ignitis group

First six months 2024

Interim report

Our purpose is to create a 100% green and secure energy ecosystem for current and future generations

Renewables-Focused Integrated Utility

GREEN	FLEXIBLE	INTEGRATED	SUSTAINABLE
Growing green generation and green flexibility capacity: Installed Green Capacities 4–5 GW by 2030	Creating a flexible system that can operate on 100% green energy in the short, medium, and long term	Utilising the integrated business model to enable Installed Green Capacities build-out	Maximising sustainable value: Net zero by 2040–2050

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Overview

1.1 CEO's statement

Highlights

Performance

Our Adjusted EBITDA amounted to EUR 289.7 million (+14.3% YoY) and was driven by better results in Green Capacities and Networks segments. The Green Capacities segment remains the largest contributor with a 46.4% share of our total Adjusted EBITDA.

Our Investments amounted to EUR 422.3 million (+4.9% YoY) with 63.8% of them directed towards the Green Capacities segment, and 87.8% to Lithuania. The Investments into Green Capacities reached EUR 269.6 million (+15.2% YoY), with the majority directed towards new onshore wind farms in Lithuania.

S&P Global Ratings reaffirmed the Group's 'BBB+' (stable outlook) credit rating.

In line with our Dividend Policy, for 6M 2024 we propose to distribute a dividend of EUR 0.663 per share, corresponding to EUR 48.0 million, which is subject to the decision of our EGM to be held on 11 September 2024.

Following our strong performance, we increase our 2024 Adjusted EBITDA guidance to EUR 450–480 million (from EUR 440–470 million). Our Investments guidance remains in the range of EUR 850–1,000 million.

Business development

In 6M 2024, we increased our Green Capacities Portfolio to 7.7 GW (from 7.1 GW) and Installed Capacity to 1.4 GW (from 1.3 GW). Our Secured Capacity stood at 2.9 GW.

We reached a number of significant milestones in the expansion and development of our Green Capacities Portfolio, including the following:

- we, together with our partner CIP, won the second seabed site (Liivi 1) in the Estonian offshore wind tender and see the site as a natural extension of the Liivi 2 seabed site (secured in December 2023);
- Silesia WF I (50 MW) in Poland has reached COD;
- Vilnius CHP biomass unit has reached full COD (71 MWe, 170 MWth);
- Tauragė solar farm (22.1 MW) in Lithuania has reached COD;
- the first wind turbine has been erected in the largest wind farm under construction in the Baltics at Kelmė WF I & II (300 MW) in Lithuania;
- we have secured land for the development of hybrid projects (314 MW), i.e., we are planning to develop wind farms near our Latvian solar projects;
- we have secured grid capacity for our first BESS projects (<260 MW) in Lithuania.

Darius Maikštėnas
Chair of the Management Board and CEO

In Networks, we submitted the updated 10-year Investment Plan (2024–2033) to the regulator (NERC) for public consultation and coordination. The plan foresees a 40% increase in Investments to EUR 3.5 billion (from previously submitted Draft of EUR 2.5 billion over the period of 2022–2031). In addition, the total number of installed smart meters has exceeded 900 thousand.

In Customers & Solutions, we continue to expand the EV charging network in the Baltics and have now installed a total of 655 EV charging points (+279 since 31 December 2023).

Sustainability

Our Green Share of Generation amounted to 84.8% (-7.7 pp YoY) as a result of proportionally higher electricity generation in CCGT (Reserve Capacities).

We reduced our Scope 2 GHG emissions by 41.9%, while Scope 1 and Scope 3 emissions increased by 19.2% and 5.9% respectively compared to 6M 2023. Total emissions amounted to 3.04 million t CO_2-eq (+14.4% YoY).

The carbon intensity of our Scope 1 & 2 GHG emissions decreased to 256 g CO_2-eq/kWh (-28.6% YoY) due to lower Scope 2 emissions and higher electricity generation from renewables.

No fatal accidents were recorded. Our employee TRIR was 1.00, contractor TRIR – 0.21, both well below the targeted threshold. Our eNPS remained high at 66.5.

Strategy delivery with three Green Capacities projects reaching COD and 2024 guidance upgrade

Performance

Our Adjusted EBITDA amounted to EUR 289.7 million in 6M 2024 and was EUR 36.2 million, or 14.3%, higher compared to 6M 2023. The growth was driven by better results in our two largest segments – Green Capacities and Networks.

We increased our Green Capacities segment's Adjusted EBITDA as a result of new asset launches (Mažeikiai WF, Silesia WF I and Vilnius CHP biomass unit) and higher captured electricity prices, mainly due to the flexibility of the assets. Furthermore, the Green Capacities segment remains the largest contributor to Adjusted EBITDA with a 46.4% share of our total result.

Our Networks segment's Adjusted EBITDA increased mainly due to higher RAB, due to continued Investments into the distribution network and higher WACC set by the regulator.

Next, we recorded a Customers & Solutions segment's Adjusted EBITDA decrease, which was driven by lower results in natural gas B2B activities, mainly due to a significant positive inventory write-down reversal effect in 6M 2023. The decrease was partly offset by better electricity B2B results in Latvia and Poland. However, in 6M 2024, electricity B2C activities remained to be loss-making (EUR -18.5 million in 6M 2024 compared to EUR -17.5 million in 6M 2023).

Finally, we recorded a strong Reserve Capacities segment performance during both 6M 2024 and 6M 2023 periods due to utilised option to earn additional return in the market on top of regulated return. However, considering the extraordinary market conditions in the beginning of 2023, which allowed to earn additional return, the YoY result has decreased.

In 6M 2024 we invested EUR 422.3 million (+4.9% YoY) with 87.8% of them made in Lithuania. Almost two thirds of the total Investments (EUR 269.6 million) we directed to the Green Capacities segment, with the majority going to new onshore wind farms in Lithuania.

Regarding the balance sheet's strength, despite the 7.1% increase in the Group's Net Debt (EUR 1,411.0 million as of 30 June 2024 compared to EUR 1,317.5 million as of 31 December 2023), our leverage metrics remained strong. Our FFO/Net Debt ratio improved to 32.0% (compared to 29.4% as of 31 December 2023) as the FFO growth rate exceeded the growth of Net Debt.

Lastly, in line with our Dividend Policy, for 6M 2024 we propose to distribute a dividend of EUR 0.663 per share, corresponding to EUR 48.0 million, which is subject to the decision of our EGM to be held on 11 September 2024.

After the reporting period, in August 2024 an international credit ratings agency, S&P Global Ratings, reaffirmed the Group's 'BBB+' (stable outlook) credit rating following its annual review. Our strategic plan includes a commitment to maintain a solid investment-grade rating of 'BBB' or above and even though we had record high investments over the recent years, the reaffirmed credit rating showcases not only our commitment towards our goals and successful implementation of an ambitious investment plan but also the ability to maintain sustainable finances.

Following our 6M 2024 performance, which was above our expectations, we increase our full-year 2024 Adjusted EBITDA guidance to EUR 450–480 million (from EUR 440–470 million). Our Investments guidance remains in the range of EUR 850–1,000 million.

Business development

Since the beginning of 2024, we have continued to expand and develop our Green Capacities Portfolio.

In 6M 2024, we increased our Green Capacities Portfolio by 0.6 GW to 7.7 GW (from 7.1 GW). This is mainly a result of greenfield capacity additions, as we secured land for the development of hybrid projects (314 MW), i.e., we are planning to develop wind farms near our Latvian solar projects and secured grid capacity for our first BESS projects (<260 MW) in Lithuania.

We also increased our Installed Capacity to 1.4 GW (from 1.3 GW) as Silesia WF I (50 MW) in

Poland has reached COD in March and Vilnius CHP biomass unit has reached full COD for the remaining 21 MWth and 21 MWe capacity in May 2024. After the reporting period, we increased it further by 22.1 MW as the Tauragė solar farm in Lithuania reached COD in July. The project is located in the south-western part of Lithuania, on the territory of an existing wind farm, making this our first completed hybridisation project. Our Secured Capacity stood at 2.9 GW.

We would also like to highlight the progress made on the largest wind farm under construction in the Baltics – Kelmė WF I & II (300 MW) in Lithuania. We are successfully implementing the construction work with the first wind turbine being erected. It is 240 metres high and has an installed capacity of 7 megawatts (MW). These are the largest and most powerful wind turbines to be built by the Group. The wind farm is expected to reach COD in 2025 and its electricity generated will be enough to meet the needs of 250,000 households in Lithuania, an area the size of Kaunas district. The total investment in Kelmė WF I & II is expected to be around EUR 550 million.

The implementation of the Green Capacities Portfolio is progressing as planned, with one exception. At our Silesia WF II (137 MW) project in Poland, we have completed the construction works both on time and on budget, with all turbines erected, installed, and fully prepared for operation. However, due to the delays in reinforcing the grid, we now expect the wind farm to be in partial operation in Q4 2024, with its full capacity COD and operation in Q1 2025 (previously – H2 2024). The implementation of the remaining projects in the Green Capacities Portfolio is progressing as planned, with no significant changes since Q1 2024.

On the Networks front, we have updated our 10-year (2024–2033) Investment Plan for the distribution networks and submitted it to the regulator (National Energy Regulatory Council, NERC) for public consultation and coordination. The Draft Investment Plan foresees a 40% increase in Investments, to EUR 3.5 billion, compared to the previous 10-year Investment Plan submitted to NERC (EUR 2.5 billion, 2022–2031). Additionally, we are successfully continuing the smart meter roll-out. The total number of installed smart meters has exceeded 900 thousand, and our target of completing the mass roll-out by the end of 2025 remains unchanged.

And on the Customers & Solutions front, we are continuing to expand the EV charging network in the Baltics, with a total of 655 EV charging points (+279 since 31 December 2023) already installed across Lithuania, Latvia and Estonia.

Sustainability

In 6M 2024, we continued to build a resilient and robust organisation by adhering to the highest ESG principles and retaining our commitment to the principles of the UN Global Compact.

We are continuing our efforts to minimise our environmental impact and contribute to reaching ambitious climate targets. In early 2024, we signed a letter urging the EU to set a reduction target of 90% by 2040 for greenhouse gas emissions. More information is available here.

In 6M 2024, we decreased our carbon intensity of Scope 1 and 2 emissions by 28.6% YoY to 256 g CO_2-eq/kWh.

Our Green Share of Generation amounted to 84.8% (-7.7 pp YoY) as a result of proportionally higher electricity generation in CCGT (Reserve Capacities).

The Group's total emissions amounted to 3.04 million t CO_2-eq (+14.4% YoY). We reduced our Scope 2 GHG emissions by 41.9%, while Scope 1 and Scope 3 emissions increased by 19.2% and 5.9% respectively compared to 6M 2023.

Our top priority remains occupational health and safety (OHS), and we continue our initiatives with the goal of educating our employees and contractors to prevent any OHS issues.

We are continuing the OHS programme 'Is it safe?' to promote the safety culture. No fatal accidents were recorded. Our employee TRIR was 1.00, contractor TRIR – 0.21, both well below the targeted threshold.

The significance of scoring high (66.5) in the employee overall experience survey (eNPS) and receiving the Top Employer certificate for the third consecutive year cannot be overstated. These accolades are a testament to our successful implementation and maintenance of a holistic employee wellbeing approach.

Darius Maikštėnas
Chair of the Management Board and CEO

> **Following our strong performance, we increase our 2024 Adjusted EBITDA guidance to EUR 450–480 million (from EUR 440–470 million). Our Investments guidance remains in the range of EUR 850–1,000 million.**

1.2 Business highlights

January

Green Capacities:
- We, together with our partner CIP, won the second seabed site (Liivi 1) in the Estonian offshore wind tender and see the site as a natural extension of the Liivi 2 seabed site secured in December 2023), which will allow for greater synergy and optimisation in developing the sites as a single offshore wind project. The actual capacity of the offshore wind farm is expected to be 1–1.5 GW.

Networks:
- ESO has agreed with the regulator (NERC) to amend the repayment schedule of the EUR 160 million regulatory difference to 2024–2031 (from 2024–2036). In this regard, NERC updated the methodology for calculating the additional tariff component and linked it to the leverage level cap of 5.5x (ESO net debt/ESO Adjusted EBITDA, both calculated based on the methodology approved by NERC), which means that if ESO's leverage level exceeds the predetermined cap, the additional tariff component will increase proportionally.

Reserve Capacities:
- For the first time, all three units in Elektrėnai Complex were operating simultaneously in commercial mode (link in Lithuanian).

Customers & Solutions:
- We have signed an agreement with OG Elektra AS to install EV charging points in the car parks of 25 Grossi stores across Estonia.

Governance:
- For the third year in a row, we were awarded the international Top Employer 2024 Lithuania Certificate for applying the highest HR management standards (link in Lithuanian).

February

Green Capacities:
- We have launched an environmental impact assessment for the Curonian Nord (previously – Lithuanian offshore WF).

Customers & Solutions:
- We have signed an agreement with the municipality of Marijampolė, Lithuania, to install 22 EV charging points throughout the city.

March

Green Capacities:
- Silesia WF I (50 MW) in Poland has reached COD.
- We have started taking wind and meteorological measurements in the Baltic Sea for the Curonian Nord (previously – Lithuanian offshore WF).

Finance:
- We concluded a EUR 105 million long-term financing agreement with EIB for the 110 MW Kruonis PSHP expansion project.
- We replaced a corporate finance loan with a project finance loan of EUR 82 million with EIB and NIB for Pomerania WF (94 MW) in Poland.

Governance:
- The AGM was held on 27 March, where the decision, among others, on the allocation of profit for 2023 (EUR 1.286 DPS, or EUR 93.1 million, in total) was made.
- A. Sungailienė was appointed as the new CEO of AB "Ignitis gamyba" (Reserve Capacities).

April

Green Capacities:
- We submitted a bid in the tender for the second 700 MW Lithuanian offshore wind project. However, due to the limited number of participants, the tender did not convene.

Customers & Solutions:
- We have signed an agreement with Baltic Shopping Centers to install 20 EV charging points in the car park of Mega, a shopping and leisure centre in Kaunas, Lithuania.

Finance:
- In line with our Dividend Policy, a dividend of EUR 0.643 per share, corresponding to EUR 46.5 million, was distributed for H2 2023.
- Norne Securities has initiated the coverage of Ignitis Group stock.

Governance:
- M. Kowalski, who has been leading Ignitis Renewables in Poland since February, also became the CEO of Ignitis Polska.

May

Strategy:
- We announced our Strategic Plan 2024–2027.

Green Capacities:
- Vilnius CHP biomass unit has reached full COD (71 MWe, 170 MWth).
- We have secured grid capacity for our first BESS projects (<260 MW) in Lithuania.
- The first wind turbine has been erected in the largest wind farm under construction in the Baltics at Kelmė WF I & II (300 MW) in Lithuania. The project is expected to reach COD in 2025.

Customers & Solutions:
- A fast charging hub with the ability to charge 20 EVs at once has been opened in Palanga, Lithuania.

Governance:
- The Ministry of Finance, authority implementing the rights and obligations of the majority shareholder, has announced a selection of an independent member of AB "Ignitis grupė" Supervisory Board.

June

Networks:
- We have submitted the updated 10-year Investment Plan (2024–2033) to the regulator (NERC) for public consultation and coordination. The plan foresees a 40% increase in Investmentso EUR 3.5 billion (from previously submitted Draft of EUR 2.5 billion over the period of 2022–2031).

Business environment:
- The updated National Energy Independence Strategy was adopted by the Lithuanian Parliament. The strategy aims to make Lithuania a fully energy independent country by 2050 that produces energy for its own needs and exports it.

After the reporting period

July

Green Capacities:
- Tauragė solar farm (22.1 MW) in Lithuania has reached COD.
- We have secured additional grid capacity for a 38 MW BESS project in Lithuania.
- Moray West offshore WF project (882 MW), which is owned by Ocean Winds and us (a minority shareholder of 5%), has successfully supplied its first power to the grid. The project's COD is expected in 2025.

Networks:
- The total number of installed smart meters has exceeded 900 thousand (out of 1.1–1.2 million smart meters to be installed).

Reserve Capacities:
- Ignitis Gamyba donated the equipment from its old Combined Heat and Power Plant (CHP-3), which was mothballed since 2015, to Ukraine. The equipment will be used to assist the rebuilding of the destroyed energy infrastructure in Ukraine.

Customers & Solutions:
- A fast charging hub with the ability to charge 10 EVs at once has been opened in Riga, Latvia.

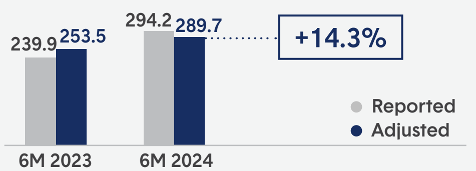
August

Finance:
- S&P Global Ratings reaffirmed the Group's 'BBB+' (stable outlook) credit rating.

1.3 Performance highlights

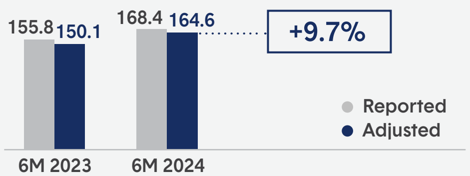
Financial

EBITDA APM
EURm



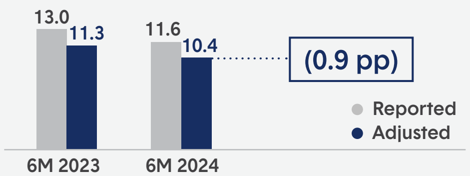
Adjusted EBITDA growth was influenced by better Green Capacities' and Networks' results. The Green Capacities segment remains the largest contributor to Adjusted EBITDA (EUR 134.5 million, or 46.4% of the Group's total).

Net profit APM
EURm



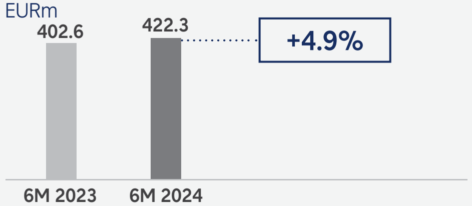
Adjusted Net Profit increase was driven by Adjusted EBITDA growth, which was partly offset by higher depreciation and amortisation, interest and income tax expenses.

ROCE LTM APM
%



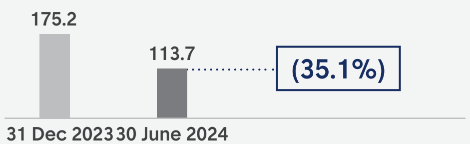
Adjusted ROCE LTM decreased to 10.4%, mainly due to the lag between the deployment of capital in Investments and the subsequent realisation of returns. Due to the significant investments made, the average Capital Employed increased by 7.8%, from EUR 3,167 million to EUR 3,415 million, while Adjusted EBIT (LTM) remained relatively flat, with a 1.2% decrease from EUR 358.8 million to EUR 354.5 million.

Investments APM
EURm



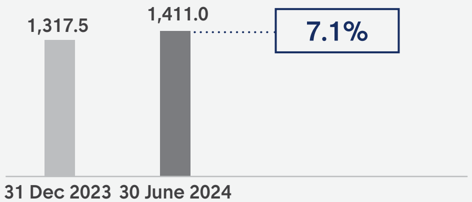
In 6M 2024, we continued to invest heavily in renewable energy projects. Almost two thirds of the Investments were made in the Green Capacities segment (63.8% of the total Investments), which increased by 15.2% and amounted to EUR 269.6 million, with the majority directed to onshore wind farms.

Net Working Capital APM
EURm



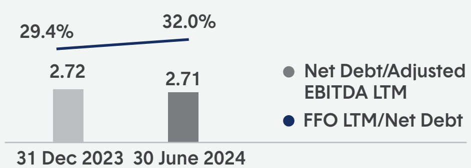
Net Working Capital decreased by 35.1%. The main drivers for the change were lower trade receivables as a result of a decrease in gas-related revenue and lower inventory, driven by lower volumes of natural gas stored due to seasonality.

Net Debt APM
EURm



Net Debt increased by 7.1%, driven by negative FCF and dividends paid. The negative FCF is related to considerable Investments made.

Net Debt/Adjusted EBITDA LTM
FFO LTM/Net Debt APM
Times, %



FFO LTM/Net Debt ratio increased by 2.6 pp as the FFO LTM growth rate exceeded the growth of Net Debt.

Outlook for 2024

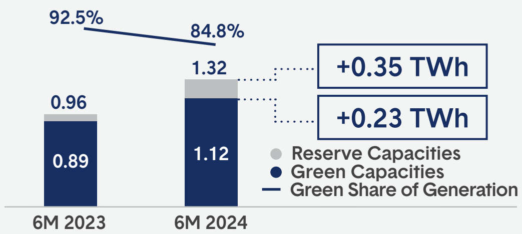
Adjusted EBITDA APM, EURm

2023 actual result	484.7
Guidance 2024 (28 Feb 2024)	440–470
Guidance 2024 (15 May 2024)	440–470
Guidance 2024 (14 Aug 2024)	450–480

Following our strong performance, we increase our Adjusted EBITDA guidance to EUR 450–480 million (from EUR 440–470 million). Our Investments guidance remains in the range of EUR 850–1,000 million.

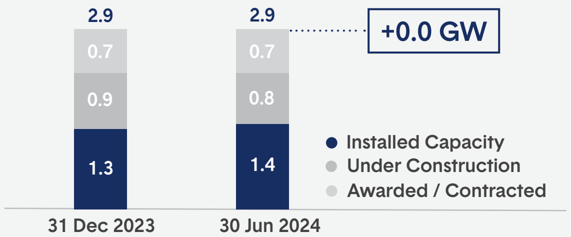
ESG

Electricity Generated (net), Green Share of Generation
TWh, %



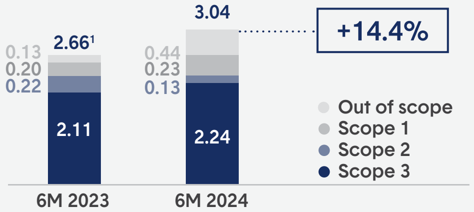
A 0.35 TWh, or 36.7%, increase in Electricity Generated (net) continues to be driven by generation from new assets (Green Capacities), including Mažeikiai WF, Silesia WF I and Vilnius CHP biomass unit. The Green Share of Generation decreased by 7.7 pp to 84.8% due to proportionally higher electricity generation in CCGT (Reserve Capacities).

Secured Green Capacities
GW



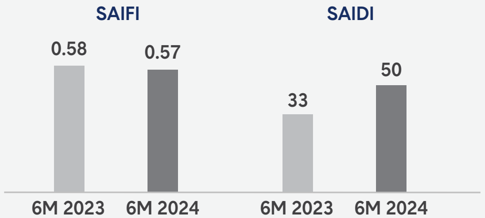
Secured Capacity stood at 2.9 GW. Installed Capacity increased to 1.4 GW (from 1.3 GW), as Silesia WF I (50 MW) in Poland reached COD in March 2024 and Vilnius CHP biomass unit reached full COD for the remaining 21 MW capacity in May 2024.

Climate action
GHG emissions, million t CO_2-eq



The Group's market-based GHG emissions increased by 14.4% compared to 6M 2023. This rise was expected and is mainly attributable to a 237.6% increase in out of scope (biogenic) emissions from the Vilnius CHP biomass unit's operations (the unit has reached full COD in May 2024). Higher electricity emissions factors led to a 5.9% increase in Scope 3 emissions. Despite the higher emissions factors, Scope 2 emissions dropped by 41.9% due to the use of renewable energy guarantees of origin for a share of Kruonis PSHP's electricity consumption and a share of electricity distribution network's losses. Scope 1 emissions increased by 19.2% due to higher electricity generation in CCGT (Reserve Capacities).

Network quality (electricity)
SAIFI, units/SAIDI, min.

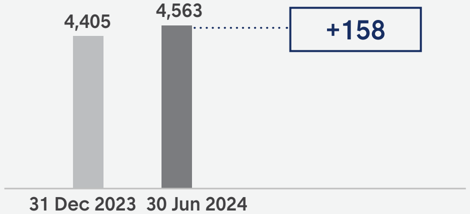


In April 2024, an incident occurred, where multiple power lines were disconnected due to natural phenomena (heavy snowfall), resulting in an increase in the SAIDI indicator. Meanwhile, the SAIFI remained similar to the same period last year.

Safety
TRIR

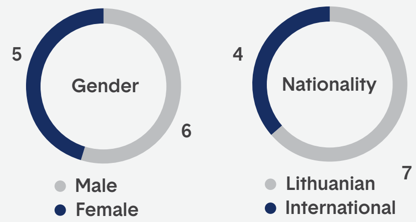
The YoY Total Recordable Injury Rate for employees increased to 1.00 during the same period compared to last year, as the number of safety incidents rose from 3 to 4. 1 contractor TRIR incident was recorded in 6M 2024.

Number of employees
Headcount



The Group's headcount increased by 158, or 3.6%. The employee growth was driven by the Green Capacities segment in order to facilitate the growing renewables Portfolio.

Supervisory and Management Boards
Nationality and gender diversity



As of 30 June 2024, the main governing bodies of the Group were represented by 45% female and 36% international members.

[1] 6M 2023 data was revised because of inclusion of additional emissions categories in quarterly assessments (previously only the main categories were included on a quarterly basis). The change does not affect the total 2023 emissions.
[2] Contractor TRIR only includes contracts above 0.5 EURm/year.
[3] Contractor TRIR for 6M 2023 has been revised to include an additional incident, that is accounted for in the Contractor TRIR for 9M 2023 and the full year 2023.
[4] Part of the total hours worked for contracts below 0.5 EURm/year may not be included in Contractor TRIR calculations, while all recordable incidents are included.

1.4 Outlook

Adjusted EBITDA guidance

As 6M 2024 results were above our expectations, mainly due to the strong performance of the Reserve Capacities segment, we are increasing our full-year 2024 Adjusted EBITDA guidance to EUR 450–480 million (previously – EUR 440–470 million). Directional guidance for business segments remains the same as the one provided in our Integrated Annual Report 2023.

The guidance does not include any gains from asset rotation.

For 2024, we assume the results of our largest segments, Green Capacities and Networks, to be higher compared to 2023. The Green Capacities segment's Adjusted EBITDA is expected to increase due to new projects reaching COD in 2024 (Silesia WF I in Poland and Vilnius CHP biomass unit) and the full-year effect of Mažeikiai WF. The results should be partly offset by lower power prices. The Networks segment's Adjusted EBITDA is expected to increase because a higher WACC was approved and because of higher RAB due to continued Investments into the distribution network. Adjusted EBITDA of Reserve Capacities and Customers & Solutions segments are expected to be lower due to better-than-usual results in 2023.

Investments guidance

Our Investments in 2024 are expected to reach EUR 850–1,000 million, mainly driven by the Investments into:

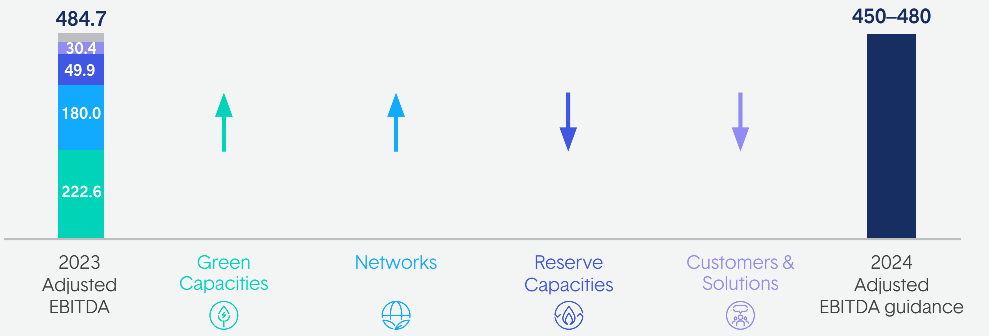
- the Green Capacities segment (Kelmė WF I and II, Latvian solar portfolio I and Kruonis PSHP expansion project);
- the Networks segment, i.e., the expansion and maintenance of the electricity network.

The guidance does not include M&A activities.

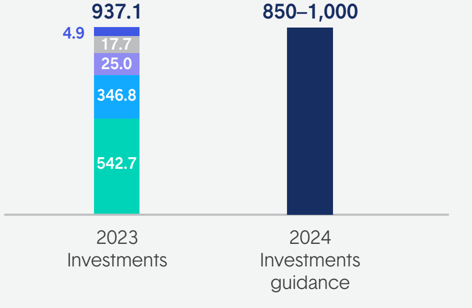
Forward-looking statements

This report contains forward-looking statements. For further information, see section '5.2 Legal notice'.

Adjusted EBITDA APM guidance for 2024[1]
EURm



Investments APM guidance for 2024,
EURm



[1] Adjusted EBITDA indication for the Group is the prevailing guidance, whereas directional effect per business segment serves as a mean to support it. Higher/stable/lower indicates the direction of the business segment's change in 2024 relative to the actual results for 2023.

1.5 Sustainability highlights

6M 2024 highlights

Greener and more efficient energy

- We reduced Scope 2 GHG emissions by 41.9%, while Scope 1 and Scope 3 emissions increased by 19.2% and 5.9% respectively compared to 6M 2023. Total emissions amounted to 3.04 million t CO_2-eq and increased by 14.4% compared to the same period last year.
- Carbon intensity of Scope 1 & 2 GHG emissions decreased by 28.6% YoY to 256 g CO_2-eq/kWh due to lower Scope 2 emissions and higher electricity generation from renewables.
- Our Secured Capacity stands at 2.9 GW, the same as 31 March 2024.
- As of 30 June 2024, the total number of Ignitis ON installed EV charging points was 655 (453 charging points on 31 March 2024).
- Ignitis ON has opened the largest EV fast charging hub in Western Lithuania, which can charge up to 20 EVs at a time.
- The total number of installed smart meters has exceeded 900 thousand as of 30 June 2024 (over 836 thousand units on 31 March 2024). They enable more efficient energy consumption and accounting.

Safer and more pleasant working environment

- The number of safety incidents in the Group was well below the targeted threshold, with employee and contractor TRIR standing at 1.00 and 0.21[1] respectively (0.78 and 1.39[1,2] in 6M 2023).
- After the reporting period, the overall employee experience (eNPS) survey was performed and eNPS remained high – 66.5 (59.3 in 6M 2023).
- ESO (Networks) organised a professional excellence competition for contractors and employees, which was attended by nearly 100 participants. The aim of the event is to improve occupational health and safety, professionalism and relations with partners.
- To mark the World Day for Safety and Health at Work, we organised additional voluntary live and online training for all employees to raise awareness on the prevention of accidents at work and a safe working environment. In addition, we improved the "Unsafe? Report!" app to allow employees to report not only unsafe situations at work, but also injuries that they have sustained, and this additional information will help to prevent possible future injuries.

Emphasis on equality, current and future employees

- Among the top management positions, 23.9% are held by women as of 30 June 2024 (23.9%[3] as of 30 June 2023). A total of 31.6% of Group employees are women as of 30 June 2024 (30.4% as of 30 June 2023).
- In terms of employee training,3.9 hours per employee were devoted to it in 6M 2024 (4.3 hours per employee in 6M 2023).
- The Group continues developing the #EnergySmartSTART programme, which includes tours, meetings with experts, scholarships and career opportunities. While collaborating with high schools, almost 5,500 school children learned about the energy sector (more than 3,900 children in 6M 2023) during #EnergySmartSTART.
- Ignitis Renewables (Green Capacities) supports the #EnergySmartSTART programme and has started a special education programme designed to introduce children to offshore wind farms through games and hands-on experiences.
- The Group participated in DUOday, a program where companies open their doors to people with disabilities to let them experience new roles and professions. During this initiative, three people spent a day at the Group companies.
- The Diversity and Inclusion Ambassadors, together with colleagues from the different Group companies, participated in the LT Pride march to show their support for LGBT colleagues and the community.
- Ignitis Renewables (Green Capacities) brought together 22 local communities living near wind farms in the first ever Good Neighbours gathering. The aim of the gathering was to bring communities together, connect with them and increase trust in wind farm projects.

