-	0.663

Balance sheet (EURm)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Deferred tax asset	31	57	62	61	57	53	25	27	27
Intangible assets	148	171	180	202	315	322	323	323	323
Goodwill	0	0	0	0	0	0	0	0	0
Property, plant and equipment	2,811	2,868	2,972	3,147	3,363	3,480	3,667	3,774	3,939
Right-of-use assets	49	50	53	56	50	52	58	58	58
Other long-term assets	211	234	370	362	433	450	432	372	408
<b>Non-current assets</b>	<b>3,250</b>	<b>3,379</b>	<b>3,637</b>	<b>3,828</b>	<b>4,217</b>	<b>4,358</b>	<b>4,505</b>	<b>4,554</b>	<b>4,755</b>
Inventories	570	265	274	315	275	230	238	293	384
Accounts receivable	424	307	205	226	266	238	210	229	252
Other current assets	333	209	208	195	171	153	138	174	174
Cash and cash equivalents	694	768	726	453	205	347	276	210	93
Short-term deposits	0	0	0	51	110	3	0	0	0
<b>Current assets</b>	<b>2,022</b>	<b>1,549</b>	<b>1,413</b>	<b>1,240</b>	<b>1,028</b>	<b>970</b>	<b>861</b>	<b>905</b>	<b>902</b>
<b>Total assets</b>	<b>5,272</b>	<b>4,928</b>	<b>5,050</b>	<b>5,068</b>	<b>5,244</b>	<b>5,328</b>	<b>5,366</b>	<b>5,459</b>	<b>5,657</b>
Shareholders' equity	2,126	2,060	2,084	2,101	2,263	2,321	2,370	2,372	2,389
Non-controlling interests	0	0	0	0	0	0	0	0	0
<b>Equity</b>	<b>2,126</b>	<b>2,060</b>	<b>2,084</b>	<b>2,101</b>	<b>2,263</b>	<b>2,321</b>	<b>2,370</b>	<b>2,372</b>	<b>2,389</b>
Deferred tax liability	55	61	65	66	87	90	85	80	80
Provisions	18	29	42	56	61	63	65	63	63
Long-term interest bearing debt	1,423	1,433	1,515	1,515	1,521	1,519	1,560	1,550	1,663
Long-term lease liabilities	45	46	49	49	42	44	50	51	51
Other long-term liabilities	523	538	546	555	608	606	611	614	619
<b>Non-current liabilities</b>	<b>2,064</b>	<b>2,107</b>	<b>2,217</b>	<b>2,241</b>	<b>2,320</b>	<b>2,322</b>	<b>2,370</b>	<b>2,358</b>	<b>2,476</b>
Current interest bearing debt	209	49	125	48	65	69	73	54	120
Short-term lease liabilities	4	4	3	6	5	5	4	4	4
Accounts payable	177	42	43	129	177	175	162	199	196
Other current liabilities	692	667	578	543	414	436	387	473	473
<b>Current liabilities</b>	<b>1,082</b>	<b>761</b>	<b>750</b>	<b>726</b>	<b>661</b>	<b>684</b>	<b>626</b>	<b>729</b>	<b>793</b>
<b>Total equity and liabilities</b>	<b>5,272</b>	<b>4,928</b>	<b>5,050</b>	<b>5,068</b>	<b>5,244</b>	<b>5,328</b>	<b>5,366</b>	<b>5,459</b>	<b>5,657</b>

