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Independent Auditor's Report

To the Shareholders of AB "Ignitis grupė"

Report on the Audit of the Separate and the Consolidated Financial Statements

Opinion

We have audited the separate financial statements of AB "Ignitis grupė" ("the Company") and the consolidated financial statements of AB "Ignitis grupė" and its subsidiaries ("the Group") contained in the file abignitisgrupe-2022-12-31-en.zip (ParsePort generated hashcode: I3gQKqy65PWcmys=). The Company's separate and the Group's consolidated financial statements comprise:

- the separate and the consolidated statement of financial position as at 31 December 2022,
- the separate and the consolidated statement of profit or loss for the year then ended,
- the separate and the consolidated statement of other comprehensive income for the year then ended,
- the separate and the consolidated statement of changes in equity for the year then ended,
- the separate and the consolidated statement of cash flows for the year then ended, and
- the notes to the separate and the consolidated financial statements, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the non-consolidated financial position of the Company and the consolidated financial position of the Group as at 31 December 2022, and of their non-consolidated and consolidated financial performance and their non-consolidated and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards, as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the requirements of the Law on Audit of Financial Statements of the Republic of Lithuania that are relevant to audit in the Republic of Lithuania, and we have fulfilled our other ethical responsibilities in accordance with the Law on Audit of Financial Statements of the Republic of Lithuania and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of the current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Each audit matter and our respective response are described below.

Revenue recognition related to the estimation of overdeclaration /underdeclaration of electricity and natural gas usage (consolidated financial statements)

We refer to the financial statements:

The carrying value of deferred income related to in the consolidated statement of financial position as at 31 December 2022 amounts to EUR 43.2 million.

Revenue recognized in the consolidated statement of profit or loss in 2022 amounts to EUR 4,381.3 million.

Significant accounting policies – Note 3.2 “Revenue from contracts with customers”; financial disclosures - Note 5 “Critical accounting estimates and judgements used in the preparation of the financial statements”, Note 8 “Revenue from contracts with customers”, Note 34 “Deferred income and advances received”.

The key audit matter	How the matter was addressed in our audit
The Group’s electricity revenue and natural gas revenue depend on declarations of electricity consumed by private customers, which do not have automated meter readings. The Group has identified that private customers tend to overdeclare the consumption of electricity and natural gas in the last months of the year. At each reporting date, the Group estimates the amount of the overdeclared / underdeclared consumption in order to calculate the actually earned revenue to be recognized in the statement of profit or loss and other comprehensive income for the year. The estimate takes into account, among other things, historical consumption by private customers and the Group’s assessment of technological losses in the electricity grid and gas network at the reporting date. Due to the materiality of the recognized revenue and judgements of the management involved in revenue recognition above, the area required our increased	Our audit procedures in the area included, among others: • Obtaining understanding of and evaluating the Group’s revenue recognition process; • Assessing whether the revenue recognition accounting policy applied to all revenue streams complies with the requirements of the relevant financial reporting framework; • For the estimation of revenue overdeclaration/underdeclaration of electricity and natural gas usage: - Evaluating the design and implementation of key controls over the revenues recognition processes; - Assessing the consistency of the model applied in the estimate by comparing with the main assumptions used in prior year model; - Testing the internal consistency, underlying formulas and mathematical accuracy of the model; - Challenging the reasonableness of the Group’s key assumptions and judgment used

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attention in the audit and as such was determined to be a key audit matter.	in estimating the overdeclared/underdeclared usage of electricity and natural gas, by tracing main inputs to supporting evidence; - Assessing completeness and accuracy of estimated amount by performing independent analytical analysis of overdeclared consumption based on the key performance indicators, including historical revenue and technological grid losses information, changes in approved tariffs, and comparing result to actual amounts recognised; • Evaluating whether the disclosures in the consolidated financial statements in respect of the overdeclared/underdeclared usage of electricity and natural gas satisfy the requirements of the relevant financial reporting standards.

Fair value assessment of Property, plant and equipment used in electricity distribution (consolidated financial statements)

We refer to the financial statements:

The carrying amount of property, plant and equipment used in electricity distribution as at 31 December 2022: EUR 1,324.9 million.