Ratings and rankings for sustainability excellence

- In May 2024, Sustainalytics improved the Group's ESG Risk Rating score to 18.2 'low' (previously 24.8 'medium').
- ISS ESG improved the Group's rating score to 54.8 'B-' (previously 52.8 'B-').

[1] Contractor TRIR only includes contracts above 0.5 EURm/year.
[2] The Contractor TRIR for 6M 2023 has been revised to include an additional incident that is accounted for in the Contractor TRIR for 9M 2023 and the full year 2023.
[3] The 3M 2023 number was revised as the methodology was adjusted by excluding special purpose vehicle (SPV) from the scope.

ESG ratings and rankings

Sustainability is at the core of the Group's Strategy. Hence, we take a holistic approach that involves all levels and functions in applying the key principles of sustainability across the Group. Our daily actions lead to sustainability excellence, which is reflected in recognitions detailed below, placing the Group among the top utility peers globally.

ESG ratings and rankings

	ISS ESG	MSCI	SUSTAINALYTICS	CDP	ecovadis
Rank compared to utility peers	2nd decile	Top 24%[2]	Top 13%	Among 37% in Management level[4]	Top 4%[6]
ignitis group	**54.8 B- Prime (Good)** *Last rating change in June 2024*	**7.5[3] AA (Leader)** *Last rating change in September 2023*	**18.2 (Low risk)** *Last rating change in May 2024*	**B (Management)** *Last rating change in February 2024*	**78 Platinum (Advanced)** *Last rating change in August 2023*
Utiities average	C	A[1,2]	31.4[1]	B[5]	N/A
Rating scale (worst to best)	D- to A+	CCC to AAA	100 to 0	D- to A	0 to 100

[1] Based on publicly available data. [2] MSCI utilities rank and average based on utilities included in the MSCI ACWI index. [3] MSCI Industry-Adjusted Score. [4] Amongst 37% of companies that reached Management level in Energy utility networks. [5] In energy utility networks activity group. [6] In electricity, gas, steam and air conditioning supply industry. Assessment of the Group's subsidiary UAB "Ignitis" (Customers & Solutions).

Contributing to global initiatives

WE SUPPORT UN GLOBAL COMPACT

We are committed to adhering to the principles of the United Nations Global Compact

SUSTAINABLE DEVELOPMENT GOALS

Through our activities, we aim to contribute to the achievement of the Sustainable Development Goals of the United Nations

SCIENCE BASED TARGETS — DRIVING AMBITIOUS CORPORATE CLIMATE ACTION

We are committed to reduce our net GHG emissions to zero by 2040–2050 and have our targets validated by the SBTi

UN WOMEN — United Nations Entity for Gender Equality and the Empowerment of Women

We signed the Women's Empowerment Principles to advance gender equality and women's empowerment

1.6 Investor information

Overview

In 6M 2024, the Group's ordinary registered shares (ORS) and global depositary receipts (GDRs) have generated a total shareholder return (TSR) of 0.3% and -0.8% respectively. During the same period, the TSR of our benchmark index (Euro Stoxx Utilities) equalled to -2.4%.

In 6M 2024, the total (ORS and GDRs) turnover was EUR 47.85 million (EUR 32.92 million on Nasdaq Vilnius and EUR 14.93 million on London Stock Exchange, LSE), whereas the average daily turnover totalled to EUR 0.4 million (EUR 0.27 million on Nasdaq Vilnius and EUR 0.15 million on LSE).

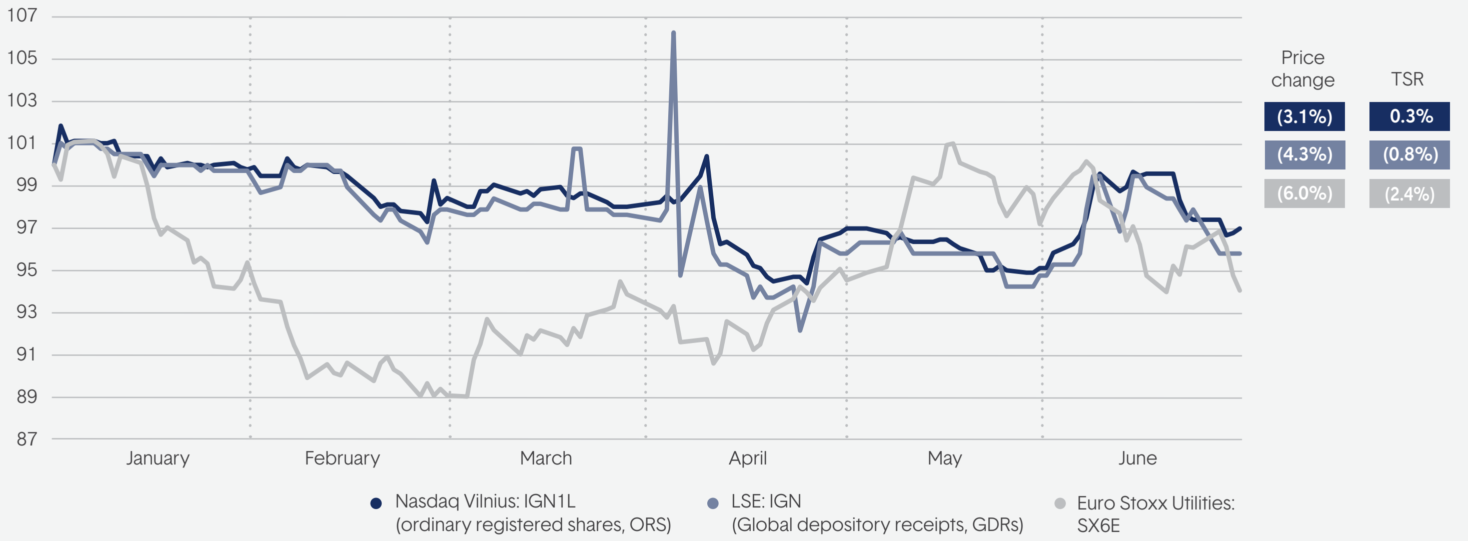
At the end of the reporting period, the Group's market capitalisation was EUR 1.3 billion.

Currently, the Group is covered by 7 equity research analysts. Their recommendations and price targets are available on our website.

Dividends

In line with our dividend commitment, for 6M 2024 we propose to distribute a dividend of EUR 0.663 per share, corresponding to EUR 48.0 million, which is subject to the decision of the Group's Extraordinary General Meeting of Shareholders to be held on 11 September 2024.

Price development in 6M 2024[1], EUR



Performance information in 6M 2024, EUR

	Nasdaq Vilnius	LSE	*Combined*
Period opening[2], EUR	18.98	18.80	-
Period high[2] (date), EUR	19.42 (4 Jan)	21.50 (5 Feb)	*21.50*
Period low[2] (date), EUR	17.80 (24 Apr)	17.10 (23 Apr)	*17.10*
Period VWAP[3], EUR	18.62	18.40	*18.51*
Period end[2], EUR	18.40	18.00	-
Period turnover (average daily)[4], EURm	32.92 (0.27)	14.93 (0.15)	*47.85 (0.42)*
Market capitalisation, period end[2], EURbn	-	-	*1.3*

[1] Indexed at 100.
[2] Closing price.
[3] VWAP – volume-weighted average price.
[4] In 6M 2023, the total (ORS and GDRs) turnover was EUR 38.93 million (EUR 30.09 million on Nasdaq Vilnius exchange and EUR 8.84 million on LSE), whereas the average daily turnover totalled EUR 0.35 million (EUR 0.24 million on Nasdaq Vilnius exchange and EUR 0.11 million on LSE).

Selected investor-related events and financial calendar

12 August 2024	S&P Global Ratings reaffirmed the Group's 'BBB+' (stable outlook) credit rating
11 September 2024	Extraordinary General Meeting of Shareholders
24 September 2024	Expected Ex-Dividend Date (for ORS)
25 September 2024	Expected Record Date for dividend payment (for ORS)
13 November 2024	Interim report for the first nine months of 2024

Selected relevant information

Investor relations webpage

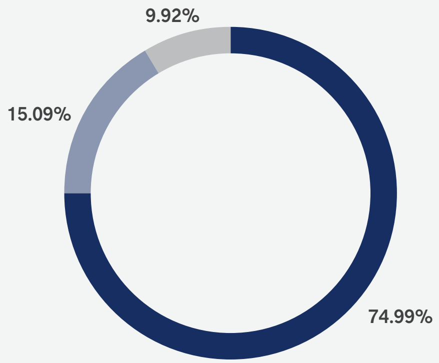
Dividend Policy

General Meetings of Shareholders

Credit rating

Financial calendar

Shareholders composition (at the end of the reporting period)[1]



Parameters of the securities issues

	Nasdaq Vilnius	LSE	*Combined*
Type	Ordinary registered shares (ORS)	Global Depositary Receipts (GDR)	-
ISIN-code	LT0000115768	Reg S: US66981G2075 Rule 144A: US66981G1085	-
Ticker	IGN1L	IGN	-
Nominal value, EUR	-	-	*22.33 per share*
Number of shares (share class)[2]	-	-	*72,388,960 (one share class)*
Number of treasury shares (%)	-	-	-
Free float, shares (%)	-	-	*18,105,203 (25.01%)*
ORS vs GDRs split	75.08%	24.92%	*100%*

[1] No other parties besides the Majority Shareholder (Ministry of Finance of the Republic of Lithuania) holds more than 5% of the parent company's share capital.
[2] They are all the same class of shares, each entitled to equal voting and dividend rights, specifically – one vote at the General Meetings of Shareholders, and to equal dividend.

Business overview

2.1 Business profile and strategy

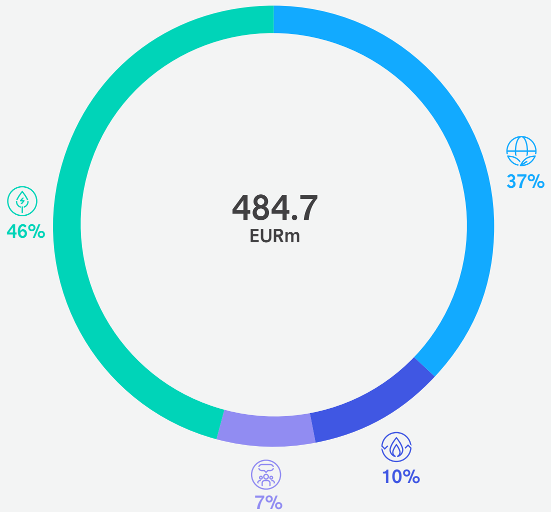
Ignitis Group is a renewables-focused integrated utility, benefiting from the largest customer portfolio, energy storage facility and network in the Baltics. The Group is active in the Baltic states, Poland and Finland.

In 2023, we updated our Strategy to strengthen our contribution to the decarbonisation and energy security in our region by accelerating the green transition and electrification in the Baltics and Poland while creating a purely green energy system. We aim to increase Green Capacities by around 4 times, from 1.3 GW in 2023 to 4–5 GW by 2030 and target to reach net zero emissions by 2040–2050.

We are focusing on our purpose-driven priorities defined in the Strategy. Every year we publish a 4-year strategic plan. It defines the implementation of strategic priorities, our focus areas and key targets. Please visit our Strategy section of the Group's website to get acquainted with the latest Strategic Plan 2024–2027 and other related information.

Our purpose is to create a 100% green and secure energy ecosystem for current and future generations

Adjusted EBITDA 2023



Green Capacities

Installed capacity: 1.4 GW
Pipeline: 6.3 GW
Total portfolio: 7.7 GW

#1 in Lithuania[1]
#2 in the Baltics[1]

Strategic focus
Delivering **4–5 GW** of installed green generation and green flexibility capacity by 2030

Networks

Fully regulated country-wide natural monopoly

Regulated asset base (RAB): **EUR 1.6 bn**

#1 in the Baltics[2]

Strategic focus
Expanding a resilient and efficient network that enables electrification

Customers & Solutions

The largest customer portfolio in the Baltics:
1.4 million customers

#1 in the Baltics[3]

Strategic focus
Utilising customer portfolio to enable Green Capacities build-out

Reserve Capacities

Highly regulated gas-fired power plants mainly operating as system reserve

#1 in Lithuania[1]
#2 in the Baltics[1]

Strategic focus
Contributing to the security of the energy system

[1] Based on installed capacity.
[2] Based on the network size and the number of customers.
[3] Based on the number of customers.
Note: 30 June 2024 data, except for Adjusted EBITDA.

2.2 Investment program

Overview

The Group makes investment decisions based on a four-year investment plan. Over the period of 2024–2027, the Group targets to invest EUR 3.0–4.0 billion, or around EUR 750–1,000 million annually, primarily towards sustainable growth in the Green Capacities and Networks business segments. Out of the total, around 61% of the Investments are directed towards the Green Capacities expansion, while around 33% of the Investments are focused on the Networks segment, its maintenance and expansion.

To successfully implement our investment plan while achieving financial targets, including our commitment to increase dividends annually, we have established and apply a disciplined investment policy. The latest information on the key ongoing investment projects is presented below. More information on the investment program, including the investment strategy, is available in the Strategy page on our website.

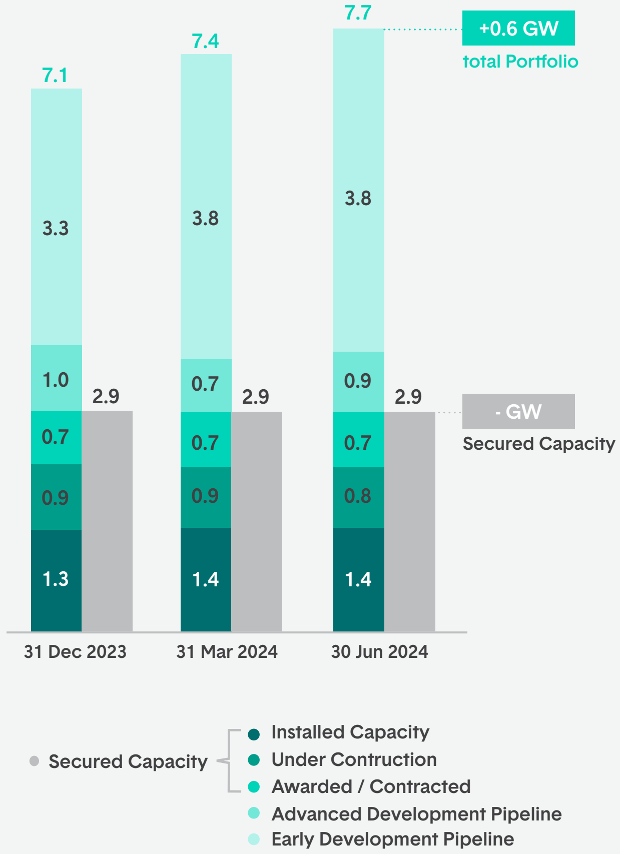
Green Capacities

Overview

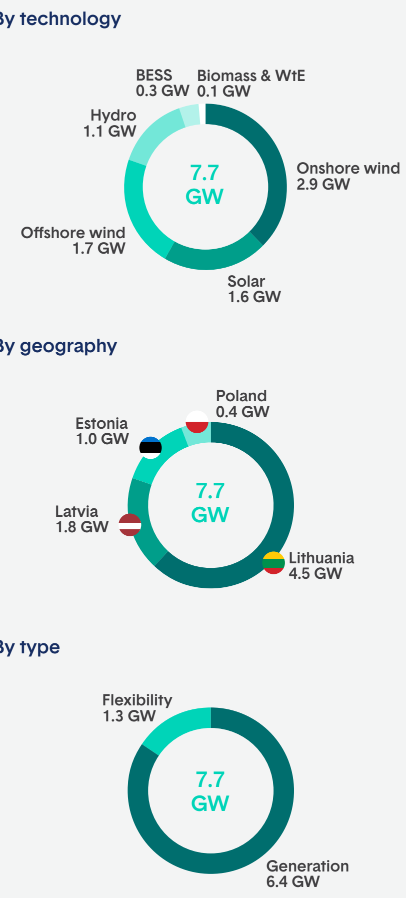
In 6M 2024, we increased our Green Capacities Portfolio by 0.6 GW to 7.7 GW (from 7.1 GW). This is mainly a result of greenfield capacity additions, as we secured land for the development of hybrid projects (314 MW), i.e., we are planning to develop wind farms near our Latvian solar projects and secured grid capacity for our first BESS projects (<260 MW) in Lithuania. We also increased our Installed Capacity to 1.4 GW (from 1.3 GW) as Silesia WF I (50 MW) in Poland has reached COD in March and Vilnius CHP biomass unit reached full COD for the remaining 21 MWth and 21 MWe capacity in May 2024. After the reporting period, we increased it further by 22.1 MW as the Tauragė solar farm in Lithuania reached COD in July. The project is located in the south-western part of Lithuania, on the territory of an existing wind farm, making this our first completed hybridisation project. Our Secured Capacity stands at 2.9 GW.

The implementation of the Green Capacities Portfolio is progressing as planned, with one exception. At our Silesia WF II (137 MW) project in Poland, we have completed the construction works both on time and on budget, with all turbines erected, installed, and fully prepared for operation. However, due to the delays in reinforcing the grid, we now expect the wind farm to be in partial operation in Q4 2024, with its full capacity COD and operation in Q1 2025 (previously – H2 2024). The implementation of the remaining projects in the Green Capacities Portfolio is progressing as planned, with no significant changes since Q1 2024.

Green Capacities Portfolio, GW



Green Capacities Portfolio split



Key Green Capacities Portfolio development milestones

During the reporting period

Q1

- We, together with our partner CIP, won the second seabed site (Liivi 1) in the Estonian offshore wind tender and see the site as a natural extension of the Liivi 2 seabed site (secured in December 2023). This will allow us to capture greater synergies and optimise the projects by developing the sites as a single offshore wind project. The actual capacity of the offshore wind farm is expected to be 1–1.5 GW[1].
- Silesia WF I (50 MW) in Poland has reached COD.
- We have launched an environmental impact assessment for the Curonian Nord project.
- We have started taking wind and meteorological measurements in the Baltic Sea for the Curonian Nord project.

Q2

- Vilnius CHP biomass unit has reached full COD (71 MWe, 170 MWth).
- The first wind turbine has been erected in the largest wind farm under construction in the Baltics at Kelmė WF I & II (300 MW) in Lithuania. The project is expected to reach COD in 2025.
- We have secured land for the development of hybrid projects (314 MW), i.e., we are planning to develop wind farms near our Latvian solar projects.
- We have secured grid capacity for our first BESS projects (<260 MW) in Lithuania.
- We submitted a bid in the tender for the second 700 MW Lithuanian offshore wind project. However, due to the limited number of participants, the tender did not convene.

Construction of the Kelmė WF in Lithuania

After the reporting period

- Tauragė solar farm (22.1 MW) in Lithuania has reached COD.
- We have secured additional grid capacity for a 38 MW BESS project in Lithuania.
- Moray West offshore WF project (882 MW), which is owned by Ocean Winds and us (a minority shareholder of 5%), has successfully supplied its first power to the grid. The project's COD is expected in 2025.

[1] *We currently include the minimum size (1 GW) of the actual capacity in the Portfolio.*

Status of key investment projects / UNDER CONSTRUCTION

Project name	Polish solar portfolio	Silesia WF II	Moray West offshore wind project[4]	Latvian solar portfolio I	Kelmė WF I	Kelmė WF II	Kruonis PSHP expansion	TOTAL
Country	Poland	Poland	The United Kingdom	Latvia	Lithuania	Lithuania	Lithuania	
Technology	Solar	Onshore wind	Offshore wind	Solar	Onshore wind	Onshore wind	Hydro	
Capacity	30 MW	137 MW	882 MW	239 MW	105.4 MW	194.6 MW	110 MW	**0.8 GW**
Turbine / module / other type of unit manufacturer	17 MW Jinko Solar; 13 MW JA Solar	38 x 3.6 MW Nordex	60 x 14.7 MW Siemens Gamesa	239 MW Trina Solar	16 x 6.6 MW Nordex	28 x 7.0 MW Nordex	1 x 110 MW Voith Hydro	
Investment	~EUR 21 million	~EUR 240 million[2]	Not disclosed	~EUR 178 million[2]	~EUR 190 million[2]	~EUR 360 million[2]	~EUR 150 million	**~EUR 1.1 billion[5]**
Investments made by 30 June 2024	~EUR 14 million	~EUR 235 million	Not disclosed	~EUR 33 million	~EUR 130 million	~EUR 262 million	~EUR 21 million	**~EUR 0.7 billion[5]**
Proportion of secured revenue[1]	100%	100%	85%	0%	65%	65%	0%	
Type of secured revenue	CfD	CfD / PPA	CfD / PPA	-	PPA	PPA	-	
Ownership	0%[3]	100%	5%[4]	100%	100%	100%	100%	
Partnership	n/a	n/a	Ocean Winds	n/a	n/a	n/a	n/a	
Progress								
FID made	+	+	+	+	+	+	+	
WTGs erected (units) / Solar modules & inverters installed (MW) / Other type of turbines or units installed (units)	14 / 30	38 / 38	31 / 60	0 / 239	13 / 16	1 / 28	0 / 1	
First power / heat to the grid supplied	+	-	+	-	-	-	-	
Expected COD	2024	Q1 2025	2025	2025	2025	2025	2026	
Status	On track	Time delay	On track	On track	On track	On track	On track	

[1] *Secured revenue timeframe differs on a project-by-project basis.*
[2] *Including project acquisition and construction works.*
[3] *Ownership will be 100% after full completion of construction works.*
[4] *As the Group owns a minority stake of 5%, the project's capacity is not consolidated and is not reflected in the data of Green Capacities Portfolio.*
[5] *Excluding not disclosed investments.*

Status of key investment projects / AWARDED / CONTRACTED

Project name	Curonian Nord[2]
Country	Lithuania
Technology	Offshore wind
Capacity	700 MW
Investment	Not disclosed
Proportion of secured revenue[1]	0%
Type of secured revenue	-
Ownership	51%
Partnership	Ocean Winds
Progress	
Seabed secured	+
Grid connection secured	+
EIA completed	-
Expected COD	~2030
Status	On track

[1] Secured revenue timeframe differs on a project-by-project basis.
[2] Previously – Lithuanian offshore wind project.

Ignitis Renewables offshore team

Networks

Since the end of 2023, we have successfully continued working on grid maintenance and expansion, including the smart meter roll-out. Smart meter installation for private and business customers whose energy consumption exceeds 1,000 kWh a year began in July 2022 and smoothly continues today. In 6M 2024, around 176 thousand smart meters have been installed, reaching over 900 thousand installed smart meters in total (out of 1.1–1.2 million smart meters to be installed). The smart metering system was successfully deployed at the end of 2023. In 2024, we will enhance and develop new features. The integration of the smart meter information system with the distribution management system is underway, targeting full completion by mid-2025. Meter readings hub, a cloud-based big data platform for smart meters, was successfully launched in June 2024. We are now integrating the data and setting up analytical algorithms. Additionally, a project to calculate electricity network losses using smart meter data has been initiated. Our target of finalising the smart meter mass roll-out process by the end of 2025 remains unchanged as, currently, the production and delivery of smart meters is progressing smoothly.

We have updated our 10-year (2024–2033) investment plan for the distribution networks and submitted it for public consultation and coordination to the regulator (National Energy Regulatory Council, NERC). The Draft Investment Plan foresees a 40% increase in investments, to EUR 3.5 billion, compared to the previous 10-year investment plan submitted to NERC (EUR 2.5 billion, 2022–2031). The planned investments will continue to focus on two main areas: improving the network resiliency and efficiency (~38%) as well as expanding the electricity network and facilitating the market (~57%). The maintenance of natural gas network will represent ~5% of the total planned investments.

Status of key investment projects

Project name	Electricity network expansion and facilitation of energy market	Maintenance and other	TOTAL
Country	Lithuania	Lithuania	–
Investments 2024–2033 (10-year investment plan)[1]	~EUR 1.9 billion	~EUR 1.6 billion	**~EUR 3.5 billion**
Investments 2024–2027 (Strategic plan)	~EUR 620–750 million	~EUR 480–580 million	**~EUR 1.1–1.3 billion**
Investments covered by customers and grants (3-year average)	31.0% (covered by customers' fees)	10.7% (covered on a project-by-project basis by EU funds and customer's fees)	**21.7%**
Ownership	100%	100%	**100%**
Progress	In 6M 2024, 19,232 new electricity customers were connected and 9,587 capacity upgrades were carried out. It resulted in around 2,062 km of new power lines (1,888 km in Q2 2024).	In 6M 2024, around 329 km of power lines were reconstructed (226 km in Q2 2024). Around 95% of the reconstructed power lines were replaced with underground cables.	
Status	On track	On track	

[1] *The figures represent the latest 10-year Investment Plan for 2024–2033 submitted to the regulator (National Energy Regulatory Council, NERC) for approval.*

2.3 Business environment

The Group's performance continues to be affected by macroeconomic and industry dynamics, particularly in the specific markets in which it operates. In order to assess the business environment and identify potential opportunities and challenges, we closely monitor economic indicators and industry developments. Our commitment to providing a comprehensive overview extends to highlighting relevant changes in the regulatory framework, ensuring a nuanced understanding of the markets in which we operate.

Macroeconomic environment

GDP

In 6M 2024, GDP in the euro area and European Union (EU) experienced increase compared to the same period of 2023. Looking ahead, the GDP in the euro area is expected to grow by 0.8% in 2024 and 1.4% in 2025, and, on a similar note, the EU's GDP is expected to grow by 1.0% and 1.6% respectively. In 6M 2024 Lithuania's GDP increased by 1.4% YoY. It is expected to increase by 2.0% in 2024 and increase by 2.9% in 2025. According to Eurostat's spring forecast, our home markets' GDP growth prospects for 2024 and 2025 surpass the EU and the euro area, except for Estonia in 2024 and Finland in 2024 and 2025.

Inflation

In 6M 2024, the annual inflation rate in the euro area increased slightly to 2.5%, from 2.4% in March 2024. Among our home market countries, Estonia and Poland recorded the highest inflation rate in June 2024, at 2.8% and 2.9% respectively, surpassing both the euro area and EU averages. Both countries are expected to have the highest harmonised CPI levels throughout 2024, with Estonia's rate expected to decrease and Poland expected to lead in 2025. All other home market countries are expected to have inflation rates either slightly below or similar to the EU and euro area.

GDP change, %

	6M 2024 vs 6M 2023	2024F	2025F
Lithuania	+1.4	+2.0	+2.9
Latvia	(0.4)	+1.7	+2.6
Estonia	-[1]	(0.5)	+3.1
Finland	-[1]	+0.0	+1.4
Poland	-[1]	+2.8	+3.4
Euro area	**+0.6**	**+0.8**	**+1.4**
EU	**+0.7**	**+1.0**	**+1.6**

Source: Eurostat.
[1] No data is released yet.

Inflation rate change measured by harmonised CPI, %

	6M 2024	2024F	2025F
Lithuania	+1.0	+1.9	+1.8
Latvia	+1.5	+1.6	+2.0
Estonia	+2.8	+3.4	+2.1
Finland	+0.5	+1.4	+2.1
Poland	+2.9	+4.3	+4.2
Euro area	**+2.5**	**+2.5**	**+2.1**
EU	**+2.6**	**+2.7**	**+2.2**

Source: Eurostat.

Industry environment

Overview of energy industry trends

- In the wholesale electricity market, a significant price decrease was observed across all bidding areas of the Nord Pool power market in the first half of 2024 compared to the same period in 2023. This decline was related to a normal hydro balance in Scandinavia, falling gas prices, and substantial renewables generation driven by higher load factors due to favourable weather conditions and accelerated wind and photovoltaic capacity additions. The instances of negative prices in the market are growing, indicating a need for flexible consumption solution, e.g., batteries and hydrogen, to limit further volatility.
- Renewables drove significant changes in electricity generation across the region, with strong growth squeezing gas-to-power demand, while all home market counties experienced increased generation. In 6M 2024, Lithuania generated 59.1% more electricity compared to 6M 2023, mainly due to higher wind energy generation (increased by 105.5%) and solar energy generation (increased by 73.5%) levels, driven by higher load factors as a result of favourable weather conditions and new capacity additions. Poland also experienced significant growth, with electricity generation rising by 20.9% compared to 6M 2023. Energy demand rose across all markets, while lower electricity prices in 6M 2024 were attributed to favourable hydrological situation and improved water values at hydro reservoirs in Scandinavia.
- Healthy storage balance by the end of last winter combined with growing technical European LNG import capacities and lower average long-term consumption levels in the wholesale natural gas market were the main factors contributing to the decline in natural gas prices. However, market fluctuations are still expected due to the market's sensitivity. Natural gas has a better relative competitive position to oil products compared to the previous year. Although industrial consumption is up year-on-year, it remains below the long-term average.

Electricity

Consumption, TWh

	6M 2024	6M 2023	Δ, %
Lithuania	6.0	5.8	*4.6%*
Latvia	3.4	3.2	*7.2%*
Estonia	4.2	4.0	*3.4%*
Finland	42.5	39.6	*7.4%*
Poland	83.6	82.7	*1.1%*
Total	**139.7**	**135.3**	***3.3%***

Generation, TWh

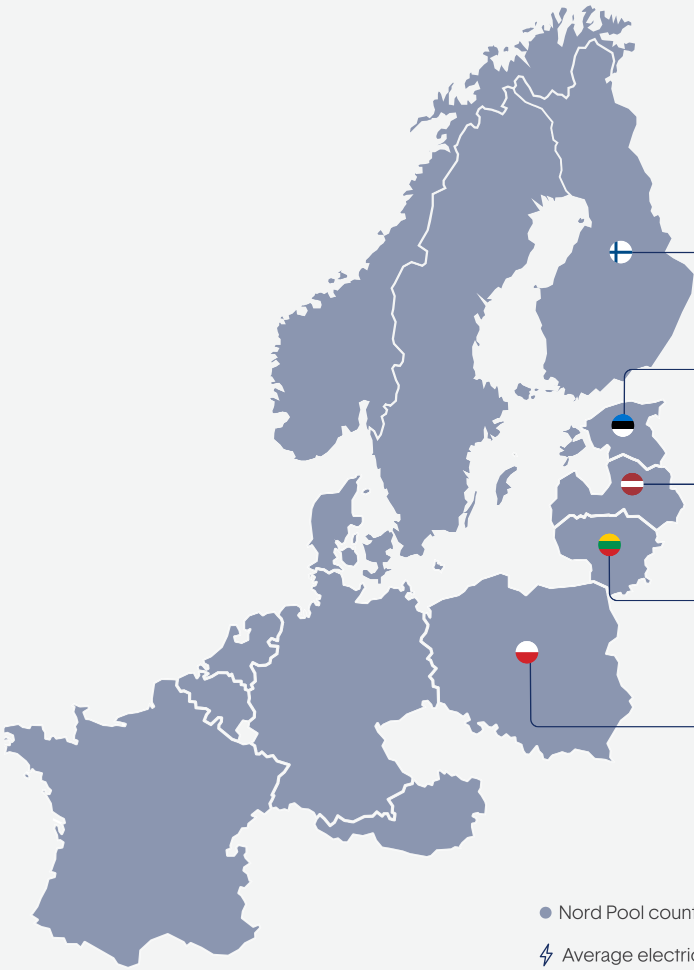
	6M 2024	6M 2023	Δ, %
Lithuania	4.1	2.8	*48.1%*
Latvia	4.0	3.8	*5.1%*
Estonia	2.5	2.5	*1.3%*
Finland	37.6	37.0	*1.7%*
Poland	91.7	75.9	*20.9%*
Total	**139.9**	**122.0**	***14.7%***

Natural gas

Consumption, TWh

	6M 2024	6M 2023	Δ, %
Lithuania	9.3	6.3	*47.8%*
Latvia	5.0	4.3	*18.4%*
Estonia	2.2	1.8	*25.9%*
Finland	7.8	6.4	*23.1%*
Poland	100.1	93.9	*6.6%*
Total	**124.4**	**112.7**	***10.4%***

Electricity and natural gas prices in home markets



Nord Pool system
46.8 EUR/MWh (-33.5%)

TTF
30.0 EUR/MWh (-49.5%)

Finland
56.4 EUR/MWh (-6.5%)
42.3 EUR/MWh (-18.4%)

Estonia
83.2 EUR/MWh (-4.2%)
32.5 EUR/MWh (-34.6%)

Latvia
81.5 EUR/MWh (-9.9%)
32.5 EUR/MWh (-34.6%)

Lithuania
81.5 EUR/MWh (-10.9%)
33.5 EUR/MWh (-31.0%)

Poland
87.2 EUR/MWh (-34.5%)
34.1 EUR/MWh (-34.3%)

Nord Pool countries

Average electricity price in 6M 2024 (vs 6M 2023)
Average natural gas price in 6M 2024 (vs 6M 2023)

Results

3.1 Results 6M

Revenue

In 6M 2024, total revenue decreased by EUR 278.1 million compared to 6M 2023 and amounted to EUR 1,092.3 million. The main reason for the decrease was lower revenue of the Customers & Solutions segment, which outweighed the increase of revenue in all the remaining segments. A more detailed information is provided in section '6 Consolidated financial statements', note '6 Revenue'.

