

AB "Ignitis grupė" (hereinafter – the Group) informs that its subsidiary AB "Energijos skirstymo operatorius" (hereinafter – ESO) has updated its 10-year (2024–2033) investment plan for the distribution networks (hereinafter – Draft Investment Plan) and is submitting it for public consultation and coordination to the market regulator (National Energy Regulatory Council, NERC) ([link in Lithuanian](#)).

To enable the development and electrification of Green Capacities, the Draft Investment Plan foresees 1.4 times increase in investments to EUR 3.5 billion compared to the previous 10-year investment plan submitted to NERC (EUR 2.5 billion, 2022–2031). To finance the planned investments, ESO will use the inflows from the distribution tariff, the European Union as well as allocate its own and borrowed funds.

The planned investments will continue to focus on two main areas: improving the network resiliency and efficiency as well as expanding the electricity network and facilitating the market:

1. increasing network resiliency and efficiency (~38%): to restore power faster after a network failure, overhead power lines will be replaced with underground cables with the priority on replacing power lines with a lot of interruptions and hazardous power lines, in forests. A strong focus will be on upgrading worn-out assets, prioritising more densely populated areas, thus improving the quality of electricity supply and ensuring safety for as many customers as possible. The installation of the equipment that ensures network automation and management will continue. Additionally, advanced and innovative solutions with an emphasis on seamless and optimal integration of distributed energy sources and EV charging stations as well as asset management digitalisation solutions will be implemented.
2. expansion of the electricity network and market facilitation (~57%): the aim is to facilitate the market transformation and development while promoting customer engagement in the market. The programme will focus on facilitating the market through the integration of renewables into the network, optimising the network, and contributing to the development of business models that make the market work smoothly. Smart meter implementation is a very important part of the programme. This technological solution in the ESO network will ensure data accuracy and immediate availability while facilitating the market and consumers to create high-quality services.

The maintenance of the natural gas network will represent ~5% of the total planned investments.

Please note that, according to the current regulation, from year 2022 onwards, the Draft Investment Plan must be prepared and submitted for coordination to NERC by 1 December every two years, after carrying out a public consultation to ensure the involvement of stakeholders in shaping the green future of Lithuania's energy infrastructure and taking into consideration the proposals and comments received during the consultation. In addition, once the investments have been agreed on, specific investment projects will be agreed with the regulatory authorities in accordance with the procedures set out in the legal acts.

Accordingly, the planned investments cannot be considered as final investment decisions or used as basis for performing other actions. The adoption and implementation of specific decisions to achieve these objectives (including scope, timing, type of financing and other aspects) will depend on the consistency of the regulatory environment, economic, legal and other factors that may affect the adoption and efficient implementation of such decisions.

The Group will only issue a separate material event notice on the agreed Draft Investment Plan in the event of material changes. The information provided in this notification does not affect the Group's 2024 Adjusted EBITDA and Investment guidance.

For more information please contact:

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