Significant accounting policies – Note 3.1 “Property, plant and equipment”, Note 5 “Critical accounting estimates and judgments used in the preparation of the financial statements”; financial disclosures - Note 17 “Property, plant and equipment”.

The key audit matter	How the matter was addressed in our audit
Property, plant and equipment (thereafter “PPE”) allocated to electricity distribution cash generating unit („CGU”) is accounted for at revalued amounts less subsequent accumulated depreciation and impairment losses. In 2021 the Group performed a revaluation of property, plant and equipment of the electricity PPE and accounted for revaluation results. IAS 16 requires the Group to perform a further revaluation of assets, when the fair value of a revalued asset differs materially from its carrying amount. As disclosed in Note 5 and Note 17 to the financial statements, the management of the Group assessed possible change in fair value by using discounted cashflow model. We identified determination of fair value of PPE as a focus area in our audit because of the significance	Our audit procedures performed included: • Assessing compliance with applicable accounting standards; • Involving our internal valuation specialists who assisted us at: - Assessing the appropriateness of the methodology applied by the management of the Group, - Challenging the key assumptions used in the discounted cash flow model by comparing sales volumes and profit margins to historical results and regulation data as well as comparing the forecasted growth rates and the discount rate to the ones used in the industry and set by the regulator,

of the amounts involved, the judgments required in selection of appropriate valuation methods and estimation uncertainty related to assumptions made by the management of the Group. Accordingly, we have identified this area as a key audit matter.	- Considering sensitivity of the discounted cash flow model to changes in key assumptions to understand the impact of such changes on levels of headroom; the key assumptions included sales volumes, profit margins, forecasted growth rate and discount rate; • Evaluating the budgeting process (upon which forecasts are based) by comparing the actual results for the year with original forecasts and taking these observations into consideration into the sensitivity analysis performed; • Checking mathematical accuracy of the discounted cash flow model; • Considering adequacy of disclosure in the Group's consolidated financial statements in respect to the assessment of fair value of PPE allocated to electricity distribution cash generating unit.

Impairment of Property, plant and equipment used in gas distribution (consolidated financial statements)

We refer to the financial statements:

The carrying amount of property, plant and equipment used in gas distribution as at 31 December 2022: EUR 279.9 million.

Significant accounting policies – Note 3.1 "Property, plant and equipment"; financial disclosures - Note 5 "Critical accounting estimates and judgments used in the preparation of the financial statements", Note 17 "Property, plant and equipment"

The key audit matter	How the matter was addressed in our audit
Property, plant and equipment (thereafter "PPE") used in gas distribution is accounted for at cost less subsequent accumulated depreciation and impairment losses. At each reporting date, management of the Group asses if the there are any impairment indications. As at 31 December 2022, the Group tested property, plant and equipment for impairment, as part of the impairment test performed for the gas distribution CGU. The Group determined the CGU's recoverable amounts based on its value in use estimated under the discounted cash flow method. Determining the CGU's recoverable amount is a process which requires significant judgment and estimation, especially in respect of the amounts of future cash flows, and associated discount rates and	Our procedures in the area included, among other things, the following: • Evaluating, against the requirements of the relevant financial reporting standards, the Group's accounting policy for identification of impairment indicators; • Assessing the appropriateness of the impairment methodology applied by the Group against methodologies commonly used for similar assets and the requirements of relevant financial reporting standards. As part of the above, we identified the relevant methods, assumptions and sources of data, and assessed, whether such methods, assumptions, data and application are appropriate in the context of the said requirements;

