

AB „Ignitis grupė“ (hereinafter „the Group“) informs that on 30 April 2025 the National Energy Regulatory Council (hereinafter „NERC“) passed a resolution „On the amendment of the National Energy Regulatory Council's Resolution No. O3-229 of 14 September 2012 „On the approval of the methodology for determining the electricity price and the price for reserve capacity and isolated system operation services“ (link in Lithuanian) (hereinafter „the Resolution“), which adopted the new mechanism for distributing additional profit earned.

The Resolution applies to the new manual frequency restoration reserve services whose market was launched this year (hereinafter „mFRR“) provided by Kruonis PSHP and Kaunas HPP and the isolated system operation services provided by Elektrai Complex, all owned by AB „Ignitis gamyba“ (hereinafter „Ignitis Gamyba“). The Resolution ensures that the additional profit earned in the Baltic states is shared with Lithuanian consumers by reducing the regulated electricity tariff. As mFRR services are being sold in the common market of the three Baltic states, so the larger share of acquired mFRR capacity is purchased for purposes other than Lithuania. In that regard, a portion of the revenue earned from exporting services to Latvia and Estonia will be shared with the Lithuanian consumers.

In the case of the new mFRR services, 70% of the positive financial result, of the difference between the marginal auction price (pay-as-clear) and the price offered by Ignitis Gamyba at the auction (pay-as-bid), for the mFRR capacity sold by Ignitis Gamyba would be returned to consumers. The portion returned to consumers could increase if Ignitis Gamyba's actual EBITDA result for 2025 exceeds the sum of EBITDA result for 2024 and the previous year's result increase (+12.4%). The provisions related to the mFRR services will apply for the period until 31 December 2025 and may be extended by a decision of NERC.

In the case of isolated system operation services, 50% of the positive financial result would be returned to consumers, while ensuring that Ignitis Gamyba receives half of the investment return set by the regulator (i.e., half of the WACC set by the regulator), during the reporting period. The provisions related to the isolated system operation services will apply for the period until 31 December 2026 and may be extended by a decision of NERC.

Given that revenue from the new services were forecasted at a lower level, the information provided in this notification does not affect the Group's Adjusted EBITDA and Investments guidance for 2025.

The Group will only announce about the changes in the provisions of the Resolution if it will have a material impact on the Group's results.

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