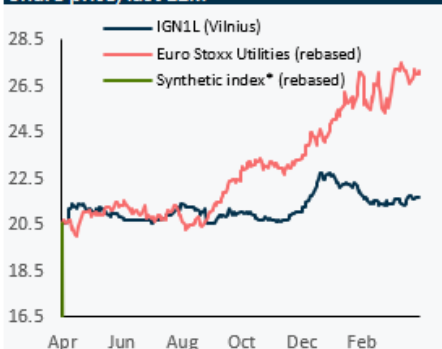


Ignitis Group

Key share data

Sector	Integrated Utilities
Ticker - Nasdaq Vilnius	IGN1L
Ticker - London Stock Exchange	IGN
Market Cap (EURm)	1,567
Net Debt (EURm)	1,783
EV (EURm)	3,350
Net debt / Equity	72%
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	1.2%	-4.6%	5.9%
Euro Stoxx Utilities	5.9%	9.9%	31.7%

Upcoming events

1Q26 report	May 13, 2026
2Q26 report	August 12, 2026
3Q26 report	November 11, 2026

Middle East escalation to have a minor impact

Ignitis Group will report its 1Q26 results on Wednesday, May 13th. We expect similar trends to persist from previous quarters: amid solid electricity prices and wind production, Green Capacities should still be the main contributor to EBITDA, while overall growth should be led by Networks segment thanks to mostly RAB-based expansion. Meanwhile Customers & Solutions segment is likely to remain the company's soft spot due to loss from net-metering scheme and less favourable margins, which is likely to persist through part of 2026. In the recent interview, Ignitis Group noted that its exposure to an outbreak in Middle East is limited, with large portions of that exposure being already hedged. Further, it was added that high investment period is now over as focus shifts to system stability securement.

Networks to lead growth as Green Capacities segment slows down

We project 1Q adj. EBITDA to increase to EUR 189.4m or around 4% on YoY basis which compares to 8% YoY growth in 4Q25. We see Networks still materially contributing to adj. EBITDA growth this quarter by rising 10% YoY (+30% in 4Q25), underpinned by a consistent increase in RAB and slight decline in WACC.

On the flip side, we expect a slowdown within Green Capacities and project only a minor growth YoY, reflecting no new asset launch during 4Q-1Q. Customers & Solutions segment's results are still forecasted to be pressured by less favorable margins and prosumers operating under the current net-metering scheme. As is typical, projecting Reserved capacities ability to earn excess return is challenging, nevertheless, improvement is expected QoQ. Compared to consensus, our adj. EBITDA is slightly more conservative to that of the consensus.

1Q/26 results	1Q/25	4Q/25	1Q/26e	1Q/26e
EURm			Norne	Consensus*
Revenues	772.8	699.0	902.5	887.0
Adjusted EBITDA	188.5	140.8	189.4	196.0
Green Capacities	109.3	76.1	110.0	116.0
Networks	74.1	70.6	81.7	79.0
Reserve Capacities	17.4	3.0	7.6	10.0
Customers & Solutions	-14.2	-5.7	-9.3	-9.0
Other activities and eliminations	1.9	-3.2	-0.6	-
Adjusted EBIT	138.6	69.7	123.7	-
Net profit to shareholders	83.9	31.1	85.4	92.0
EPS (EUR)	1.16	0.43	1.18	1.27
Investments	146.5	195.7	263.1	-
Electricity Generated (net) TWh	1.21	0.95	1.03	-

*Consensus collected by Ignitis Group

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

Analysts

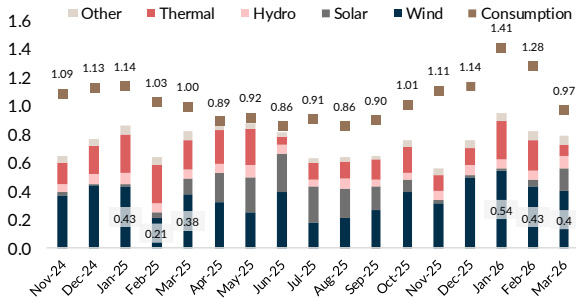
Evelina Sarul
 (+370) 645 36 771
 evelina.sarul@norne.no

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

Solid wind production

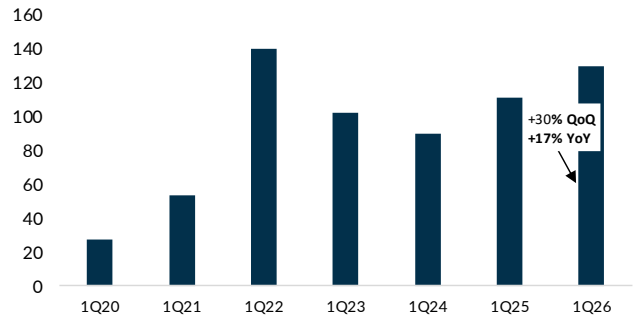
1Q was another favorable quarter for wind production, which was 34% higher than 1Q25 in Lithuania, February was particularly strong in terms of wind conditions and generation (+105% YoY). Moreover, despite more favorable wind conditions, electricity prices in Lithuania also managed to record an increase of 17% from 1Q25 (+30% QoQ).

Lithuania: Total generation and consumption, TWh



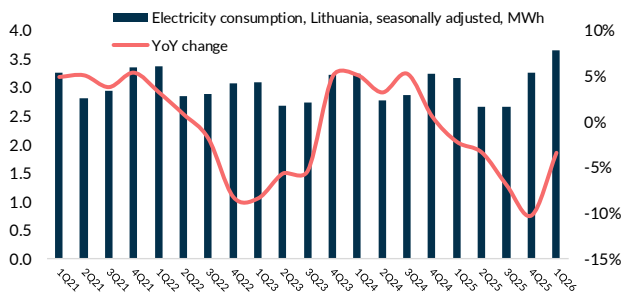
Source: Litgrid

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



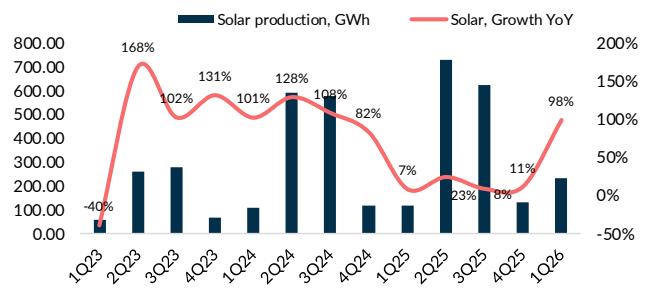
Source: Nordpool

Electricity consumption, Lithuania, seasonally adjusted, TWh



Source: Litgrid

Lithuania: Solar production, GWh, seasonally adjusted



Source: Litgrid

Further, total electricity consumption was higher in 1Q26 by 15% YoY, particularly in January and February due to very cold weather. Combined effect of this and strong wind production should positively reflect on Ignitis group results.

Update on projects

On March 30th 2026 Ignitis Group informed markets that it has completed the transaction for the sale of 49% its shares in Vilnius CHP. The value of 49% of Vilnius CHP's shares acquired by Quaero Capital amounts to EUR 120m. The stake was acquired by Quaero European Infrastructure Fund III, an infrastructure fund managed by Quaero Capital SA. Other than that, the quarter proved to be without any major announcements from the company.

Limited impact from the Middle East conflict

According to Ignitis Group, the current energy crisis should have a limited impact on the company. While long-term infrastructure projects are not based on short-term volatility in energy markets, company's short-term exposure is largely hedged. The group has already hedged 100% of its gas exposure for this year and more than 70% of electricity price exposure.

