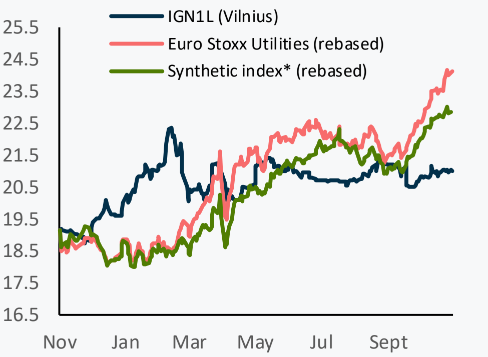
Ignitis Group

Key share data	
Sector	Integrated Utilities
Ticker - Nasdaq Vilnius	IGN1L
Ticker - London Stock Exchange	IGN
Market Cap (EURm)	1,520
Net Debt (EURm)	1,610
EV (EURm)	3,130
Net debt / Equity	65%
Issued shares, m	72.4

Share price, last 12m



** Based on selected peers of Integrated (#12), Networks (#8) and Renewables (#10). See p. 9 for list of peers*

Performance	1m	3m	12m
IGN1L	1.9%	1.7%	9.6%
Euro Stoxx Utilities	6.8%	9.7%	25.7%

Upcoming events	
3Q25 report	November 12, 2025

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

Analysts

Evelina Sarul
(+370) 645 36 771
evelina.sarul@norne.no

Žilvinas Jusaitis, CFA
(+370) 606 88 919
zilvinas.jusaitis@norne.no

Building velocity toward strategic targets

Ignitis Group will report its 3Q25 results next Wednesday, November 12th. We expect similar trends to persist from previous quarter: Green Capacities should be the key EBITDA driver alongside mostly RAB-based growth in Networks, while Customers & Solutions segment as noted by the CFO is likely to remain rather weak due to loss from net-metering scheme and less favourable margins.

Main catalyst: improved Networks segment

We project 3Q adj. EBITDA to fall to EUR 104.5m or around -2% on YoY basis which compares to 4% growth in 2Q25. We see Networks result still materially contributing to adj. EBITDA growth this quarter by rising 15% YoY (+17% in 2Q25) underpinned by an increase in both RAB and WACC.

On the negative side, we believe the trends shown in 2Q25 should continue in Customers & Solutions segment as well as indicated by the CFO during the 2Q earnings call: the result is likely to be pressured by less favorable margins and prosumers operating under the current net-metering scheme. As usual, projecting Reserved capacities ability to earn excess return is always difficult, but we expect slightly better result YoY. Compared to consensus, our adj. EBITDA does not deviate much from the consensus across the board.

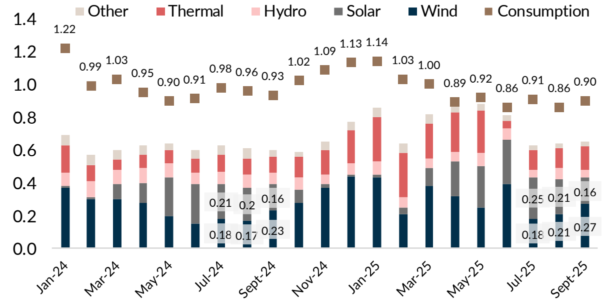
3Q/25 results EURm	3Q/24	2Q/25	3Q/25e Norne	3Q/25e Consensus*
Revenues	**528.8**	**525.2**	**490.7**	**510.0**
Adjusted EBITDA	**107.1**	**112.3**	**104.5**	**103.0**
Green Capacities	*46.4*	*57.3*	*45.3*	45.0
Networks	*49.9*	*58.5*	*57.5*	58.0
Reserve Capacities	*11.5*	*11.7*	*12.7*	12.0
Customers & Solutions	*-0.7*	*-13.5*	*-11.1*	-12.0
Other activities and eliminations	*0.1*	*-1.7*	*0.0*	-
Adjusted EBIT	**60.9**	**60.1**	**48.2**	**43.0**
Net profit to shareholders	**45.6**	**27.5**	**18.6**	**13.0**
EPS (EUR)	**0.63**	**0.38**	**0.26**	**0.39**
Investments	107.2	112.3	105.4	-
Electricity Generated (net) TWh	0.58	1.04	0.76	-

**Consensus collected by Ignitis Group*

Solid wind production

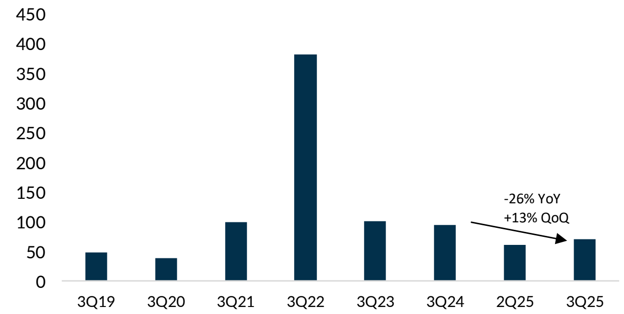
Wind production in Lithuania in 3Q amounted to 0.67 TWh vs 0.58 TWh in 3Q24, which represents 16% growth YoY, partly due to new assets launches in Lithuania. Solar production increased around 8% YoY in 3Q25. However, electricity prices continued to edge lower and were 26% lower in 3Q YoY (+13% QoQ).

Lithuania: Total generation and consumption, TWh



Source: Litgrid

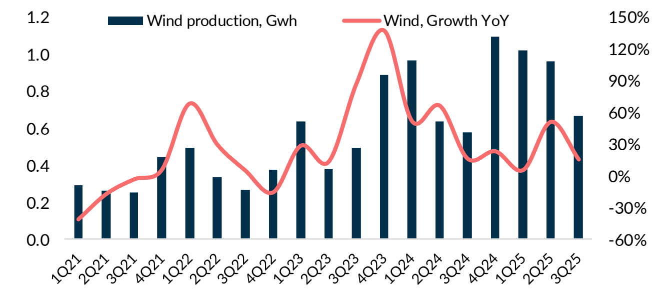
Electricity market price in Lithuania (EUR/MWh) (Nord Pool)



Source: Nordpool

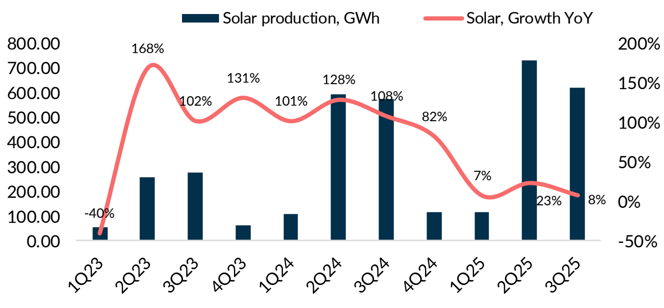
As for total electricity consumption, it was ~7% lower in 3Q25 and 4% lower in September due to milder weather conditions.

Lithuania: Wind production, TWh, seasonally adjusted



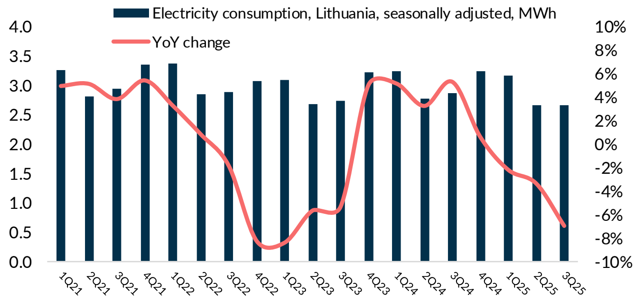
Source: Litgrid

Lithuania: Solar production, GWh, seasonally adjusted



Source: Litgrid

Electricity consumption, Lithuania, seasonally adjusted, TWh



Source: Litgrid

Update on projects

It was communicated that on October 22nd EUR 318m financing was obtained for Kelmė wind farm two-stages projects which has a combined installed capacity of 313.7 MW. The Loan Agreement was concluded between the subsidiaries of Ignitis Renewables UAB Vėjas LT, UAB Windlit and a group of creditors consisting of the EIB, Swedbank, the EBRD, and the Nordic Investment Bank. Over the 3Q Ignitis Group also informed that Stelpe SF I and Stelpe SF II reached COD (commercial operation date) with a combined installed capacity of 145 MW, as well and Silesia wind park II (136.8 MW installed capacity).

Estimates changes

Our original estimates were maintained without major adjustments: we slightly lifted 3Q Green Capacities segment estimates on the back of better-than-expected electricity prices which outweighed weaker wind production. As for Customers & Solutions segment, we slightly lowered estimates on the conservative side. As for long-term estimates, we have not made any significant changes.

