

The Energy Sector – Dealing with Security and Financial Risks

Vilnius Regulatory Delivery International Symposium
Saulius Rimutis

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We deliver and operate nationally critical energy infrastructure

Key figures in 2023

1,261
employees

479 M
EUR revenue

59 M
EUR adj. EBITDA¹

24 M
EUR adj. net profit¹

¹ Regulated revenue, expenses and profitability indicators are recalculated due to temporary regulatory deviations from the regulated profitability indicator approved by the Council, revaluation of non-current assets and other gain/loss from non-ordinary activities.

Our core business

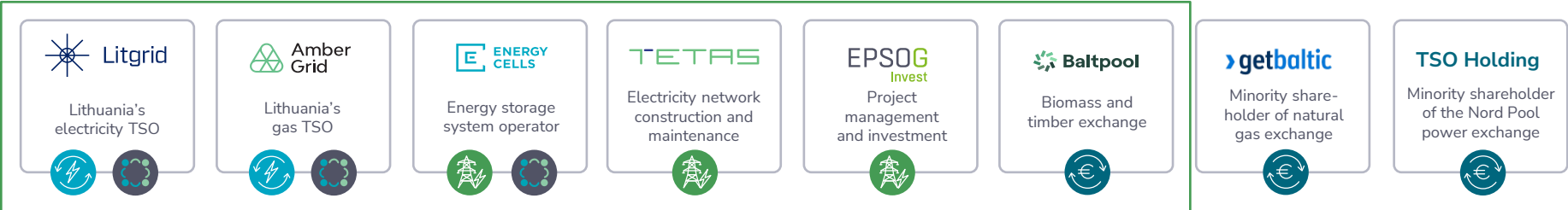
Is essential for the energy transition and security of supply



Our people

- Are strategically-important for the **energy security** of Lithuania
- Ensure governance of our group activities to bring **integrated and efficient** organisational approach
- Enable **sustainable energy strategies** implementation of Lithuania and European Union