The Customers & Solutions segment's revenue was 38.8%, or EUR 362.1 million, lower than in 6M 2023. The YoY decrease in revenue was recorded in both natural gas and electricity businesses. Revenue from natural gas business decreased the most (EUR -283.7 million), mainly due to a lower average TTF gas price index (-49.5%) and lower volume supplied (-22.5%).

The Networks segment's revenue was 19.9%, or EUR 58.9 million, higher than in 6M 2023. The increase was mainly driven by higher revenue from electricity transmission (EUR +77.6 million). The result was partly offset by lower revenue from electricity distribution (EUR -15.1 million) due to lower tariffs set by the regulator. The decrease in electricity distribution tariffs was mainly caused by lower expenses from electricity distribution technological losses, which have decreased due to lower electricity purchase prices.

Consolidated statement of profit or loss, EURm

	6M 2024	6M 2023	Δ	Δ, %	6M 2024	6M 2023	Δ	Δ, %
	Adjusted				Reported			
Total revenue	**1,087.8**	**1,384.1**	***(296.3)***	***(21.4%)***	**1,092.3**	**1,370.4**	***(278.1)***	***(20.3%)***
Purchase of electricity, natural gas and other services	(646.1)	(1,003.0)	*356.9*	*(35.6%)*	(646.1)	(1,003.0)	*356.9*	*(35.6%)*
Ineffective energy hedging expenses	-	(7.6)	*7.6*	*(100.0%)*	-	(7.6)	*7.6*	*(100.0%)*
OPEX APM	(152.1)	(119.9)	*(32.2)*	*26.9%*	(152.1)	(119.9)	*(32.2)*	*26.9%*
Salaries and related expenses	(79.8)	(64.8)	*(15.0)*	*23.1%*	(79.8)	(64.8)	*(15.0)*	*23.1%*
Repair and maintenance expenses	(30.8)	(21.1)	*(9.7)*	*46.0%*	(30.8)	(21.1)	*(9.7)*	*46.0%*
Other OPEX	(41.4)	(34.0)	*(7.4)*	*21.8%*	(41.4)	(34.0)	*(7.4)*	*21.8%*
EBITDA APM	**289.7**	**253.5**	***36.2***	***14.3%***	**294.2**	**239.9**	***54.3***	***22.6%***
Depreciation and amortization	(85.4)	(73.4)	*(12.0)*	*16.3%*	(85.4)	(73.4)	*(12.0)*	*16.3%*
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	(0.9)	(1.7)	*0.8*	*(47.1%)*	(0.9)	(1.7)	*0.8*	*(47.1%)*
Operating profit (EBIT) APM	**203.4**	**178.4**	***25.0***	***14.0%***	**207.9**	**164.8**	***43.1***	***26.2%***
Finance activity, net	(16.9)	(11.1)	*(5.8)*	*52.3%*	(16.9)	9.1	*(26.0)*	*n/a*
Income tax (expenses)/benefit	(21.9)	(17.1)	*(4.8)*	*28.1%*	(22.6)	(18.1)	*(4.5)*	*24.9%*
Net profit	**164.6**	**150.1**	***14.5***	***9.7%***	**168.4**	**155.8**	***12.6***	***8.1%***
Basic earnings per share (in EUR) APM	n/a	n/a	*n/a*	*n/a*	2.33	2.15	*0.18*	*8.4%*

Revenue, EURm

	6M 2024	6M 2023	Δ	Δ, %
Customers & Solutions	571.6	933.7	*(362.1)*	*(38.8%)*
Networks	354.4	295.5	*58.9*	*19.9%*
Green Capacities	200.9	163.4	*37.5*	*22.9%*
Reserve Capacities	63.8	61.1	*2.7*	*4.4%*
Other activities and eliminations	(98.4)	(83.4)	*(15.0)*	*18.0%*
Total revenue	**1,092.3**	**1,370.4**	***(278.1)***	***(20.3%)***

The Green Capacities segment's revenue was 22.9%, or EUR 37.5 million, higher compared to 6M 2023. Revenue increased primarily as a result of the launch of new assets (Mažeikiai WF, Silesia WF I and Vilnius CHP biomass unit) and higher captured electricity prices, mainly due to the flexibility of the assets.

The Reserve Capacities segment's revenue was 4.4%, or EUR 2.7 million, higher than in 6M 2023. The increase was mainly related to favourable market conditions and utilisation of the assets as all three units of Elektrėnai Complex were operating simultaneously in commercial mode for the first time.

EBITDA

Adjusted EBITDA amounted to EUR 289.7 million in 6M 2024 and was EUR 36.2 million, or 14.3%, higher than in 6M 2023.

The Green Capacities segment's Adjusted EBITDA was 23.3%, or EUR 25.4 million, higher compared to 6M 2023. Adjusted EBITDA increased primarily as a result of the launch of new assets (Mažeikiai WF, Silesia WF I and Vilnius CHP biomass unit) and higher captured electricity prices, mainly due to the flexibility of the assets.

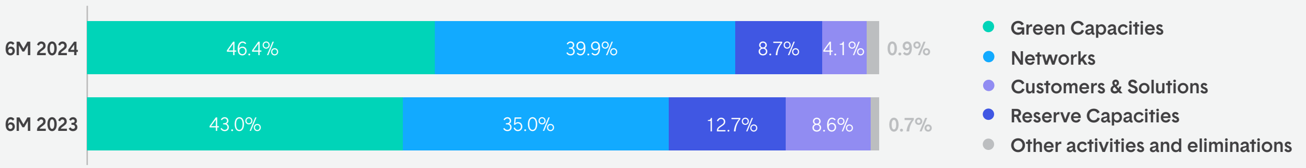
The Networks segment's Adjusted EBITDA was EUR 27.0 million higher than in 6M 2023, mainly due to the higher RAB effect and higher WACC. Also, the Adjusted EBITDA increase was partly related to the higher share of allowed return, D&A and additional tariff component recognised in 6M 2024 vs 6M 2023 due to the temporary volume effect. This effect will level off over the course of the year as annual ROI, compensated depreciation and amortisation and additional tariff component are fixed for the year but allocated between the months based on the distributed volumes.

The Reserve Capacities segment's Adjusted EBITDA was 21.7%, or EUR 7.0 million, lower than in 6M 2023. Strong performance during both years was driven by the utilised optionality to earn additional return in the market on top of the regulated return. However, the YoY decrease is related to the fact that, during the Q1 2023 period, the conditions to earn additional return in the market were extraordinary.

EBITDA, EURm

	6M 2024	6M 2023	Δ	Δ, %
Green Capacities	134.5	109.1	*25.4*	*23.3%*
Networks	115.7	88.7	*27.0*	*30.4%*
Reserve Capacities	25.2	32.2	*(7.0)*	*(21.7%)*
Customers & Solutions	11.8	21.7	*(9.9)*	*(45.6%)*
Other activities and eliminations	2.6	1.9	*0.7*	*36.8%*
Adjusted EBITDA APM	**289.7**	**253.5**	***36.2***	***14.3%***

EBITDA, EURm



The Customers & Solutions segment's Adjusted EBITDA was EUR 9.9 million lower than in 6M 2023. The decrease was driven by lower B2B natural gas supply results, mainly due to larger reduction of COGS in 6M 2023 from inventory write down reversal. The decrease was partly offset by better B2B electricity supply results in Latvia and Poland. Electricity B2C activities remained to be loss-making (EUR -18.5 million in 6M 2024 compared to EUR -17.5 million in 6M 2023).

Operating profit (EBIT)

In 6M 2024, Adjusted EBIT amounted to EUR 203.4 million and was EUR 25.0 million, or 14.0%, higher than in 6M 2023. The main effect of the increase was higher Adjusted EBITDA (EUR +36.2 million) (the reasons behind the increase are described in the 'EBITDA' section above), which was partly offset by higher depreciation and amortisation expenses (EUR -12.0 million).

Net profit

Adjusted Net Profit amounted to EUR 164.6 million in 6M 2024 and was 9.7% higher than in 6M 2023. The increase is related to the positive EBIT impact (EUR +25.0 million), which was partly offset by higher income tax (EUR -4.8 million) and interest expenses (EUR -5.6 million).

Operating profit (EBIT), EURm

	6M 2024	6M 2023	Δ	Δ, %
Green Capacities	113.8	94.8	*19.0*	*20.0%*
Networks	61.7	38.3	*23.4*	*61.1%*
Reserve Capacities	19.4	26.5	*(7.1)*	*(26.8%)*
Customers & Solutions	10.5	20.1	*(9.6)*	*(47.8%)*
Other activities and eliminations	(2.0)	(1.2)	*(0.8)*	*66.7%*
Adjusted EBIT APM	**203.4**	**178.4**	***25.0***	***14.0%***

Investments

In 6M 2024, Investments amounted to EUR 422.3 million and were EUR 19.7 million, or 4.9%, higher compared to 6M 2023. The increase was driven by new Green Capacities projects.

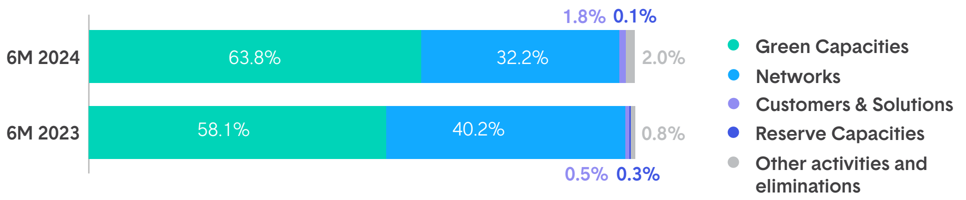
The largest share of Investments were made in the Green Capacities segment (63.8% of the total Investments). In total, Investments in the Green Capacities segment increased by EUR 35.6 million and reached EUR 269.6 million. The majority of Investments in the Green Capacities segment were directed towards onshore wind farms in Lithuania, mainly Kelmė WF I and II.

Investments in the Networks segment in 6M 2024 amounted to EUR 135.8 million and were 16.1%, or EUR 26.1 million, lower compared to 6M 2023. The decrease is mainly related to lower Investments in the expansion of the electricity distribution network (excluding smart meters), which decreased by EUR 11.3 million, or 12.6%. The main reason behind the decrease was lower number of new connections and upgrades. Smart meter investments went down by EUR 8.1 million, or 37.2%, as the majority of smart meters were installed last year, causing a gradual decline in number of smart meters installed in 6M 2024.

In 6M 2024, grants and Investments covered by customers amounted to EUR 32.3 million and accounted for 7.6% of the total Investments. A part of the Investments into the Networks segment that are related to new connections, upgrades and infrastructure equipment transfers were covered by customers (EUR 28.9 million). Also, the Group has received EUR 3.4 million in grants for the Investments in 6M 2024, which were related to the maintenance of electricity and natural gas distribution networks.

In 6M 2024, EUR 371.0 million were invested in Lithuania. This amount represents 87.8% of the total Investments.

Distribution of Investments, %



Investments by segment, EURm

	6M 2024	6M 2023	Δ	Δ, %
Green Capacities	269.6	234.0	*35.6*	*15.2%*
Onshore wind	211.3	130.1	*81.2*	*62.4%*
Solar	25.6	26.8	*(1.2)*	*(4.5%)*
Offshore wind	12.4	23.8	*(11.4)*	*(47.9%)*
Hydro	12.3	20.5	*(8.2)*	*(40.0%)*
Biomass/WtE	7.6	32.5	*(24.9)*	*(76.6%)*
Other	0.4	0.3	*0.1*	*33.3%*
Networks	135.8	161.9	*(26.1)*	*(16.1%)*
Total electricity network investments:	127.3	151.6	*(24.3)*	*(16.0%)*
Expansion of electricity distribution network (excl. smart meters)	78.7	90.0	*(11.3)*	*(12.6%)*
Expansion of electricity distribution network (smart meters)	13.7	21.8	*(8.1)*	*(37.2%)*
Maintenance of the electricity distribution network	34.9	39.8	*(4.9)*	*(12.3%)*
Total gas network investments:	6.1	5.8	*0.3*	*5.2%*
Expansion of gas distribution network	3.1	3.6	*(0.5)*	*(13.9%)*
Maintenance of the gas distribution network	3.1	2.2	*0.9*	*40.9%*
Other	2.3	4.5	*(2.2)*	*(48.9%)*
Customers & Solutions	7.8	2.1	*5.7*	*271.4%*
Reserve Capacities	0.5	1.3	*(0.8)*	*(61.5%)*
Other activities and eliminations	8.6	3.3	*5.3*	*160.6%*
Investments APM	**422.3**	**402.6**	***19.7***	***4.9%***
Total grants and Investments covered by customers:	(32.3)	(41.9)	*9.6*	*(22.9%)*
Grants	(3.4)	(18.6)	*15.2*	*(81.7%)*
Investments covered by customers[1]	(28.9)	(23.3)	*(5.6)*	*24.0%*
Investments (excl. grants and investments covered by customers)	**390.0**	**360.8**	***29.2***	***8.1%***

Investments by countries, EURm

	6M 2024	6M 2023	6M 2024, %	6M 2023, %
Lithuania	371.0	264.1	*87.8%*	*65.6%*
Other countries[2]	51.3	138.5	*12.2%*	*34.4%*
Total Investments:	**422.3**	**402.6**	***100.0%***	***100.0%***

[1] Investments covered by customers include new connections and upgrades, and infrastructure equipment transfers.
[2] Other countries mainly represent investments in Latvia, Poland and the United Kingdom.

Capital Employed

Capital Employed

As of 30 June 2024, the Group's Capital Employed amounted to EUR 3,780.5 million and increased by EUR 199.6 million compared to 31 December 2023, mainly due to significant investments made.

Equity

As of 30 June 2024, equity increased by EUR 106.1 million, or 4.7%, compared to 31 December 2023, mostly due to the net profit earned in 6M 2024 (EUR +168.4 million). The increase was partly offset by the dividends paid (EUR -46.5 million). A more detailed description is provided in section '6 Consolidated financial statements', note '14 Equity'.

Net Working Capital

As of 30 June 2024, Net Working Capital amounted to EUR 113.7 million and decreased by EUR 61.5 million compared to 31 December 2023. The drivers behind the changes were the following:

- a decrease in total inventory (EUR -37.2 million), mainly in the Customers & Solutions (EUR -30.5 million) segment, due to the decrease in the value of stored natural gas, mainly due to lower volumes stored;
- lower trade receivables (EUR -56.4 million), mainly in the Customers & Solutions (EUR -58.5 million) segment, due to lower energy prices and lower volumes sold.

The decrease was partly offset by:

- lower trade payables (EUR +15.2 million) and VAT payables (EUR +13.5 million) due to lower energy prices and volumes.

Capital employed, EURm

	30 Jun 2024	31 Dec 2023	Δ	Δ, %
Non-current assets	4,504.7	4,216.9	*287.8*	*6.8%*
Net Working Capital APM	113.7	175.2	*(61.5)*	*(35.1%)*
Other assets	24.0	15.4	*8.6*	*55.8%*
Grants and subsidies	(295.2)	(300.1)	*4.9*	*(1.6%)*
Deferred income	(260.1)	(241.6)	*(18.5)*	*7.7%*
Deferred tax liabilities	(84.7)	(87.4)	*2.7*	*(3.1%)*
Non-current provisions	(64.9)	(60.7)	*(4.2)*	*6.9%*
Other assets and liabilities	(157.0)	(136.8)	*(20.2)*	*14.8%*
Capital Employed APM	**3,780.5**	**3,580.9**	***199.6***	***5.6%***
Equity	**2,369.5**	**2,263.4**	***106.1***	***4.7%***
Net Debt APM	**1,411.0**	**1,317.5**	***93.5***	***7.1%***
Adjusted ROCE LTM APM	10.4%	9.8%	*0.6 pp*	*n/a*

Financing

Net Debt

As of 30 June 2024, Net Debt amounted to EUR 1,411.0 million and increased by 7.1%, or EUR 93.5 million, compared to 31 December 2023, mainly due to negative FCF and dividends paid. FFO LTM/Net Debt ratio increased to 32.0% as the FFO LTM growth rate exceeded the growth of Net Debt. S&P Global Ratings reaffirmed the Group's 'BBB+' (stable outlook) credit rating. A more detailed description is provided in section '6 Consolidated financial statements', note '15 Financing'.

Interest rate

As of 30 June 2024, financial liabilities amounting to EUR 1,335.1 million were subject to a fixed interest rate (79.1% of Gross Debt), and the remaining amount of financial liabilities were subject to a floating interest rate with the effective interest rate at 2.67%.

Currency rate

As of 30 June 2024, 94.8% of the total debt is in EUR, and 5.2% in PLN.

Maturities

Bonds maturing in 2027 (EUR 300.0 million, green), in 2028 (EUR 300.0 million, green) and in 2030 (EUR 300.0 million) comprise the largest portion of the Group's financial liabilities. The average maturity of financial liabilities as of 30 June 2024 was 5.1 years (5.8 years on 31 December 2023).

Net debt, EURm

	30 June 2024	31 Dec 2023	Δ	Δ, %
Gross Debt APM	1,687.0	1,633.2	*53.8*	*3.3%*
Short-term deposits (including accrued interests)	(0.2)	(110.4)	*110.2*	*(99.8%)*
Cash and cash equiv.	(275.8)	(205.3)	*(70.5)*	*34.3%*
Net Debt APM	**1,411.0**	**1,317.5**	***93.5***	***7.1%***
Net Debt / Adjusted EBITDA LTM APM	2.71	2.72	*(0.01)*	*(0.4%)*
Net Debt / EBITDA LTM APM	2.51	2.60	*(0.09)*	*(3.5%)*
FFO LTM / Net Debt APM	32.0%	29.4%	*2.6 pp*	*n/a*

Debt summary, EURm

	Outstanding as of 30 June 2024	Effective interest rate (%)	Average time to maturity (years)	Fixed interest rate	Euro currency
Bonds (incl. interest)	904.6	1.96	4.3	100.0%	100.0%
Non-current loans including current portion of non-current loans	642.3	3.26	6.6	67.0%[1]	87.7%
Bank overdrafts, credit lines, and current loans	86.0	5.36	1.7	0.0%	100.0%
Lease liabilities	54.1	-	6.0	-	85.0%
Gross Debt APM	**1,687.0**	**2.67**	**5.1**	**79.1%**	**94.8%**

[1] As of 30 June 2024, one loan with a floating interest rate (with debt outstanding of EUR 97.2 million) was reclassified as a fixed interest rate loan because an interest rate swap was carried out for this loan.

Bond issues

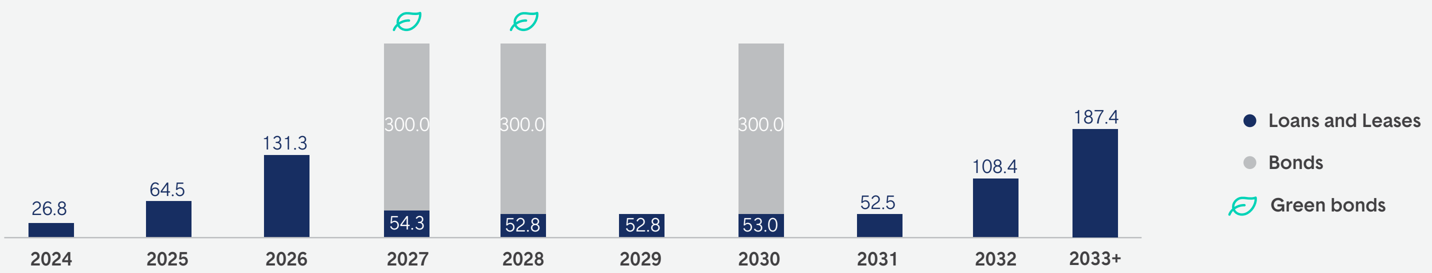
The Group has three bond issues with a total nominal outstanding amount of EUR 900.0 million. Two of them are green bonds (EUR 600.0 million).

During the reporting period, there have been no material changes regarding the bonds. The related information, including the structure of the bondholders as of the issue date, is available in section '7.1 Further investor related information' of our Integrated Annual Report 2023.

Outstanding bond issues

	2017 issue	2018 issue	2020 issue
ISIN-code	XS1646530565	XS1853999313	XS2177349912
Currency	EUR	EUR	EUR
Nominal amount	300,000,000	300,000,000	300,000,000
Coupon	2.000	1.875	2.000
Maturity	17 July 2027	10 July 2028	21 May 2030
Credit rating	BBB+	BBB+	BBB+

Repayment schedule of the Group's financial liabilities[1], EURm



[1] The nominal value of issued bonds amounts to EUR 900 million. As of 30 June 2024, bonds accounted for EUR 892.7 million in the Consolidated statement of financial position as the nominal remaining capital will be capitalised until maturity according to IFRS.

Cash flows

CFO

Net cash flows from operating activities (CFO) in 6M 2024 amounted to EUR 392.0 million. Compared to 6M 2023, CFO decreased by EUR 120.0 million, mainly due to the lower cash inflow from changes in the working capital (EUR 137.2 million in 6M 2024 compared to EUR 398.7 million in 6M 2023). The decrease was partly offset by the lower reversal of inventory write down to net realisable value (EUR -12.7 million in 6M 2024 compared to the write down to net realisable value of EUR -80.1 million in 6M 2023).

CFI

Net cash flows from investing activities (CFI) amounted to EUR -284.7 million in 6M 2024. The CFI indicator was less negative (EUR +42.9 million), mainly due to withdrawal of deposits (EUR +109.0 million), which was partly offset by higher cash outflows related to the acquisition of PPE and intangible assets (EUR -75.7 million) compared to 6M 2023.

CFF

Net cash flows from financing activities (CFF) amounted to EUR -36.8 million in 6M 2024. CFF was negative mainly due to the dividends paid (EUR -46.5 million). In comparison, CFF in 6M 2023 amounted to EUR -152.7 million and was negative due to repaid credit lines and overdrafts (EUR -335.6 million), which was partly offset by additional loans received in the amount of EUR 262.0 million.

A more detailed information is provided in section '6.5 Interim consolidated statement of cash flows'.

FFO

In 6M 2024, the Group's FFO increased by 39.4% (EUR +63.7 million) and amounted to EUR 225.4 million. The main reasons for the increase were higher EBITDA and lower income tax paid.

FCF

In 6M 2024, the Group's FCF amounted to EUR -105.0 million. The main reason for the negative FCF was significant Investments made. Negative FCF was partially offset by FFO and positive changes in the Net Working Capital.

Cash flows, EURm

	6M 2024	6M 2023	Δ	Δ, %
Cash and cash equiv. at the beginning of the period	**205.3**	**694.1**	***(488.8)***	***(70.4%)***
CFO	392.0	512.0	*(120.0)*	*(23.4%)*
CFI	(284.7)	(327.6)	*42.9*	*(13.1%)*
CFF	(36.8)	(152.7)	*115.9*	*(75.9%)*
Increase (decrease) in cash and cash equiv.	**70.5**	**31.7**	***38.8***	***122.4%***
Cash and cash equiv. at the end of period	**275.8**	**725.8**	***(450.0)***	***(62.0%)***

FFO and FCF, EURm

	6M 2024	6M 2023	Δ	Δ, %
EBITDA APM	294.2	239.9	*54.3*	*22.6%*
Interest paid	(20.3)	(15.2)	*(5.1)*	*33.6%*
Income tax paid	(48.5)	(63.0)	*14.5*	*(23.0%)*
FFO APM	**225.4**	**161.7**	***63.7***	***39.4%***
Interests received	4.9	4.2	*0.7*	*16.7%*
Investments APM	(422.3)	(402.6)	*(19.7)*	*4.9%*
Grants received	3.4	18.6	*(15.2)*	*(81.7%)*
Cash effect of new connection points and upgrades	20.5	14.5	*6.0*	*41.4%*
Proceeds from sale of PPE and intangible assets[1]	1.6	1.6	*-*	*-%*
Change in Net Working Capital	61.5	252.3	*(190.8)*	*(75.6%)*
FCF APM	**(105.0)**	**50.2**	***(155.2)***	***n/a***

[1] Cash inflow indicated in the statement line 'Proceeds from sale of PPE and intangible assets' exclude the gain or loss which is already included in FFO.

Key operating indicators

In 6M 2024, the Green Capacities Portfolio increased to 7.7 GW, up from 7.1 GW on 31 December 2023. This growth is primarily attributed to greenfield capacity additions, including the plots of land secured for the development of hybrid projects, i.e., wind farms near Latvian solar projects, totalling 314 MW. Additionally, grid capacity was secured for our first BESS projects (<260 MW) in Lithuania. The Secured Capacity stood at 2.9 GW.

Electricity Generated (net) increased by 0.35 TWh, or 36.7%, YoY and in 6M 2024 amounted to 1.32 TWh. The increase in Electricity Generated (net) was driven by generation from new assets (Green Capacities), including Mažeikiai WF, Silesia WF I and Vilnius CHP biomass unit.

The electricity sales decreased by 0.07 TWh, or 1.9%, compared to 6M 2023. The decline was noticed among B2B customers.

Total distributed electricity volume increased by 0.23 TWh, or 4.8%, YoY. The electricity consumption of both B2C and B2B customers has increased due to cold weather conditions in the beginning of 2024 and higher industrial consumption respectively.

In April 2024, an incident occurred, where multiple power lines were disconnected due to natural phenomena (heavy snowfall), resulting in an increase in the SAIDI indicator, which shows the average duration of unplanned interruptions. The SAIDI indicator increased to 50 minutes in 6M 2024, up from 33 minutes during the same period in 2023. Meanwhile, the SAIFI indicator, which reflects the average number of unplanned long interruptions per customer, remained similar to the previous year. The SAIFI indicator was 0.57 interruptions in 6M 2024 compared to 0.58 interruptions in 6M 2023.

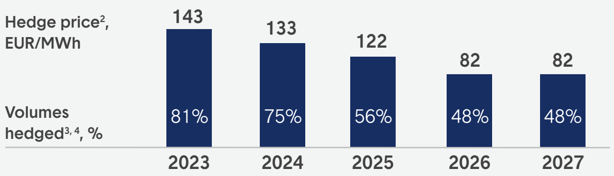
In 6M 2024, Heat Generated (net) amounted to 0.83 TWh and increased by 0.35 TWh, or 74.2%, YoY due to higher generation at Vilnius CHP.

The natural gas sales decreased by 1.19 TWh, or 22.5%, driven by lower wholesale volumes sold over 6M 2024. The decrease was also noticed in retail sales, mainly in Finland, due to a faulty Balticconnector pipeline. The natural gas distribution volume in Lithuania has increased by 0.52 TWh, or 15.8%, due to colder than usual weather conditions in January 2024 and increased consumption among B2B customers.

Key operating indicators

		30 Jun 2024	31 Dec 2023	Δ	Δ, %
Electricity					
Green Capacities Portfolio	GW	7.7	7.1	*0.6*	*7.9%*
Secured Capacity	GW	2.9	2.9	*(0.0)*	*(0.1%)*
Installed Capacity	GW	1.4	1.3	*0.1*	*5.3%*
Under Construction	GW	0.8	0.9	*(0.1)*	*(8.0%)*
Awarded / Contracted	GW	0.7	0.7	-	-%
Advanced Development Pipeline	GW	0.9	1.0	*(0.0)*	*(0.9%)*
Early Development Pipeline	GW	3.8	3.3	*0.6*	*17.7%*
Heat					
Heat Generation Capacity	GW	0.4	0.3	*0.0*	*0.3%*
Installed Capacity	GW	0.4	0.3	*0.0*	*6.4%*
Under Construction	GW	-	0.0	*(0.0)*	*(100.0%)*
		6M 2024	**6M 2023**	**Δ**	**Δ, %**
Electricity					
Electricity Generated (net)	TWh	1.32	0.96	*0.35*	*36.7%*
Green Electricity Generated (net)	TWh	1.12	0.89	*0.23*	*25.3%*
Green Share of Generation	%	84.8%	92.5%	*(7.7 pp)*	*n/a*
Electricity sales	TWh	3.38	3.44	*(0.07)*	*(1.9%)*
Electricity distributed	TWh	5.04	4.81	*0.23*	*4.8%*
SAIFI	units	0.57	0.58	*(0.01)*	*(1.9%)*
SAIDI	min.	50	33	*17*	*50.8%*
Heat					
Heat Generated (net)	TWh	0.83	0.48	*0.35*	*74.2%*
Natural gas					
Natural gas sales	TWh	4.11	5.30	*(1.19)*	*(22.5%)*
Natural gas distributed	TWh	3.79	3.28	*0.52*	*15.8%*

Generation Portfolio hedging levels[1]



[1] Hedging levels are provided for the duration of the strategic period. [2] Most PPAs are concluded for the base load, therefore, the actual effective hedge price can differ from the price in the contract due to the profile effect. [3] Generation Portfolio includes the total electricity generation of Secured Capacity projects, excluding Kruonis PSHP as well as units 7, 8 and CCGT at Elektrėnai Complex. [4] Some of the PPAs are internal, the graph above illustrates the Green Capacities segment's outlook (generated volumes).

Installed Capacity and generation mix overview

Key financial indicators

		6M 2024	6M 2023	6M 2024 Δ 6M 2023	Δ, %
Total revenue	EURm	1,092.3	1,370.4	(278.1)	(20.3%)
Adjusted EBITDA APM	EURm	289.7	253.5	36.2	14.3%
Green Capacities	EURm	134.5	109.1	25.4	23.3%
Networks	EURm	115.7	88.7	27.0	30.4%
Reserve Capacities	EURm	25.2	32.2	(7.0)	(21.7%)
Customers & Solutions	EURm	11.8	21.7	(9.9)	(45.6%)
Other activities and eliminations	EURm	2.6	1.9	0.7	36.8%
Adjusted EBITDA margin APM	%	26.6%	18.3%	8.3 pp	n/a
EBITDA APM	EURm	294.2	239.9	54.3	22.6%
EBITDA margin APM	%	26.9%	17.5%	9.4 pp	n/a
Adjusted EBIT APM	EURm	203.4	178.4	25.0	14.0%
Operating profit (EBIT) APM	EURm	207.9	164.8	43.1	26.2%
EBIT margin APM	%	19.0%	12.0%	7.0 pp	n/a
Adjusted Net profit APM	EURm	164.6	150.1	14.5	9.7%
Net profit	EURm	168.4	155.8	12.6	8.1%
Net profit margin APM	%	15.4%	11.4%	4.0 pp	n/a
Investments APM	EURm	422.3	402.6	19.7	4.9%
Green Capacities	EURm	269.6	234.0	35.6	15.2%
Networks	EURm	135.8	161.9	(26.1)	(16.1%)
Reserve Capacities	EURm	0.5	1.3	(0.8)	(61.5%)
Customers & Solutions	EURm	7.8	2.1	5.7	271.4%
Other activities and eliminations	EURm	8.6	3.3	5.3	160.6%
FFO APM	EURm	225.4	161.7	63.7	39.4%
FCF APM	EURm	(105.0)	50.2	(155.2)	n/a
Adjusted ROE LTM APM	%	13.5%	14.2%	(0.7 pp)	n/a
ROE LTM APM	%	15.0%	15.9%	(0.9 pp)	n/a
Adjusted ROCE LTM APM	%	10.4%	11.3%	(0.9 pp)	n/a
ROCE LTM APM	%	11.6%	13.0%	(1.4 pp)	n/a
ROA LTM APM	%	6.4%	6.9%	(0.5 pp)	n/a
Basic earnings per share APM	EUR	2.33	2.15	0.18	8.4%

Key financial indicators (cont.)

