

20/11/2019

CERTIFICATION STATEMENT

Referring to the provisions of the Article 24 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Bank of Lithuania, we, Darius Maikštėnas, Chief Executive Officer of UAB Ignitis grupė and, Darius Kašauskas, Finance and Treasury Director of UAB Ignitis grupė, and Giedruolė Guobienė Head of Accounting services Centre of Verslo aptarnavimo centras UAB, hereby confirm that, to the best of our knowledge, UAB Ignitis grupė consolidated and Company's condensed interim financial information for the nine-month period ended 30 September 2019 prepared according to International Accounting Standard 34 'Interim financial reporting' adopted by the European Union, give a true and fair view of UAB Ignitis grupė assets, liabilities, financial position, profit or loss for the period and cash flows, the Interim Report for the nine-month period includes a fair review of the development and performance of the business.

UAB Ignitis grupė
Chief Executive Officer

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Darius Maikštėnas

UAB Ignitis grupė
Finance and Treasury
Director

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Darius Kašauskas

Verslo aptarnavimo centras UAB,
Head of Accounting services Centre,
acting under Order No. IS-19-102
(signed 2019 08 29)

A handwritten signature in blue ink, appearing to read 'Giedruolė Guobienė'.

Giedruolė Guobienė

2019

UAB IGNITIS GRUPĖ

CONSOLIDATED AND COMPANY'S CONDENSED INTERIM FINANCIAL
INFORMATION

COMPANY'S CONDENSED INTERIM FINANCIAL INFORMATION FOR THE
NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2019, PREPARED
ACCORDING TO INTERNATIONAL ACCOUNTING STANDARD 34, 'INTERIM
FINANCIAL REPORTING' AS ADOPTED BY THE EUROPEAN UNION
(UNAUDITED)



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Company code 301844044



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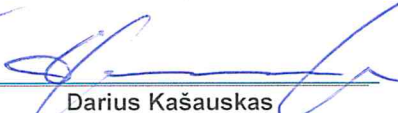
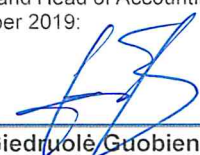
CONDENSED INTERIM FINANCIAL INFORMATION

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Translation note:

These condensed interim financial statements are a translation from the original, which was prepared in Lithuanian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of this document takes precedence over this translation.

Condensed interim financial information was approved by Chief Executive Officer, Finance and Treasury Director and Head of Accounting Service Center of UAB "Verslo Aptarnavimo Centras" (acting under Order No IS19-102 of 29 August 2019) at 20 November 2019:

 Darius Maikštėnas Chief Executive Officer	 Darius Kašauskas Finance and Treasury Director	 Giedruolė Guobienė Head of Accounting Service, UAB Verslo Aptarnavimo Centras, acting under Order No IS19-102 of 29 August 2019
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CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION

All amounts in thousands of euro unless otherwise stated

	Notes	Group			Company	
		2019.09.30	2018.12.31 (restated*)	2018.01.01 (restated*)	2019.09.30	2018.12.31
ASSETS						
Non-current assets						
Intangible assets	4	128,286	106,330	36,360	1,874	1,874
Property, plant and equipment	4	2,243,556	2,091,590	1,761,082	89	427
Right-of-use asset	5	49,422	-	-	827	-
Prepayments for non-current assets		58,054	23,621	21,911	144	816
Investment property		5,530	6,494	14,878	-	-
Investments in subsidiaries	6	-	-	-	1,191,661	1,206,921
Amounts receivable after one year		159,240	160,606	170,488	735,860	679,593
Other financial assets		4,029	2,008	426	3,929	2,008
Other non-current assets		7,053	6,094	3,239	-	-
Deferred income tax asset		11,018	14,468	7,084	707	1,077
Total non-current assets		2,666,188	2,411,211	2,015,468	1,935,091	1,892,716
Current assets						
Inventories		59,839	43,137	56,866	-	-
Prepayments and deferred expenses		35,760	30,655	38,119	55	62
Trade receivables		97,273	143,120	112,563	-	-
Other amounts receivable		23,605	25,436	27,511	18,639	631
Other current assets		8	2,147	1,093	-	-
Prepaid income tax		4,775	4,192	2,102	-	15
Short-term loans		-	-	-	265,116	189,324
Other financial assets		2,212	656	-	-	-
Cash and cash equivalents	7	136,504	127,835	171,756	1,222	231
		359,976	377,178	410,010	285,032	190,263
Non-current assets held for sale	8	43,914	65,706	79,301	7,141	7,141
Total current assets		403,890	442,884	489,311	292,173	197,404
TOTAL ASSETS		3,070,078	2,854,095	2,504,779	2,227,264	2,090,120
EQUITY AND LIABILITIES						
Equity						
Share capital	9	1,212,156	1,212,156	1,212,156	1,212,156	1,212,156
Reserves		263,001	212,802	99,380	80,720	19,811
Retained earnings (deficit)		(159,443)	(151,752)	(13,555)	25,188	78,231
Equity attributable to owners of the parent		1,315,714	1,273,206	1,297,981	1,318,064	1,310,198
Non-controlling interests		50,408	48,521	45,801	-	-
Total equity		1,366,122	1,321,727	1,343,782	1,318,064	1,310,198
Liabilities						
Non-current liabilities						
Non-current borrowings	10	777,658	735,410	480,068	645,543	671,245
Lease liabilities	11	23,808	14,334	187	573	-
Grants and subsidies		244,638	208,874	200,311	-	-
Deferred income tax liabilities		41,152	39,796	36,082	-	-
Provisions	12	32,815	35,446	6,927	-	-
Deferred revenue		111,992	115,261	54,509	-	-
Other non-current amounts payable and liabilities		1,452	1,801	1,761	-	378
Total non-current liabilities		1,233,515	1,150,922	779,845	646,116	671,623
Current liabilities						
Current portion of long-term debts	10	45,453	61,819	119,599	40,901	57,401
Current borrowings	10	207,437	47,727	14,082	207,437	47,721
Current portion of lease liabilities	11	7,512	5,220	145	254	-
Trade payables		60,328	93,237	98,338	324	947
Contract liabilities		37,917	49,766	27,765	52	51
Income tax liabilities		5,793	4,544	3,728	-	-
Provisions	12	949	5,553	2,498	806	806
Deferred revenue		7,912	7,912	5,242	-	-
Other current amounts payable and liabilities		91,618	102,682	109,421	13,310	1,373
		464,919	378,460	380,818	263,084	108,299
Liabilities related to non-current assets held for sale		5,522	2,986	334	-	-
Total current liabilities		470,441	381,446	381,152	263,084	108,299
Total liabilities		1,703,956	1,532,368	1,160,997	909,200	779,922
TOTAL EQUITY AND LIABILITIES		3,070,078	2,854,095	2,504,779	2,227,264	2,090,120

*Certain amounts presented above do not correspond to the 2017 and 2018 Financial Statements but reflect corrections, disclosed in Note 3.

The accompanying notes form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENTS OF COMPREHENSIVE INCOME

All amounts in thousands of euro unless otherwise stated

	Notes	Group				Company			
		2019, I-III Q	2019, III Q	2018, I-III Q (restated*)	2018, III Q (restated*)	2019, I-III Q	2019, III Q	2018, I-III Q	2018, III Q
Revenue from contracts with customers	13	1,147,455	385,154	871,776	268,963	2,430,00	952	2,247	735
Other income		14,389	9,379	29,017	3,373	26,00	2	694	13
Dividend income	15	-	-	-	-	25,918,00	-	67,378	26,326
		1,161,844	394,533	900,793	272,336	28,374,00	954	70,319	27,074
Operating expenses									
Purchases of electricity, gas for trade, and related services		(687,022)	(261,035)	(467,590)	(169,694)	-	-	-	-
Purchases of gas and heavy fuel oil		(198,852)	(42,868)	(210,022)	(50,239)	-	-	-	-
Depreciation and amortization		(82,315)	(27,743)	(64,100)	(21,389)	(201,00)	(68)	(5)	(1)
Wages and salaries and related expenses		(61,808)	(19,908)	(59,333)	(18,338)	(4,079,00)	(1,369)	(3,707)	(1,279)
Repair and maintenance expenses		(22,067)	(6,718)	(14,112)	(6,555)	-	-	-	-
Revaluation of property, plant and equipment		(442)	(442)	18	18	-	-	-	-
(Impairment)/reversal of impairment of investments in subsidiaries		-	-	-	-	213,00	213	(1,570)	-
Reversal (impairment) of amounts receivable and loans		755	(324)	413	(40)	-	-	-	-
Impairment of property, plant and equipment		(312)	17	(2,317)	(2,465)	-	-	-	-
Other expenses	14	(29,262)	(11,126)	(15,969)	(7,586)	(2,017,00)	(689)	(5,199)	(570)
Total operating expenses		(1,081,325)	(370,147)	(833,012)	(276,288)	(6,084,00)	(1,913)	(10,481)	(1,850)
Operating profit (loss))		80,519	24,386	67,781	(3,952)	22,290,00	(959)	59,838	25,224
Finance income		1,299	5	1,139	375	11,025,00	4,015	6,820	2,588
Finance costs		(13,870)	(3,996)	(8,704)	(3,644)	(12,975,00)	(4,056)	(7,665)	(3,426)
Results of the revaluation and closing of derivative financial instruments		-	-	(572)	(328)	-	-	(572)	(328)
Profit (loss) before tax		67,948	20,395	59,644	(7,549)	20,340,00	(1,000)	58,421	24,058
Current year income tax (expense)/benefit		(6,715)	(2,139)	(7,064)	(5,162)	-	-	(894)	(899)
Deferred income tax (expense)/benefit		(3,568)	1,920	(5,113)	135	527,00	125	302	328
Net profit		57,665	20,176	47,467	(12,576)	20,867,00	(875)	57,829	23,487
Attributable to:									
Owners of the parent		54,889	19,422	46,040	(12,422)	20,867,00	20,867	57,829	23,487
Non-controlling interest		2,775	753	1,429	(155)	-	-	-	-
Other comprehensive income (loss)									
Items that will not be reclassified to profit or loss									
Gain (loss) on revaluation of non-current assets	17	(2,911)	13,041	7,514	-	-	-	-	-
Deferred income tax related to gain (loss) on revaluation of non-current assets	(164)	-	(116)	-	-	-	-	-	-
Items that will not be reclassified to profit or loss, total		(147)	(2,911)	12,925	7,514	-	-	-	-
Items that will be reclassified to profit or loss									
Change in fair value of available-for-sale financial assets	22	(5)	(22)	(22)	-	-	-	-	-
Other income/(expenses) recognized directly in equity during the period	22	(5)	(22)	(22)	-	-	-	-	-
Translation of net investments in foreign operations into the Group's presentation currency		(125)	(2,916)	12,903	7,492	-	-	-	-
Items that will be reclassified to profit or loss, total		57,540	17,260	60,370	(5,084)	20,867,00	(875)	57,829	23,487
Attributable to:									
Owners of the parent		54,761	16,590	58,507	(5,038)	20,867,00	20,867	57,829	23,487
Non-controlling interests		2,779	670	1,866	(46)	-	-	-	-

*Certain amounts presented above do not correspond to the 2017 and 2018 Financial Statements but reflect corrections, disclosed in Note 3.

The accompanying notes form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

All amounts in thousands of euro unless otherwise stated

Group	Notes	Equity attributable to owners of the Company						Non-controlling interest	Total (restated*)
		Share capital	Legal reserve	Revaluation reserve	Other reserves	Retained earnings (restated*)	Subtotal (restated*)		
Balance at 1 January 2018		1,212,156	46,512	52,826	42	(13,706)	1,297,830	45,796	1,343,626
Correction of error (Note 3)		-	-	-	-	151	151	5	156
Effect of change in accounting policies following the adoption of new IFRS		-	-	-	-	(59,489)	(59,489)	(3,144)	62,792
Restated balance as at 1 January 2018 (restated*)		1,212,156	46,512	52,826	42	(73,044)	1,238,492	42,656	1,280,991
Revaluation of non-current assets, net of deferred income tax effect		-	-	12,599	-	-	12,599	442	13,041
Result of change in actuarial assumptions		-	-	-	-	(110)	(110)	(6)	(116)
Translation of net investments in foreign operations into the Group's presentation currency		-	-	-	(22)	-	(22)	-	(22)
Total other comprehensive income (loss)		-	-	12,599	(22)	(110)	12,467	436	12,903
Net profit for the reporting period (restated*)		-	-	-	-	46,038	46,038	1,429	47,467
Total comprehensive income for the period (restated*)		-	-	12,599	(22)	45,928	58,505	1,865	60,370
Transfer of revaluation reserve to retained earnings (transfer of depreciation, net of deferred income tax)		-	-	(6,070)	-	6,070	-	-	-
Transfer to reserves and movement in reserves		-	3,339	-	-	(3,339)	-	-	-
Dividends	15	-	-	-	-	(78,265)	(78,265)	(2,590)	(80,855)
Increase in share capital of UAB „Kauno Kogeneracinė Jėgainė“ attributable to minority interest		-	-	-	-	-	-	1,176	1,176
Balance at 30 September 2018 (restated*)		1,212,156	49,851	59,355	20	(102,650)	1,218,732	43,107	1,261,682
Balance at 1 January 2019		1,212,156	49,851	162,935	16	(156,763)	1,268,195	48,356	1,316,551
Correction of error (Note 3)		-	-	-	-	5,010	5,010	165	5,175
Balance at 1 January 2019 (restated*)		1,212,156	49,851	162,935	16	(151,753)	1,273,205	48,521	1,321,726
Revaluation of non-current assets, net of deferred income tax effect	4	-	-	5	-	-	5	12	17
Result of change in actuarial assumptions		-	-	-	22	-	22	-	22
Translation of net investments in foreign operations into the Group's presentation currency		-	-	-	-	(156)	(156)	(8)	(164)
Total other comprehensive income (loss)		-	-	5	22	(156)	(129)	4	(125)
Net profit for the reporting period		-	-	-	-	54,889	54,889	2,775	57,664
Total comprehensive income for the period		-	-	5	22	54,733	54,760	2,779	57,539
Transfer of revaluation reserve to retained earnings (transfer of depreciation, net of deferred income tax)		-	-	(12,550)	-	12,802	252	-	252
Transfer to reserves and movement in reserves		-	62,797	-	(75)	(62,722)	-	-	-
Dividends	15	-	-	-	-	(13,000)	(13,000)	(890)	(13,890)
Other adjustments		-	-	-	-	497	497	(2)	495
Balance at 30 September 2019		1,212,156	112,648	150,390	(37)	(159,443)	1,315,714	50,408	1,366,122

*Certain amounts presented above do not correspond to the 2017 and 2018 Financial Statements but reflect corrections, disclosed in Note 3.