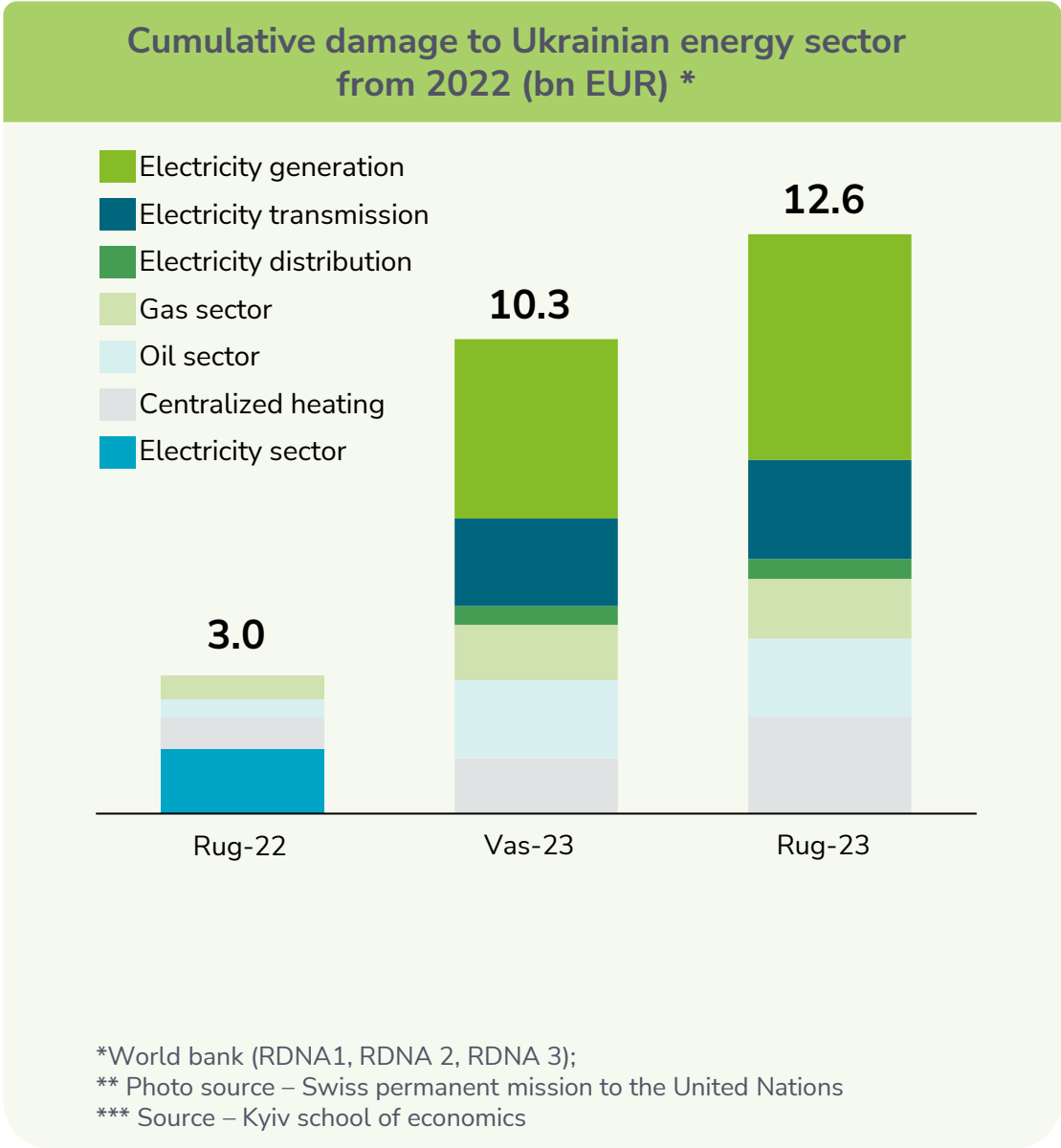
EPSOG Group companies



EPSOG

Risk #1 - securing energy infrastructure: defending against sabotage and investing in new safety measures

| 3



Nova Kachovka dam, destroyed in 2023 June**

\$16
bn

\$40
bn

\$51
bn

Direct damage to the Ukrainian energy sector until 2024 May***

Revenue lost due to non-delivery of energy resources until 2024 May***

Cost to rebuild energy infrastructure***

Risk #1 - securing energy infrastructure: defending against sabotage and investing in new safety measures

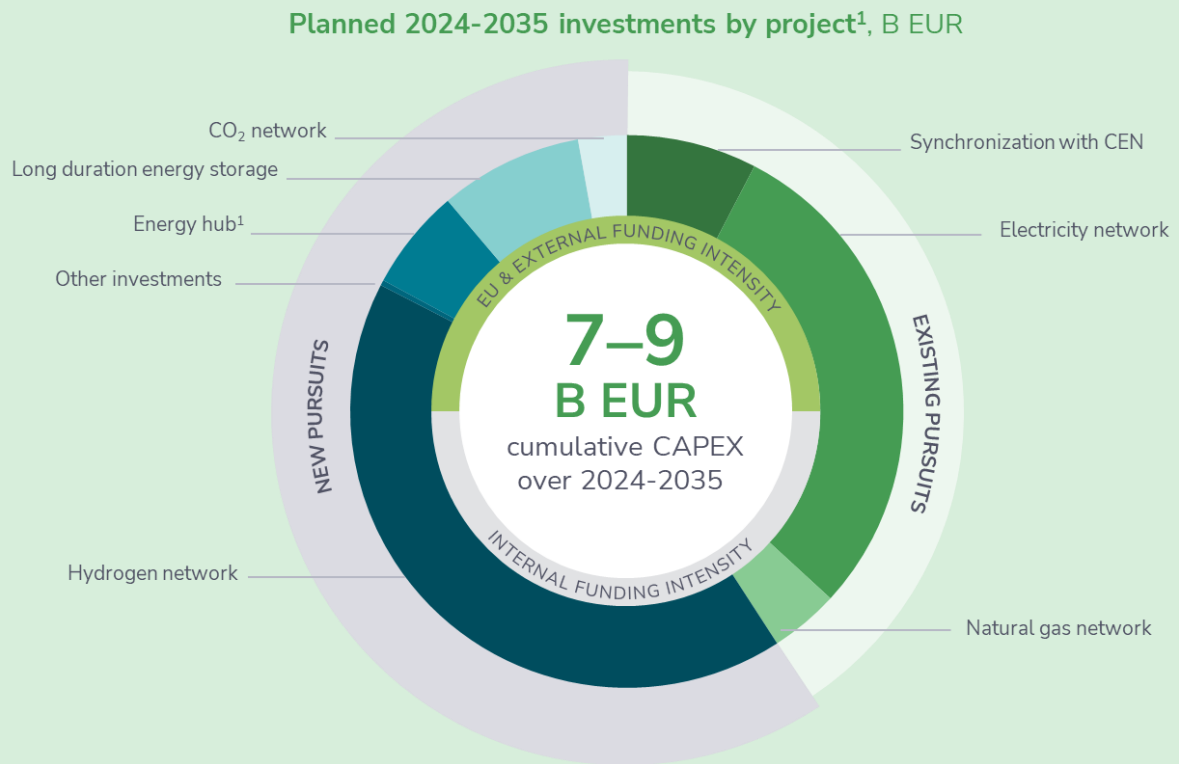
- **Significant investments** are needed to ensure our assets are **safe from sabotage**
- We must be **resilient and interconnected** enough to make sure losing one asset does not throw whole energy systems out of balance
- In terms of regulation, this could mean accepting **investments** in energy infrastructure **will have an additional higher premium** for security



