**DOCUMENT OF THE EUROPEAN BANK
FOR RECONSTRUCTION AND DEVELOPMENT**

Approved by the Board of Directors on 11 September 2024[1]

REGIONAL

IGNITIS GRUPE EV CHARGING

[Redacted in line with the EBRD's Access to Information Policy]

[Information considered confidential has been removed from this document in accordance with the EBRD's Access to Information Policy (AIP). Such removed information is considered confidential because it falls under one of the provisions of Section III, paragraph 2 of the AIP]

[1] As per section 1.4.8 of EBRD's Directive on Access to Information (2024), the Bank shall disclose Board reports for State Sector Projects within 30 calendar days of approval of the relevant Project by the Board of Directors. Confidential information has been removed from the Board report.

For the avoidance of any doubt, the information set out here was accurate as at the date of preparation of this document, prior to consideration and approval of the project.

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ABBREVIATIONS / CURRENCY CONVERSIONS

AC	Alternating Current
ACEA	European Automobile Manufacturers Association
AFIF	Alternative Fuels Infrastructure Facility
CAGR	Compound Annual Growth Rate
CEE	Central Eastern Europe
CHP	Combined Heat & Power
CO2	Carbon Dioxide
CPO	Charging Point Operator
D&A	Depreciation & Amortisation
DAEI	System of energy credits
DC	Direct Current
DD	Due Diligence
E&S	Environmental and Social
EBITDA	Earnings Before Interest, Taxes, Depreciation, and Amortisation
EC	European Commission
EHS	Environment, Health & Safety
eMSP	E-Mobility Service Providers
ESAP	Environmental and Social Action Plan
ESDD	Environmental and Social Due Diligence
EU	European Union
EUR	Euro
EV	Electric Vehicle
GET	Green Economy Transition
GHG	Greenhouse Gas
HPC	High Power Charging
kW, kWh	Kilowatt, Kilowatt Hour
LTA	Lender Technical Adviser
O&M	Operations and Maintenance
OCCO	Office of the Chief Compliance Officer (EBRD)
OEM	Original Equipment Manufacturer
PA	Paris Alignment
PD	Probability of Default
RAB	Regulated Asset Basis
RAROC	Risk-adjusted return on capital
RE	Renewable Energy
RES	Renewable Energy Sources
SDG	Sustainable Development Goals
TC	Technical Cooperation
TEN-T	Trans-European Transport
WACC	Weighted Average Cost of Capital

PRESIDENT'S RECOMMENDATION

This recommendation and the attached Report concerning an operation in favour of AB Ignitis Grupe (the "Company"), a public limited liability company incorporated in Lithuania, are submitted for consideration by the Board of Directors.

The facility will consist of a corporate loan to the Company in the amount of up to EUR 60 million, [REDACTED]. The operation will enable the Company to finance the development, construction and installation of Electric Vehicle ("EV") charging stations in the Baltic countries (the "Project").

This Project holds significant strategic importance for the region as the EU focuses on accelerating the roll-out of electric mobility due to its commitment to decarbonization and it will provide a significant contribution towards national targets in the Alternative Fuels Infrastructure Regulation as part of the Fit for 55 package and the EU Green Deal, Next Generation EU and Recovery and Resilience Plan. Certain charging points will also be located along the TEN-T Transport network, thus contributing to the EU transport decarbonization goals.

The expected transition impact of the Project is derived from its Green and Integrated qualities. The Project aims to enhance the Green quality by accelerating the adoption of EVs in Lithuania, Estonia, and Latvia, countries currently with limited electric mobility infrastructure, thereby advancing the decarbonisation of the transport sector during this early stage of market development. The Project will support the Integrated quality by introducing a large-scale infrastructure service in areas where such services are scarce, significantly increasing the number of available charging points in the Baltic countries. The Project has a 100 per cent GET share.

Technical Cooperation ("TC") support for the preparation of a commercial due diligence report has been provided by InvestEU Advisory Hub.

I am satisfied that the operation is consistent with the Bank's Strategy for Lithuania, Estonia and Latvia, as well as with the Transport Sector Strategy, the Energy Sector Strategy (BDS23-180/F), the Green Economy Transition Approach 2021-2025 and with the Agreement Establishing the Bank.

