First nine months 2022

Interim report

Consolidated interim report for the nine-month period ended 30 September 2022 and the condensed consolidated and the condensed parent company's financial statements for the nine-month period ended 30 September 2022, prepared in accordance with International Accounting Standard 34 'Interim Financial Reporting' as adopted by the European Union

Ignitis Group – creating an energy smart world

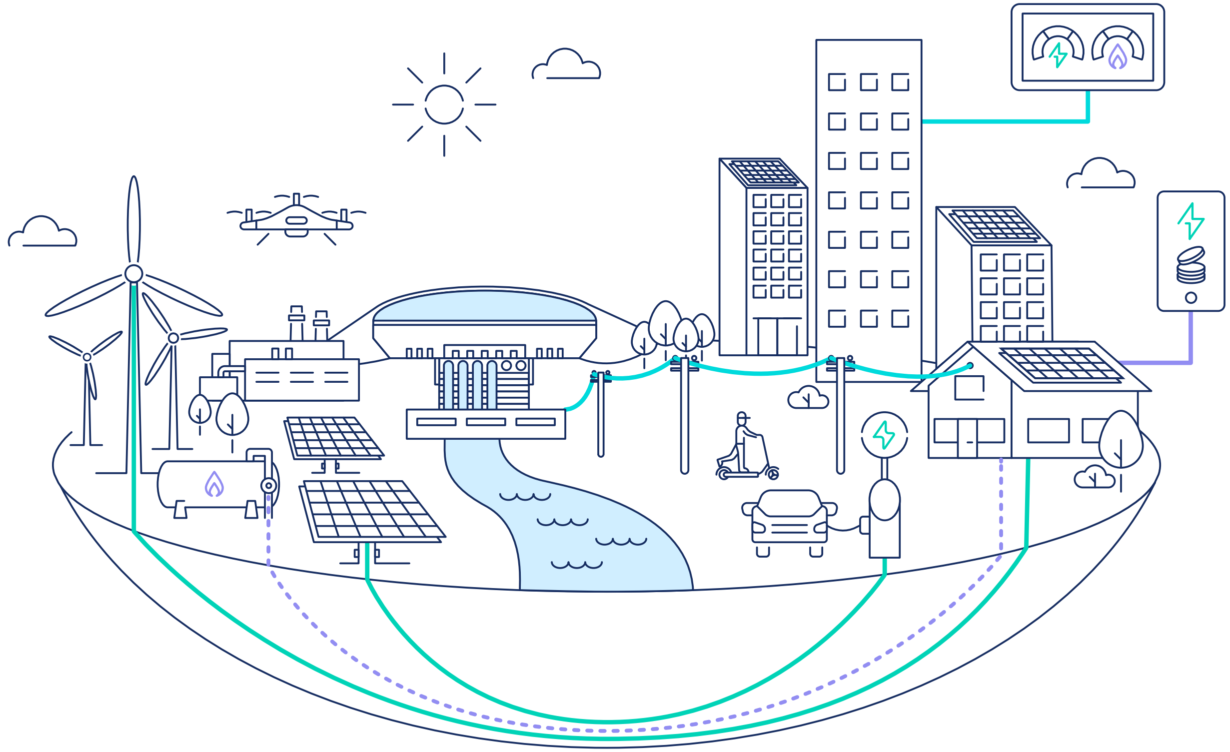
Who we are

Ignitis Group is a leading utility and renewable energy group in the Baltic region.

Our core business is focused on operating electricity distribution Network and managing and developing Green Generation portfolio.

We also manage strategically important Flexible Generation assets and provide Customers & Solutions services, including the supply of electricity and natural gas, solar, e-mobility, improved energy efficiency and innovative energy solutions for households and businesses.

Our home markets



Networks
Resilient and efficient energy distribution networks enabling the energy transition.

Green Generation
Focused, sustainable and profitable growth.

Flexible Generation
Reliable and flexible power system.

Customers & Solutions
Innovative solutions for easier life and energy evolution.

Contents

ignitis group

Overview

1.1 CEO's statement

Highlights

Performance

Adjusted EBITDA amounted to EUR 357.2 million in 9M 2022. The increase was mainly driven by the Green Generation segment due to the launch of Pomerania WF in Poland and better results of our operating assets.

Green Generation Adjusted EBITDA accounted for more than a half of the Group's total result in 9M 2022, and green share of electricity generated increased by a third to 89.5% compared to 9M 2021.

However, due to the extreme situation in energy markets, the Group's NWC significantly increased by EUR 582.3 compared to 31 December 2021 and reached EUR 1,068.7 million. It was mainly caused by the increase in regulatory differences and natural gas inventory.

NWC increase led to a significantly negative FCF of minus EUR 626.5 million with majority of it being covered through additional borrowing by securing credit line agreements of around EUR 719 million in total (EUR 599 million as of 30 September 2022). This resulted in net debt increase to EUR 1.5 billion.

In 9M 2022, the Group made record high Investments which increased almost threefold and reached EUR 367.8 million, out of which 78.0% were directed to Lithuania. Overall growth was mainly driven by the Investments made in Green Generation projects.

We have also made a decision to reinvest all additional profit earned this year from Green Generation into building new energy infrastructure in Lithuania. This means that 2022 additional profit from Green Generation will not be directed to increase the dividends for 2022 (it will grow in line with our Dividend Policy) but will be reinvested to contribute to ensuring Lithuania's energy security and green transition.

In line with the Dividend Policy, for H1 2022 we paid a dividend of EUR 0.624 per share corresponding to EUR 45.2 million.

Following the strong performance of the Green Generation segment in 9M 2022, we expect 2022 Adjusted EBITDA guidance to be in a range of EUR 420–460 million.

Business development

Since the end of 2021, we expanded our Green Generation pipeline by around 1.9 GW to 3.3 GW, which was mainly driven by the accelerated greenfield portfolio development. In 9M 2022, it increased by around 0.9 GW to a total of 1.1 GW. After the reporting period, we secured land plots for further 0.7 GW and now our greenfield pipeline comprises a total of around1.8 GW.

Implementation of project portfolio is progressing as planned with a minor delay in Mažeikiai wind farm (COD postponed to Q2 2023 from Q1 2023) and a more significant delay in Polish solar portfolio II (COD postponed to 2023 – Q1 2024 from 2022–2023). Additionally, due to grid availability issues in Poland, the expected portfolio capacity and accordingly CAPEX of Polish solar portfolio II are adjusted to around 40 MW (from up to 80 MW) and to around EUR 30 million (from around EUR 50 million) accordingly. In terms of other projects' CAPEX, all projects are in line with budget, except Vilnius CHP biomass unit, whose budget, as a result of disruptions in supply chain and construction markets, was revised to around EUR 270.0 million (from EUR 232.0 million). Since H1 2022, there were no changes in implementation of other projects.

On the Networks side, the mass smart meter roll-out started at the beginning of Q3 2022. In Q3 2022, in total 70,075 of smart meters were installed which number reached 100,000 at the end of October 2022. By the end of 2022 we expect it to accelerate to 192,000.

Sustainability

The Group was rated by the ESG corporate rating agency ISS and received a rating of 'C' (on a scale of 'D-' to 'A+'). It places the Group in the 6th decile rank among utility peers in managing the most significant ESG risks.

Strong Green Generation performance but ongoing challenges on net working capital

Our contribution to energy independence

The Group continues to condemn Russia's unprovoked invasion of Ukraine. It goes against our values, and we continue to take actions in supporting Ukraine and its people as well as human rights and energy independence.

Since the beginning of the invasion, we contributed to and initiated actions that helped both the people of Ukraine and our colleagues who were willing to support people fleeing the war. Items of medical and other humanitarian aid were collected and sent to the conflict zones. In addition, we financially support our employees who volunteer by transporting people from the war zone and arranging safe accommodation.

These events also put energy independence topic on the spotlight. Renewable's expansion and assurance of natural gas needs continue to be broadly discussed across the globe. On the positive side it accelerated a review of renewables targets and policies to ease and enhance its expansion. For example, Lithuanian Parliament approved the energy 'Breakthrough' package and confirmed Lithuanian offshore wind framework. Other countries of our home market have also taken steps to accelerate renewables capacity by easing the excess requirements for its development and construction which we further detail in section 2.5 'Business environment'.

From Lithuania's perspective, we became the first EU member state which suspended natural gas purchases from Gazprom and the beginning of April 2022 the Group replaced it with LNG cargoes mainly from the USA and Scandinavia. Furthermore, on 1 July 2022, the Law entered into force prohibiting natural gas imports from Russia and other countries posing a threat to the country's national security. Finally, in September 2022 we secured spot for 6 additional LNG cargoes (in addition to the existing 4) per year until the end of 2032 at Lithuanian LNG terminal in Klaipėda. Thus, even though natural gas is not the core business of the Group, we actively participate in every possible way to reduce natural gas dependency on Russia while ensuring uninterrupted supply to our customers.

Regarding the electricity, Lithuania stopped its import from Russia since fall 2021. However, as Lithuania is net electricity importer our Group plays a significant role in ensuring its independence by expanding renewable capacity in the country which we did substantially since the beginning of 2022. We cover this in the sections below.

We believe there are ways for everyone to contribute, which is exceptionally important during such unprecedented times. We encourage everyone in doing so and we will continue to do our part both within and outside the Group to ensure energy independence in the long term.

Performance

During 9M 2022, our Adjusted EBITDA increased by 61.7% compared to the same period last year, reachingEUR 357.2 million. The increase was mainly driven by the Green Generation segment with the segment's Adjusted EBITDA accounting for more than a half of the Group's result in 9M 2022. Main contributors to the growth were the launch of Pomerania WF in Poland which reached COD in December 2021 and better results of our operating Green Generation assets across all technologies (Wind, Hydro, Waste-to-Energy) mainly driven by higher electricity market price.

Due to the extreme situation in energy markets, the Group's NWC significantly increased by EUR 582.3 million compared to 31 December 2021 and reached EUR 1,068.7 million. It was mainly caused by lower energy prices included in regulated customer tariffs compared to actual market prices (regulatory difference), the suspension of natural gas purchases from Gazprom and its replacement with LNG cargoes since the beginning of April 2022 (causing increase in inventory).

NWC increase led to a significantly negative FCF of minus EUR 626.5 million. Only small part of additional NWC was financed by the increased Adjusted EBITDA, with majority of it being covered through additional borrowing by securing credit line agreements of around EUR 719 million in total (EUR 599 million as of 30 September 2022). This resulted in net debt increase to EUR 1.5 billion.

In 9M 2022, the Group made record high Investments which increased almost threefold and reached EUR 367.8 million, out of which 78.0% were directed to Lithuania. Overall growth was mainly driven by the Investments made in Green Generation projects.

We have also made a decision to reinvest all additional profit earned this year from Green Generation into building new energy infrastructure in Lithuania. This means that 2022 additional profit from Green Generation will not be directed to increase the dividends for 2022 (it will grow in line with our Dividend Policy) but will be reinvested to contribute to ensuring Lithuania's energy security and green transition.

Despite that, we are continuing our dividend commitment and for the first half of 2022 a dividend of EUR 0.624 per share was paid in October 2022, corresponding to EUR 45.2 million, which is in line with our Dividend Policy of assuring the annual dividend increase of at least 3%.

Finally, following the strong performance of the Green Generation segment in 9M 2022, we have increased our Adjusted EBITDA guidance for the full-year of 2022 and expect it to be in a range of EUR 420–460 million (previous guidance EUR 360–420 million).

Our Adjusted EBITDA amounted to EUR 357.2 million in 9M 2022. The increase was mainly driven by the Green Generation segment due to the launch of Pomerania WF in Poland and better results of our operating assets.

Business development

Since the end of 2021, we made a great progress in our Green Generation portfolio build-out by increasing our renewable pipeline by around 1.9 GW to 3.3 GW.

Our portfolio growth continues to be mainly driven by the accelerated greenfield portfolio development. In 9M 2022, it increased by around 0.9 GW to a total of 1.1 GW. After the reporting period, we secured land plots for further 0.7 GW and now our greenfield pipeline comprises a total of around 1.8 GW.

Further pipeline increase was the result of two acquisitions of a Latvian onshore WF and solar development project (200 MW) in the early stage of its development and Silesia WF II (up to 137 MW) in Poland, which, after the reporting period, reached the construction phase.

Additionally, construction works were also started in our first solar PV project in Poland – Polish solar portfolio II. However there have been a few changes in this project's development. First, mainly due to grid availability issues in Poland, the expected portfolio capacity is adjusted to around 40 MW (from up to 80 MW) and thus CAPEX to around EUR 30 million (from around EUR 50 million). Second, we postponed its COD to 2023 – Q1 2024 (from 2022–2023) as a result of slightly delayed development works and disruptions in supply chain (longer deliveries of equipment, especially transformer stations).

We also foresee a minor delay in the construction of Mažeikiai WF. Despite the first power to the grid expected to be supplied as planned in Q4 2022, due to some constrains in supply chains, the project's COD date is postponed to Q2 2023 (from Q1 2023).

Furthermore, as a result of disruptions in supply chain and construction markets, Vilnius CHP biomass unit budget was revised to around EUR 270.0 million (from EUR 232.0 million). It's important to note that, based on arbitration court ruling in the court case between Vilnius CHP and Rafako S.A., where our claim was fully satisfied, currently there are ongoing settlement negotiations, and we expect the significant amount of CAPEX increase to be covered by the compensation received from the former contractor. Since H1 2022, there were no changes in implementation of other projects.

Finally, after the launch of the world's first remote solar platform allowing B2C customers to rent or acquire a part of solar parks in 2020, we now launched the first wind farm rental service for household customers. A total of 4.5 MW out of 63 MW of Mažeikiai wind farm in Lithuania will be available to rent. It will further allow B2C customers to engage in the energy market and start contributing towards its development.

Turning to the Networks segment, since the end of 2021, we have successfully continued maintenance and expansion works, including smart meter roll-out. Regarding the latter, the mass smart meter roll-out started at the beginning of Q3 2022. In Q3 2022, in total 70,075 of smart meters were installed which number reached 100,000 at the end of October 2022. By the end of 2022 we expect it to accelerate to 192,000. Our target of finalizing the mass roll-out process by the end of 2025 remains unchanged, despite the global supply crisis potentially causing disruption in the production of smart meters and, thus, affecting the project by having the smart meters delivered in smaller quantities than planned and/or within a longer timeframe.

Sustainability

There are few areas on which we explicitly focus this year. One of them is occupational safety and health (OHS). Unfortunately, we had three fatal incidents this year. As such cases severely shock the Group, we are taking all necessary steps based on our internal procedures in place to prevent such tragedies in the future. For this reason, we started the occupational safety and health programme 'Is it safe' which includes trainings, management improvement, procedures, and communication within the Group on this topic.

This year we also focus on digitalisation and cyber security. We are pleased to share that the innovation implemented by ESO (Networks) – the modernization of the natural gas network's geoinformation systems and management tools – was included among the best projects worldwide at the international conference 'ESRI UC 2022'. Moreover, in September 2022, the Group Computer Emergency Response Team – Ignitis CERT – was accredited by the international organization 'TF-CSIRT Trusted Introducer'. It all confirms the high maturity of our digital security team's operational processes and compliance with global cyber security and incident management standards.

Also, in Q3 2022, we submitted the CDP questionnaire, which will serve as an additional comprehensive disclosure of our environmental performance as well as the alignment of our strategy and risk management with climate-related issues.

Finally, in July 2022, in addition to MSCI ('AA', on a scale of 'CCC to 'AAA') and Sustainalytics (a score of 20.4, on a scale of 100-0, from the highest to lowest risk) ESG ratings, the Group was rated by the ESG corporate rating agency ISS and received a rating of 'C' (on a scale of 'D-' to 'A+'). It places the Group among 6th decile of utility peers in managing the most significant ESG risks. In Lithuania, for the fourth year in a row we received the highest possible 'A+' rating and were recognized as leaders in the category of large SOEs.

For the rest of this year, we will dedicate more attention to our strategic sustainability priorities: focus on fine-tuning the Group's decarbonisation plan to be in line with science-based targets, and also devote significant attention to Taxonomy alignment, biodiversity, and waste impact assessments, strengthening employee and contractor safety practices and streamlining our efforts to increase diversity and inclusion.

Corporate changes

Reporting period was also marked with changes on the Group's corporate governance front as new members of the Management Board have been elected by the Supervisory Board in Q1 2022. 3 out of 5 of the members have served in the previous term of the Management Board, including CEO, thus, allowing to comfortably continue the Group's development. There were no key further changes.

Looking ahead

The Group's strong performance during such geopolitically and economically turbulent times is evidence of our robust business profile. Despite potential uncertainty we might face in Q4 2022, we continue working on enabling energy transition to increase the energy independence both in Lithuania and our neighbouring countries.

Darius Maikštėnas
Chair of the Management Board and CEO
Ignitis Group

1.2 Business highlights

January

Green Generation:
A tender for procurement and installation works of 5th unit in Kruonis PSHP (110 MW increase to a total of 1,110 MW) was announced.

February

Governance:
New members of the Management Board of Ignitis Group were elected by the Supervisory Board. The new Management Board comprises five members. Three of them, including CEO, were re-elected.

Green Generation:
Thierry Aelens, a well-respected executive with extensive experience in development of offshore wind projects in leading energy companies, was appointed as the new CEO of Ignitis Renewables.

Green Generation:
As no agreement regarding acceptable return level which would be in line with our target range was reached, the conditional SPA agreement with the developer (Sun Investment Group) of Polish solar portfolio I (up to 170 MW) was terminated.