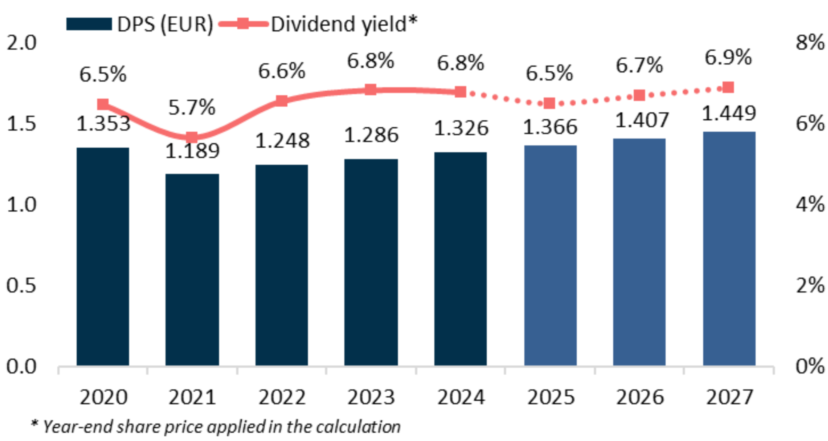
Estimate changes (EURm)

	3Q25E		2025E		2026E	
Item	**New**	**Old**	**New**	**Old**	**New**	**Old**
Adjusted Revenues	**510**	**467**	**2,581**	**2,506**	**2,569**	**2,569**
Adjusted EBITDA	**104**	**98**	**563**	**552**	**551**	**551**
Green Capacities	45	39	305	294	283	283
Networks	57	57	257	257	261	261
Reserve Capacities	13	13	52	52	35	35
Customers & Solutions	-11	-11	-49	-49	-26	-26
Other activities and eliminations	0	0	-2	-2	-2	-2
Net profit to shareholders	**19**	**13**	**194**	**184**	**179**	**179**
EPS (EUR)	**0.26**	**0.18**	**2.68**	**2.55**	**2.48**	**2.48**
Investments	**171**	**171**	**696**	**696**	**997**	**997**

A compelling portfolio of green capabilities, consistent delivery on strategic goals, and a robust dividend yield

With no major changes in estimates and news wise, Ignitis Group's investment case remains unchanged and attractive, while the share price has been rather muted since our last update. A key driver of both short- and long-term value is the company's proven ability to consistently meet ambitious Green Capacities targets, reinforcing investor confidence in management's credibility and long-term strategic execution. Dividend yield of 6-7% is also likely to limit any downside in the share with the growing installed capacity portfolio.

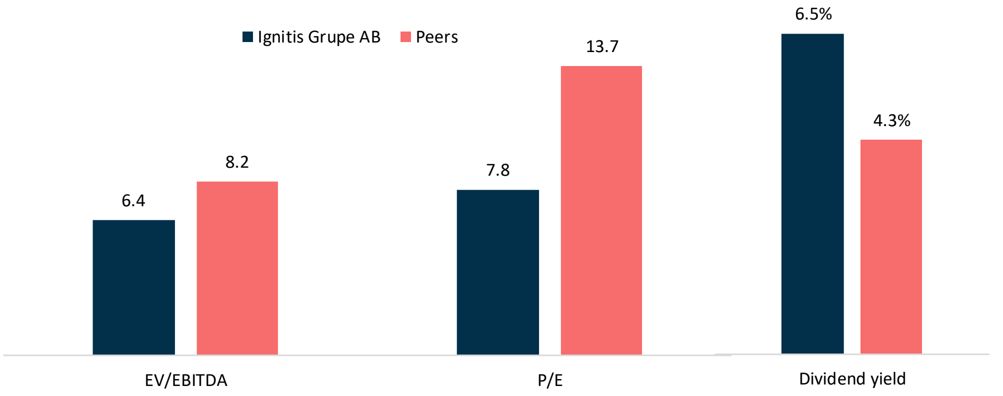
Dividends per share (DPS) and yield



Source: Ignitis Group, Norne Securities for estimates

Needless to say, Ignitis Group's share remains discounted relative to European integrated utilities peer medians. According to our estimates, the company's 2025 EV/EBITDA is 22% lower than the peer median, while its P/E discount is even larger at 43%, both broadly unchanged since our last update. At the same time, Ignitis Group's dividend yield for 2025 stands at 6.5% —notably higher than the peer median of 4.3%. However, this premium can largely be attributed to Ignitis Group's presence in a frontier market, where trading volumes are significantly lower than those of its integrated utilities peers.

Valuation multiples comparison vs European peers for 2025e

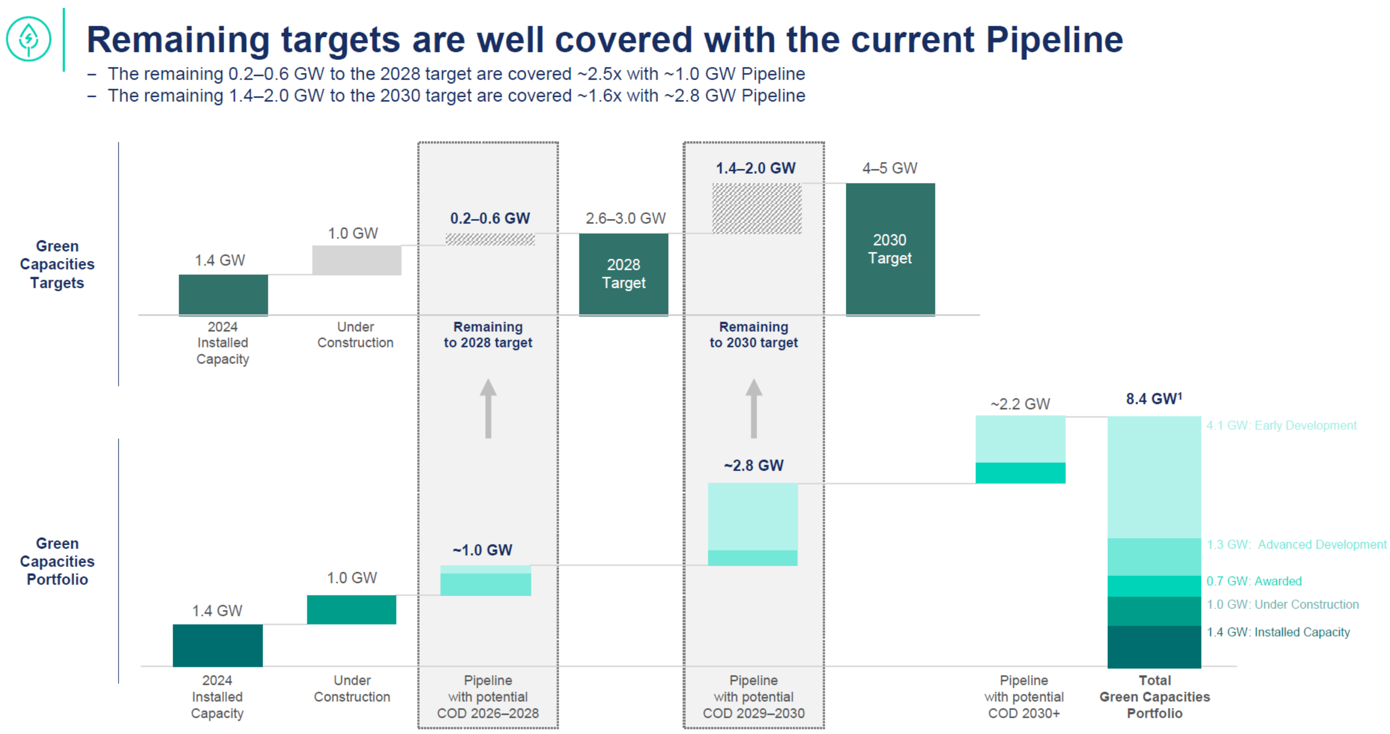


** For peers list, see the information in the next pages*

Investment Case of Ignitis Group

Potential upside of the investment case

- Our terminal electricity price of EUR 65/MWh is rather conservative compared to market futures of EUR 80-90/MWh. Higher than expected electricity prices would lead to significantly stronger than expected results.
- Improving geopolitical landscape with prospects of ending war in Ukraine would improve confidence in CEE region and might also imply narrowing discount relative to European/CEE peers.
- Ignitis Group aims to increase its installed renewable energy capacity from 2.1 GW (incl. Stelpe solar farm II) currently to 2.6–3.0 GW by 2028, and further to 4–5 GW by 2030. The 2030 target appears realistic, given it is largely supported by the existing combined portfolio of 8.4 GW. Meeting these objectives is likely to drive share price growth, fuelled by an anticipated boost in operational and financial performance.
- 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. However, the company so far managed to deliver on its Capex guiding.
- Large-scale renewables expansion carries execution risk; projects that are not completed successfully or are delayed could lead to value destruction
- 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 further increases in Lithuania (it was increased last year from 15% to 16%, but will further rise to 17% from 2026 January 1st) could erode earnings, as the need for higher military spending and other budgetary pressures may prompt lawmakers to consider raising corporate taxes onwards.