I recommend that the Board approve the proposed loan substantially on the terms of the attached Report.

Odile Renaud-Basso

BOARD DECISION SHEET

REGIONAL – Ignitis Grupe EV Charging - DTM 55637	
Transaction / Board Decision	Board approval[2] is sought for a senior, unsecured corporate loan of up to EUR 60 million, in favour of AB Ignitis Grupe ("**Ignitis**" or the "**Company**"), a public limited liability company incorporated in Lithuania, to support the construction of ca. 600 electric vehicle ("**EV**") charging stations in the Baltic countries during 2024-2027 (the "**Project**"). Total Project cost is expected to be EUR 76 million. [REDACTED].
Client	Ignitis is the primary distributor of electricity in Lithuania and is one of the largest state-controlled energy companies in the Baltic countries. The Bank has a long-standing strong relationship with the Company and has become its largest minority shareholder during the partial privatisation, through an IPO, in 2020. With 2.4GW of operating capacity, Ignitis operates over 60 per cent of Lithuania's electricity generation capacity. The Company's core business activities are energy generation, distribution and supply of electricity and natural gas, and the development of innovative energy solutions. [REDACTED].
Main Elements of the Proposal	**Transition impact**: Primary – Green: EBRD proceeds are fully used for installation of EV charging stations, reducing GHG emissions. Secondary – Integrated: The Project will promote significant expansion of the current underdeveloped and of inadequate quality EV public network infrastructure services within the Baltic countries. **Additionality**: EBRD's status as an official EU AFIF Implementing Partner will enable the Company to apply for EU AFIF grants, taking a large volume financing at the corporate level and enabling a faster rollout of the EV public service network in the Baltic countries. **Sound banking**: Sound level of return as per the profitability model
Key Risks	[REDACTED]
Strategic Fit Summary	The EV charging sector is important for the Bank's ambitions to decarbonise the transport sector and bolster the modal shift from fuel-based to electricity-powered transportation. The Project is fully consistent with the Bank's Strategy for Lithuania, Estonia and Latvia, as well as the Transport Sector Strategy, the Energy Sector Strategy, the Green Economy Transition Approach 2021-2025 and with the Agreement Establishing the Bank.

ADDITIONAL SUMMARY TERMS FACTSHEET

EBRD Transaction	Senior, unsecured corporate loan of up to EUR 60.0 million to Ignitis to support the development, construction, and installation of ca. 600 EV charging stations in the Baltic countries during 2024-2027. Total Project cost is EUR 76 million. [REDACTED].
Existing Exposure	Aggregate debt exposure to the Company: EUR 60.0 million. - [REDACTED]
Maturity / Repayment	Tenor: Up to 10 years [REDACTED]
Potential AMI eligible financing	None at this stage
Use of Proceeds - Description	The proceeds of the Bank's investment will finance capital expenditure related to the development, construction, equipment and installation of ca. 600 EV charging stations across Lithuania, Estonia and Latvia.
Investment Plan	The Loan will be used entirely to finance the construction, equipment and installation of ca. 600 EV charging stations across Lithuania, Estonia and Latvia. Further breakdown of funds usage will be determined during due diligence.

[2] Article 27 of the AEB provides the basis for this decision.

Financing Plan	[REDACTED]
Key Parties Involved	Borrower: AB Ignitis Grupe Implementing Subsidiary: UAB Ignitis Shareholders: Ministry of Finance of the Republic of Lithuania (74.99 per cent), remaining 25.01 per cent of shares are publicly listed and owned by minority investors, including EBRD with 4.1 per cent shareholding.
Conditions to subscription / disbursement	[REDACTED]
Key Covenants	[REDACTED]
Security / Guarantees	Unsecured loan.
Other material agreements	N/A
Associated Donor Funded TC and Blended Concessional Finance	**Technical Cooperation (TC)** Technical and commercial due diligence assignment of up to EUR 75,000 funded by the InvestEU Advisory Hub. This assignment has been carried out successfully. The Bank's financing will also support the Company's application for AFIF grants.