The accompanying notes form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENTS OF CHANGES IN EQUITY

All amounts in thousands of euro unless otherwise stated

Company	Notes	Share capital	Legal reserve	Other reserves	Retained earnings	Total
Balance at 1 January 2018		1,212,156	14,516	-	117,103	1,343,775
Net profit for the period		-	-	-	57,830	57,830
Total comprehensive income for the period		-	-	-	57,830	57,830
Transfer to legal reserves		-	5,295	-	(5,295)	-
Dividends	15	-	-	-	(78,265)	(78,265)
Balance at 30 September 2018		1,212,156	19,811	-	91,373	1,323,340
Balance at 1 January 2019		1,212,156	19,811	-	78,231	1,310,198
Net profit for the period		-	-	-	20,867	20,867
Total comprehensive income for the period		-	-	-	20,867	20,867
Dividends		-	-	-	(13,000)	(13,000)
Transfer to legal reserves		-	60,909	-	(60,909)	-
Balance at 30 September 2019		1,212,156	80,720	-	25,189	1,318,065

The accompanying notes form an integral part of this condensed interim financial information.

CONDENSED INTERIM STATEMENTS OF CASH FLOWS

All amounts in thousands of euro unless otherwise stated

	Notes	Group		Company	
		2019 I-III Q	2018 I-III Q (restated*)	2019 I-III Q	2018 I-III Q
Cash flows from operating activities					
Net profit for the period		57,665	47,467	20,867	57,829
Adjustments for non-monetary expenses (income):					
Depreciation and amortization expenses	4,5,8	88,894	71,159	201	5
Impairment of property, plant and equipment		312	2,317	-	-
Revaluation of derivative financial instruments		(201)	(1,493)	-	-
Impairment of financial assets (reversal of impairment)		(755)	(413)	-	-
Result of revaluation of property, plant and equipment		442	-	-	-
Result of revaluation of investment property		-	(18)	-	-
Impairment/ (reversal of impairment) of investments in subsidiaries		-	-	(213)	1,570
Income tax expenses		10,283	12,177	(527)	592
(Depreciation) of grants	4	(6,579)	(7,058)	-	-
Increase (decrease) in provisions		(7,235)	(217)	-	2,499
Inventory write-down to net realizable value/ (reversal)	14	(12)	(279)	-	-
Non-current assets (except financial assets) write-off expenses		3,724	-	-	-
Expenses/(income) of revaluation of emission allowances	4	987	(10,784)	-	-
Emission allowances utilized	14	604	908	-	-
Elimination of results of investing activities:					
- Dividend (income)	15	-	-	(25,918)	(67,378)
- (Gain)/loss on disposal/write-off of property, plant and equipment		(906)	(85)	-	-
Elimination of results of financing activities:					
Interest (income)		(1,217)	(1,085)	(11,023)	(6,812)
Interest expenses		11,632	8,403	10,813	7,633
Other finance (income) expenses		2,156	249	2,160	24
Changes in working capital:					
(Increase) decrease in trade receivables and other amounts receivable		47,019	20,902	1,304	2,033
(Increase) decrease in inventories, prepayments and other current assets		(28,636)	2,945	679	65
Increase (decrease) in amounts payable, deferred income and contract liabilities		(26,158)	(2,795)	(1,834)	(699)
Income tax (paid)		(1,810)	(2,796)	-	-
Net cash flows from (used in) operating activities		150,209	139,504	(3,491)	(2,638)
Cash flows from investing activities					
(Acquisition) of property, plant and equipment and intangible assets		(341,976)	(261,791)	(43)	(3)
Disposal of property, plant and equipment and intangible assets		35,314	34,180	-	-
Loans (granted)		-	-	(183,533)	(275,906)
Loans repaid		37	-	49,728	124,586
(Acquisition) of subsidiaries		(27,965)	-	-	(29,147)
Disposal of subsidiaries		-	-	26,448	-
Grants received		38,191	14,007	-	0
(Acquisition) of bonds		-	-	-	(200)
Interest received		1,098	-	12,550	5,802
Dividends received		-	-	7,724	41,052
Increase (decrease) of cash flows from other from investing activities		(1,365)	(703)	(1,921)	(1,074)
Net cash flows from (used in) investing activities		(296,666)	(214,307)	(89,047)	(134,891)
Cash flows from financing activities					
Proceeds from borrowings		79,502	-	-	-
Issue of bonds		-	294,346	-	294,346
Repayments of borrowings		(54,913)	(109,441)	(43,051)	(80,701)
Lease payments		(6,580)	(117)	(171)	-
Interest paid		(11,626)	(8,862)	(12,903)	(6,379)
Dividends paid		(13,910)	(80,855)	(13,000)	(78,265)
Increase in share capital of UAB "Kauno Kogeneracinė Jėgainė"		-	7,840	-	-
Other increases (decreases) in cash flows from financing activities		-	-	1	(9,699)
Net cash flows from (used in) financing activities		(7,527)	102,911	(69,124)	119,302
Increase (decrease) in cash and cash equivalents (including overdraft)		(153,984)	28,108	(161,662)	(18,227)
Cash and cash equivalents (including overdraft) at the beginning of the period	7	85,575	161,101	(42,029)	34,290
Cash and cash equivalents (including overdraft) at the end of the period	7	(68,409)	189,209	(203,691)	16,063

*Certain amounts presented above do not correspond to the 2017 and 2018 Financial Statements but reflect corrections, disclosed in Note 3.

The accompanying notes form an integral part of this condensed interim financial information.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

All amounts in thousands of euro unless otherwise stated

1 General information

UAB „Ignitis grupė“ (hereinafter “the Company”) is a private limited liability company registered in the Republic of Lithuania. The Company's registered office address is Žvejų g. 14, LT-09310, Vilnius, Lithuania. The Company is a limited liability profit-oriented entity registered on 28 August 2008 with the Register of Legal Entities managed by the public institution the Centre of Registers. Company code 301844044, VAT payer's code LT10004278519. The Company has been founded for an indefinite period.

The Company is a parent company, which is responsible for the management and coordination of activities of group companies engaged in electricity and heat generation (including electricity generation from renewable energy sources), supply, electricity imports and export, distribution and trade, natural gas distribution and supply, as well as in service and development of electric energy industry.

The Company analyses the activities of group companies, represents the whole group, implements its shareholders' rights and obligations, defines operation guidelines and rules, and coordinates the activities in the fields of finance, law, strategy and development, human resources, risk management, audit, technology, communication and others.

The Company seeks to ensure effective operation of group companies, implementation of goals related to the group's activities set forth in the National Energetic Independence Strategy and other legal acts, ensuring that it builds a sustainable value in a socially responsible manner.

The Company is wholly owned by the State of the Republic of Lithuania.

Company's shareholder	At 30 September 2019		At 31 December 2018	
	Share capital, in EUR '000	%	Share capital, in EUR '000	%
Republic of Lithuania represented by the Lithuanian Ministry of Finance	1,212,156	100	1,212,156	100

As at 30 September 2019, the Group had 3,872 employees (31 December 2018 – 3,813), the Company had 109 employees (31 December 2018 – 125).

The Company's management approved these financial statements on 20 November 2019.

2 Accounting principles

2.1. Basis of preparation

Condensed interim financial information of UAB „Ignitis grupė“ (hereinafter - the Company) and consolidated condensed interim financial information of the Company and its subsidiaries (hereinafter – the Group) for a nine-month period ended 30 September 2019 has been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable to interim financial reporting (International Accounting Standard (IAS) 34, 'Interim financial reporting'). This unaudited condensed interim financial information should be read together with the annual financial statements for the year ended 31 December 2018, which have been prepared in accordance with IFRS as adopted by the EU.

Financial year of Company and other Group companies coincides with the calendar year.

The accounting policies applied in the preparation of this condensed interim financial information are consistent with those of the annual financial statements for the year ended 31 December 2018.

a) New and amended standards, and interpretations

During nine – month reporting period ended 30 August 2019 the Group and the Company for the first time adopted IFRS 16 „Leases“, that had material impact on Group's and Company's financial statements.

IFRS 16, Leases (effective for annual periods beginning on or after 1 January 2019). The new standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. All leases result in the lessee obtaining the right to use an asset at the start of the lease and, if lease payments are made over time, also obtaining financing. Accordingly, IFRS 16 eliminates the classification of leases as either operating leases or finance leases as is required by IAS 17 and, instead, introduces a single lessee accounting model. Lessees will be required to recognize: (a) assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value; and (b) depreciation of lease assets separately from interest on lease liabilities in the income statement. IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently. The value of assets being transferred under the lease agreement and related lease liabilities must be stated in the Group's and the Company's statement of financial position.

The Group and the Company applied IFRS 16 *Leases* starting from 1 January 2019 using the modified retrospective approach for the first time application of IFRS 16.

The Group and the Company performed the calculation of assets transferred according to the lease agreement and related liabilities under IFRS 16. At 1 January 2019, the Group and the Company recognized assets and liabilities managed under the right of use, which indicates the impact of the first-time adoption of IFRS 16 on the Company's financial statements. The management of the Group is assessing whether the lease of state-owned land is in compliance with the criteria of IFRS 16.

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b) *Impact of new standards' adoption on the items in the statement of financial position*

The impact of the first-time adoption of IFRS 16 on the items of the Group's statement of financial position is shown in the table below:

	At 31 December 2018	IFRS 16	EUR thousands At 1 January 2019
ASSETS			
Non-current assets			
Property, plant and equipment	35,523	(35,523)	-
Right-of-use asset	-	46,797	46,797
EQUITY AND LIABILITIES			
Non-current liabilities			
Lease liabilities	14,334	9,843	24,177
Current liabilities			
Current portion of lease liabilities	5,220	1,431	6,651

The impact of the first-time adoption of IFRS 16 on the Company's financial statements is shown in the table below:

	At 31 December 2018	IFRS 16	EUR thousands At 1 January 2019
ASSETS			
Non-current assets			
Right-of-use asset	-	847	847
EQUITY AND LIABILITIES			
Non-current liabilities			
Lease liabilities	-	637	637
Current liabilities			
Current portion of lease liabilities	-	211	211

Elected practical expedients on transition where the Group and the Company is a lessee

Where the Group and the Company is a lessee the following practical expedients are applied on transition on a lease-by-lease basis. The Group and the Company:

1. applies a single discount rate to a portfolio of leases with similar characteristics (such as leases with similar maturity, class of leased asset and economic environment);
2. does apply transitional period adjustments to leases of low value (less than or equal to EUR 4,000).
3. excludes initial direct costs from leases which previously were classified as operating leases by applying the standard at the commencement date to determine the value of the right-of-use assets;
4. uses prior period information, for example, in determining the lease term if the contract provides an option to extend or terminate the lease. Consistently with the IAS 8, prior period information is used only for accounting estimates and judgments and is therefore not applicable to areas such as changes in indices or rates.

IFRS 16 does not specify how a lessee should distinguish and allocate the lease and non-lease components in the contract during the transitional period when the retrospective method is applied. The Group and the Company has chosen to apply a practical measure by accounting for each lease component and any related non-lease component as a single lease component consistently with accounting policy of the Group and the Company.

IFRS 9: Prepayment features with negative compensation (Amendment)

The Amendment allows financial assets with prepayment features that permit or require a party to a contract either to pay or receive reasonable compensation for the early termination of the contract (so that, from the perspective of the holder of the asset there may be 'negative compensation'), to be measured at amortized cost or at fair value through other comprehensive income. Management assessed that adoption of new standard amendment for the first time had no significant effect on financial statements of the Group and the Company.

IAS 28: Long-term Interests in Associates and Joint Ventures (Amendments)

The Amendments relate to whether the measurement, in particular impairment requirements, of long-term interests in associates and joint ventures that, in substance, form part of the 'net investment' in the associate or joint venture should be governed by IFRS 9, IAS 28 or a combination of both. The Amendments clarify that an entity applies IFRS 9 Financial Instruments, before it applies IAS 28, to such long-term interests for which the equity method is not applied. In applying IFRS 9, the entity does not take account of any adjustments to the carrying amount of long-term interests that arise from applying IAS 28. Management assessed that adoption of new standard amendment for the first time had no significant effect on financial statements of the Group and the Company.

IFRIC INTERPRETATION 23: Uncertainty over Income Tax Treatments

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12. The Interpretation provides guidance on considering uncertain tax treatments separately or together, examination by tax authorities, the appropriate method to reflect uncertainty and accounting for changes in facts and circumstances. Management has assessed that adoption of interpretation for the first time had no significant effect on financial statements of the Group and the Company.

IAS 19: Plan Amendment, Curtailment or Settlement (Amendments)

The Amendments require entities to use updated actuarial assumptions to determine current service cost and net interest for the remainder of the annual reporting period after a plan amendment, curtailment or settlement has occurred. The Amendments also clarify how the accounting for a plan amendment, curtailment or settlement affects applying the asset ceiling requirements. Management assessed that adoption of new standard amendment for the first time had no significant effect on financial statements of the Group and the Company.