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 35.8/sh (prev. EUR 35.8/sh) per share for Ignitis Group.

DCF model

Proportionate basis EURm	3Q-4Q 2025e	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e (normalised year)
Electricity market price Lithuania, EUR/MWh	*87*	*85*	*80*	*80*	*79*	*78*	*77*	*76*	*74*	*73*	*65*
Electricity production (proportionate), TWh	*2.92*	*4.01*	*5.87*	*6.11*	*6.61*	*7.58*	*8.01*	*8.00*	*7.98*	*7.95*	*9.89*
Revenues	1,199	2,526	2,648	2,596	2,698	2,703	2,722	2,682	2,662	2,644	2,590
EBIT	**103**	**265**	**333**	**339**	**368**	**392**	**408**	**367**	**352**	**339**	**336**
Tax on EBIT	-17	-44	-56	-57	-62	-65	-68	-61	-59	-57	-57
Income tax rate	*16.5%*	*16.5%*	*16.8%*	*16.8%*	*16.8%*	*16.7%*	*16.7%*	*16.7%*	*16.7%*	*16.7%*	*16.9%*
EBIT less tax	**86**	**222**	**277**	**282**	**306**	**326**	**340**	**306**	**293**	**282**	**279**
Depreciation & amortization (+)	111	243	319	332	350	362	368	370	367	364	373
Investments	-337	-873	-788	-763	-560	-363	-369	-568	-1,007	-528	-373
Change in working capital	54	35	25	3	-13	-49	-12	2	-1	-1	0
Free Cash Flow to the Firm	**-85**	**-374**	**-166**	**-146**	**82**	**276**	**327**	**109**	**-348**	**117**	**279**
NPV of FCFF	**-83**	**-355**	**-149**	**-125**	**67**	**211**	**237**	**75**	**-227**	**72**	**164**

WACC	
Debt ratio	55%
Cost of debt (after tax)	3.4%
Risk free rate*	3.5%
Beta	0.75
Market risk premium	6.0%
Cost of equity	8.0%
WACC	**5.5%**

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

Assumptions	
L.t. growth	2.0%
Shares, m	72.4

Valuation	
Net debt (-)/cash (+)	-1,593
NPV cash flow:	
Explicit period	-113
Terminal value	4,346
Total NPV cash flow	4,185
Equity value	2,592
Value per share, EUR	**35.8**

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.

WACC \ L.t. growth	1.0%	1.5%	2.0%	2.5%	3.0%
4.0%	56.7	72.4	95.3	132.2	201.1
4.5%	41.9	52.8	67.7	89.5	124.7
5.5%	22.4	28.3	**35.8**	45.7	59.4
6.0%	15.6	20.1	25.7	32.9	42.3
6.5%	10.0	13.6	17.9	23.2	30.1
7.0%	5.5	8.3	11.7	15.8	20.9
7.5%	1.6	3.9	6.6	9.9	13.8

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.	19.7	27.7	**35.8**	43.9	51.9

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 24.9/sh, which is around 19% higher than the last closing price. The High-case scenario, assuming electricity price of 70 EUR/MWh, yields fair value of EUR 39.0/sh. The Base-case fair value is indicated at EUR 32.2/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	**24.9**
Base Case	65	**32.2**
High Case	70	**39.0**

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 27.0/sh.

DDM (Dividend Discount Model)	
Dividend next 12m, EUR/sh.	1.346
Cost of equity	8.0%
Growth of dividends	3.0%
Fair value of stock, EUR	**27.0**

Portfolio overview

Wind & Solar plants	Energy source	Country	Ignitis Group ownership share, %	COD[1]/Expected COD	Capacity, MW	Electricity generation, annual avg, GWh	Load factor[4]	Proportion of secured revenue	OPEX, last 12m or expected, kEur/MW	Construction Capex, EURm
Total operating wind and solar farms					**994.8**	**794.0**	**30%**	**79%**		
Vėjo gūsis (Liepynė)	Onshore Wind	Lithuania	100%	2010	9.1	22	28%	100%	50	-
Vėjo gūsis (Kreivėnai)	Onshore Wind	Lithuania	100%	2010	10.0	24	27%	70%		
Vėjo Vatas	Onshore Wind	Lithuania	100%	2011	14.9	33	25%	73%	49	-
Tuuleenergia	Onshore Wind	Estonia	100%	2013-2014	18.3	46	29%	70%	87	-
Eurakras	Onshore Wind	Lithuania	100%	2016	24.0	70	34%	72%	54	-
Pomerania	Onshore Wind	Poland	100%	2021-4Q	93.9	279	33%	100%	49	128
Mažeikiai	Onshore Wind	Lithuania	100%	2023	63.0	186	31%	65%	37	82
Silesia I	Onshore Wind	Poland	100%	Q1 2024	50.0	110	25%	100%	28-32	75
Tauragės solar project I	Solar farm	Lithuania	100%	2024	22.1	24	12%	0%	12-17	16
Kelmė WF I	Onshore Wind	Lithuania	100%	2025	114.1	-	-	65%	-	~190
Kelmė WF II	Onshore Wind	Lithuania	100%	2025	199.6	-	-	65%	-	~360
Varme SF	Solar farm	Latvia	100%	2025	94.0	-	-	50%	-	66
Silesia II	Onshore Wind	Poland	100%	2H25	136.8	-	-	100%	-	~240
Stelpe SF	Solar farm	Latvia	100%	2H2025	145.0	-	-	50%	-	112
Total wind and solar farms under construction					**197.6**			**76%**		
Polish solar portfolio	Solar farm	Poland	100%	1H25	24.0	-	-	100%	-	19
Tume SF	Solar farm	Latvia	100%	2026	173.6	-	-	51%	-	106

[1] *COD – Commercial operation date.*

Source: Ignitis Group

Hydro plants	Country	Ownership	COD	Major overhaul / lifetime extension	Capacity, MW	Electricity generation, annual avg 2022-2023, GWh	Load factor	Revenue model[2]	Proportion of secured revenue	Investment EURm
Operating										
Kruonis PSHP (pumped-storage)	Lithuania	100%	1992-1998	-	900	529	7%	Merchant	0%	-
Kaunas HPP	Lithuania	100%	1959	2010	101	365	41%	PPA	75%	-
Under construction										
Kruonis PSHP expansion	Lithuania	100%	2026		110	-	-	Merchant	0%	~150

Source: Ignitis Group

	Energy source	Country	Ownership	COD	Electricity capacity, MW	Heat capacity, MW	Electricity generation, annual avg or expected, GWh	Heat generation, annual avg or expected, GWh	Waste incineration amount, annual avg, thous. t.	Biofuel volumes, GWh	Revenue model	Proportion of secured revenue	COGS and OpEx, annual avg, EURm
Operating													
Kaunas CHP	Waste	Lithuania	51%	Q3 2020	24	70	154	379	198	-	PPA	83%	16.7
Vilnius CHP waste unit	Waste	Lithuania	100%	Q1 2021	20	70	109	424	169	-	PPA	91%	29.5
Vilnius CHP biomass unit	Biomass	Lithuania	100%	Q1 2024	71	170	279	827	-	430	PPA	91%	29.5
Elektrėnai biomass boiler	Biomass	Lithuania	100%	2015	-	40	-	91	-	-	Merchant	0%	-