Strategy:
2022–2025 Strategic Plan was published.

March

Green Generation:
Lithuanian legislation setting general offshore development framework approved.

April

Finance:
A dividend of EUR 0.600 per share was paid out for the second half of 2021.

Governance:
An international Top Employer 2022 Lithuania Certificate awarded the Group for applying the highest HR management standards.

Governance:
Vilnius District Court dismissed the case on the incentive share options programme for employees of the Group.

Customers & Solutions:
In relation to the Russian invasion of Ukraine, the Group suspended natural gas purchases from Gazprom by replacing it with LNG cargoes.

May

Green Generation:
A contract was signed with Valmet for the installation of biomass boiler systems of Vilnius CHP biomass unit. Accordingly, due to a global supply chain disruption and workforce shortage, mainly affected by the Russian invasion of Ukraine, generation of first energy in Vilnius CHP biomass unit was rescheduled to Q1 2023.

Green Generation:
Gary Bills, an executive with a vast experience in the development and construction of renewable energy projects gained while working at consultancy companies and leading manufacturers, was appointed as COO Wind and Solar development of Ignitis Renewables.

Customers & Solutions:
Baltic States stopped importing electricity from Russia after Europe's Nord Pool power exchange stopped Russian electricity trading. As a result activity of Russian related market players such as 'Inter RAO Lietuva' was stopped which in turn opened opportunities to expand B2B client portfolio.

Customers & Solutions:
The gas interconnection between Poland and Lithuania (GIPL) started commercial operation, allowing Lithuanian-Polish natural gas exchange which strengthens the energy independence of the region and increases trading opportunities.

June

Green Generation:
The development of the first Lithuania's hybrid solar park (Tauragė solar project) with a capacity of 22 MW was initiated in the vicinity of an existing Vėjo Gūsis WF (19.1 MW). COD is expected to take place by the end of 2024.

Green Generation:
Installation of wind turbines has been started in Mažeikiai WF (63 MW).

Innovations:
A tender for a manager of new Innovation Fund, focusing on investments into start-ups operating in the energy, e-mobility and climate technology sectors, of a total size of over EUR 50 million, was announced.

July

Finance:
After the annual review, a credit rating agency S&P Global Ratings affirmed 'BBB+' (stable outlook) credit rating of the Group.

Customers & Solutions:
Lithuanian Parliament amended all legal acts related to providing customers with partial compensation due to increasing prices of energy resources. During H2 2022, increasing prices as well as regulatory differences of regulated supply customers accumulated by the end of H1 2022 will be partially compensated directly from the State budget through a tariff. Out of the planned EUR 570 million to be allocated from the budget, the State will use a significant portion of the funds to compensate the regulatory differences (EUR 365 million) accumulated by the end of H1 2022 while EUR 205 million will be allocated to compensate H2 2022 energy prices for the customers of all independent suppliers, having a positive effect on the Group's working capital and debt level.

Sustainability:
Ignitis (Customers & Solutions) received a platinum medal (previously received a silver medal) for its sustainability practices from EcoVadis, and now falls among the top 1% of all companies assessed.

Networks:
A mass smart meter roll-out has been started.

Governance:
The Group kicked off with 'Energy Smart START' scholarship programme, which will support and encourage students to choose energy engineering programmes.

Green Generation:
Construction of Silesia WF I (50 MW) has been started.

Sustainability:
IIgnitis Group received a rating of 'C' (on a scale of 'D- to A+') in the ISS ESG corporate rating.

August

Governance:
In relation to the post-IPO stabilisation, share capital of the parent company was reduced to EUR 1,616,445,476.80 (from EUR 1,658,756,293.81) by annulling 1,894,797 units of own ordinary registered shares with a nominal value of EUR 22.33 each, thus, reducing the free float to 25.01% (from 26.92% level during the IPO).

Green Generation:
Received a favourable Stockholm Chamber of Commerce ruling in the legal dispute with Rafako S.A. confirming their fault for the unfinished Vilnius CHP biomass unit construction works.

Governance:
Decision to replace a two-tier management model applicable in the Group's main subsidiaries ESO (Networks), Ignitis Gamyba (Flexible Generation and Green Generation) and Ignitis (Customers & Solutions) with a one-tier management model was made.

Customers & Solutions:
Because of skyrocketing power prices independent Lithuanian power supplier Perlas Energija announced that it is quitting the Lithuanian power retail business. Perlas Energija, founded in 2020, had approximately 180,000 customers and was the only large power supplier in Lithuania without any production assets. Many customers of Perlas Energija are instead choosing Ignitis.

September

Green Generation:
A conditional agreement for an acquisition of a wind and solar project in Latvia with targeted total capacity of around 200 MW was signed. Project is in early stage of development with expected COD in around 2027—2028.

Governance:
For the fourth year in a row the parent company received the highest possible 'A+' rating and was recognised as a leader in the category of large Lithuanian SOEs in the Good Corporate Governance Index.

Green Generation:
Started cooperation for long term land lease with one of the biggest forest owners in Latvia, a Swedish cooperative called Sodra.

Customers & Solutions:
Secured spot for 6 additional LNG cargoes per year until the end of 2032 at Lithuanian LNG terminal in Klaipėda.

Green Generation:
An onshore WF project (Silesia WF II) in Poland was acquired with a total capacity of up to 137 MW. The project is under construction (agreement with Nordex signed for WF turbines) of development with expected COD in H2 2024.

Green Generation and Flexible Generation:
European Council adopted a new short-term emergency intervention in the power sector. One of the core items of this intervention is a temporary EU revenue cap of 180 EUR/MWh on the electricity produced from inframarginal technologies (including nuclear, lignite and renewable sources). Any revenue above this level will be collected by the Member State governments and redirected to energy consumers to alleviate the impact of high energy prices. The negative effect to our Group will be rather limited because only few of our PPA contracts are priced above the 180 EUR/MWh threshold. In addition, hydro-pumped storage plants are not impacted by this regulation.

After the reporting period

October

Finance:
A dividend of 0.624 EUR per share was paid out for the first half of 2022.

Customers & Solutions:
3rd stage of B2C electricity market deregulation postponed to the end of 2025 (from the end of 2022).

Green Generation:
Lithuanian government approved the document specifying eligibility requirements for offshore wind tender participants. These requirements will be included in the auction conditions which shall be announced by the national regulatory authority. The auction will take place in third quarter of 2023.

Flexible Generation:
Lithuanian TSO informed market participants that it will stop procuring tertiary power reserve from the beginning of 2023. Instead of tertiary power reserve TSO will be buying other ancillary service (isolated regime service). The financial effect of this change will be not material for our Group.

Green Generation:
Kaunas WtE power plant received a permit to incinerate more waste every year. The limit was increased from 200 to 255 thousand tonnes of waste per annum.

November

Customers & Solutions:
Lithuanian Government plans to continue the provision of partial compensation to all B2C and B2B customers in 2023 and, therefore, considers allocating of around EUR 1.2 billion from theState budget. EUR 714 million to be directed to amortize the increase in electricity and natural gas prices of all B2C customers in 2023 and EUR 446 million to be directed to B2B customers.

Finance:
Due to the increase in power prices as well as to ensure market demand and uninterrupted natural gas supply, the Group concluded additional short-term loan agreements to fund growing working capital needs, with a total limit of around EUR 719 million (as of the report issue date).

Green Generation:
Launched the world's first wind farm rental service for B2C customers. A total of 4.5 MW out of 63 MW of Mažeikiai WF in Lithuania will be available to rent.

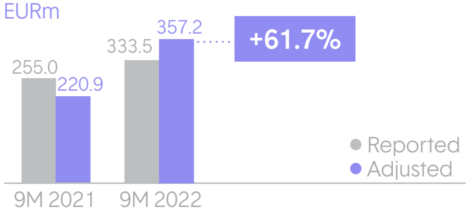
>50%

Green Generation Adjusted EBITDA increased fourfold and accounted for more than a half of the Group's total result in 9M 2022 (EUR 185.8 million out of EUR 357.2 million).

1.3 Performance highlights

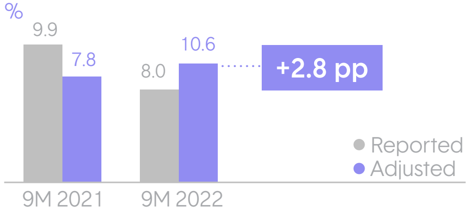
Financial[1,2]

EBITDA, Adjusted EBITDA APM
EURm



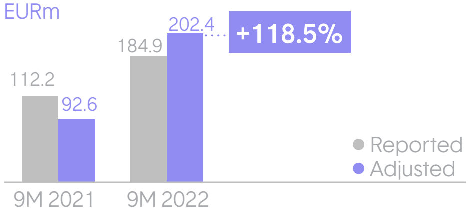
Adjusted EBITDA increased by 61.7% mainly driven by Green Generation segment. The main contributors to the growth were the launch of Pomerania WF in Poland and better results of our operating Green Generation assets, both driven by higher electricity market price (+228.7% YoY). Green Generation Adjusted EBITDA accounted for more than a half of the Group's total results during 9M 2022.

ROCE LTM, Adjusted ROCE LTM APM
%



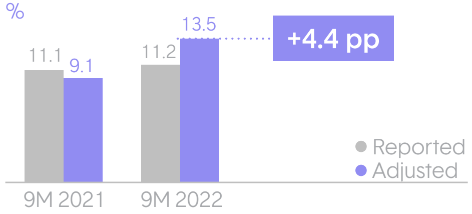
Adjusted ROCE LTM increased to 10.6%, mostly impacted by an increase in Adjusted EBITDA.

Net profit, Adjusted net profit APM
EURm



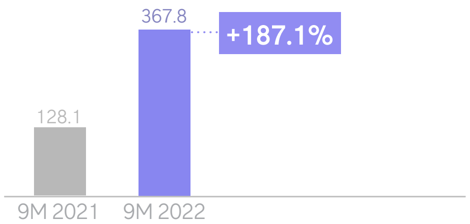
Adjusted Net Profit increased by 118.5%, driven by the growth in Adjusted EBITDA, which was partly offset by higher depreciation and amortisation as well as income tax expenses.

ROE LTM, Adjusted ROE LTM APM
%



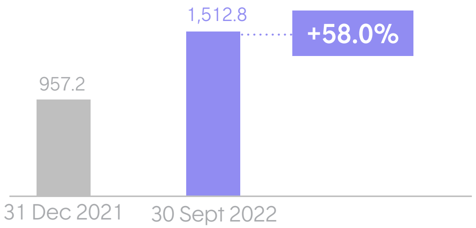
Adjusted ROE LTM increased to 13.5%, mainly due to higher Adjusted Net Profit.

Investments[2] APM
EURm



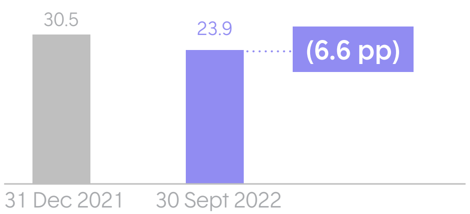
Investments increased by 187.1%, mainly due to Investments made into Lithuania's and Poland's wind farms: Mažeikiai WF, Silesia WF II, and also Investments into Vilnius CHP's biomass unit.

Net debt APM
EURm



Net Debt increased by 58.0%, mainly due to higher need for working capital influenced by high energy prices. Growth in net working capital was driven by an increase in inventory caused by suspension of natural gas purchases from Gazprom and its replacement with LNG cargoes since the beginning of April 2022, regulatory differences caused by lower regulated customer tariffs compared to actual market prices and increased trade receivables. The increase was partly offset by positive FFO and a receivable from EPSO-G obtained (EUR 84.1 million).

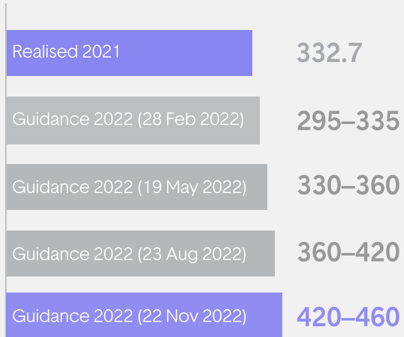
FFO LTM/Net debt APM
%



FFO/Net debt decreased to 23.9% due to an increase in Net Debt, which was partly offset by higher FFO, driven by higher EBITDA.

Outlook for 2022

Adjusted EBITDA APM
EURm



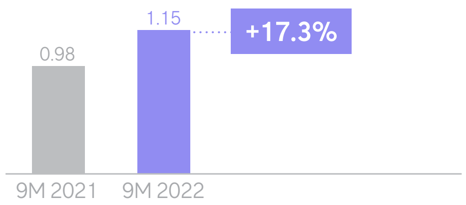
In the outlook announced in the First half year 2022 Interim report, we projected the Adjusted EBITDA to be in the range of EUR 360-420 million for 2022. Following the strong performance of the Green Generation segment in 9M 2022 we are increasing our guidance to EUR 420–460 million.

[1] To simplify the reporting the management have decided to cease using a part of management's adjustments (for more information see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021'). Due to the change of APM made in the last two quarters of 2021, the measures of 2021 quarters were recalculated accordingly. [2] Due to the change in accounting policy and reclassifications, all financial indicators were recalculated retrospectively for the quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').

APM Alternative Performance Measure – adjusted figures used in this report refer to 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 found in the 'Further information' section of this report and on the Group's website.

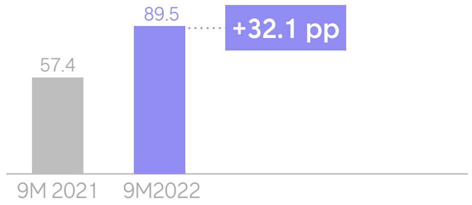
Environment

Green electricity generated (net)
TWh



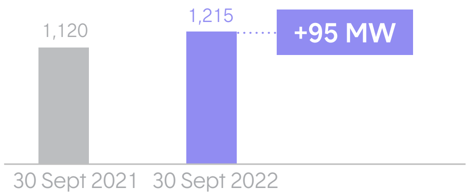
The 17.3% increase in green electricity generated (net) was driven by Pomerania WF (COD in December 2021) and Kaunas HPP, due to higher level of water in the Nemunas river. The increase was offset by lower Kruonis PSHP generation.

Green share of generation
%



Green share of generation reached 89.5% as a result of increased green electricity generated (net) and a decline in electricity generated (net) by CCGT (Flexible Generation).

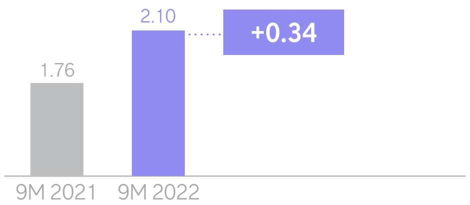
Green Generation installed capacity
MW



Green Generation installed capacity increased by 95 MW since Pomerania WF reached COD in December 2021.

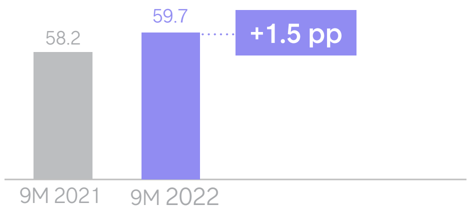
Social

Safety
TRIR, times



Worse TRIR results were largely affected by challenging weather conditions in winter, resulting in slipping accidents, and failure to follow proper safety precautions. Three fatal accidents were recorded in 9M 2022 (two contractors and one employee). To prevent such accidents and to increase employees' awareness of occupational health and safety (OHS), the OHS programme 'Is it safe' was launched after the reporting period.

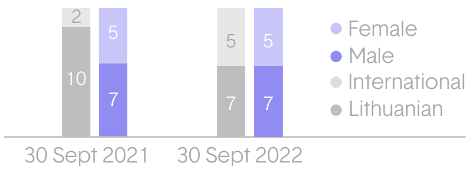
Employee satisfaction
eNPS, % (1-100)



During 9M 2022 employee experience at work has improved which is indicated by an increase in eNPS by 1.5 pp compared to the same period in 2021, but decreased by 5.2 pp compared to Q2 2022.

Governance

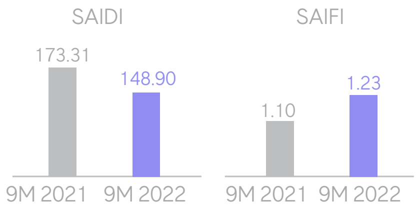
Supervisory and Management Boards
Nationality and gender diversity



The share of female and international professionals in Management and Supervisory Boards is ~42%. The number of international board members increased from 2 to 5 after the new Supervisory Board was formed in October 2021, while the number of female members remained consistent.

Operational efficiency

Networks quality (electricity)
SAIDI, min/SAIFI, units



Electricity quality indicators during 9M 2022 were affected by extreme conditions/natural disasters (that caused 4 mass disconnections in January and February 2022) and strong winds/local storms. Higher number of installed automatic solutions as well as proactive management of staff levels based on weather forecasts resulted in reduced average interruption duration.

1.4 Outlook

Adjusted EBITDA guidance

In the outlook announced in our Annual report 2021, we projected Adjusted EBITDA to be in the range of EUR 290–335 million for 2022. In May 2022, with our First quarter 2022 Interim report, we have increased our guidance to EUR 330–360 million, followed by further increase in August 2022, with the announcement of First half year 2022 Interim report, to EUR 360–420 million.