The IASB has issued the Annual Improvements to IFRSs 2015 – 2017 Cycle, which is a collection of amendments to IFRSs:

- *IFRS 3 Business Combinations and IFRS 11 Joint Arrangements:* The amendments to IFRS 3 clarify that when an entity obtains control of a business that is a joint operation, it remeasures previously held interests in that business. The amendments to IFRS 11 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not remeasure previously held interests in that business.

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- *IAS 12 Income Taxes:* The amendments clarify that the income tax consequences of payments on financial instruments classified as equity should be recognized according to where the past transactions or events that generated distributable profits has been recognized.
- *IAS 23 Borrowing Costs:* The amendments clarify paragraph 14 of the standard that, when a qualifying asset is ready for its intended use or sale, and some of the specific borrowing related to that qualifying asset remains outstanding at that point, that borrowing is to be included in the funds that an entity borrows generally.

Management assessed that adoption of improvements for the first time had no significant effect on financial statements of the Group and the Company.

c) Standards issued but not yet effective and not early adopted

Amendment in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture. The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28, in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary. In December 2015 the IASB postponed the effective date of this amendment indefinitely pending the outcome of its research project on the equity method of accounting. The amendments have not yet been endorsed by the EU. Management has assessed that adoption of new standard will have no significant effect on financial statements of the Group and the Company.

Conceptual Framework in IFRS standards. The IASB issued the revised Conceptual Framework for Financial Reporting on 29 March 2018. The Conceptual Framework sets out a comprehensive set of concepts for financial reporting, standard setting, guidance for preparers in developing consistent accounting policies and assistance to others in their efforts to understand and interpret the standards. IASB also issued a separate accompanying document, Amendments to References to the Conceptual Framework in IFRS Standards, which sets out the amendments to affected standards in order to update references to the revised Conceptual Framework. Its objective is to support transition to the revised Conceptual Framework for companies that develop accounting policies using the Conceptual Framework when no IFRS Standard applies to a particular transaction. For preparers who develop accounting policies based on the Conceptual Framework, it is effective for annual periods beginning on or after 1 January 2020.

IFRS 3: Business Combinations (Amendments). The IASB issued amendments in Definition of a Business (Amendments to IFRS 3) aimed at resolving the difficulties that arise when an entity determines whether it has acquired a business or a group of assets. The Amendments are effective for business combinations for which the acquisition date is in the first annual reporting period beginning on or after 1 January 2020 and to asset acquisitions that occur on or after the beginning of that period, with earlier application permitted. These Amendments have not yet been endorsed by the EU. At the moment Management is assessing the effect of new standard amendment on financial statements of the Group and the Company.

IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of 'material' (Amendments). The Amendments are effective for annual periods beginning on or after 1 January 2020 with earlier application permitted. The Amendments clarify the definition of material and how it should be applied. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity'. In addition, the explanations accompanying the definition have been improved. The Amendments also ensure that the definition of material is consistent across all IFRS Standards. These Amendments have not yet been endorsed by the EU. At the moment Management is assessing the effect of new standard amendment on financial statements of the Group and the Company.

The management of the Group and the Company does not believe that other newly published and amended standards and their interpretations which the Group and the Company is required to apply from 1 January 2019 will have a material effect on financial statements of the Group and the Company.

2.2 Right-of-use asset

Right-of-use asset is an asset, that represents a Company's/Group's right to use an underlying asset for the lease term. Company/Group recognize right-of-use asset to all leases, including leases of right-of-use assets in a sublease, except for leases of intangible assets, short-term leases and leases for which the underlying asset is of low value.

Initial measurement of the right-of-use asset

At the commencement date, Company/Group measures the right-of-use asset at cost. The cost of the right-of-use asset shall comprise: the amount of the initial measurement of the lease liability, any lease payments made at or before the commencement date, less any lease incentives received; any initial direct costs incurred by Company/Group; and an estimate of costs to be incurred by Company/Group in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease, unless those costs are incurred to produce inventories. Company/Group incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period. Company/Group recognize the costs described as part of the cost of the right-of-use asset when it incurs an obligation for those costs.

Subsequent measurement of the right-of-use asset

After the commencement date, a Company/Group measure the right-of-use asset applying a cost model. To apply a cost model, Company/Group measure the right-of-use asset at cost: less any accumulated depreciation and any accumulated impairment losses; and adjusted for any remeasurement of the lease liability.

Company/Group apply the depreciation requirements in IAS 16 Property, Plant and Equipment in depreciating the right-of-use asset.

If the lease transfers ownership of the underlying asset to Company/Group by the end of the lease term or if the cost of the right-of-use asset reflects that Company/Group will exercise a purchase option, Company/Group shall depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, Company/Group shall depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

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Company/Group presents right-of-use assets separately from intangible and tangible assets in the statement of financial position.

2.3 Lease liability

Initial measurement of the lease liability

At the commencement date, Company/Group measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, Company/Group use the lessee's incremental borrowing rate.

At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date: fixed payments, less any lease incentives receivable; variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date; amounts expected to be payable by Company/Group under residual value guarantees; the exercise price of a purchase option if the Company/Group is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects Company/Group exercising an option to terminate the lease.

Variable lease payments that depend on an index or a rate include, for example, payments linked to a consumer price index, payments linked to a benchmark interest rate (such as LIBOR) or payments that vary to reflect changes in market rental rates.

Subsequent measurement of the lease liability

After the initial measurement, Company/Group measure the lease liability by: increasing the carrying amount to reflect interest on the lease liability; reducing the carrying amount to reflect the lease payments made; and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments.

Interest on the lease liability in each period during the lease term shall be the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The periodic rate of interest is the discount rate or if applicable the revised discount rate. After the commencement date, Company/Group shall recognize in profit or loss, unless the costs are included in the carrying amount of another asset applying other applicable Standards, both: interest on the lease liability; and variable lease payments not included in the measurement of the lease liability in the period in which the event or condition that triggers those payments occurs.

Reassessment of the lease liability

After the commencement date, Company/Group remeasure the lease liability to reflect changes to the lease payments. Company/Group recognize the amount of the remeasurement of the lease liability as an adjustment to the right-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, Company/Group recognize any remaining amount of the remeasurement in profit or loss.

Revised discount rate

Company/Group remeasure the lease liability by discounting the revised lease payments using a revised discount rate, if there is a change in the lease term. Company/Group determine the revised lease payments based on the revised lease term or there is a change in the assessment of an option to purchase the underlying asset, assessed considering the events and circumstances described in the context of a purchase option. Company/Group determine the revised lease payments to reflect the change in amounts payable under the purchase option.

If either there is a change in the lease term or there is a change in the assessment of an option to purchase, Company/Group determine the revised discount rate as the interest rate implicit in the lease for the remainder of the lease term, if that rate can be readily determined, or the lessee's incremental borrowing rate at the date of reassessment, if the interest rate implicit in the lease cannot be readily determined.

Unchanged discount rate

Company/Group remeasure the lease liability by discounting the revised lease payments, if either:

- there is a change in the amounts expected to be payable under a residual value guarantee. Company/Group determine the revised lease payments to reflect the change in amounts expected to be payable under the residual value guarantee.
- there is a change in future lease payments resulting from a change in an index or a rate used to determine those payments, including for example a change to reflect changes in market rental rates following a market rent review. Company/Group remeasure the lease liability to reflect those revised lease payments only when there is a change in the cash flows (i.e. when the adjustment to the lease payments takes effect). Company/Group determine the revised lease payments for the remainder of the lease term based on the revised contractual payments.

Discounting revised lease payments, Company/Group use an unchanged discount rate, unless the change in lease payments results from a change in floating interest rates. In that case, Company/Group use a revised discount rate that reflects changes in the interest rate.

Lease modifications

Company/Group account for a lease modification as a separate lease if both:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for as a separate lease, at the effective date of the lease modification Company/Group:

- allocate the consideration in the modified contract;
- determine the lease term of the modified lease; and
- remeasure the lease liability by discounting the revised lease payments using a revised discount rate.

For a lease modification that is not accounted for as a separate lease, Company/Group account for the remeasurement of the lease liability by:

- decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease. Company/Group recognize in profit or loss any gain or loss relating to the partial or full termination of the lease;
- making a corresponding adjustment to the right-of-use asset for all other lease modifications.

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Company/Group present lease liabilities separately from other liabilities in the statement of financial position. Company/Group present interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. Interest expense on the lease liability is a component of finance costs, presented in the statement of profit or loss and other comprehensive income.

2.4 Income tax

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual profit or loss.

3 Critical accounting estimates and judgements used in the preparation of financial statements

Accounting estimates and judgments are continuously reviewed and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The preparation of financial information according to International Financial Reporting Standards as adopted by the EU requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses, and disclosures of contingencies. Changes in the underlying assumptions, estimates and judgments may have a material effect on this financial information. The accounting estimates applied in preparing the condensed interim financial information are consistent with those used in preparing the annual financial statements for the year ended 31 December 2018.

Correction of error

The Group corrected the identified errors from the previous financial periods during the preparation of these interim financial statement. In 2019, the subsidiary AB „Ignitis gamyba“ of the Group reviewed financial statements accounting principles for revenues, receivables, and payables related to secondary power reserve, tertiary power reserve, and system restoration services (hereinafter – regulated activities), which are regulated by the National Energy Regulatory Council (NERC). Tariffs for these regulated activities for the next calendar year are set by NERC based on Group and AB „Ignitis gamyba“ forecasted expenses taking into account planned and factual revenue and expense variance in the prior financial year. In the financial statements, Group and AB „Ignitis gamyba“ reported regulated activities revenues using the accrual principle based on factual expenses incurred, i.e. regulatory activities revenues were recognized by Group and AB „Ignitis gamyba“ in such volume, which under NERC methodology, is permissible taking into consideration permissible return on investment and factual expenses for services provided incurred during the period. Due to variance between planned and factual revenues and expenses set by NERC, regulatory activities revenues and corresponding payables and other payables were corrected. Up until now, revenues were recognized in accordance to substance over form principle, following the assumption about NERC's ability to promptly and based on unilateral decision initiate legal act amendments, that would be necessary in order to establish an obligation for the company to refund the difference between mentioned regulatory planned and actual service estimates even if Group and AB „Ignitis gamyba“ is no longer providing regulatory services mentioned above.

In 2019, by reviewing accounting of previously mentioned operations, it was noted that payable or refundable amounts in the future periods depend on whether or not the Group and AB „Ignitis gamyba“ will provide these services and will carry them out in the future, i.e. these amounts are related to currently uncompleted agreements, and in such case, provision, contingent liabilities and contingent assets should not be accounted (under Conceptual Framework for Financial Reporting and under IAS 37 “Provision, Contingent Liabilities and Contingent Assets”).

The following retrospective corrections were made in the Group's financial statements:

- 1) As at 31 December 2018 and 1 January 2018 the Group corrected 2016 and 2017 regulatory activities revenues and decreased “Retained earnings” by EUR 289 thousand and in correspondence decreased “Other amounts receivable” balance sheet caption.
- 2) As at 31 December 2018 and 1 January 2018 the Group corrected 2016 and 2017 regulatory activities revenues and decreased “Other non-current payables and liabilities” caption by EUR 5,398 thousand and “Contract liabilities” caption by EUR 2,283 thousand, while 2018 “Revenue from contracts with customers” caption was increased by EUR 7,710 thousand. 1 January 2018 balance was corrected by increasing “Retained earnings” by EUR 511 thousand, while “Other non-current payables and liabilities” caption was decreased by the corresponding amount.
- 3) The Group had to recalculate deferred tax liability for 2018 and 2018 opening amount due to the reasons stated in No. 1 and 2 sections.

As at 31 December 2018 and 1 January 2018 the Group corrected previously recognized deferred tax asset, thus in correspondence correcting deferred tax liability by increasing “Deferred Tax Liability” caption balance by EUR 1,108 thousand and 2018 “Deferred income tax expenses” statement of comprehensive income caption was increased by EUR 1,075 thousand. 1 January 2018 statement of financial position due to this correction was adjusted in the following way: “Retained earnings” were decreased by EUR 33 thousand while “Deferred Tax Liability” caption was increased by the corresponding amount.

- 1) The Group had to recalculate current income tax liability for 2018 and 2018 opening amount due to the reasons stated in No. 1 and 2 sections.
As at 31 December 2018 and 1 January 2018 the Group correction previously recognized profit tax payable and increased “Income tax payable” balance caption by EUR 1,108 EUR thousand and 2018 statement of comprehensive income caption “Income tax expenses” was increased by EUR 1,075 thousand. 1 January 2018 statement of financial position due to this correction was adjusted in the following way: “Retained earnings” were decreased by EUR 33 thousand while “Income tax payable” caption was increased by the corresponding amount.
- 2) As at 31 December 2018 the Group reclassified part of other amounts receivable and contract liabilities, which by its nature, should have been classified as other non-current payables and liabilities. Due to this “Other non-current payables and liabilities” of statement of financial position caption was increased by EUR 800 thousand, “Other amounts receivable” caption was increased by EUR 289 thousand, while “Contract liabilities” where decreased by EUR 511 thousand.
- 3) As at 31 December 2018 and 1 January 2018 the Group did not reclassify part of other non-current payables and liabilities and contract liabilities, which by their nature, should have been classified as provisions. Due to this long-term “Provisions” caption was increased by EUR 4,875 thousand, and short-term “Provisions” caption was increased by EUR 2,765 thousand, while “Other non-current payables and liabilities” and “Contract liabilities” captions were reduced in corresponding amounts. 1 January 2018 statement of financial position due to this correction was adjusted in the following way: long-term “Provisions” caption was increased by EUR 5,034 thousand while “Other non-current payables and liabilities” caption was reduced by the corresponding amount.
- 4) The Group had to recalculate errors impact to non-controlling interests for 2018 and 2018 opening amount due to the reasons stated in No. 1 - 6 sections.