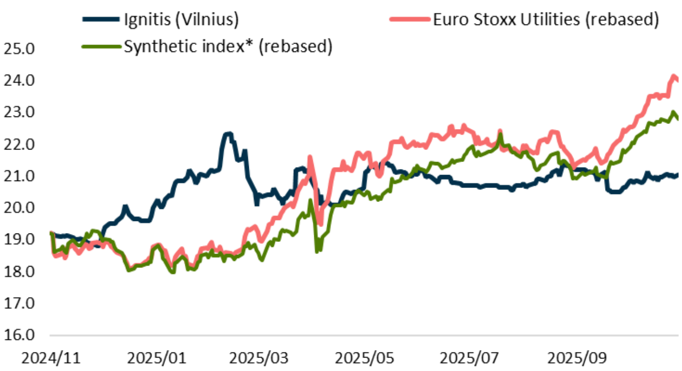
Source: Ignitis Group

Peer comparison

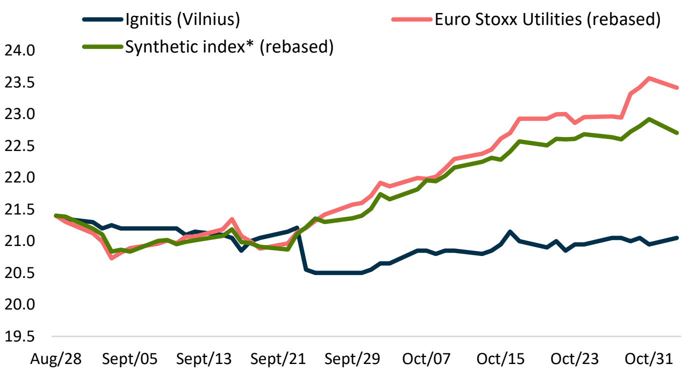
Company	Source	Mcap	EV	EV/EBITDA			EV/EBIT			P/E			Dividend yield		
		(EURm)	(EURm)	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e	2025e	2026e	2027e
Ignitis Grupe AB	**Norne**	**1,520**	**3,130**	**6.4**	**6.1**	**4.8**	**11.5**	**11.8**	**9.4**	**7.8**	**8.5**	**7.5**	**6.5%**	**6.7%**	**6.9%**
Integrated															
CEZ AS	Bloomberg	28,552	36,159	6.6	8.0	8.5	10.8	14.6	16.9	23.6	19.1	22.3	3.4%	4.0%	3.4%
EDP SA	Bloomberg	18,117	43,412	9.0	8.8	8.6	14.7	14.5	14.2	14.5	14.6	14.4	4.6%	4.7%	4.8%
Endesa SA	Bloomberg	33,457	44,214	8.0	7.9	7.8	13.3	13.2	13.3	15.9	15.6	15.5	4.4%	4.5%	4.6%
Enel SpA	Bloomberg	90,067	175,036	7.6	7.4	7.2	11.7	11.4	11.1	13.0	12.5	12.1	5.4%	5.6%	5.8%
Engie SA	Bloomberg	50,605	96,010	6.7	6.8	6.6	10.5	10.7	10.3	10.7	11.3	10.9	6.5%	6.4%	6.6%
EVN AG	Bloomberg	4,650	5,991	7.1	6.8	6.4	12.8	12.3	11.6	10.7	10.6	10.6	3.4%	3.4%	3.5%
E.ON SE	Bloomberg	41,667	83,008	8.5	8.6	7.7	13.8	14.3	12.5	13.8	14.7	12.6	3.6%	3.8%	3.9%
Iberdrola SA	Bloomberg	117,656	193,691	11.9	11.5	11.0	18.5	18.1	17.2	18.6	18.2	16.9	3.9%	4.0%	4.3%
Naturgy Energy Group SA	Bloomberg	25,443	41,057	7.7	7.9	7.9	11.4	12.0	12.1	12.4	13.4	13.5	6.5%	6.8%	7.3%
Public Power Corp SA	Bloomberg	5,853	13,145	6.6	5.7	5.0	13.2	10.8	8.8	13.6	9.8	7.5	3.8%	5.0%	6.3%
SSE PLC	Bloomberg	23,960	38,315	9.9	9.9	8.0	13.8	14.3	11.3	12.0	12.2	9.9	3.4%	3.6%	3.9%
Verbund AG	Bloomberg	23,867	26,795	9.4	11.0	11.0	12.0	15.0	15.4	16.0	20.6	21.5	3.1%	2.5%	2.4%
Average		**38,658**	**66,403**	**8.2**	**8.4**	**8.0**	**13.0**	**13.4**	**12.9**	**14.6**	**14.4**	**14.0**	**4.3%**	**4.5%**	**4.7%**
Median		**26,997**	**42,235**	**7.8**	**7.9**	**7.8**	**13.0**	**13.8**	**12.3**	**13.7**	**14.0**	**13.1**	**3.8%**	**4.3%**	**4.4%**
Networks															
Elia Group SA/NV	Bloomberg	11,768	24,132	12.6	10.1	8.2	20.6	16.5	13.3	20.4	17.8	15.5	2.0%	2.0%	2.1%
Enagas SA	Bloomberg	3,625	6,231	9.3	10.0	9.5	17.1	19.2	17.3	13.5	15.5	14.2	7.2%	7.2%	7.2%
Italgas SpA	Bloomberg	9,442	20,906	11.2	9.7	9.1	17.6	15.5	14.3	13.9	12.6	11.4	4.7%	5.3%	5.7%
National Grid PLC	Bloomberg	64,302	112,806	12.8	12.1	10.7	18.7	17.1	14.9	15.8	15.0	13.2	4.1%	4.2%	4.2%
Redeia Corp SA	Bloomberg	8,414	14,810	11.7	11.0	10.5	18.3	17.2	16.4	16.5	15.7	15.2	5.2%	5.3%	5.4%
REN - Redes Energeticas Nacionais SGPS S/	Bloomberg	2,188	4,564	8.9	8.4	8.1	18.5	17.5	17.0	14.8	13.7	13.5	4.9%	5.0%	5.2%
Snam SpA	Bloomberg	18,115	36,321	12.3	11.8	11.1	19.5	18.9	17.8	13.1	13.0	12.5	5.6%	5.8%	6.1%
Terna - Rete Elettrica Nazionale SpA	Bloomberg	17,889	31,910	11.7	11.0	10.2	18.0	17.0	15.7	16.5	16.4	15.8	4.5%	4.5%	4.5%
Average		**16,968**	**31,460**	**11.3**	**10.5**	**9.7**	**18.5**	**17.3**	**15.8**	**15.6**	**15.0**	**13.9**	**4.8%**	**4.9%**	**5.0%**
Median		**10,605**	**22,519**	**11.7**	**10.5**	**9.8**	**18.4**	**17.2**	**16.0**	**15.3**	**15.2**	**13.9**	**4.8%**	**5.1%**	**5.3%**
Renewables															
Acciona Energia SA	Bloomberg	7,970	12,572	8.2	10.6	10.5	13.3	21.1	19.2	13.5	27.3	25.9	2.2%	1.8%	1.7%
Alerion Cleanpower SpA	Bloomberg	1,093	1,718	10.8	9.1	6.6	16.0	13.0	8.7	30.5	19.5	9.6	4.0%	3.5%	4.7%
Enefit Green AS	Bloomberg	na	na	na	na	na	na	na	na	na	na	na	na	na	na
ERG SpA	Bloomberg	3,394	5,730	10.2	9.4	9.3	19.8	17.3	17.1	18.0	15.7	15.7	4.6%	4.7%	4.6%
RWE AG	Bloomberg	31,688	46,179	9.8	8.4	7.1	18.5	15.3	12.6	20.2	17.3	14.3	2.8%	3.0%	3.2%
Scatec ASA	Bloomberg	1,395	3,610	9.5	9.1	6.9	13.5	13.1	9.4	13.5	20.2	12.3	na	0.0%	na
Voltalia SA	Bloomberg	936	3,183	15.0	12.0	10.0	82.5	24.6	18.4	na	100.4	35.5	0.0%	0.0%	na
Ørsted AS	Bloomberg	20,377	33,308	9.8	8.5	7.7	18.5	14.1	13.1	15.1	14.0	13.2	na	3.8%	4.5%
Average		**9,550**	**15,186**	**10.5**	**9.6**	**8.3**	**26.0**	**16.9**	**14.1**	**18.5**	**30.6**	**18.1**	**2.7%**	**2.4%**	**3.7%**
Median		**3,394**	**5,730**	**9.8**	**9.1**	**7.7**	**18.5**	**15.3**	**13.1**	**16.6**	**19.5**	**14.3**	**2.8%**	**3.0%**	**4.5%**

* Consensus

Share price performance vs peers 1Y (rebased)