Cash flow (EURm)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Operating profit (EBIT)	163	157	8	69	118	148	60	57	85
Depreciation & amortisation (+)	35	38	36	39	41	41	45	47	48
Other items	-18	-58	-4	-4	112	1	9	0	-5
Paid taxes	-5	-6	-57	-9	-10	-11	-38	43	-11
Change in working capital	531	235	164	-58	-11	75	62	-22	-117
<b>Cash flow from operating activities</b>	<b>706</b>	<b>365</b>	<b>147</b>	<b>37</b>	<b>250</b>	<b>254</b>	<b>138</b>	<b>124</b>	<b>1</b>
Acquis. of prop., plant & equip. and intang. a	-135	-122	-205	-185	-326	-212	-191	-158	-213
Proceeds from sale of assets	2	0	2	0	2	1	0	0	0
Interest received	0	0	4	4	2	1	4	1	1
Other items	-2	-8	1	-116	-134	111	1	1	0
<b>Cash flow from investment activities</b>	<b>-135</b>	<b>-130</b>	<b>-198</b>	<b>-297</b>	<b>-457</b>	<b>-99</b>	<b>-186</b>	<b>-156</b>	<b>-212</b>
<b>Free cash flow</b>	<b>571</b>	<b>235</b>	<b>-51</b>	<b>-259</b>	<b>-206</b>	<b>155</b>	<b>-48</b>	<b>-33</b>	<b>-210</b>
Change in interest bearing debt	-117	-155	82	7	11	-10	50	-13	179
Share issues / buy-backs	0	0	0	0	0	7	0	0	0
Dividends paid	-45	0	-60	0	-47	0	-47	0	-48
Interest paid	-4	-4	-11	-17	-7	-9	-12	-19	-11
Lease payments	-1	-2	-2	-1	-2	-2	-2	-2	-2
Other items	0	0	-1	-3	2	0	-14	0	-25
<b>Cash flow from financing activities</b>	<b>-168</b>	<b>-161</b>	<b>8</b>	<b>-14</b>	<b>-42</b>	<b>-14</b>	<b>-23</b>	<b>-33</b>	<b>94</b>
<b>Change in cash</b>	<b>403</b>	<b>74</b>	<b>-42</b>	<b>-273</b>	<b>-248</b>	<b>142</b>	<b>-71</b>	<b>-66</b>	<b>-117</b>

## Quarterly Segmental and Operating Data

Revenues per segment (EURm)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Green Capacities (adj.)*	129	100	64	74	105	114	87	84	110
Networks (adj.)	223	122	106	198	167	206	161	165	227
Reserve Capacities (adj.)	72	15	47	25	43	45	19	33	36
Customers & Solutions (adj.)	918	680	335	276	442	338	216	286	284
Other and Eliminations (adj.)	-77	-33	-51	-28	-50	-57	-42	-35	-37
<b>Total adjusted</b>	<b>1,265</b>	<b>883</b>	<b>501</b>	<b>545</b>	<b>708</b>	<b>646</b>	<b>442</b>	<b>533</b>	<b>620</b>
Adjustments	94	45	-59	17	20	7	0	-2	-2
<b>Total reported</b>	<b>1,359</b>	<b>928</b>	<b>442</b>	<b>561</b>	<b>727</b>	<b>654</b>	<b>442</b>	<b>530</b>	<b>618</b>

EBITDA per segment (EURm)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Green Capacities (adj.)*	67	70	39	45	68	77	57	47	67
Networks (adj.)	48	49	40	40	51	66	50	50	57
Reserve Capacities (adj.)	17	29	4	6	12	20	5	12	6
Customers & Solutions (adj.)	-20	1	21	-1	9	17	-6	-1	7
Other and Eliminations (adj.)	1	2	0	1	-1	2	1	0	-1
<b>Total adjusted</b>	<b>112</b>	<b>150</b>	<b>104</b>	<b>92</b>	<b>139</b>	<b>182</b>	<b>108</b>	<b>108</b>	<b>136</b>
Adjustments	94	45	-59	17	20	7	0	-2	-2
<b>Total reported</b>	<b>206</b>	<b>195</b>	<b>45</b>	<b>108</b>	<b>159</b>	<b>189</b>	<b>108</b>	<b>105</b>	<b>134</b>

Green Capacities, key metrics	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
<b>Installed electricity capacity (period end), MW:</b>									
Onshore wind	170	170	170	233	233	283	283	305	283
Offshore wind	0	0	0	0	0	0	0	0	0
Solar	0	0	0	0	0	0	0	0	52
Hydro	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001
<i>Pumped-storage</i>	900	900	900	900	900	900	900	900	900
<i>Run-of-river</i>	101	101	101	101	101	101	101	101	101
Waste	44	44	44	44	44	44	44	44	44
Biomass	0	0	0	0	50	50	70	117	73
<b>Total installed electricity capacity</b>	<b>1,215</b>	<b>1,215</b>	<b>1,215</b>	<b>1,278</b>	<b>1,328</b>	<b>1,378</b>	<b>1,398</b>	<b>1,467</b>	<b>1,453</b>

Electricity generated (100% basis), TWh:	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Onshore wind	0.13	0.16	0.10	0.11	0.21	0.24	0.14	0.14	0.25
Offshore wind	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Solar	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.00
Hydro	0.22	0.28	0.20	0.17	0.21	0.26	0.23	0.21	0.25
<i>Pumped-storage</i>	0.15	0.13	0.08	0.13	0.14	0.11	0.13	0.16	0.18
<i>Run-of-river</i>	0.07	0.15	0.10	0.05	0.07	0.16	0.09	0.05	0.07
Waste	0.07	0.08	0.07	0.05	0.07	0.07	0.08	0.06	0.07
Biomass	0.00	0.00	0.00	0.00	0.01	0.04	0.06	0.04	0.09
<b>Total electricity generated</b>	<b>0.42</b>	<b>0.52</b>	<b>0.36</b>	<b>0.36</b>	<b>0.50</b>	<b>0.61</b>	<b>0.51</b>	<b>0.47</b>	<b>0.67</b>