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Retrospectively corrected condensed interim statements of financial position:

Correction for the year 2018

Group	Notes	2018 12 31 before corrections	1) Correction of Other amounts receivable due to regulated services income *	2) Correction of Other non-current amounts payable and liabilities and Contract liabilities due to regulated services income *	3) Correction of deferred income tax liabilities*	4) Correction of income tax liabilities *	5) Reclassifica- tion of Other amounts receivable and contract liabilities to Other non- current amounts payable and liabilities	6) Reclassifica- tion of Other non- current amounts payable and liabilities to Provisions	7) Errors Impact to non- controlling interests	2018 12 31 after corrections
ASSETS										
Non-current assets										
Intangible assets	4	106,330	-	-	-	-	-	-	-	106,330
Property, plant and equipment	4	2,091,590	-	-	-	-	-	-	-	2,091,590
Prepayments for non-current assets		23,621	-	-	-	-	-	-	-	23,621
Investment property		6,494	-	-	-	-	-	-	-	6,494
Amounts receivable after one year		160,606	-	-	-	-	-	-	-	160,606
Other financial assets		2,008	-	-	-	-	-	-	-	2,008
Other non-current assets		6,094	-	-	-	-	-	-	-	6,094
Deferred income tax asset		14,468	-	-	-	-	-	-	-	14,468
Total non-current assets		2,411,211	-	-	-	-	-	-	-	2,411,211
Current assets										
Inventories		43,137	-	-	-	-	-	-	-	43,137
Prepayments and deferred expenses		30,655	-	-	-	-	-	-	-	30,655
Trade receivables		143,120	-	-	-	-	-	-	-	143,120
Other amounts receivable		25,436	(289)	-	-	-	289	-	-	25,436
Other current assets		2,147	-	-	-	-	-	-	-	2,147
Prepaid income tax		4,192	-	-	-	-	-	-	-	4,192
Other financial assets		656	-	-	-	-	-	-	-	656
Cash and cash equivalents	7	127,835	-	-	-	-	-	-	-	127,835
		377,178	(289)	-	-	-	289	-	-	377,178
	8	65,706	-	-	-	-	-	-	-	65,706
Non-current assets held for sale		442,884	(289)	-	-	-	289	-	-	442,884
Total current assets		2,854,095	(289)	-	-	-	289	-	-	2,854,095
EQUITY AND LIABILITIES										
Equity										
Share capital	9	1,212,156	-	-	-	-	-	-	-	1,212,156
Reserves		212,802	-	-	-	-	-	-	-	212,802
Retained earnings (deficit)		(147,554)	(289)	511	(33)	(33)	-	-	(2)	(147,400)
FY 2018 result		(9,209)	-	7,170	(1,075)	(1,075)	-	-	(163)	(4,352)
Equity attributable to owners of the parent		1,268,195	(289)	7,681	(1,108)	(1,108)	-	-	(165)	1,273,206
Non-controlling interests		48,356	-	-	-	-	-	-	165	48,521
Total equity		1,316,551	(289)	7,681	(1,108)	(1,108)	-	-	-	1,321,727
Liabilities										
Non-current liabilities										
Non-current borrowings	10	735,410	-	-	-	-	-	-	-	735,410
Lease liabilities	11	14,334	-	-	-	-	-	-	-	14,334
Grants and subsidies		208,874	-	-	-	-	-	-	-	208,874
Deferred income tax liabilities		38,688	-	-	1,108	-	-	-	-	39,796
Provisions	12	30,571	-	-	-	-	-	4,875	-	35,446
Deferred revenue		115,261	-	-	-	-	-	-	-	115,261
Other non-current amounts payable and liabilities		11,274	-	(5,398)	-	-	800	(4,875)	-	1,801
Total non-current liabilities		1,154,412	-	(5,398)	1,108	-	800	-	-	1,150,922
Current liabilities										
Current portion of long-term debts	10	61,819	-	-	-	-	-	-	-	61,819
Current borrowings	10	47,727	-	-	-	-	-	-	-	47,727
Current portion of lease liabilities	11	5,220	-	-	-	-	-	-	-	5,220
Trade payables		93,237	-	-	-	-	-	-	-	93,237
Contract liabilities		55,325	-	(2,283)	-	-	(511)	(2,765)	-	49,766
Income tax liabilities		3,436	-	-	-	1,108	-	-	-	4,544
Provisions	12	2,788	-	-	-	-	-	2,765	-	5,553
Deferred revenue		7,912	-	-	-	-	-	-	-	7,912
Other current amounts payable and liabilities		102,682	-	-	-	-	-	-	-	102,682
		380,146	-	(2,283)	-	1,108	(511)	-	-	378,460
Liabilities related to non-current assets held for sale		2,986	-	-	-	-	-	-	-	2,986
Total current liabilities		383,132	-	(2,283)	-	1,108	(511)	-	-	381,446
Total liabilities		1,537,544	-	(7,681)	1,108	1,108	289	-	-	1,532,368
TOTAL EQUITY AND LIABILITIES		2,854,095	(289)	-	-	-	289	-	-	2,854,095

* Correction for FY 2017 balance

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Retrospectively corrected condensed interim statements of financial position (continued):

Corrections for the year 2017

Group	Notes	2018-01-01 before corrections	1) Correction of Other amounts receivable due to regulated services income *	2) Correction of Other non-current amounts payable and liabilities and Contract liabilities due to regulated services income *	3) Correction of deferred income tax liabilities*	4) Correction of income tax liabilities *	6) Reclassificati on of Other non-current amounts payable and liabilities to Provisions	7) Errors Impact to non- controlling interests	2018-01-01 after corrections
ASSETS									
Non-current assets									
Intangible assets	4	36,360	-	-	-	-	-	-	36,360
Property, plant and equipment	4	1,761,082	-	-	-	-	-	-	1,761,082
Prepayments for non-current assets		21,911	-	-	-	-	-	-	21,911
Investment property		14,878	-	-	-	-	-	-	14,878
Amounts receivable after one year		170,488	-	-	-	-	-	-	170,488
Other financial assets		426	-	-	-	-	-	-	426
Other non-current assets		3,239	-	-	-	-	-	-	3,239
Deferred income tax asset		7,084	-	-	-	-	-	-	7,084
Total non-current assets		2,015,468	-	-	-	-	-	-	2,015,468
Current assets									
Inventories		56,866	-	-	-	-	-	-	56,866
Prepayments and deferred expenses		38,119	-	-	-	-	-	-	38,119
Trade receivables		112,563	-	-	-	-	-	-	112,563
Other amounts receivable		27,800	(289)	-	-	-	-	-	27,511
Other current assets		1,093	-	-	-	-	-	-	1,093
Prepaid income tax		2,102	-	-	-	-	-	-	2,102
Short-term loans		-	-	-	-	-	-	-	-
Other financial assets	7	171,756	-	-	-	-	-	-	171,756
Cash and cash equivalents	8	410,299	(289)	-	-	-	-	-	410,010
		79,301	-	-	-	-	-	-	79,301
Non-current assets held for sale		489,600	(289)	-	-	-	-	-	489,311
Total current assets		2,505,068	(289)	-	-	-	-	-	2,504,779
EQUITY AND LIABILITIES									
Equity									
Share capital									
Reserves	9	1,212,156	-	-	-	-	-	-	1,212,156
Retained earnings (deficit)		99,380	-	-	-	-	-	-	99,380
FY 2018 result		(13,706)	(289)	511	(33)	(33)	-	(5)	(13,555)
Equity attributable to owners of the parent		1,297,830	(289)	511	(33)	(33)	-	(5)	1,297,981
Non-controlling interests		45,796	-	-	-	-	-	5	45,801
Total equity		1,343,626	(289)	511	(33)	(33)	-	-	1,343,782
Liabilities									
Non-current liabilities									
Non-current borrowings	10	480,068	-	-	-	-	-	-	480,068
Lease liabilities	11	187	-	-	-	-	-	-	187
Grants and subsidies		200,311	-	-	-	-	-	-	200,311
Deferred income tax liabilities		36,049	-	-	33	-	-	-	36,082
Provisions	12	1,893	-	-	-	-	5,034	-	6,927
Deferred revenue		54,509	-	-	-	-	-	-	54,509
Other non-current amounts payable and liabilities		7,306	-	(511)	-	-	(5,034)	-	1,761
Total non-current liabilities		780,323	-	(511)	33	-	-	-	779,845
Current liabilities									
Current portion of long-term debts	10	119,599	-	-	-	-	-	-	119,599
Current borrowings	10	14,082	-	-	-	-	-	-	14,082
Current portion of lease liabilities	11	145	-	-	-	-	-	-	145
Trade payables		98,338	-	-	-	-	-	-	98,338
Contract liabilities		27,765	-	-	-	-	-	-	27,765
Income tax liabilities		3,695	-	-	-	33	-	-	3,728
Provisions	12	2,498	-	-	-	-	-	-	2,498
Deferred revenue		5,242	-	-	-	-	-	-	5,242
Other current amounts payable and liabilities		109,421	-	-	-	-	-	-	109,421
Total current liabilities		380,785	-	-	-	33	-	-	380,818
Liabilities related to non-current assets held for sale		334	-	-	-	-	-	-	334
Total current liabilities		381,119	-	-	-	33	-	-	381,152
Total liabilities		1,161,442	-	(511)	33	33	-	-	1,160,997
TOTAL EQUITY AND LIABILITIES		2,505,068	(289)	-	-	-	-	-	2,504,779

* Corrections made have a rolling effect on FY 2018 financial statements (please refer to the Group's correction of error disclosures above)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

All amounts in thousands of euro unless otherwise stated

Retrospectively corrected condensed interim statements of comprehensive income:

Correction of 2018, I-III Q

Group	Notes	2018 I-III Q before corrections	2) Correction of Other non-current amounts payable and liabilities and Contract liabilities due to regulated services income	3) Correction of deferred income tax liabilities	4) Correction of income tax liabilities	7) Errors Impact to non- controlling interests	2018 m. I- III Q after corrections.
Revenue from contracts with customers	13	867,107	4,669	-	-	-	871,776
Other income		29,017	-	-	-	-	29,017
		896,124	4,669	-	-	-	900,793
Operating expenses							
Purchases of electricity, gas for trade, and related services		(467,590)	-	-	-	-	(467,590)
Purchases of gas and heavy fuel oil		(210,022)	-	-	-	-	(210,022)
Depreciation and amortization		(64,100)	-	-	-	-	(64,100)
Wages and salaries and related expenses		(59,333)	-	-	-	-	(59,333)
Repair and maintenance expenses		(14,112)	-	-	-	-	(14,112)
Revaluation of property, plant and equipment		18	-	-	-	-	18
Reversal (impairment) of amounts receivable and loans		413	-	-	-	-	413
Impairment of property, plant and equipment		(2,317)	-	-	-	-	(2,317)
Other expenses	14	(15,969)	-	-	-	-	(15,969)
Total operating expenses		(833,012)	-	-	-	-	(833,012)
(Loss) profit from operations		63,112	4,669	-	-	-	67,781
Finance income		1,139	-	-	-	-	1,139
Finance costs		(8,704)	-	-	-	-	(8,704)
Results of the revaluation and closing of derivative financial instruments		(572)	-	-	-	-	(572)
Profit (loss) before tax		54,975	4,669	-	-	-	59,644
Current year income tax (expense)/benefit		(6,363)	-	-	(701)	-	(7,064)
Deferred income tax (expense)/benefit		(4,412)	-	(701)	-	-	(5,113)
Net profit		44,200	4,669	(701)	(701)	-	47,467
Attributable to:		-	-	-	-	-	-
Owners of the parent		42,877	-	-	-	3,163	46,040
Non-controlling interest		1,325	-	-	-	104	1,429
Other comprehensive income (loss)							
Items that will not be reclassified to profit or loss							
Gain (loss) on revaluation of non-current assets		13,041	-	-	-	-	13,041
Deferred income tax related to gain (loss) on revaluation of non-current assets		(116)	-	-	-	-	(116)
Items that will not be reclassified to profit or loss, total		12,925	-	-	-	-	12,925
Items that will be reclassified to profit or loss							
Translation of net investments in foreign operations into the Group's presentation currency		(22)	-	-	-	-	(22)
Items that will be reclassified to profit or loss, total		(22)	-	-	-	-	(22)
Total other comprehensive income/(loss)		12,903	-	-	-	-	12,903
Total comprehensive income (loss) for the period		57,103	4,669	(701)	(701)	-	60,370
Attributable to:							
Owners of the parent		55,344	-	-	-	3,163	58,507
Non-controlling interests		1,762	-	-	-	104	1,866

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

All amounts in thousands of euro unless otherwise stated

Retrospectively corrected condensed interim statements of comprehensive income (continued):