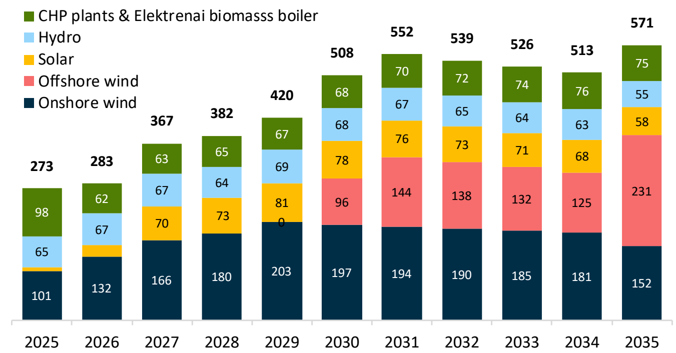
Share price performance vs peers last 3 months (rebased)



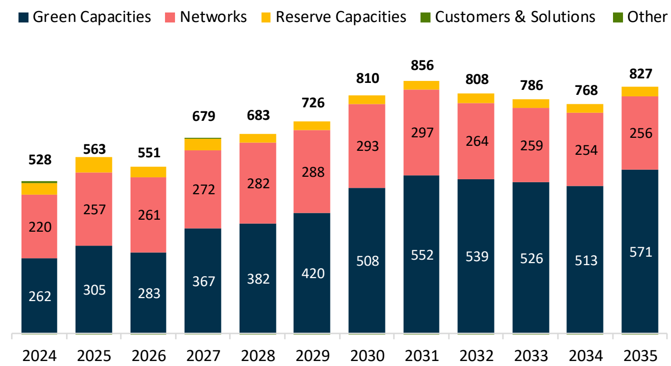
Source: Bloomberg

Key Operating Indicators

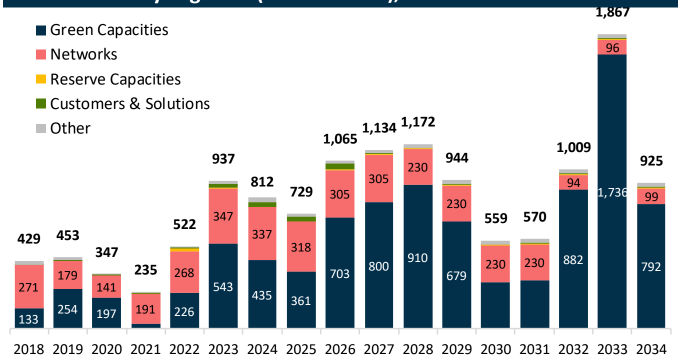
Green Capacities adj. EBITDA (consolidated), EURm



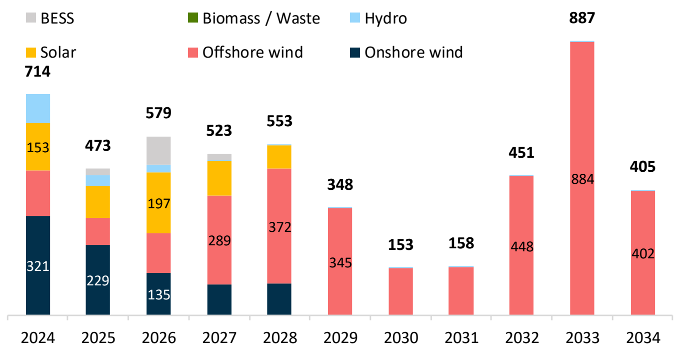
Adj. EBITDA by segment, EURm



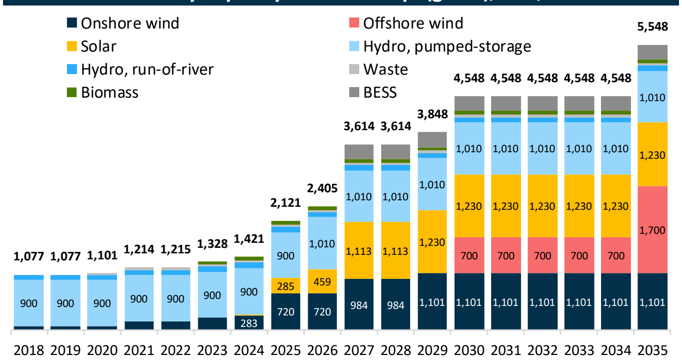
Investments by segment (consolidated), EURm



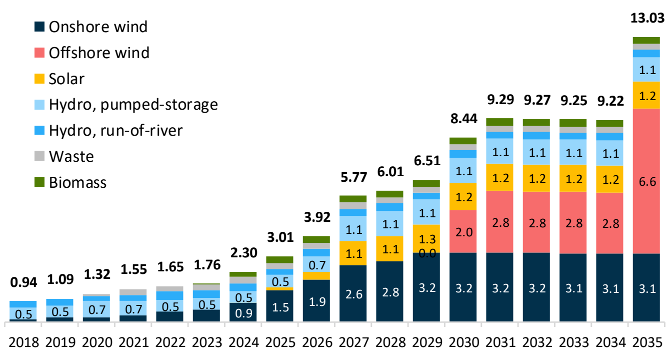
Investments in Green Capacities (proportionate), EURm



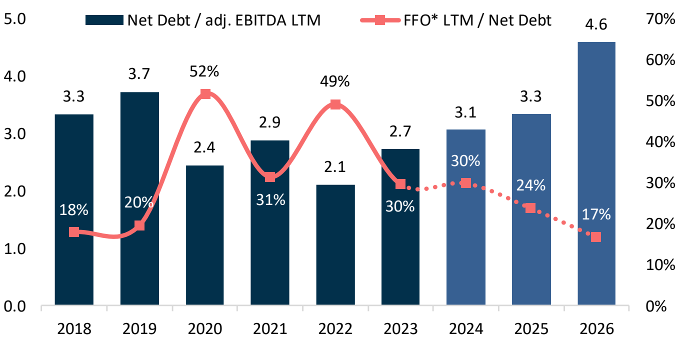
Installed electricity capacity of Green Cap. (gross), GW, EOY