		30 Jun 2024	31 Dec 2023	*2024 Δ 2023*	*Δ, %*
Total assets	EURm	5,366.0	5,244.4	*121.6*	*2.3%*
Equity	EURm	2,369.5	2,263.4	*106.1*	*4.7%*
Net Debt APM	EURm	1,411.0	1,317.5	*93.5*	*7.1%*
Net Working Capital APM	EURm	113.7	175.2	*(61.5)*	*(35.1%)*
Net Working Capital/Revenue LTM APM	%	5.0%	6.9%	*(1.9 pp)*	*n/a*
Capital Employed APM	EURm	3,780.5	3,580.9	*199.6*	*5.6%*
Equity Ratio APM	times	0.44	0.43	*0.01*	*1.9%*
Net Debt/EBITDA LTM APM	times	2.51	2.60	*(0.09)*	*(3.5%)*
Net Debt/Adjusted EBITDA LTM APM	times	2.71	2.72	*(0.01)*	*(0.4%)*
Gross Debt/Equity APM	times	0.71	0.72	*(0.01)*	*(1.4%)*
FFO LTM/Net Debt APM	%	32.0%	29.4%	*2.6 pp*	*n/a*
Current Ratio APM	times	1.37	1.55	*(0.18)*	*(11.6%)*
Asset Turnover LTM APM	times	0.44	0.48	*(0.04)*	*(8.3%)*

3.2 Results Q2

Key financial indicators, EURm

		Q2 2024	Q2 2023	Δ	Δ, %
Total revenue	EURm	438.8	442.1	*(3.3)*	*(0.7%)*
Adjusted EBITDA APM	EURm	108.0	103.6	*4.4*	*4.2%*
Adjusted EBITDA Margin APM	%	24.5%	20.7%	*3.8 pp*	*n/a*
EBITDA APM	EURm	105.3	44.6	*60.7*	*136.1%*
Adjusted EBIT APM	EURm	63.2	67.1	*(3.9)*	*(5.8%)*
Operating profit (EBIT) APM	EURm	60.4	8.2	*52.2*	*n/a*
Adjusted Net Profit APM	EURm	52.0	61.4	*(9.4)*	*(15.3%)*
Net Profit	EURm	49.7	28.6	*21.1*	*73.8%*
Investments APM	EURm	212.8	281.8	*(69.0)*	*(24.5%)*
FFO APM	EURm	55.9	(23.7)	*79.6*	*n/a*
FCF APM	EURm	(110.0)	(157.8)	*47.8*	*(30.3%)*

Financial results

Revenue

Q2 2024 revenue remained relatively flat, with a EUR 3.3 million decrease compared to Q2 2023. The revenue increase in Green Capacities and Networks segments was outweighed by a decrease in revenue in Reserve Capacities and Customers & Solutions segments.

Adjusted EBITDA

Q2 2024 Adjusted EBITDA amounted to EUR 108.0 million and increased by EUR 4.4 million, or 4.2%, in comparison to Q2 2023. The increase was mainly related to better results of the Green Capacities segment, primarily as a result of the launch of new assets and better results of the Networks segment, due to the higher RAB effect and higher WACC. The increase was partly offset by the Customers & Solutions segment's result, mainly due to lower results in natural gas B2B as well as loss-making electricity B2C activities.

Adjusted Net Profit

In Q2 2024, Adjusted Net Profit decreased by EUR 9.4 million, or 15.3%, in comparison to Q2 2023. The increase in Adjusted EBITDA (EUR +4.4 million) was outweighed by higher depreciation and amortisation expenses (EUR -8.6 million) and finance expenses (EUR -5.4 million).

Investments

Compared to Q2 2023, Investments have decreased following the successful completion of several major Green Capacities projects. During the last twelve months, Silesia WF I and Vilnius CHP biomass unit have reached COD, and Silesia WF II has reached its final development stage, with COD expected in Q1 2025.

Operating performance

As of 30 June 2024, the Green Capacities Portfolio increased to 7.7 GW, up from 7.4 GW on 31 March 2024. The growth is attributed to secured grid capacity for our first BESS projects (<260 MW) in Lithuania. The Secured Capacity stood at 2.9 GW.

Electricity Generated (net) increased by 0.14 TWh, or 33.5%. The increase was driven by generation at Vilnius CHP biomass unit, which reached full COD for the remaining 21 MWe capacity in May 2024. The growth was also supported by Kruonis PSHP, due to a greater number of days with favourable conditions for generation, and by Silesia WF I, which reached COD in March 2024. Electricity sales decreased by 0.01 TWh, or 0.9%, compared to Q2 2023 due to slightly lower B2C sales.

Electricity distributed increased by 0.05 TWh, or 2.2%, to 2.27 TWh in Q2 2024 compared to Q2 2023. This rise is driven by higher demand from B2B customers due to increased industrial production. The electricity quality indicator SAIFI increased to 0.36 interruptions (compared to 0.32 in Q2 2023), and electricity SAIDI increased to 36 minutes (compared to 14 minutes in Q2 2023). The quarterly quality indicators deteriorated due to natural phenomena, mainly heavy snowfall, which caused mass disconnections during Q2 2024.

Heat Generated (net) in Q2 2024 amounted to 0.37 TWh and was 0.17 TWh, or 83.7%, higher compared to Q2 2023. The increase was driven by generation at Vilnius CHP biomass unit, which reached full COD for the remaining 21 MWth capacity in May 2024.

Key operating indicators

		30 Jun 2024	31 Mar 2024	Δ	Δ, %
Electricity					
Green Generation Portfolio	GW	7.7	7.4	*0.3*	*4.3%*
Secured Capacity	GW	2.9	2.9	*(0.0)*	*(0.1%)*
Installed Capacity	GW	1.4	1.4	*0.0*	*1.5%*
Under Construction	GW	0.8	0.9	*(0.0)*	*(2.7%)*
Awarded / Contracted	GW	0.7	0.7	*-*	*-%*
Advanced Development Pipeline	GW	0.9	0.7	*0.3*	*36.5%*
Early Development Pipeline	GW	3.8	3.8	*0.1*	*1.7%*
Heat					
Heat Generation Capacity	GW	0.4	0.3	*0.0*	*0.3%*
Installed Capacity	GW	0.4	0.3	*0.0*	*6.4%*
Under Construction	GW	-	0.0	*(0.0)*	*(100.0%)*
		Q2 2024	**Q2 2023**	**Δ**	**Δ, %**
Electricity					
Electricity Generated (net)	TWh	0.55	0.41	*0.14*	*33.5%*
Green Electricity Generated (net)	TWh	0.50	0.36	*0.14*	*38.4%*
Green Share of Generation	%	91.7%	88.4%	*3.3 pp*	*n/a*
Electricity sales	TWh	1.54	1.56	*(0.01)*	*(0.9%)*
Electricity distributed	TWh	2.27	2.22	*0.05*	*2.2%*
SAIFI	units	0.36	0.32	*0.04*	*14.0%*
SAIDI	min.	36	14	*22*	*154.2%*
Heat					
Heat Generated (net)	TWh	0.37	0.20	*0.17*	*83.7%*
Natural gas					
Natural gas sales	TWh	1.27	1.45	*(0.18)*	*(12.2%)*
Natural gas distributed	TWh	1.11	0.97	*0.14*	*14.9%*

Natural gas sales decreased by 0.18 TWh, or 12.2%. The decrease was driven by lower wholesale sales. In Lithuania, the natural gas distribution volumes increased by 0.14 TWh, or 14.9%, due to higher consumption of B2B customers.

3.3 Quarterly summary

Key financial indicators

		Q2 2024	Q1 2024	Q4 2023	Q3 2023	Q2 2023	Q1 2023	Q4 2022	Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Total revenue	EURm	438.8	653.5	707.5	471.2	442.1	928.3	1,359.1	1,294.7	741.9	991.2	733.2	427.3
Adjusted EBITDA APM	EURm	108.0	181.7	139.4	91.8	103.6	149.9	112.1	150.8	95.1	111.4	111.8	72.2
Adjusted EBITDA Margin APM	%	24.5%	28.1%	20.3%	20.2%	20.7%	17.0%	8.9%	11.4%	13.3%	11.0%	14.7%	17.4%
EBITDA APM	EURm	105.3	188.9	159.2	108.3	44.6	195.3	206.2	122.1	119.8	91.6	88.0	83.8
Adjusted EBIT APM	EURm	63.2	140.3	98.5	52.7	67.1	111.3	68.5	112.0	60.0	76.9	78.0	41.4
Operating profit (EBIT) APM	EURm	60.4	147.5	118.3	69.1	8.2	156.6	162.6	83.3	84.7	57.2	29.5	53.0
Adjusted Net Profit APM	EURm	52.0	112.6	93.5	42.9	61.4	88.7	53.7	94.4	46.8	61.1	70.2	29.2
Net Profit	EURm	49.7	118.7	107.6	56.8	28.6	127.2	108.5	70.1	68.0	46.8	47.9	51.2
Investments APM	EURm	212.8	209.5	303.4	231.1	281.8	120.8	154.0	188.1	117.5	62.0	103.1	54.1
FFO APM	EURm	55.9	169.5	142.9	82.8	(23.7)	185.3	197.2	101.4	96.2	89.3	82.9	67.4
FCF APM	EURm	(110.0)	5.0	(97.1)	(165.5)	(157.8)	208.0	652.9	(385.5)	(92.8)	(157.2)	(278.5)	(47.3)
Adjusted ROE LTM APM	%	13.5%	14.2%	13.1%	11.4%	14.2%	13.9%	12.9%	13.7%	10.7%	10.0%	8.9%	9.1%
ROE LTM APM	%	15.0%	14.2%	14.6%	14.8%	15.9%	18.4%	14.7%	11.5%	10.8%	8.6%	8.7%	11.1%
Adjusted ROCE LTM APM	%	10.4%	11.1%	9.8%	8.6%	11.3%	12.1%	10.7%	10.7%	9.1%	8.8%	7.9%	7.8%
ROCE LTM APM	%	11.6%	10.7%	10.5%	11.4%	13.0%	16.7%	13.1%	8.3%	7.9%	7.1%	7.3%	9.9%
		30 Jun 2024	**31 Mar 2024**	**31 Dec 2023**	**30 Sep 2023**	**30 Jun 2023**	**31 Mar 2023**	**31 Dec 2022**	**30 Sept 2022**	**30 Jun 2022**	**31 Mar 2022**	**31 Dec 2021**	**30 Sept 2021**
Total assets	EURm	5,366.0	5,327.5	5,244.4	5,067.9	5,049.7	4,928.2	5,271.6	5,304.7	4,614.5	4,623.0	4,258.1	4,131.1
Equity	EURm	2,369.5	2,321.4	2,263.4	2,100.9	2,083.6	2,060.3	2,125.6	2,228.2	2,127.8	2,005.3	1,855.9	1,811.2
Net Debt APM	EURm	1,411.0	1,287.8	1,317.5	1,114.1	966.7	762.9	986.9	1,512.8	1,156.2	1,000.7	957.2	620.4
Net Working Capital APM	EURm	113.7	144.4	175.2	216.8	191.0	314.8	443.3	1,030.0	717.4	633.6	438.7	169.5
Capital Employed APM	EURm	3,780.5	3,609.2	3,580.9	3,214.8	3,050.1	2,823.3	3,112.5	3,741.0	3,284.0	3,006.0	2,813.2	2,431.6
Net Debt/EBITDA LTM APM	times	2.51	2.57	2.60	2.01	1.70	1.19	1.83	3.65	3.08	2.95	2.79	1.72
Net Debt/Adjusted EBITDA LTM APM	times	2.71	2.49	2.72	2.44	1.87	1.50	2.10	3.23	2.96	2.73	2.88	1.99
FFO LTM /Net Debt APM	%	32.0%	28.9%	29.4%	39.6%	47.6%	76.0%	49.1%	23.9%	28.4%	29.7%	31.3%	51.3%

Key operating indicators

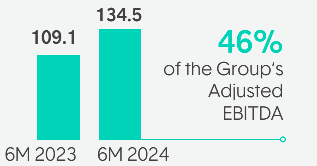
		30 Jun 2024	31 Mar 2024	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022	30 Sept 2022	30 Jun 2022	31 Mar 2022	31 Dec 2021	30 Sept 2021
Electricity													
Green Capacities Portfolio	GW	7.7	7.4	7.1	6.3	5.7	5.3	5.1	3.6	3.0	2.7	2.6	2.8
Secured Capacity	GW	2.9	2.9	2.9	2.5	1.8	1.6	1.6	1.4	1.4	1.4	1.4	1.4
Installed Capacity	GW	1.4	1.4	1.3	1.3	1.2	1.2	1.2	1.2	1.2	1.2	1.2	1.1
Under Construction	GW	0.8	0.9	0.9	0.5	0.6	0.4	0.4	0.2	0.1	0.1	0.1	0.2
Awarded / Contracted	GW	0.7	0.7	0.7	0.7	-	-	-	-	-	-	-	-
Advanced Development Pipeline	GW	0.9	0.7	1.0	1.4	1.3	0.9	0.7	0.1	0.3	0.2	0.1	-
Early Development Pipeline	GW	3.8	3.8	3.3	2.4	2.6	2.8	2.8	2.1	1.4	1.1	1.1	1.2
Heat													
Heat Generation Capacity	GW	0.4	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
Installed Capacity	GW	0.4	0.3	0.3	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
Under Construction	GW	-	0.0	0.0	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
		Q2 2024	**Q1 2024**	**Q4 2023**	**Q3 2023**	**Q2 2023**	**Q1 2023**	**Q4 2022**	**Q3 2022**	**Q2 2022**	**Q1 2022**	**Q4 2021**	**Q3 2021**
Electricity													
Electricity Generated (net)	TWh	0.55	0.77	0.67	0.44	0.41	0.55	0.56	0.37	0.41	0.59	0.61	0.58
Green Electricity Generated (net)	TWh	0.50	0.61	0.51	0.36	0.36	0.53	0.42	0.31	0.37	0.55	0.52	0.30
Green Share of Generation	%	91.7%	79.9%	76.6%	81.1%	88.4%	95.6%	75.7%	83.3%	90.9%	93.8%	84.4%	51.6%
Electricity sales	TWh	1.54	1.84	1.88	1.56	1.56	1.89	1.91	1.81	2.07	2.19	1.97	1.67
Electricity distributed	TWh	2.27	2.78	2.70	2.22	2.22	2.60	2.51	2.29	2.44	2.77	2.77	2.45
SAIFI	units	0.36	0.21	0.40	0.37	0.32	0.27	0.31	0.28	0.31	0.62	0.35	0.38
SAIDI	min.	36	14	46	41	14	19	34	19	20	105	29	31
Heat													
Heat Generated (net)	TWh	0.37	0.46	0.40	0.20	0.20	0.28	0.25	0.16	0.18	0.30	0.28	0.12
Natural gas													
Natural gas sales	TWh	1.27	2.84	2.65	1.34	1.45	3.86	3.83	2.52	2.44	4.01	2.85	1.39
Natural gas distributed	TWh	1.11	2.68	2.26	0.78	0.97	2.31	2.02	0.77	1.21	2.68	2.74	1.02

3.4 Results by business segments

Overview

Green Capacities

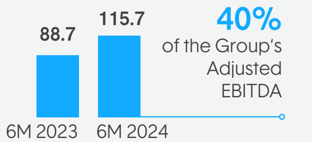
Adjusted EBITDA, EURm



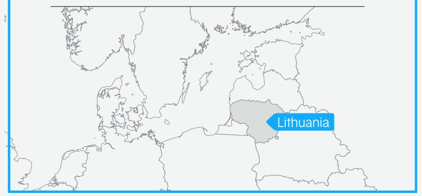
Revenue, EURm	200.9
Adjusted EBIT, EURm	113.8
Investments, EURm	269.6

Networks

Adjusted EBITDA, EURm

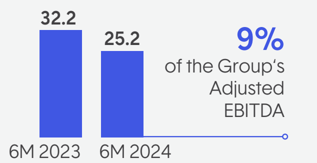


Revenue, EURm	354.4
Adjusted EBIT, EURm	61.7
Investments, EURm	135.8

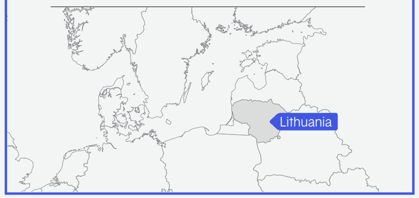


Reserve Capacities

Adjusted EBITDA, EURm

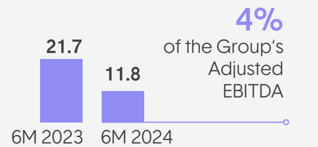


Revenue, EURm	63.8
Adjusted EBIT, EURm	19.4
Investments, EURm	0.5

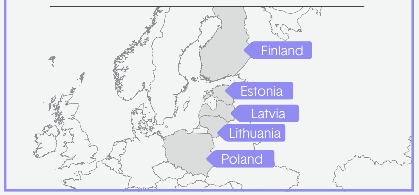


Customers & Solutions

Adjusted EBITDA, EURm



Revenue, EURm	571.6
Adjusted EBIT, EURm	10.5
Investments, EURm	7.8



Indicators provided in this page (except Revenue) are considered as Alternative Performance Measures APM.

Green Capacities

Q2 2024 highlights

- In May 2024, Vilnius CHP biomass unit has reached full COD (71 MWe, 170 MWth)
- In May 2024, the first wind turbine has been erected in the largest wind farm under construction in the Baltics at Kelmė WF I & II (300 MW) in Lithuania. The project is expected to reach COD in 2025.
- In April 2024, we have secured land for the development of hybrid projects (314 MW), i.e., we are planning to develop wind farms near our Latvian solar projects.
- In May 2024, we secured the grid capacity for our first early development BESS projects (<260 MW in Lithuania.
- In April 2024, we submitted a bid in the tender for the second 700 MW Lithuanian offshore wind project. However, due to the limited number of participants, the tender did not convene.

After the reporting period:

- In July 2024, Tauragė solar farm (22.1 MW) in Lithuania has reached COD.
- In July 2024 we have secured additional grid capacity for a 38 MW BESS project in Lithuania.
- In July 2024, Moray West offshore WF project (882 MW), which is owned by Ocean Winds and us (a minority shareholder of 5%), has successfully supplied its first power to the grid. The project's COD is expected in 2025.

Key financial indicators, EURm

	6M 2024	6M 2023	Δ	Δ, %	Q2 2024	Q2 2023	Δ	Δ, %
Total revenue	200.9	163.4	*37.5*	*22.9%*	86.8	63.8	*23.0*	*36.1%*
Adjusted EBITDA APM	134.5	109.1	*25.4*	*23.3%*	57.5	39.1	*18.4*	*47.1%*
EBITDA APM	134.5	109.1	*25.4*	*23.3%*	57.5	39.1	*18.4*	*47.1%*
Adjusted EBIT APM	113.8	94.8	*19.0*	*20.0%*	46.5	31.9	*14.6*	*45.8%*
Operating profit (EBIT) APM	113.8	94.8	*19.0*	*20.0%*	46.5	31.9	*14.6*	*45.8%*
Investments APM	269.6	234.0	*35.6*	*15.2%*	130.7	187.8	*(57.1)*	*(30.4%)*
Adjusted EBITDA Margin APM	67.0%	66.8%	*0.2 pp*	*n/a*	66.2%	61.2%	*5.0 pp*	*n/a*
	30 Jun 2024	**31 Dec 2023**	**Δ**	**Δ, %**	**30 Jun 2024**	**31 Mar 2024**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	1,582.7	1,325.3	*257.4*	*19.4%*	1,582.7	1,423.7	*159.0*	*11.2%*

Financial results

Q2 results

The Green Capacities segment's revenue was 36.1%, or EUR 23.0 million, higher compared to Q2 2023. Revenue increased primarily as a result of the launch of new assets (Mažeikiai WF, Silesia WF I and Vilnius CHP biomass unit) and higher captured electricity prices, mainly due to the flexibility of the assets.

The Green Capacities segment's Adjusted EBITDA was 47.1%, or EUR 18.4 million, higher compared to Q2 2023. Adjusted EBITDA increased primarily as a result of the launch of new assets (Mažeikiai WF, Silesia WF I and Vilnius CHP biomass unit) and higher captured electricity prices, mainly due to the flexibility of the assets.

Compared to Q2 2023, Investments in the Green Capacities segment have decreased following the successful completion of several major projects. During the last twelve months, Silesia WF I and Vilnius CHP biomass unit have reached COD, while Silesia WF II has reached its final development stage, with COD expected in Q1 2025.

Operating performance

Q2 results

As of 30 June 2024, the Green Capacities Portfolio increased to 7.71 GW, up from 7.39 GW on 31 March 2024. The growth is attributed to the secured grid capacity for our first BESS projects (<260 MW) in Lithuania. The Secured Capacity stood at 2.94 GW.

Electricity Generated (net) increased by 0.14 TWh, or 38.4%, in Q2 2024 compared to Q2 2023. The increase was driven by generation at Vilnius CHP biomass unit, which achieved the full COD for the remaining 21 MWe capacity in May 2024. The growth was also supported by Kruonis PSHP, due to a greater number of days with favourable conditions for generation, and by Silesia WF I, which reached COD in March 2024. Heat Generated (net) in Q2 2024 amounted to 0.37 TWh and was 0.17 TWh, or 83.7%, higher compared to Q2 2023. The increase was driven by generation at Vilnius CHP biomass unit, which has reached full COD for the remaining 21 MWth capacity in May 2024.

Key operating indicators

		30 Jun 2024	31 Dec 2023	Δ	Δ, %	30 Jun 2024	31 Mar 2024	Δ	Δ, %
Electricity									
Green Capacities Portfolio	GW	7.71	7.14	*0.57*	*7.9%*	7.71	7.39	*0.32*	*4.3%*
Secured Capacity[1]	GW	2.94	2.94	*(0.00)*	*(0.1%)*	2.94	2.94	*(0.00)*	*(0.1%)*
Installed Capacity	GW	1.40	1.33	*0.07*	*5.3%*	1.40	1.38	*0.02*	*1.5%*
Onshore wind	GW	0.28	0.23	*0.05*	*21.4%*	0.28	0.28	-	*-%*
Hydro	GW	1.00	1.00	-	*-%*	1.00	1.00	-	*-%*
Pumped-storage	GW	0.90	0.90	-	*-%*	0.90	0.90	-	*-%*
Run-of-river	GW	0.10	0.10	-	*-%*	0.10	0.10	-	*-%*
Waste	GW	0.04	0.04	-	*-%*	0.04	0.04	-	*-%*
Biomass	GW	0.07	0.05	*0.02*	*42.0%*	0.07	0.05	*0.02*	*42.0%*
Under Construction	GW	0.84	0.91	*(0.07)*	*(8.0%)*	0.84	0.86	*(0.02)*	*(2.7%)*
Onshore wind	GW	0.44	0.49	*(0.05)*	*(10.3%)*	0.44	0.44	-	*-%*
Solar	GW	0.29	0.29	-	*-%*	0.29	0.29	-	*-%*
Hydro	GW	0.11	0.11	-	*-%*	0.11	0.11	-	*-%*
Biomass	GW	-	0.02	*(0.02)*	*(100.0%)*	-	0.02	*(0.02)*	*(100.0%)*
Awarded / Contracted	GW	0.70	0.70	-	*-%*	0.70	0.70	-	*-%*
Advanced Development Pipeline	GW	0.95	0.95	*(0.01)*	*(0.9%)*	0.95	0.69	*0.25*	*36.5%*
Early Development Pipeline	GW	3.83	3.25	*0.58*	*17.7%*	3.83	3.76	*0.06*	*1.7%*
Heat									
Heat Generation Capacity	GW	0.35	0.35	*0.0*	*0.3%*	0.35	0.35	*0.00*	*0.3%*
Installed Capacity	GW	0.35	0.33	*0.02*	*6.4%*	0.35	0.33	*0.02*	*6.4%*
Under Construction	GW	-	0.02	*(0.02)*	*(100.0%)*	-	0.02	*(0.02)*	*(100.0%)*
		6M 2024	**6M 2023**	**Δ**	**Δ, %**	**Q2 2024**	**Q2 2023**	**Δ**	**Δ, %**
Electricity									
Electricity Generated (net)	TWh	1.12	0.89	*0.23*	*25.3%*	0.50	0.36	*0.14*	*38.4%*
Onshore wind	TWh	0.37	0.25	*0.12*	*47.7%*	0.14	0.10	*0.04*	*43.9%*
Solar	TWh	0.00	-	*0.00*	*-%*	0.00	-	*0.00*	*-%*
Hydro	TWh	0.49	0.50	*(0.01)*	*(2.0%)*	0.23	0.20	*0.02*	*12.1%*
Pumped-storage	TWh	0.24	0.25	*(0.01)*	*(3.6%)*	0.13	0.11	*0.03*	*27.2%*
Run-of-river	TWh	0.25	0.25	*(0.00)*	*(0.4%)*	0.09	0.10	*(0.00)*	*(4.3%)*
Waste	TWh	0.15	0.14	*0.01*	*8.4%*	0.08	0.07	*0.01*	*17.6%*
Biomass	TWh	0.10	-	*0.10*	*-%*	0.06	-	*0.06*	*-%*
Onshore wind farms availability factor	%	94.7%	94.8%	*(0.0 pp)*	*n/a*	93.6%	97.2%	*(3.6 pp)*	*n/a*
Onshore wind farms load factor	%	31.0%	30.4%	*0.6 pp*	*n/a*	22.4%	20.4%	*2.0 pp*	*n/a*
Wind speed	m/s	6.9	6.8	*0.1*	*0.9%*	6.0	5.6	*0.5*	*8.3%*
Heat									
Heat Generated (net)	TWh	0.83	0.48	*0.35*	*74.2%*	0.37	0.20	*0.17*	*83.7%*
Waste[2]	TWh	0.42	0.42	*(0.01)*	*(1.5%)*	0.18	0.19	*(0.01)*	*(3.8%)*
Biomass	TWh	0.41	0.05	*0.36*	*677.4%*	0.19	0.01	*0.17*	*1,480.0%*

[1] Vilnius CHP biomass unit was expected to have a capacity of 73 MWe and 169 MWth. After reaching the commercial operation date (COD), the actual capacity was realized as 71 MWe and 170 MWth. [2] Vilnius CHP and Kaunas CHP can use natural gas for starting/stopping the plant, running tests, etc., which is included in the reported values of 'Waste'.

Networks

Q2 2024 highlights

- In June 2024, we submitted the updated 10-year Investment Plan (2024–2033) to the regulator (NERC) for public consultation and coordination. The plan foresees a 40% increase in Investments to EUR 3.5 billion (from previously submitted Draft of EUR 2.5 billion over the period of 2022–2031).

After the reporting period:

- In July 2024, the total number of installed smart meters has exceeded 900 thousand (out of 1.1–1.2 million smart meters to be installed).

Financial results

Q2 results

The Networks segment's revenue in Q2 2024 was 19.9%, or EUR 25.9 million, higher than in Q2 2023. The increase was mainly driven by higher revenue from electricity transmission (EUR +31.1 million). The result was partly offset by lower revenue from electricity distribution (EUR -4.8 million) due to lower tariffs set by the regulator. The decrease in electricity distribution tariffs was mainly caused by lower expenses from electricity distribution technological losses, which have decreased due to lower electricity purchase prices.

In Q2 2024, the Networks segment's Adjusted EBITDA was EUR 10.2 million higher than in Q2 2023, mainly due to the higher RAB effect and higher WACC. Also, the Adjusted EBITDA increase was partly related to the higher share of allowed return, D&A and additional tariff component recognised in Q2 2024 vs Q2 2023, due to the temporary volume effect. This effect will level off over the course of the year as annual ROI, compensated depreciation and amortisation and additional tariff component are fixed for the year but allocated between the months based on the distributed volumes.

In Q2 2024, Investments decreased by 20.2%, or EUR 18.2 million, due to lower Investments made in smart meters (EUR -7.9 million) as the majority of smart meters were installed last year, causing gradual decline in the number of smart meters installed in Q2 2024. Investments in the expansion of the electricity distribution network (excluding smart meters) decreased by EUR 3.2 million, or 6.9%. The main reasons behind the decrease was lower number of new connections and upgrades.

Key financial indicators, EURm

	6M 2024	6M 2023	Δ	Δ, %	Q2 2024	Q2 2023	Δ	Δ, %
Total revenue	354.4	295.5	*58.9*	*19.9%*	155.8	129.9	*25.9*	*19.9%*
Adjusted EBITDA APM	115.7	88.7	*27.0*	*30.4%*	50.2	40.0	*10.2*	*25.5%*
EBITDA APM	102.9	156.6	*(53.7)*	*(34.3%)*	45.1	64.1	*(19.0)*	*(29.6%)*
Adjusted EBIT APM	61.7	38.3	*23.4*	*61.1%*	22.2	15.8	*6.4*	*40.5%*
Operating profit (EBIT) APM	48.9	106.2	*(57.3)*	*(54.0%)*	17.1	40.0	*(22.9)*	*(57.3%)*
Investments APM	135.8	161.9	*(26.1)*	*(16.1%)*	72.1	90.3	*(18.2)*	*(20.2%)*
Adjusted EBITDA Margin APM	31.5%	39.0%	*(7.5 pp)*	*n/a*	31.2%	37.7%	*(6.5 pp)*	*n/a*
	30 Jun 2024	**31 Dec 2023**	**Δ**	**Δ, %**	**30 Jun 2024**	**31 Mar 2024**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	2,127.1	2,046.5	*80.6*	*3.9%*	2,127.1	2,082.4	*44.7*	*2.1%*

Key regulatory indicators

		2024[1]	2023	Δ	Δ, %
Regulated activity share in Adjusted EBITDA in 6M	%	**100.00**	**100.00**	**0.0 pp**	***n/a***
Total					
RAB	EURm	1,584	1,429	155.0	*10.8%*
WACC (weighted average)	%	5.08	4.14	0.94 pp	*n/a*
D&A (regulatory)	EURm	79.3	74.9	4.4	*5.9%*
Additional tariff component	EURm	40.0	28.0	12.0	*42.9%*
Deferred part of investments covered by clients and electricity equipment transfer[2]	EURm	10.1	10.1	-	*-%*
Electricity distribution					
RAB	EURm	1,332	1,183	149.0	*12.6%*
WACC	%	5.09	4.17	0.92 pp	*n/a*
D&A (regulatory)	EURm	67.6	64.5	3.1	*4.8%*
Additional tariff component	EURm	40.0	28.0	12.0	*42.9%*
Deferred part of investments covered by clients and electricity equipment transfer[2]	EURm	9.3	9.3	-	*-%*
Natural gas distribution					
RAB	EURm	252	246	6.0	*2.4%*
WACC	%	5.03	3.99	1.04 pp	*n/a*
D&A (regulatory)	EURm	11.7	10.4	1.3	*12.5%*
Deferred part of investments covered by clients and electricity equipment transfer[2]	EURm	0.8	0.8	-	*-%*

[1] Numbers approved and published by the regulator (NERC).
[2] Actual numbers from the Networks segment's Statement of Profit or Loss for reporting period.

Operating performance

Q2 results

The electricity distributed has increased by 0.05 TWh, or 2.2%, and the natural gas distribution increased by 0.14 TWh, or 14.9%, in Q2 2024 compared to Q2 2023. This growth is primarily related to higher demand from B2B customers as a result of increased industrial production.