Correction of 2018, III Q

Group	Notes	2018 III Q before corrections	2) Correction of Other non- current amounts payable and liabilities and Contract liabilities due to regulated services income	3) Correction of deferred income tax liabilities	4) Correction of income tax liabilities	7) Errors Impact to non- controlling interests	2018 m. III Q after corrections.
Revenue from contracts with customers	13	266,757	2,206	-	-	-	268,963
Other income		3,373	-	-	-	-	3,373
		270,130	2,206	-	-	-	272,336
Operating expenses							
Purchases of electricity, gas for trade, and related services		(169,694)	-	-	-	-	(169,694)
Purchases of gas and heavy fuel oil		(50,239)	-	-	-	-	(50,239)
Depreciation and amortization		(21,389)	-	-	-	-	(21,389)
Wages and salaries and related expenses		(18,338)	-	-	-	-	(18,338)
Repair and maintenance expenses		(6,555)	-	-	-	-	(6,555)
Revaluation of property, plant and equipment		18	-	-	-	-	18
Reversal (impairment) of amounts receivable and loans		(40)	-	-	-	-	(40)
Impairment of property, plant and equipment		(2,465)	-	-	-	-	(2,465)
Other expenses	14	(7,586)	-	-	-	-	(7,586)
Total operating expenses		(276,288)	-	-	-	-	(276,288)
(Loss) profit from operations		(6,158)	2,206	-	-	-	(3,952)
Finance income		375	-	-	-	-	375
Finance costs		(3,644)	-	-	-	-	(3,644)
Results of the revaluation and closing of derivative financial instruments		(328)	-	-	-	-	(328)
Profit (loss) before tax		(9,755)	2,206	-	-	-	(7,549)
Current year income tax (expense)/benefit		(4,831)	-	-	(331)	-	(5,162)
Deferred income tax (expense)/benefit		466	-	(331)	-	-	135
Net profit		(14,120)	2,206	(331)	(331)	-	(12,576)
Attributable to:							
Owners of the parent		(13,916)	-	-	-	1,494	(12,422)
Non-controlling interest		(205)	-	-	-	50	(155)
Other comprehensive income (loss)							
Items that will not be reclassified to profit or loss							
Gain (loss) on revaluation of non-current assets		7,514	-	-	-	-	7,514
Items that will not be reclassified to profit or loss, total		7,514	-	-	-	-	7,514
Items that will be reclassified to profit or loss							
Translation of net investments in foreign operations into the Group's presentation currency		(22)	-	-	-	-	(22)
Items that will be reclassified to profit or loss, total		(22)	-	-	-	-	(22)
Total other comprehensive income/(loss)		7,492	-	-	-	-	7,492
Total comprehensive income (loss) for the period		(6,628)	2,206	(331)	(331)	-	(5,084)
Attributable to:							
Owners of the parent		(6,532)	-	-	-	1,494	(5,038)
Non-controlling interests		(96)	-	-	-	50	(46)

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

All amounts in thousands of euro unless otherwise stated

Retrospectively corrected condensed interim statements of cash flows for 2018

Group	Notes	2018 I-III Q before correction	The difference for the 2018 m. I-III Q	2018 I-III Q after correction
Cash flows from operating activities				
Net profit for the period		44,200	3,267	47,467
Adjustments for non-monetary expenses (income):				
Depreciation and amortization expenses		71,159	-	71,159
Impairment of property, plant and equipment		2,317	-	2,317
Revaluation of investment assets		(18)	-	(18)
Revaluation of derivative financial instruments		(1,493)	-	(1,493)
Impairment of financial assets (reversal of impairment)		(413)	-	(413)
Income tax expenses		10,775	1,402	12,177
(Depreciation) of grants		(7,058)	-	(7,058)
Increase (decrease) in provisions		678	(895)	(217)
Inventory write-down to net realizable value/ (reversal)		(279)	-	(279)
Expenses/(income) of revaluation of emission allowances		(10,784)	-	(10,784)
Emission allowances utilized		908	-	908
Elimination of results of investing activities:				
- (Gain)/loss on disposal/write-off of property, plant and equipment		(85)	-	(85)
Elimination of results of financing activities:				
Interest (income)		(1,085)	-	(1,085)
Interest expenses		8,403	-	8,403
Other finance (income) expenses		249	-	249
Changes in working capital:				
(Increase) decrease in trade receivables and other amounts receivable		23,975	(3,073)	20,902
(Increase) decrease in inventories, prepayments and other current assets		2,945	-	2,945
Increase (decrease) in amounts payable, deferred income and contract liabilities		(2,094)	(701)	(2,795)
Income tax (paid)		(2,796)	-	(2,796)
Net cash flows from (used in) operating activities		139,504	-	139,504
Cash flows from investing activities				
(Acquisition) of property, plant and equipment and intangible assets		(261,791)	-	(261,791)
Disposal of property, plant and equipment and intangible assets		34,180	-	34,180
Grants received		14,007	-	14,007
Increase (decrease) of cash flows from other from investing activities		(703)	-	(703)
Net cash flows from (used in) investing activities		(214,307)	-	(214,307)
Cash flows from financing activities				
Bonds emission		294,346	-	294,346
Repayments of borrowings		(109,441)	-	(109,441)
Lease payments		(117)	-	(117)
Interest paid		(8,862)	-	(8,862)
Dividends paid		(80,855)	-	(80,855)
Increase in share capital of UAB "Kauno Kogeneracinė Jėgainė"		7,840	-	7,840
Net cash flows from (used in) financing activities		102,911	-	102,911
Increase (decrease) in cash and cash equivalents (including overdraft)		28,108	-	28,108
Cash and cash equivalents (including overdraft) at the beginning of the period	7	161,101	-	161,101
Cash and cash equivalents (including overdraft) at the end of the period	7	189,209	-	189,209

4 Intangible assets and property, plant and equipment

Movement on Group's account of intangible assets and property, plant and equipment are presented below:

Group	Intangible assets	Property, plant and equipment
Net book value at 31 December 2018	106,330	2,091,590
The impact of the first-time adoption of IFRS 16 – reclassification to Right-of-use asset	-	(35,969)
Net book value at 1 January 2019 (recalculated)	106,330	2,055,621
Acquisitions	24,374	267,505
Revaluation	-	94
Sales	-	(418)
Write-offs	-	(3,576)
Impairment	-	(78)
Reversal of impairment	-	1,297
Revaluation of emission allowances	(435)	-
Emission allowances grants received	4,131	-
Emission allowances utilized	(987)	-
Reclassification to/from Property, plant and equipment and Intangible assets	169	(169)
Reclassification to/from assets held for sale	-	(364)
Reclassification to/from inventories	-	47
Depreciation/amortization	(5,296)	(76,403)
Net book value at 30 September 2019	128,286	2,243,556

*The acquisition of intangible assets for an amount of EUR 24,374 thousand within the first half-year of 2019 mostly comprised of the goodwill arising from the business combination, which amounts to EUR 20,530 thousand (Note 19).

Property, plant and equipment, which amounts to EUR 5,672 thousand, was taken over after the acquisition of indirectly controlled (100%) company Pomerania Inwall Sp.z.o.o during period from 1 January to 30 September 2019 (Note 19).

Reversal of revaluation of emission allowances during January – September of 2019 amounts to EUR 435 thousand including deferred taxes and is included in Statements of comprehensive income item "Revaluation of property, plant and equipment".

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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During January – September of 2019 EUR 38,191 thousand of Property, plant and equipment acquisition were paid up utilizing grants received (January – September of 2018 EUR 14,007 thousand). Depreciation/amortization attributable to grants received during January – September of 2019 amounts to EUR 6,579 thousand (January – September of 2018 EUR 7,058 thousand).

The Group has significant acquisition liabilities of property, plant and equipment which will have to be fulfilled during the later years. Group's acquisition and construction liabilities amounted to EUR 490,432 thousand as at 31 December 2018. Group's acquisition and construction liabilities did not change significantly as at 30 September 2019.

Movement on Company's account of intangible assets and property, plant and equipment are presented below:

Company	Intangible assets	Property, plant and equipment
Net book value at 31 December 2018	1,874	427
Acquisition	-	36
Reclassification to share capital increase of subsidiary as non-cash contribution	-	(364)
Depreciation/amortization	-	(10)
Net book value at 30 September 2019	1,874	89

As at 30 September 2019 the Company accounted for EUR 1,874 thousand of intangible assets related to the assets of the Vilnius Thermal Power Plant (TE-3).

5 Right-of-use asset

Movement on Group's account of right-of-use asset is presented below:

Group	Land	Buildings	Structures and machinery	Wind power plants and their installations	Vehicles	Other PP&E	Total Right-of-use asset
Net book value at 31 December 2018	-	-	-	-	-	-	-
The impact of the first-time adoption of IFRS 16 – reclassification to Right-of-use asset	-	-	8,233	27,290	446	-	35,969
Net book value at 1 January 2019 (recalculated)	-	-	8,233	27,290	446	-	35,969
Acquisition	5,556	11,731	34	-	13	280	17,614
from which is recognized as Right-of-use asset 2019-01-01	5,556	7,015	34	-	-	215	12,820
from which is signed lease agreements 2019-01-02 – 2019-06-30	-	4,716	-	-	13	65	4,794
Write-offs	-	(107)	(33)	-	-	-	(140)
Depreciation/amortization	(62)	(1,617)	(544)	(1,686)	(54)	(58)	(4,021)
Net book value at 30 September 2019	5,494	10,007	7,690	25,604	405	222	49,422

Movement on Company's account of right-of-use asset is presented below:

Group	Buildings	Motor vehicles	Total Right-of-use asset
Net book value at 31 December 2018	-	-	-
Acquisition	834	533	1,367
from which is recognized as Right-of-use asset 2019-01-01	778	69	847
from which is signed lease agreements 2019-01-02 – 2019-06-30	56	464	520
Write-offs	-	(15)	(15)
Depreciation/amortization	(157)	(87)	(244)
Net book value at 30 September 2019	677	431	1,108

6 Investments in subsidiaries and other investments

Movement of the Company's account of investments in subsidiaries during period from 1 January to 30 September 2019 is presented below:

Company	2019 I-III Q	2018
Net book amount at 1 January	1,206,921	1,148,917
Increase in share capital of subsidiaries	15,960	41,038
Establishment of new subsidiaries	44,700	-
Acquisition of companies	-	21,016
Disposal of investments	(39,748)	-
Coverage of losses	-	5,142
Liquidation of subsidiaries	-	(17)
Reclassification to assets held for sale	-	(2,359)
(Impairment) of investments in subsidiaries	-	(6,815)
Net book amount at the end of period	1,227,833	1,206,921

On 1 January 2019, the reorganization of the Group companies UAB "Lietuvos Energijos Tiekimas" and UAB "Litgas" was finalised. The companies were reorganised by way of merger – UAB "Litgas", which ceased its activities after the reorganization, was merged with UAB "Ignitis Tiekimas", which continues its activities. All assets, rights and obligations of UAB "Litgas" were taken over by UAB "Ignitis Tiekimas" which continues its activities. Company's carrying amount of investment to UAB "Ignitis" increased by EUR 8,631 thousand and the investment to UAB "Litgas" was written off by the same carrying amount.

On 1 June 2019, the reorganization of the Group companies UAB "Ignitis" and UAB "Energijos Tiekimas" was finalised. The companies were reorganised by way of merger – UAB "Energijos Tiekimas", which ceased its activities after the reorganization, was merged with UAB "Ignitis", which continues its activities. All assets, rights and obligations of UAB "Energijos Tiekimas" were taken over by UAB "Ignitis" which continues its activities. Company's carrying amount of investment to UAB "Ignitis" increased by EUR 26,126 thousand and the investment to UAB "Energijos Tiekimas" was written off by the same carrying amount.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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During period from 1 January to 30 September 2019 the authorized capital of the following Group's companies was increased:

Subsidiary	Issue date	Amount of shares, pcs*	Nominal value per share, EUR	Total issue price	Paid amount	Amount outstanding	Date of articles amendment
UAB "Vilniaus kogeneracinė jėgainė"	2019-01-22	54,137,931	0.29	15,700	15,700	-	2019-01-30
UAB "Ignitis grupės paslaugų centras"	2019-06-13	847,149	0.29	260	260	-	2019-06-28
Total							

* there is stated amount of shares that belong to the Company

On 14 January 2019, a decision was passed to increase the share capital of the Group's company UAB „Vilniaus Kogeneracinė Jėgainė“ up to EUR 52,300 thousand. The initial contribution of EUR 4,000 thousand was paid by the Company in cash on 23 January 2019. The Company also made a non-cash contribution amounting to EUR 386 thousand (business consultations relating to engineering and construction preparatory works for Vilnius co-generation power plant). On 30 January 2019, the new version of the Articles of Association of the Group's company UAB „Vilniaus Kogeneracinė Jėgainė“ related to increase in share capital was registered with the Register of Legal Entities.

On 28 February 2019, a decision was passed to increase the share capital of the Group's company UAB „Ignitis grupės paslaugų centras“ from EUR 6,439.6 to EUR 6,960 thousand. The right to acquire 897,326 shares par value of EUR 0.29 (total emission value – EUR 260,2 thousand) per share is granted to UAB „Ignitis gamyba“. The right to acquire 897,149 shares par value of EUR 0.29 (total emission value – EUR 260,2 thousand) per share is granted to the Company. On 28 June 2019, the new version of the Articles of Association of the Group's company UAB „Ignitis grupės paslaugų centras“ related to increase in share capital was registered with the Register of Legal Entities.

On 15 April 2019 the Company decided to reduce the authorized capital of the subsidiary UAB „NT Valdos“ from LTL 41,385 thousand. Eur up to 5,000 thousand. Eur, cancelling 1,256,400 shares with the nominal value of each of EUR 28.96, total nominal value of canceled shares is EUR 36,385 thousand. The purpose of the reduction of the authorized capital is to pay out the funds to the shareholders. The subsidiary disbursed the share capital reduction to the Company during July – September of 2019 and the Company accounted for EUR 213 thousand reversal of investments in subsidiaries impairment. On 5 July 2019 a new version of the Articles of Association of the Subsidiary Company related to the reduction of the authorized capital was registered with the Register of Legal Entities.

During period from 1 January to 30 September 2019 authorized capital of the Group's companies reduced:

Subsidiary	Book value 31 December 2018	Authorized capital	Appropriation of loss	Reversal of impairment	Book value 30 September 2018.
UAB „NT valdos“	36,173	(36,386)	-	213	-
Viso:	36,173	(36,386)	-	213	-

On 31 December 2018, the Company announced that in developing the green energy activity and aiming to optimize operations of the controlled companies engaged in renewable energy production it approved the establishment of a new company UAB „Ignitis renewables“, which will become a transferee of shares of all already controlled and developed wind power parks. This decision was approved by the holder of the Company's shares – the Ministry of Finance of the Republic of Lithuania. The Articles of Association of UAB „Ignitis renewables“ were registered with the Register of Legal Entities on 14 January 2019.