Estimates changes

Our original estimates were maintained without major adjustments: we slightly lowered 1Q Green Capacities segment estimates on the back of slightly worse-than-expected electricity prices in 1Q which outweighed stronger production. With regards to Networks estimates, those were uplifted slightly as Ignitis Group expects this segment to be among major contributors to EBITDA growth this year.

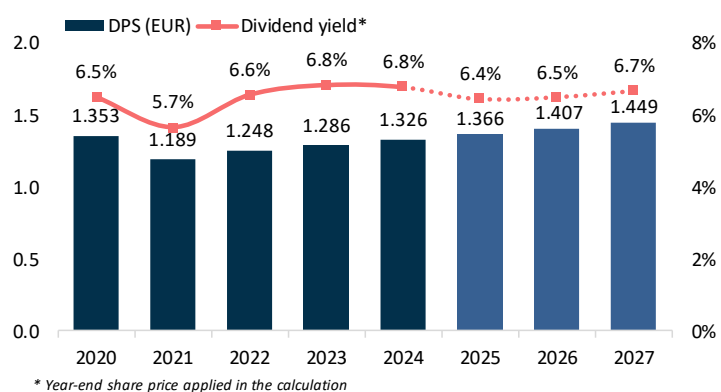
Estimate changes (EURm)

Item	1Q26E		2026E		2027E	
	New	Old	New	Old	New	Old
Adjusted Revenues	915	983	2,693	2,761	2,661	2,634
Adjusted EBITDA	189	197	575	581	629	629
Green Capacities	110	126	290	306	317	320
Networks	82	75	278	271	277	277
Reserve Capacities	8	8	35	35	39	39
Customers & Solutions	-9	-11	-23	-25	3	-1
Other activities and eliminations	-1	-1	-6	-6	-6	-6
Net profit to shareholders	85	92	176	181	158	157
EPS (EUR)	1.18	1.27	2.42	2.51	2.18	2.17
Investments	267	267	981	981	1,051	1,051

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

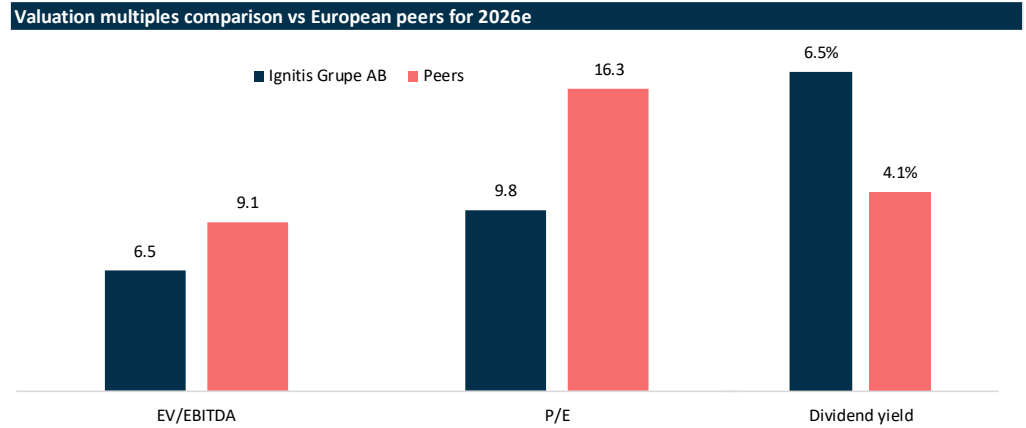
With no major changes in estimates and news wise, Ignitis Group's investment case remains unchanged and attractive, particularly after somewhat weaker share price performance since our last update. A key driver of both short- and long-term value is the company's proven ability to consistently meet ambitious 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

Ignitis Group's share remains discounted relative to European integrated utilities peer medians. According to our estimates, the company's 2026 EV/EBITDA is 29% lower than the peer median, while its P/E discount is even larger at 40%, both broadly unchanged since our last update. At the same time, Ignitis Group's dividend yield for 2026 stands at 6.5% —notably higher than the peer median of 4.1%. 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.



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

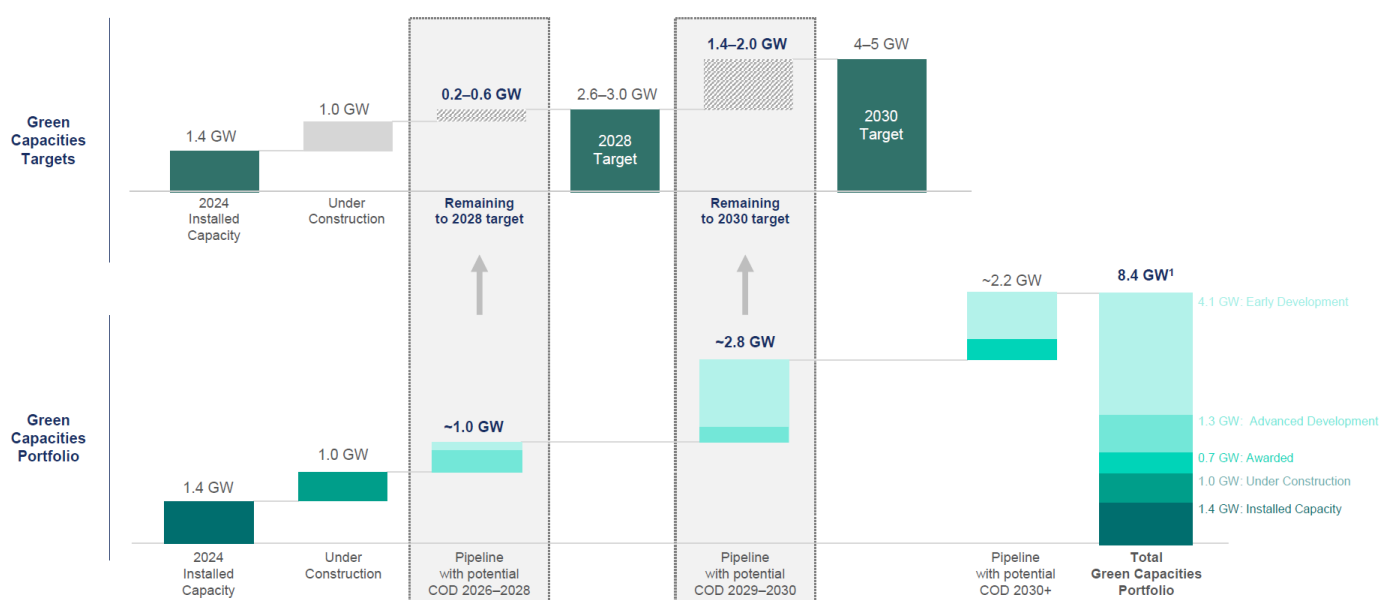
Potential upside of the investment case

- 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 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.



Remaining targets are well covered with the current Pipeline

- The remaining 0.2–0.6 GW to the 2028 target are covered ~2.5x with ~1.0 GW Pipeline
- The remaining 1.4–2.0 GW to the 2030 target are covered ~1.6x with ~2.8 GW Pipeline



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.
- At least for a part of 2026, 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.
- Government of Lithuania has recently increased corporate tax rate in Lithuania from 15% to 17%, leading to some earnings erosion. As the need for higher military spending and other budgetary pressures remain, risk of lawmakers raising corporate taxes onwards stays as well.

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 27.8/sh (prev. EUR 30.7/sh) per share for Ignitis Group.