Following the strong performance of the Green Generation segment we are increasing our guidance to EUR 420–460 million and changing the directional Adjusted EBITDA guidance for Customers & Solutions from 'Lower' to 'Stable' (compared to the realised result of 2021).

In 2022, when comparing to 2021, we expect a performance increase in both of our core segments – Green Generation and Networks. Green Generation is expected to grow mainly due to the full year effect of Pomerania WF, which reached COD in December 2021. Additionally, due to higher electricity prices in the market, we expect better results from the unhedged portfolio part of our operational Green Generation assets.

Better expected results in the Networks segment are related to the additional tariff component established in the updated regulatory Methodology (for more information, see the Annual report 2021, section 'Significant changes in reporting period of 2021').

Additionally, despite loss-making year in both electricity and natural gas B2C activities positive change was driven by natural gas B2B results, mainly from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers. Thus, we are changing the directional Adjusted EBITDA guidance for Customers & Solutions from 'Lower' to 'Stable'.

Adjusted EBITDA outlook for 2022[1], EURm

	Realised 2021	Guidance 28 February 2022	Guidance 19 May 2022	Guidance 23 August 2022	Guidance 22 November 2022
Adjusted EBITDA APM	**332.7**	**290–335**	**330–360**	**360-420**	**420–460**
Networks	145.4	Higher	Higher	Higher	Higher
Green Generation	107.5	Higher	Higher	Higher	Higher
Flexible Generation	37.2	Lower	Lower	Lower	Lower
Customers & Solutions	40.6	Lower	Lower	Lower	Stable
Other	2.0	Stable	Stable	Stable	Stable

[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 2022 relative to the actual results for 2021.

Forward-looking statements

The interim report contains forward-looking statements, which reflect current views and are, by nature, subject to risks and uncertainties. Because they relate to events and circumstances that will occur in the future, the actual development may differ materially from our expectations. We are unable to predict the impact of these events. For further information about the risks relevant to the Group's activities, see section 4.4 'Risk and risk management'.

1.5 Investor information

Overview

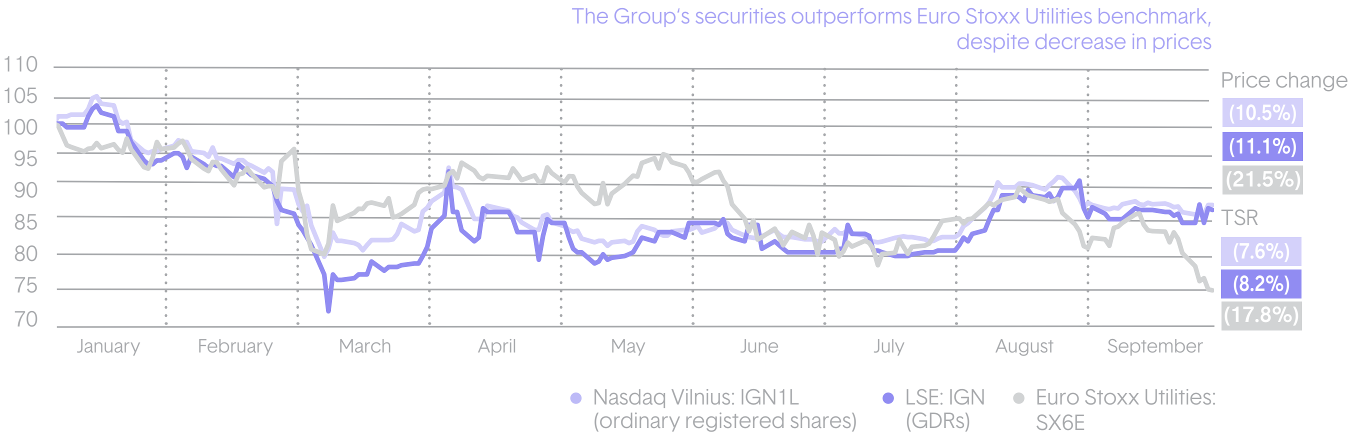
In 9M 2022, the Group's shares and GDRs have generated TSR of (7.6%) and (8.2%) respectively. During the same period, the TSR of our benchmark index (Euro Stoxx Utilities) equaled to (17.8%).

Since the beginning of 2022, the total (shares and GDRs) turnover was equal to EUR 89.7 million (EUR 64.9 million on Nasdaq Vilnius exchange and EUR 24.8 million on LSE), whereas the average daily turnover totaled to EUR 0.5 million (EUR 0.3 million on Nasdaq Vilnius exchange and EUR 0.2 million on LSE)[1].

At the end of the reporting period, the Group's market capitalisation was EUR 1.4 billion.

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

Price development and return in 9M 2022[2]



The Group is a constituent of the below indices

Benchmark index
MSCI Frontier Markets Index

Benchmark index
OMX Baltic Benchmark

Tradable index
OMX Baltic 10

Price performance information in 9M 2022

	Nasdaq Vilnius	LSE	Combined
Period opening[3], EUR	21.20	21.10	-
Period high[3] (date), EUR	21.95 (13 Jan)	21.60 (13 Jan)	21.95
Period low[3] (date), EUR	17.56 (7 Mar)	16.00 (8 Mar)	16.00
Period VWAP[4], EUR	19.27	18.45	18.96
Period end[3], EUR	18.98	18.75	-
Period turnover (average daily), EURm	64.91 (0.3)	24.79 (0.2)	89.70 (0.5)
Market capitalisation, period end[3], EURbn	-	-	1.4

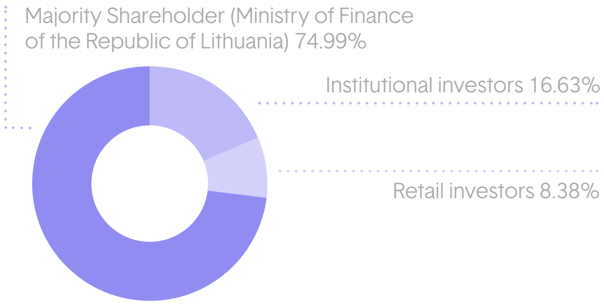
[1] In 9M 2021, total (shares and GDRs) turnover was equal to EUR 201.4 million (EUR 117.3 million on Nasdaq Vilnius exchange and EUR 84.1 million on LSE), whereas the average daily turnover totalled to EUR 1.1 million (EUR 0.6 million on Nasdaq Vilnius exchange and EUR 0.5 million on LSE).
[2] Index = 100.
[3] As of closing trading market price.
[4] Weighted average volume price.

Contents »

Shareholders composition

During the reporting period, share of the Republic of Lithuania (the authority implementing shareholder's rights – the Ministry of Finance of the Republic of Lithuania, Majority Shareholder) increased to 74.99% (from 73.08%) as a result of the reduction of the parent company's share capital (more information detailed in the section below). There are no other parties holding more than 5% of the parent company's share capital.

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



Credit rating

On 5 July 2022, after the annual review, a credit rating agency S&P Global Ratings affirmed 'BBB+' (stable outlook) credit rating of the Group. Further information on the credit rating, including credit rating reports, is available on our website.

For further investor related information, see our Annual report 2021 or visit 'Investors' section on our website.

General shareholders' meetings, dividends & share capital

In Q1 2022, the Annual General Meeting of Shareholders has been held, during which a dividend of EUR 0.60 per share for H2 2021, corresponding to EUR 43.85 million, has been confirmed. In line with our Dividend Policy, we paid out a dividend of EUR 1.19 per share for the year 2021, corresponding to EUR 87.6 million.

Parameters of the securities issues

	Nasdaq Vilnius	LSE	Combined
Type	Ordinary registered shares	Global Depositary Receipt (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)[1]	-	-	72,338,960 (one share class)
Number of treasury shares (%)[1]	-	-	-
Free float, shares (%)[1]	-	-	18,105,203 (25.01%)
Ordinary registered shares vs GDRs split	65.8%	34.2%	100%

Financial calendar 2023

28 February 2023	Annual report 2022
30 March 2023	Annual General Meeting of Shareholders
13 April 2023	Expected Ex-Dividend Date (for ordinary registered shares)
14 April 2023	Expected Record Date for dividend payment (for ordinary registered shares)
23 May 2023	Interim report for the first three months of 2023
22 August 2023	Interim report for the first six months of 2023
21 September 2023	Extraordinary General Meeting of Shareholders (regarding the potential allocation of dividends for the six-month period ended 30 June 2023)
4 October 2023	Expected Ex-Dividend Date (for ordinary registered shares)
5 October 2023	Expected Record Date for dividend payment (for ordinary registered shares)
21 November 2023	Interim report for the first nine months of 2023

Financial calendar is available on our website and is immediately updated if there are any changes.

Following our dividend commitment, Extraordinary General Meeting of Shareholders held on 29 September 2022, approved a dividend of EUR 0.624 per share for H1 2022, corresponding to EUR 45.2 million. The dividends were paid during October–November 2022.

On 9 August 2022, in relation to the post-IPO stabilisation, share capital was reduced to EUR 1,616,445,476.80 (from EUR 1,658,756,293.81) by annulling 1,894,797 units of the parent company's acquired own ordinary registered shares. As a result, a total number of ordinary registered shares decreased to 72,388,960 (from 74,283,757) causing a decrease in the free float to 25.01% (from 26.92% level at IPO) and a proportional increase in each investor's shareholdings. Accordingly, a new wording of the Articles of Associations was approved.

Further relevant information regarding General Meetings of Shareholders is available in the 'Governance' section of this report and on our website.

[1] *On 9 August 2022, in relation to the post-IPO stabilisation, share capital of the parent company was reduced to EUR 1,616,445,476.80 (from EUR 1,658,756,293.81) by annulling 1,894,797 units of the parent company's acquired own ordinary registered shares (i.e. treasury shares). As a result, a total number of ordinary registered shares decreased to 72,388,960 (from 74,283,757) causing a decrease in the free float to 25.01% (from 26.96% level at IPO) and a proportional increase in each investor's shareholdings.*

Business overview

2.1 Strategy

In 2020, we updated our Corporate Strategy by putting sustainability at its core. We are accelerating our transition towards a decarbonized world, transforming our business models by developing and scaling smart solutions, expanding in our region, and exploring new opportunities in the markets undergoing energy transition.

In our strategy we focus on four key strategic priorities. First, we are creating a sustainable future. ESG criteria are an integral part of our strategic goals with strong commitment to a more sustainable future. We align our business targets with the United Nations' Sustainable Development Goals and we are committed to reducing net carbon dioxide emissions to zero by 2050. We also strive to align our businesses with science-based targets to a 1.5°C-compliant business model. Second, we are ensuring resilience and flexibility of the energy system, as well as enabling energy transition and evolution. Third, we are growing renewables to meet regional energy commitments. We target to reach 4 GW of installed green generation capacity by 2030. Fourth, we are capturing growth opportunities and developing innovative solutions to make life easier for the energy smart.

Our focus is on the home markets – the Baltic countries, Poland, and Finland. We also explore new opportunities in countries on the energy transition path.

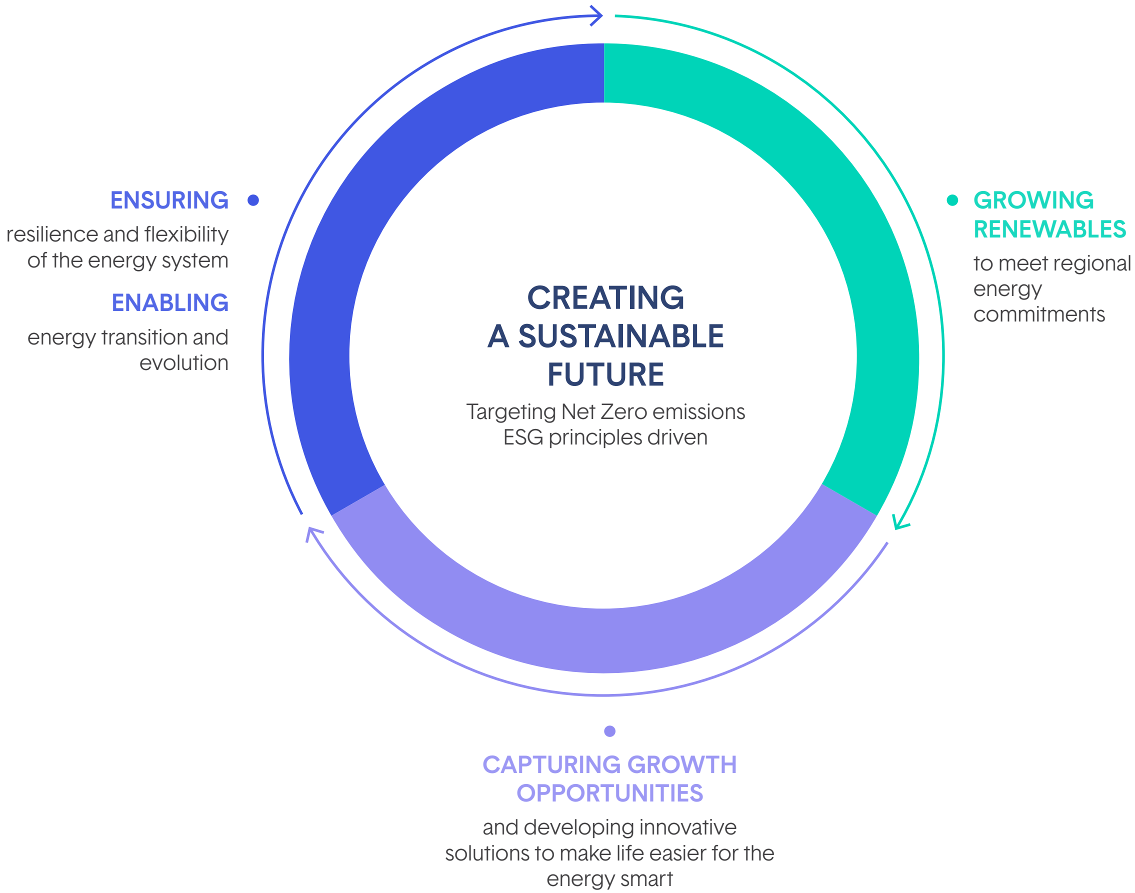
We pursue our strategic priorities with a strong focus on financial discipline. Our engaged people, agile teams, learning culture, organisation with strong governance model and digital approach are the integral parts of our strategy.

To ensure strategy implementation, on a yearly basis, we announced a strategic plan with targets and KPIs set for the next 4-year period.

Our values

RESPONSIBILITY	PARTNERSHIPS	OPENNESS	GROWTH
Care. Do. For Earth. Starting with myself.	Diverse. Strong. Together.	See. Understand. Share. Open to the world.	Curious. Bold. Everyday.

In our **vision,** we transform for **a more sustainable world**



In everything we do, we are united by the **mission** to make **the world more Energy Smart**

2.2 Business profile

Creating an Energy Smart world

Core businesses

Networks

Resilient and efficient energy distribution enabling the energy transition.

Activities

Operation, maintenance, management, and development of electricity and natural gas distribution networks to ensure safe and reliable energy distribution. Supply of last resort.

Revenue model

Fully regulated through 5-year regulatory periods based on a transparent RAB-WACC methodology.

Net zero strategy support

Through reduction in network losses, timely connection of renewable energy assets, investments to allow further electrification.

Network size[1]

	Size	Volume
Electricity	126,814 km 67% overhead lines and 33% underground lines	10.37 TWh
Natural gas	9,563 km	8.49 TWh

Green Generation

Focused, sustainable, and profitable growth.

Activities

Generation of electricity from renewable energy sources including wind, hydro, solar, biomass and waste-to-energy. Development and operation of new generation capacities.

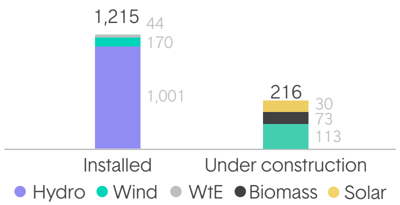
Revenue model

Contracted through renewable energy long-term support schemes (FiT, FiP, CfD), PPAs, and merchant.

Net zero strategy support

Through development of zero carbon electricity generating assets.

Electricity capacity, MW[1]



1.48 TWh

Electricity generated (net)

Complementary businesses

Flexible Generation

Reliable and flexible power system.

Activities

Provision of ancillary services to ensure stability and security of Lithuania's electricity system.

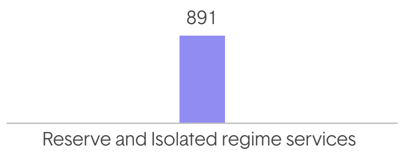
Revenue model

Largely regulated, based on a transparent methodology, with capacities awarded through annual auctions.

Net zero strategy support

Enabling the system to integrate more renewable energy capacities.

Electricity capacity, MW[1]



0.82 TWh

Electricity generated (net)

Customers & Solutions

Innovative solutions for easier life and energy evolution.

Activities

Supply of electricity and gas, wholesale trading and balancing, green energy solutions for businesses and residents and energy efficiency projects.

Revenue model

Regulated tariffs and commercial contracts.

Net zero strategy support

Enabling renewable energy build-out through provision of PPAs, increasing green electricity supply and reducing natural gas supply.