During period from 1 January to 30 September 2019 new Group's companies was established:

Subsidiary	Issue date	Amount of issued shares, pcs*	Nominal value per share, EUR	Total issued nominal price	Share premium	Paid amount	Amount outstanding	Date of articles amendment
UAB „Ignitis renewables“	2019-01-14	3,000	1	3	44,697	44,700	-	2019-01-14
Total:				3	44,697	44,700	-	

On 28 March 2019, the share purchase and sale agreements were signed regarding the transfer of 100% of shares of the Company's subsidiaries developing projects on renewable energy resources to UAB „Ignitis renewables“. Upon the transfer of shares of the renewable energy companies within the Group, the Company's ownership interest in the companies remains unchanged. The shares of the renewable energy companies are transferred for the carrying amount of investments in shares and the related liabilities, therefore the impact of the transfer of shares on the financial performance of the Company and the Group is neutral.

During period from 1 January to 30 September 2019 disposed the Company's subsidiaries:

Subsidiary	Disposal date	Disposed shares, pcs	Investment value	Paid amount*	Amount outstanding
UAB „Eurakras“	2019-03-28	159,549	18,735	18,735	-
UAB „Vėjo vatas“	2019-03-28	100,000	6,132	6,132	-
UAB „Vėjo gūsis“	2019-03-28	257,000	12,919	12,919	-
UAB „VVP Investment“**	2019-03-28	8,640	1,962	1,962	-
Total:			39,748	39,748	-

*Company's liability for unpaid shares of VVP Investment was transferred to UAB „Ignitis renewables“ as at 28 March 2019.

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All amounts in thousands of euro unless otherwise stated

As at 30 September 2019 the Company's investments in subsidiaries comprised:

At 30 September 2019	Acquisition cost	Impairment	Contributions against losses	Carrying amount	Company's ownership interest, %	Group's effective ownership interest, %
Subsidiaries:						
AB „Energijos skirstymo operatorius“	710,921	-	-	710,921	94.98	94.98
AB „Ignitis gamyba“	307,997	-	-	307,997	96.82	96.82
UAB „NT Valdosa“	8,823	(8,823)	-	-	100.00	100.00
UAB „Vilniaus kogeneracinė jėgainė“	52,300	-	-	52,300	100.00	100.00
UAB „Kauno kogeneracinė jėgainė“	20,400	-	-	20,400	51.00	51.00
UAB „Ignitis“	47,136	(4,010)	-	43,126	100.00	100.00
Tuuleenergia OÜ	6,659	-	-	6,659	100.00	100.00
UAB „Ignitis grupės paslaugų centras“	3,479	-	-	3,479	50.00	97.94
UAB „Elektroninių mokėjimų agentūra“	1,428	-	-	1,428	100.00	100.00
UAB „Verslo aptarnavimo centras“	298	-	-	298	51.00	98.41
UAB „Energetikos paslaugų ir rangos organizacija“	10,637	(22,710)	12,073	-	100.00	100.00
Ignitis paramos fondas	3	-	-	3	100.00	100.00
UAB „Gamybos optimizavimas“	350	-	-	350	100.00	100.00
UAB „Ignitis renewables“	44,700	-	-	44,700	100.00	100.00
	1,215,131	(35,543)	12,073	1,191,661		

As at 31 December 2018 the Company's investments in subsidiaries comprised:

At 31 December 2018	Acquisition cost	Impairment	Contributions against losses	Carrying amount	Company's ownership interest, %	Group's effective ownership interest, %
Subsidiaries:						
AB „Energijos skirstymo operatorius“	710,921	-	-	710,921	94.98	94.98
AB „Ignitis gamyba“	307,997	-	-	307,997	96.82	96.82
UAB „NT Valdosa“	45,209	(9,036)	-	36,173	100.00	100.00
UAB „Energijos tiekimas“	26,126	-	-	26,126	100.00	100.00
UAB „Vilniaus kogeneracinė jėgainė“	36,600	-	-	36,600	100.00	100.00
UAB „Kauno kogeneracinė jėgainė“	20,400	-	-	20,400	51.00	51.00
UAB „LITGAS“	12,641	(4,010)	-	8,631	100.00	100.00
UAB „Ignitis“	8,369	-	-	8,369	100.00	100.00
Tuuleenergia OÜ	6,659	-	-	6,659	100.00	100.00
UAB „Ignitis grupės paslaugų centras“	3,219	-	-	3,219	50.00	97.91
UAB „Elektroninių mokėjimų agentūra“	1,428	-	-	1,428	100.00	100.00
UAB „Verslo aptarnavimo centras“	298	-	-	298	51.00	98.41
UAB „Energetikos paslaugų ir rangos organizacija“	10,637	(22,710)	12,073	-	100.00	100.00
Ignitis paramos fondas	3	-	-	3	100.00	100.00
UAB „Gamybos optimizavimas“	350	-	-	350	100.00	100.00
UAB „Vėjo vatas“	12,919	-	-	12,919	100.00	100.00
UAB „Vėjo gūsis“	6,132	-	-	6,132	100.00	100.00
UAB „VVP investment“	1,962	-	-	1,962	100.00	100.00
UAB „Eurakras“	18,734	-	-	18,734	100.00	100.00
	1,230,604	(35,756)	12,073	1,206,921		

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All amounts in thousands of euro unless otherwise stated

7 Cash and cash equivalents

	Group		Company	
	At 30 Sep 2019	At 31 Dec 2018	At 30 Sep 2019	At 31 Dec 2018
Cash at bank	136,504	127,835	1,222	231
	136,504	127,835	1,222	231

Cash, cash equivalents and a bank overdraft include the following for the purposes of the cash flow statement:

	Group		Company	
	At 30 Sep 2019	At 31 Dec 2018	At 30 Sep 2019	At 31 Dec 2018
Cash and cash equivalents	136,504	127,835	1,222	231
Bank overdraft	(204,913)	(42,260)	(204,913)	(42,260)
Carrying amount	(68,409)	85,575	(203,691)	(42,029)

8 Non-current assets held for sale

The Group's and the Company's non-current assets held for sale as at 30 September 2019 and 31 December 2018 consist of as follows:

	Group		Company	
	At 30 Sep 2019	At 31 Dec 2018	At 30 Sep 2019	At 31 Dec 2018
Property, plant and equipment and investment property	6,994	35,589	77	77
Disposal group	39,206	30,117	-	-
Investments in subsidiaries	-	-	7,064	7,064
	43,914	65,706	7,141	7,141

Within the line item of the disposal group the Company recognized investment of subsidiary UAB "Transporto Valdymas" of EUR 2,359 thousand and investment of subsidiary UAB "Duomenų Logistikos Centras" of EUR 4,705 thousand.

The Group's line item of the disposal group also includes assets of subsidiaries UAB "Transporto Valdymas" and UAB "Duomenų Logistikos Centras" amounting to EUR 39,206 thousand, which is intended to be disposed by the Group. Liabilities of EUR 5,522 thousand being disposed along with these assets were reported under the line item 'Liabilities related to non-current assets held for sale'. Depreciation charge for the twelve-month period ended 30 September 2019 included in the Group's line item of the disposal group amounted to EUR 3,175 thousand.

9 Share capital

As at 30 September 2019 and 31 December 2018 the Company's share capital comprised EUR 1,212,156,294. As at 30 September 2019 and 31 December 2018 the Company's share capital was divided in to 4,179,849,289 ordinary shares with par value of EUR 0.29 each.

As at 30 September 2019 and 31 December 2018 share capital was fully paid.

10 Borrowings

Current borrowings of the Group and the Company as at 30 September 2019 and 31 December 2018 consist of as follows:

	Group		Company	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
Non-current				
Bank borrowings	187,776	146,411	55,695	82,246
Bonds issued	589,848	588,999	589,848	588,999
Accrued interest	34	-	-	-
Current				
Current portion of non-current borrowings	45,453	61,819	40,901	57,401
Bank overdrafts	204,913	42,260	204,913	42,260
Accrued interest	2,524	5,467	2,524	5,461
Total borrowings	1,030,548	844,956	893,881	776,367

All borrowings of the Group bear both fixed and variable interest rates. On 29 January 2019, the Company signed the new credit agreement with AB "SEB bankas", based on which the Company is able to borrow EUR 100 million. The repayment term is in 2021.

On 16 September 2019 the Company signed a new credit agreement with AB "SEB bankas", which provides an opportunity to borrow EUR 70 million with a maturity date of 16 September 2021.

As at 30 September 2019 Company's and Group's used bank overdraft part comprise EUR 204,913 thousand.

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All amounts in thousands of euro unless otherwise stated

11 Lease liabilities

The Group's and the Company's future lease payments under non-cancellable leases at 30 September 2019 and 31 December 2018:

	Group		Company	
	30 Sep 2019	31 Dec 2018	30 Sep 2019	31 Dec 2018
Minimum payments				
Within one year	7,856	5,421	257	-
From one to five years	18,601	5,011	576	-
After five years	16,648	9,477	-	-
Total	43,105	19,909	833	-
Future finance costs				
Within one year	(344)	(201)	(3)	-
From one to five years	(951)	(129)	(3)	-
After five years	(10,490)	(25)	-	-
Total	(11,785)	(355)	(6)	-
Carrying amount	31,320	19,554	827	-

12 Provisions

Provisions of the Group and the Company as at 30 September 2019 and 31 December 2018 consist of as follows:

	Group		Company	
	30 Sep 2019	31 Dec 2018 (restated*)	30 Sep 2019	31 Dec 2018
Non-current	33,240	35,446	-	-
Current	5,444	5,553	806	806
Carrying amount	38,684	40,999	806	806

* Some of the amounts shown do not match the 2018 figures, and 2017 financial statements and reflects the adjustments disclosed in Note 3.

Movement on Group's account of provisions is presented below:

	Emission allowance liabilities	Provisions for employee benefits	Other provisions (restated*)	Total
At 31 December 2017	529	3,862	5,034	9,425
Increase during the period	894	1,222	39,873	41,989
Utilized during the period	(908)	(2,270)	(5,777)	(8,955)
Revaluation of utilized emission allowances	380	-	-	380
Result of change in actuarial assumptions	-	54	(1,894)	(1,840)
At 31 December 2018	895	2,868	37,236	40,999
Increase during the period	227	318	1,247	1,792
Utilized during the period	(987)	(969)	(7,132)	(9,088)
Revaluation of utilized emission allowances	93	-	-	93
Result of change in actuarial assumptions	-	(32)	-	(32)
At 30 September 2018	228	2,185	31,351	33,764

*Certain amounts presented above do not correspond to the 2017 and 2018 Financial Statements but reflect corrections, disclosed in Note 3.

Provisions for employee benefits include a statutory retirement benefit payable to the Group's employees. The balance of provisions at the reporting date is reviewed with reference to actuarial calculations to ensure that estimation of retirement benefit liabilities is as much accurate as possible. The liabilities are recognized at discounted value using the market interest rate.

As at 30 September 2019 and 31 December 2018 the Company's provisions consist of the guarantee issued to the subsidiary for the loans granted to Energetikos Paslaugų ir Rangos Organizacija, UAB under cash pool agreements. During period from 1 January to 30 September 2019 there were no movement in the Company's provision account.

NOTES TO THE CONDENSED INTERIM FINANCIAL INFORMATION

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13 Revenue from contracts with customers

The Group's sales revenue from contracts with customers during period from 1 January to 30 September of 2019 consist of as follows:

2019 I-III Q	Distribution	Strategic generation	Green generation	Commercial organization	Other segments		Total
					Parent Company	Other segments	
Revenue from sale of electricity and related services	226,025	106,136	2,909	583,561	-	5	918,636
Revenue from sale of gas and related services	9,080	-	-	184,960	-	-	194,040
Other sales revenue	13,281	2,864	-	14,680	-	3,954	34,779
Total	248,386	109,000	2,909	783,201	-	3,959	1,147,455

The Group's sales revenue from contracts with customers during period from 1 January to 30 September of 2019 consist of as follows:

2018 I- III Q	Distribution	Strategic generation (restated*)	Green generation	Commercial organization	Other segments		Total
					Parent Company	Other segments	
Revenue from sale of electricity and related services	395,676	100,202	2,471	132,030	-	-	630,379
Revenue from sale of gas and related services	10,113	-	-	203,849	-	-	213,962
Other sales revenue	11,011	2,650	-	5,549	-	4,405	23,615
Total	416,800	102,852	2,471	341,428	-	4,405	867,956

The Company's sales revenue from contracts with customer during period from 1 January to 30 September of 2019 and 2018 comprise revenue from advisory and management services provided to subsidiaries (Note 16).