DCF model

Proportionate basis	2026e	2027e	2028e	2029e	2030e	2031e	2032e	2033e	2034e	2035e (normalised year)
EURm										
Electricity market price Lithuania, EUR/MWh	92	81	81	80	79	78	76	75	74	65
Electricity production (proportionate), TWh	3.83	5.10	5.29	5.94	7.18	7.70	7.74	7.71	7.69	9.63
Revenues	2,650	2,634	2,540	2,648	2,649	2,664	2,620	2,593	2,573	2,503
EBIT	258	278	276	298	305	313	269	253	240	318
Tax on EBIT	-42	-46	-46	-50	-51	-52	-45	-42	-40	-54
Income tax rate	16.4%	16.6%	16.7%	16.7%	16.7%	16.6%	16.7%	16.7%	16.7%	16.9%
EBIT less tax	216	232	230	248	254	261	225	211	200	264
Depreciation & amortization (+)	271	324	335	368	412	430	436	432	428	353
Investments	-625	-773	-722	-572	-375	-382	-568	-1,007	-529	-353
Change in working capital	35	27	4	-12	-48	-10	2	0	-1	0
Free Cash Flow to the Firm	-103	-190	-153	33	243	299	94	-365	99	264
NPV of FCFF	-98	-171	-130	26	186	217	65	-238	61	155

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%

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

Valuation	
Net debt (-)/cash (+)	-1,792
Minority interest (-)	-120
NPV cash flow:	
Explicit period	73
Terminal value	3,897
Total NPV cash flow	3,922
Equity value	2,010
Value per share, EUR	27.8

*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%	47.5	61.7	82.6	116.1	178.8
	4.5%	33.8	43.6	57.1	76.9	108.7
	5.5%	15.8	21.0	27.8	36.6	48.9
	6.0%	9.5	13.5	18.5	24.9	33.3
	6.5%	4.4	7.5	11.4	16.1	22.2
	7.0%	0.2	2.7	5.7	9.4	13.9
	7.5%	-3.3	-1.2	1.2	4.0	7.5

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.	12.8	20.3	27.8	35.3	42.8

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 18.2/sh. The High-case scenario, assuming electricity price of 70 EUR/MWh, yields fair value of EUR 31.4/sh. The Base-case fair value is indicated at EUR 25.0/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	18.2	
Base Case	65	25.0	
High Case	70	31.4	

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	737.2	28%	67%		
Vėjo gūsis (Liepynė)	Onshore Wind	Lithuania	100%	2010	9.1	21	26%	0%	25	-
Vėjo gūsis (Kreivėnai)	Onshore Wind	Lithuania	100%	2010	10.0	23	26%	0%	25	-
Vėjo Vatas	Onshore Wind	Lithuania	100%	2011	14.9	31	23%	0%	53	-
Tuuleenergia	Onshore Wind	Estonia	100%	2013-2014	18.3	46	28%	70%	57	-
Eurakras	Onshore Wind	Lithuania	100%	2016	24.0	66	31%	0%	51	-
Pomerania	Onshore Wind	Poland	100%	2021-4Q	93.9	277	34%	100%	48	128
Mažeikiai	Onshore Wind	Lithuania	100%	2023	63.0	168	30%	65%	39	82
Silesia I	Onshore Wind	Poland	100%	Q1 2024	50.0	91	21%	100%	41	75
Tauragės solar project I	Solar farm	Lithuania	100%	2024	22.1	16	8%	0%	-	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	-	-	51%	-	66
Silesia II	Onshore Wind	Poland	100%	2H25	136.8	-	-	100%	-	~240
Stelpe SF	Solar farm	Latvia	100%	2H2025	145.0	-	-	51%	-	112
Polish solar portfolio	Solar farm	Poland	100%	1H25	24.0	-	-	100%	-	19
Total wind and solar farms under construction					173.6			51%		
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	6%	Merchant	0%	-
Kaunas HPP	Lithuania	100%	1959	2010	101	365	38%	PPA	30%	-
Under construction										
Kruonis PSHP expansion	Lithuania	100%	2026		110	-	-	Merchant	0%	~150

Source: Ignitis Group

Biofuel and Waste-to-energy assets

Biofuel and Waste-to-energy assets	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	163	409	223	-	PPA	85%	17.0
Vilnius CHP waste unit	Waste	Lithuania	51%	Q1 2021	20	70	123	487	188	-	PPA	50%	42.8
Vilnius CHP biomass unit	Biomass	Lithuania	51%	Q1 2024	71	170	270	820	-	489	PPA	50%	-
Elektrėnai biomass boiler	Biomass	Lithuania	100%	2015	-	40	-	93	-	-	Merchant	0%	-

Source: Ignitis Group

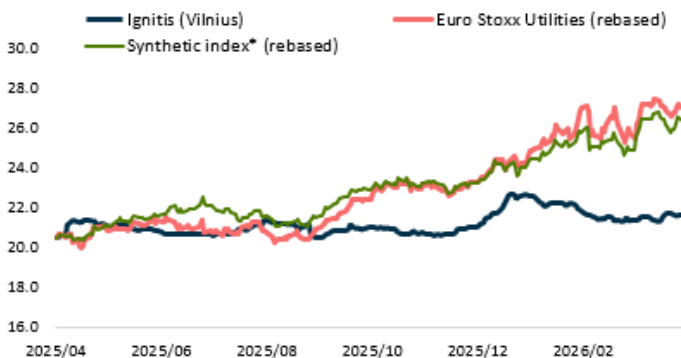
BESS	Country	Ownership	Energy	COD	Capacity, MW	Electricity	Load factor	OpEx, annual avg	Regulatory
Kelmė	Lithuania	100%	BESS	2027	147	-	-	-	-
Kruonis	Lithuania	100%	BESS	2027	99	-	-	-	-
Mažeikiai	Lithuania	100%	BESS	2027	45	-	-	-	-