Electricity and natural gas retail sales, TWh[1]

	B2C	B2B
Electricity retail sales 6.77 TWh	2.91 TWh	3.86 TWh
Natural gas retail sales 8.93 TWh	2.84 TWh	6.09 TWh

15.70 TWh

Total retail sales

[1] *Information reflects data for the full-year 2021, except for electricity capacity which reflects data as of 30 September 2022.*

2.3 Market presence

Regional leader exploring opportunities in the markets undergoing energy transition paths

GREEN GENERATION PORTFOLIO (4,540 MWe, 349 MWth)
- **Operational: 1,215 MWe, 180 MWth**
- **Under construction: 363 MWe, 169 MWth**
- **Under development (advanced stage): 132 MW**
- **Under development (early stage): around 2,830 MW**

LITHUANIA

Networks
- Country-wide electricity and natural gas distribution

Green Generation:

OPERATIONAL (1,103 MWe, 180 MWth)
- Kruonis PSHP (900 MW)
- Kaunas HPP (101 MW)
- Eurakras WF (24 MW)
- Vėjo gūsis WF (19 MW)
- Vėjo vatas WF (15 MW)
- Kaunas CHP (24 MWe, 70 MWth)
- Vilnius CHP's WtE unit (20 MWe, 70 MWth)
- Biomass boiler in Elektrėnai (40 MWth)

UNDER CONSTRUCTION (136 MWe, 169 MWth)
- Vilnius CHP's biomass unit (73 MWe, 169 MWth)
- Mažeikiai WF (63 MW)

UNDER DEVELOPMENT (ADVANCED STAGE) (132 MW)
- Kruonis PSHP (110 MW)
- Tauragė solar park (22 MW)

UNDER DEVELOPMENT (EARLY STAGE) (around 1,690 MW)
- Lithuanian offshore WF I (700 MW)
- Greenfield portfolio (around 990 MW)

Flexible Generation

OPERATIONAL(1,055 MW)
- Two natural gas fired reserve power units in Elektrėnai (600 MW)
- Combined Cycle Gas Unit in Elektrėnai (455 MW)

Customers & Solutions
- B2B and B2C supply of electricity and natural gas, solar, e-mobility, ESCO services etc.

FINLAND

Customers & Solutions
- B2B supply of natural gas

ESTONIA

Green Generation:

OPERATIONAL (18 MW)
- Tuuleenergia WF (18 MW)

Customers & Solutions
- B2B supply of electricity

LATVIA

Green Generation

UNDER DEVELOPMENT (EARLY STAGE) (around 1,020 MW)
- Latvian onshore WF portfolio I (around 160 MW)
- Latvian onshore WF and solar project (around 200 MW)
- Greenfield portfolio (around 660 MW)

Customers & Solutions
- B2B supply of electricity and natural gas

POLAND

Green Generation

OPERATIONAL (94 MW)
- Pomerania WF (94 MW)

UNDER CONSTRUCTION (up to 227 MW)
- Silesia WF I (50 MW)
- Polish solar portfolio II (around 40 MW)[2]
- Silesia WF II (up to 137 MW)

UNDER DEVELOPMENT (EARLY STAGE) (around 120 MW)
- Greenfield portfolio (around 120 MW)

Customers & Solutions
- B2B supply of electricity

[1] Information reflects data as of report announcement date (22 November 2022).
[2] Out of which around 10 MW are still under development.

2.4 Investment program

Update on key ongoing and planned Investments

The Group's sustainable growth is led by investments in our core business segments – Green Generation and Networks. In total, we expect to deploy around EUR 1.7–2.0 billion of capital over 2022–2025, or around EUR 425–500 million per annum. A large part, or around 50%, of the investments will be directed towards the expansion of Green Generation capacity to around 2.0–2.2 GW. At the end of 9M 2022, the operational portfolio amounted to 1.2 GW. The second largest proportion of funds, or around 45%, will be directed to Networks maintenance and expansion. The funds will be used for grid maintenance, which will increase its security and reliability, developing new customer connections and upgrades, and digitalising the Lithuanian energy sector with the smart electricity metering programme.

Green Generation

Since the end of 2021, we expanded our Green Generation pipeline by around 1.9 GW to 3.3 GW. This continues to be mainly driven by the accelerated greenfield portfolio development. In 9M 2022, it increased by around 0.9 GW to a total of 1.1 GW. After the reporting period, we secured land plots for further 0.7 GW and now our greenfield pipeline comprises a total of around 1.8 GW. Further pipeline increase was the result of two acquisitions of a Latvian onshore WF and solar development project (200 MW) in the early stage of its development and Silesia WF II (up to 137 MW) in Poland, which, after the reporting period, reached the construction phase. Additionally, construction works were also started in our first solar PV project in Poland – Polish solar portfolio II.

However there have been a few changes in this project's development. Firstly, we foresee a minor delay in the construction of Mažeikiai WF. Despite the first power to the grid expected to be supplied as planned in Q4 2022, due to some constrains in supply chains, the project's COD date is postponed to Q2 2022 (from Q1 2023). Additionally, mainly due to the situation with the grid availability in Poland, the expected portfolio capacity is adjusted to around 40 MW (from up to 80 MW) and thus CAPEX to around EUR 30 million (from around EUR 50 million). We also postponed its COD to 2023 – Q1 2024 (from 2022–2023) as a result of slightly delayed development works and disruptions in supply chain (longer deliveries of equipment, especially transformer stations). Lastly, as a result of disruptions in supply chain and construction markets, Vilnius CHP biomass unit budget was revised to around EUR 270.0 million (from EUR 232.0 million). Important to notice, that based on arbitration court ruling in court case between Vilnius CHP and Rafako S.A., where our claim was fully satisfied, currently there are ongoing settlement negotiations, and we expect the significant amount of CAPEX increase to be covered by the compensation received from former contractor. Since H1 2022, there were no changes in implementation of other projects.

Status on key investment projects

Under construction

Mažeikiai WF

- **Technology:** onshore wind
- **Capacity:** 63 MW
- **Expected COD:** Q2 2023
- **Investment:** ~ EUR 80–85 million
- **Revenue model:** merchant (PPA)
- **Ownership:** 100%
- **Status:** Time delay and / or budget deviation
- **Progress:**
  - First power to the grid is expected to be supplied as planned in Q4 2022. However, due to some constrains in supply chains COD date is postponed to Q2 2023 (from Q1 2023).
  - Undergoing installation of wind turbines (Nordex) (11 out of 14 wind turbines have been erected).
  - Undergoing testing procedures of internal electricity grid.
  - Finalized construction of a substation and a grid connection point.

Vilnius CHP (biomass unit)

- **Technology:** biomass
- **Capacity:** 73 MWe, 169 MWth
- **Expected COD:** Q2 2023
- **Investment:** ~ EUR 270 million[1]
- **Revenue model:** merchant (PPA)
- **Ownership:** 100% (49% to be divested post COD according to EU CAPEX grant rules)
- **Status:** Time delay and / or budget deviation
- **Progress:**
  - Repeated hydro tests of boilers passed.
  - Main equipment required for biofuel preparation has been delivered to the construction site.
  - Main electrical distribution equipment of the biomass power unit has been manufactured, delivered and its installation has begun.
  - Due to disruptions in supply chain and construction markets, the project's budget was revised to around EUR 270.0 million (from EUR 232.0 million). Important to notice, that based on arbitration court ruling in court case between Vilnius CHP and Rafako S.A., where our claim was fully satisfied, currently there are ongoing settlement negotiations, and we expect the significant amount of CAPEX increase to be covered by the compensation received from former contractor. Additionally, due to the same reasons risk of expected COD is identified. However, the first energy generation on testing mode around Q1 2023 and full commercial operations during the next heating season remains unchanged.

Silesia WF I

- **Technology:** onshore wind
- **Capacity:** 50 MW
- **Expected COD:** Q4 2023
- **Investment:** ~ EUR 70 million[2]
- **Revenue model:** 15-year indexed CfD at ~ 55 EUR/MWh[3]
- **Ownership:** 100%
- **Status:** On track
- **Progress:**
  - Delivery and installation of wind turbines and its components (Nordex) are expected to start in Q2 2023 and finish by the end of Q3 2023.
  - Undergoing foundation and road constructions.
  - All components for cabling works have been procured.

Polish solar portfolio II

- **Technology:** solar
- **Capacity:** around 40 MW
- **Expected COD:** 2023 - Q1 2024
- **Investment:** ~ EUR 30 million
- **Revenue model:** 15-year indexed CfD (partly secured at ~53–56 EUR/MWh[3]) / PPA
- **Ownership:** 100%[5]
- **Status:** Time delay and / or budget deviation
- **Progress:**
  - Nevertheless, the development agreement signed for up to 80 MW of PV capacities, due to the situation with the grid availability in Poland, the expected portfolio capacity is adjusted to around 40 MW (from up to 80 MW). Accordingly, CAPEX reduced to around EUR 30 million (from around EUR 50 million).
  - Postponed COD to 2023 – Q1 2024 (from 2022–2023), as a result of slightly postponed development works and disruptions in supply chain (longer deliveries of equipment, especially transformer stations).
  - 30 projects with a total capacity of around 30 MW have already secured CfD in the range of ~53–56 EUR/MWh[1].
  - First potfolio batch of 21 MW is under construction, with expected COD by the end of 2023. Subsequent batch of 8 MW is expected to be commissioned by Q1 2024. The remaining around 10 MW are still under development.

Silesia WF II

- **Technology:** onshore wind
- **Capacity:** Up to 137 MW
- **Expected COD:** H2 2024
- **Investment:** ~ 240 EUR million[2]
- **Revenue model:** Merchant (PPA)
- **Ownership:** 100%
- **Status:** On track
- **Progress:**
  - Wind turbine supply (Nordex) and owner's engineer agreements have been signed.

On track   Time delay and / or budget deviation

[1] Includes EU CAPEX grant for Vilnius CHP (i.e., waste-to-energy (operational since Q1 2021) and biomass units) which in total amounts to ~EUR 140 million. [2] Including project acquisition and construction works. [3] 237.5 PLN/MWh, applying inflation index and 4.8483 PLN/EUR rate as of 30 September 2022. [4] 228–268 PLN/MWh, applying inflation index and 4.8483 PLN/EUR rate as of 30 September 2022. [5] After full completion of construction works.

Under development (advanced stage)

Tauragė solar project

- **Technology:** solar
- **Capacity:** 22.1 MW
- **Expected COD:** 2024
- **Investment:** n/a
- **Revenue model:** merchant (PPA)
- **Ownership:** 100%
- **Status:**
- **Progress:**
  - The solar project will be constructed in the vicinitiy of our existing Vėjo Gūsis WF (19.1 MW) in Tauragė, Lithuania.
  - Currently, the grid capacity has been secured and development permit has been received.
  - Project design works have been initiated.

Moray West offshore wind project

- **Technology:** offshore wind
- **Capacity:** 850–900 MW
- **Expected COD:** 2025
- **Investment:** not disclosed
- **Revenue model:** 15-year indexed CfD (294 MW at ~50 EUR/MWh[1]) / Merchant (PPA)
- **Ownership:** 5% (partnership with Ocean Winds, the 50/50 joint venture owned by EDP Renewables and Engie)
- **Status:**
- **Progress:**
  - Siemens Gamesa has been awarded the order for the delivery of 60 wind turbines, 14.7 MW each.
  - The project has been awarded by the UK government with a 15-year CfD for 294 MW (out of the total capacity) to sell the generated energy at a price of ~50 EUR/MWh3.
  - Contract has been signed for manufacturing transition pieces.
  - Onshore connection point construction works have been started.

Kruonis PSHP expansion

- **Technology:** hydro
- **Capacity:** 110 MW
- **Expected COD:** 2025[2]
- **Investment:** ~ EUR 80 million[3]
- **Revenue model:** n/a
- **Ownership:** 100%
- **Status:**
- **Progress:**
  - In Q2 2022 public procurement procedures for acquisition of FIDIC Engineer services were started and initial proposals have been received. Service provider should be selected in Q4 2022.
  - Initial tenders in the public procurement of the main contractor have been received.
  - A decision on FID is expected around Q1 2023.
  - Due to potential disruptions in supply chain related to COVID-19 pandemic as well as the outcome of undergoing public procurement procedures, risks of expected COD and budget deviation are identified.

[1] *37.35 GBP/MWh (in 2012 prices), applying inflation index and 0.8605 GBP/EUR rate as of 30 September 2022.*
[2] *Tentative schedule is targeted to be aligned with Lithuania's synchronisation with the synchronous grid of Continental Europe project.*
[3] *Preliminary estimate is equal to the value of tender offer announced in January 2022.*

On track Time delay and / or budget deviation

Under development (early stage)

Greenfield portfolio

- **Technology:** onshore wind & solar
- **Capacity:** Around 1,770 MW[1]
- **Expected COD:** 2024–2028[2]
- **Investment:** not disclosed
- **Revenue model:** merchant (PPA)
- **Ownership:** 100%
- **Status:**
- **Progress:**
  - In 9M 2022, our greenfield portfolio increased by around 900 MW to a total of around 1,070 MW. After the reporting period, we secured land plots for further 700 MW and now our greenfield pipeline comprises a total of 1,770 MW.
  - New projects of the Greenfield portfolio result in wider range of expected COD dates.
  - In 9M 2022 cooperation for long term land lease between Ignitis Renewables Latvia and one of the largest forest owners in Latvia, a Swedish cooperative, Sodra started.
  - After securing the land necessary to build reasonable capacity, EIA, spatial planning and other procedures for the specific locations are usually initiated.

Latvian onshore WF portfolio I

- **Technology:** onshore wind
- **Capacity:** around 160 MW
- **Expected COD:** 2025–2027
- **Investment:** ~ EUR 200 million
- **Revenue model:** merchant (PPA)
- **Ownership:** 100%[3]
- **Status:**
- **Progress:**
  - EIA procedures in progress.
  - Agreement with TSO was signed for a 70 MW connection to the grid.

Latvian onshore WF and solar project

- **Technology:** Onshore wind & solar
- **Capacity:** around 200 MW
- **Expected COD:** 2027-2028
- **Investment:** ~ EUR 270 million[4]
- **Revenue model:** merchant (PPA)
- **Ownership:** 100%[3]
- **Status:**
- **Progress:**
  - EIA procedures in progress.
  - Permit from Ministry of Economics received, applications for technical conditions from TSO submitted.

Lithuanian offshore WF I

- **Technology:** offshore wind
- **Capacity:** 700 MW
- **Expected COD:** 2028
- **Investment:** not disclosed
- **Revenue model:** 15-year CfD[4]
- **Ownership:** 51% (partnership with Ocean Winds, the 50/50 joint venture owned by EDP Renewables and Engie)
- **Status:**
- **Progress:**
  - In Q2 and Q3 2022, seabed and metocean surveys in Lithuania have been started and the first results have been received by the contracting authority.
  - In September 2022 National Energy Regulatory Council published a draft document that outlines tender procedures. Final approval is expected in Q4 2022. The tender is to take place on 1 September 2023.
  - On 26 October 2022, the Government of Lithuania approved requirements for the tender participants.

*[1] Secured land lease agreements for the development of the indicated capacity. [2] As the indicated capacity includes different projects, expected COD depends on the progress of individual projects. Additionally, Lithuanian projects should begin operations towards the end of the indicated time range. [3] After construction permits are granted. [4] Including project acquisition and construction works. [5] According to the Law that was approved by the Parliament of Lithuania, a tender participant will have to provide: (i) CfD (EUR/MWh) and (ii) electricity production volume (MWh) for which CfD is asked. If the developers do not ask for any support from the state (indicates 0 (zero) MWh), they will have to indicate the 'development fee' which they are willing to pay to the state additionally (this fee will have to be included in the primary bid). If all tender participants will ask for support from the state, the winner will be selected according to the lowest 'support needed' that will be calculated according to the following formula: (CfD asked by the developer – Minimum CfD (set by the the regulator)) * Electricity production volume (MWh) for which CfD is asked. If support from the state is not requested, the winner will be selected according to the highest 'development fee' proposed.*

On track   Time delay and / or budget deviation

Contents »

Networks

Since the end of 2021 we have successfully continued working on grid maintenance and expansion, including smart meter roll-out. On the latter, we continued project implementation which is on track with the launch of IT system enabling the start of mass roll-out at the very beginning of Q3 2022. The smart meters roll-out is planned for all household and business users whose household energy consumption exceeds 1,000 kWh a year, as well as all the new customers, electricity producers and remote producers. Nevertheless, people with disabilities may now request smart meter to be installed regardless of the annual energy consumption volume. The roll-out plan is drawn up and tasks are assigned to engineers according to the priority – primarily including unscheduled work such as breakdown of the current meter, new customers connection. Then, the system chooses the most optimal route for smart meter replacement for scheduled customers according to the above-mentioned criteria near the priority ones. By the end of the reporting period, 70,075 of smart meters were successfully installed which exceeded 100,000 by the end of October 2022 and is expected to reach 192,000 by the end of 2022. Our target of finalizing the mass roll-out process by the end of 2025 remains unchanged, despite the global supply crisis potentially causing disruption in the production of smart meters and, thus, affecting the project by having the smart meters delivered in smaller quantities than planned and/or within a longer timeframe.

Status on key investment projects

Maintenance

- **Investments 2022–2030 (10-year investment plan)** ~EUR 1 billion
- **Investments 2022–2025 (Strategic plan):** EUR 390–410 million
- **Revenue model:** partially covered by EU funds (on a project by project basis)
- **Ownership:** 100%
- **Status:**
- **Progress:**
  - In 9M 2022 over 790 km of electricity lines were reconstructed (out of which 291 km in Q3 2022). Over 95% of these lines are underground cables.