14 Other expenses

The Group's and the Company's other expenses during period from 1 January to 30 September of 2019 and 2018 comprise:

	Group		Company	
	2019 I-III Q	2018 I-III Q	2019 I-III Q	2018 I-III Q
Taxes	4,711	4,348	-	213
Write-offs of property, plant and equipment	3,455	3,501	-	-
Customer service	3,317	3,104	-	-
Utilities	1,875	1,867	77	752
Telecommunication and IT services	2,910	2,909	265	258
Motor vehicles	2,967	1,899	92	114
Write-offs of long term and short-term receivables	1,148	1,284	-	-
Expenses of low-value inventory items	1,287	749	-	-
Consulting services	997	908	362	504
Personnel development	534	728	95	141
Marketing	897	753	407	182
Business trips	438	345	32	49
Rent	273	1,048	-	143
Write-offs of inventories	63	-	-	-
Inventory write-down/(reversal)	51	-	-	-
Business support services	-	-	569	212
Audit costs	4	-	-	-
Impairment of inventories (reversal)	(4)	(279)	-	-
Revaluation and provisions of emission allowances	604	(10,784)	-	-
Provision for guarantees for the fulfilment of obligations of the subsidiaries	-	-	-	2,499
Other expenses	3,735	3,589	118	132
Carrying amount	29,262	15,969	2,017	5,199

15 Dividends

Group's companies declared dividends during the period from 1 January to 30 September 2019 (Note 16):

Announcement Date	Dividends declared by	Dividends distributed for the period	Dividends per share, Eur	Amount of dividends declared	The Company's dividend revenue	Dividends allocated to the non – controlling interest
5 Mar 2019	UAB "Duomenų logistikos centras"	the year of 2018	0.029	405	324	81
30 Apr 2019	UAB "Ignitis grupės paslaugų centras"	the year of 2018	0.015	327	164	4
30 Apr 2019	UAB "Verslo aptarnavimo centras"	the year of 2018	0.21	123	63	1
30 Apr 2019	Tuuleenergia OÜ	the year of 2018	1.80	899	899	-
29 Apr 2019	UAB "EURAKRAS"	the year of 2018	11.72	1,870	-	-
12 Apr 2019	AB "Ignitis gamyba"	the 2 nd half-year of 2018	0.01	6,480	6,274	206
27 Sep 2019	AB "Ignitis gamyba"	the 1 st half-year of 2019	0,0290	18,792	18,194	598
				28,896	25,918	890

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All amounts in thousands of euro unless otherwise stated

Group's companies declared dividends during the period from 1 January to 30 September 2018 (Note 16):

Announcement Date	Dividends declared by	Dividends distributed for the period	Dividends per share, Eur	Amount of dividends declared	The Company's dividend revenue	Dividends allocated to the non – controlling interest
13 Mar 2018	UAB "EURAKRAS"	the year of 2017	10.59000	1,690	1,690	-
20 Mar 2018	UAB "Energijos tiekimas"	the year of 2017	0.17401	3,000	3,000	-
26 Mar 2018	AB "Ignitis gamyba"	the 2 nd half-year of 2017	0.01400	8,891	8,602	283
30 Mar 2018	AB "Energijos skirstymo operatorius"	the 2 nd half-year of 2017	0.02535	22,679	21,541	1,138
4 Apr 2018	UAB "Lietuvos dujų tiekimas"	the year of 2017	0.15837	4,571	4,571	-
5 Apr 2018	UAB "Verslo aptarnavimo centras"	the year of 2017	0.00026	268	137	3
11 April 2018	UAB "Ignitis grupės paslaugų centras"	the year of 2017	0.00666	148	74	2
17 Apr 2018	UAB "LITGAS"	the year of 2017	0.02654	1,194	1,194	-
27 Apr 2018	UAB "Duomenų logistikos centras"	the year of 2017	0.02200	306	243	62
28 Sep 2018	AB "Energijos skirstymo operatorius"	the 1 st half-year of 2018	0.01400	12,525	11,896	628
27 Sep 2018	AB "Ignitis gamyba"	the 1 st half-year of 2018	0.02300	14,904	14,430	474
				70,176	67,378	2,590

The Company announced distribution of dividends during period from 1 January to 30 September of 2019 and 2018:

	2019, I-III Q		2018, I-III Q	
	(EUR '000)	Dividends per share	(EUR '000)	Dividends per share
UAB "Ignitis grupė"	13,000	0.0031	78,265	0.0187

16 Transactions with related parties

As at 30 September 2019 and 31 December 2018 the parent company was the Republic of Lithuania represented by Ministry of Finance. For the purpose of disclosure of related parties, the Republic of Lithuania does not include central and local government authorities. The disclosures comprise transactions and their balances with the parent company, subsidiaries (Company's transactions), associates and all entities controlled by or under significant influence of the state (transactions with these entities are disclosed only if they are material), and management.

The Group's transactions with related parties during the period from 1 January to 30 September 2019 and balances arising on these transactions as at 30 September 2019 are presented below:

Related party	Amounts receivable	Amount payable	Sales	Purchases	Finance incomes (expenses)
UAB "EPSO-G"	158,661	-	25	-	816
AB "Litgrid"	10,055	14,560	55,135	95,971	-
UAB "BALTPPOOL"	8,998	8,247	26,818	23,564	-
UAB "TETAS"	451	624	443	2,207	5
AB "Amber Grid"	3,427	5,700	23,456	47,624	-
UAB "LITGRID Power Link Service"	-	-	-	-	-
UAB "GET Baltic"	327	-	21,082	1,568	-
Associates and other related parties of the Group	330	-	40	605	-
Total	182,249	29,131	126,999	171,539	821

The Group's transactions with related parties during the period from 1 January to 30 September 2018 and balances arising on these transactions as at 31 December 2018 are presented below:

Related party	Amounts receivable	Amount payable	Sales	Purchases	Finance incomes (expenses)
EPSO-G, UAB	158,693	-	26	202	820
Litgrid, AB	7,106	15,049	142,795	96,934	-
BALTPPOOL, UAB	8,265	15,962	48,924	56,390	-
TETAS, UAB	1,381	4,421	954	1,267	32
Amber Grid, UAB	3,730	6,019	19,862	40,417	-
LITGRID Power Link Service, UAB	36	-	61	-	-
GET Baltic	724	12	11,243	5,961	-
Associates and other related parties of the Group	279	120	286	240	-
Total	180,214	41,583	224,151	201,411	852

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The Company's transactions with related parties during the period from 1 January to 30 September 2019 and balances arising on these transactions as at 30 September 2019 are presented below:

Related parties	Amounts receivable 30 Sep 2019	Amounts payable 30 Sep 2019	Sales 2019 I-III Q	Purchases 2019 I-III Q	Finance income 2019 I-III Q	Finance expenses 2019 I-III Q
Subsidiaries						
AB "Energijos skirstymo operatorius"	614,511	-	1,079	-	7,021	-
AB "Ignitis gamyba"	18,254	-	360	-	-	-
UAB "Energetikos paslaugų ir rangos organizacija"	1,545	-	4	-	31	-
UAB "Elektroninių mokėjimų agentūra"	1	-	14	-	-	-
UAB "Energijos tiekimas"	-	-	96	-	91	-
Ignitis Latvija SIA	-	-	-	-	-	-
Ignitis Eesti OÜ	-	-	-	-	-	-
UAB "Duomenų logistikos centras"	-	1	5	-	-	-
UAB "NT valdos"	1	-	32	-	3	-
UAB "Transporto valdymas"	28,962	161	-	81	272	1
UAB "Ignitis grupės paslaugų centras"	1,854	38	100	261	7	-
UAB "Ignitis"	99,046	-	293	-	591	-
UAB "Verslo aptarnavimo centras"	33	202	177	747	2	-
UAB "Vilniaus kogeneracinė jėgainė"	5,433	11,314	94	10	375	-
UAB "EURAKRAS"	24,538	-	10	1	530	-
Tuuleenergia OÜ	19,256	-	1	-	508	-
UAB "Kauno kogeneracinė jėgainė"	144	-	158	-	150	-
Ignitis Polska Sp.z o.o.	-	-	-	-	-	-
UAB "Vėjo gūsiai"	8	-	-	-	57	-
UAB "Vėjo vatas"	2,740	-	-	-	100	-
UAB "Gamybos optimizavimas"	1	-	5	-	-	-
UAB "VVP investment"	409	-	-	-	7	-
UAB "Ignitis renewables"	44,136	-	48	-	431	-
Pomerania Inval Sp.z.o.o	-	-	-	-	-	-
AB "Energijos skirstymo operatorius"	614,511	-	1,079	-	7,021	-
AB "Ignitis gamyba"	18,254	-	360	-	-	-
Total	860,872	11,716	2,476	1,100	10,176	1

The Company's transactions with related parties during the period from 1 January to 30 September of 2018 and balances arising on these transactions as at 31 December 2018 are presented below:

Related parties	Amounts receivable 31 Dec 2018	Amounts payable 31 Dec 2018	Sales 2018 I-III Q	Purchases 2018 I-III Q	Finance income 2018 I-III Q	Finance expenses 2018 I-III Q
Subsidiaries						
AB "Energijos skirstymo operatorius"	586,559	-	995	-	4,276	-
AB "Ignitis gamyba"	60	-	375	19	-	-
UAB "EURAKRAS"	24,756	-	7	-	530	-
UAB "Lietuvos dujų tiekimas"	14,130	-	135	-	55	-
UAB "NT valdos"	13	-	71	184	183	-
UAB "Ignitis grupės paslaugų centras"	1,684	107	62	249	9	-
UAB "Duomenų logistikos centras"	1	-	13	-	-	-
UAB "Energetikos paslaugų ir rangos organizacija"	1,250	-	68	6,448	112	-
Tuuleenergia OU	21,059	-	4	-	572	-
UAB "Energijos tiekimas"	36,546	-	109	149	66	-
UAB "LITGAS"	10	-	78	-	5	-
UAB "Transporto valdymas"	21,608	8	-	56	157	-
UAB "Elektroninių mokėjimų agentūra"	3	-	19	-	-	-
UAB "Verslo aptarnavimo centras"	29	109	115	387	1	-
UAB "VAE SPB"	-	-	3	-	-	-
UAB "Vilniaus kogeneracinė jėgainė"	29	-	77	255	9	-
UAB "Energijos sprendimų centras"	-	-	28	-	-	-
UAB "Kauno kogeneracinė jėgainė"	69	-	103	-	-	-
UAB "Vėjo gūsiai"	29	-	-	-	-	-
UAB "Vėjo vatas"	2,693	-	-	-	-	-
Other related parties						
UAB "EPSO-G"	158,658	-	-	-	820	-
Total	869,186	224	2,262	7,747	6,795	-

Company's dividend income from the subsidiaries during period from 1 January to 30 September of 2019 and 2018 is disclosed in the Note 15.

Management compensation:

	Group		Company	
	2019 I-III Q	2018 I-III Q	2019 I-III Q	2018 I-III Q
Salaries and other short-term benefits	3,465	2,788	855	624
Whereof: Termination benefits and benefits to Board Members	348	294	88	92
Number of management staff	55	59	12	12

Management includes heads of administration and their deputies.

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17 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of directors that makes strategic decisions.

In management's opinion, the Group has four operating segments:

- Distribution (carried out by AB "Energijos Skirstymo Operatorius")
- Strategic generation (carried out by UAB "Ignitis Gamyba");
- Green generation (carried out by UAB "Vilniaus Kogeneracinė Jėgainė", UAB "Kauno Kogeneracinė Jėgainė", UAB "Eurakras", Tuuleenergia OU, UAB "Vėjo Gūsis", UAB "Vėjo Vatas", UAB "VVP Investment", UAB "Ignitis Renewables", Pomerania Inwall Sp.z.o.o)
- Commercial organization (carried out by UAB "Ignitis", UAB "Energijos Tiekimas" (until 31 May 2019), Ignitis Eesti OÜ, Ignitis Latvija SIA, Ignitis Polska Sp.z o.o).

The following services and entities comprise the other segments:

- support services (UAB "NT Valdys", UAB "Ignitis Grupės Paslaugų Centras", UAB "Verslo Aptarnavimo Centras" and UAB "Transporto Valdymas");
- non-core activities (UAB "Energetikos Paslaugų ir Rangos Organizacija", UAB "Duomenų Logistikos Centras");
- service entities (UAB "Elektroninių Mokėjimų Agentūra");
- as well as parent company UAB "Ignitis grupė", which does not constitute a separate operating segment, however it is disclosed separately, as its net profit exceeds 10% of profit of all profit generating segments. The Group's support service entities and special purpose entities are aggregated to a single segment as none of them individually meet recognition criteria of an operating segment.

The Group has single geographical segment – the Republic of Lithuania, electricity sales in Latvia and Estonia are not significant for the Group. The chief operating decision-maker monitors the results with reference to the financial reports that have been prepared using the same accounting policies as those used for the preparation of the financial statements in accordance with IFRS, i.e. information on profit or loss, including the reported amounts of revenue and expenses. The primary performance measure is adjusted EBITDA, which is calculated based on data presented in the financial statements prepared in accordance with IFRS as adjusted for selected items which are not recognized under IFRS. The Group's Board does not analyze assets and liabilities of the segments.

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Group information about operating segments during period from 1 January to 30 September of 2019 is provided below:

2019 I-III Q	Distribution	Strategic generation	Green generation	Commercial organization	Other segments		Elimination of intercompany transactions and consolidation eliminations	General adjustments	Management's adjustments	Total
					Parent Company	Other segments				
Sales revenue from external customers	340,899	109,838	2,908	722,485	26	7,331	-	1,183,487	(21,643)	1,161,844
Sales revenue from contracts with customers	340,032	102,959	2,909	729,015	-	3,459	-	1,178,374	(30,919)	1,147,455
Other income	867	6,879	(1)	(6,530)	26	3,872	-	5,113	9,276	14,389
- from which is dividend income	-	-	-	-	-	-	-	-	-	-
Inter-segment revenue	66,444	(9,581)	11,586	21,793	28,348	26,728	(145,318)	-	-	-
Sales revenue from contracts with customers	66,110	(9,658)	9,714	20,855	2,430	10,644	(100,095)	-	-	-
Other income	334	77	1,872	938	25,918	16,084	(45,223)	-	-	-
- from which is dividend income	-	-	1,870	12	25,918	4	(27,804)	-	-	-
Total revenue	407,343	100,257	14,494	744,278	28,374	34,059	(145,318)	1,183,487	(21,643)	1,161,844
Purchases of electricity, gas for trade, and related services, gas and heavy fuel oil	(197,833)	(42,424)	(83)	(730,021)	-	(485)	84,971	(885,875)	-	(885,875)
Wages and salaries and related expenses	(32,348)	(6,298)	(1,205)	(3,485)	(4,079)	(14,393)	-	(61,808)	-	(61,808)
Repair and maintenance expenses	(16,463)	(3,774)	(1,243)	(1)	-	(662)	76	(22,067)	-	(22,067)
Other expenses	(25,457)	(4,827)	(1,685)	(6,694)	(2,017)	(9,726)	30,188	(20,218)	(4,248)	(24,466)
Adjusted EBITDA*	135,242	42,934	8,408	4,065	(3,640)	8,789	(2,279)	193,519	(25,891)	167,628
from which:										
Depreciation and amortization	(58,422)	(13,706)	(4,514)	(1,017)	(201)	(5,762)	1,307	(82,315)	-	(82,315)
Impairment and write-offs of property, plant and equipment	(3,467)	(285)	-	-	-	3	(441)	(4,190)	-	(4,190)
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	(375)	1,052	-	(5,069)	213	144	(213)	(4,248)	4,248	-
Revaluation of emission allowances	-	(604)	-	-	-	-	-	(604)	-	(604)
Operating profit (loss)	72,978	29,391	5,764	(2,009)	22,290	3,178	(29,430)	102,162	(21,643)	80,519
Finance income	19	222	23	433	11,025	89	(10,512)	1,299	-	1,299
Finance costs	(6,640)	(189)	(1,798)	(1,145)	(12,975)	(401)	9,278	(13,870)	-	(13,870)
Profit (loss) before tax	66,357	29,424	3,989	(2,721)	20,340	2,866	(30,664)	89,591	(21,643)	67,948
Income tax expense	(3,911)	(7,097)	(769)	624	527	(773)	(10,097)	(21,496)	11,226	(10,270)
Net profit (loss)	62,446	22,327	3,220	(2,097)	20,867	2,093	(40,761)	68,095	(10,417)	57,678
Property, plant and equipment, intangible and right-of-use asset	1,565,277	513,844	321,225	43,747	2,790	24,813	(42,585)	2,429,111	-	2,429,111
Investments	140,977	509	153,458	2,088	36	14,661	-	311,671	-	311,671
Net debt	660,760	(48,181)	227,240	109,071	893,486	27,585	(944,597)	925,364	-	925,364
Adjusted EBITDA*	135,242	42,934	8,408	4,065	(3,640)	8,789	(2,279)	193,519		
Management adjustments	(20,857)	15,317	-	(16,103)	-	-	-	(21,643)		
Total EBITDA adjustments	(20,857)	15,317	-	(16,103)	-	-	-	(21,643)		
EBITDA**	114,385	58,251	8,408	(12,038)	(3,640)	8,789	(2,279)	171,876		