In Q2 2024, the electricity distribution quality indicator SAIFI increased to 0.36 interruptions (compared to 0.32 in Q2 2023), and electricity SAIDI increased to 36 minutes (compared to 14 minutes in Q2 2023). The quarterly quality indicators deteriorated due to natural phenomena, mainly heavy snowfall, which caused mass disconnections during Q2 2024.

Key operating indicators

		30 Jun 2024	31 Dec 2023	Δ	Δ, %	30 Jun 2024	31 Mar 2024	Δ	Δ, %
Electricity									
Distribution network	thousand km	130	128	*2*	*1.6%*	130	129	*2*	*1.5%*
Number of customers	thousand	1,859	1,851	*8*	*0.4%*	1,859	1,854	*5*	*0.2%*
of which prosumers and producers	thousand	77	65	*12*	*18.8%*	77	69	*8*	*11.3%*
admissible power of prosumers and producers	MW	1,313	1,117	*196*	*17.5%*	1,313	1,173	*140*	*12.0%*
Number of smart meters installed	thousand	905	729	*176*	*24.1%*	905	836	*69*	*8.2%*
Natural gas									
Distribution network	thousand km	10	10	*0*	*0.1%*	10	10	*0*	*0.1%*
Number of customers	thousand	626	626	*0*	*0.0%*	626	626	*(0)*	*(0.0%)*
		6M 2024	**6M 2023**	**Δ**	**Δ, %**	**Q2 2024**	**Q2 2023**	**Δ**	**Δ, %**
Electricity									
Electricity distributed	TWh	5.04	4.81	*0.23*	*4.8%*	2.27	2.22	*0.05*	*2.2%*
of which B2C	TWh	1.66	1.61	*0.05*	*3.0%*	0.71	0.72	*(0.01)*	*(1.4%)*
of which B2B	TWh	3.39	3.20	*0.18*	*5.7%*	1.55	1.49	*0.06*	*3.9%*
Technological losses	%	5.0%	3.7%	*1.3 pp*	*n/a*	4.1%	2.6%	*1.6 pp*	*n/a*
New Connection Points	thousand	19.2	29.9	*(10.6)*	*(35.6%)*	11.5	17.8	*(6.3)*	*(35.4%)*
Connection Point Upgrades	thousand	9.6	13.3	*(3.7)*	*(28.1%)*	4.9	6.3	*(1.3)*	*(21.0%)*
Admissible power of new connection points and upgrades	MW	200	290	*(90)*	*(31.0%)*	104	142	*(38)*	*(27.0%)*
Time to connect (average)	c. d.	36	46	*(10)*	*(22.0%)*	40	43	*(2)*	*(5.7%)*
SAIFI	units	0.57	0.58	*(0.01)*	*(1.9%)*	0.36	0.32	*0.04*	*14.0%*
SAIDI	min.	50	33	*17*	*50.8%*	36	14	*22*	*154.2%*
Supply of Last Resort	TWh	0.12	0.12	*(0.00)*	*(0.3%)*	0.05	0.05	*(0.00)*	*(6.9%)*
Natural gas									
Natural gas distributed	TWh	3.79	3.28	*0.52*	*15.8%*	1.11	0.97	*0.14*	*14.9%*
of which B2C	TWh	1.30	1.28	*0.02*	*1.4%*	0.27	0.27	*(0.00)*	*(1.0%)*
of which B2B	TWh	2.50	2.00	*0.50*	*25.0%*	0.84	0.70	*0.15*	*21.2%*
New connection points and upgrades	thousand	0.9	1.2	*(0.3)*	*(25.3%)*	0.5	0.6	*(0.2)*	*(25.8%)*
Technological losses	%	1.8%	1.8%	*(0.0 pp)*	*n/a*	2.1%	2.4%	*(0.3 pp)*	*n/a*
Time to connect (average)	c. d.	57	57	*0*	*0.1%*	57	55	*2*	*3.7%*
SAIFI	units	0.004	0.001	*0.002*	*136.2%*	0.002	0.001	*0.001*	*127.3%*
SAIDI	min.	0.31	0.12	*0.19*	*155.1%*	0.15	0.05	*0.10*	*206.0%*
Customer experience									
NPS (Transactional)	%	58.6%	48.4%	*10.2 pp*	*n/a*	65.9%	51.9%	*14.0 pp*	*n/a*

Reserve Capacities

Q2 2024 highlights

After the reporting period:

- In July Ignitis Gamyba donated the equipment from its old Combined Heat and Power Plant (CHP-3), which was mothballed since 2015, to Ukraine. The equipment will be used to assist the rebuilding of the destroyed energy infrastructure in Ukraine.

Financial results

Q2 results

Revenue was 58.8%, or EUR 27.4 million, lower compared to Q2 2023. The decrease was mainly driven by technical adjustment made in Q2 2023 for more accurate presentation purposes according to accounting standards. In Q1 2023 the sale of natural gas inventories acquired to fix the Clean Spark Spread, which was mainly realized without physical electricity generation was accounted at net result under COGS, however in Q2 2023 it was split separately into revenue and COGS, thus increasing revenue. If eliminating this impact YoY revenue result remained stable.

Adjusted EBITDA was 47.2%, or EUR 1.7 million, higher compared to Q2 2023. The increase was driven by the better result of commercial activities due to favourable market conditions and utilisation of the CCGT.

Key financial indicators, EURm

	6M 2024	6M 2023	Δ	Δ, %	Q2 2024	Q2 2023	Δ	Δ, %
Total revenue	63.8	61.1	*2.7*	*4.4%*	19.2	46.6	*(27.4)*	*(58.8%)*
Adjusted EBITDA APM	25.2	32.2	*(7.0)*	*(21.7%)*	5.3	3.6	*1.7*	*47.2%*
EBITDA APM	25.2	32.2	*(7.0)*	*(21.7%)*	5.3	3.6	*1.7*	*47.2%*
Adjusted EBIT APM	19.4	26.5	*(7.1)*	*(26.8%)*	2.4	0.9	*1.5*	*166.7%*
Operating profit (EBIT) APM	19.4	26.5	*(7.1)*	*(26.8%)*	2.4	0.9	*1.5*	*166.7%*
Investments APM	0.5	1.3	*(0.8)*	*(61.5%)*	0.3	1.0	*(0.7)*	*(70.0%)*
Adjusted EBITDA Margin APM	39.5%	52.7%	*(13.2 pp)*	*n/a*	27.7%	7.7%	*20.0 pp*	*n/a*

	30 Jun 2024	31 Dec 2023	Δ	Δ, %	30 Jun 2024	31 Mar 2024	Δ	Δ, %
PPE, intangible and right-of-use assets	260.7	278.6	*(17.9)*	*(6.4%)*	260.7	269.8	*(9.1)*	*(3.4%)*

Key regulatory indicators

		2024[1]	2023[1]	Δ	Δ, %
Regulated activity share in Adjusted EBITDA in 6M	%	**20.6**	**16.6**	***4.0 pp***	***n/a***
Total					
D&A (regulatory)	EURm	11.2	10.6	*0.6*	*5.7%*
CCGT					
D&A (regulatory)	EURm	7.2	7.6	*(0.4)*	*(5.3%)*
Units 7 and 8					
D&A (regulatory)	EURm	4.0	3.0	*1.0*	*33.3%*

[1] Numbers approved and published by the regulator (NERC).

Operating performance

Q2 results

In Q2 2024, Electricity Generated (net) at CCGT as well as units 7 and 8 at Elektrėnai Complex amounted to 0.05 TWh and was 3.9% lower compared Q2 2023 due to less favourable Clean Spark Spread over Q2 2024. Accordingly, it resulted in a 0.1 pp lower load factor in Q2 2024. Availability of Elektrėnai Complex remained at the high level of 100.0%.

The total Installed Capacity of Elektrėnai Complex is 1,055 MW, and, during the reporting period, 891 MW were used for isolated regime services with 260 MW provided by unit 7, 260 MW by unit 8 and 371 MW by CCGT.

Key operating indicators

		30 Jun 2024	31 Dec 2023	Δ	Δ, %	30 Jun 2024	31 Mar 2024	Δ	Δ, %
Electricity									
Installed electricity capacity	MW	1,055	1,055	-	-%	1,055	1,055	-	-%
Isolated system operation services	MW	891	891	-	-%	891	891	-	-%

		6M 2024	6M 2023	Δ	Δ, %	Q2 2024	Q2 2023	Δ	Δ, %
Electricity									
Electricity Generated (net)	TWh	0.20	0.07	*0.13*	*178.4%*	0.05	0.05	*(0.00)*	*(3.9%)*
Availability factor[1]	%	100.0%	99.9%	*0.0 pp*	*n/a*	100.0%	100.0%	*0.0 pp*	*n/a*
Load factor	%	4.3%	1.6%	*2.8 pp*	*n/a*	2.0%	2.1%	*(0.1 pp)*	*n/a*

[1] *Excluding the planned overhaul works.*

Customers & Solutions

Q2 2024 Highlights

- In April 2024, Ignitis ON signed a contract with Baltic Shopping Centers, which manages a shopping and leisure centre Mega, located in Kaunas, for the installation of a total of 20 EV charging points.
- In May 2024, a fast charging hub with the ability to charge 20 EVs at once has been opened in Palanga, Lithuania.

After the reporting period:

- In July 2024, a fast charging hub with the ability to charge 10 EVs at once has been opened in Riga, Latvia.

Key financial indicators, EURm

	6M 2024	6M 2023	Δ	Δ, %	Q2 2024	Q2 2023	Δ	Δ, %
Total revenue	571.6	933.7	*(362.1)*	*(38.8%)*	218.8	252.2	*(33.4)*	*(13.2%)*
Adjusted EBITDA APM	11.8	21.7	*(9.9)*	*(45.6%)*	(5.5)	20.8	*(26.3)*	*(126.4%)*
EBITDA APM	29.0	(59.9)	*88.9*	*n/a*	(3.2)	(62.4)	*59.2*	*(94.9%)*
Adjusted EBIT APM	10.5	20.1	*(9.6)*	*(47.8%)*	(6.2)	20.0	*(26.2)*	*(131.0%)*
Operating profit (EBIT) APM	27.8	(61.4)	*89.2*	*n/a*	(3.8)	(63.0)	*59.2*	*(94.0%)*
Investments APM	7.8	2.1	*5.7*	*271.4%*	5.2	1.5	*3.7*	*246.7%*
Adjusted EBITDA Margin APM	2.1%	2.1%	*-*	*-%*	(2.5%)	6.2%	*(8.7 pp)*	*n/a*
	30 Jun 2024	**31 Dec 2023**	**Δ**	**Δ, %**	**30 Jun 2024**	**31 Mar 2024**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	32.0	25.0	*7.0*	*28.0%*	32.0	28.4	*3.6*	*12.7%*

Financial results

Q2 results

In Q2 2024, the Customers & Solutions segment's revenue was 13.2%, or EUR 33.4 million, lower than in Q2 2023. The decrease in revenue was recorded in electricity business (EUR -38.8 million), mainly due to lower market prices (-6.7% average price in the Lithuanian market area).

The Customers & Solutions segment's Adjusted EBITDA was EUR 26.3 million lower compared to Q2 2023. The decrease was primarily related to the lower results in the B2B natural gas supply, attributed to the normalised COGS levels in Q2 2024. In contrast, Q2 2023 benefited from irregular extra-profits from one-off gas purchase deals.

Operating performance

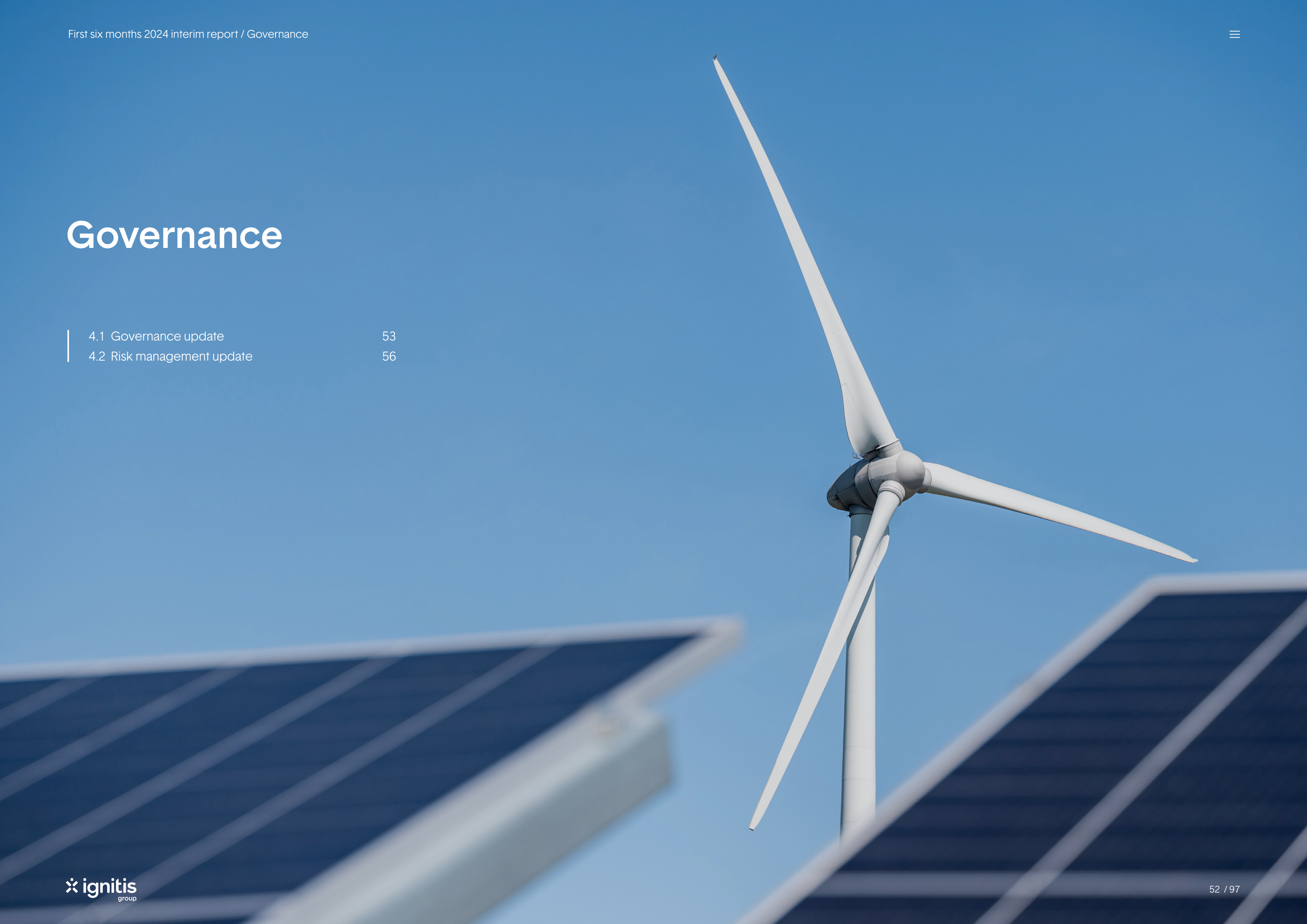
Q2 results

In Q2 2024, electricity sales reached 1.50 TWh and were at the similar level as in Q2 2023. The natural gas sales have decreased by 0.18 TWh, or 12.2%, in Q2 2024, driven by lower wholesale sales (-0.38 TWh). Meanwhile, natural gas retail sales have increased by 0.20 TWh, or 19.5%, primarily in Lithuania, due to decreased natural gas market prices, and in Finland, where a rise in sales was recorded after the Balticconnector pipeline resumed its commercial operations in April 2024.

Key operating indicators

		30 Jun 2024	31 Dec 2023	Δ	Δ, %	30 Jun 2024	31 Mar 2024	Δ	Δ, %
Electricity									
Number of customers	m	1.4	1.4	*(0.0)*	*(0.7%)*	1.4	1.4	*0.0*	*0.1%*
EV charging points	units	655	376	*279*	*74.2%*	655	453	*202*	*44.6%*
Natural gas									
Number of customers	m	0.6	0.6	*(0.0)*	*(0.3%)*	0.6	0.6	*(0.0)*	*(0.0%)*
Gas inventory	TWh	0.9	1.7	*(0.9)*	*(50.2%)*	0.9	0.5	*0.4*	*88.6%*
		6M 2024	**6M 2023**	**Δ**	**Δ, %**	**Q2 2024**	**Q2 2023**	**Δ**	**Δ, %**
Electricity sales									
Lithuania	TWh	2.48	2.64	*(0.16)*	*(5.9%)*	1.11	1.18	*(0.07)*	*(6.1%)*
Latvia	TWh	0.39	0.40	*(0.01)*	*(2.3%)*	0.18	0.16	*0.02*	*11.5%*
Estonia	TWh	0.00	0.00	*(0.00)*	*(2.3%)*	0.00	0.00	*(0.00)*	*(7.3%)*
Poland	TWh	0.39	0.29	*0.10*	*34.1%*	0.20	0.16	*0.04*	*27.9%*
Total retail	TWh	3.26	3.33	*(0.06)*	*(1.9%)*	1.50	1.50	*(0.01)*	*(0.6%)*
of which B2C	TWh	1.11	1.10	*0.02*	*1.4%*	0.49	0.50	*(0.01)*	*(2.1%)*
of which B2B	TWh	2.15	2.23	*(0.08)*	*(3.6%)*	1.01	1.01	*0.00*	*0.1%*
Natural gas sales	TWh	4.11	5.30	*(1.19)*	*(22.5%)*	1.27	1.45	*(0.18)*	*(12.2%)*
Lithuania	TWh	2.69	2.51	*0.18*	*7.1%*	0.78	0.66	*0.13*	*19.1%*
Latvia	TWh	0.18	0.19	*(0.01)*	*(6.8%)*	0.07	0.07	*0.01*	*7.2%*
Estonia	TWh	0.00	0.01	*(0.01)*	*(99.0%)*	-	0.00	*(0.00)*	*(100.0%)*
Poland	TWh	0.14	0.19	*(0.05)*	*(27.4%)*	0.06	0.08	*(0.02)*	*(24.3%)*
Finland	TWh	0.60	0.93[1]	*(0.33)*	*(35.2%)*	0.34	0.24[1]	*0.10*	*40.0%*
Total retail	TWh	3.60	3.83[1]	*(0.22)*	*(5.8%)*	1.25	1.05[1]	*0.20*	*19.5%*
of which B2C	TWh	1.33	1.31	*0.02*	*1.5%*	0.28	0.28	*(0.00)*	*(1.0%)*
of which B2B	TWh	2.27	2.52[1]	*(0.24)*	*(9.6%)*	0.98	0.77[1]	*0.21*	*26.9%*
Wholesale market	TWh	0.50	1.48[1]	*(0.97)*	*(65.8%)*	0.02	0.40[1]	*(0.38)*	*(96.1%)*
Customer experience									
NPS (B2C – Transactional)	%	72.9%	64.7%	*8.2 pp*	*n/a*	75.7%	67.4%	*8.3 pp*	*n/a*
NPS (B2B – Transactional)	%	65.0%	76.0%	*(11.0 pp)*	*n/a*	63.0%	78.0%	*(15.0 pp)*	*n/a*

[1] *The reported values of gas sales volumes in both retail and wholesale markets in 6M 2023 and Q2 2023 have been revised after updated information was received from end users.*



Governance

4.1 Governance update

Overview

In this section, we highlight key changes, if any, related to the governance of the Group both during and after the reporting period.

Key changes during the reporting period

The Annual General Meeting of Shareholders

The Annual General Meeting of Shareholders (AGM) was held on 27 March 2024. The AGM agreed to the Group's consolidated annual report, approved the set of financial statements, cancelled the reserve for the acquisition of own ordinary registered shares, allocated the parent company's profit (loss), approved the Group's updated Remuneration Policy and determined the updated remuneration for the members of the Supervisory Board and the Audit Committee.

Collegial bodies of the Group companies carried out self-assessments

In line with the best corporate governance practices as well as the aim set out in the Letter of Expectations of the Majority Shareholder, and the Corporate Governance Code for the Companies Listed on Nasdaq Vilnius, the collegial bodies of the Group companies carried out self-assessments during the reporting period. In line with best practices and the Majority Shareholder's expectations, each year the Supervisory Board conducts a self-assessment on its own initiative and agrees on further actions to improve the functioning of the Supervisory Board. It is also notable that, at least once every three years, the parent company contracts an independent external consultant to carry out an evaluation of the Supervisory Board's performance. The first such evaluation was conducted in 2021. This year the parent company has again contracted an independent external consultant to conduct an external evaluation of the performance of the Supervisory Board and its committees, including the Audit Committee, which is currently underway.

Changes in collegial bodies

- *The composition of the Supervisory Board and the Nomination and Remuneration Committee of AB "Ignitis grupė" has changed.* On 21 December 2023, the parent company received a Letter of Resignation from Bent Christensen, an independent member of the Supervisory Board and the Nomination and Remuneration Committee. Bent Christensen's term as a member of the Supervisory Board and the Nomination and Remuneration Committee ended on 4 January 2024. The selection of a new Supervisory Board member was announced on 8 May 2024.
- *The CEO of AB "Ignitis gamyba" has changed.* On 27 March 2024, Asta Sungailienė replaced the previous CEO of AB "Ignitis gamyba", Rimgaudas Kalvaitis, after his five-year term came to an end.

Tauragė wind and solar farm, Lithuania

– *The CEO of UAB Elektroninių mokėjimų agentūra has announced her resignation.* Gabrielė Lubytė, CEO of UAB Elektroninių mokėjimų agentūra, announced her resignation. Justina Charlamova has been appointed as Interim CEO from 27 February 2024.
– *The CEO of UAB "Transporto valdymas" has been appointed for the second term of office.* On 28 February 2024, by the decision of the sole shareholder, Jurgita Navickaitė-Dedelienė was appointed as the CEO of UAB "Transporto valdymas" for a second five-year term.
– *The Board of Kaunas CHP has been appointed for a new four-year term of office.* On 30 April 2024, the new Board of Kaunas CHP took office. The Board comprises three members: independent member Mantas Bartuška and shareholders' representatives Mantas Mikalajūnas (delegated by the parent company) and Vitalijus Žuta (delegated by UAB GREN Lietuva).
– *The composition of the Management Board of Ignitis Renewables Polska Sp. z o.o. has changed.* On 31 January 2024, the General Meeting of Shareholders of Ignitis Renewables Polska Sp. z o.o. made a decision to appoint Maciej Kowalski as the new Member and Chair of the Management Board of Ignitis Renewables Polska sp. z o.o. Therefore, Jacek Wojerz was dismissed as the Chair and Laurynas Jocys was dismissed as a Member of the Management Board.
– *The composition of the Boards of the subsidiaries of Ignitis Renewables has changed.* In June, the composition of the Boards of the below-listed subsidiaries of Ignitis Renewables changed, and the current Board members are indicated below:
  - the Board of Ignitis renewables Latvia SIA: Garry Bills and Baiba Lāce;
  - the Board of IGN RES DEV1 SIA: Matthew Michael Charles Braund and Baiba Lāce;
  - the Board of IGN RES DEV2 SIA: Garry Bills and Baiba Lāce;
  - the Board of IGN RES DEV3 SIA: Matthew Michael Charles Braund and Baiba Lāce;
  - the Board of IGN RES DEV4 SIA: Matthew Michael Charles Braund and Baiba Lāce;
  - the Board of IGN RES DEV5 SIA: Matthew Michael Charles Braund and Baiba Lāce;
  - the Board of IGN RES DEV6 SIA: Matthew Michael Charles Braund and Baiba Lāce;
  - the Board of IGN RES DEV7, SIA: Matthew Michael Charles Braund and Baiba Lāce;
  - the Board of "SP Venta" SIA: Garry Bills and Baiba Lāce;
  - the Board of SIA BRVE: Matthew Michael Charles Braund and Baiba Lāce;
  - the Board of SIA CVE: Matthew Michael Charles Braund and Baiba Lāce.

Changes in the Group's structure

– In January 2024, AB "Ignitis gamyba" established a new subsidiary UAB "Ignitis gamyba projektai".
– In April 2024, UAB "Ignitis renewables" established two new subsidiaries: UAB "Ignitis renewables projektai 9" and UAB "Ignitis renewables projektai 10".
– In May 2024, UAB "Ignitis renewables" established a new subsidiary UAB "Ignitis renewables projektai 11".

Other information available in our Integrated Annual Report 2023 as well as our website	Shareholder's competences
	Information on the General Meetings of Shareholders
	Functions, selection criteria, management of conflicts of interests and remuneration principles of collegial body members and CEOs, including information on their education, competences, experience, place of employment, and participation in the capital of the parent company or its subsidiaries
	Information about Group's governance system of the entities
	Group's structure

Key changes after the reporting period

Changes in collegial bodies

– *The new CEO of UAB Elektroninių mokėjimų agentūra has been appointed.* Following the selection of the CEO of UAB Elektroninių mokėjimų agentūra, which was announced after the resignation of the former CEO, Jurgita Blažienė has been appointed as the CEO from 9 July 2024.

Changes in the Group's structure

– In July 2024, UAB "Ignitis renewables" established two new subsidiaries: UAB "Ignitis renewables Estonia OÜ" and UAB "Ignitis renewables DevCo1 OÜ".
– In July 2024, the governance model of Ignitis Polska Sp. z o.o., a sybsidiary of UAB "Ignitis" was changed: from two-tier to one-tier, with the removal of the Supervisory Board.
– In August 2024, the names of the two subsidiaries of UAB "Ignitis renewables"were changed: UAB „Ignitis renewables projektai 3" became UAB ARROW HOLDCO and UAB „Vėjo galia bendruomenei" was renamed UAB ARROW CLUSTER.

Members of the Supervisory Board

Alfonso Faubel
Chair, member since 26/10/2021
Independent
Competence: renewable energy

Term of office expires: 25/10/2025

Aušra Vičkačkienė
Member since 30/08/2017
Re-elected on 26/10/2021
Majority Shareholder's representative
Competence: public policy and governance

Term of office expires: 25/10/2025.

Bent Christensen
Member since 12/11/2020
Re-elected on 26/10/2021
Independent
Competence: strategic management and international development

Term of office ended on 4 January 2024. This position is currently vacant. Selection initiated.

Ingrida Muckutė
Member since 26/10/2021
Majority Shareholder's representative
Competence: public policy and governance

Term of office expires: 25/10/2025

Judith Buss
Member since 12/11/2020
Re-elected on 26/10/2021
Independent
Competence: financial management

Term of office expires: 25/10/2025

Lorraine Wrafter
Member since 26/10/2021
Independent
Competence: organisational development

Term of office expires: 25/10/2025

Tim Brooks
Member since 26/10/2021
Independent
Competence: sustainable development and risk management

Term of office expires: 25/10/2025

Members of the Management Board

Darius Maikštėnas
Chair, CEO since 01/02/2018
Re-elected on 18/02/2022
Competence: strategy and management, sustainability

Term of office expires: 17/02/2026

Jonas Rimavičius
Member since 18/02/2022
Competence: finance

Term of office expires: 17/02/2026

Dr. Živilė Skibarkienė
Member since 01/02/2018
Re-elected on 18/02/2022
Competence: organisational development

Term of office expires: 17/02/2026

Vidmantas Salietis
Member since 01/02/2018
Re-elected on 18/02/2022
Competence: commercial

Term of office expires: 17/02/2026

Mantas Mikalajūnas
Member since 18/02/2022
Competence: regulated activities

Term of office expires: 17/02/2026

4.2 Risk management update

Risk management framework

Overview

In connection with the business activities, the Group is exposed to both internal and external risks that might affect our performance. To ensure their mitigation to an acceptable level, we apply uniform risk management principles, which are based on the best market practices, including the guidance of the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and AS/NZS ISO 31000:2018. A clear segregation of risk management and control duties is controlled by applying the 'Three-lines enterprise risk management framework' in the Group, where the duties are distributed between management and supervisory bodies, structural units, and functions.

In order to ensure that risk management information and decisions are relevant and reflect all the changes relevant to the Group, the Group applies a uniform risk management process, which includes all the Group companies and functions. To ensure effective risk management control, we monitor risks, risk management measures, key risk indicators and prepare internal reports for the management (both at the Group or the Group company level and at the function level) on a quarterly basis.

More detailed information on our risk management framework is available in our Integrated Annual Report 2023.

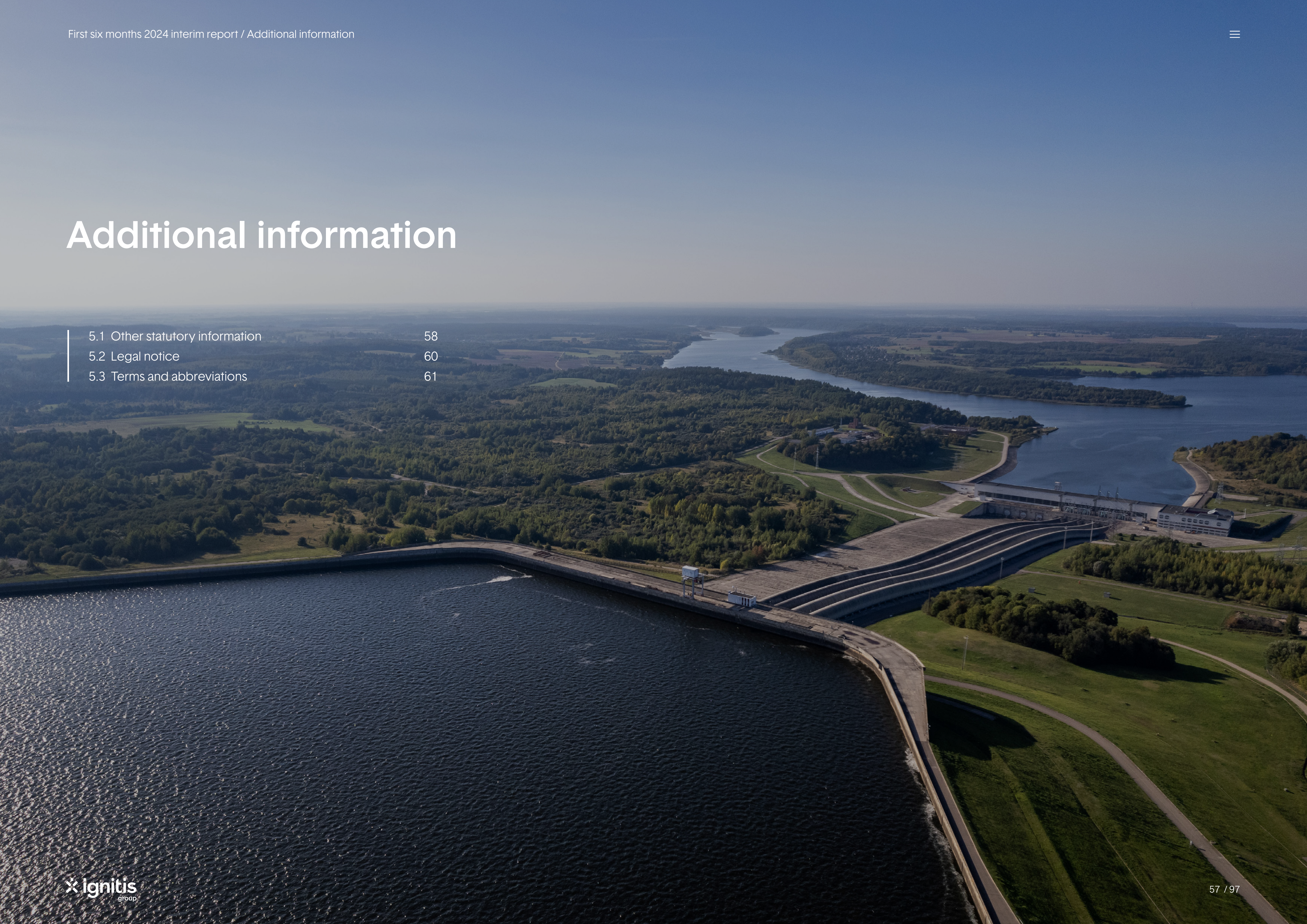
Key risks of the Group

There were no changes identified in Q2 2024 among the Group's key risks compared to the previous quarter.