Expansion
New customer connections and upgrades

- **Investments 2022–2030 (10-year investment plan):** ~EUR 750 million
- **Investments 2022–2025 (Strategic plan):** EUR 320–340 million
- **Revenue model:** partially covered by customers' fees
- **Ownership:** 100%
- **Status:**
- **Progress:**
  - In 9M 2022 over 25,754 new electricity customers and almost 19,417 capacity upgrades were accordingly connected and upgraded. It resulted in around 597 km of new electricity lines (out of which 218 km in Q3 2022).

Expansion
Smart meter roll-out

- **Investments 2022–2030 (10-year investment plan):** ~ EUR 150 million
- **Investments 2022–2025 (Strategic plan):** EUR 100–120 million[1]
- **Revenue model:** n/a
- **Ownership:** 100%
- **Status:**
- **Progress:**
  - At the beginning of Q3 2022, started the deployment of smart metering IT system.
  - Shortly afterwards, a mass smart meter roll-out was successfully started.
  - In Q3 2022, in total 70,075 of smart meters were installed. At the end of October 2022, its number increased to 100,000 and is expected to reach 192,000 by the end of 2022.

TOTAL

- **Investments 2022–2030 (10-year investment plan):** ~ EUR 1.9 billion
- **Investments 2022–2025 (Strategic plan):** EUR 0.8–0.9 billion
- **Revenue model:** n/a
- **Ownership:** 100%

[1] *Sagemcom Energy & Telecom SAS (France) is responsible for supplying the smart meters (approximately 1.2 million) and implementation of related IT services (data transfer technology – Narrowband Internet of things).*

On track   Time delay and / or budget deviation

~ 1.9 GW

Since the end of 2021, we expanded our Green Generation pipeline by around 1.9 GW to 3.3 GW.

2.5 Business environment

The Group's performance, to an extent, is governed by macroeconomic and industry dynamics in the markets it operates. Thus, especially during this turbulent period, we closely monitor key economic indicators and developments in the industry to assess the business environment in our home market and provide an overview, including key regulatory framework changes below.

Macroeconomic environment

GDP

The pandemic's logistical and supply challenges were made worse by Russia's invasion of Ukraine, which disrupted the flow of materials necessary for industrial processes. In 9M 2022, growth across the euro area was 2.1% compared to 9M 2021, with forecasted full-year GDP growth of 3.2% and 0.3% in 2022 and 2023, respectively. In Lithuania, GDP growth rose by 2.5% over the same time last year and is anticipated to expand by 2.5% and 0.5% in 2022 and 2023. Projections for 2022 have been increased for Lithuania and Finland, as well as the EU and euro area. However, regardless of the relaxed regulations and less severe COVID-19 variant spread, GDP growth forecast for 2023 has been significantly reduced for all countries since H1 2022. The predictions undoubtedly continue depending on the geopolitical unrest in Europe.

GDP change, %

	9M 2022 vs 9M 2021	2022F	2023F
Lithuania	+2.5	+2.5	+0.5
Latvia	(0.4)	+1.9	(0.3)
Estonia	-[1]	(0.1)	+0.7
Finland	-[1]	+2.3	+0.2
Poland	-[1]	+4.0	+0.7
Euro area	**+2.1**	**+3.2**	**+0.3**
EU	**+2.4**	**+3.3**	**+0.3**

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

Inflation

The euro area's harmonised CPI continued to increase, reaching +9.9% in September 2022, with the energy sector accounting for the majority of the increase (40.7%). Compared to June 2022, positioning of our home market countries did not change: Estonia suffers from the highest harmonised CPI (+24.1%), followed by similar levels in Lithuania (+22.5%) and Latvia (+22.0%). In contrast, Finland's harmonised CPI growth rate (+8.4% in September 2022) was the lowest. With the exception of Finland, the inflation rate in our home markets was higher than in the euro area and the EU. Opposite to GDP forecast detailed above, expected inflation levels for full-year 2022 as well as 2023 was revised to the higher level compared to Eurostat Summer Forecast.

Inflation rate change measured by harmonised CPI, %

	9M 2022	2022F	2023F
Lithuania	+22.5	+18.9	+9.1
Latvia	+22.0	+16.9	+8.3
Estonia	+24.1	+19.3	+6.6
Finland	+8.4	+7.2	+4.3
Poland	+15.7	+13.3	+13.8
Euro area	**+9.9**	**+8.5**	**+6.1**
EU	**+10.9**	**+9.3**	**+7.0**

Source: Eurostat.

Industry environment

Overview of key changes

- Unpredictability of natural gas flows and halt of its imports through Nord Stream I caused a 4x average YoY natural gas price growth across our home market. However, sufficient storage for the upcoming winter in all Europe has been ensured.
- Additionally, high oil and CO2 (EU ETS) prices as well as lower hydro generation in Scandinavia resulted in a 2x average YoY wholesale electricity price increase within our home market. Repair works of an interregional transmission line, reducing cross-border electricity flow, also contributed to the increase.
- Electricity generation levels increased across all home market countries with the largest growth captured in Estonia due to increased generation from oil-shale fired plants, with an exception in Latvia, whose generation levels decreased due to reduced generation levels of fossil fuel power plants.
- We continue to observe a significant decrease in natural gas consumption levels across all home market countries. However, there are no material changes in electricity consumption yet.

Electricity

Consumption, TWh

	9M 2022	9M 2021	Δ, %
Lithuania	9.1	9.0	1.1%
Latvia	5.1	5.4	(5.6%)
Estonia	6.0	6.2	(3.2%)
Finland	58.4	61.4	(4.9%)
Poland	128.3	129.0	0.5%

Generation, TWh

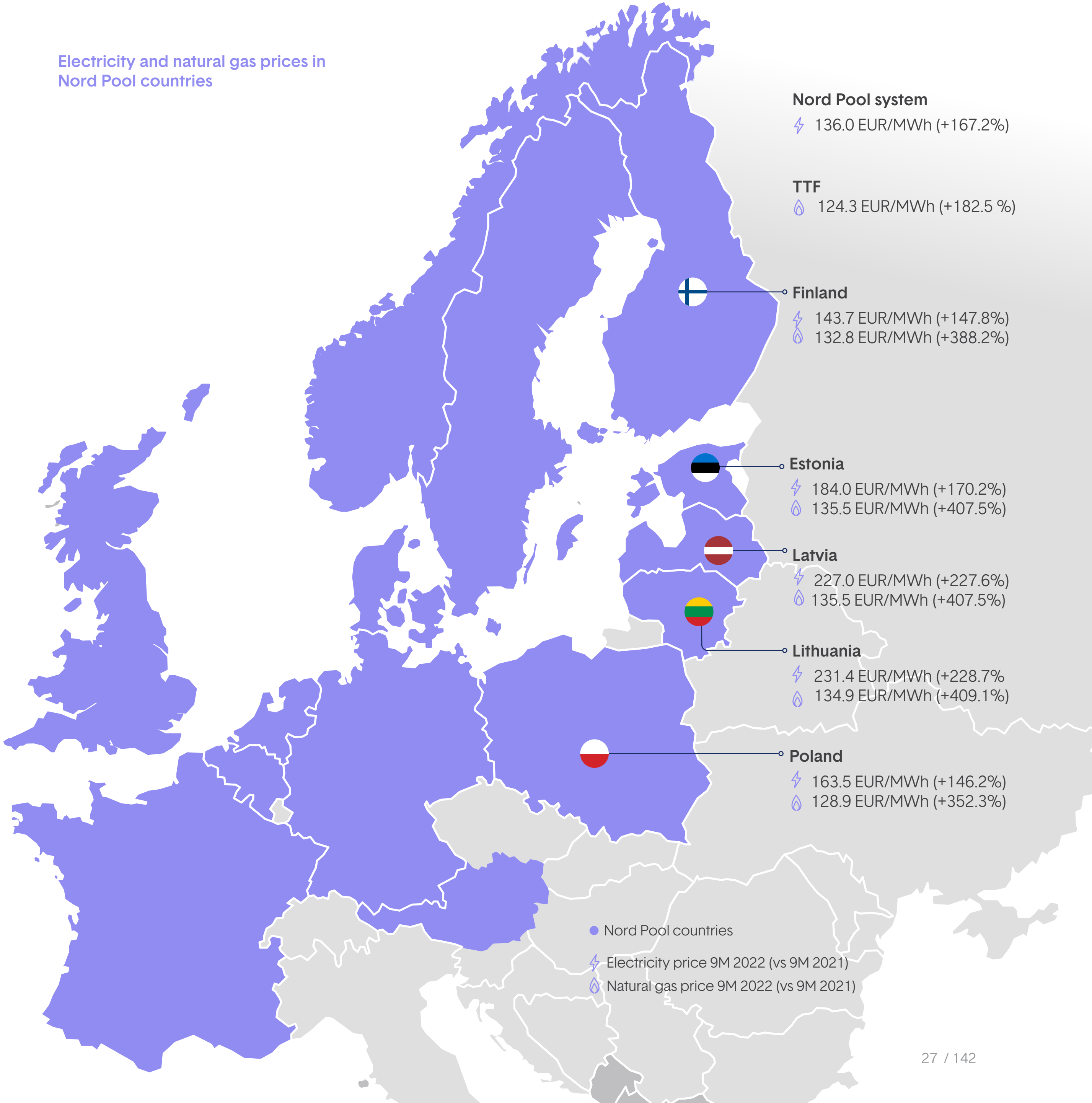
	9M 2022	9M 2021	Δ, %
Lithuania	3.3	3.1	6.5%
Latvia	3.2	4.2	(23.8%)
Estonia	5.3	3.9	35.9%
Finland	46.2	45.5	1.5%
Poland	130.9	127.5	2.7%

Natural gas

Consumption, TWh

	9M 2022	9M 2021	Δ, %
Lithuania	12.0	18.6	(35.5%)
Latvia	5.8	8.6	(32.6%)
Estonia	2.7	3.6	(25.0%)
Finland	9.4	19.1	(50.8%)
Poland	138.5	160.9	(13.9%)

Electricity and natural gas prices in Nord Pool countries



Regulatory environment

EU-wide

REPowerEU

The European Commission continues implementing the Green Deal agenda by proposing substantial legislative and policy packages. On 18 May 2022, the European Commission proposed the REPowerEU plan outlining the EU's path to energy independence from Russian fossil fuels by 2027 as well as securing long-term sustainability, cost-effectiveness, and energy supply to the EU energy system. The timeframe and scale of ambition call for far faster and wider-ranging action than the already-ambitious proposals announced so far, e.g., under the 'Fit for 55 Package' and the 'Hydrogen and Decarbonised Gas Market Package'. To achieve the abovementioned goals, the following three pillars will need to be covered by a combination of short-, mid-, and long-term goals and measures:

- demand reduction (e.g., increasing the binding 'Energy Efficiency Directive' target to 13% from 9%, etc.);
- diversification of suppliers for conventional (fossil) fuel imports whilst future-proofing the corresponding infrastructure, (e.g., introducing a platform for voluntary common purchase of pipeline fossil gas, LNG, and hydrogen; establishing the obligation to fill gas storage facilities to 80% by 1 November each year; acceleration of construction of key interconnection points in the electricity grid, including within the Baltic region, etc.);
- acceleration of transition to renewable energy sources (e.g., increasing the target in the 'Renewable Energy Directive' to 45% by 2030, from 40% under the 'Fit for 55 Package'; increasing the 320 GW target of installed solar capacity by 2025 to 600 GW by 2030; setting the target of 10,000,000 tonnes of green hydrogen production in the EU and the same quantity of imports by 2030; setting the target of 35 billion cubic metres of biomethane production by 2030; introducing the 'European Solar Rooftop Initiative', which aims to make rooftop solar infrastructure mandatory for commercial and public buildings by 2025, and residential buildings by 2029, etc.).

European Gas Demand Reduction Plan

On 5 August 2022, the EU Council adopted Regulation (EU) 2022/1369 on Coordinated Demand Reduction Measures for Gas. The purpose of the gas demand reduction is to make savings for the winter, in order to prepare for possible disruptions of gas supplies from Russia. Regulation provides for both a voluntary and a mandatory reduction of gas consumption. Member States are required to use their best efforts to reduce their national gas consumption between 1 August 2022 and 31 March 2023 by at least 15% compared to their average consumption between 1 August and 31 March of the last five years. These measures are voluntary at first. However, the Regulation creates the possibility for the EU Council, acting by a qualified majority, declare a 'Union alert' and impose mandatory reductions on all Member States. The Commission might submit such proposal in a few cases:

(i) if there is a substantial risk of a severe gas supply shortage or an exceptionally high demand of gas, for which voluntary measures are not sufficient, but where the market is still able to manage that disruption; or

(ii) where five or more Member States have declared an alert at national level. If a 'Union alert' is declared, the 15% reduction target of overall gas consumption becomes mandatory (in principle).

In any case, Member States are free to choose the appropriate measures to reduce demand and should prioritise measures affecting non-protected customers, considering their economic importance.

Emergency Regulation

On 6 October 2022, the EU Council adopted Regulation (EU) 2022/1854 on an emergency intervention to address high energy prices. The regulation introduces common measures to reduce electricity demand and to collect the energy sector's surplus revenue and redistribute it to households and small and medium-sized enterprises. In this regard, the regulation establishes these temporary and extraordinary measures:

- electricity demand reduction: overall reduction target of 10% of gross electricity consumption and a mandatory reduction target of 5% of the electricity consumption during peak hours are set. Member states will need to identify 10% of their peak hours between 1 December 2022 and 31 March 2023 when they will reduce the demand. For this purpose, member states are required to implement appropriate measures to reduce consumption;
- cap on market revenues for inframarginal: it has been agreed to cap the market revenues at 180 EUR/MWh for electricity producers, including intermediaries, that use so-called inframarginal technologies to produce electricity, such as renewables, nuclear and lignite. Member states are required to implement measures of their choice to collect and redirect the surplus revenues towards supporting and protecting end electricity customers;
- solidarity levy for the fossil fuel sector: mandatory temporary solidarity contribution of the profits of businesses active in the crude petroleum, natural gas, coal, and refinery sectors. The solidarity contribution will be calculated on taxable profits, as determined under national tax rules in the fiscal year starting in 2022 and/or in 2023, which are above a 20% increase of the average yearly taxable profits since 2018. Proceeds from the solidarity contribution will be used to provide financial support to households and companies and to mitigate the effects of high retail electricity prices;
- retail measures: member states may temporarily set a price for the supply of electricity to medium-sized enterprises to further mitigate their struggles with high energy prices. Member states may also set a price for the supply of electricity which would be below the cost.

Lithuania

Transposition of Clean Energy Package into Lithuanian energy law

On 11 November 2021, the Parliament of the Republic of Lithuania adopted legislative amendments that transposed the EU's Clean Energy Package requirements into national law, which came into force in 1 January 2022. The main purpose of the Clean Energy Package was to establish new regulatory framework suitable to sustain energy transition from fossil fuels to greener energy, and, more specifically, to fulfil the Paris Agreement goals by reducing greenhouse gas emissions. The indicated legislative amendments target to establish new customer-oriented electricity network design, suitable for green transition (e.g. introducing new actors and services to the energy sector (active customers, energy communities, aggregators, storage facilities, ancillary and flexibility services), establish regulatory framework facilitating the deployment of smart-metering systems in Lithuania), renew the regulatory framework for energy generation from renewable sources, ensure compliance with the EU electricity network (grid) codes, and update energy efficiency goals.

Lithuanian offshore wind legislation framework

On 31 March 2022, the Parliament of the Republic of Lithuania adopted amendments to the Law on Energy from Renewable Sources and the Law on Electricity, which introduced the rules and the support scheme for the development of offshore wind in the Baltic Sea. These amendments foresee that the support shall be granted to the developers that have the right to use a part/parts of the Baltic Sea. It shall be granted by obtaining the Development and Operation Permit. The holder of the permit shall be selected via a competitive tender procedure. The winner of the tender shall be determined by the lowest amount of support requested from the state or by the highest development fee that the tenderer is willing to pay to the state, if the tenderer is not asking for any state support. The support for the development of offshore wind is based on the Contract for Difference (CfD) subsidy model and shall be granted to the winner of the tender for 15 years from the date of issue of the electricity production permit. For the development and operation of the infrastructure required to connect offshore wind farms to the onshore transmission grid, a 'Developer Build' model was selected, i.e., the developer will build, own, and operate connection assets.

On 19 October 2022, the Government of the Republic of Lithuania approved the criteria and requirements for the developers to participate in the tender. Tender participants will have to comply with European and transatlantic integration criteria and have financial capacity and experience in offshore wind projects. The winner of the tender will be obliged to involve small and medium-sized enterprises in the implementation of the project, to choose environmentally friendly means of transport during the construction of an offshore wind farm, to additionally allocate at least EUR 5 million to be used for environmental

Icons represent to which business segments regulatory changes are relevant.

protection in the Lithuanian territorial waters and to annually contribute 1 EUR/MWh of electricity generated to the well-being of the coastal communities. The amendments and the resolution of the Government shall come into force 2 months after the European Commission's approval in accordance with Article 108(3) of the Treaty on the Functioning of the European Union is obtained.

The tender for the first offshore wind farm in Lithuania is planned to take place on 1 September 2023 if all the necessary surveys and preparational works are completed on time. The first offshore wind farm is expected to be operational in 2028 with a total capacity of around 700 MW.