Source: Ignitis Group

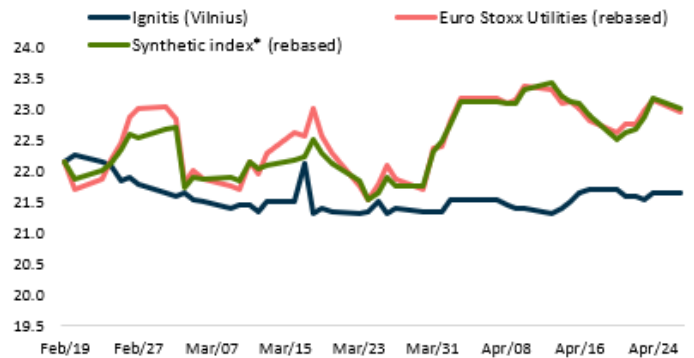
Company	Source	Mcap (EURm)	EV (EURm)	EV/EBITDA			EV/EBIT			P/E			Dividend yield		
				2025	2026e	2027e	2025	2026e	2027e	2025	2026e	2027e	2025	2026e	2027e
Ignitis Grupe AB	Norne	1,567	3,350	6.9	6.5	5.6	13.3	13.7	12.2	9.4	9.7	10.2	6.4%	6.5%	6.7%
Integrated															
CEZ AS	Bloomberg	26,599	35,638	6.3	7.9	8.3	10.9	15.4	16.3	23.1	19.5	21.8	3.8%	3.8%	3.4%
EDP SA	Bloomberg	19,318	43,521	8.9	8.8	8.7	14.6	14.5	14.4	15.6	15.7	15.8	4.4%	4.4%	4.5%
Endesa SA	Bloomberg	39,972	50,401	9.0	8.5	8.4	15.1	14.0	13.9	19.0	16.9	16.6	3.8%	4.3%	4.5%
Enel SpA	Bloomberg	100,172	185,826	8.1	7.9	7.6	12.6	12.1	11.7	14.3	14.0	13.2	4.9%	5.2%	5.5%
Engie SA	Bloomberg	72,129	121,878	9.0	8.4	7.7	13.9	13.1	11.9	14.2	14.9	13.9	4.9%	4.8%	5.1%
EVN AG	Bloomberg	5,180	6,608	7.8	7.3	6.9	14.0	13.3	12.8	11.7	11.3	11.5	3.0%	3.2%	3.3%
E.ON SE	Bloomberg	49,512	89,523	9.2	9.4	8.4	14.4	15.3	13.3	16.3	17.4	15.1	3.0%	3.2%	3.3%
Iberdrola SA	Bloomberg	135,765	214,078	13.1	12.8	12.3	20.6	20.0	19.1	21.3	20.3	19.0	3.4%	3.6%	3.8%
Naturgy Energy Group SA	Bloomberg	26,723	40,844	7.6	7.7	7.7	11.4	11.5	11.7	12.8	13.5	13.9	6.3%	6.6%	7.0%
Public Power Corp SA	Bloomberg	6,758	14,613	7.0	6.1	5.5	14.7	11.8	10.2	15.7	11.3	9.7	3.3%	4.4%	5.5%
SSE PLC	Bloomberg	36,633	52,335	13.6	14.0	11.2	19.0	20.5	15.6	16.5	17.4	14.3	2.5%	2.6%	2.8%
Verbund AG	Bloomberg	21,783	25,144	9.0	10.7	9.7	11.7	15.1	13.4	14.6	19.8	18.0	4.4%	2.7%	2.9%
Average		45,045	73,367	9.0	9.1	8.5	14.4	14.7	13.7	16.3	16.0	15.2	4.0%	4.1%	4.3%
Median		31,678	46,961	8.9	8.5	8.3	14.2	14.3	13.4	15.6	16.3	14.7	3.8%	4.0%	4.1%
Networks															
Elia Group SA/NV	Bloomberg	15,237	30,178	15.8	12.7	10.5	25.9	19.9	16.5	26.9	21.5	19.5	1.5%	1.5%	1.5%
Enagas SA	Bloomberg	4,459	7,244	10.8	11.6	10.6	19.6	22.2	18.5	15.6	18.7	16.0	5.9%	5.9%	5.8%
Italgas SpA	Bloomberg	10,478	21,705	11.6	10.2	9.5	18.3	16.0	14.7	15.1	14.1	13.0	4.2%	4.6%	5.0%
National Grid PLC	Bloomberg	74,331	122,277	14.0	13.1	11.5	20.5	18.3	15.9	17.9	16.5	14.5	3.6%	3.7%	3.8%
Redeia Corp SA	Bloomberg	8,116	14,344	11.4	11.2	10.6	18.0	17.7	16.8	16.2	16.1	15.6	5.3%	5.4%	5.5%
REN - Redes Energeticas Nacionais SGPS S	Bloomberg	2,512	5,009	9.8	9.2	8.8	20.3	19.0	18.8	18.1	16.1	15.8	4.2%	4.3%	4.5%
Snam SpA	Bloomberg	22,498	41,431	14.0	13.2	12.5	22.2	21.0	19.9	16.1	15.6	15.3	4.5%	4.6%	4.9%
Terna - Rete Elettrica Nazionale SpA	Bloomberg	20,482	35,387	13.0	12.1	11.3	20.0	18.7	17.5	18.9	18.7	18.3	3.9%	3.9%	4.0%
Average		19,764	34,697	12.5	11.7	10.6	20.6	19.1	17.3	18.1	17.2	16.0	4.1%	4.2%	4.4%
Median		12,858	25,941	12.3	11.8	10.6	20.1	18.9	17.2	17.1	16.3	15.7	4.2%	4.5%	4.7%
Renewables															
Acciona Energia SA	Bloomberg	7,398	11,607	7.3	10.1	11.1	11.7	20.0	23.8	12.9	27.1	32.6	2.2%	1.2%	1.0%
ERG SpA	Bloomberg	3,391	5,684	10.3	10.1	9.7	20.5	20.4	19.6	19.2	19.8	19.2	4.5%	4.5%	4.6%
RWE AG	Bloomberg	45,716	59,237	12.1	10.5	8.9	21.8	19.1	15.9	26.9	23.2	19.4	2.0%	2.1%	2.3%
Scatec ASA	Bloomberg	1,759	4,135	11.0	10.8	8.1	15.1	15.7	11.3	15.9	25.5	15.2	na	0.0%	na
Voltaia SA	Bloomberg	952	3,316	15.9	14.0	11.0	na	30.0	21.0	na	na	41.7	0.0%	0.0%	na
Ørsted AS	Bloomberg	29,686	35,754	11.3	8.9	8.2	23.0	14.1	14.4	22.3	19.1	17.9	na	2.1%	2.3%
Average		12,900	17,391	11.5	10.7	9.5	18.5	19.9	17.7	22.8	22.9	24.3	2.4%	1.7%	2.6%
Median		3,391	5,684	11.3	10.3	9.3	19.6	19.6	17.7	20.8	23.2	19.3	2.2%	1.7%	2.3%

* Consensus

Share price performance vs peers 1Y (rebased)

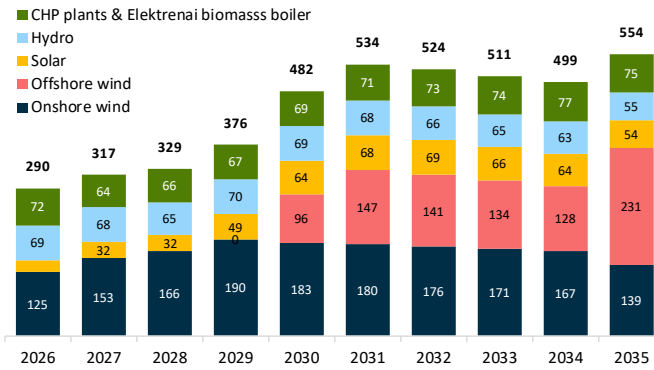


Share price performance vs peers last 3 months (rebased)

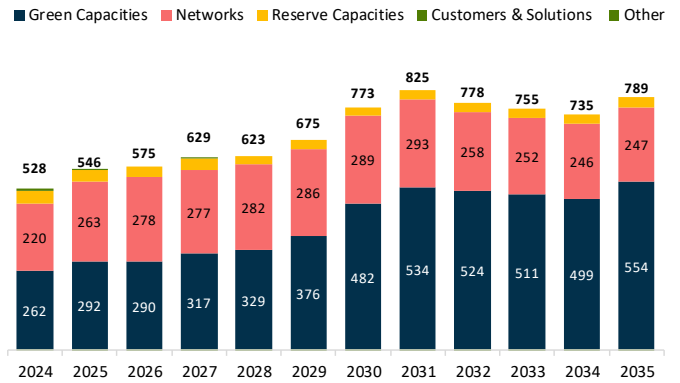


Key Operating Indicators

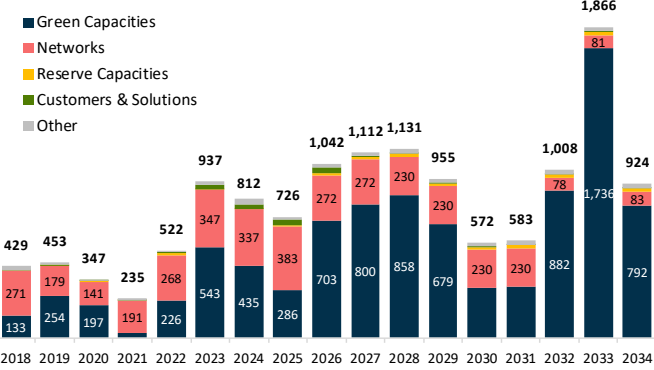
Green Capacities adj. EBITDA (consolidated), EURm