In Q1 2024, the risk of failure to complete the Vilnius CHP biomass unit properly and on time decreased from 'High' to 'Low' and dropped out from the key risks list. In Q2 2024 the risk became obsolete as Vilnius CHP biomass project was officially finished. In Q1 2024, due to the updated risk assessment methodology, the risk of not ensuring the security of Lithuanian electricity system decreased from 'High' to 'Medium'.

The descriptions and mitigation plans of the above-mentioned and other key risks of the Group as well as the risk heat map are disclosed in the Group's Integrated Annual Report 2023.

Additional information



5.1 Other statutory information

The interim report provides information to shareholders, creditors, and other stakeholders of AB "Ignitis grupė" (the parent company) about the operations of the parent company and the companies it controls, which are collectively referred to as the Group companies (the Group or Ignitis Group), for the period of January–June 2024.

The parent company's CEO is responsible for its preparation, while the parent company's Management Board considers and approves the interim report. The first six months 2024 interim report, including the consolidated and the parent company's financial statements, was considered and approved by the parent company's Management Board on 13 August 2024. This report has been prepared in accordance with the Law on Companies of the Republic of Lithuania (link in Lithuanian), the Law on Financial Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania (link in Lithuanian), the Listing of Rules of Nasdaq Vilnius as well as legal acts and recommendations of relevant supervisory authorities and operators of the regulated markets.

Information that must be published by the parent company according to the legal acts of the Republic of Lithuania is made public, depending on the disclosure requirements, either on our website, on the websites of Nasdaq Vilnius, London and Luxembourg stock exchanges or both.

Ignitis Group people at work

Material event notifications of the parent company	Material event notifications of the parent company are published on Nasdaq Vilnius, London and Luxembourg stock exchanges as well as on the Group's website.
Information on the parent company's ordinary registered shares account manager	AB SEB bankas (info@seb.lt) is the parent company's ordinary registered shares account manager for the purposes of accounting securities and paying dividends. The owners of Global Depositary Receipts representing the ordinary registered shares (hereinafter – GDR) of the parent company must consult with the GDR issuer (the Bank of New York Mellon), its authorised party or their securities account managers for GDR-related information.
Alternative performance measures	Alternative Performance Measures (APM) are adjusted figures used in this report that refer to the measures used for internal performance management. As such, they are not defined or specified under International Financial Reporting Standards (IFRS), nor do they comply with IFRS requirements. Definitions of Alternative Performance Measures can be on the Group's website.
Internal control and risk management systems involved in the preparation of the financial statements	The Group's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. The employees of the company providing accounting services to the parent company ensure that the financial statements are prepared properly and that all the data are collected in a timely and accurate manner. The preparation of the parent company's financial statements, internal control and financial risk management systems are monitored and managed based on the legal acts governing the preparation of financial statements.
Related party transactions	Related party transactions concluded during the reporting period are disclosed in section '7 Parent company's financial statements' of this report and on our website. More detailed information regarding the policy on related party transactions is available here.
Information on the parent company's branches and representative offices as well as research and development activities	The parent company has no branches or representative offices and the parent company does not carry out research or development activities.
Notes on restated figures	There have been no restated figures during the reporting period.
Notice on the language	In the event of any discrepancy between the Lithuanian and the English versions of the document, the English version shall prevail.

5.2 Legal notice

This document has been prepared by AB "Ignitis grupė" (hereinafter – Ignitis Group) solely for informational purposes and must not be relied upon, disclosed or published, or used in part for any other purpose.

The document should not be treated as investment advice or provide basis for valuation of Ignitis Group's securities and should not be considered as a recommendation to buy, hold, or dispose of any of its securities, or any of the businesses or assets referenced in the document.

The information in this document may comprise information which is neither audited nor reviewed by independent third parties and should be considered as preliminary and potentially subject to change.

This document may also contain certain forward-looking statements, including but not limited to, the statements and expectations regarding anticipated financial and operational performance. These statements are based on the management's current views, expectations, assumptions, and information as of the date of this document announcement as well as the information that was accessible to the management at that time. Statements herein, other than the statements of historical fact, regarding Ignitis Group's future results of operations, financials, business strategy, plans and future objectives are forward-looking statements. Words such as "forecast", "expect", "intend", "plan", "will", "may", "should", "continue", "predict" or variations of these words, as well as other statements regarding the matters that are not a historical fact or regarding future events or prospects, constitute forward-looking statements.

Ignitis Group bases its forward-looking statements on its current views, which involve a number of risks and uncertainties, which may be beyond Ignitis Group's control or difficult to predict, and could cause the actual results to differ materially from those predicted and from the past performance of Ignitis Group. The estimates and projections reflected in the forward-looking statements may prove materially incorrect and the actual results may materially differ due to a variety of factors, including, but not limited to, legislative and regulatory factors, geopolitical tensions, economic environment and industry development, commodity and market factors, environmental factors, finance-related risks as well as expansion and operation of generation assets. Therefore, you should not rely on these forward-looking statements. For further risk-related information, please see section '4.2 Risk management update' of this report and section '4.7 Risk management' of our Integrated Annual Report 2023, all available at https://ignitisgrupe.lt/en/reports-and-presentations.

Certain financial and statistical information presented in this document is subject to rounding adjustments. Accordingly, any discrepancies between the listed totals and the sums of the amounts are due to rounding. Certain financial information and operating data relating to Ignitis Group presented in this document has not been audited and, in some cases, is based on the management's information and estimates, and is subject to change. This document may also include certain non-IFRS measures (e.g., Alternative Performance Measures, described at https://ignitisgrupe.lt/en/reports-and-presentations), which have not been subjected to a financial audit for any period.

In the event of any discrepancy between the Lithuanian and the English versions of the document, the English version shall prevail.

No responsibility or liability will be accepted by Ignitis Group, its affiliates, officers, employees, or agents for any loss or damage resulting from the use of forward-looking statements in this document. Unless required by the applicable law, Ignitis Group is under no duty and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

5.3 Terms and abbreviations

#	Number
%	Per cent
‘000 / k	Thousand
AB	Joint stock company
Advanced development Pipeline	Projects which have access to the electricity grid secured through preliminary grid connection agreement (agreement signed and grid connection fee has been paid) For offshore wind it also includes projects where public seabed auction has been won, but the grid connection has not yet been secured
APM	Alternative performance measure (link)
Awarded / contracted	Projects with one of the following: (i) awarded in government auctions and tenders (incl. CfD, FiP, FiT, seabed with grid connection), or (ii) for which offtake is secured through PPA or similar instruments (total secured offtake through PPA and other instruments should cover at least 50% of the annual expected generation volume of the asset)
B2B	Business to business
B2C	Business to consumer
BESS	Battery Energy Storage System
bn	Billion
CCGT	Combined Cycle Gas Turbine Plant
CDP	Carbon Disclosure Project
CfD	Contract for difference
CHP	Combined heat and power
CO_2	Carbon dioxide
COD (commercial operation date)	Projects with installed capacity achieved
CPI	Consumer Price Index
Early development Pipeline	Projects of planned capacity higher than 50 MW with substantial share of land rights secured
Electricity generated (net)	Electricity generated and sold in wind farms, solar power plants, biofuel plants, CHP plants, hydropower plants (including Kruonis pumped storage power plant) and electricity sold in Elektrėnai Complex
eNPS	Employee Net Promoter Score
Energijos Tiekimas	Energijos Tiekimas UAB
ESG	Environmental, social and corporate governance
ESO	AB “Energijos skirstymo operatorius“
etc.	et cetera
EURbn	billion EUR
EURm	million EUR
EU	European Union
Final investment decision (FID)	Relevant governance body decision to make significant financial commitments related to the project
FiT	Feed-in Tariff
FIP	Feed-in premium – fixed premium to the electricity market price
Full completion	Taking over certificate obtained implying the transfer of operational responsibility of the power plant to the Group
GDP	Gross domestic product
GDR	Global depositary receipt
GHG	Greenhouse Gas
Green electricity generated (net)	Electricity generated and sold in wind farms, solar power plants, biofuel plants and CHP plants and hydropower plants (including Kruonis pumped storage power plant)
Green Capacities	Previously - Green Generation
Green Capacities Portfolio	All Green Capacities projects of the Group, which include: (i) secured capacity, (ii) advanced development pipeline and (iii) early development pipeline
Green share of Capacities,%	Green share of Capacities shall be calculated as follows: Green electricity generated (including Kruonis pumped storage power plant) divided by total electricity generated in the Group
Group or Ignitis Group	AB “Ignitis grupė” and its controlled companies
Gross capacity	Total generation capacity, independently from actual/planned share of ownership, if the actual/planned ownership share is 51% or above
GW	Gigawatt

Heat generated (net)	Heat sold in CHP plants, biomass plants
Hydropower	Kaunas Algirdo Brazauskas hydroelectric power plant and Kruonis pumped storage power plant
IFRS	International Financial Reporting Standards
Ignitis	Ignitis UAB (former Lietuvos energijos tiekimas and Energijos tiekimas)
Ignitis Gamyba	AB "Ignitis gamyba"
Ignitis Polska	Ignitis Polska sp. z o.o.
Ignitis Renewables	UAB "Ignitis renewables"
Installed capacity	The date at which all the equipment is: (1) installed, (2) connected, (3) authorised by a competent authority to generate energy, and (4) commissioned. Performance testing may still be ongoing
ISIN	International Securities Identification Number
YoY	Year over year
ISO	International Organization for Standardization
Kaunas CHP	UAB Kauno kogeneracinė jėgainė
Kruonis PSHP	Kruonis Pumped Storage Hydroelectric Plant
Lietuvos energija	"Lietuvos energija", UAB (current AB "Ignitis grupė")
Lietuvos Energijos Tiekimas	Lietuvos Energijos Tiekimas UAB
Litgrid	Litgrid AB
LNG	Liquefied natural gas
LTM	Last twelve months
m	Million
Mažeikiai	UAB "VVP Investment"
min	Minimum
MW	Megawatt
MWh	Megawatt hour
n/a	Not applicable
NERC	The National Energy Regulatory Council
New connection points and upgrades	Number of new customers connected to the network and capacity upgrades of the existing connection points
NPS	Net promoter score
Other activities and eliminations	Other activities and eliminations – includes consolidation adjustments, related-party transactions and financial results of the parent company
Parent company	AB "Ignitis grupė" (former "Lietuvos energija", UAB)
Pipeline	Portfolio, excluding installed capacity projects
Pomerania	Pomerania Wind Farm sp. z o. o.
PPA	Power purchase agreement
pp	Percentage point
PPE	Property, plant and equipment
Q	Quarter
RAB	Regulated asset base
SAIDI	Average duration of unplanned interruptions in electricity or gas transmission
SAIFI	Average number of unplanned long interruptions per customer
SBTi	Science Based Targets initiative
Secured capacity	Green Capacities projects under the following stages: (i) installed capacity, or (ii) under construction or (iii) awarded / contracted
Supply of last resort	Supply of electricity in order to meet electricity demand of customers who have not selected an independent supplier under the established procedure, or an independent supplier selected by them does not fulfil its obligations, terminates activities or the agreement on the purchase and sale of electricity
TWh	Terawatt-hour
UN	United Nations
UAB	Private Limited Liability Company
Under construction	Project with building permits secured or permitting in process including one of following: (i) notice to proceed has been given the first contractor or (ii) final investment decision has been made
Vilnius CHP	UAB Vilniaus kogeneracinė jėgainė
vs.	Versus
WACC	Weighted average cost of capital
WF	Wind farm
WtE	Waste-to-energy

Consolidated financial statements

Unaudited interim condensed consolidated financial statements for the six-month period ended 30 June 2024, prepared in accordance with International accounting standard 34 'Interim financial reporting' as adopted by the European Union

6.1 Interim condensed consolidated statement of profit or loss

For the six-month period ended 30 June 2024

EURm	Note	6M 2024	6M 2023	Q2 2024	Q2 2023
Revenue from contracts with customers	6	1,088.6	1,367.8	437.9	440.7
Other income		3.7	2.6	0.9	1.4
Total revenue		**1,092.3**	**1,370.4**	**438.8**	**442.1**
Purchase of electricity, natural gas and other services	7.1	(646.1)	(1,003.0)	(253.0)	(325.2)
Salaries and related expenses	7.2	(79.8)	(64.8)	(41.6)	(34.5)
Repair and maintenance expenses	7.3	(30.8)	(21.1)	(16.8)	(12.6)
Other expenses	7.4	(41.4)	(41.6)	(22.1)	(25.2)
Total expenses		**(798.1)**	**(1,130.5)**	**(333.5)**	**(397.5)**
EBITDA	5	**294.2**	**239.9**	**105.3**	**44.6**
Depreciation and amortisation		(85.4)	(73.4)	(44.5)	(35.9)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets		(0.9)	(1.7)	(0.4)	(0.5)
Operating profit (EBIT)		207.9	164.8	60.4	8.2
Finance income	8	11.1	28.2	4.5	25.6
Finance expenses	8	(28.0)	(19.1)	(13.2)	(7.8)
Finance activity, net		**(16.9)**	**9.1**	**(8.7)**	**17.8**
Profit (loss) before tax		**191.0**	**173.9**	**51.7**	**26.0**
Income tax (expenses)/benefit	9	(22.6)	(18.1)	(2.0)	2.6
Net profit for the period		**168.4**	**155.8**	**49.7**	**28.6**
Attributable to:					
Shareholders in AB "Ignitis grupė"		168.4	155.8	49.7	28.6
Non-controlling interest		-	-	-	-
Basic and diluted earnings per share (EUR)	14.5	**2.33**	**2.15**	**0.69**	**0.40**
Weighted average number of shares	14.5	**72,388,960**	**72,388,960**	**72,388,960**	**72,388,960**

6.2 Interim condensed consolidated statement of comprehensive income

For the six-month period ended 30 June 2024

EURm	Note	6M 2024	6M 2023	Q2 2024	Q2 2023
Net profit for the period		**168.4**	**155.8**	**49.7**	**28.6**
Change in actuarial assumptions	10	(0.1)	0.8	-	0.2
Revaluation of property, plant and equipment	10	0.2	-	0.2	-
Items that will not be reclassified to profit or loss in subsequent periods (net of tax), total		**0.1**	**0.8**	**0.2**	**0.2**
Cash flow hedges – effective portion of change in fair value	10	2.1	(129.1)	6.8	(13.0)
Cash flow hedges – reclassified to profit or loss	10	(8.6)	(22.8)	2.3	8.0
Foreign operations – foreign currency translation differences	10	2.4	16.8	0.9	14.4
Items that may be reclassified to profit or loss in subsequent periods, total		**(4.1)**	**(135.1)**	**10.0**	**9.4**
Total other comprehensive income (loss) for the period		**(4.0)**	**(134.3)**	**10.2**	**9.6**
Total comprehensive income (loss) for the period		**164.4**	**21.5**	**59.9**	**38.2**
Attributable to:					
Shareholders in AB "Ignitis grupė"		164.4	21.5	59.9	38.2
Non-controlling interests		-	-	-	-

6.3 Interim condensed consolidated statement of financial position

As at 30 June 2024

EURm	Note	30 June 2024	31 December 2023	30 June 2023
Assets				
Intangible assets		323.3	315.4	180.2
Property, plant and equipment		3,666.8	3,362.5	2,971.8
Right-of-use assets		57.5	49.9	53.0
Prepayments for non-current assets		295.9	309.9	210.4
Investment property		5.9	5.9	5.5
Non-current receivables		85.7	76.3	67.7
Other financial assets	12	39.0	37.0	78.4
Other non-current assets		5.2	3.5	7.7
Deferred tax assets		25.4	56.5	62.2
Non-current assets		**4,504.7**	**4,216.9**	**3,636.9**
Inventories		237.6	274.8	274.4
Prepayments and deferred expenses		16.5	14.4	13.9
Trade receivables	13	209.5	265.9	204.8
Other receivables		79.1	126.0	170.4
Other financial assets	12	0.2	110.4	0.3
Other current assets		21.0	24.0	18.5
Prepaid income tax		21.3	6.2	4.2
Cash and cash equivalents		275.8	205.3	725.8
Assets held for sale		0.3	0.5	0.5
Current assets		**861.3**	**1,027.5**	**1,412.8**
Total assets		**5,366.0**	**5,244.4**	**5,049.7**

EURm	Note	30 June 2024	31 December 2023	30 June 2023
Equity and liabilities				
Share capital	14.1	1,616.4	1,616.4	1,616.4
Reserves		257.5	284.4	227.4
Retained earnings		495.6	362.6	239.8
Equity attributable to shareholders in AB "Ignitis grupė"		**2,369.5**	**2,263.4**	**2,083.6**
Non-controlling interests		-	-	-
Equity		**2,369.5**	**2,263.4**	**2,083.6**
Non-current loans and bonds	15	1,560.4	1,521.2	1,514.7
Non-current lease liabilities		49.7	42.3	49.4
Grants and subsidies		295.2	300.1	309.3
Deferred tax liabilities		84.7	87.4	64.9
Provisions	16	64.9	60.7	42.1
Deferred income		260.1	241.6	219.1
Other non-current liabilities		55.2	66.6	17.1
Non-current liabilities		**2,370.2**	**2,319.9**	**2,216.6**
Loans	15	72.5	64.5	125.0
Lease liabilities		4.4	5.2	3.4
Trade payables		162.0	177.2	43.1
Advances received		70.7	61.8	145.4
Income tax payable		2.3	4.9	6.9
Provisions	16	46.0	27.6	24.6
Deferred income		39.2	35.2	93.7
Other current liabilities		229.2	284.7	307.4
Current liabilities		**626.3**	**661.1**	**749.5**
Total liabilities		**2,996.5**	**2,981.0**	**2,966.1**
Total equity and liabilities		**5,366.0**	**5,244.4**	**5,049.7**

6.4 Interim condensed consolidated statement of changes in equity

For the six-month period ended 30 June 2024

EURm	Note	Share capital	Legal reserve	Revaluation reserve	Hedging reserve	Treasury shares reserve	Other reserves	Retained earnings	Shareholders in AB "Ignitis grupė" interest	Non-controlling interest	Total
Balance as at 1 January 2023		**1,616.4**	**138.4**	**73.0**	**100.6**	**37.7**	**(4.8)**	**164.3**	**2,125.6**	**-**	**2,125.6**
Net profit for the period		-	-	-	-	-	-	155.8	**155.8**	-	**155.8**
Other comprehensive income (loss) for the period	10	-	-	-	(151.9)	-	16.8	0.8	**(134.3)**	-	**(134.8)**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**(151.9)**	**-**	**16.8**	**156.6**	**21.5**	**-**	**21.5**
Transfer of revaluation reserve (net of tax)		-	-	(4.6)	-	-	-	4.0	**(0.6)**	-	**(0.6)**
Transfers to legal reserve		-	22.2	-	-	-	-	(22.2)	**-**	-	**-**
Dividends	14.3	-	-	-	-	-	-	(45.2)	**(45.2)**	-	**(45.2)**
Dividends to non-controlling interest								(14.3)	**(14.3)**		**(14.3)**
Other movement		-	-	-	-	-	-	(3.4)	**(3.4)**	-	**(3.4)**
Balance as at 30 June 2023		**1,616.4**	**160.6**	**68.4**	**(51.3)**	**37.7**	**12.0**	**239.8**	**2,083.6**	**-**	**2,083.6**
Balance as at 1 January 2024		**1,616.4**	**160.7**	**67.8**	**(1.7)**	**37.7**	**19.9**	**362.6**	**2,263.4**	**-**	**2,263.4**
Net profit for the period		-	-	-	-	-	-	168.4	**168.4**	-	**168.4**
Other comprehensive income (loss) for the period		-	-	0.2	(6.5)	-	2.4	(0.1)	**(4.0)**	-	**(4.0)**
Total comprehensive income (loss) for the period		**-**	**-**	**0.2**	**(6.5)**	**-**	**2.4**	**168.3**	**164.4**	**-**	**164.4**
Transfer of revaluation reserve (net of tax)		-	-	(1.5)	-	-	-	1.5	**-**	-	**-**
Transfers to legal reserve		-	16.2	-	-	-	-	(16.2)	**-**	-	**-**
Transfers to treasury shares reserve	14.2	-	-	-	-	(37.7)		37.7	**-**		**-**
Dividends	14.3	-	-	-	-	-	-	(46.5)	**(46.5)**	-	**(46.5)**
Dividends to non-controlling interest	14.4	-	-	-	-	-	-	(11.8)	**(11.8)**	-	**(11.8)**
Balance as at 30 June 2024		**1,616.4**	**176.9**	**66.5**	**(8.2)**	**-**	**22.3**	**495.6**	**2,369.5**	**-**	**2,369.5**

6.5 Interim condensed consolidated statement of cash flows

For the six-month period ended 30 June 2024

EURm	Note	6M 2024	6M 2023	Q2 2024	Q2 2023
Net profit for the period		168.4	155.8	49.7	28.6
Adjustments for:					
Depreciation and amortisation expenses		93.7	79.6	48.9	39.2
Depreciation and amortisation of grants		(8.3)	(6.2)	(4.4)	(3.3)
Fair value changes of derivatives	17	(3.1)	4.6	0.3	3.5
Fair value changes of financial assets		-	(20.2)	-	(20.2)
Impairment/(reversal of impairment) of financial assets		0.6	(1.0)	0.3	(1.2)
Income tax expenses/(benefit)	9	22.6	18.1	2.0	(2.6)
Increase/(decrease) in provisions	16	22.9	11.9	11.1	(12.5)
Inventory write-off to net realizable value/(reversal)		(12.7)	(80.1)	(3.8)	5.1
Loss/(gain) on disposal/write-off of assets held for sale and property, plant and equipment		1.5	1.4	0.7	0.3
Interest income		(8.0)	(6.9)	(3.8)	(5.2)
Interest expenses		22.0	16.4	9.6	8.9
Other expenses/(income) of financing activities		3.4	2.4	3.4	(0.5)
Other non-monetary adjustments		0.3	0.5	0.3	0.5
Changes in working capital:					
(Increase)/decrease in trade receivables and other receivables		95.8	204.6	37.7	99.2
(Increase)/decrease in inventories, prepayments and deferred expenses, other current and non-current assets and other financial assets		47.1	456.6	0.3	(12.7)
Increase/(decrease) in trade payables, deferred income, advances received, other non-current and current liabilities		(5.7)	(262.5)	23.8	77.3
Income tax (paid)/received		(48.5)	(63.0)	(37.7)	(57.2)
Net cash flows from operating activities		**392.0**	**512.0**	**138.4**	**147.2**
Acquisition of property, plant and equipment and intangible assets		(402.8)	(327.1)	(190.6)	(204.8)
Proceeds from sale of property, plant and equipment, assets held for sale and intangible assets		2.0	1.9	1.2	1.6
Acquisition of subsidiaries, net of cash acquired		-	(2.3)	-	0.5
Loans granted		-	(23.2)	-	(13.0)
Grants received		3.4	18.6	0.5	13.4
Interest received		4.9	4.2	3.9	4.0
Finance lease payments received		0.8	0.6	0.4	0.3
(Increase)/decrease of deposits		109.0	-	-	-
(Investments in)/return from investment funds		(2.0)	(0.3)	(1.4)	-
Net cash flows from investing activities		**(284.7)**	**(327.6)**	**(186.0)**	**(198.0)**

EURm	Note	6M 2024	6M 2023	Q2 2024	Q2 2023
Loans received	15.2	70.7	262.0	63.5	88.5
Repayments of loans	15.2	(23.7)	(162.7)	(13.5)	(7.0)
Overdrafts net change	15.2	(1.6)	(172.9)	(1.8)	-
Lease payments	15.2	(3.6)	(3.5)	(1.5)	(1.7)
Interest paid	15.2	(20.3)	(15.2)	(11.7)	(11.0)
Dividends paid	14.3	(46.5)	(45.2)	(46.5)	(45.2)
Dividends paid to non-controlling interest		(11.8)	(14.3)	(11.8)	(14.3)
Other increases/(decreases) in cash flows from financing activities		-	(0.9)	-	(0.9)
Net cash flows from financing activities		**(36.8)**	**(152.7)**	**(23.3)**	**8.4**
Increase/(decrease) in cash and cash equivalents		**70.5**	**31.7**	**(70.9)**	**(42.4)**
Cash and cash equivalents at the beginning of the period		**205.3**	**694.1**	**346.7**	**768.2**
Cash and cash equivalents at the end of the period		**275.8**	**725.8**	**275.8**	**725.8**

6.6 Notes

For the six-month period ended 30 June 2024

1 General information

AB "Ignitis grupė" (hereinafter referred to as 'the parent company') is a public limited liability company registered in the Republic of Lithuania. The parent company's registered office address is Laisvės Ave. 10, LT-04215, Vilnius, Lithuania. The parent company was registered on 28 August 2008 with the Register of Legal Entities managed by the State Enterprise Centre of Registers. The parent company's code is 301844044. The parent company has been founded for an indefinite period.

The parent company and its subsidiaries are hereinafter collectively referred to as 'the Group'. The Group's core business is focused on operating Lithuania's electricity distribution network (Networks) and managing and developing its Green Capacities Portfolio (Green Capacities). The Group also manages strategically important reserve capacities (Reserve Capacities) and provides services to its customers (Customers & Solutions), including the supply of electricity and natural gas, solar, e-mobility, energy efficiency and innovative energy solutions for private (hereinafter referred to as 'B2C') and business (hereinafter referred to as 'B2B') customers. Information on the Group's structure is provided on our website.

The Group's CEO is responsible for the preparation of the Interim report, while the Group's Management Board considers and approves it. The First Six Months 2024 Interim Report, including the consolidated and the parent company's financial statements, was considered and approved by the Group's Management Board on 13 August 2024.

These are interim condensed consolidated financial statements of the Group. The parent company also prepares interim condensed separate financial statements in accordance with International Accounting Standard (hereinafter referred to as 'IAS') 34 'Interim Financial Reporting' as required by local legislations.

2 Basis of preparation

2.1 Basis of accounting

These interim condensed consolidated financial statements are prepared for the six-month period ended 30 June 2024 (hereinafter referred to as 'interim financial statements') in accordance with IAS 34.

These interim financial statements do not provide all the information required for the preparation of the annual financial statements, therefore this must be read in conjunction with the annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (hereinafter referred to as 'IFRS'), which were issued by the International Accounting Standards Board (hereinafter referred to as 'IASB') and endorsed for application in the European Union.

Interim financial statements have been prepared on a going concern basis while applying measurements based on historical costs, except for certain items of property, plant and equipment, investment property, and certain financial instruments measured at fair value.

2.2 Functional and presentation currency

These interim financial statements are presented in euros and all values are rounded to the nearest million (EURm), except when indicated otherwise.

2.3 Alternative performance measures

The Group presents financial measures in the interim financial statements which are not defined according to IFRS. The Group uses these alternative performance measures (hereinafter referred to as 'APM') as it believes that these financial measures provide valuable information to stakeholders and the management.

These financial measures should not be considered a replacement for the performance measures as defined under IFRS but rather as supplementary information.

The APM may not be comparable to similarly titled measures presented by other companies as the definitions and calculations may be different.
The most commonly used APMs in the interim financial statements: EBITDA, EBIT, Adjusted EBITDA, Adjusted EBIT, Investments, Net Debt.
For more information on the APMs – see Note 5.

3 Changes in material accounting policies

3.1 Changes in accounting policy and disclosures

The accounting policies applied during the preparation of these interim financial statements are consistent with the accounting policies applied during the preparation of the Group's annual financial statements for the period ended 31 December 2023, with the exception for the adoption of new standards effective as of 1 January 2024. Several amendments the adoption of which is effective from 1 January 2024 were applied, but they did not have a material impact on our interim financial statements. The Group has not applied any standard, interpretation, or amendment for which the early application is permitted but is not yet effective.

4 Significant accounting estimates and judgments used in the preparation of the financial statements

While preparing these interim financial statements, significant management's judgements regarding the application of the accounting policies and accounting estimates were the same as the ones used while preparing the annual financial statements for the year ended 31 December 2023, except the changes in the estimated amounts (assumptions below):

Significant accounting estimates and judgments	Note	Estimate/judgment
Expected credit losses of trade receivables and other receivables: collective assessment of ECL, applying provision matrix and individual assessment of ECL	13	Estimate/judgment
Regulated activity: accrual of income and regulatory provision from services, ensuring isolated operation of the power system and capacity reserve	16	Estimate
Regulated activity: accrual of income and regulatory provision from public electricity supply	16	Estimate

5 Business segments

EURm	Green Capacities	Networks	Reserve Capacities	Customers & Solutions	Other activities and eliminations	Total adjusted	Adjustments	Total reported
6M 2024								
Total revenue	**200.9**	**367.2**	**63.8**	**554.3**	**(98.4)**	**1,087.8**	**4.5**	**1,092.3**
Purchase of electricity, natural gas and other services	(36.4)	(160.4)	(27.7)	(521.2)	99.6	(646.1)	-	(646.1)
Salaries and related expenses	(11.2)	(42.0)	(5.6)	(10.0)	(10.9)	(79.8)	-	(79.8)
Repair and maintenance expenses	(5.3)	(23.0)	(2.3)	(0.1)	(0.1)	(30.8)	-	(30.8)
Other expenses	(13.5)	(26.1)	(3.0)	(11.2)	12.4	(41.4)	-	(41.4)
EBITDA	**134.5**	**115.7**	**25.2**	**11.8**	**2.6**	**289.7**	**4.5**	**294.2**
Depreciation and amortization	(20.7)	(53.1)	(5.8)	(1.3)	(4.6)	(85.4)	-	(85.4)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	-	(0.9)	-	-	-	(0.9)	-	(0.9)
EBIT	**113.8**	**61.7**	**19.4**	**10.5**	**(2.0)**	**203.4**	**4.5**	**207.9**
Finance activity, net						(16.9)	-	(16.9)
Income tax (expenses)/benefit						(21.9)	(0.7)	(22.6)
Net profit						**164.6**	**3.8**	**168.4**
Investments	**269.6**	**135.8**	**0.5**	**7.8**	**8.6**	**422.3**	**-**	**422.3**
6M 2023								
Total revenue	**163.4**	**227.6**	**61.1**	**1,015.3**	**(83.4)**	**1,384.1**	**(13.7)**	**1,370.4**
Purchase of electricity, natural gas and other services	(32.2)	(67.3)	(20.2)	(966.7)	83.4	(1,003.0)	-	(1,003.0)
Salaries and related expenses	(8.4)	(34.4)	(4.6)	(7.9)	(9.5)	(64.8)	-	(64.8)
Repair and maintenance expenses	(3.3)	(16.1)	(1.7)	-	-	(21.1)	-	(21.1)
Other expenses	(10.5)	(21.1)	(2.3)	(19.0)	11.4	(41.6)	-	(41.6)
EBITDA	**109.1**	**88.7**	**32.2**	**21.7**	**1.9**	**253.5**	**(13.7)**	**239.9**
Depreciation and amortization	(14.2)	(48.8)	(5.7)	(1.6)	(3.1)	(73.4)	-	(73.4)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	(0.1)	(1.6)	-	-	-	(1.7)	-	(1.7)
EBIT	**94.8**	**38.3**	**26.5**	**20.1**	**(1.2)**	**178.4**	**(13.7)**	**164.8**
Finance activity, net						(11.1)	20.2	9.1
Income tax (expenses)/benefit						(17.1)	(1.0)	(18.1)
Net profit						**150.1**	**5.5**	**155.8**
Investments	**234.0**	**161.9**	**1.3**	**2.1**	**3.3**	**402.6**		**402.6**

Business segments (equal to 'Operating segments' in accordance with IFRS 8) 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 the performance of the business segments, has been identified as the Management Board.

The Group is divided into four business segments based on their core activities. For more information about the segments, see sections '2.1 Business profile and strategy' and '3.5 Results by business segment' of the Integrated Annual Report 2023. The list of entities assigned to each segment is provided on our website.

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. The primary alternative performance measure is Adjusted EBITDA. Additionally, the management also analyses Investments of each individual segment. All measures are calculated using the data presented in the financial statements, and selected items which are not defined by IFRS are adjusted by the management. The Group's management calculates the main performance measures as described by the definitions of Alternative Performance Measures, which can be found in section '7.3 Alternative Performance Measures' of the Integrated Annual Report 2023.