Electricity market price, EUR/MWh:	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Lithuania	226.7	102.2	81.3	101.2	87.0	89.7	96.2	95.3	90.7
Latvia	226.5	100.4	80.9	101.2	93.9	86.7	86.7	96.3	90.7
Estonia	218.9	99.9	74.5	95.8	93.9	90.0	75.8	96.0	86.7
Poland	159.6	129.9	115.3	110.9	91.3	81.3	90.0	101.3	42.0

Avg. realised el. price, EUR/MWh (ex. Kruonis)	na	na	na	na	85.4	90.7	89.0	69.0	114.9
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Heat	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Installed heat capacity (period end), MW	180	180	180	180	329	329	329	349	349
Heat generated, TWh	0.25	0.28	0.20	0.20	0.40	0.46	0.37	0.24	0.49

Networks, key metrics	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
RAB (Regulated Asset Base), EURm, annual	1,345	1,429	1,429	1,429	1,429	1,584	1,584	1,584	1,584
WACC (regulatory), combined el. and gas, annu	4.13%	4.14%	4.14%	4.14%	4.14%	5.08%	5.08%	5.08%	5.08%

Reserve Capacities, key metrics	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Installed electricity capacity (period end), MW	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055
Electricity generated, TWh	0.14	0.03	0.05	0.07	0.16	0.15	0.05	0.11	0.14

Customers & Solutions, key metrics	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24E
Electricity sales (retail), TWh	1.88	1.84	1.54	1.63	1.82	1.77	1.49	1.59	2.00
Natural gas sales (retail and wholesale), TWh	3.84	3.85	1.44	1.34	2.65	2.84	1.27	1.83	1.90

## Ratios & Share Data

Share data	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Number of shares, weighted average (m)	54.3	54.3	59.0	74.3	72.6	72.4	72.4	72.4	72.4	72.4
Share price, period end (EUR)	na	na	20.85	21.00	19.02	18.84	19.58	22.05	22.05	22.05
Market capitalisation, period end (EURm)	na	na	1,549	1,560	1,377	1,364	1,417	1,596	1,596	1,596
Enterprise value (EURm)	na	na	2,151	2,517	2,364	2,681	3,162	3,741	4,223	4,795

Valuation	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
EV/Sales	na	na	1.8	1.3	0.5	1.1	1.4	1.5	1.6	1.7
EV/EBITDA	na	na	6.4	7.3	4.4	5.3	6.0	6.7	7.4	7.2
EV/EBIT	na	na	10.0	13.1	6.1	7.6	9.0	11.1	13.5	14.0
P/E	na	na	7.3	9.7	4.7	4.3	5.1	6.5	7.4	7.5
P/B	na	na	0.85	0.84	0.65	0.60	0.59	0.63	0.60	0.58
Dividend yield	na	na	6.5%	5.7%	6.6%	6.8%	6.8%	6.2%	6.4%	6.6%

Balance sheet	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Net Debt (incl. lease liabilities)	736	967	600	957	987	1,318	1,745	2,145	2,627	3,199
Net Debt / EBITDA LTM	4.97	4.78	1.79	2.79	1.83	2.60	3.28	3.82	4.63	4.84
Net Debt / adj. EBITDA LTM	3.33	3.72	2.44	2.88	2.10	2.72	3.27	3.77	4.55	4.79
FFO* LTM / Net Debt	17.8%	19.6%	51.5%	31.3%	49.1%	29.6%	27.0%	21.9%	17.7%	16.5%
Equity / Assets	46%	42%	46%	44%	40%	43%	42%	41%	38%	36%

Growth (YoY)	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Revenue	-3%	2%	12%	55%	131%	-42%	-12%	12%	6%	5%
EBITDA	-34%	37%	65%	3%	57%	-6%	5%	6%	1%	17%
EBIT	nm	nm	159%	-11%	102%	-9%	-1%	-4%	-7%	9%
Net profit to shareholders	nm	nm	201%	-6%	83%	9%	-13%	-12%	-12%	0%
EPS	nm	nm	173%	-24%	88%	9%	-13%	-12%	-12%	0%