[REDACTED]

INVESTMENT PROPOSAL SUMMARY

1. STRATEGIC FIT AND KEY ISSUES

1.1 STRATEGIC CONTEXT

Road transport significantly contributes to global CO2 emissions and whilst EVs are pivotal in driving decarbonization, this requires substantial investments in EV charging infrastructure. According to the International Energy Agency, as of 2022, the transport sector accounts for 24 per cent of global direct CO2 emissions, with road transport responsible for 75 per cent of these emissions. Within the EU, 94 per cent of transport relies on oil, 84 per cent of which is imported, resulting in increasing environmental costs. In response, in 2020 the European Commission established a target to reduce – by 2050 – transport emissions by 90 per cent compared to their 1990 levels.

The EU has announced several initiatives to boost the EV market in Europe, in line with its ambitions to reduce GHG emissions. In December 2019, the EC presented the European Green Deal followed by the European Climate Law which was adopted in June 2021. This enshrines into EU law the objective of climate neutrality by 2050 and an acceleration of the EU's reduction in CO2 emissions of 55 per cent by 2030 vs 42 per cent previously. In March 2023, the EU announced a ban on sales of new carbon-emitting cars by 2035, along with a focus on developing EV infrastructure: from 2025 onwards, fast recharging stations of at least 150kW for cars and vans need to be installed every 60 km along the EU's main transport corridors. Such regulation is expected to boost the activity of charge point operators focusing on high-speed en-route and destination charging points. Additionally, on the supply side, almost all major Original Equipment Manufacturers ("OEMs") have committed to only producing electric vehicles in the 2025-2035 timeframe, so there will be additional pressure and demand for charging infrastructure.

Supporting private investments in the EV infrastructure sector is key to boosting the use of EVs in the Baltics. According to European Automobile Manufacturers Association ("ACEA"), Baltic countries rank the lowest in the EU in terms of EV charge points (including both AC and DC types) per 100km. Estonia and Latvia have 0.1 per 10 km of road, and Lithuania – 0.2 charging points per 10 km of road, lagging behind the developed markets, with the Netherlands leading the EU, with 7.7 charging points per 10 km of road.

Ignitis is the largest electricity supplier in Lithuania and is therefore instrumental in achieving national long-term strategic energy targets. The Company has an ambitious investment plan for innovative energy solutions, including EV charging stations, aiming (partially through investments like the proposed Project) to make its subsidiary UAB Ignitis the leading public EV charging point provider in the Baltic countries, with the number of its installed public EV charging stations increased from 376 (in 2023) to over 2,500 (by 2035).

The Project is fully consistent with the Bank's Strategy for Lithuania, Estonia and Latvia in supporting its priority Green Economy Transition through GHG emissions reduction and development of sustainable and green transport & infrastructure solutions. The Project is also consistent with the Energy Sector Strategy, the Transport Sector Strategy and the Green Economy Transition Approach 2021-2025 which call for the electrification of key sectors such as transport.

This Project also contributes to a host of UN Sustainable Development Goals ("SDG"), namely: SDG7, Affordable and Clean Energy, SDG 9. Industry, Innovation and Infrastructure, SDG 11. Sustainable Cities and Communities, SDG 13. Climate Action, and SDG 17. Partnerships for the SDGs.

1.2 TRANSITION IMPACT

Primary Quality: Green

Obj. No.	Objective	Details
1.1	*The percentage of EBRD use of proceeds that supports a green economy transition and therefore qualifies as GET finance exceeds 50%.*	100 per cent of EBRD loan proceeds will be used for EV charging stations in the Baltics. The Project anticipates ca 600 charging stations – with charging pools of 2-10+ HPC stations and highly frequented traffic locations with 2-4 charging stations, installed and all in operation by 2027, helping to address the EV charging infrastructure gap. The Project aims to encourage a shift towards EV adoption and enhance EV penetration in the market, therefore it qualifies as 100 per cent GET. This initiative is expected to reduce GHG emissions by decreasing reliance on fossil fuel-powered vehicles.
1.2	*At least 80% of the electricity consumption of the project stems from additional renewable electricity generation. The client achieves this by either installing new electricity generation capacity or entering a renewable power purchase agreement for new generation capacity.*	It is expected that 100 per cent of the electricity procured for EV charging stations will be through renewable sources. Ignitis already operates 376 public charging points (193 charging stations) and has confirmed through its annual report that the electricity supplied to its EV network is produced from renewable energy sources.