5.1 EBITDA

The management's adjustments include:

– temporary regulatory differences (if any);
– asset rotation result (if any);
– significant one-off gains or losses (if any).

In the management's view, Adjusted EBITDA more accurately presents the results of the operations and enables a better comparison of the results between the periods as they indicate the amount that was actually earned by the Group in the reporting period.

The management's adjustments used in calculating Adjusted EBITDA:

	6M 2024	6M 2023	*Δ*	*Δ, %*
EBITDA APM	294.2	239.9	*54.3*	*22.6%*
Adjustments				
Temporary regulatory differences (1)	**(4.5)**	**13.7**	***(18.2)***	***n/a***
Networks	12.8	(67.9)	*80.7*	*n/a*
Customers & Solutions	(17.3)	81.6	*(98.9)*	*n/a*
Total EBITDA adjustments	**(4.5)**	**13.7**	***(18.2)***	***n/a***
Adjusted EBITDA	**289.7**	**253.5**	***36.2***	***14.3%***

(1) Temporary regulatory differences. Elimination of the difference between the actual profit earned during the reporting period and the profit allowed by the regulator (NERC).

5.2 Operating profit (EBIT)

Operating profit (EBIT) adjustments:

	6M 2024	6M 2023	*Δ*	*Δ, %*
Operating profit (EBIT) APM	207.9	164.8	*43.1*	*26.2%*
Adjustments				
Total EBITDA adjustments	(4.5)	13.7	*(18.2)*	*n/a*
Total Operating profit (EBIT) adjustments	**(4.5)**	**13.7**	***(18.2)***	***n/a***
Adjusted EBIT APM	**203.4**	**178.4**	***25.0***	***14.0%***

5.3 Net profit

Net profit adjustments:

	6M 2024	6M 2023	*Δ*	*Δ, %*
Net profit	168.4	155.8	*12.6*	*8.1%*
Adjustments				
Total EBITDA adjustments	(4.5)	13.7	*(18.2)*	*n/a*
One-off financial activity adjustments (2)	-	(20.2)	*20.2*	*n/a*
Adjustments' impact on income tax (3)	0.7	1.0	*(0.3)*	*(30.0%)*
Total net profit adjustments	**(3.8)**	**(5.5)**	***1.7***	***n/a***
Adjusted Net Profit APM	**164.6**	**150.1**	***14.5***	***9.7%***

(2) One-off financial activity adjustments.

One-off financial activity adjustments for 6M 2023 include the elimination of investment funds' increase in fair value (EUR 20.2 million).

(3) Adjustments' impact on income tax.

An additional income tax adjustment of 15% (statutory income tax rate in Lithuania) is applied to all of the above net profit adjustments.

6 Revenue

6.1 Revenue by type

EURm	6M 2024	6M 2023
Revenue from electricity transmission and distribution	287.5	225.0
Revenue from the sale of electricity	267.0	356.5
Revenue from sale of produced electricity	188.3	139.3
Revenue from services ensuring the isolated operation of power system and capacity reserve	34.9	23.2
Revenue from public electricity supply	19.5	25.8
Revenue from other electricity related activity	5.1	4.3
Electricity related revenue	**802.3**	**774.1**
Revenue from gas sales	178.4	509.5
Revenue from gas distribution	38.6	36.3
Revenue of LNGT security component	16.2	0.3
Revenue from other gas related activity	0.8	0.8
Gas related revenue	**234.0**	**546.9**
Revenue from sale of heat energy	28.6	19.0
Other revenue from contracts with customers	23.7	27.8
Other revenue	**52.3**	**46.8**
Total revenue from contracts with customers	**1,088.6**	**1,367.8**
Other	3.7	2.6
Total other income	**3.7**	**2.6**
Total revenue	**1,092.3**	**1,370.4**

6.2 Revenue by geographic segment

During 6M 2024, the Group earned 83.5% (80.2% in 6M 2023) of its revenue in Lithuania. The Group's revenue from other countries decreased to 16.5%, mostly in Finland and Latvia, mainly due to lower electricity and natural gas volumes sold and lower market prices.

EURm	6M 2024	6M 2023
Lithuania	912.0	1,098.9
Poland	72.6	65.0
Finland	54.8	130.4
Latvia	44.3	61.5
Estonia	7.3	8.6
Other countries	1.3	6.0
Total	**1,092.3**	**1,370.4**

7 Expenses

7.1 Purchase of electricity, gas and other services

EURm	6M 2024	6M 2023
Purchase of electricity and related services	442.7	394.8
Purchase of natural gas and related services	177.4	593.1
Other purchases	26.0	15.1
Total	**646.1**	**1 003.0**

The Group's purchase of electricity, natural gas and other purchases in 6M 2024 decreased by 35.6% compared to 6M 2023. The decrease was caused by the lower purchase of natural gas and related services, mainly due to lower volumes purchased and lower market prices. Expenses from the purchase of electricity and related services increased by 12.1% and were mainly impacted by higher electricity transmission expenses due to a higher tariff set by the regulator.

7.2 Salaries and related expenses

EURm	6M 2024	6M 2023
Fixed wages and salaries	75.6	63.4
Variable wages and salaries	13.1	10.6
Other wages and salaries expenses	4.3	3.8
Attributable cost to property, plant and equipment and intangible assets	(13.2)	(13.0)
Total	**79.8**	**64.8**

In 6M 2024, salaries and related expenses increased by 23.1% compared to 6M 2023, mainly due to the growth in Group's average salary and headcount.

7.3 Repairs and maintenance expenses

EURm	6M 2024	6M 2023
Electricity network	20.9	14.5
Electricity and heat power generation equipment	7.1	5.0
Gas network	2.1	1.6
Other	0.7	-
Total	**30.8**	**21.1**

7.4 Other expenses

EURm	6M 2024	6M 2023
Asset management and administration	9.8	7.1
Telecommunications and IT services	6.6	5.5
Taxes (other than income taxes)	5.4	5.0
Customer service	5.0	5.8
Finance and accounting	3.0	1.9
People and culture	2.8	2.1
Communication	1.9	1.5
OTC and Nasdaq contracts	-	7.6
Other	6.9	5.1
Total	**41.4**	**41.6**

8 Finance activity

EURm	6M 2024	6M 2023
Interest income at the effective interest rate	8.0	6.9
Investment funds – at FVTPL (Note 12.1)	-	20.2
Other income from financing activities	3.1	1.1
Total finance income	**11.1**	**28.2**
Interest expenses	21.4	15.8
Interest and discount expense on lease liabilities	0.6	0.6
Other expenses of financing activities	6.0	2.7
Total finance expenses	**28.0**	**19.1**
Finance activity, net	**(16.9)**	**9.1**

9 Income taxes

9.1 Amounts recognised in profit or loss

EURm	6M 2024	6M 2023
Income tax expenses (benefit)	(6.7)	16.3
Deferred tax expenses (benefit)	29.3	1.8
Total	**22.6**	**18.1**

9.2 Reconciliation of effective tax rate

Income tax on the Group's profit before tax differs from the theoretical amount that would arise using the tax rate applicable to the profit of the Group:

EURm	6M 2024	6M 2024	6M 2023	6M 2023
Profit (loss) before tax		191.0		173.9
Income tax expenses (benefit) at tax rate of 15%	14.97%	28.6	15.01%	26.1
Effect of tax rates in foreign jurisdictions	0.26%	0.5	0.23%	0.4
Non-taxable income and non-deductible expenses	0.79%	1.5	1.38%	2.4
Income tax relief for the investment project	(2.77%)	(5.3)	(3.85%)	(6.7)
Adjustments in respect of prior years	0.26%	0.5	(2.65%)	(4.6)
Effect of lower tax rates	(0.63%)	(1.2)	(0.58%)	(1.0)
Other	(1.05%)	(2.0)	0.86%	1.5
Income tax expenses (benefit)	**11.83%**	**22.6**	**10.41%**	**18.1**

Standard corporate income tax rate of 15% was applicable to the companies in Lithuania, in Poland – 19%, in Finland – 20%. Standard corporate income tax rate in Latvia and Estonia is 20% (14% in certain cases) on the gross amount of the distribution.

10 Other comprehensive income

EURm	Revaluation reserve	Hedging reserve	Other reserves	Retained earnings	Total
Items that will not be reclassified to profit or loss in subsequent periods					
Result of change in actuarial assumptions	-	-	-	0.8	**0.8**
Items that may be reclassified to profit or loss in subsequent periods					
Cash flow hedges – effective portion of change in fair value	-	(151.6)	-	-	**(151.6)**
Cash flow hedges – reclassified to profit or loss	-	(26.5)	-	-	**(26.5)**
Foreign operations – foreign currency translation differences	-	-	16,8	-	**16.8**
Tax	-	26.2	-	-	**26.2**
Total as at 30 June 2023	**-**	**(151.9)**	**16.8**	**0.8**	**(134.3)**
Items that will not be reclassified to profit or loss in subsequent periods					
Result of change in actuarial assumptions	-	-	-	(0.1)	**(0.1)**
Revaluation of property, plant and equipment	0.2	-	-	-	**0.2**
Items that may be reclassified to profit or loss in subsequent periods					
Cash flow hedges – effective portion of change in fair value	-	2.4	-	-	**2.4**
Cash flow hedges – reclassified to profit or loss	-	(10.1)	-	-	**(10.1)**
Foreign operations – foreign currency translation differences	-	-	2.5	-	**2.5**
Tax	-	1.2	(0.1)	-	**1.1**
Total as at 30 June 2024	**0.2**	**(6.5)**	**2.4**	**(0.1)**	**(4.0)**

The total amount of taxes recognised in other comprehensive income in 6M 2024 includes EUR 0.4 million in income tax benefits and EUR 0.7 million in deferred tax benefits (EUR 3.8 million in income tax benefits and EUR 22.4 million in deferred tax benefits in 6M 2023).

11 Investments

In 6M 2024, Investments amounted to EUR 422.3 million and were EUR 19.7 million, or 4.9%, higher compared to 6M 2023. The increase was driven by new Green Capacities projects.

The Investments mainly comprise the additions to property, plant and equipment (EUR 393.5 million) and intangible assets (EUR 10.0 million). For more detailed information on our Investments, see section '3.1 Results 3M' of the First Six Months 2024 Interim Report.

12 Other financial assets

EURm	30 June 2024	31 December 2023
Other non-current financial assets		
Investment funds - at FVTPL	34.0	32.0
Equity securities - at FVOCI	5.0	5.0
Carrying amount	**39.0**	**37.0**
Other current financial assets		
Short-term deposits	0.2	110.4
Carrying amount	**0.2**	**110.4**

12.1 Movement of fair value in investment funds

EURm	6M 2024	6M 2023
Carrying amount as at 1 January	**32.0**	**20.6**
Additional investments	2.0	0.3
Change in fair value	-	20.2
Carrying amount as at 30 June	**34.0**	**41.1**

12.2 Significant accounting estimates: Investment funds – at FVTPL

The Group has invested into investment funds. The funds are managed by independent entities (managers), which are responsible for the investment decisions. Accordingly, in the Group management's view, the Group does not have the power to manage the activities of the funds and does not have the control over them.

As at 30 June 2024, the carrying value of the Smart Energy Fund amounted to EUR 22.4 million, the carrying value of the World Fund amounted to EUR 11.6 million.

The fair value of the funds was determined by reference to the exits of investments, new investment rounds or other recent events and data (Note 21).

The fair value of the funds corresponds to Level 3 in the fair value hierarchy.

13 Trade receivables

EURm	30 June 2024	31 December 2023
Amounts receivable under contracts with customers		
Receivables from electricity related sales	160.9	168.1
Receivables from gas related sales	49.0	91.3
Other trade receivables	12.2	18.5
Total	**222.1**	**277.9**
Less: loss allowance	(12.6)	(12.0)
Carrying amount	**209.5**	**265.9**

As at 30 June 2024 and 30 June 2023, the Group had not pledged the claim rights to trade receivables.

No interest is charged on trade receivables, and the regular settlement period is between 15 and 30 days. Trade receivables for which the settlement period is more than 30 days comprise an insignificant part of the total trade receivables. The Group doesn't provide a settlement period that is longer than 1 year. The Group didn't identify any financing components. For terms and conditions on settlements between the related parties, see Note 20.

14 Equity

14.1 Share capital

The Group's share structure and shareholders were as follows:

Shareholder of the Group	30 June 2024		31 December 2023	
	Share capital, in EURm	%	Share capital, in EURm	%
The Republic of Lithuania represented by the Ministry of Finance of the Republic of Lithuania	1,212.1	74.99	1,212.1	74.99
Other shareholders	404.3	25.01	404.3	25.01
Total	**1,616.4**		**1,616.4**	

As at 30 June 2024, the Group's share capital comprised EUR 1,616.4 million (31 December 2023: 1,616.4 million) and was divided into 72,388,960 ordinary shares with a EUR 22.33 nominal value per share (31 December 2023: 72,388,960 ordinary registered shares with a EUR 22.33 nominal value per share).

14.2 Cancellation of the treasury shares reserve

At the Annual General Meeting of shareholders held on 27 March 2024 it was decided to cancel the reserve for the acquisition of own ordinary registered shares and to transfer EUR 37.7 million from the 'Treasury shares reserve' to 'Retained earnings'.

14.3 Dividends

Dividends declared by the parent company during the 6M period:

EURm	6M 2024	6M 2023
AB "Ignitis grupė"	46.5	45.2

A dividend of EUR 46.5 million was approved for the second half of 2023 at the Annual General Meeting of Shareholders held on 27 March 2024, and a dividend of EUR 45.2 million was approved for the second half of 2022 at the Annual General Meeting of Shareholders held on 30 March 2023.

14.4 Dividends declared to non-controlling interest

The Group uses the anticipated-acquisition method for recognising the put option redemption liability because, under the anticipated-acquisition method, the interests of the non-controlling shareholders are derecognised when the financial liability is recognised, therefore, the underlying interests are presented as already owned by the equity holders of the parent company both in the Statement of financial position and in the Statement of profit or loss and other comprehensive income, even though legally they still are the non-controlling interest.

Due to the above, the dividends declared during 6M 2024 by the parent company's subsidiary UAB Kauno kogeneracinė jėgainė for the non-controlling interest of EUR 11.8 million (EUR 14.3 million in 6M 2023) were presented as dividends to non-controlling interest.

14.5 Earnings per share

The Group's earnings per share and diluted earnings per share were as follows:

EURm	6M 2024	6M 2023
Net profit for the period	**168.4**	**155.8**
Attributable to:		
Shareholders in AB "Ignitis grupė"	168.4	155.8
Non-controlling interests	-	-
Weighted average number of nominal shares (units)	72,388,960	72,388,960
Basic and diluted earnings/(loss) per share attributable to shareholders in AB "Ignitis grupė" (EUR)	2.33	2.15

Indicators of basic and diluted earnings per share have been calculated based on the weighted average number of ordinary shares as at 30 June 2024 of 72,388,960 (30 June 2023: 72,388,960).

15 Financing

15.1 Loans, bonds and lease liabilities

EURm	30 June 2024	31 December 2023
Bonds issued	892.7	891.8
Loans received	592.7	554..4
Credit line	75.0	75.0
Lease liabilities	49.7	42.3
Total non-current	**1,610.1**	**1,563.5**
Current portion of non-current loans received	49.6	42.8
Current portion of bonds issued	11.9	9.1
Bank overdrafts, credit line	11.0	12.6
Lease liabilities	4.4	5.2
Total current	**76.9**	**69.7**
Total	**1,687.0**	**1,633.2**

Loans, bonds and lease liabilities by maturity:

EURm	30 June 2024	31 December 2023
Up to 1 year	76.9	69.7
From 1 to 2 years	52.0	114.9
From 2 to 5 years	817.5	752.5
After 5 years	740.6	696.1
Total	**1,687.0**	**1,633.2**

Loans and lease liabilities of the Group are denominated in euros or Polish zlotys, bonds – in euros.

15.2 Net Debt

Net Debt is a non-IFRS liquidity metric used to determine the value of debt against highly liquid assets owned by the Group. The management is monitoring the Net Debt metric as a part of its risk management strategy. Only the debts to financial institutions, issued bonds, related interest payables and lease liabilities are included in the Net Debt calculation. The management defines the Net Debt metric for the purposes of these financial statements in the manner presented below.

Net Debt balances:

EURm	30 June 2024	31 December 2023
Cash and cash equivalents	(275.8)	(205.3)
Short term deposits	(0.2)	(110.4)
Non-current portion	1,610.1	1,563.5
Current portion	76.9	69.7
Net Debt	**1,411.0**	**1,317.5**

15.2.1 Liquidity reserve

The Group manages liquidity risks by entering in credit line and overdraft agreements with banks. As of 30 June 2024, there were six credit line and overdraft facilities available in four separate banks with a total limit of EUR 644.9 million. The disbursed amount was EUR 85.9 million. The credit line and overdraft facilities are committed, i.e., the funds must be paid by the bank upon request.

EURm	30 June 2024	31 December 2023
Credit line agreements	270.0	270.1
Overdraft agreements	289.0	287.5
Total unwithdrawn balances	**559.0**	**557.6**
Cash balances in bank accounts	275.3	204.8
Restricted cash	0.5	0.5
Total cash and cash equivalents	**275.8**	**205.3**
Short-term deposits	0.2	110.4
Total short-term deposits	**0.2**	**110.4**
Total liquidity reserve	**835.0**	**873.3**

15.2.2 Reconciliation of the Group's Net Debt balances to cash flows from financing activities

	Loans and bonds		Lease liabilities		Assets		
EURm	Non-current	Current	Non-current	Current	Cash uivalents	Short-term deposits	Total
Net Debt as at 1 January 2024	**1,521.2**	**64.5**	**42.3**	**5.2**	**(205.3)**	**(110.4)**	**1,317.5**
Cash changes							
(Increase) decrease in cash and cash equivalents	-	-	-	-	38.5	-	**38.5**
Proceeds from loans	62.8	7.9	-	-	-	-	**70.7**
Repayments of loans	-	(23.7)	-	-	-	-	**(23.7)**
Lease payments	-	-	-	(3.6)	-	-	**(3.6)**
Interest paid	-	(19.9)	-	(0.4)	-	-	**(20.3)**
Overdrafts net change	-	(1.6)	-	-	-	-	**(1.6)**
Received interest	-	-	-	-	-	2.9	**2.9**
Reclassifications between categories	-	-	-	-	(109.0)	109.0	**-**
Non-cash changes							
Lease contracts concluded	-	-	9.1	0.5	-	-	**9.6**
Accrual of interest receivable	-	-	-	-	-	(1.7)	**(1.7)**
Accrual of interest payable	1.1	22.3	0.1	0.5	-	-	**24.0**
Lease remeasurement	-	-	0.8	-	-	-	**0.8**
Reclassifications between items	(23.1)	23.1	(2.4)	2.4			**-**
Other non-monetary changes	(2.4)	(0.1)	-	-	-	-	**(2.5)**
Change in foreign currency	0.8	-	(0.3)	(0.1)	-	-	**0.4**
Net Debt as at 30 June 2024	**1,560.4**	**72.5**	**49.6**	**4.5**	**(275.8)**	**(0.2)**	**1,411.0**

16 Provisions

Movement of the Group's provisions was as follows:

EURm	Emission allowance	Employee benefits	Servitudes	Regulatory difference of isolated power system operations and system services	Regulatory differences of public electricity supply activity	Other	Total
Balance as at 1 January 2024	**8.8**	**6.0**	**5.5**	**46.3**	**13.1**	**8.6**	**88.3**
Increase during the year	4.0	0.8	-	26.4	0.7	2.4	**34.3**
Utilised during the year	(9.2)	(0.1)	-	-	(2.0)	(5.7)	**(17.0)**
Result of change in assumptions	-	-	-	-	-	(0.4)	**(0.4)**
Discount effect	-	-	-	0.4	-	0.1	**0.5**
Reclassification from other categories	-	-	-	-	-	5.2	**5.2**
Balance as at 30 June 2024	**3.6**	**6.7**	**5.5**	**73.1**	**11.8**	**10.2**	**110.9**
Non-current	-	5.5	4.7	48.8	-	5.9	**64.9**
Current	3.6	1.2	0.8	24.3	11.8	4.3	**46.0**

The total change in the provisions in 6M 2024 was EUR 22.6 million. The change recognised in the Statement of profit or loss was EUR 22.9 million, capitalised to 'Right-of-use assets' was EUR 0.2 million, recognised in the Statement of other comprehensive income was EUR 0.1 million, capitalised to 'Property plant and equipment' was EUR (0.6) million.

17 Derivatives

The Group's derivative financial instruments are related to electricity and natural gas commodities and comprise:
- *contracts made directly with other parties over the counter (OTC);*
- *contracts made through the Nasdaq Commodities market;*
- *other contracts.*

The fair value of Nasdaq contracts is being set off with cash on day-to-day basis. Accordingly, no financial assets or liabilities are being recognised in the Statement of financial position. Gain or loss of such transactions is recognised the same as all derivative financial instruments.

17.1 Derivative financial instruments included in the Statement of financial position

EURm	30 June 2024	31 December 2023
Other non-current assets	4.1	2.6
Other current assets	2.5	8.9
Other non-current liabilities	(2.5)	(8.1)
Other current liabilities	(10.3)	(9.2)
Carrying amount	**(6.2)**	**(5.8)**

Movement of derivative financial instruments were as follows:

EURm	6M 2024	6M 2023
Carrying amount as at 1 January	**(5.8)**	**39.5**
Fair value change of derivatives in 'Finance income'	0.7	0.8
Fair value change of derivatives in 'Finance expenses'	(0.2)	-
Fair value change of OTC ineffectiveness	2.6	(5.4)
Unrealised gain (loss) of OTC and other financial instruments ineffectiveness	**3.1**	**(4.6)**
Unrealised gain (loss) of Nasdaq ineffectiveness	**(0.9)**	**(17.8)**
Total Unrealised gain (loss)	***2.2***	***(22.4)***
Fair value change of OTC effectiveness	(3.5)	(100.8)
Fair value change of Nasdaq effectiveness	(4.9)	(77.2)
Unrealised gain (loss) in 'Other comprehensive income'	***(8.4)***	***(178.0)***
Fair value change of Nasdaq set off with cash	***5.8***	***95.0***
Carrying amount as at 30 June	**(6.2)**	**(65.9)**

17.2 Derivatives included in the Statement of profit or loss

EURm	6M 2024	6M 2023
Realised gain (loss) from OTC and Nasdaq	(1.0)	15.6
Unrealised gain (loss)	2.2	(22.4)
Total in profit or loss – ineffective energy hedging result	***1.2***	***(6.8)***
Cash flow hedges – reclassified to profit or loss from OCI	10.1	26.5
Total in profit or loss – effective energy hedging result	***10.1***	***26.5***
Total recognised in the Statement of profit or loss	**11.3**	**19.7**

18 Composition of the Group

18.1 List of subsidiaries

The Group's structure is provided in section '4.8 Group's structure' of our Integrated Annual Report 2023 and on our website.

18.2 Changes in the composition

18.2.1 Establishment of new subsidiaries

In January 2024, AB "Ignitis gamyba" established a new subsidiary UAB "Ignitis gamyba projektai".

In April 2024, UAB "Ignitis renewables" established two new subsidiaries: UAB "Ignitis renewables projektai 9" and UAB "Ignitis renewables projektai 10".

In May 2024, UAB "Ignitis renewables" established a new subsidiary UAB "Ignitis renewables projektai 11".

See Note 22.1 for new subsidiaries established after the reporting period.

19 Contingent liabilities and commitments

19.1 Litigations

The most significant litigations as at 30 June 2024:

Litigation	Any significant changes since 31 December 2023?	Is the Group a party to the process?	Is the provision recognised in the Statement of financial position?
Litigation concerning the designated supplier state aid scheme and LNG price component	No	No	No
Investigation by the European Commission on State aid in the context of a strategic reserve measure	No	No	No
Litigation with UAB Kauno termofikacijos elektrinė	Yes	Yes	No

Litigation with UAB Kauno termofikacijos elektrinė

On 13 June 2024, the Vilnius City District Court dismissed the claim of UAB Kauno termofikacijos elektrinė (see Note 22.2 for information about events after the reporting period).

20 Related-party transactions

Related parties	Accounts receivable 30 June 2024	Accounts payable 30 June 2024	Sales 6M 2024	Purchases 6M 2024
LITGRID AB	17.1	22.2	76.4	138.4
AB "Amber Grid"	6.8	2.8	19.0	16.3
BALTPOOL UAB	1.9	-	58.3	-
UAB GET Baltic	2.2	-	2.0	26.2
Other related parties	1.8	4.2	7.2	7.2
Total	**29.8**	**29.2**	**162.9**	**188.1**

Related parties	Accounts receivable 31 December 2023	Accounts payable 31 December 2023	Sales 6M 2023	Purchases 6M 2023
LITGRID AB	15.4	15.2	63.8	56.6
AB "Amber Grid"	6.0	3.4	4.7	7.9
BALTPOOL UAB	0.1	1.7	47.6	0.9
UAB GET Baltic	4.2	0.2	110.9	70.8
Other related parties	10.3	3.9	0.1	5.2
Total	**36.0**	**24.4**	**227.1**	**141.4**

20.1 Compensation to key management personnel

EURm	6M 2024	6M2023
Wages and salaries and other short-term benefits to key management personnel	0.8	0.6
Whereof:		
Short-term benefits: wages, salaries and other	*0.7*	*0.6*
Long-term benefits	*0.1*	*-*
Number of key management personnel	11	12

In 6M 2024 and 6M 2023, members of the Management Board (incl. CEO) and Supervisory Board were considered to be the Group's key management personnel. For more information on the key management personnel, see section '4 Governance report' of the Integrated Annual Report 2023.

21 Fair values of financial instruments

21.1 Financial instruments for which fair value is disclosed

The fair value of the Group's loans granted was calculated by discounting the cash flows with a market interest rate applied for a similar-period bond. The cash flows were discounted using a weighted average discount rate of 4.15% as at 30 June 2024 (as at 31 December 2023: 3.95%). The measurement of the fair value of the financial instruments related to the loans granted is attributed to Level 2 of the fair value hierarchy.

The fair value of the Group's issued bonds was calculated by discounting the future cash flows related to the coupon payments with reference to the interest rate observable in the market and the regular future payments related to the bonds issued. The cash flows were discounted using a weighted average discount rate of 4.15% as at 30 June 2024 (31 December 2023 – 3.95%). The discount rates for each issued bond were determined as certain bond yields. The measurement of the fair value of issued bonds is attributed to Level 2 of the fair value hierarchy.

The fair value of the Group's loans received was calculated by discounting the cash flows with a market interest rate applied for a similar-period bond. The cash flows were discounted using a weighted average discount rate of 4.15% (as at 31 December 2023: 3.95%). The measurement of the fair value of loans received is attributed to Level 2 of the fair value hierarchy.

21.2 Financial instruments' fair value hierarchy levels

The table below presents allocation between the fair value hierarchy levels of the Group's financial instruments as at 30 June 2024:

			Level 1	Level 2	Level 3	
EURm	Note	Carrying amount	Quoted prices in active markets	Other directly or indirectly observable inputs	Unobser-vable inputs	Total
Financial instruments measured at FVTPL or FVOCI						
Assets						
Derivatives	17	**6.6**	-	6.6	-	**6.6**
Investment funds - at FVTPL	12	**34.0**	-	-	34.0	**34.0**
Equity securities - at FVOCI	12	**5.0**	-	-	5.0	**5.0**
Liabilities						
Put option redemption liability		**38.0**	-	38.0	-	**38.0**
Derivatives	17	**12.8**	-	12.8	-	**12.8**
Contingent consideration for acquisition of subsidiaries		**37.1**	-	-	37.1	**37.1**
Financial instruments for which fair value is disclosed						
Assets						
Loans granted		**60.0**	-	62.6	-	**62.6**
Liabilities						
Bonds issued		**904.6**	-	835.8	-	**835.8**
Loans received		**728.2**	-	678.3	-	**678.3**

The table below presents the allocation between the fair value hierarchy levels of the Group's financial instruments as at 31 December 2023:

			Level 1	Level 2	Level 3	
EURm	Note	Carrying amount	Quoted prices in active markets	Other directly or indirectly observable inputs	Unobser-vable inputs	Total
Financial instruments measured at FVTPL or FVOCI						
Assets						
Derivatives	17	**11.5**	-	11.5	-	**11.5**
Investment funds - at FVTPL	12	**32.0**	-	-	32.0	**32.0**
Equity securities - at FVOCI	12	**5.0**	-	-	5.0	**5.0**
Liabilities						
Put option redemption liability		**38.0**	-	38.0	-	**38.0**
Derivatives	17	**17.3**	-	17.3	-	**17.3**
Contingent consideration for acquisition of subsidiaries		**66.0**	-	-	66.0	**66.0**
Financial instruments for which fair value is disclosed						
Assets						
Loans granted		**55.9**	-	60.3	-	**60.3**
Liabilities						
Bonds issued		**900.9**	-	831.8	-	**831.8**
Loans received		**684.7**	-	640.3	-	**640.3**

22 Events after the reporting period

22.1 New subsidiaries established

In July 2024, UAB "Ignitis renewables" established two new subsidiaries: UAB "Ignitis renewables Estonia OÜ" and UAB "Ignitis renewables DevCo1 OÜ".

22.2 Litigation with UAB Kauno termofikacijos elektrinė

On 15 July 2024, UAB Kauno termofikacijos elektrinė filed an appeal, therefore the decision of the first-instance court (see Note 19.1 for more information on this litigation) has not entered into force and the case will be heard by a higher court. The hearing in the court of appeal has not been scheduled yet.

There were no other significant events after the reporting period till the issue of these financial statements.

Parent company's financial statements

Parent company's interim condensed financial statements for the six-month period ended 30 June 2024, prepared in accordance with International accounting standard 34 'Interim financial reporting' as adopted by the European Union

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Independent Auditor's Report

To the Shareholders of AB Ignitis grupė

Report on the Audit of the Interim Condensed Separate Financial Statements

Opinion

We have audited the interim condensed separate financial statements of AB Ignitis grupė ("the Company"). The Company's interim condensed separate financial statements comprise:

- the interim condensed statement of financial position as at 30 June 2024,
- the interim condensed statement of profit or loss and other comprehensive income for the six-month period then ended,
- the interim condensed statement of changes in equity for the six-month period then ended,
- the interim condensed statement of cash flows for the six-month then ended, and
- the notes to the interim condensed financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying interim condensed separate financial statements give a true and fair view of the non-consolidated financial position of the Company as at 30 June 2024, and of its non-consolidated financial performance and its non-consolidated cash flows for the six-month period then ended in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union.

Basis for Opinion

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

Company code: 111616158
VAT code: LT114949716

Other Information

The other information comprises the information included in the Company's interim management report, but does not include the interim condensed separate financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

In addition, our responsibility is to consider whether information included in the Company's interim management report for the six-month period for which the interim condensed separate financial statements are prepared is consistent with the interim condensed separate financial statements and whether management report has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of interim condensed separate financial statements, in our opinion, in all material respects:

- The information given in the Company's interim management report for the six-month period for which the interim condensed separate financial statements are prepared is consistent with the interim condensed separate financial statements; and
- The Company's interim management report has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

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

Management is responsible for the preparation of the interim condensed separate financial statements that give a true and fair view in accordance with IAS 34 *Interim Financial Reporting*, as adopted by the European Union, and for such internal control as management determines is necessary to enable the preparation of interim condensed separate financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor’s Responsibilities for the Audit of the Interim Condensed Separate Financial Statements

Our objectives are to obtain reasonable assurance about whether the interim condensed separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these interim condensed separate financial statements.

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

- Identify and assess the risks of material misstatement of the interim condensed separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the interim condensed separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the interim condensed separate financial statements, including the disclosures, and whether the interim condensed separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Report on Other Legal and Regulatory Requirements

Under decision of the general shareholders‘ meeting we were appointed on 27 September 2021 for the first time to audit the Company‘s separate financial statements. Our appointment to audit the Company‘s and the Group’s separate and consolidated financial statements was renewed on 30 March 2023 under decision of the general shareholders‘ meeting, and the total uninterrupted period of engagement is 4 years.

