

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

EUR revenue

EUR adj. EBITDA¹

EUR adj. net profit1

¹ Regulated revenue, expenses and profitability indicators are recalculated due to temporary gain/loss from non-ordinary activities.

Our core business

Is essential for the energy transition and security of supply

Transmission infrastructure

We deliver and manage critical infrastructure to enable secure and sustainable energy



System operation

We ensure safe and reliable operation of an integrated energy system







Exchange services

We facilitate the exchange of low carbon fuels to support energy security and decarbonisation goals

Engineering & consulting services

We provide engineering and advisory services to enable delivery of low carbon assets and infrastructure

Our people

Are strategicallyimportant for the energy security of Lithuania

Ensure governance of our group activities to bring **integrated** and efficient organisational approach

Fnable **sustainable** energy strategies implementation of Lithuania and European Union

EPSOG Group companies





Lithuania's gas TSO









TETHS

Electricity network construction and maintenance



EPSOG

Project

🐫 Baltpool

Biomass and timber exchange



> getbaltic

Minority shareholder of natural gas exchange

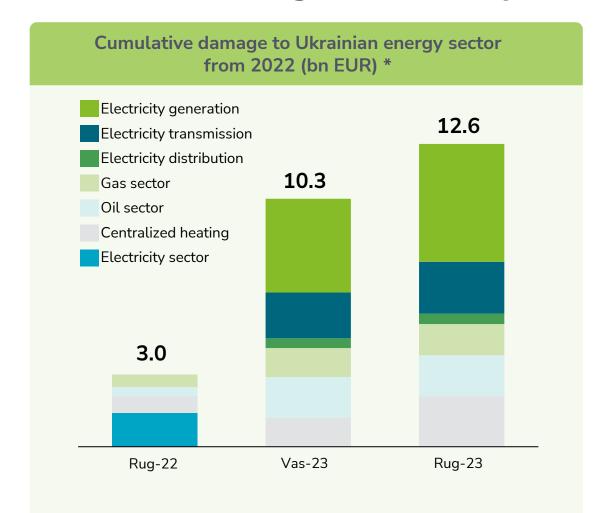


TSO Holding

Minority shareholder of the Nord Pool power exchange



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











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

Revenue lost due to nondelivery of energy resources until 2024 May*** Cost to rebuild energy infrastructure***

^{*}World bank (RDNA1, RDNA 2, RDNA 3);

^{**} Photo source – Swiss permanent mission to the United Nations

^{***} Source – Kyiv school of economics

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

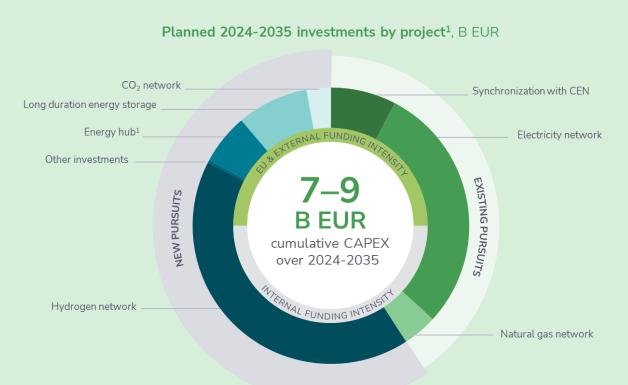




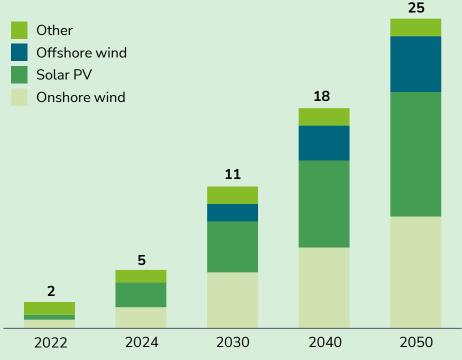
Photo source – Finnish National Bureau of Investigation and Finnish Border Guard

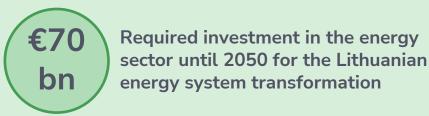
Risk #2 – lack of funding: transforming the energy sector with more investment

EPSO-G strategy planned investments until 2035



Projected installed capacity of electricity generation resources in Lithuania, GW





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

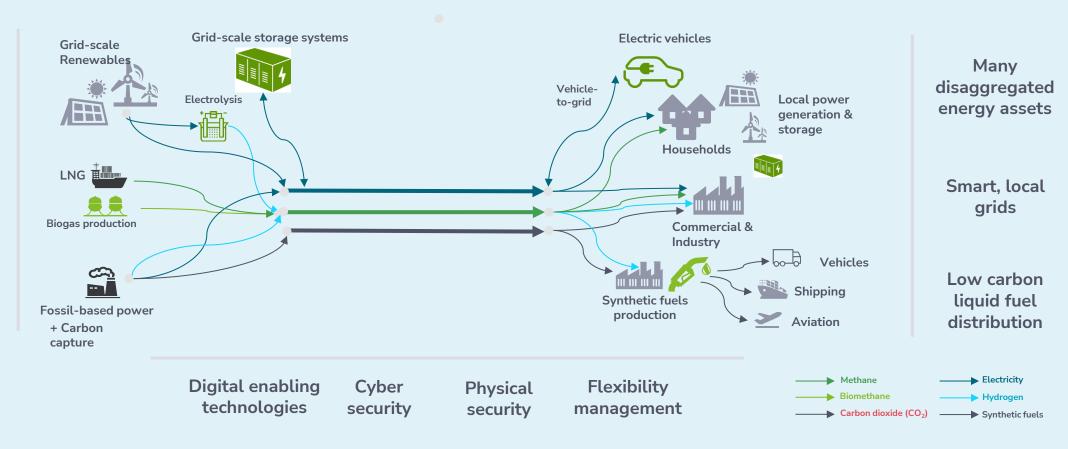


New energy system – requires to rethink the typical ways we think about energy value chains, investments and regulations

Multiple generation sources, incl. renewables

Storage solutions

New H2 and Carbon vectors





Powering a confident and green future in an ever-changing world

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