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

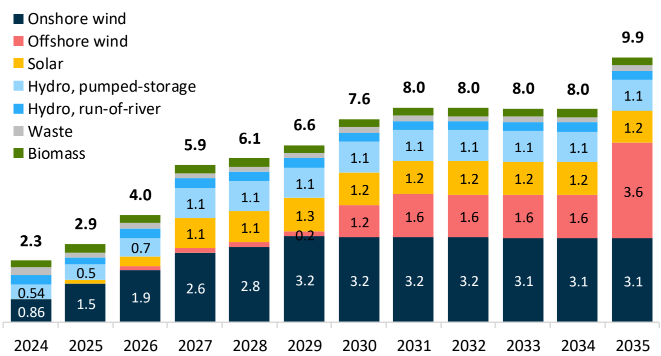


Debt ratios



*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	2024	2025E	2026E	2027E
Revenue from contracts with customers	1,024	1,080	1,215	1,877	4,381	2,542	2,296	2,496	2,520	2,642
Other income	46	9	8	22	6	7	11	8	7	8
Total revenues	**1,070**	**1,089**	**1,223**	**1,899**	**4,387**	**2,549**	**2,307**	**2,504**	**2,527**	**2,649**
Purchases of electricity, nat. gas and other serv.	-795	-729	-706	-1,381	-3,609	-1,758	-1,445	-1,638	-1,634	-1,576
Repair and maintenance expenses	-21	-30	-34	-32	-41	-61	-67	-106	-74	-85
Salaries and related expenses	-80	-87	-93	-97	-116	-137	-163	-155	-203	-225
Other expenses	-26	-42	-56	-46	-82	-86	-100	-116	-106	-111
EBITDA	**148**	**202**	**335**	**343**	**540**	**507**	**533**	**488**	**510**	**653**
Depreciation and amortisation	-88	-110	-113	-123	-138	-153	-178	-212	-240	-317
Write-offs, revaluation and impairments	-81	-9	-6	-28	-14	-2	-4	-4	-4	-4
Operating profit (EBIT)	**-20**	**83**	**215**	**192**	**388**	**352**	**350**	**272**	**266**	**332**
Finance income	2	2	2	18	4	42	23	19	17	9
Finance expenses	-15	-19	-23	-34	-54	-40	-65	-62	-68	-98
Equity earnings	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	**-34**	**66**	**195**	**176**	**337**	**354**	**308**	**229**	**215**	**243**
Taxes	12	-7	-25	-16	-44	-34	-32	-36	-35	-40
Non-controlling interest	0	-2	0	0	0	0	0	0	0	0
Net profit to shareholders of the company	**-22**	**57**	**170**	**160**	**293**	**320**	**276**	**194**	**179**	**202**
EPS (EUR)	-0.41	1.04	2.85	2.16	4.04	4.42	3.82	2.68	2.48	2.79
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	2024	2025E	2026E	2027E
Deferred tax asset	14	12	6	14	31	57	32	34	34	34
Intangible assets	106	143	95	114	148	315	306	306	306	306
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	4,027	4,676	5,433	6,182
Right-of-use assets	0	61	64	58	49	50	78	115	115	115
Other long-term assets	199	207	174	150	211	433	309	136	140	144
Non-current assets	**2,411**	**2,771**	**2,899**	**2,954**	**3,250**	**4,217**	**4,752**	**5,267**	**6,027**	**6,780**
Inventories	43	47	66	186	570	275	248	255	219	182
Accounts receivable	143	118	128	275	424	266	294	278	293	289
Other current assets	129	131	169	395	333	171	178	181	181	181
Cash and cash equivalents	128	132	659	449	694	205	235	388	285	257
Short-term deposits	0	0	0	0	0	110	0	0	0	0
Current assets	**443**	**428**	**1,022**	**1,304**	**2,022**	**1,028**	**954**	**1,102**	**978**	**909**
Total assets	**2,854**	**3,198**	**3,921**	**4,258**	**5,272**	**5,244**	**5,706**	**6,369**	**7,006**	**7,689**
Shareholders' equity	1,255	1,300	1,812	1,856	2,126	2,263	2,437	2,525	2,604	2,703
Non-controlling interests	48	49	1	0	0	0	0	0	0	0
Equity	**1,303**	**1,349**	**1,813**	**1,856**	**2,126**	**2,263**	**2,437**	**2,525**	**2,604**	**2,703**
Deferred tax liability	36	38	46	47	55	87	85	88	88	88
Provisions	35	36	41	30	18	61	101	35	35	35
Long-term interest bearing debt	735	822	1,246	1,118	1,423	1,521	1,712	2,114	2,351	2,946
Long-term lease liabilities	14	34	29	46	45	42	68	93	93	93
Other long-term liabilities	347	421	442	463	523	608	596	619	626	633
Non-current liabilities	**1,169**	**1,350**	**1,804**	**1,705**	**2,064**	**2,320**	**2,561**	**2,949**	**3,193**	**3,795**
Current interest bearing debt	110	234	15	237	209	65	61	49	356	355
Short-term lease liabilities	5	8	13	5	4	5	6	9	9	9
Accounts payable	93	79	52	100	177	177	246	258	266	249
Other current liabilities	175	178	223	355	692	414	396	579	579	579
Current liabilities	**383**	**499**	**304**	**697**	**1,082**	**661**	**709**	**895**	**1,209**	**1,192**
Total equity and liabilities	**2,854**	**3,198**	**3,921**	**4,258**	**5,272**	**5,244**	**5,706**	**6,369**	**7,006**	**7,689**

Cash flow (EURm)	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Operating profit (EBIT)	-20	83	215	192	388	352	350	249	266	332
Depreciation & amortisation (+)	88	110	113	123	138	153	178	212	240	317
Other items	73	18	17	46	91	46	74	99	-3	-3
Paid taxes	-6	-5	-10	-18	-27	-81	-44	-7	-35	-40
Change in working capital	45	-29	-55	-237	-25	329	105	55	28	25
Cash flow from operating activities	**179**	**177**	**281**	**105**	**564**	**800**	**661**	**609**	**496**	**630**
Acquis. of prop., plant & equip. and intang. assets	-416	-428	-301	-245	-439	-839	-774	-696	-997	-1,066
Proceeds from sale of assets	48	40	14	2	3	3	1	2	0	0
Interest received	1	1	1	1	1	11	6	14	14	4
Other items	0	40	28	8	-20	-257	113	-3	3	4
Cash flow from investment activities	**-367**	**-347**	**-258**	**-235**	**-456**	**-1,081**	**-654**	**-682**	**-980**	**-1,057**
Free cash flow	**-188**	**-170**	**22**	**-129**	**108**	**-282**	**44**	**-73**	**-484**	**-427**
Change in interest bearing debt	197	61	392	93	276	-55	67	360	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	-51	-49	-68	-98
Lease payments	-1	-7	-10	-14	-5	-6	-7	-10	-10	-10
Other items	7	0	-47	-20	-2	-3	66	24	16	17
Cash flow from financing activities	**112**	**25**	**696**	**-81**	**137**	**-209**	**22**	**227**	**381**	**400**
Change in cash	**-76**	**-145**	**718**	**-210**	**245**	**-490**	**29**	**154**	**-103**	**-28**

Annual Segmental and Operating Data

Revenues per segment (EURm)	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Green Capacities (adj.)*	77	84	90	218	458	343	424	497	465	595
Networks (adj.)	440	465	439	510	698	592	701	829	902	903
Reserve Capacities (adj.)	63	66	111	152	237	129	150	240	165	171
Customers & Solutions (adj.)	630	539	505	1,024	3,001	1,734	1,227	1,203	1,163	1,139
Other and Eliminations (adj.)	-65	-3	-10	-14	-77	-161	-195	-189	-126	-133
Total adjusted	**1,145**	**1,151**	**1,135**	**1,888**	**4,317**	**2,636**	**2,307**	**2,581**	**2,569**	**2,675**
Adjustments	-75	-52	88	10	70	23	5	-77	-42	-26
Total reported	**1,070**	**1,099**	**1,223**	**1,899**	**4,387**	**2,659**	**2,312**	**2,504**	**2,527**	**2,649**

EBITDA per segment (EURm)	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Green Capacities (adj.)*	38	43	50	108	253	223	262	305	283	367
Networks (adj.)	169	181	138	145	164	180	220	257	261	272
Reserve Capacities (adj.)	13	22	29	37	35	50	42	52	35	39
Customers & Solutions (adj.)	7	11	27	41	16	30	7	-49	-26	3
Other and Eliminations (adj.)	-6	3	2	2	2	2	-4	-2	-2	-3
Total adjusted	**221**	**260**	**246**	**333**	**469**	**484**	**528**	**563**	**551**	**679**
Adjustments	-76	-53	88	10	70	23	5	-77	-42	-26
Total reported	**145**	**207**	**334**	**343**	**540**	**507**	**533**	**486**	**509**	**653**

Green Capacities, key metrics	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Installed Electricity Capacity (period end), MW										
Onshore wind	76	76	76	170	170	233	283	720	720	984
Offshore wind	0	0	0	0	0	0	0	0	0	0
Solar	0	0	0	0	0	0	22	285	459	1,113
Hydro	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,111	1,111
Pumped-storage	*900*	*900*	*900*	*900*	*900*	*900*	*900*	*900*	*1,010*	*1,010*
Run-of-river	*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	71	71	71
BESS	0	0	0	0	0	0	0	0	0	291
Total installed electricity capacity	**1,077**	**1,077**	**1,101**	**1,214**	**1,215**	**1,328**	**1,419**	**2,121**	**2,405**	**3,614**
Electricity Generated, TWh										
Onshore wind	0.13	0.23	0.24	0.30	0.47	0.58	0.86	1.45	1.93	2.60
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	0.15	0.36	1.10
Hydro	0.82	0.86	1.01	1.01	0.92	0.89	0.90	0.80	1.05	1.49
Pumped-storage	-	*0.58*	*0.77*	*0.70*	*0.54*	*0.52*	*0.54*	*0.54*	*0.69*	*1.14*
Run-of-river	-	*0.58*	*0.24*	*0.31*	*0.38*	*0.37*	*0.36*	*0.26*	*0.35*	*0.35*
Waste	0.00	0.00	0.08	0.24	0.26	0.27	0.29	0.28	0.28	0.27
Biomass	0.00	0.00	0.00	0.00	0.00	0.01	0.24	0.32	0.31	0.31
Total electricity generated	**0.95**	**1.09**	**1.32**	**1.55**	**1.65**	**1.76**	**2.30**	**3.01**	**3.92**	**5.77**
Electricity market price, EUR/MWh:										
Lithuania	50.0	46.1	34.0	90.2	229.2	92.9	93.0	86.9	85.1	80.5
Latvia	49.9	46.3	34.0	88.6	225.9	94.1	90.1	86.8	84.9	80.2
Estonia	47.0	45.9	33.7	86.5	192.0	91.0	87.1	84.4	81.4	77.0
Poland	53.1	53.6	47.2	87.3	166.3	111.9	78.7	102.5	104.8	101.6
Avg. realised el. price, EUR/MWh (ex. Kruonis)	na	na	na	na	na	na	103.9	95.3	87.7	80.3
Heat										
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	1.66	1.78	1.68	1.67