An anti-inflationary package with measures to increase energy independence

On 12 May 2022, the Parliament of the Republic of Lithuania adopted amendments to the Law on Energy of the Republic of Lithuania, the Law on Electricity of the Republic of Lithuania and the Law on Natural Gas of the Republic of Lithuania related to providing all private customers with partial compensation due to increasing prices of energy resources. In H2 2022, increasing prices for all private customers of public, independent supply and supply of last resort will be partially compensated directly from the state budget through their electricity supplier and/or natural gas supply company, the electricity supplier of last resort and/or the distribution system operator conducting the natural gas supply of last resort. The compensation of up to 0.09 EUR/kWh applies to the prices that exceed the minimum threshold of 0.24 EUR/kWh set by the Government. Additionally, the regulatory differences of the public supply customers accumulated by the end of H1 2022 are being compensated as well. Out of the total EUR 570 million allocated from the state budget, EUR 365 million have been allocated to compensate the regulatory differences accumulated by the end of H1 2022, and EUR 205 million have been allocated to partially compensate an increase in energy prices to all private customers in H2 2022 (relevant to Customers & Solutions). Furthermore, the Government plans to continue the provision of partial compensation to all private customers in 2023 and therefore the Government's state budget draft includes EUR 812 million potentially allocated for this purpose. Additionally, business customers will be also provided with partial compensations for electricity bills within the period from Q4 2022 to Q1 2023. The Government's procedure for a partial compensation for business customers has been adopted on 26 October 2022 with EUR 212 million allocated for compensations in Q4 2022 and it is planned in the 2023 state budget draft to provide EUR 234 million for a partial compensation for business customers. The compensation will amount to up to 50% of the monthly electricity price, which exceeds the minimum thresholds of 0.24 EUR/kWh within the period from Q4 2022 to Q1 2023 and 0.28 EUR/kWh within the period from Q1 2023 to Q2 2023 set by the Government which will be provided to business customers of independent supply and supply of last resort directly through their independent electricity supplier or supplier of last resort. Business costumers acquiring electricity from the exchange for their own consumption (not for the purposes of sale or resale) will be also provided with partial compensation.

National 'Breakthrough Package'

On 28 June 2022, the Parliament of the Republic of Lithuania adopted a package of legislative amendments called 'Breakthrough Package', which entered into force on 8 July 2022. The 'Breakthrough Package' aims at implementing efficient and rapid development of renewable energy projects, reducing red tape and unnecessary restrictions for solar and wind power plants, creating favourable conditions for the growth of prosumers, encouraging the development of energy communities. The major changes under the 'Breakthrough Package' are the following:

- sanitary protection zones removed for wind farms, and a safety distance for wind farms with 30 kW and greater installed capacity was introduced instead. The wind farms now must stand four mast heights away from buildings, premises and sites defined in the law;
- a concept of hybrid power plant was introduced, allowing different renewable energy power plants (e.g., solar and wind) and storage devices (batteries) to be connected at the same grid connection point;
- renewable energy producers will have to pay a production fee calculated by multiplying the amount of electricity produced and fed into the electricity grid in the previous calendar year by 0.0013 EUR/kWh. The funds from the production fee shall be allocated for the implementation of projects of local communities. Active producers, offshore wind producers, communities developing renewable energy and private energy communities and others defined in the law shall be exempted from the fee;
- reservation fee for the connection to the grid was increased from 15 EUR/kW to 50 EUR/kW;
- when a power plant is connected to the grid, the permitted generation capacity limit will be assessed instead of the total installed capacity of all installed generation sources, which will allow capacity expansion without expanding the grid. The permitted generation capacity limit must not be exceeded. Network users who exceed the permitted generation capacity limit for longer and/or by a greater amount of power generated than the limit set by the network operator shall pay a fine to the network operator;
- the amendments also established new rules of priority for reserving electricity grid capacity. System operators are obliged to allocate their grid capacity for network users, according to their priority status set in the law;
- prosumers' regulatory framework was updated, including the price of services for using the electricity network, which is differentiated according to the prosumer's legal status as well as the price of the connection to the grid;
- solar power generating capacities are capped at 2 GW. Although, the limitation does not apply to capacities developed by prosumers, communities developing renewable energy and private energy communities.

A tender by the Klaipėda LNG Terminal for Long-term Capacity Allocation Procedure

On 5 September 2022, AB "Klaipėdos nafta" announced a public invitation to participate in the Klaipėda LNG Terminal Long-term Capacity Allocation Procedure. The invitation was developed in accordance with the Regulations for Use of LNG Terminal, approved by the order No. BV-94 of Chief Executive Officer of AB "Klaipėdos nafta" of 10 August 2022, to ensure efficient allocation of the terminal's capacity and to grant market participants the right to acquire the LNG terminal's capacity on a long-term basis. Four LNG terminal's customers from Lithuania, Latvia and Poland have been granted capacity packages of 6 TWh/year (24 TWh in total) for a period of ten years (from 1 January 2023 until 31 December 2032) out of the total LNG terminal capacity of 39 TWh. Ignitis (Customers & Solutions) is one of the four companies which have secured this capacity, with a capacity allocation limit of up to 6 TWh per year. This contract with the terminal's operator (AB "Klaipėdos nafta") will contribute to ensuring reliable and uninterrupted natural gas supply in the region, will allow us to manage our supply contracts more easily and to procure natural gas in advance, thus, securing the most favourable price on the market. Additionally, securing long-term capacity does not limit the possibility of purchasing more LNG cargoes in the future. Should the need and opportunity arise to purchase more LNG cargoes, additional capacity will be available for purchase through the Annual Terminal Capacity Allocation process. In case the allocated LNG Terminal capacity is no longer needed, it can be sold on a secondary market for the price approved by Lithuanian National Energy Regulatory Council (the price set for 2023 is 1.41 EUR/MWh) or in case allocated capacity is not sold on a secondary market or the booked LNG cargo is cancelled and LNG capacity allocated is not used by other LNG Terminal users, then the fine up to EUR 1.4 million per LNG cargo shall be paid to AB "Klaipėdos nafta" and damages (if any) incurred by other LNG terminal users shall be compensated.

Finally, it should be noted that Ignitis (Customers & Solutions) has an effective agreement with Equinor ASA for the purchase of 4 LNG cargoes per year until the end of 2024 and with additional 6 LNG cargoes capacity ensured in total the Group can now ensure 10 LNG vessels per year.

The third stage of liberalisation of the electricity market has been postponed for three years

As a result of the current energy crisis and also taking into account that one of the independent electricity suppliers to B2C customers in Lithuania – UAB Perlas Energija, which had a major share in the local market, has suspended their activities, on 10 October 2022, the Parliament of the Republic of Lithuania adopted amendments to the Law on Electricity of the Republic of Lithuania, which have changed the legal regulation of the public and independent supply of electricity to B2C customers to ensure safety measures are in place for protecting the smallest and the most vulnerable customers from the increasing electricity prices.

The amendments postponed the deadline of the 3rd stage of B2C electricity market liberalisation for 3 years, until the end of 2025 (from the end of 2022), and established procedures of informing customers about the change. As the customers included in the 3rd stage of liberalisation are the most sensitive and vulnerable, they will have an obligation to choose an independent electricity supplier by the end of 2025. The change in the Law on Electricity of the Republic of Lithuania will not have a significant impact on the activities and performance of the Group but will ensure the interests of the consumers because postponing the deadline of the 3rd stage of the market liberalisation will provide consumers with an opportunity to make decisions in line with their interests over a longer period while taking the current energy crisis into account.

Changes in ancillary services and balancing market

Legislative amendments in Lithuania in 2022 have led to a significant change in ancillary services and balancing market. The changes of the Law on Electricity and the Rules on Electricity Network aim at adapting these market segments to the requirements of EU legislation and creating more market products, which would be based on free market principles. In this regard, services purchased by transmission system operator (AB Litgrid, TSO) from market participants were clearly separated into non-frequency ancillary services (i.e., voltage control, inertia stability, black start, short-circuit current, isolated operation of the electricity system) and balancing services (balancing energy and balancing capacities (i.e., frequency containment reserve, frequency restoration reserve, replacement reserve). The technical requirements for non-frequency ancillary services are still to be determined by the TSO and coordinated by the Lithuanian National Energy Regulatory Council. It is also important to note that TSO no longer plans to order tertiary active power reserve from 2023.

In addition, taking into account the geopolitical situation and until the project of synchronisation of the electricity system of the Republic of Lithuania with the electricity grid of Continental Europe is completed (expected to be finished by the end of 2025), the TSO has acquired the right to issue orders to electricity producers providing the service of availability of electricity generation facilities to ensure the readiness for isolated operation of the electricity system and the amount of electricity production necessary for this purpose for up to 60 calendar days per calendar year. If the order is accepted, the producers shall be obliged to estimate and procure the amount of fuel required for that purpose in advance to ensure that the service of the isolated operation of the electricity system is provided in an efficient, safe, and reliable manner. Due to the above, Ignitis Gamyba has acquired the amount of natural gas necessary to execute the TSO's order.

Latvia

Ease of new renewable capacity development

On 14 July 2022, the Parliament of Latvia adopted the Amendments to the Electricity Market Law implementing a new regulation, easing the greenfield development process:

- no obligation to obtain a permit from the Ministry of Economics for the installation of a new generator (including wind) with the capacity of up to 500 kW. New by-law will be adopted with regards to this permitting process and conditions;
- a security deposit for grid capacity reservation will apply to new installations of 50 kW and greater. The amount is to be defined in the by-law;
- payments to local communities will be introduced starting from 1 January 2023. The amount is to be defined in the by-law;
- the right was granted to developers to construct internal grid lines (within a solar park or wind farm) at their own efforts.

Additionally, the new law that aims to simplify the procedure for the construction of energy supply structures, including wind farms, was adopted by the Parliament of Latvia on 29 September 2022. The law stipulates a simplified procedure for the construction of wind farms with a total capacity of at least 50 MW, as well as installation of the external utility networks and the construction of related structures required for the functioning of solar panels (installations) if the total capacity per one single object is at least 10 MW. Specifically, the law sets that the construction of wind farms is allowed outside towns and villages on industrial land, technical constructions, or farming areas, as defined by the territorial plan of the local municipality. A distance of at least 800 metres must be ensured between residential and public buildings and the nearest border of the wind turbine and wind farm. The law also stipulates that the construction of wind farms with a capacity exceeding 50 megawatts may qualify for the status of a structure of national interest. In addition, until now, the developer was always required to perform the full environmental impact assessment of the planned activity to construct a wind farm with capacity exceeding 50 MW. The law stipulates that, further on, an initial environmental impact assessment procedure may be applied to wind power plants if the project complies with the established special criteria.

Latvia and Estonia offshore wind project

A joint offshore wind project

The governments of Latvia and Estonia have selected the locations in their respective parts of the Baltic Sea where a joint offshore wind energy project – ELWIND – will be built. On the Latvian part the work on the environmental impact assessment in the coastal area of Kurzem is expected to be started in December 2022. An offshore wind farm is planned to be built there approximately 15 to 20 km from the coastline in the sea. ELWIND with a total capacity of between 700 MW and 1,000 MW has been listed on the first list of renewable energy cross-border projects under the EU Connecting Europe Facility. The deadline for completion of the project is planned for 2030. In addition, legislation related to the development of offshore wind projects, which was initially adopted in Latvia in 2014, is currently under review to set bidding pre-qualification criterions, bidding process and obligations of the bid-winner.

Poland

Potential ease of onshore wind farm construction

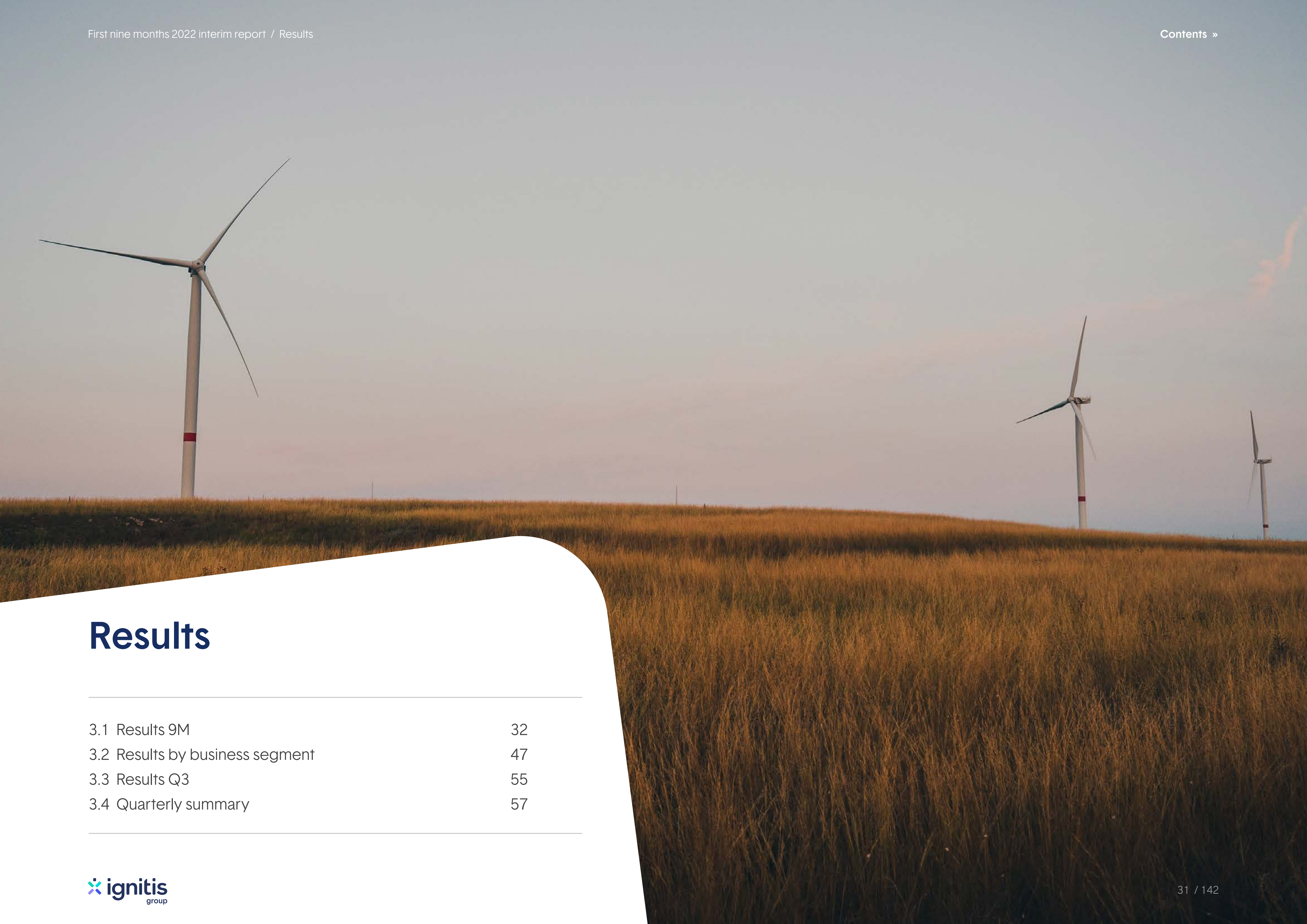
On 5 July 2022 the Council of Ministers approved the draft amendment of the Act on Investments in Wind Power Plants dated 20 May 2016 aiming to ease the so-called 10H rule, according to which onshore wind turbines can be built at a distance of no less than ten times the height of the wind turbine (counting to the top of the rotor) from existing residential buildings. The 10H rule, obviously, significantly limited the possibilities for new investments in wind power plants - in fact, the rule covered about 98% of Poland's territory and made it virtually impossible to develop new onshore wind projects.

The main idea of the adopted draft amendment is to maintain the basic principle of locating new wind power plants, according to which it will be necessary to maintain a minimum absolute distance from residential buildings. In general, the 10H rule would still apply, but municipalities would have the right to reduce this distance to the minimum of 500 meters from residential buildings, but only in a local spatial development plan (LSDP). Moreover, new onshore wind power plants could be located only on the basis of LSDP, so if given land was not covered by LSDP, it wouldn't be possible a wind power plant there. The basis for determining the distance of a wind power plant from residential buildings in LSDP would be, among other things, the results of an environmental impact assessment. Such an assessment should analyse, among other things, the impact of noise emissions on the surrounding area and the health of residents.

The 10H rule would have been retained for national parks and nature reserves. Furthermore, according to the draft bill, municipalities where wind power plants have already been built would be allowed to locate residential buildings in the vicinity of the power plants, but on condition that they meet the minimum distance - 500 meters or more, adopted in the LSDP.

However, despite the bill being submitted, the formal legislative process still have not been initiated. The main reason for this is the differing positions of the parties that form the ruling coalition.

Icons represent to which business segments regulatory changes are relevant.