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growth rates, based on management's projections of future performance. The projected operating cash flows from the Group's activities are influenced primarily by assumptions concerning quantity of gas distributed, changes in the calculation of regulated tariffs as well as level of main related costs. Accordingly, this matter was considered by us to be associated with significant judgement and estimation and required our increased attention in the audit. As such, we determined it to be a key audit matter.	• Evaluating the quality of the Group's forecasting by comparing historical projections with actual outcomes. • Assessing the appropriateness of asset grouping into CGUs, based on our understanding of the Group's operations and business units. • Challenging the reasonableness of the Group's key assumptions and judgment used in the estimation of the recoverable amount, including: - Assisted by our own valuation specialists, challenging reasonableness of the key macroeconomic assumptions used, such as those in respect of discount rates, by reference to publicly available external sources; - Tracing the key assumptions used in the discounted cash flows calculation, such as those in respect of the future demand, revenue growth and operating costs, by reference to the budgets approved by the Management Board, our understanding of the Group's operations and trends, and publicly available industry data; • Testing the internal consistency, underlying formulas and mathematical accuracy of the discounted cash flow model. • Assessing susceptibility of the impairment models and the resulting impairment conclusions to management bias, by challenging the Group's analysis of the model's sensitivity to changes in key underlying assumptions. • Considering the adequacy of the disclosures related to impairment in the Group's financial statements.

Allowances for impairment losses in trade receivables (consolidated financial statements)

We refer to the financial statements:

The carrying value of trade receivable in the consolidated statement of financial position as at 31 December 2022 amounts to EUR 424.4 million. The total impairment loss recognized in the consolidated statement of profit or loss for the year ended 31 December 2022 amounts to EUR 1.8 million.

Significant accounting policies – Note 3.15.1 "Financial assets"; financial disclosures – Note 5 "Critical accounting estimates and judgements used in the preparation of the financial statements"; Note 4 "Financial risk management", Note 25 "Trade receivables".

<table>
<tr><th>The key audit matter</th><th>How the matter was addressed in our audit</th></tr>
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Impairment allowances represent Management's best estimate of the expected credit losses within the trade receivables at the reporting date. We focused on this area as the determination of impairment allowances requires a significant amount of judgment over the amounts of any such impairment.
Trade receivables are assessed by the Group for impairment at each reporting date on a collective and individual basis. For those trade receivables, measured on collective basis, the Management measures the loss allowance at an amount equal to expected credit losses (ECLs) being a probability weighted estimate of credit losses. Credit losses are measured as the present value of expected cash shortfalls (i.e. the difference between the cash flows due to the Group and the cash flows expected to be received). The estimate takes into account, among other things, repayment history and past credit loss experience and an assessment of both the current and forecast general economic conditions at the reporting date.
Accordingly, the key areas of estimation uncertainty and judgement associated with recognition of impairment allowances for trade receivables are:

Assumptions used to assess credit risk for a given exposure and the expected future cash flows from the customer;
Timely identification of exposures with significant increase in credit risk or those credit impaired (defaulted).

Due to the magnitude of the amounts involved, together with the complexity of judgements and assumptions required in estimating expected credit losses, the area required our increased attention in the audit and was determined to be a key audit matter.
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Our audit procedures in the area included, among others:

Assessing the appropriateness of the Group's impairment methodology against the relevant financial reporting requirements;
Independently assessing the relevant forward-looking information and macroeconomic forecasts used in the ECL assessment by inspecting publicly available information, our knowledge of business and through discussions with Management;
Assessing the accuracy and completeness of the Company's ECL estimates at 31 December 2022 including:

Assessing the key impairment model parameters, by reference to the Group's own historical credit loss experience, our understanding of the business and current economic trends and expectations;
Performing a retrospective assessment of the historical accuracy of the Management Board's impairment assumptions and estimates, including estimated loss rates, against actual outcomes;

Evaluating whether the disclosures in the financial statements in respect of the expected credit losses for trade receivables satisfy the requirements of the relevant financial reporting standards.

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Other Information

The other information comprises the information included in the 2022 Annual report, including Sustainability (Corporate social responsibility report), Governance report, Remuneration report, but does not include the separate and consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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Our opinion on the separate and consolidated financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the separate and consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In addition, our responsibility is to consider whether information included in the Annual report, including Sustainability (Corporate social responsibility report), Governance report, Remuneration report, for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements and whether Annual report, has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the separate and consolidated financial statements, in our opinion, in all material respects:

- The information given in the Annual report, including Sustainability (Corporate Governance) report and Remuneration report, for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements; and
- The Annual report, Sustainability (Corporate social responsibility report), Governance report, Remuneration report, has been prepared in accordance with the requirements of the Law on Consolidated Financial Reporting by Groups of Undertakings of the Republic of Lithuania.