Secondary Quality: Integrated

Obj. No.	Objective	Details
2.1	*The project promotes significant expansion (i.e. min 30 %) of the current infrastructure services, between or within regions where such infrastructure service provision are of inadequate quality.*	The Project expands Ignitis Group's presence in the Baltics, where EV infrastructure lags behind that in Western Europe. According to the European Automobile Manufacturers Association, the Baltic countries have the fewest EV charge points per 100 km in the EU. Ignitis also reports that there are 7.5 electric vehicles per charging point in the Baltics, underscoring the urgent need for expanded infrastructure. By the end of 2027, Ignitis plans to establish up ca. 1,200 charging stations, out of which 600 financed by the Bank. The strategy includes creating i) Charging Pools with 2-10+ HPC stations and ii) Highly frequented traffic locations with 2-4 charging stations (like shopping malls, etc.). Given high proximity to major urban areas and transport infrastructure, the chosen locations aim to serve for both short-distance and long-haul demand, which is essential to instilling confidence when purchasing an EV.

Delivery Risks: There is a potential risk of a delay in the project implementation and also potential delivery risks in the project construction and equipment, where Ignitis may rely on third-party local contractors. The Project is also subject to competition risks from the market and successful implementation of the investment is fundamentally reliant on the future growth of EV sector, which can have knock-on effects on consumer demand. This risk is partly mitigated by Ignitis' advantage as one of the first movers in the Baltic countries, as well as its selection of advantageous locations.

1.3 ADDITIONALITY

Identified triggers	Description
[REDACTED]	[REDACTED]

Additionality sources	Evidence of additionality sources
Non-financial additionality Risk mitigation - EBRD's **long-term relationship** with a client provides comfort to the client to be willing to take on more risk and/or finance, enabling outcomes such as innovation or **expansion into new markets**. - EBRD provides comfort to clients and investors, financial or strategic, by **mitigating non-financial risks**, such as country, regulatory, project, economic cycle, or political risks. - EBRD helps the client to mitigate **carbon transition risks** and take climate action, such as to move along a low carbon transition pathway	- EBRD is seen by Ignitis as an important partner to materialize its expansion plan in Lithuania, Latvia and Estonia, which all still lag behind the EU average for charging points installed per electric vehicle. The Bank has a long-standing strong relationship with the Company developed across several projects. - [REDACTED] EBRD helps the client to mitigate carbon transition risks and take climate action, by helping them to expand the EV charging network in the Baltics, thereby boosting EV adoption. Additionally, EBRD's involvement ensures the Company meets stringent environmental and social standards. The Project will also be monitored through annual reporting, including targets for CO2 emissions reduced.

1.4 SOUND BANKING – KEY RISKS

Key Project risks are summarised below.

Risks	Probability / Effect	Comments
Financial and Borrower Bankability Risk	Medium/medium	[REDACTED]
Structural Subordination Risk	Medium/medium	[REDACTED]
Electricity Price Risk	Medium/medium	[REDACTED].
Renewable Growth Risk	Medium/medium	[REDACTED]

2. MEASURING / MONITORING SUCCESS

Transition Impact Monitoring Indicators

TI indicator(s), primary Quality: Green

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
1.1	CO2e emissions reduced (tonnes/year)	Achieve 40,000 tons CO2 savings per year.	[REDACTED]	[REDACTED]	[REDACTED]

TI indicator(s), secondary Quality: Integrated

Obj. No.	Monitoring indicator	Details	Baseline	Target	Due date
2.1	New or updated technology introduced	Ignitis' expansion strategy is divided into two main segments: i) Charging Pools with 2-10+ HPC stations and ii) Highly frequented traffic locations with 2-4 charging stations (like shopping malls, etc.). Their current leading market presence and experience in Lithuania will help them in their expansion plans by promoting this new technology (and any of its future improvements), raise social awareness but also EV usage from individuals, firms and households and create a comprehensive EV public network in the Baltic countries.	[REDACTED]	[REDACTED]	[REDACTED]
2.2	Number of new/improved transport (incl. multimodal) service(s) connections	The Project anticipates ca. 600 charging stations – with charging pools of 2-10+ HPC stations and highly frequented traffic locations with 2-4 charging stations, enabling the EV integration into daily life of individuals, firms and households.	[REDACTED]	[REDACTED]	[REDACTED]

Additional Indicators

Indicator type	Monitoring indicator	Details	Baseline	Target	Due date
Advisory & Policy Indicators	Expanded access of infrastructure within regions	Ignitis will initially target, through the Project, the installation of ca. 600 charging stations with an ultimate target of ca. 2,500 EV charging stations by 2035 representing more than 5,000 EV charging points, expanding widely the EV public network and improving its quality in the Baltic countries. As this indicator is a qualitative indicator, an increase in the	[REDACTED]	[REDACTED]	[REDACTED]

		number of EV stations in line with the expectation will be considered as meeting the target.			