Results

3.1 Results 9M

Key financial indicators[1]

		9M 2022	9M 2021	Δ	Δ,%
Revenue	EURm	3,027.8	1,165.4	*1,862.4*	*159.8%*
EBITDA APM	EURm	333.5	255.0	*78.5*	*30.8%*
Adjusted EBITDA APM	EURm	357.2	220.9	*136.3*	*61.7%*
Green Generation	EURm	185.8	44.9	*140.9*	*313.8%*
Networks	EURm	116.7	114.0	*2.7*	*2.4%*
Flexible Generation	EURm	17.7	28.5	*(10.8)*	*(37.9%)*
Customers & Solutions	EURm	35.3	31.2	*4.1*	*13.1%*
Other[2]	EURm	1.7	2.2	*(0.5)*	*(22.7%)*
Adjusted EBITDA margin APM	%	11.7%	19.5%	*(7.8 pp)*	*n/a*
EBIT APM	EURm	225.2	162.5	*62.7*	*38.6%*
Adjusted EBIT APM	EURm	248.9	128.4	*120.5*	*93.8%*
Net profit	EURm	184.9	112.2	*72.7*	*64.8%*
Adjusted net profit APM	EURm	202.4	92.6	*109.8*	*118.6%*
Investments[3] APM	EURm	367.8	128.1	*239.7*	*187.1%*
FFO APM	EURm	286.9	216.5	*70.4*	*32.5%*
FCF APM	EURm	(626.6)	41.0	*(667.6)*	*n/a*
ROE LTM APM	%	11.2%	11.1%	*0.1 pp*	*n/a*
Adjusted ROE LTM APM	%	13.5%	9.1%	*4.4 pp*	*n/a*
ROCE LTM APM	%	8.0%	9.9%	*(1.9 pp)*	*n/a*
Adjusted ROCE LTM APM	%	10.6%	7.8%	*2.8 pp*	*n/a*
EPS (Basic) APM	EUR	2.54	1.51	*1.03*	*68.2%*
		30.09.2022	**31.12.2021**	**Δ**	**Δ,%**
Total assets	EURm	5,304.7	4,251.3	*1,053.4*	*24.8%*
Equity	EURm	2,228.2	1,849.0	*379.2*	*20.5%*
Net debt APM	EURm	1,512.8	957.2	*555.6*	*58.0%*
Net working capital APM	EURm	1,068.7	486.4	*582.3*	*119.7%*
Net debt/EBITDA LTM APM	times	3.65	2.85	*0.80*	*28.1%*
Net debt/Adjusted EBITDA LTM APM	times	3.23	2.88	*0.35*	*12.2%*
FFO LTM/Net debt APM	%	23.9%	30.5%	*(6.6 pp)*	*n/a*

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').
[2] Other – other activities and eliminations (consolidation adjustments and related party transactions), including financial results of the parent company. More information about it is disclosed in the section '6.2 Parent company's financial statements'.
[3] The Investments formula has been adjusted retrospectively from the beginning of 2022 by including prepayments for non-current assets. Such presentation more accurately shows the amount of Investments made during the year since, the amount of advance payments grew significantly with the increase of renewable energy projects pipeline. For updated formula, see definitions of 'Alternative performance measures' used by the Group.

Highlights

9M 2022 vs 9M 2021

During 9M 2022 Adjusted EBITDA grew by 61.7% compared to 9M 2021 and amounted to EUR 357.2 million. The increase was mainly driven by the Green Generation segment due to the launch of Pomerania WF in Poland and better results of our operating assets, mainly caused by higher electricity market price (+228.7% compared to the same period in 2021). Green Generation Adjusted EBITDA accounted for more than a half of the Group's total result in 9M 2022.

	Networks	Green Generation	Flexible Generation	Customers & Solutions	Other[1]	Total Adjusted	Adjustments	IFRS
9M 2022			Adjusted					Reported
Revenue	**474.9**	**413.8**	**165.6**	**2,089.9**	**(92.7)**	**3,051.5**	**(23.7)**	**3,027.8**
Purchase of electricity, natural gas and other services	(264.4)	(152.8)	(32.4)	(1,979.3)	1.1	(2,427.8)	-	(2,427.8)
Wages and salaries and related expenses	(47.0)	(8.2)	(6.1)	(9.5)	(13.4)	(84.2)	-	(84.2)
Repair and maintenance expenses	(19.2)	(3.8)	(2.4)	-	-	(25.4)	-	(25.4)
Other expenses	(27.6)	(63.2)	(107.0)	(65.8)	106.7	(156.9)	-	(156.9)
EBITDA APM	**116.7**	**185.8**	**17.7**	**35.3**	**1.7**	**357.2**	**(23.7)**	**333.5**
Depreciation and amortisation	(66.7)	(21.0)	(9.0)	(1.5)	(4.5)	(102.6)	-	(102.6)
Write-offs, revaluation and impairment losses of PPE and intangible assets	(2.8)	(2.9)	-	-	-	(5.7)	-	(5.7)
EBIT APM	**47.3**	**161.9**	**8.7**	**33.8**	**(2.8)**	**248.9**	**(23.7)**	**225.2**
Finance activity, net						(16.4)	2.7	(13.7)
Income tax expenses						(30.2)	3.6	(26.6)
Net profit						**202.4**	**(17.4)**	**184.9**
9M 2021[2]			Adjusted					Reported
Revenue	**354.9**	**109.8**	**111.7**	**564.6**	**(9.7)**	**1,131.3**	**34.1**	**1,165.4**
Purchase of electricity, natural gas and other services	(163.3)	(39.2)	(70.6)	(514.5)	0.3	(787.3)	-	(787.3)
Wages and salaries and related expenses	(38.8)	(5.9)	(5.9)	(7.6)	(12.5)	(70.7)	-	(70.7)
Repair and maintenance expenses	(14.3)	(2.6)	(4.0)	-	-	(20.9)	-	(20.9)
Other expenses	(24.5)	(17.2)	(2.7)	(11.3)	24.2	(31.5)	-	(31.5)
EBITDA APM	**114.0**	**44.9**	**28.5**	**31.2**	**2.3**	**220.9**	**34.1**	**255.0**
Depreciation and amortisation	(61.9)	(15.2)	(8.5)	(1.3)	(3.5)	(90.4)	-	(90.4)
Write-offs, revaluation and impairment losses of PPE and intangible assets	(2.0)	-	(0.1)	-	-	(2.1)	-	(2.1)
EBIT APM	**50.1**	**29.7**	**19.9**	**29.9**	**(1.2)**	**128.4**	**34.1**	**162.5**
Finance activity, net						(19.0)	(9.4)	(28.4)
Income tax expenses						(16.9)	(5.1)	(22.0)
Net profit						**92.6**	**19.6**	**112.2**

[1] Other – other activities and eliminations (consolidation adjustments and related party transactions).
[2] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021'). Adjusted EBITDA reported in 2021 9M Interim report was EUR 214.5 million.

Overview and impact of partial compensation of energy prices

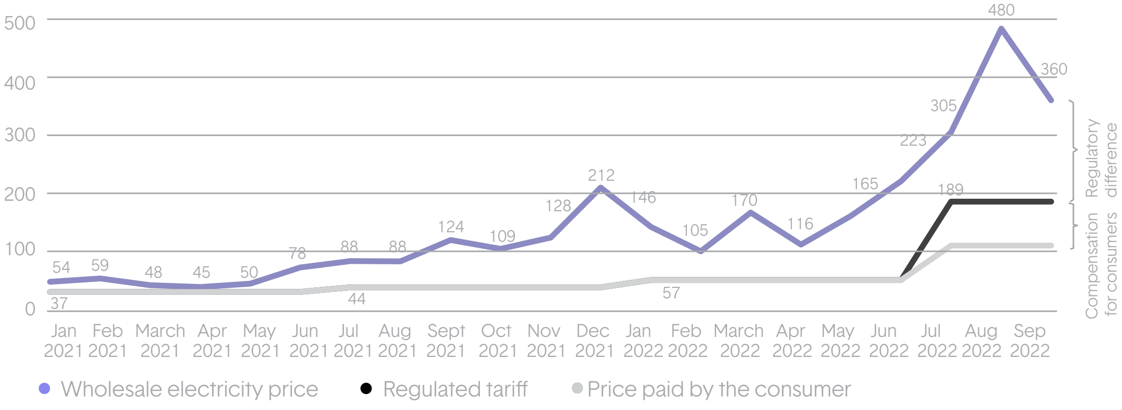
State budget measures

H2 2022	2023
Approved compensation mechanism of **EUR 570 million** for: – **regulatory differences compensation for 2021 – H1 2022 (EUR 365 million);** – **subsidy to all B2C customers for H2 2022 (EUR 205 million)** directed to amortize the increase in electricity and natural gas prices (over 0.24 EUR/kWh but no more than 0.09 EUR/kWh for electricity, fixed amount of 0.54 EUR/m3 for natural gas).	Compensation mechanism planned with allocated funds of around **EUR 1.2 billion** from the State budget, out of which: – **subsidy to all B2C customers for 2023 (EUR 714 million)** directed to amortize the increase in electricity and natural gas prices (subsidy of the price over 0.28 EUR/kWh for electricity and 50% increase cap for natural gas); – additionally, **EUR 446 million to be directed to B2B customers** (for subsidies of 50% of the price over 0.24 EUR/kWh in Q4 2022 and over 0.28 EUR/kWh in Q1 2023).

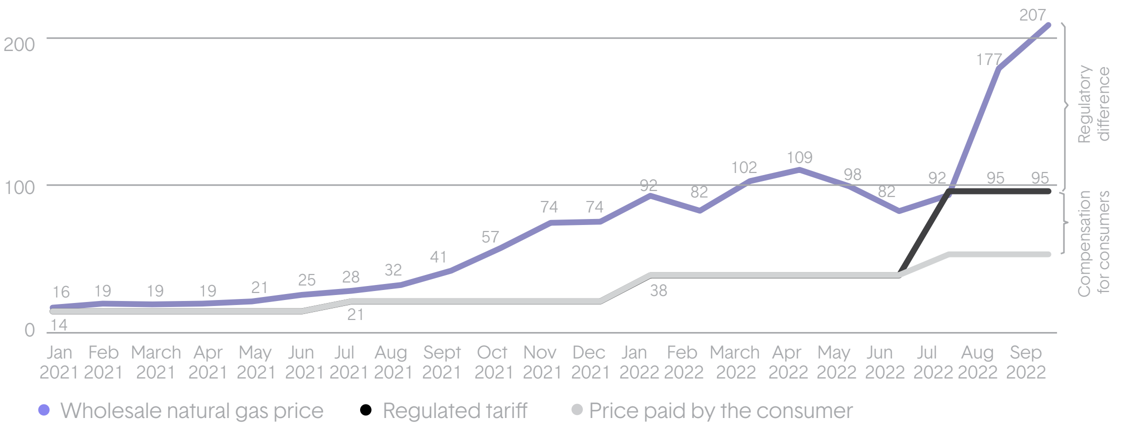
Impact to the Group

1. **Regulatory differences of EUR 365 million** (out of EUR 388 million **accumulated during 2021 – H1 2022) are being covered during H2 2022 on a monthly basis.** 2. Additional EUR 26 million **accumulated** as the **regulatory differences in Q3 2022**, which together with the amount to accumulate during **Q4 2022 are expected to be covered from the State budget** (decisions pending).	**No material regulatory differences are expected in 2023** (as a result of significant State budget subsidies to customers, regulator is able to set the tariffs in line with expected wholesale energy prices).

Electricity prices and regulated tariffs, EUR/MWh



Natural gas prices and regulated tariffs, EUR/MWh



Revenue

In 9M 2022, revenue increased by 159.8% compared to 9M 2021 totalling EUR 3,027.8 million. The main reasons causing revenue changes in our business segments were as follows:

1. **Customers & Solutions (EUR +1,573.8 million).** Higher revenue from electricity business (EUR +791.7 million) was due to higher market prices (+228.7% on average) and higher volume sold (+20.7%). Natural gas business related income increased (EUR +777.7 million), mainly due to higher average TTF gas price index (+409.1%), which is mainly reflected in the company's natural gas supply, and due to higher volume (+14.2%) from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers.
2. **Green Generation (EUR +308.8 million).** The growth has been recorded throughout all technologies (Wind, Hydro, Waste-to-Energy) and was mainly driven by higher electricity prices and Pomerania WF, due to COD reached in December 2021.
3. **Flexible Generation (EUR +53.9 million).** The increase was driven by power reserve (isolated regime services) due to revenue (EUR +64.6 million) intended to cover incurred expenses related to natural gas reserve, which was acquired in order to comply with new requirements issued by TSO for the isolated regime services. The increase was partly offset by lower revenue from CCGT commercial activities (EUR -12.9 million) due to worse market conditions (less favourable days for generation.
4. **Networks (EUR +9.0 million).** The increase was mainly driven by higher revenue from the supply of last resort (EUR +36.1 million) due to 228.7% higher electricity market price. The increase was partly offset by lower electricity distribution (EUR -25.9 million) revenue due to, on average, 12% lower electricity distribution tariff approved by the regulator.

Revenue by segment, EURm

	9M 2022	9M 2021	Δ	Δ, %
Customers & Solutions	2,143.9	570.1	*1,573.8*	*276.1%*
Networks	397.2	388.2	*9.0*	*2.3%*
Green Generation	413.8	105.0	*308.8*	*294.1%*
Flexible Generation	165.6	111.7	*53.9*	*48.3%*
Other[1]	(92.7)	(9.6)	*(83.1)*	*865.6%*
Revenue	**3,027.8**	**1,165.4**	***1,862.4***	***159.8%***

[1] Other – other activities and eliminations (consolidation adjustments and related party transactions).

Revenue by country, EURm

	9M 2022	9M 2021	Δ	Δ, %	9M 2022, %
Lithuania	2,301.7	1,029.5	*1,272.2*	*123.6%*	*76.0%*
Other[2]	726.1	135.9	*590.2*	*434.3%*	*24.0%*
Revenue	**3,027.8**	**1,165.4**	***1,862.4***	***159.8%***	***100.0%***

[2] Other – Latvia, Estonia, Poland and Finland.

In 9M 2022, the Group earned 76.0% (88.3% in 9M 2021) of its revenue in Lithuania (EUR 2,301.7 million). The Group's revenue from foreign countries increased by 434.3%, mostly in Latvia, Finland, and Poland, and reached EUR 726.1 million (9M 2021: EUR 135.9 million), mainly due to higher natural gas and electricity prices as well as natural gas sales abroad, utilizing LNG terminal, and Pomerania WF, due to COD reached in December 2021.

Revenue by type[3], EURm

	9M 2022	9M 2021	Δ	Δ, %	9M 2022, %
Electricity related	1,918.6	870.8	*1,047.8*	*120.3%*	*63.4%*
Natural gas related	1,049.1	226.9	*822.2*	*362.4%*	*34.6%*
Other	60.1	67.7	*(7.6)*	*(11.2%)*	*2.0%*
Revenue	**3,027.8**	**1,165.4**	***1,862.4***	***159.8%***	***100.0%***

[3] A more detailed description is presented in Interim Consolidated Financial statements for 9M 2022, Note 21 'Revenue from contracts with customers'.

In 9M 2022, electricity related revenue increased by EUR 1,047.8 million compared to 9M 2021, mostly due to higher revenue from sale of electricity (EUR +730.4 million), higher revenue from sale of generated electricity (EUR +196.6 million) and higher revenue from public electricity supply (EUR +90.8 million). Natural gas related revenue increased by EUR 822.2 million compared to 9M 2021 due to higher revenue from natural gas sales (EUR +837.5 million).

Expenses

Purchase of electricity, natural gas, and other services

The Group's purchase of electricity and natural gas amounted to EUR 2,427.8 million in 9M 2022 and increased by 208.4% compared to 9M 2021. The increase was caused by higher electricity (EUR +653.8 million) and natural gas (EUR +983.8 million) purchases, mostly impacted by higher market prices.

OPEX

In 9M 2022, OPEX totalled EUR 153.8 million and increased by 24.9% (EUR +30.7 million). This change was driven by higher salaries and related expenses (EUR 13.5 million, or +19.1%), mainly due to the growth in the number of employees at the Group, average salary, and increased overtime from restoring the electricity distribution network after heavy storms in 2022. Other expenses increased by EUR 12.7 million, mostly due to higher customer services, IT, taxes, transport, and utilities expenses.

Other

Energy hedging expenses from ineffective hedging in 9M 2022 were mainly related to the acquired gas reserve in order to comply with new requirements issued by TSO for isolated regime services (EUR 64.6 million in 9M 2022). Remaining amount is mainly related to Customers & Solutions segment result, mainly due to ineffective electricity "proxy" hedges as the correlation of chosen hedge products deteriorated. In 9M 2021 the result was positive (EUR 29.9 million) and accounted as other revenue accordingly.

Changes in the fair value of effective hedges that meet the qualifying criteria for hedge accounting are disclosed in the Statement of Financial Position in Equity reserves. The gain or loss of settled derivatives are disclosed in the Statement of Profit or Loss as Purchases of electricity, natural gas, and other services. Changes in the fair value and the result of settled hedges that do not meet the qualifying criteria for hedge accounting are disclosed in the Statement of Profit or Loss, the negative result – in other expenses and the positive hedging result for the period is presented in other revenue.

Depreciation and amortisation increased due to higher expenses of the Networks segment (EUR +4.8 million), mostly due to Investments made as well as Pomerania WF (EUR +2.8 million), as it reached COD in December 2021 and Vilnius CHP's WtE unit (EUR +2.0 million), as it reached COD in March 2021.

Expenses, EURm

	9M 2022	9M 2021[1]	Δ	Δ, %
Purchase of electricity, natural gas, and other services	**2,427.8**	**787.3**	***1,640.5***	***208.4%***
Purchase of electricity and related services	880.8	227.0	*653.8*	*288.0%*
Purchase of natural gas and related services	1,526.3	542.5	*983.8*	*181.3%*
Other	20.7	17.8	*2.9*	*16.3%*
OPEX APM	**153.8**	**123.1**	***30.7***	***24.9%***
Salaries and related expenses	84.2	70.7	*13.5*	*19.1%*
Repair and maintenance expenses	25.4	20.9	*4.5*	*21.5%*
Other	44.2	31.5	*12.7*	*40.3%*
Other	**221.0**	**92.5**	***128.5***	***138.9%***
Depreciation and amortisation	102.6	90.4	*12.2*	*13.5%*
Energy hedging	112.7	-	*112.7*	*100%*
Write-offs, revaluation and impairment losses of PPE and intangible assets	5.7	2.1	*3.6*	*171.4%*
Total	**2,802.6**	**1,002.9**	***1,799.7***	***179.4%***

[1] Due to change in accounting policy and reclassifications, expenses were adjusted retrospectively for all quarters of the year 2021 (for more information, see 'Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').