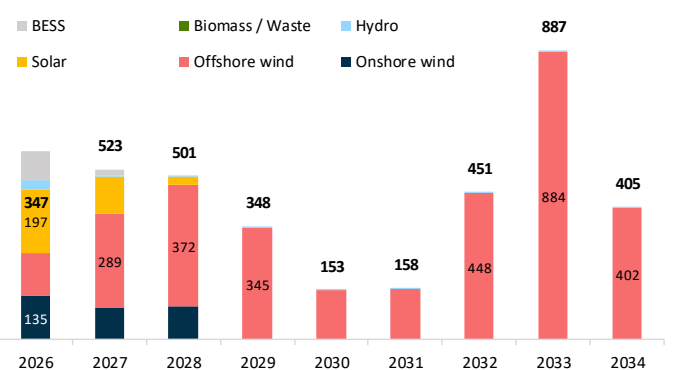
Adj. EBITDA by segment, EURm



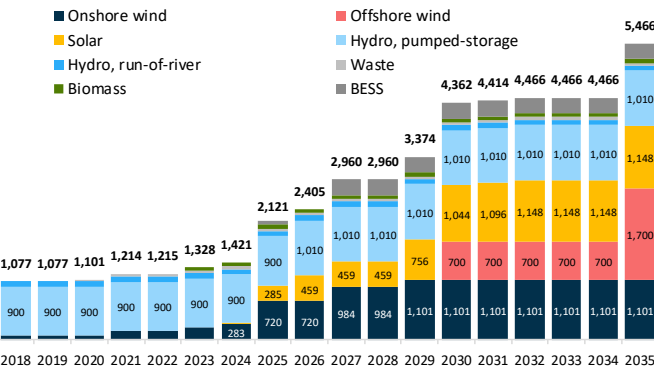
Investments by segment (consolidated), EURm



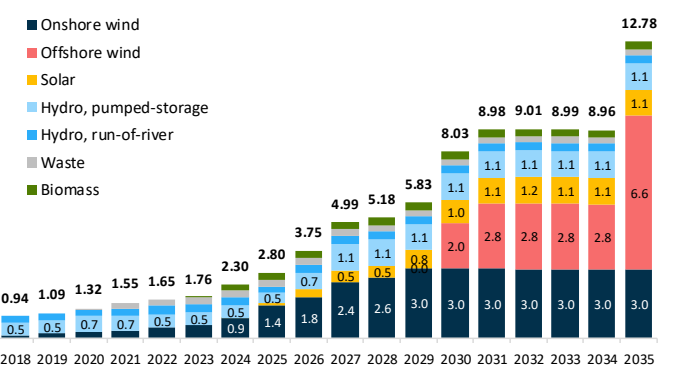
Investments in Green Capacities (proportionate), EURm



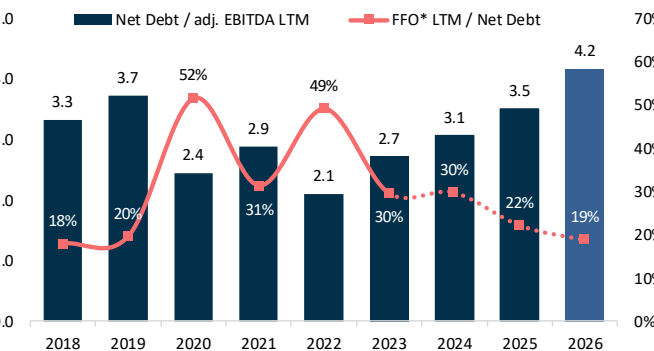
Installed electricity capacity of Green Cap. (gross), GW, EOY