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

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

In the course of audit, we have not provided any other services except for audit of interim condensed financial statements.

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

On behalf of KPMG Baltics, UAB

Rokas Kasperavičius
Partner
Certified Auditor

Klaipėda, the Republic of Lithuania
14 August 2024

The electronic auditor‘s signature applies only to the Independent Auditor‘s Report on pages 81 to 84 of this document.

7.2 Interim condensed statement of profit or loss and other comprehensive income

For the six-month period ended 30 June 2024

EURm	Note	6M 2024	6M 2023	Q2 2024	Q2 2023
Revenue from contracts with customers	5	1.8	1.5	0.9	0.7
Dividend income		210.3	222.4	180.3	193.2
Total revenue		**212.1**	**223.9**	**181.2**	**193.9**
Salaries and related expenses		(2.6)	(1.9)	(1.4)	(1.0)
Depreciation and amortisation		(1.3)	(1.0)	(0.7)	(0.5)
Other expenses		(4.2)	(3.2)	(2.4)	(1.6)
Total expenses		**(8.1)**	**(6.1)**	**(4.5)**	**(3.1)**
Operating profit		204.0	217.8	176.7	190.8
Finance income	7	35.1	48.5	18.1	35.5
Finance expenses	7	(18.2)	(13.7)	(8.9)	(7.2)
Finance activity, net		**16.9**	**34.8**	**9.2**	**28.3**
Profit (loss) before tax		**220.9**	**252.6**	**185.9**	**219.1**
Income tax (expenses)/benefit		(2.0)	(4.7)	(0.5)	(4.0)
Net profit for the period		**218.9**	**247.9**	**185.4**	**215.1**
Total other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income (loss) for the period		**218.9**	**247.9**	**185.4**	**215.1**

7.3 Interim condensed statement of financial position

As at 30 June 2024

EURm	Note	30 June 2024	31 December 2023	30 June 2023
Assets				
Intangible assets		1.7	1.7	1.9
Property, plant and equipment		0.1	0.1	0.1
Right-of-use assets		17.5	16.9	17.9
Investment property		0.1	0.1	0.1
Investments in subsidiaries	8	1,536.8	1,388.2	1,255.2
Non-current receivables	9	1,716.9	1,558.8	1,360.4
Other financial assets	10	34.0	32.0	41.1
Non-current assets		**3,307.1**	**2,997.8**	**2,676.7**
Prepayments and deferred expenses		0.2	0.3	0.2
Trade receivables	5	0.5	0.3	0.4
Other receivables	9	353.2	329.6	262.4
Other financial assets	10	0.2	110.4	0.2
Other current assets		3.6	3.5	3.8
Cash and cash equivalents		72.5	3.2	479.9
Current assets		**430.2**	**447.3**	**746.9**
Total assets		**3,737.3**	**3,445.1**	**3,423.6**
Equity and liabilities				
Issued capital	11.2	1,616.4	1,616.4	1,616.4
Reserves		117.7	142.4	142.4
Retained earnings		539.3	342.2	376.7
Equity		**2,273.4**	**2,101.0**	**2,135.5**
Non-current loans and bonds	12	1,152.0	1,156.1	1,160.1
Non-current lease liabilities	12	15.5	15.1	16.2
Deferred tax liabilities		3.2	3.2	4.4
Non-current liabilities		**1,170.7**	**1,174.4**	**1,180.7**
Loans	12	143.2	156.4	95.8
Lease liabilities	12	2.5	2.1	2.1
Trade payables		1.0	0.8	0.6
Advances received		0.4	-	-
Income tax payable		0.9	3.3	1.7
Other current liabilities	13	145.2	7.1	7.2
Current liabilities		**293.2**	**169.7**	**107.4**
Total liabilities		**1,463.9**	**1,344.1**	**1,288.1**
Total equity and liabilities		**3,737.3**	**3,445.1**	**3,423.6**

7.4 Interim condensed statement of changes in equity

For the six-month period ended 30 June 2024

EURm	Note	Share capital	Legal reserve	Treasury shares reserve	Retained earnings	Total
Balance as at 1 January 2023		**1,616.4**	**99.6**	**37.7**	**179.1**	**1,932.8**
Net profit for the period		-	-	-	247.9	**247.9**
Other comprehensive income for the period		-	-	-	-	**-**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**247.9**	**247.9**
Transfers to legal reserve		-	5.1	-	(5.1)	**-**
Dividends	6	-	-	-	(45.2)	**(45.2)**
Balance as at 30 June 2023		**1,616.4**	**104.7**	**37.7**	**376.7**	**2,135.5**
Balance as at 1 January 2024		**1,616.4**	**104.7**	**37.7**	**342.2**	**2,101.0**
Net profit for the period		-	-	-	218.9	**218.9**
Other comprehensive income for the period		-	-	-	-	**-**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**218.9**	**218.9**
Transfers to legal reserve		-	13.0	-	(13.0)	**-**
Transfers to treasury shares reserve	11.4	-	-	(37.7)	37.7	**-**
Dividends	6	-	-	-	(46.5)	**(46.5)**
Balance as at 30 June 2024		**1,616.4**	**117.7**	**-**	**539.3**	**2,273.4**

7.5 Interim condensed statement of cash flows

For the six-month period ended 30 June 2024

EURm	Note	6M 2024	6M 2023
Net profit for the period		218.9	247.9
Adjustments for:			
Depreciation and amortisation expenses		1.3	1.0
Fair value changes of financial assets	10.1	-	(20.2)
Income tax expenses/(benefit)		2.0	4.7
Interest income	7	(35.1)	(28.3)
Interest expenses	7	16.7	12.3
Dividend income		(210.3)	(222.4)
Other expenses/(income) of financing activities		1.5	1.4
Changes in working capital:			
(Increase)/decrease in trade receivables, other receivables and other financial assets		(0.1)	0.7
(Increase)/decrease in inventories, prepayments and deferred expenses and other current and non-current assets		0.1	-
Increase/(decrease) in trade payables and other current liabilities		(2.2)	0.1
Income tax (paid)/received		(5.3)	(1.8)
Net cash flows from operating activities		**(12.5)**	**(4.6)**
Acquisition of property, plant and equipment and intangible assets		-	(0.1)
Loans granted		(278.2)	(195.0)
Loan repayments received		175.5	405.2
Investments into subsidiaries	8.2	(11.2)	-
Interest received		21.4	26.8
Dividends received		210.3	222.4
(Increase)/decrease of deposits		109.0	-
(Investments in)/return from investment funds		(2.0)	0.3
Net cash flows from investing activities		**224.8**	**459.6**
Loans received	12.4	(0.2)	209.5
Repayments of loans	12.4	(80.0)	(153.5)
Overdrafts net change	12.4	(1.6)	-
Lease payments	12.4	(1.2)	(0.9)
Dividends paid	6	(46.5)	(45.2)
Interest paid		(13.5)	(8.9)
Other increases/(decreases) in cash flows from financing activities		-	(0.9)
Net cash flows from financing activities		**(143.0)**	**0.1**
Increase/(decrease) in cash and cash equivalents		**69.3**	**455.1**
Cash and cash equivalents at the beginning of the period		**3.2**	**24.8**
Cash and cash equivalents at the end of the period		**72.5**	**479.9**

7.6 Notes

For the six-month period ended 30 June 2024

1 General information

AB "Ignitis grupė" (hereinafter referred to as 'the parent company') is a public limited liability company registered in the Republic of Lithuania. The parent company's registered office address is Laisvės Ave. 10, LT-04215, Vilnius, Lithuania. The parent company was registered on 28 August 2008 with the Register of Legal Entities managed by the State Enterprise Centre of Registers. The parent company's code is 301844044. The parent company has been founded for an indefinite period.

AB "Ignitis grupė" is a parent company, which is responsible for the management and coordination of activities of the group companies directly controlled by the parent company (Note 8) and indirectly controlled through its subsidiaries. The parent company and its directly and indirectly controlled subsidiaries are hereinafter collectively referred to as 'the Group'. The Group's core business is focused on operating Lithuania's electricity distribution network (Networks) and managing and developing its Green Capacities Portfolio (Green Capacities). The Group also manages strategically important reserve capacities (Reserve Capacities) and provide services to its customers (Customers & Solutions), including the supply of electricity and natural gas, solar, e-mobility, energy efficiency and innovative energy solutions for private and business customers.

The parent company analyses the activities of the 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, etc.

The parent company seeks to ensure effective operation of the Group companies, implementation of goals set forth in the National Energy Independence Strategy and other legal acts that are related to the Group's activities, ensuring that it creates sustainable value in a socially responsible manner.

The parent company's CEO is responsible for the preparation of this Interim report, while the parent company's Management Board considers and approves it. The First Six Months 2024 Interim Report, including the consolidated and the parent company's financial statements, was considered and approved by the parent company's Management Board on 13 August 2024.

These are interim condensed financial statements of the parent company. The Group also prepares interim condensed consolidated financial statements in accordance with International Accounting Standard (hereinafter referred to as 'IAS') 34 'Interim Financial Reporting'.

2 Basis of preparation

2.1 Basis of accounting

These interim condensed financial statements have been prepared for the six-month period ended 30 June 2024 (hereinafter referred to as 'interim financial statements') in accordance with IAS 34.

These interim financial statements do not provide all the information required for the preparation of the annual financial statements, therefore this must be read in conjunction with the parent company's annual financial statements for the year ended 31 December 2023, which have been prepared in accordance with International Financial Reporting Standards (hereinafter referred to as 'IFRS'), which were issued by the International Accounting Standards Board (hereinafter referred to as 'IASB') and endorsed for application in the European Union.

Interim financial statements have been prepared on a going concern basis while applying measurements based on historical costs (hereinafter referred to as 'acquisition costs'), except for certain financial instruments measured at fair value.

2.2 Functional and presentation currency

These interim financial statements are presented in euros, which is the parent company's functional currency, and all values are rounded to the nearest million (EURm), except when indicated otherwise. The interim financial statements provide comparative information in respect of the previous period.

3 Changes in material accounting policies

The accounting policies applied during the preparation of these interim financial statements are consistent with the accounting policies applied during the preparation of the parent company's annual financial statements for the year ended 31 December 2023, with the exception for the adoption of new standards effective as of 1 January 2024. Several amendments the adoption of which is effective from 1 January 2024 were applied, but they did not have a material impact on our interim financial statements. The parent company has not applied any standard, interpretation, or amendment for which the early application is permitted but is not yet effective.

4 Significant accounting estimates and judgments used in the preparation of the financial statements

While preparing these interim financial statements, the significant management judgements regarding the application of the accounting policies and accounting estimates were the same as the ones used while preparing the annual financial statements for the year ended 31 December 2023.

5 Revenue from contracts with customers

EURm	6M 2024	6M 2023
Management fee revenue	1.8	1.5
Total	**1.8**	**1.5**

The parent company's revenue from contracts with customers during the 6M 2024 and 6M 2023 periods mainly comprised revenue from advisory and management services provided to subsidiaries. The parent company did not present any segment-related information as there is only one segment. All performance obligations of the parent company are settled over time.

The parent company's balances under the contracts with customers:

EURm	30 June 2024	31 December 2023
Trade receivables	0.5	0.3

6 Dividends

Dividends declared by the parent company:

EURm	6M 2024	6M 2023
AB "Ignitis grupė"	46.5	45.2

EUR 46.5 million dividend for the second half of 2023 was approved at the Annual General Meeting of Shareholders on 27 March 2024 and EUR 45.2 million dividend for the second half of 2022 was approved at the Annual General Meeting of Shareholders on 30 March 2023.

7 Finance activity

EURm	6M 2024	6M 2023
Finance income		
Interest income at the effective interest rate	35.1	28.3
Investment funds – at FVTPL (Note 10.1)	-	20.2
Total finance income	**35.1**	**48.5**
Finance expenses		
Interest expenses	16.6	12.2
Interest and discount expense on lease liabilities	0.1	0.1
Other expenses of financing activities	1.5	1.4
Total finance expenses	**18.2**	**13.7**
Finance activity, net	**16.9**	**34.8**

The parent company earns interest income from long-term and short-term loans, the majority of which is granted to the Group companies.

The parent company incurs interest expenses on long-term and short-term loans payable and issued bonds.

8 Investments in subsidiaries

Information on the parent company's investments in subsidiaries as at 30 June 2024 are provided below:

EURm	Acquisition cost	Impairment	Carrying amount	Parent company's ownership interest, %	Group's effective ownership interest, %
Subsidiaries:					
AB "Energijos skirstymo operatorius"	750.4	-	750.4	100.00	100.00
UAB "Ignitis renewables"	331.1	-	331.1	100.00	100.00
AB "Ignitis gamyba"	223.3	-	223.3	100.00	100.00
UAB "Ignitis"	142.1	-	142.1	100.00	100.00
UAB Vilniaus kogeneracinė jėgainė	52.3	-	52.3	100.00	100.00
UAB Kauno kogeneracinė jėgainė	20.4	-	20.4	51.00	51.00
UAB "Ignitis grupės paslaugų centras"	12.9	-	12.9	100.00	100.00
UAB "Transporto valdymas"	2.4	-	2.4	100.00	100.00
UAB Elektroninių mokėjimų agentūra	1.5	-	1.5	100.00	100.00
UAB "Gamybos optimizavimas"	0.4	-	0.4	100.00	100.00
	1,536.8	**-**	**1,536.8**		

8.1 Movement of investments

Movement of the parent company's investments during the 6M 2024 and 6M 2023 period was as follows:

EURm	6M 2024	6M 2023
Carrying amount at 1 January	**1,388.2**	**1,255.2**
Share capital increase in subsidiaries	148.6	-
Carrying amount at 30 June	**1,536.8**	**1,255.2**

In 6M 2024, the share capital of UAB Elektroninių mokėjimų agentūra was increased by EUR 0.6 million with the full amount paid in cash during the 6M 2024 period, and the share capital of UAB "Ignitis renewables" was increased by EUR 148.0 million with the amount paid in cash during the 6M 2024 period, totalling EUR 10.6 million.

8.2 Cash flows from investments in subsidiaries

Reconciliation of cash flows of the parent company's investments into subsidiaries with the data reported in the Statement of cash flows:

EURm	30 June 2024	30 June 2023
Share capital increase in subsidiaries	(11.2)	-
Total	**(11.2)**	**-**

8.3 Impairment of investments in subsidiaries

On 30 June 2024, the parent company carried out an analysis to determine the existence of indications of impairment for investments into subsidiaries. The parent company has considered the information from external and internal sources of information. The parent company did not find any impairment indications for investments in subsidiaries as at 30 June 2024, therefore, the parent company did not perform impairment tests for subsidiaries and did not recognize additional impairment for investments during 6M 2024.

9 Non-current and current receivables

EURm	30 June 2024	31 December 2023
Loans granted	1,716.9	1,558.8
Total non-current	**1,716.9**	**1,558.8**
Cash-pool loans	192.9	146.2
Current loans	109.5	150.5
Current portion of non-current loans	50.8	32.9
Total current	**353.2**	**329.6**
Less loss allowance	-	-
Carrying amount	**2,070.1**	**1,888.4**

9.1 Expected credit losses of loans granted and other non-current receivables

As at 30 June 2024, the parent company assessed whether credit risk of recipients of non-current and current loans has increased significantly and did not establish any indications and has no information indicating that the credit risk of loan recipients on an individual basis has increased significantly. Therefore, no lifetime expected credit loss was recognised for non-current and current loans granted (Note 9.2).

9.2 Loans granted

The parent company's loans granted comprised the loans granted to subsidiaries.

EURm	30 June 2024	31 December 2023
Within one year	353.2	329.6
From 1 to 2 years	7.9	7.9
From 2 to 5 years	217.2	226.6
After 5 years	1,491.8	1,324.3
Carrying amount	**2,070.1**	**1,888.4**

10 Other financial assets

EURm	30 June 2024	31 December 2023
Other non-current financial assets		
Investment funds – at FVTPL	34.0	32.0
Carrying amount	**34.0**	**32.0**
Other current financial assets		
Short-term deposits	0.2	110.4
Carrying amount	**0.2**	**110.4**

10.1 Movement of fair value in investment funds

EURm	30 June 2024	30 June 2023
Carrying amount as at 1 January	**32.0**	**20.6**
Additional investments	2.0	0.3
Change in fair value	-	20.2
Carrying amount as at 30 June	**34.0**	**41.1**

10.2 Significant accounting estimates: Investment funds – at FVTPL

The parent company has invested into investment funds. The funds are managed by independent entities (managers), which are responsible for the investment decisions. Accordingly, in the parent company's management's view, the parent company does not have the power to manage the activities of the funds and does not have the control over them.

As at 30 June 2024, the carrying value of the Smart Energy Fund amounted to EUR 22.4 million, the carrying value of the World Fund amounted to EUR 11.6 million.

The fair value of the funds was determined by reference to the exits of investments, new investment rounds or other recent events and data (Note 16).

The fair value of the funds corresponds to Level 3 in the fair value hierarchy.

11 Equity and reserves

11.1 Capital management

For the purpose of capital management, the management uses equity as reported in the Statement of financial position.

Pursuant to the Republic of Lithuania Law on Companies, the issued capital of a public limited liability company must be not lower than EUR 25 thousand and the shareholders' equity must be not lower than 50% of the company's issued capital. As at 30 June 2024 and 31 December 2023, the parent company has met the requirements of capital regulation.

11.2 Share capital

Shareholders of the parent company	30 June 2024		31 December 2023	
	Share capital, in EURm	%	Share capital, in EURm	%
The Republic of Lithuania represented by the Ministry of Finance of the Republic of Lithuania	1,212.2	74.99	1,212.2	74.99
Other shareholders	404.2	25.01	404.2	25.01
	1,616.4		**1,616.4**	

As at 30 June 2024, the parent company's share capital comprised EUR 1,616.4 million (31 December 2023: 1,616.4 million) and was divided into 72,388,960 ordinary registered shares with a EUR 22.33 nominal value per share (31 December 2023: 72,388,960 ordinary registered shares with a EUR 22.33 nominal value per share).

11.3 Legal reserve

The legal reserve is a compulsory reserve under the Lithuanian legislation. Companies in Lithuania are required to transfer at least 5% of their net profit from the distributable profit until the total reserve reaches 10% of the issued capital. The legal reserve shall not be used for the payment of dividends and is formed to cover the future losses only. The parent company's legal reserve as at 30 June 2024 and 31 December 2023 was not fully formed.

11.4 Cancellation of the treasury shares reserve

At the Annual General Meeting of shareholders held on 27 March 2024 it was decided to cancel the reserve for the acquisition of own ordinary registered shares and to transfer EUR 37.7 million from the 'Treasury shares reserve' to 'Retained earnings'.

12 Financing

12.1 Loans, bonds and lease liabilities

EURm	30 June 2024	31 December 2023
Bonds issued	892.7	891.8
Loans received	184.3	189.3
Bank overdrafts, credit line	75.0	75.0
Lease liabilities	15.5	15.1
Total non-current	**1,167.5**	**1,171.2**
Current portion of non-current loans received	120.3	134.8
Current portion of bonds issued	11.9	9.1
Bank overdrafts, credit line	11.0	12.5
Lease liabilities	2.5	2.1
Total current	**145.7**	**158.5**
Total	**1,313.2**	**1,329.7**

Loans, bonds and lease liabilities by maturity:

EURm	30 June 2024	31 December 2023
Up to 1 year	145.7	158.5
From 1 to 2 years	15.4	84.7
From 2 to 5 years	723.5	652.2
After 5 years	428.6	434.3
Total	**1,313.2**	**1,329.7**

Loans, bonds and lease liabilities are denominated in euros.

12.2 Covenants

The loan agreements provide for financial and non-financial covenants that the parent company is obliged to comply with. The parent company complied with the covenants as at 30 June 2024 and 31 December 2023.

12.3 Net Debt

Net Debt is a non-IFRS liquidity metric used to determine the value of debt against highly liquid assets owned by the parent company. Only debts to financial institutions, issued bonds and related interest payables and lease liabilities are included in the Net Debt calculation. The management defines the Net Debt metric for the purposes of these financial statements in the manner presented below.

Net Debt balances:

EURm	30 June 2024	31 December 2023
Cash and cash equivalents	(72.5)	(3.2)
Short-term deposits	(0.2)	(110.4)
Non-current portion	1,167.5	1,171.2
Current portion	145.7	158.5
Net Debt	**1,240.5**	**1,216.1**

12.4 Reconciliation of the parent company's Net Debt balances to cash flows from financing activities

	Loans and bonds		Lease liabilities		Assets		
EURm	Non-current	Current	Non-current	Current	Cash and cash equivalents	Short-term deposits	Total
Net Debt as at 1 January 2023	**1,113.1**	**9.8**	**14.2**	**1.8**	**(24.8)**	**-**	**1,114.1**
Cash changes							
Increase (decrease) in cash and cash equivalents	-	-	-	-	(455.1)	-	**(455.1)**
Proceeds from loans	198.5	11.0	-	-	-	-	**209.5**
Repayments of loans	(150.0)	(3.5)	-	-	-	-	**(153.5)**
Lease payments	-	-	-	(0.9)	-	-	**(0.9)**
Interest paid	-	(8.8)	-	(0.1)	-	-	**(8.9)**
Non-cash changes							
Loan contracts concluded	-	73.6	-	-	-	-	**73.6**
Lease contracts concluded	-	-	2.9	0.3	-	-	**3.2**
Accrual of interest payable	0.9	11.3	-	0.1	-	-	**12.3**
Reclassifications between items	(2.4)	2.4	(0.9)	0.9	-	-	**-**
Net Debt as at 30 June 2023	**1,160.1**	**95.8**	**16.2**	**2.1**	**(479.9)**	**-**	**794.3**
Net Debt as at 1 January 2024	**1,156.1**	**156.4**	**15.1**	**2.1**	**(3.2)**	**(110.4)**	**1,216.1**
Cash changes							
(Increase) decrease in cash and cash equivalents	-	-	-	-	39.7	-	**39.7**
Proceeds from loans	(0.1)	(0.1)	-	-	-	-	**(0.2)**
Repayments of loans	-	(80.0)	-	-	-	-	**(80.0)**
Overdrafts net change	-	(1.6)	-	-	-	-	**(1.6)**
Lease payments	-	-	-	(1.2)	-	-	**(1.2)**
Interest paid	-	(13.3)	-	(0.2)	-	-	**(13.5)**
Interest received	-	-	-	-	-	2.9	**2.9**
Reclassifications between categories	-	-	-	-	(109.0)	109.0	**-**
Non-cash changes							
Loan contracts concluded	-	61.1	-	-	-	-	**61.1**
Lease contracts concluded	-	-	1.6	0.3	-	-	**1.9**
Accrual of interest receivable	-	-	-	-	-	(1.7)	**(1.7)**
Accrual of interest payable	0.8	15.7	-	0.2	-	-	**16.7**
Reclassifications between items	(4.8)	4.8	(1.2)	1.2	-	-	**-**
Other non-monetary changes	-	0.2	-	0.1	-	-	**0.3**
Net Debt as at 30 June 2024	**1,152.0**	**143.2**	**15.5**	**2.5**	**(72.5)**	**(0.2)**	**1,240.5**

13 Other current liabilities

EURm	30 June 2024	31 December 2023
Payable amount for increase of share capital in subsidiaries	137.4	-
Irrevocable commitment to acquire a minority interest	3.5	3.5
Personal income tax payable from bonds interest	1.8	1.4
Payroll related liabilities	1.3	1.0
Taxes (other than income tax)	1.1	1.1
Accrued expenses	0.1	0.1
Carrying amount	**145.2**	**7.1**

14 Contingent liabilities and commitments

14.1 Issued guarantees related to loans

The parent company's guarantees issued in respect of loans received by subsidiaries were as follows:

Beneficiary of the guarantee	Maximum amount of the guarantee	30 June 2024[1]	31 December 2023[1]
Banks	240.0	205.9	288.4
Total	**240.0**	**205.9**	**288.4**

[1] The amount which should be covered by the parent company in case an entity could not perform its obligations.

14.2 Other issued guarantees

Other guarantees provided by the parent company are the following:

Beneficiary of the guarantee	Maximum amount of the guarantee	30 June 2024[2]	31 December 2023[2]
Banks	81.1	81.1	75.2
Other companies	804.6	20.1	46.7
Total	**885.7**	**101.2**	**121.9**

[2] The amount which should be covered by the parent company in case an entity could not perform its obligations.

15 Related-party transactions

The balance of the parent company's transactions with related parties during the period and at the end of the period are presented below:

Related parties, EURm	Accounts receivable 30 June 2024	Loans receivable 30 June 2024	Accounts payable 30 June 2024	Sales 6M 2024	Purchases 6M 2024	Finance income/ (cost) 6M 2024
Subsidiaries	0.5	2,070.0	138.5	1.8	2.8	33.1
Total	**0.5**	**2,070.0**	**138.5**	**1.8**	**2.8**	**33.1**

Related parties, EURm	Accounts receivable 31 December 2023	Loans receivable 31 December 2023	Accounts payable 31 December 2023	Sales 6M 2023	Purchases 6M 2023	Finance income/ (cost) 6M 2023
Subsidiaries	0.3	1,888.4	0.4	1.5	1.9	25.4
Total	**0.3**	**1,888.4**	**0.4**	**1.5**	**1.9**	**25.4**

The parent company's dividend income received from subsidiaries in 6M 2024 of EUR 210.3 million (6M 2023: EUR 222.4 million) is presented as 'Dividend income' in the Statement of profit or loss.

As at 30 June 2024, the parent company has issued guarantees for loans to its subsidiaries (Note 14.1).

15.1 Compensation to key management personnel

EURm	6M 2024	6M 2023
Remuneration, salary and other short-term benefits for key management personnel	0.8	0.6
Whereof:		
Short-term benefits – wages, salaries and other	*0.7*	*0.6*
Other long-term benefits	*0.1*	-
Number of key management personnel	11	12

In 6M 2024 and 6M 2023, members of the Management Board (incl. CEO) and Supervisory Board were considered as the parent company's key management personnel. For more information on the key management personnel, see '4 Governance report' in our Integrated Annual Report 2023.

16 Fair values of financial instruments

16.1 Financial instruments, measured at fair value

As at 30 June 2024 and 31 December 2023, the parent company has accounted for investments funds measured at FVTPL (Note 10). The fair value measurement of these financial assets is based on investment rounds. The fair value of these financial assets will change depending on the exits of investments, future investment rounds or other significant events. Their fair value corresponds to Level 3 of the fair value hierarchy.

16.2 Financial instruments for which fair value is disclosed

The carrying amount of the parent company's financial assets and financial liabilities measured at an amortised cost approximates to their fair value, except the bonds issued, loans received and the loans granted. The measurement of the financial instruments related to the bonds issued, the loans received and the loans granted is attributed to Level 2 of the fair value hierarchy.

As at 30 June 2024 and 31 December 2023, the fair value of loans granted to its subsidiary AB "Energijos skirstymo operatorius" was estimated by discounting the cash flows with a market interest applied for a similar-period bond. The market interest rate for certain bonds' issues was determined as certain bond yields. The cash flows were discounted using a weighted average discount rate of 4.15% as at 30 June 2024 (31 December 2023: 3.95%). The measurement of financial instruments related to the loans granted to the subsidiary AB "Energijos skirstymo operatorius" is attributed to Level 2 of the fair value hierarchy.

The fair value of loans granted to other Group companies was calculated by discounting the cash flows with a market interest rate applied for a similar-period bond. The cash flows were discounted using a weighted average discount rate of 4.15% as at 30 June 2024 (31 December 2023: 3.95%). The measurement of the financial instruments related to the loans granted is attributed to Level 2 of the fair value hierarchy.

The fair value of the parent company's bonds issued was calculated by discounting the future cash flows related to the coupon payments with reference to the interest rate observable in the market and the regular future payments related to the bonds issued. The cash flows were discounted using a weighted average discount rate of 4.15% as at 30 June 2024 (31 December 2023: 3.95%). The discount rates for each bond issued were determined as certain bond yields. The measurement of the fair value of bonds issued is attributed to Level 2 of the fair value hierarchy.

The fair value of loans received was calculated by discounting the cash flows with a market interest rate applied for a similar-period bond. The cash flows were discounted using a weighted average discount rate of 4.15% as at 30 June 2024 (31 December 2023: 3.95%). The measurement of fair value of loans received is attributed to Level 2 of the fair value hierarchy.

The table below presents the allocation between the fair value hierarchy levels of the parent company's financial instruments as at 30 June 2024:

			Level 1	Level 2	Level 3	
EURm	**Note**	**Carrying amount**	**Quoted prices in active markets**	**Other directly or indirectly observable inputs**	**Unobser-vable inputs**	**Total**
Financial instruments measured at FVTPL						
Assets						
Investment funds – at FVTPL	10	**34.0**	-	-	34.0	**34.0**
Financial instruments for which fair value is disclosed						
Assets						
Loans granted to other Group companies		**1,441.9**	-	1,395.2	-	**1,395.2**
Loans granted to subsidiary AB "Energijos skirstymo operatorius"		**627.7**	-	578.8	-	**578.8**
Liabilities						
Bonds issued		**904.6**	-	835.8	-	**835.8**
Loans received		**390.7**	-	334.6	-	**334.6**

The table below presents the allocation between the fair value hierarchy levels of the company's financial instruments as at 31 December 2023:

			Level 1	Level 2	Level 3	
EURm	**Note**	**Carrying amount**	**Quoted prices in active markets**	**Other directly or indirectly observable inputs**	**Unobser-vable inputs**	**Total**
Financial instruments measured at FVTPL						
Assets						
Investment funds – at FVTPL	10	**32.0**	-	-	32.0	**32.0**
Financial instruments for which fair value is disclosed						
Assets						
Loans granted to other Group companies		**1,263.4**	-	1,213.0	-	**1,213.0**
Loans granted to subsidiary AB "Energijos skirstymo operatorius"		**624.6**	-	575.1	-	**575.1**
Liabilities						
Bonds issued		**900.9**	-	831.8	-	**831.8**
Loans received		**411.5**	-	356.3	-	**356.3**

17 Events after the reporting period

17.1 Issued guarantees

On 15 July 2024, the parent company has issued a guarantee in favour of a third party for EUR 0.4 million. The guarantee is provided to guarantee the performance of the obligations of a subsidiary.

On 25 July 2024, the parent company has issued a guarantee in favour of a third part for EUR 45.0 million. The guarantee is provided to guarantee the performance of the obligations of a subsidiary.

There were no other significant events after the reporting period till the issue of these financial statements.

Responsibility statement

13 August 2024

Referring to the provisions of the Article 13 of the Law on Securities of the Republic of Lithuania and the Rules of disclosure of information of the Bank of Lithuania, we, Darius Maikštėnas, Chief Executive Officer at AB "Ignitis grupė", Jonas Rimavičius, Chief Financial Officer at AB "Ignitis grupė", and Paulius Žukovskis, Head of Financial Statements and Consultations at UAB "Ignitis grupės paslaugų centras", acting under Decision No 24_GSC_SP_0004 of 10 January 2024, hereby confirm that, to the best of our knowledge, the Interim condensed consolidated financial statements and the Parent company's interim condensed financial statements for the six-month period ended 30 June 2024, prepared in accordance with International accounting standard 34 'Interim financial reporting' as adopted by the European Union, give a true and fair view of the Group's consolidated and the Parent company's assets, liabilities, financial position, profit or loss and cash flows for the period, and the interim report includes a fair review of the development and performance of the business as well as the condition of AB "Ignitis grupė" and its group of companies, together with the description of the principle risks and uncertainties it faces.

Darius Maikštėnas
Chief Executive Officer

Jonas Rimavičius
Chief Financial Officer

Paulius Žukovskis
UAB "Ignitis grupės paslaugų centras",
Head of Financial Statements and Consultations,
acting under Decision No 24_GSC_SP_0004
(signed 10 January 2024)

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