3. KEY PARTIES

3.1 BORROWER

Ignitis, a vertically integrated utility company with a long-standing strong relationship with the Bank, is the primary distributor of electricity in Lithuania and one of the largest state-owned energy companies in the Baltic countries. The Group`s companies operate mainly in Lithuania (82 per cent of revenue in 2023), with smaller operations in Latvia, Estonia, Poland and Finland. With 2.4 GW of operating capacity (ca. 58 per cent under Green Capacities and ca. 42 per cent under gas-fired Reserve Capacities), Ignitis operates >60 per cent of country's generation capacity and develops, owns and operates wind and solar PV projects in the Baltic countries and Poland.

Ignitis is majority-owned (75 per cent) by the Republic of Lithuania (through the Ministry of Finance). The remaining shares (25 per cent) are owned by minority investors, including EBRD. In October 2020, the Company went through an IPO and raised EUR 450 million by issuing new shares (26.9 per cent), including EUR 67.5 million from EBRD (for a 4.04 per cent stake in the Company) to support the Company's partial privatisation. The new shares have been listed on the London Stock Exchange and the Nasdaq Vilnius Stock Exchange.

The Group's core business activities include:

- **Networks** [REDACTED]. The core activities in this segment are to operate, maintain, manage, and develop electricity and natural gas distribution networks in Lithuania and to ensure their safe and reliable operation, as well as the supply of last resort service.
- **Green Generation** [REDACTED]: Power generation segment is focused on the generation of electricity through sustainable and renewable energy sources including hydro, wind (onshore and offshore), solar, biomass and waste by developing projects in Lithuania and neighbouring countries: Latvia, Estonia and Poland. The Green Generation portfolio currently consists of 1.3 GW installed capacity, 911 MW capacity under construction, 700 MW awarded / contracted (large offshore wind projects in Lithuania and Estonia, on a 100 per cent basis), 955 MW advanced development pipeline (projects where grid connection and land are secured) and 3,251 MW early development pipeline (only land secured). In 2024, 74 per cent of the revenue are secured through PPAs.
- **Reserve Generation** [REDACTED]: The Reserve Capacities segment operates the largest electricity generation facility in Lithuania, the gas-fired Elektrėnai Complex, with a total gross installed capacity of 1,055 MW.
- **Customers & Solutions** [REDACTED]: The Customers & Solutions segment is engaged in the supply of electricity and gas, wholesale trading and balancing, green energy solutions for businesses and households, installation and operation of electric vehicle charging stations (376 charging points as of YE 2023) and energy efficiency projects.

Ignitis has been delivering a transition strategy since 2021. The Strategic Plan 2024-2027 highlights Ignitis purpose to

- create a 100 per cent green and secure energy ecosystem for current and future generations;
- expand to 4–5 GW of installed Green Capacities by 2030;
- achieve Net zero emissions by 2040–2050 and reduce GHG emissions by 47 per cent by 2030, compared to the 2020 baseline;
- focus on green generation and green flexibility technologies: onshore and offshore wind, batteries, pumped-storage hydro and power-to-X;

- develop an integrated business model: benefiting from the largest customer portfolio, energy storage facility, and network in the Baltic countries enabling a transition from gas to power;
- confirm its position as a major RE-focused integrated utility active in the Baltic countries, Poland and Finland.

This strategy is being executed as planned and the investment in EV charging infrastructure will support the expansion of green energy sales, reducing the company's exposure to gas distribution and sales (this segment being already low) thereby contributing to Ignitis' strategic objective of moving away from gas.