We also need to check that the Corporate Social Responsibility Report has been provided. If we identify that Corporate Social Responsibility Report has not been provided, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Separate and Consolidated Financial Statements

Management is responsible for the preparation of the separate and consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company’s and the Group’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s and the Group’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the

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aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Under decision of the general shareholders‘ meeting we were appointed on 27 September 2021 for the first time to audit the Company‘s and the Group's separate and consolidated financial statements. Our appointment to audit the Company‘s and the Group's separate and consolidated financial statements in accordance with the shareholder's decision has been made for a two-year period, and the total uninterrupted period of engagement is 2 years.

We confirm that our audit opinion expressed in the Opinion section of our report is consistent with the additional report which we have submitted to the Company and the Group and their Audit Committee.

We confirm that in light of our knowledge and belief, services provided to the Company and the Group are consistent with the requirements of the law and regulations and do not comprise non-audit services referred to in Article 5(1) of the Regulation (EU) No 537/2014 of the European Parliament and of the Council.

In addition to services provided to the Company and the Group in the course of audit and disclosed in the annual separate and consolidated management report or separate and consolidated financial statements, we have provided translation of the financial statements.

Report on the compliance of format of the separate and consolidated financial statements with the requirements for European Single Electronic Reporting Format

We have been engaged based our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the European single electronic reporting format of the separate and consolidated financial statements, including 2022 Annual report, for the year ended 31 December 2022 (the "Single Electronic Reporting Format of the separate and consolidated financial statements") contained in the file abignitisgrupe-2022-12-31-en.zip (ParsePort generated hashcode:I3gQKqy65PWcmys=).

Description of a subject and applicable criteria

The Single Electronic Reporting Format of the separate and consolidated financial statements has been applied by the management of the Company to comply with the requirements of art. 3 and 4 of the Commission Delegated Regulation (EU) 2019/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the "ESEF Regulation"). The applicable requirements regarding the Single Electronic Reporting Format of the separate and consolidated financial statements are contained in the ESEF Regulation.

The requirements described in the preceding sentence determine the basis for application of the Single Electronic Reporting Format of the separate and consolidated financial statements and, in our view, these requirements constitute appropriate criteria to form a reasonable assurance conclusion.

Responsibilities of management and those charged with governance

The management of the Company is responsible for the application of the Single Electronic Reporting Format of the separate and consolidated financial statements that complies with the requirements of the ESEF Regulation.

This responsibility includes the selection and application of appropriate markups in iXBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Single Electronic Reporting Format of the separate and consolidated financial statements which is free from material non-compliance with the requirements of the ESEF Regulation.

Those charged with governance are responsible for overseeing the financial reporting process.

Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Single Electronic Reporting Format of the separate and consolidated financial statements complies with the ESEF Regulation.

We conducted our engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits and Reviews of Historical Financial Information' (the ,,ISAE 3000 (R)"). This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Single Electronic Reporting Format of the separate and consolidated financial statements is prepared, in all material aspects, in accordance with the applicable requirements. Reasonable assurance is a high level of assurance, but it does not guarantee that the service performed in accordance ISAE 3000 (R) will always detect the existing material misstatement (significant non-compliance with the requirements).

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Single Electronic Reporting Format of the separate and consolidated financial statements was applied, in all material aspects, in accordance with the applicable requirements and such application is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Single Electronic Reporting Format of the separate and consolidated financial statements, including the preparation of the XHTML format and marking up the consolidated financial statements;
- verification whether the XHTML format was applied properly;
- evaluating the completeness of marking up the consolidated financial statements using the iXBRL markup language according to the requirements of the implementation of single electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the Group's' use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, the Single Electronic Reporting Format of the separate and consolidated financial statements for the year ended 31 December 2022 complies, in all material respects, with the ESEF Regulation.

The engagement partner on the audit resulting in this independent auditor's report is Rokas Kasperavičius.

On behalf of KPMG Baltics, UAB

ROKAS KASPERAVIČIUS

Digitally signed by ROKAS KASPERAVIČIUS
Date: 2023.02.28 07:39:48 +02'00'

Rokas Kasperavičius
Partner
Certified Auditor

Klaipėda, the Republic of Lithuania

28 February 2023