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

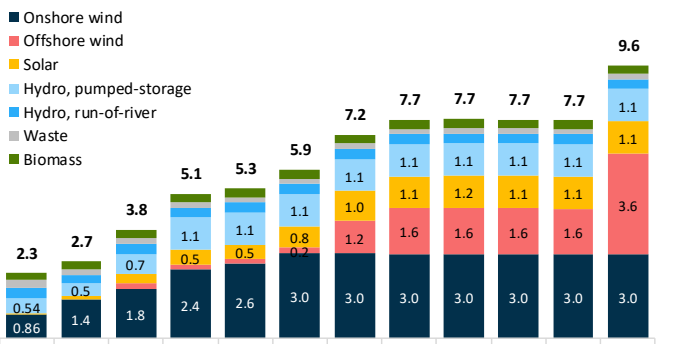


Debt ratios



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

Electricity generated, Green Cap. (proportionate), TWh



Annual Financial Statements

Income statement (EURm)	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Revenue from contracts with customers	1,080	1,215	1,877	4,381	2,542	2,296	2,473	2,619	2,598	2,504
Other income	9	8	22	6	7	11	25	33	37	39
Total revenues	1,089	1,223	1,899	4,387	2,549	2,307	2,498	2,651	2,635	2,542
Purchases of electricity, nat. gas and other serv.	-729	-706	-1,381	-3,609	-1,758	-1,445	-1,625	-1,738	-1,630	-1,523
Repair and maintenance expenses	-30	-34	-32	-41	-61	-67	-109	-76	-77	-73
Salaries and related expenses	-87	-93	-97	-116	-137	-163	-157	-203	-217	-225
Other expenses	-42	-56	-46	-82	-86	-100	-124	-101	-108	-110
EBITDA	202	335	343	540	507	533	482	533	603	613
Depreciation and amortisation	-110	-113	-123	-138	-153	-178	-220	-269	-322	-333
Write-offs, revaluation and impairments	-9	-6	-28	-14	-2	-4	-11	-4	-4	-4
Operating profit (EBIT)	83	215	192	388	352	350	251	261	278	276
Finance income	2	2	18	4	42	23	11	21	11	12
Finance expenses	-19	-23	-34	-54	-40	-65	-73	-68	-98	-135
Equity earnings	0	0	0	0	0	0	0	0	0	0
Pre-tax profit	66	195	176	337	354	308	190	214	191	153
Taxes	-7	-25	-16	-44	-34	-32	-26	-35	-32	-25
Non-controlling interest	-2	0	0	0	0	0	0	0	0	0
Net profit to shareholders of the company	57	170	160	293	320	276	164	179	160	128
EPS (EUR)	1.04	2.85	2.16	4.04	4.42	3.82	2.26	2.47	2.21	1.76
Dividends per share (EUR)	0.516	1.353	1.189	1.248	1.286	1.326	1.366	1.407	1.449	1.493
Balance sheet (EURm)	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Deferred tax asset	12	6	14	31	57	32	49	49	49	49
Intangible assets	143	95	114	148	315	306	293	293	293	293
Goodwill	0	0	0	0	0	0	0	0	0	0
Property, plant and equipment	2,348	2,560	2,618	2,811	3,363	4,027	4,699	5,411	6,141	6,888
Right-of-use assets	61	64	58	49	50	78	124	124	124	124
Other long-term assets	207	174	150	211	433	309	115	119	123	126
Non-current assets	2,771	2,899	2,954	3,250	4,217	4,752	5,280	5,996	6,730	7,480
Inventories	47	66	186	570	275	248	240	207	171	165
Accounts receivable	118	128	275	424	266	294	272	302	297	293
Other current assets	131	169	395	333	171	178	190	190	190	190
Cash and cash equivalents	132	659	449	694	205	235	296	426	378	605
Short-term deposits	0	0	0	0	110	0	0	0	0	0
Current assets	428	1,022	1,304	2,022	1,028	954	999	1,125	1,036	1,253
Total assets	3,198	3,921	4,258	5,272	5,244	5,706	6,279	7,121	7,766	8,734
Shareholders' equity	1,300	1,812	1,856	2,126	2,263	2,437	2,495	2,573	2,629	2,650
Non-controlling interests	49	1	0	0	0	0	0	120	120	120
Equity	1,349	1,813	1,856	2,126	2,263	2,437	2,495	2,693	2,749	2,770
Deferred tax liability	38	46	47	55	87	85	90	90	90	90
Provisions	36	41	30	18	61	101	160	160	160	160
Long-term interest bearing debt	822	1,246	1,118	1,423	1,521	1,712	1,888	2,351	2,946	4,190
Long-term lease liabilities	34	29	46	45	42	68	98	98	98	98
Other long-term liabilities	421	442	463	523	608	596	639	648	655	663
Non-current liabilities	1,350	1,804	1,705	2,064	2,320	2,561	2,876	3,347	3,949	5,202
Current interest bearing debt	234	15	237	209	65	61	213	356	355	55
Short-term lease liabilities	8	13	5	4	5	6	10	10	10	10
Accounts payable	79	52	100	177	177	246	221	250	237	231
Other current liabilities	178	223	355	692	414	396	465	465	465	465
Current liabilities	499	304	697	1,082	661	709	908	1,081	1,067	762
Total equity and liabilities	3,198	3,921	4,258	5,272	5,244	5,706	6,279	7,121	7,766	8,734
Cash flow (EURm)	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Operating profit (EBIT)	83	215	192	388	352	350	229	261	278	276
Depreciation & amortisation (+)	110	113	123	138	153	178	220	269	322	333
Other items	18	17	46	91	46	74	84	-5	-3	-4
Paid taxes	-5	-10	-18	-27	-81	-44	-7	-35	-32	-25
Change in working capital	-29	-55	-237	-25	329	105	90	33	28	4
Cash flow from operating activities	177	281	105	564	800	661	616	522	592	584
Acquis. of prop., plant & equip. and intang. assets	-428	-301	-245	-439	-839	-774	-715	-981	-1,051	-1,080
Proceeds from sale of assets	40	14	2	3	3	1	2	0	0	0
Interest received	1	1	1	1	11	6	1	17	7	9
Other items	40	28	8	-20	-257	113	0	4	4	3
Cash flow from investment activities	-347	-258	-235	-456	-1,081	-654	-711	-960	-1,040	-1,068
Free cash flow	-170	22	-129	108	-282	44	-95	-437	-448	-484
Change in interest bearing debt	61	392	93	276	-55	67	207	605	595	945
Share issues / buy-backs	0	450	-27	-14	0	7	0	0	0	0
Dividends paid	-14	-73	-88	-89	-106	-95	-95	-100	-103	-106
Interest paid	-14	-16	-26	-29	-39	-51	-56	-68	-98	-135
Lease payments	-7	-10	-14	-5	-6	-7	-10	-10	-10	-10
Other items	0	-47	-20	-2	-3	66	111	140	17	18
Cash flow from financing activities	25	696	-81	137	-209	22	158	567	400	711
Change in cash	-145	718	-210	245	-490	29	62	129	-48	227

Annual Segmental and Operating Data

Revenues per segment (EURm)	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Green Capacities (adj.)*	84	90	218	458	343	424	514	476	538	554
Networks (adj.)	465	439	510	698	592	701	782	943	908	887
Reserve Capacities (adj.)	66	111	152	237	129	150	229	171	174	168
Customers & Solutions (adj.)	539	505	1,024	3,001	1,734	1,227	1,215	1,242	1,157	1,059
Other and Eliminations (adj.)	-3	-10	-14	-77	-161	-195	-179	-139	-117	-115
Total adjusted	1,151	1,135	1,888	4,317	2,636	2,307	2,562	2,693	2,661	2,553
Adjustments	-52	88	10	70	23	5	-64	-42	-26	-11
Total reported	1,099	1,223	1,899	4,387	2,659	2,312	2,498	2,651	2,635	2,542

EBITDA per segment (EURm)	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Green Capacities (adj.)*	43	50	108	253	223	262	292	290	317	329
Networks (adj.)	181	138	145	164	180	220	263	278	277	282
Reserve Capacities (adj.)	22	29	37	35	50	42	38	35	39	29
Customers & Solutions (adj.)	11	27	41	16	30	7	-49	-23	3	-9
Other and Eliminations (adj.)	3	2	2	2	2	-4	2	-6	-6	-7
Total adjusted	260	246	333	469	484	528	546	575	629	623
Adjustments	-53	88	10	70	23	5	-64	-42	-26	-11
Total reported	207	334	343	540	507	533	482	533	603	613

Green Capacities, key metrics	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Installed Electricity Capacity (period end), MW										
Onshore wind	76	76	170	170	233	283	730	720	984	984
Offshore wind	0	0	0	0	0	0	0	0	0	0
Solar	0	0	0	0	0	22	285	459	459	459
Hydro	1,001	1,001	1,001	1,001	1,001	1,001	1,000	1,111	1,111	1,111
<i>Pumped-storage</i>	900	900	900	900	900	900	900	1,010	1,010	1,010
<i>Run-of-river</i>	101	101	101	101	101	101	100	101	101	101
Waste	0	24	43	44	44	44	44	44	44	44
Biomass	0	0	0	0	50	71	71	71	71	71
BESS	0	0	0	0	0	0	70	0	291	291
Total installed electricity capacity	1,077	1,101	1,214	1,215	1,328	1,419	2,200	2,405	2,960	2,960

Electricity Generated, TWh	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Onshore wind	0.23	0.24	0.30	0.47	0.58	0.86	1.38	1.76	2.42	2.62
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	0.01	0.11	0.36	0.50	0.50
Hydro	0.86	1.01	1.01	0.92	0.89	0.90	0.72	1.05	1.49	1.48
<i>Pumped-storage</i>	0.58	0.77	0.70	0.54	0.52	0.54	0.46	0.69	1.14	1.14
<i>Run-of-river</i>	0.58	0.24	0.31	0.38	0.37	0.36	0.26	0.35	0.35	0.34
Waste	0.00	0.08	0.24	0.26	0.27	0.29	0.29	0.28	0.27	0.27
Biomass	0.00	0.00	0.00	0.00	0.01	0.24	0.30	0.31	0.31	0.31
Total electricity generated	1.09	1.32	1.55	1.65	1.76	2.30	2.80	3.75	4.99	5.18

Electricity market price, EUR/MWh:	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Lithuania	46.1	34.0	90.2	229.2	92.9	93.0	85.7	92.3	81.4	80.6
Latvia	46.3	34.0	88.6	225.9	94.1	90.1	85.8	91.6	81.1	80.3
Estonia	45.9	33.7	86.5	192.0	91.0	87.1	80.5	88.0	77.8	77.1
Poland	53.6	47.2	87.3	166.3	111.9	78.7	104.4	107.7	104.5	101.3

Avg. realised el. price, EUR/MWh (ex. Kruonis) na na na na na 103.9 92.0 94.2 80.9 80.4

Heat	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Installed heat capacity (period end), MW	40	110	170	180	329	349	350	350	350	350
Heat generated, TWh	0.09	0.32	0.85	0.89	1.07	1.66	1.86	1.68	1.68	1.68