Taking into the account the commitment of the counterpart to implement its decarbonisation strategy, that the company does not plan any investment in natural gas, and that the use of proceeds of the project will be used to support the transition from gas to power, the project is aligned with EBRD Energy Sector Strategy and there is no risk of EBRD investment of being associated with fossil fuel activities.

Financial Summary
[REDACTED]

4. MARKET CONTEXT

EV sales are anticipated to continue to surge in the next few years as the share of EV sales among total car sales are estimated to increase from 14 per cent in 2022 to 30 per cent in 2026[3]. According to the ACEA, the European EV market saw sales increase by 28.9 per cent in January 2024, outpacing the 12.1 per cent growth seen across the whole automotive industry.[4] However, EV adoption in CEE currently lags behind that in Western Europe, notably due to the lack of charging infrastructure and grid compatibility. Less than 10 per cent of newly registered passenger cars are electric in all EU CEE countries, while nearly 90 per cent of newly registered cars are electric in Norway.[5] This is forecast to change over the decade due to changes in the regulatory environment and consumer sentiment. In Lithuania, the EV fleet is forecast to grow to 187,000 (CAGR, 2023E-2028 +42 per cent)[6] by 2030. However, a key determinant of whether these growth trends materialise is dependent on development and implementation of supportive national policies incentivising uptake of vehicles, deploying charging infrastructure, and developing EV and battery manufacturing capacity.

In order to support this trend, the EU is actively promoting the EV market through key initiatives, including: (i) European Green Deal and European Climate Law, which aim for climate neutrality by 2050 and a 55 per cent reduction in CO2 emissions by 2030, (ii) a ban on Carbon-Emitting Cars by 2035, which will prohibit the new sales of such vehicles, and (iii) support of EV Infrastructure Development, which will require the construction of fast recharging stations (at least 150kW) every 60 km along main transport routes. These regulations are expected to increase the activities of charge point operators and meet the growing demand for charging infrastructure, driven by major OEMs' commitment to producing only electric vehicles between 2025 and 2035.

In terms of availability of different technologies, EV charging can be differentiated into five primary use cases: (i) home charging, (ii) workplace charging, (iii) destination charging - AC, (iv) destination charging - DC and (v) HPC. Home charging (<11kW) typically consists of a “wallbox” charging spot connected to the household electricity supply, with a typical charging period exceeding 8 hours. Workplace charging (approx. 22kW) relies on charging points located on company facilities, with an anticipated length of stay between 6 to 8 hours. Destination charging – AC (typically 22kW, with some faster options) consists of charging points located in parking lots in semi-public locations, such as shopping centres and supermarkets, and includes street charging. Stays range from 30 minutes to 4 hours, and there is an increasing availability of DC charging. Destination charging – DC (>50kW) focuses on charging points available at publicly accessible locations along roads and highways (e.g., gas stations) with the length of stay ranging between 10 to 20 minutes. HPC (>150kW) is anticipated to increase for public charging points by 2030, and can provide an 80 per cent charge in under 30 minutes, whereas traditional fast charging may take between 38 minutes to >1h to achieve the same.

Ignitis ranks among the top three charging providers in the Baltic fast charging market, holding approximately 24 per cent of fast charging locations. In Lithuania, Ignitis is the market leader in terms of number of DC and HPC charging points. The Company aims to expand to Latvia, where first locations have recently been installed, and to Estonia. As of YE 2023, the Company had a total of 376 EV charging points in Lithuania, Latvia and Estonia, 50 per cent more than at the end of 2022. The Company’s target

[3] Electric Vehicle Outlook 2023, Bloomberg NEF

[4] https://www.evinfocus.com/european-bev-sales-grow-at-double-the-rate-of-auto-market

[5] https://www.eea.europa.eu/en/analysis/indicators/new-registrations-of-electric-vehicles?activeAccordion=546a7c35-9188-4d23-94ee-005d97c26f2b

[6] Arthur D Little Due Diligence report

is to reach approximately 2,500 EV charging stations by 2035 (currently 193) representing more than 5,000 EV charging points.
[REDACTED]

5. FINANCIAL / ECONOMIC ANALYSIS

5.1 FINANCIAL PROJECTIONS

[REDACTED]

5.2 SENSITIVITY ANALYSIS

[REDACTED]

5.3 PROJECTED PROFITABILITY FOR THE BANK

[REDACTED]