Margins	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
EBITDA	14%	19%	27%	18%	12%	20%	24%	22%	21%	24%
EBIT	-2%	8%	18%	10%	9%	14%	16%	13%	12%	12%
Net profit to shareholders	-2%	5%	14%	8%	7%	13%	12%	10%	8%	8%

Profitability	2018	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E
ROE	-1.8%	4.4%	10.9%	8.7%	14.7%	14.6%	12.0%	9.9%	8.3%	7.9%
ROCE**	-1.1%	3.8%	9.1%	7.4%	13.1%	10.5%	9.1%	7.6%	6.3%	6.1%
ROCE** a dj.	2.8%	6.2%	5.4%	7.9%	10.7%	9.8%	9.1%	7.8%	6.5%	6.2%

\* FFO (Funds From Operations) = EBITDA + interest received - interest paid - income tax paid

\*\* Based on Ignitis' definition: ROCE = EBIT / (avg equity + avg net debt)

## Valuation, risks and sources

### Target price and valuation

Valuation range history for Ignitis Group during the previous 12 months:

Date	Valuation range (EUR/share)
19/02/2025	EUR 25–39
19/11/2025	EUR 25–39
07/11/2024	EUR 24–37
21/08/2024	EUR 24–37
07/08/2024	EUR 24–37
28/05/2024	EUR 22–36
13/05/2024	EUR 21–36
03/04/2024	EUR 21–36

### Valuation

We base our valuation of Ignitis Group on a Discounted Cash Flow (DCF) model and Dividend Discount Model.

### Sources

The sources used in the preparation of this report were: Ignitis Group, Enefit, ESO, Litgrid Nord Pool, Nasdaq, Baltpool, Bloomberg.

### Risks

- **Electricity price.** Prices could fluctuate greatly depending on the macroeconomic environment, prices for energy sources used in production of electricity like nat. gas, prices in neighbouring countries (Sweden, Finland, Poland, Estonia, Latvia), cross border capacities, weather conditions – temperatures, wind flow, hydrological situation. Ignitis Group’s exposure to fluctuations in electricity prices for its supply business is generally the opposite to that for its generation business – for the supply business, decreases in the market price for electricity generally have a positive effect on the results, though the effect is limited by the low-margin profile of the supply business. Persistently low market price of electricity could also put the renewable energy growth plans at risk due to negative effect on project IRRs, particularly for the high-cost large offshore wind projects.
- **Regulatory risk.** Ignitis Group is subject to regulations in Lithuania, particularly the Networks segment which is 100% regulated and generates a significant portion of Ignitis Group’s EBITDA. Particularly, Ignitis Group’s financial performance could be adversely affected by lowering of the allowed rate of return (WACC) for the distribution business set by the regulator annually, or changes in the RAB calculation through lower approved investments, leading to lower RAB than expected, which would eventually negatively affect EBITDA.
- **Renewable growth risk.** Ignitis Group plans a significant expansion of the renewable energy generation capacity in the coming years. This is associated with risks of project delays and/or unforeseen increases in the capital expenditures required.
- **State’ majority ownership risk.** The Republic of Lithuania, which is a majority shareholder of Ignitis Group with a 75% stake, might have a great influence over the management of the company and may pursue decisions that reflect the Government policy, and its interests may differ from or conflict with those of other shareholders.

- **Risk related to the reimbursement of excessive investment return for 2018-2021.** Although Ignitis Group has found an agreement with the regulator to reimburse the outstanding EUR 157.7m to the clients over 2024-2031, which is faster than according to the initial agreement, there may be pressure from the Lithuanian politicians to return the amount even faster, which may put dividend offering at risk.
- **Growth in prosumers.** Growing number of electricity prosumers (individuals who both consume and produce), related to high energy prices and government's support schemes for solar parks, may reduce the demand for electricity generated by Ignitis Group. The share of prosumers and producers in the total number of distribution customers at the end of 2023 was relatively low at 3.3%, but the growth rate is substantial with a near-doubling over 2023.
- **Risk of higher corporate taxes.** Corporate profit tax rate is relatively low in Lithuania at 15%. Due to the need to raise military spending in relation to increased geopolitical risks, also due to insufficient funding of the state sector in general, associated with relatively low state budget compared to GDP, an increase in corporate profit tax rate may be considered by the ruling political parties.
- **Geopolitical risk.** Russia presents military threat to all neighbouring countries in Europe, including Lithuania. A factor significantly limiting this threat to Lithuania is that it belongs to the NATO military alliance with a clause of collective defence.

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