Networks, key metrics	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
RAB (Regulated Asset Base), EURm	-	1,416	1,186	1,258	1,345	1,429	1,584	1,795	2,003	2,123
WACC (regulatory), combined el. and gas	-	4.85%	5.00%	5.05%	4.13%	4.14%	5.08%	7410.00%	5.05%	4.96%

Reserve Capacities, key metrics	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Installed electricity capacity (period end), MW	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	0.27	0.31	0.52	1.02	0.36	0.39

Customers & Solutions, key metrics	2018	2019	2020	2021	2022	2023	2024	2025E	2026E	2027E
Electricity sales (retail), TWh	5.40	5.40	6.37	6.77	7.71	6.65	6.70	7.68	9.21	9.86
Natural gas sales (retail and wholesale), TWh	11.33	9.83	14.77	11.56	12.80	9.29	8.71	8.17	7.72	7.67

**Green Capacities - previously Green Generation*

Quarterly Financial Statements

Income statement (EURm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
Revenue from contracts with customers	651	438	521	686	768	527	488	713
Other income	3	1	7	0	5	-1	3	2
Total revenues	**654**	**439**	**529**	**686**	**773**	**525**	**491**	**715**
Purchases of electricity, nat. gas and other serv.	-393	-253	-337	-462	-529	-320	-307	-482
Repair and maintenance expenses	-14	-17	-23	-12	-46	-18	-27	-15
Salaries and related expenses	-38	-42	-40	-43	-14	-47	-46	-48
Other expenses	-19	-22	-25	-34	-24	-37	-25	-30
EBITDA	**189**	**105**	**104**	**135**	**160**	**102**	**86**	**140**
Depreciation and amortisation	-41	-45	-47	-46	-49	-51	-55	-57
Write-offs, revaluation and impairments	-1	0	0	-3	-1	-1	-1	-1
Operating profit (EBIT), adj.	**140**	**63**	**61**	**81**	**138**	**60**	**48**	**100**
Operating profit (EBIT)	**148**	**60**	**57**	**85**	**110**	**50**	**30**	**82**
Finance income	7	5	5	7	8	-2	5	8
Finance expenses	-15	-13	-14	-23	-16	-19	-13	-13
Equity earnings	0	0	0	0	0	0	0	0
Pre-tax profit	**139**	**52**	**48**	**70**	**102**	**29**	**22**	**76**
Taxes	-21	-2	-2	-7	-18	-1	-4	-12
Non-controlling interest	0	0	0	0	0	0	0	0
Net profit to shareholders of the company	**119**	**50**	**46**	**62**	**84**	**28**	**19**	**64**
EPS (EUR)	1.64	0.69	0.63	0.86	1.16	0.38	0.26	0.88
Dividends per share (EUR)	-	0.663	-	0.663	0.000	0.683	0.000	0.683

Balance sheet (EURm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
Deferred tax asset	53	25	27	32	33	34	34	34
Intangible assets	322	323	323	306	305	306	306	306
Goodwill	0	0	0	0	0	0	0	0
Property, plant and equipment	3,480	3,667	3,774	4,027	4,129	4,436	4,535	4,676
Right-of-use assets	52	58	58	78	98	115	115	115
Other long-term assets	450	432	372	309	322	130	134	136
Non-current assets	**4,358**	**4,505**	**4,554**	**4,752**	**4,887**	**5,021**	**5,124**	**5,267**
Inventories	230	238	293	248	232	224	257	255
Accounts receivable	238	210	229	294	267	203	195	278
Other current assets	153	138	174	178	242	181	181	181
Cash and cash equivalents	347	276	210	235	283	269	403	388
Short-term deposits	3	0	0	0	0	0	0	0
Current assets	**970**	**861**	**905**	**954**	**1,024**	**877**	**1,035**	**1,102**
Total assets	**5,328**	**5,366**	**5,459**	**5,706**	**5,911**	**5,897**	**6,159**	**6,369**
Shareholders' equity	2,321	2,370	2,372	2,437	2,485	2,492	2,511	2,525
Non-controlling interests	0	0	0	0	0	0	0	0
Equity	**2,321**	**2,370**	**2,372**	**2,437**	**2,485**	**2,492**	**2,511**	**2,525**
Deferred tax liability	90	85	80	85	89	88	88	88
Provisions	63	65	63	101	129	35	35	35
Long-term interest bearing debt	1,519	1,560	1,550	1,712	1,711	1,576	2,014	2,114
Long-term lease liabilities	44	50	51	68	86	93	93	93
Other long-term liabilities	606	611	614	596	602	612	614	619
Non-current liabilities	**2,322**	**2,370**	**2,358**	**2,561**	**2,618**	**2,404**	**2,844**	**2,949**
Current interest bearing debt	69	73	54	61	71	201	49	49
Short-term lease liabilities	5	4	4	6	8	9	9	9
Accounts payable	175	162	199	246	212	213	168	258
Other current liabilities	436	387	473	396	518	579	579	579
Current liabilities	**684**	**626**	**729**	**709**	**809**	**1,001**	**805**	**895**
Total equity and liabilities	**5,328**	**5,366**	**5,459**	**5,706**	**5,911**	**5,897**	**6,159**	**6,369**

Cash flow (EURm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
Operating profit (EBIT)	148	60	57	85	110	28	30	82
Depreciation & amortisation (+)	41	45	47	46	49	51	55	57
Other items	2	11	0	61	70	34	-1	-4
Paid taxes	-11	-38	43	-2	-2	11	-4	-12
Change in working capital	75	62	-22	-11	-8	124	-70	9
Cash flow from operating activities	**255**	**140**	**124**	**181**	**219**	**248**	**11**	**131**
Acquis. of prop., plant & equip. and intang. assets	-212	-191	-158	-214	-163	-180	-154	-198
Proceeds from sale of assets	1	0	0	0	1	1	0	0
Interest received	1	4	1	0	0	0	5	8
Other items	111	1	1	0	0	-2	0	0
Cash flow from investment activities	**-99**	**-186**	**-156**	**-213**	**-163**	**-181**	**-149**	**-190**
Free cash flow	**156**	**-46**	**-32**	**-33**	**56**	**68**	**-138**	**-58**
Change in interest bearing debt	-10	50	-13	40	-13	-13	286	100
Share issues / buy-backs	7	0	0	0	0	0	0	0
Dividends paid	0	-47	0	-48	0	-48	0	-49
Interest paid	-9	-12	-19	-12	-9	-14	-13	-13
Lease payments	-2	-2	-2	-2	-3	-3	-2	-2
Other items	0	-14	0	80	17	-3	1	9
Cash flow from financing activities	**-14**	**-23**	**-33**	**58**	**-7**	**-81**	**272**	**44**
Change in cash	**142**	**-70**	**-65**	**25**	**49**	**-14**	**133**	**-15**

Quarterly Segmental and Operating Data

Revenues per segment (EURm)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
Green Capacities (adj.)*	129	100	64	74	105	114	87	84	128	157	115	82	142
Networks (adj.)	223	122	106	198	167	206	161	165	186	218	169	203	239
Reserve Capacities (adj.)	72	15	47	25	43	45	19	33	53	84	67	43	47
Customers & Solutions (adj.)	918	680	335	276	442	338	216	286	376	411	224	215	354
Other and Eliminations (adj.)	-77	-33	-51	-28	-50	-57	-42	-35	-61	-69	-40	-32	-48
Total adjusted	**1,265**	**883**	**501**	**545**	**708**	**646**	**442**	**533**	**682**	**801**	**535**	**510**	**734**
Adjustments	94	45	-59	17	20	7	-3	-4	4	-28	-10	-19	-19
Total reported	**1,359**	**928**	**442**	**561**	**727**	**654**	**439**	**529**	**686**	**773**	**525**	**491**	**715**

EBITDA per segment (EURm)	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
Green Capacities (adj.)*	67	70	39	45	68	77	57	46	82	109	57	45	93
Networks (adj.)	48	49	40	40	51	66	50	50	54	74	59	57	66
Reserve Capacities (adj.)	17	29	4	6	12	20	5	12	5	17	12	13	10
Customers & Solutions (adj.)	-20	1	21	-1	9	17	-6	-1	-4	-14	-14	-11	-10
Other and Eliminations (adj.)	1	2	0	1	-1	2	1	0	-6	2	-2	0	-2
Total adjusted	**112**	**150**	**104**	**92**	**139**	**182**	**108**	**107**	**131**	**189**	**112**	**104**	**158**
Adjustments	94	45	-59	17	20	7	-3	-4	4	-28	-10	-19	-19
Total reported	**206**	**195**	**45**	**108**	**159**	**189**	**105**	**104**	**135**	**160**	**102**	**85**	**139**