6. OTHER KEY CONSIDERATIONS

6.1 ENVIRONMENT

Categorised B (ESP 2019) and low-medium risk. Environmental and social risks related to installation and operation of EV charging stations are site specific and can be managed by appropriate mitigation measures. The ESDD was carried out internally by ESD through review of the publicly available documents, previous reports and discussion with the Company's EHS management.
The EBRD proceeds will not be used for any Category A projects. Any future Projects will be screened in line with EBRD requirements and information on the projects published in line with National, EU and the Bank's requirements.
The Company is known to the Bank through a previous transaction under which the client demonstrated good E&S performance and capacity, and good progress against the previous ESAP on the actions related to Occupational Health and Safety. The Group has a dedicated EHS management team, which is developing corporate EHS management systems in line with the Bank's Performance Requirements. Sustainability and non-financial reports for the Group and individually for some subsidiaries show that, overall, the Company has a good compliance record and no material non-compliance issues have been identified in ESDD of the project.
An updated ESAP has been developed and will be agreed with the Company prior to Board approval. The updated ESAP includes some new requirements relating to the EV charging stations in line with best practices and EU law and associated guidance might be needed. The Bank will monitor the Project and the ESAP implementation through review of Annual E&S Reports and site visits as required.

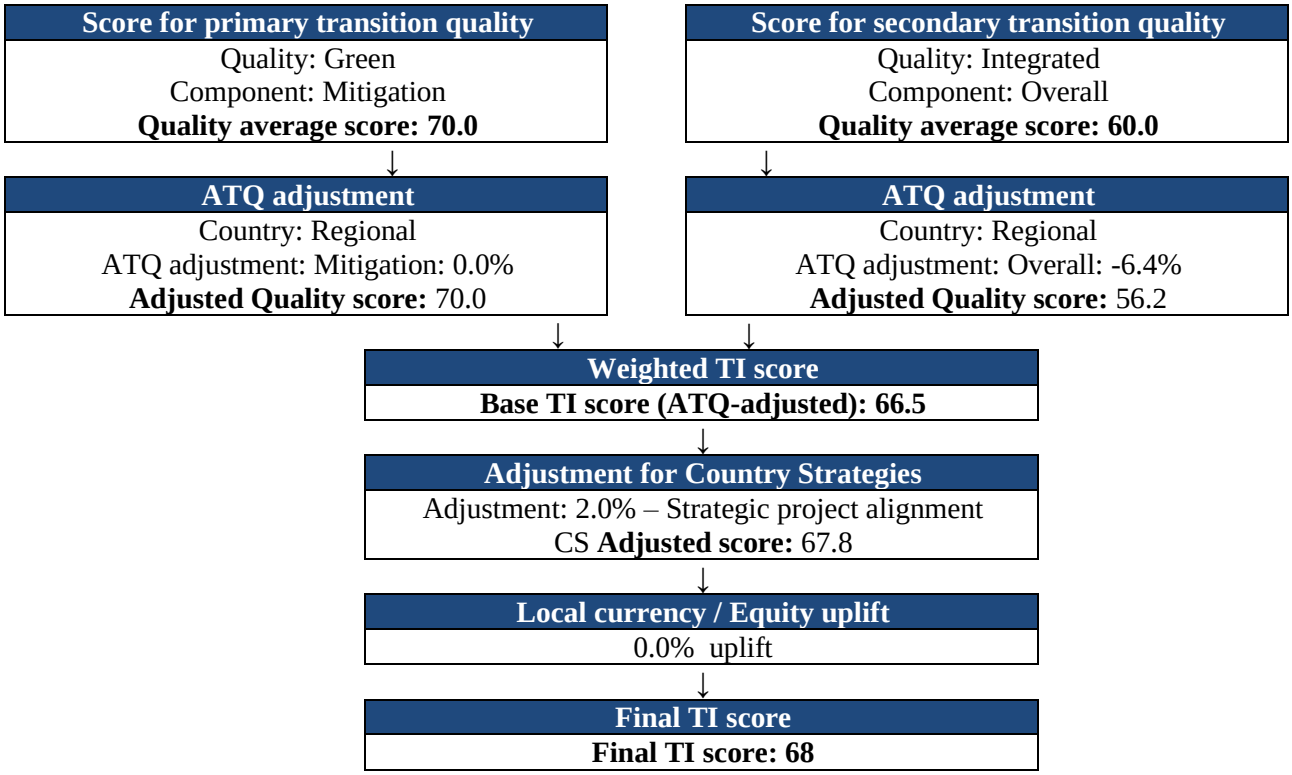
6.2 INTEGRITY

Updated integrity due diligence was conducted on Ignitis and its senior management. [REDACTED]
All actions required by applicable EBRD procedures relevant to the prevention of money laundering, terrorist financing and other integrity issues have been taken with respect to the project, and the project files contain the integrity checklists and other required documentation which have been properly and accurately completed to proceed with the Project.

ANNEXES TO OPERATION REPORT

ANNEX 1	Transition Impact Scoring Chart
ANNEX 2	Shareholding Structure
ANNEX 3	Domiciliation
ANNEX 4	Green Assessments
ANNEX 5	Historical Financial Analysis
ANNEX 6	Project Implementation

ANNEX 1 - TRANSITION IMPACT SCORING CHART



ANNEX 2 – SHAREHOLDING STRUCTURE

ANNEX 3 – DOMICILIATION

[REDACTED]

ANNEX 4 – GREEN ASSESSMENTS

SUMMARY

- The project consists of a senior corporate loan to AB Ignitis Grupe with EU AFIF grant funding to finance EV charging stations in up to 600 locations across the Baltic States with 100 per cent renewable energy.
- The project is assessed as **positively aligned** for both the mitigation and adaptation goals of the Paris Agreement.
- In line with the GET Handbook, the project is attributed **100 per cent GET**. Climate-related financial risk assessed as low risk.

PARIS ALIGNMENT ASSESSMENT

Alignment with the mitigation goals of Paris Agreement