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All amounts in thousands of euro unless otherwise stated

Group information about operating segments during period from 1 January to 30 September of 2018 is provided below:

2018 I-III Q	Distribution	Strategic generation	Green generation	Commercial organization	Other segments		Elimination of intercompany transactions and consolidation eliminations	General adjustments	Management's adjustments	Total
					Parent Company	Other segments				
Sales revenue from external customers	379,479	99,891	2,474	450,291	694	13,668	-	946,497	(45,704)	900,793
Sales revenue from contracts with customers	376,894	98,183	2,471	431,707	-	4,405	-	913,660	(45,704)	867,956
Other income	2,585	1,708	3	18,584	694	9,263	-	32,837	-	32,837
<i>from which is dividend income</i>	-	-	-	-	-	-	-	-	-	-
Inter-segment revenue	36,196	(3,411)	3,511	51,865	69,625	41,838	(199,624)	-	-	-
Sales revenue from contracts with customers	35,276	(3,504)	3,511	47,825	2,247	23,887	(109,242)	-	-	-
Other income	920	93	-	4,040	67,378	17,951	(90,382)	-	-	-
<i>from which is dividend income</i>	-	-	-	20	67,378	10	(67,408)	-	-	-
Total revenue	415,675	96,480	5,985	502,156	70,319	55,506	(199,624)	946,497	(45,704)	900,793
Purchases of electricity, gas for trade, and related services, gas and heavy fuel oil	(228,852)	(45,292)	(72)	(486,384)	-	(10,311)	93,299	(677,612)	-	(677,612)
Wages and salaries and related expenses	(31,370)	(6,269)	(318)	(2,483)	(3,707)	(17,960)	2,774	(59,333)	-	(59,333)
Repair and maintenance expenses	(10,575)	(2,284)	(664)	-	-	(1,462)	873	(14,112)	-	(14,112)
Other expenses	(23,472)	(4,771)	(613)	(9,174)	(5,198)	(15,775)	37,289	(21,714)	(1,197)	(22,911)
Adjusted EBITDA*	121,405	37,864	4,318	4,096	(5,964)	9,988	2,019	173,726	(46,901)	126,825
from which:										
Depreciation and amortization	(41,559)	(13,973)	(2,202)	(840)	(5)	(4,539)	(982)	(64,100)	-	(64,100)
Impairment and write-offs of property, plant and equipment	(3,280)	2	-	(6)	-	(2,444)	-	(5,728)	-	(5,728)
Impairment and write-offs of current and non-current amounts receivables, loans, goods and others	(334)	(494)	-	(194)	(1,570)	(82)	1,477	(1,197)	1,197	-
Revaluation of emission allowances	-	10,784	-	-	-	-	-	10,784	-	10,784
Operating profit (loss)	76,232	34,183	2,116	3,076	59,839	2,933	(64,894)	113,485	(45,704)	67,781
Finance income	64	91	5	244	6,820	37	(6,122)	1,139	-	1,139
Finance costs	(4,317)	(407)	(1,117)	(612)	(7,665)	(687)	6,101	(8,704)	-	(8,704)
Revaluation of derivative financial instruments	-	-	-	-	(572)	-	-	(572)	-	(572)
Profit (loss) before tax	71,979	33,867	1,004	2,708	58,422	2,283	(64,915)	105,348	(45,704)	59,644
Income tax expense	(706)	(8,952)	81	(457)	(592)	(1,072)	312	(11,386)	(791)	(12,177)
Net profit (loss)	71,273	24,915	1,085	2,251	57,830	1,211	(64,603)	93,962	(46,495)	47,467
Property, plant and equipment, intangible and right-of-use asset	1,324,770	525,686	121,937	17,715	2,293	22,062	(12,828)	2,001,635	-	2,001,635
Investments	191,580	3,837	52,020	330	1	4,448	-	252,216	-	252,216
Net debt	523,582	(39,369)	22,479	31,066	710,977	23,634	(673,211)	599,158	-	599,158
Adjusted EBITDA*	121,405	37,864	4,318	4,096	(5,964)	9,988	2,019	173,726		
Management adjustments	(33,631)	4,669	-	(16,741)	-	-	-	(45,704)		
Total EBITDA adjustments	(33,631)	4,669	-	(16,741)	-	-	-	(45,704)		
EBITDA**	87,774	42,533	4,318	(12,645)	(5,964)	9,988	2,019	128,022		

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Adjustments made by management and adjusted EBITDA

Adjustments made by management in calculating the adjusted EBITDA are presented below:

Segment / adjustment made by management	2019 I-III Q	2018 I-III Q
Distribution		
Recalculation of regulated activity revenue of AB „Energijos Skirstymo Operatorius“	23,471	60,810
Compensation received for the previous periods	(2,613)	-
Strategic generation		
Recalculation of regulated activity revenue of AB „Ignitis gamyba“	(6,041)	(4,669)
Received compensation related to carried out projects in previous periods	(9,276)	-
Commercial organization		
Recalculation of regulated activity revenue of UAB „LITGAS“	-	(2,469)
Recalculation of regulated activity revenue of UAB „Ignitis“	6,729	1,028
Revaluation of derivative financial instruments of UAB „Ignitis“ and UAB „Energijos tiekimas“ (before 2019-05-31 d.)	9,374	(8,997)
	21,644	45,703

18 Business combinations

In accordance with Company's Board of Directors and Company's subsidiary UAB "Ignitis Renewables" (hereinafter – Renewables) decisions, Renewables entered into share purchase agreement for 100% shares and shareholder's claim rights in Pomerania Inval Sp. z o. o. on 2 May 2019. Thereafter, the Company acquired indirect 100% shareholding in Pomerania Inval Sp. z o. o. because Company's subsidiary Renewables owns 100% of shares in Pomerania Inval Sp. z o. o., and the Company owns 100% of shares in Renewables. As at 30 September 2019, the ownership property right was fully owned by the Company's subsidiary Renewables. The total amount of the investment to Pomerania Inval Sp. z o. o. is EUR 20,737 thousand. The investment was fully paid as at 30 September 2019.

The Group applied the purchase method to account for these business combinations according to the provisions of IFRS 3. Under the latter method, the acquisition cost is measured as the sum of the fair values, at the date of exchange, of assets given, liabilities incurred and equity instruments issued in exchange for control of the business being acquired.

During business combination the Group established that the difference between the acquisition cost of the businesses and the fair value of the net assets acquired represents goodwill and/or one and/or several items of assets have probably been acquired.

The Group's management had not finalised the assessment of the initial accounting for business combinations as at 30 September 2019 as the period for the assessment of the business combination has not expired yet which will end when the necessary information about facts and circumstances that existed at the acquisition date will be obtained and which cannot be longer than one year after the acquisition date.

As at 30 September 2019, temporary values of assets and liabilities, the assessment of which was not completed, included as follows: fair value of net assets and value of assets and goodwill identified on business combination. During the assessment period the Group will recognize adjustments to the temporary values as if the accounting for business combination was completed at the acquisition date. Accordingly, the Group will review, if appropriate, comparative figures presented in the financial statements and, if appropriate, will perform any changes in the impact of depreciation, amortization or other income that were recognized in nearing the completion of the initial accounting.

On business combination, assets and liabilities of Pomerania Inval Sp. z o. o. were identified with the following fair values at the date of acquisition:

	Pomerania Inval Sp.z.o.o
Property, plant and equipment	5,672
Other non-current amounts receivable	1,461
Amount receivable within one year	84
Cash and cash equivalents	6
Borrowings, non-current liabilities	(7,202)
Current liabilities	(81)
Net assets	(60)
Goodwill arising on business combination	20,530
Purchase consideration paid	20,470
Expenses related to purchase	292
Net cash outflow on acquisition of subsidiaries:	
Cash paid to sellers of shares	(20,470)
Cash paid for expenses related to purchase	(292)
Cash paid for loans of the sellers of shares	(7,209)
Cash and cash equivalents at acquired company	6
Net cash flow	(27,965)

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19 Events after the reporting period

On 3 of October 2019 the National Energy Regulatory Council has approved the Company's subsidiary AB "Energijos skirstymo operatorius" 2019 investment projects in the natural gas sector submitted for a commonly agreed list of investments, with a total value of up to EUR 7.200 thousand.

On 17 October 2019 the National Energy Regulatory Council established electricity distribution price caps in respect of services provided by subsidiary AB "Energijos skirstymo operatorius" for 2020. Electricity distribution price cap in medium-voltage networks is 1,076 EUR ct/kWh (currently 0,862 EUR ct/kWh), in low-voltage networks 2,092 EUR ct/kWh (currently 1,871 EUR ct/kWh).

On 21 October 2019 The Company approved the initiation of reorganization of subsidiaries UAB "Verslo aptarnavimo centras" (hereinafter – VAC) and UAB "Ignitis grupės paslaugų centras" (hereinafter – GSC) by merging VAC to GSC and obligated the boards of both companies to draw up their reorganization terms. The reorganization of the companies is scheduled to be completed by the end of 2019.

On 25 October 2019 The Company terminated a conditional share-sale purchase agreement by mutual consent for 100 percent of shares and the shareholder claim rights of 50 mW wind farm project company in Poland. On 31 December 2018, the Company accounted for a partial payment of EUR 671 thousand for newly acquired shares and the transaction fee of EUR 144 thousand paid under the Polish civil law in the statement of financial position within prepayments for non-current assets. Agreement terminated due to project did not win a guaranteed tariff, therefore it didn't fulfil one of the main conditions of agreement and the Company terminated a conditional share-sale purchase agreement by mutual consent.

On 11 November 2019 the Company decided to initiate the process of delisting of the shares of the subsidiaries AB "Ignitis Gamyba" and AB "Energijos Skirstymo Operatorius" from the regulated market. On 11 November 2019 the Ministry of Finance of the Republic of Lithuania has approved the said decision.

On 11 November 2019 the Company announced that it plans to initiate voluntary takeover bids of its subsidiaries AB "Ignitis Gamyba" and AB "Energijos Skirstymo Operatorius", followed by mandatory redemption of minority shares. Decisions on the official proposals will be deemed adopted if they are approved at the general shareholders' meetings of AB "Ignitis Gamyba" and AB "Energijos Skirstymo Operatorius" on 4 December. The Company currently owns 96.82% of AB "Ignitis Gamyba" and 94.98% of AB "Energijos Skirstymo Operatorius" shares.

On 12 November 2019 the Company announced that in order to inform in details small investors about their intention to delist the shares of the Group companies AB "Energijos Skirstymo Operatorius" and AB "Ignitis Gamyba" on Tuesday, November 12, trading in the securities of these companies was suspended for one day. The decision was made to give minority shareholders time to properly evaluate the plans of the Company to initiate voluntary takeover bids of the subsidiaries that would result in minority shares being redeemed.

On 13 November 2019 the Company has received a written notice from the Ministry of Finance of the Republic of Lithuania, the authority implementing the rights of its sole shareholder, informing that the Ministry of Finance is initiating the formation of a working group to assess the alternatives of long-term financing of the Company. The Working group will be composed of high-level representatives of interested institutions, therefore the Ministry of Finance addresses the Company and the Offices of the President and Government of the Republic of Lithuania, the Ministry of Energy also the Ministry of Economy and Innovation of the Republic of Lithuania to delegate their representatives to the Working Group.

On 14 November 2019 NERC issued a ruling under No. O3E-715 (*"Dėl elektros energijos kainos, rezervinės galios ir izoliuoto elektros energetikos sistemos darbo užtikrinimo paslaugų kainų nustatymo metodikos patvirtinimo"*), under which was determined that companies which do not continue to provide reserve power services must return the difference between forecasted and actual costs incurred to TSO, if the company's actual costs were lower than the revenue obtained from the TSO. If the company's actual costs were higher compared to the revenue obtained from the TSO, the difference must be returned by the TSO to the company.

The management of the Group is assessing the effect of this legal act change to the recognition of AB "Ignitis gamyba" operating income from the regulated services and liabilities.