Networks, key metrics	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
RAB (Regulated Asset Base), EURm	1,416	1,186	1,258	1,345	1,429	1,584	1,795	2,087	2,163	2,235
WACC (regulatory), combined el. and gas	4.85%	5.00%	5.05%	4.13%	4.14%	5.08%	5.79%	5.06%	4.96%	4.86%

Reserve Capacities, key metrics	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
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	0.02	1.20	0.82	0.27	0.31	0.52	1.19	0.36	0.39	0.70

Customers & Solutions, key metrics	2019	2020	2021	2022	2023	2024	2025	2026E	2027E	2028E
Electricity sales (retail), TWh	5.40	6.37	6.77	7.71	6.65	6.70	7.38	8.86	9.48	17.16
Natural gas sales (retail and wholesale), TWh	9.83	14.77	11.56	12.80	9.29	8.71	8.23	8.83	8.70	10.03

*Green Capacities - previously Green Generation

Quarterly Financial Statements

Income statement (EURm)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
Revenue from contracts with customers	768	527	499	679	896	503	480	739
Other income	5	-1	2	20	6	7	9	11
Total revenues	773	525	501	699	903	510	489	750
Purchases of electricity, nat. gas and other serv.	-529	-320	-317	-459	-633	-320	-311	-474
Repair and maintenance expenses	-46	-18	-21	-25	-15	-18	-20	-24
Salaries and related expenses	-14	-47	-44	-52	-50	-50	-47	-56
Other expenses	-24	-37	-27	-36	-27	-25	-24	-25
EBITDA	160	102	92	128	178	97	88	170
Depreciation and amortisation	-49	-51	-57	-63	-65	-66	-67	-72
Write-offs, revaluation and impairments	-1	-1	-1	-8	-1	-1	-1	-1
Operating profit (EBIT), adj.	138	60	46	70	124	41	30	106
Operating profit (EBIT)	110	50	34	57	113	30	20	97
Finance income	8	-2	3	3	5	6	5	6
Finance expenses	-16	-19	-17	-21	-15	-17	-17	-19
Equity earnings	0	0	0	0	0	0	0	0
Pre-tax profit	102	29	20	39	102	19	8	85
Taxes	-18	-1	1	-8	-17	-3	-1	-14
Non-controlling interest	0	0	0	0	0	0	0	0
Net profit to shareholders of the company	84	28	21	31	85	16	6	71
EPS (EUR)	1.16	0.38	0.29	0.43	1.18	0.22	0.09	0.98
Dividends per share (EUR)	0.000	0.683	0.000	0.683	0.000	0.703	0.000	0.703

Balance sheet (EURm)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
Deferred tax asset	33	34	45	49	49	49	49	49
Intangible assets	305	306	305	293	293	293	293	293
Goodwill	0	0	0	0	0	0	0	0
Property, plant and equipment	4,129	4,436	4,548	4,699	4,887	5,089	5,281	5,411
Right-of-use assets	98	115	113	124	124	124	124	124
Other long-term assets	322	130	152	115	117	117	117	119
Non-current assets	4,887	5,021	5,162	5,280	5,470	5,672	5,864	5,996
Inventories	232	224	263	240	248	233	201	207
Accounts receivable	267	203	234	272	359	208	202	302
Other current assets	242	181	182	190	190	190	190	190
Cash and cash equivalents	283	269	234	296	547	472	410	426
Short-term deposits	0	0	0	0	0	0	0	0
Current assets	1,024	877	913	999	1,344	1,103	1,003	1,125
Total assets	5,911	5,897	6,075	6,279	6,814	6,775	6,867	7,121
Shareholders' equity	2,485	2,492	2,461	2,495	2,580	2,547	2,553	2,573
Non-controlling interests	0	0	0	0	120	120	120	120
Equity	2,485	2,492	2,461	2,495	2,700	2,667	2,673	2,693
Deferred tax liability	89	88	86	90	90	90	90	90
Provisions	129	35	47	160	160	160	160	160
Long-term interest bearing debt	1,711	1,576	1,740	1,888	2,262	2,404	2,202	2,351
Long-term lease liabilities	86	93	93	98	98	98	98	98
Other long-term liabilities	602	612	627	639	644	645	645	648
Non-current liabilities	2,618	2,404	2,592	2,876	3,254	3,398	3,196	3,347
Current interest bearing debt	71	201	176	213	49	56	356	356
Short-term lease liabilities	8	9	9	10	10	10	10	10
Accounts payable	212	213	182	221	335	180	167	250
Other current liabilities	518	579	655	465	465	465	465	465
Current liabilities	809	1,001	1,021	908	859	711	998	1,081
Total equity and liabilities	5,911	5,897	6,075	6,279	6,814	6,775	6,867	7,121

Cash flow (EURm)	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
Operating profit (EBIT)	110	28	34	57	113	30	20	97
Depreciation & amortisation (+)	49	51	57	63	65	66	67	72
Other items	70	34	-1	-19	-4	0	1	-2
Paid taxes	-2	11	-8	-8	-17	-3	-1	-14
Change in working capital	-8	124	-52	26	20	11	25	-23
Cash flow from operating activities	219	248	30	119	176	104	111	131
Acquis. of prop., plant & equip. and intang. assets	-163	-180	-192	-180	-252	-268	-258	-202
Proceeds from sale of assets	1	1	0	0	0	0	0	0
Interest received	0	0	1	0	3	5	5	4
Other items	0	-2	0	3	2	0	0	2
Cash flow from investment activities	-163	-181	-191	-177	-248	-262	-254	-196
Free cash flow	56	68	-161	-58	-71	-159	-142	-65
Change in interest bearing debt	-13	-13	16	218	210	149	98	148
Share issues / buy-backs	0	0	0	0	0	0	0	0
Dividends paid	0	-48	0	-47	0	-49	0	-51
Interest paid	-9	-14	-19	-14	-15	-17	-17	-19
Lease payments	-3	-3	-2	-3	-3	-2	-2	-3
Other items	17	-3	131	-35	130	3	2	5
Cash flow from financing activities	-7	-81	126	120	322	83	80	81
Change in cash	49	-14	-35	62	251	-75	-62	16

Quarterly Segmental and Operating Data

Revenues per segment (EURm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
Green Capacities (adj.)*	114	87	84	128	157	115	106	136	159	85	73	159
Networks (adj.)	206	161	165	186	218	169	171	224	292	204	197	250
Reserve Capacities (adj.)	45	19	33	53	84	67	40	38	45	39	39	48
Customers & Solutions (adj.)	338	216	286	376	411	224	226	355	470	220	210	342
Other and Eliminations (adj.)	-57	-42	-35	-61	-69	-40	-30	-41	-52	-26	-20	-40
Total adjusted	646	442	533	682	801	535	513	712	915	521	499	759
Adjustments	7	-3	-4	4	-28	-10	-12	-13	-12	-11	-10	-9
Total reported	654	439	529	686	773	525	501	699	903	510	489	750

EBITDA per segment (EURm)	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
Green Capacities (adj.)*	77	57	46	82	109	57	49	76	110	48	36	96
Networks (adj.)	66	50	50	54	74	59	60	71	82	61	60	74
Reserve Capacities (adj.)	20	5	12	5	17	12	6	3	8	8	9	10
Customers & Solutions (adj.)	17	-6	-1	-4	-14	-14	-15	-6	-9	-8	-7	2
Other and Eliminations (adj.)	2	1	0	-6	2	-2	5	-3	-1	-1	-1	-3
Total adjusted	182	108	107	131	189	112	104	141	189	108	98	179
Adjustments	7	-3	-4	4	-28	-10	-12	-13	-12	-11	-10	-9
Total reported	189	105	104	135	160	102	92	128	177	97	88	170