The project is included in the automatically aligned list, under the category "Electric passenger or freight transport", hence the project is considered as aligned with the mitigation goals of the Paris Agreement.

Alignment with the adaptation goals of Paris Agreement

Climate Risk and Vulnerability Assessments undertaken in previous similar transactions in Eastern Europe identified that climate change does not pose a high material risk to any of EV charging operations. In addition, the Company confirmed that for each EV charging installation, when a site is pre-selected, the implementation team reviews the site to identify climate risks and assess potential mitigation measures.
The project does not undermine the resilience of wider systems, is not inconsistent with the national policy on climate adaptation.

As such, the project is considered aligned with the adaptation goals of the Paris Agreement.

***GET* FINANCE ATTRIBUTION**

The project involves investment in infrastructure for zero-carbon transport systems, more specifically in the category "electric or hydrogen road vehicles and related infrastructure, such as charging and fuelling stations". The project has an estimated annual average scope 3 decrease of 170kt CO2e per year compared with the no project scenario.
The GET attribution of the project is therefore 100 per cent.

GREEN FINANCE PROJECT MONITORING PLAN

The below table outlines the reporting channels, time frames and indicators selected to systematically report on the successful implementation of the main climate resilience measures that will deliver the climate resilience benefits.

[REDACTED]

ANNEX 5 – HISTORICAL FINANCIAL ANALYSIS

[REDACTED]

ANNEX 6 - PROJECT IMPLEMENTATION

Procurement arrangements: Private

Private Sector Procurement

The Bank's Procurement Policy and Rules for private sector operations applies as it is not required for Ignitis to apply national (Lithuanian) public procurement laws for construction of EV charging stations, which is classified as the Company's commercial activity. It is also not required for Ignitis to apply national procurement laws for their operations in Latvia and Estonia.

Ignitis follows sound procurement policies and practices for their commercial activities and has significant experience in establishing EV charging stations in Lithuania, with their current charging network placing them in the top CPO in its country of operation. As evidenced by the Company, Ignitis uses a broad and balanced range of hardware including leading suppliers ABB and Alpitronic (Moon), which are also widely used by other CPOs.

Their contracts and prices have been reviewed by the by the Bank's internal mobility specialist, who confirmed that CapEx is consistent with current market prices and contracts are in line with current industry standards and common practices. Internal due diligence also validated Ignitis' cost assumptions and the feasibility of their ramp-up plan, based on local expert knowledge and benchmarks, and concluded that overall is largely in line with industry benchmarks.