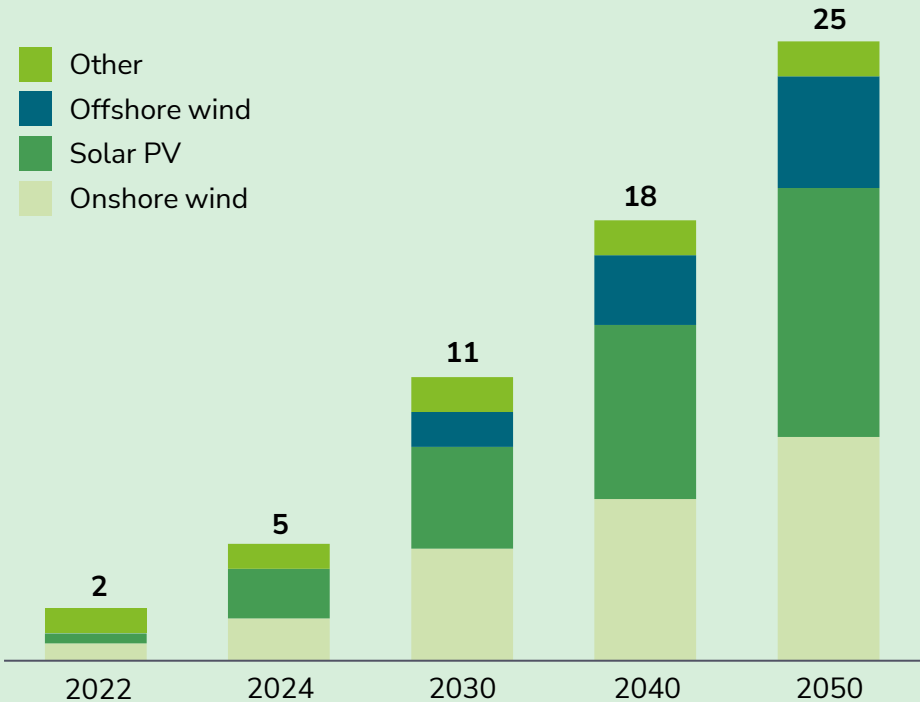
Photo source – Finnish National Bureau of Investigation and Finnish Border Guard

Risk #2 – lack of funding: transforming the energy sector with more investment

EPSO-G strategy planned investments until 2035



Projected installed capacity of electricity generation resources in Lithuania, GW



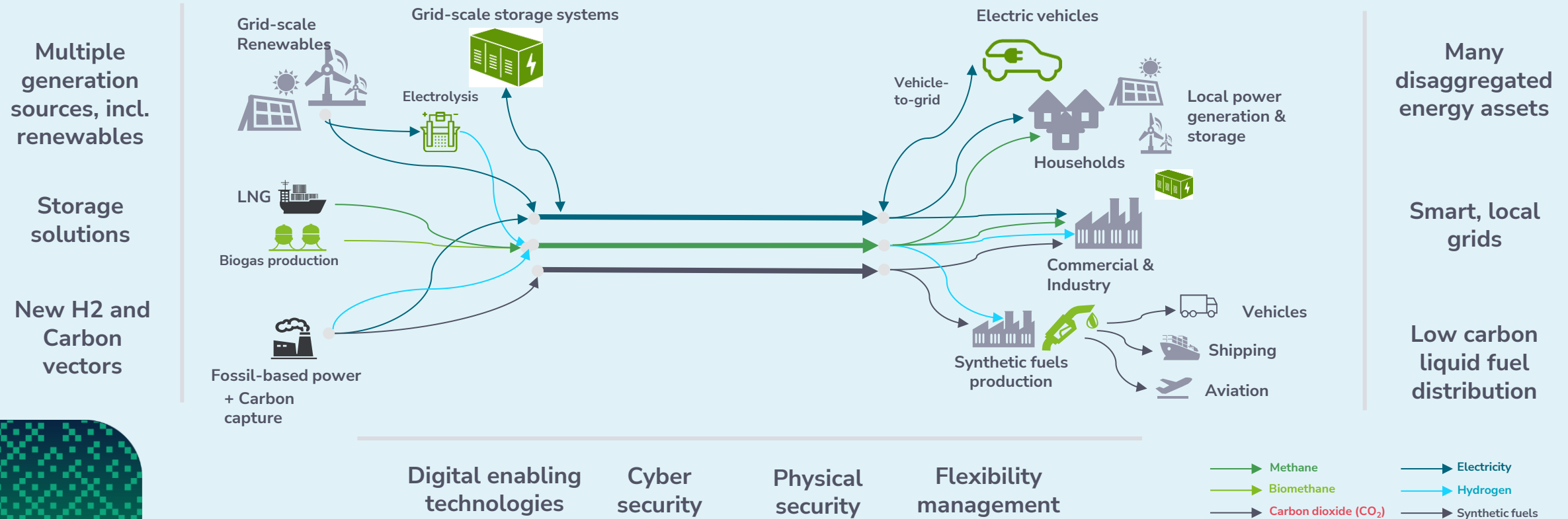
€70 bn

Required investment in the energy sector until 2050 for the Lithuanian energy system transformation

Risk #3 – regulatory cautiousness: adapting the legal framework for new ideas and growth



New energy system – requires to rethink the typical ways we think about energy value chains, investments and regulations





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