Green Capacities, key metrics	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
Installed electricity capacity (period end), MW:												
Onshore wind	283	283	283	283	283	597	734	784	784	784	784	784
Offshore wind	0	0	0	0	0	0	0	0	0	0	0	0
Solar	0	0	0	22	22	22	22	18	281	281	281	455
Hydro	1,001	1,001	1,001	1,001	1,001	1,001	1,001	1,000	1,001	1,001	1,001	1,111
<i>Pumped-storage</i>	900	900	900	900	900	900	900	900	900	900	900	1,010
<i>Run-of-river</i>	101	101	101	101	101	101	101	100	101	101	101	101
Waste	44	44	44	44	44	44	44	44	44	44	44	44
Biomass	50	71	71	71	71	71	71	71	71	71	71	71
Total installed electricity capacity	1,378	1,399	1,399	1,421	1,421	1,735	1,872	2,121	2,122	2,123	2,124	2,125
Electricity generated (100% basis), TWh:												
Onshore wind	0.24	0.14	0.14	0.34	0.35	0.35	0.26	0.42	0.47	0.34	0.31	0.64
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
Solar	0.00	0.00	0.01	0.00	0.01	0.02	0.06	0.02	0.04	0.14	0.12	0.05
Hydro	0.26	0.23	0.21	0.20	0.18	0.20	0.17	0.17	0.27	0.22	0.19	0.38
<i>Pumped-storage</i>	0.11	0.13	0.16	0.13	0.11	0.14	0.11	0.10	0.13	0.12	0.13	0.31
<i>Run-of-river</i>	0.16	0.09	0.05	0.06	0.07	0.06	0.06	0.07	0.13	0.10	0.05	0.07
Waste	0.07	0.08	0.06	0.08	0.08	0.07	0.06	0.08	0.08	0.07	0.06	0.07
Biomass	0.04	0.06	0.04	0.10	0.11	0.07	0.02	0.10	0.10	0.07	0.05	0.09
Total electricity generated	0.61	0.50	0.47	0.72	0.73	0.71	0.57	0.79	0.95	0.85	0.73	1.23
Electricity market price, EUR/MWh:												
Lithuania	89.7	96.2	95.3	90.7	111.3	61.8	70.0	99.8	130.0	72.9	70.3	95.9
Latvia	86.7	86.7	96.3	90.7	110.6	62.8	70.0	99.8	128.0	72.7	70.1	95.6
Estonia	90.0	75.8	96.0	86.7	110.0	60.8	64.9	86.3	123.5	69.7	67.3	91.7
Poland	81.3	90.0	101.3	42.0	113.2	87.4	102.2	114.9	121.2	102.4	102.4	104.8
Avg. realised el. price, EUR/MWh (ex. Kruonis)	90.7	117.4	95.0	112.4	85.4	80.2	94.3	108.2	125.6	80.7	76.4	94.2
Heat												
Installed heat capacity (period end), MW	329	329	349	349	350	350	350	350	350	350	350	350
Heat generated, TWh	0.46	0.37	0.24	0.47	0.61	0.40	0.29	0.56	0.55	0.37	0.28	0.49

Networks, key metrics	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
RAB (Regulated Asset Base), EURm, annual	1,584	1,584	1,584	1,584	1,795	1,795	1,795	1,795	2,087	2,087	2,087	2,087
WACC (regulatory), combined el. and gas, annual	5.08%	5.08%	5.08%	5.08%	5.79%	5.79%	5.79%	5.79%	5.06%	5.06%	5.06%	5.06%

Reserve Capacities, key metrics	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
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
Electricity generated, TWh	0.15	0.05	0.11	0.21	0.47	0.35	0.21	0.16	0.08	0.07	0.09	0.12

Customers & Solutions, key metrics	1Q24	2Q24	3Q24	4Q24	1Q25	2Q25	3Q25	4Q25	1Q26E	2Q26E	3Q26E	4Q26E
Electricity sales (retail), TWh	1.77	1.50	1.58	1.86	1.91	1.64	1.77	2.06	2.29	1.97	2.12	2.47
Natural gas sales (retail and wholesale), TWh	2.84	1.27	1.83	2.77	2.94	1.47	1.23	2.59	3.97	1.38	1.11	2.37

*Green Capacities - previously Green Generation

Ratios & Share Data

Share data	2020	2021	2022	2023	2024	2025	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	21.20	21.50	21.50
Market capitalisation, period end (EURm)	1,549	1,560	1,377	1,364	1,417	1,535	1,556	1,556
Enterprise value (EURm)	2,151	2,517	2,364	2,681	3,030	3,447	4,064	4,707

Valuation	2020	2021	2022	2023	2024	2025	2026E	2027E
EV/Sales	1.8	1.3	0.5	1.1	1.3	1.4	1.5	1.8
EV/EBITDA	6.4	7.3	4.4	5.3	5.7	7.1	7.6	7.8
EV/EBIT	10.0	13.1	6.1	7.6	8.7	13.7	15.6	16.9
P/E	7.3	9.7	4.7	4.3	5.1	9.4	8.7	9.8
P/B	0.85	0.84	0.65	0.60	0.58	0.62	0.60	0.59
Dividend yield	6.5%	5.7%	6.6%	6.8%	6.8%	6.4%	6.5%	6.7%

Balance sheet	2020	2021	2022	2023	2024	2025	2026E	2027E
Net Debt (incl. lease liabilities)	600	957	987	1,318	1,612	1,912	2,388	3,030
Net Debt / EBITDA LTM	1.79	2.79	1.83	2.60	3.03	3.97	4.48	5.02
Net Debt / adj. EBITDA LTM	2.44	2.88	2.10	2.72	3.05	3.50	4.16	4.81
FFO* LTM / Net Debt	51.5%	31.3%	49.1%	29.6%	29.7%	22.0%	18.7%	15.9%
Equity / Assets	46%	44%	40%	43%	43%	40%	38%	35%

Growth (YoY)	2020	2021	2022	2023	2024	2025	2026E	2027E
Revenue	12%	55%	131%	-42%	-9%	8%	6%	-1%
EBITDA	65%	3%	57%	-6%	5%	-9%	11%	13%
EBIT	159%	-11%	102%	-9%	-1%	-28%	4%	7%
Net profit to shareholders	201%	-6%	83%	9%	-14%	-41%	9%	-11%
EPS	173%	-24%	88%	9%	-14%	-41%	9%	-11%

Margins	2020	2021	2022	2023	2024	2025	2026E	2027E
EBITDA	27%	18%	12%	20%	23%	19%	20%	23%
EBIT	18%	10%	9%	14%	15%	10%	10%	11%
Net profit to shareholders	14%	8%	7%	13%	12%	7%	7%	6%

Profitability	2020	2021	2022	2023	2024	2025	2026E	2027E
ROE	10.9%	8.7%	14.7%	14.6%	11.8%	6.6%	7.0%	6.1%
ROCE**	9.1%	7.4%	13.1%	10.5%	9.2%	5.9%	5.5%	5.1%
ROCE** adj.	5.4%	7.9%	10.7%	9.8%	9.0%	7.4%	6.4%	5.6%

* 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)
07/05/2026	EUR 18–31
02/03/2026	EUR 18–31
20/02/2026	EUR 21–34
17/11/2025	EUR 21–36
07/11/2025	EUR 25–39
18/08/2025	EUR 25–39
06/08/2025	EUR 25–39
19/05/2025	EUR 25–39
07/05/2025	EUR 25–39

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 48% 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 at the end of 2025 was relatively low at 6.5%, 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 17%. 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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