Green Capacities, key metrics	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
Installed electricity capacity (period end), MW:													
Onshore wind	170	170	170	233	233	283	283	283	283	283	597	734	784
Offshore wind	0	0	0	0	0	0	0	0	0	0	0	0	0
Solar	0	0	0	0	0	0	0	0	22	22	22	285	301
Hydro	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,001
Pumped-storage	*900*	*900*	*900*	*900*	*900*	*900*	*900*	*900*	*900*	*900*	*900*	*900*	*900*
Run-of-river	*101*	*101*	*101*	*101*	*101*	*101*	*101*	*101*	*101*	*101*	*101*	*101*	*101*
Waste	44	44	44	44	44	44	44	44	44	44	44	44	44
Biomass	0	0	0	0	50	50	71	71	71	71	71	71	71
Total installed electricity capacity	**1,215**	**1,215**	**1,215**	**1,278**	**1,328**	**1,378**	**1,399**	**1,399**	**1,421**	**1,421**	**1,735**	**2,135**	**2,121**
Electricity generated (100% basis), TWh:													
Onshore wind	0.13	0.16	0.10	0.11	0.21	0.24	0.14	0.14	0.34	0.35	0.35	0.29	0.46
Offshore wind	0.00	0.00	0.00	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	0.00	0.01	0.00	0.01	0.02	0.10	0.03
Hydro	0.22	0.28	0.20	0.17	0.22	0.26	0.23	0.21	0.20	0.18	0.20	0.19	0.23
Pumped-storage	*0.15*	*0.13*	*0.08*	*0.13*	*0.14*	*0.11*	*0.13*	*0.16*	*0.13*	*0.11*	*0.14*	*0.13*	*0.16*
Run-of-river	*0.07*	*0.15*	*0.10*	*0.05*	*0.08*	*0.16*	*0.09*	*0.05*	*0.06*	*0.07*	*0.06*	*0.05*	*0.07*
Waste	0.07	0.08	0.07	0.05	0.07	0.07	0.08	0.06	0.08	0.08	0.07	0.06	0.08
Biomass	0.00	0.00	0.00	0.00	0.01	0.04	0.06	0.04	0.10	0.11	0.07	0.05	0.09
Total electricity generated	**0.42**	**0.52**	**0.36**	**0.36**	**0.51**	**0.61**	**0.50**	**0.47**	**0.72**	**0.73**	**0.71**	**0.68**	**0.89**
Electricity market price, EUR/MWh:													
Lithuania	226.7	102.2	81.3	101.2	87.0	89.7	96.2	95.3	90.7	111.3	61.8	70.1	104.3
Latvia	226.5	100.4	80.9	101.2	93.9	86.7	86.7	96.3	90.7	110.6	62.8	69.9	104.0
Estonia	218.9	99.9	74.5	95.8	93.9	90.0	75.8	96.0	86.7	110.0	60.8	67.1	99.8
Poland	159.6	129.9	115.3	110.9	91.3	81.3	90.0	101.3	42.0	113.2	87.4	104.8	104.8
Avg. realised el. price, EUR/MWh (ex. Kruonis)	na	na	na	na	85.4	90.7	117.4	95.0	112.4	85.4	80.2	97.7	118.0
Heat													
Installed heat capacity (period end), MW	180	180	180	180	329	329	329	349	349	350	350	349	349
Heat generated, TWh	0.25	0.28	0.20	0.20	0.40	0.46	0.37	0.24	0.47	0.61	0.40	0.28	0.49

Networks, key metrics	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
RAB (Regulated Asset Base), EURm, annual	1,345	1,429	1,429	1,429	1,429	1,584	1,584	1,584	1,584	1,795	1,795	1,795	1,795
WACC (regulatory), combined el. and gas, annual	4.13%	4.14%	4.14%	4.14%	4.14%	5.08%	5.08%	5.08%	5.08%	5.79%	5.79%	5.79%	5.79%

Reserve Capacities, key metrics	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
Installed electricity capacity (period end), MW	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055	1,055
Electricity generated, TWh	0.14	0.02	0.05	0.08	0.16	0.15	0.05	0.11	0.21	0.47	0.35	0.08	0.12

Customers & Solutions, key metrics	4Q22	1Q23	2Q23	3Q23	4Q23	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25E	4Q25E
Electricity sales (retail), TWh	1.84	1.82	1.50	1.51	1.82	1.77	1.50	1.58	1.86	1.91	1.64	1.91	2.22
Natural gas sales (retail and wholesale), TWh	3.83	3.85	1.45	1.34	2.65	2.84	1.27	1.83	2.77	2.94	1.47	1.26	2.50

**Green Capacities - previously Green Generation*

Ratios & Share Data

Share data	2020	2021	2022	2023	2024	2025E	2026E	2027E
Number of shares, weighted average (m)	59.0	74.3	72.6	72.4	72.4	72.4	72.4	72.4
Share price, period end (EUR)	20.85	21.00	19.02	18.84	19.58	21.00	21.00	21.00
Market capitalisation, period end (EURm)	1,549	1,560	1,377	1,364	1,417	1,520	1,520	1,520
Enterprise value (EURm)	2,151	2,517	2,364	2,681	3,030	3,397	4,044	4,666

Valuation	2020	2021	2022	2023	2024	2025E	2026E	2027E
EV/Sales	1.8	1.3	0.5	1.1	1.3	1.4	1.6	1.8
EV/EBITDA	6.4	7.3	4.4	5.3	5.7	7.0	7.9	7.1
EV/EBIT	10.0	13.1	6.1	7.6	8.7	12.5	15.2	14.1
P/E	7.3	9.7	4.7	4.3	5.1	7.8	8.5	7.5
P/B	0.85	0.84	0.65	0.60	0.58	0.60	0.58	0.56
Dividend yield	6.5%	5.7%	6.6%	6.8%	6.8%	6.5%	6.7%	6.9%

Balance sheet	2020	2021	2022	2023	2024	2025E	2026E	2027E
Net Debt (incl. lease liabilities)	600	957	987	1,318	1,612	1,877	2,523	3,145
Net Debt / EBITDA LTM	1.79	2.79	1.83	2.60	3.03	3.85	4.95	4.82
Net Debt / adj. EBITDA LTM	2.44	2.88	2.10	2.72	3.05	3.33	4.58	4.63
FFO* LTM / Net Debt	51.5%	31.3%	49.1%	29.6%	29.7%	23.7%	16.7%	16.5%
Equity / Assets	46%	44%	40%	43%	43%	40%	37%	35%

Growth (YoY)	2020	2021	2022	2023	2024	2025E	2026E	2027E
Revenue	12%	55%	131%	-42%	-9%	9%	1%	5%
EBITDA	65%	3%	57%	-6%	5%	-8%	4%	28%
EBIT	159%	-11%	102%	-9%	-1%	-22%	-2%	25%
Net profit to shareholders	201%	-6%	83%	9%	-14%	-30%	-7%	13%
EPS	173%	-24%	88%	9%	-14%	-30%	-7%	13%

Margins	2020	2021	2022	2023	2024	2025E	2026E	2027E
EBITDA	27%	18%	12%	20%	23%	19%	20%	25%
EBIT	18%	10%	9%	14%	15%	11%	11%	13%
Net profit to shareholders	14%	8%	7%	13%	12%	8%	7%	8%

Profitability	2020	2021	2022	2023	2024	2025E	2026E	2027E
ROE	10.9%	8.7%	14.7%	14.6%	11.8%	7.8%	7.0%	7.6%
ROCE**	9.1%	7.4%	13.1%	10.5%	9.2%	6.4%	5.6%	6.0%
ROCE** adj.	5.4%	7.9%	10.7%	9.8%	9.0%	8.2%	6.4%	6.5%

** 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)
07/11/2025	EUR 25–39
08/18/2025	EUR 25–39
06/08/2025	EUR 25–39
19/05/2025	EUR 25–39
07/05/2025	EUR 25–39
04/03/2025	EUR 25–39
27/02/2025	EUR 25–39
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

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, NERC, Our World In Data, Enefit, ESO, Litgrid Nord Pool, Nasdaq, Baltpool, Bloomberg.

Risks

- **Electricity price.** Ignitis Group's electricity generation business could be adversely affected by decreases in electricity prices. 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 40% of Ignitis Group's EBITDA. These regulations are complex and subject to change. 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.
- **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 is still rather low, but the growth rate is substantial lately due to government subsidies for solar panels.
- **Risk of higher corporate taxes.** Corporate profit tax rate is relatively low in Lithuania at 16%, but will rise further to 17% from start of 2026. 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, a further 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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