EBITDA

Adjusted EBITDA amounted to EUR 357.2 million in 9M 2022 and was 61.7%, or EUR 136.3 million, higher than in 9M 2021. Adjusted EBITDA increase was mainly driven by the Green Generation segment. The main contributors to the growth were the launch of Pomerania WF in Poland and better results of our operating Green Generation assets, both driven by higher electricity market prices (+228.7% compared to the same period in 2021).

The main reasons behind the changes in Adjusted EBITDA were as follows:

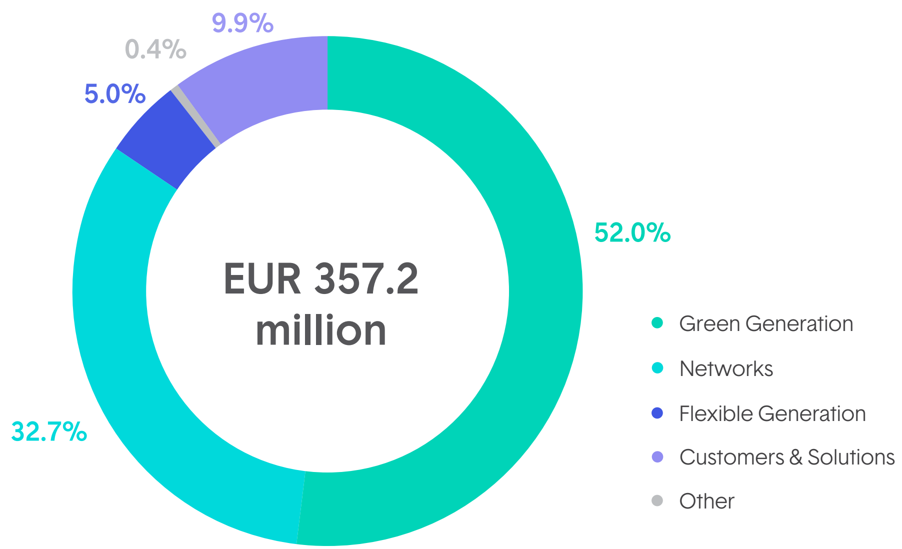
1. **Green Generation (EUR +140.9 million).** The increase recorded throughout all technologies (Wind, Hydro, Waste-to-Energy) was mainly driven by higher electricity market prices and Pomerania WF COD, reached in December 2021.
2. **Networks (EUR +2.7 million).** The increase was driven by introduction of an additional tariff component (EUR +20.2 million). The increase was partly offset by lower electricity WACC (4.16% in 2022 vs 5.34% in 2021) (EUR -9.0 million) as a result of the updated WACC methodology for the new regulatory period started in 2022. Also, the Adjusted EBITDA increase was partly offset by lower share of allowed return and D&A recognized in Q3 2022 vs Q3 2021 due to temporary volume effect (EUR -10.3 million). This effect will level off over the course of the year as annual ROI and compensated depreciation and amortization is fixed for the year but allocated between the months based on the distributed volumes.
3. **Flexible Generation (EUR -10.8 million).** The decrease was mainly caused by worse results of CCGT unit (EUR -10.7 million) due to lower volumes of generation (-591 GWh) as clean spark spread was lower under less favourable market conditions.
4. **Customers & Solutions (EUR +4.1 million).** Despite loss-making year in both electricity and natural gas B2C activities, positive change was driven by natural gas B2B results, mainly from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers as well as from favourable temporary inventory effect. The latter is caused by the average cost accounting method, which results in temporarily higher result in an increasing natural gas price environment and will reverse once the prices start to go down.

Adjusted EBITDA by segments, EURm

	9M 2022	9M 2021[1]	Δ	Δ, %
Green Generation	185.8	44.9	*140.9*	*313.8%*
Networks	116.7	114.0	*2.7*	*2.4%*
Flexible Generation	17.7	28.5	*(10.8)*	*(37.9%)*
Customers & Solutions	35.3	31.2	*4.1*	*13.1%*
Other[2]	1.7	2.3	*(0.6)*	*(26.1%)*
Adjusted EBITDA APM	**357.2**	**220.9**	***136.3***	***61.7%***

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021'). 9M 2021 Adjusted EBITDA was EUR 214.5 million.
[2] Other – other activities and eliminations (consolidation adjustments and related party transactions).

Adjusted EBITDA 9M 2022, EURm



3x

The Group's Investments increased threefold and reached EUR 367.8 million in 9M 2022, mainly due to the Investments made in Green Generation projects.

Adjusted EBITDA by activity type

In 9M 2022, Adjusted EBITDA from regulated and long-term contracted activities comprised 37.2% of the total Adjusted EBITDA (9M 2021: 61.7%). The proportion of such activities decreased due to significantly higher Adjusted EBITDA from Green Generation merchant activities, mainly due to high electricity market prices.

Regulated activities include:

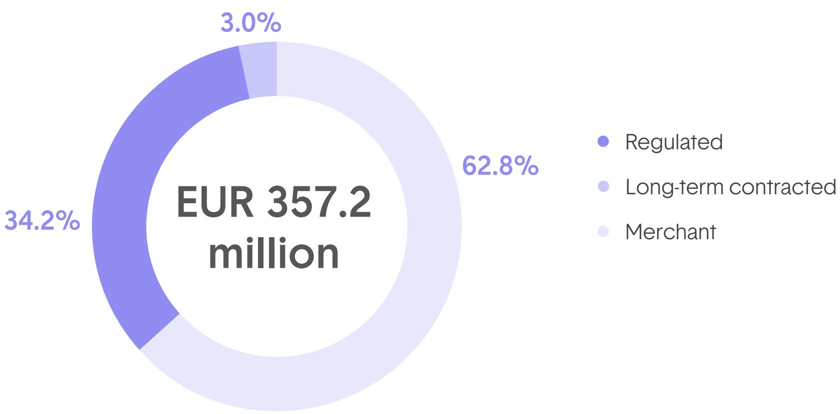
1. electricity and natural gas distribution;
2. reserve and ancillary services provided to the transmission system operator;
3. public supply of electricity, electricity supply of last resort, natural gas supply to residents of Lithuania and the designated LNG supplier services.

Long-term contracted activities include operating capacities with support schemes, i.e., feed-in and feed-in premium tariffs and with PPA contracts with more than 1 year of maturity remaining.

Adjusted EBITDA by types of activities, EURm

	9M 2022	9M 2021	Δ	Δ, %
Regulated	122.1	128.4	*(6.3)*	*(4.9%)*
Long-term contracted	10.8	7.6	*3.2*	*42.1%*
Merchant	224.3	84.9	*139.4*	*164.2%*
Adjusted EBITDA APM	**357.2**	**220.9**	***136.3***	***61.7%***

Adjusted EBITDA by types of activities 9M 2022, %



EBITDA adjustments

EBITDA adjustments, EURm

	9M 2022	9M 2021	Δ	Δ, %
EBITDA APM	**333.5**	**255.0**	***78.5***	***30.8%***
Adjustments[1]				
Temporary regulatory differences (1)	23.7	(38.9)	*62.6*	*n/a*
Result from generation before COD (2)	-	4.8	*(4.8)*	*(100.0%)*
Total EBITDA adjustments	**23.7**	**(34.1)**	***57.8***	***n/a***
Adjusted EBITDA APM	**357.2**	**220.9**	***136.3***	***61.7%***
Adjusted EBITDA margin APM	11.7%	19.5%	*(7.8 pp)*	*n/a*

[1] A more detailed description of the management adjustments is presented in the Interim Consolidated Financial Statements of 9M 2022, Note 28 'Operating segments'.

(1) Elimination of the difference between the actual profit earned during the reporting period and the profit allowed by the regulator. The 9M 2022 adjustment includes:

- add-back of lower Networks segment's profit earned from regulated activities (EUR +78.1 million), out of which 54.9 million is related to the current period and mainly resulted from higher actual electricity and natural gas purchase prices compared to the prices set by the regulator for distribution activities, which contributed to higher technological loss expenses, while EUR 22.8 million is related to previous periods and is realized through the tariffs for the current period;
- add-back of lower Customers & Solutions segment's profit earned from electricity public supply activities (EUR +5.0 million) due to over-declared consumption by B2C consumers;
- elimination of higher Customers & Solutions segment's profit earned from natural gas public supply activities (EUR -19.3 million) due to the 2021 regulatory differences being compensated through the tariff during the current year;
- elimination of higher Customers & Solutions segment's profit earned from natural gas designated supply activities (EUR -39.8 million), mainly due to cheaper actual natural gas acquisition price compared to the price included in the tariff by the regulator.

The 9M 2021 adjustment mostly includes retrospective adjustments made after the changes in Networks RAB methodology (EUR -35.0 million in H1 2021).

(2) In 9M 2021 the result from generation before COD (and possible formal completion procedures after COD) of Vilnius CHP's WtE unit (EUR 3.6 million) and Pomerania WF (EUR 1.2 million) was added as it reflects the result which was capitalised in the Statement of Financial Position according to applicable IAS 16 requirements for the reporting period of 9M 2021. From 2022 this adjustment is no longer needed as, according to the amendments to IAS 16 'Property, Plant and Equipment' implemented from 1 January 2022, proceeds received and related costs incurred while preparing the asset for its intended use are recognized in the Statement of Profit or Loss. Previously such sales and costs were deducted from the cost of property, plant and equipment in the Balance Sheet.

EBIT

In 9M 2022, Adjusted EBIT amounted to EUR 248.9 million, which is 93.8% (or EUR +120.5 million) higher than in 9M 2021. The main effect of the change in Adjusted EBIT was higher Adjusted EBITDA (EUR +136.3 million) (the reasons behind the increase are described in the 'EBITDA' section), which was partly offset by higher depreciation and amortisation expenses (EUR -12.2 million).

Adjusted EBIT by segments, EURm

	9M 2022	9M 2021[1]	Δ	Δ, %
Green Generation	161.9	29.7	*132.2*	*445.1%*
Networks	47.3	50.1	*(2.8)*	*(5.6%)*
Flexible Generation	8.7	19.9	*(11.2)*	*(56.3%)*
Customers & Solutions	33.8	29.9	*3.9*	*13.0%*
Other[2]	(2.8)	(1.2)	*(1.6)*	*133.3%*
Adjusted EBIT APM	**248.9**	**128.4**	***120.5***	***93.8%***
Adjusted EBIT margin APM	8.2%	11.3%	*(3.1 pp)*	*n/a*

EBIT adjustments, EURm

	9M 2022	9M 2021	Δ	Δ, %
EBIT APM	**225.2**	**162.5**	***62.7***	***38.6%***
Adjustments				
Total EBITDA adjustments	23.7	(34.1)	*57.8*	*n/a*
Total EBIT adjustments	**23.7**	**(34.1)**	***57.8***	***n/a***
Adjusted EBIT APM	**248.9**	**128.5**	***120.4***	***93.7%***
Adjusted ROCE LTM APM	10.6%	7.8%	*2.8 pp*	*n/a*
ROCE LTM APM	8.0%	9.9%	*(1.8 pp)*	*n/a*

Net profit

Adjusted net profit amounted to EUR 202.4 million in 9M 2022 and was 118.6% higher than in 9M 2021. Adjusted EBITDA's positive impact (EUR +136.3 million) was partly offset by higher depreciation and amortisation (EUR -12.2 million) and income tax (EUR -13.3 million) expenses.

Reported net profit in 9M 2022 increased to EUR 184.9 million compared to EUR 112.2 million in 9M 2021. Reported net profit increase was lower compared to the increase in Adjusted net profit, mainly due to temporary regulatory differences (EUR -62.5 million).

Net profit adjustments, EURm

	9M 2022	9M 2021[1]	Δ	Δ,%
Net profit	**184.9**	**112.2**	***72.7***	***64.8%***
Adjustments				
Total EBIT adjustments	23.7	(34.1)	*57.8*	*n/a*
One-off financial activity adjustments (3)	(2.7)	9.4	*(12.1)*	*n/a*
Adjustments' impact on income tax (4)	(3.6)	5.1	*(8.7)*	*n/a*
Total net profit adjustments	**17.4**	**(19.6)**	***37.0***	***n/a***
Adjusted net profit APM	**202.4**	**92.6**	***109.8***	***118.6%***
Adjusted ROE LTM APM	13.5%	9.1%	*4.4 pp*	*n/a*
ROE LTM APM	11.2%	11.1%	*0.1 pp*	*n/a*

(3) One-off financial activity adjustments include the elimination of the value increase in Smart Energy Fund's investments (EUR 2.7 million) in 2022 and the Kaunas CHP option fair value increase (added to expenses in the Statement of Profit or Loss) (EUR -23.5 million), and the Smart Energy Fund investment value increase (EUR +13.8 million) in 2021.

(4) An additional income tax adjustment of 15% (statutory income tax rate in Lithuania) is applied to all EBIT adjustments.

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').
[2] Other – other activities and eliminations (consolidation adjustments and related party transactions).

Investments

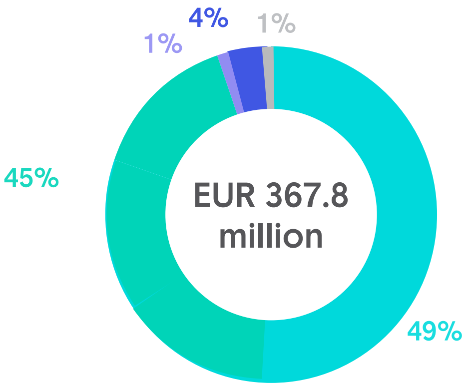
In 9M 2022, Investments amounted to EUR 367.8 million and were EUR 239.7 million higher compared to 9M 2021. The largest share of investments went to the Networks segment (48.5% of total Investments) and Green Generation segment (45.2% of total Investments).

Investments in the Green Generation segment amounted to EUR 166.4 million in 9M 2022 and were EUR 151.0 million higher compared to 9M 2021. The Investments were mostly made into onshore wind farms in Lithuania and Poland (EUR 104.8 million) mainly to Mažeikiai WF (44.9 million) and Silesia II WF (50.2 million) and biomass/WtE technology (EUR 38.5 million) mainly Vilnius CHP biomass unit.

Investments in the Networks segment amounted to EUR 178.5 million and were 71.0%, or EUR 74.1 million, higher compared to 9M 2021. Investments in expansion of the electricity distribution network increased by EUR 41.4 million, or +104.8%, and amounted to EUR 80.9 million. The main reasons behind the increase were higher number of new connection points and upgrades as well as higher contractor fees. Contractor fees for new connections and upgrades increased on average by 55% per customer. Investments in maintenance of electricity distribution network increased by EUR +22.8 million, or +53.4%, and amounted to EUR 65.5 million. The increase was caused by higher number of objects renovated and higher contractor fees. Contractor fees for maintenance increased on average by 50% per object.

In 9M 2022, Investments covered by customers or grants amounted to EUR 47.9 million and accounted for 13.0% of total Investments. The Group received EUR 18.1 million in grants for Investments during 9M 2022 related to Vilnius CHP project (EUR 10.0 million) and maintenance of electricity and natural gas distribution networks (EUR 8.1 million). Also, the part of investments into Networks related to new customer connections, upgrades and infrastructure equipment transfers were covered by the customers (EUR 29.8 million).

Investments by segment, 9M 2022, %



Investments by segment, EURm

	9M 2022[1]	9M 2021[4]	Δ	Δ, %
Green Generation	166.4	15.4	*151.0*	*980.5%*
Onshore Wind	104.8	4.1	*100.7*	*n/a*
Biomass / WtE	38.5	9.4	*29.1*	*309.6%*
Offshore Wind	13.9	-	*13.9*	*100.0%*
Solar	8.5	1.3	*7.2*	*n/a*
Other	0.8	0.6	*0.2*	*33.3%*
Networks	178.5	104.4	*74.1*	*71.0%*
Total expansion of electricity distribution network	91.8	42.8	*49.0*	*114.5%*
Expansion of the electricity distribution network	80.9	39.5	*41.4*	*104.8%*
Smart meters (electricity)	10.9	3.3	*7.6*	*230.3%*
Maintenance of the electricity distribution network	65.5	42.7	*22.8*	*53.4%*
Expansion of gas distribution network	6.1	9.9	*(3.8)*	*(38.4%)*
Maintenance of the gas distribution network	4.8	6.4	*(1.6)*	*(25.0%)*
Other	10.3	2.5	*7.8*	*312.0%*
Customers & Solutions	2.6	1.8	*1.0*	*62.5%*
Flexible Generation	14.6	0.2	*14.4*	*n/a*
Other[2]	5.6	6.3	*(0.7)*	*(11.1%)*
Investments APM	**367.8**	**128.1**	***239.7***	***187.1%***
Total Grants and covered by customers:	(47.9)	(34.8)	*(13.1)*	*37.6%*
Grants	(18.1)	(13.5)	*(4.6)*	*34.1%*
Investments covered by customers[3]	(29.8)	(21.3)	*(8.5)*	*39.9%*
Investments (excl. grants and investments covered by customers)	**319.9**	**93.3**	***226.6***	***242.9%***

[1] The Investments formula has been adjusted retrospectively from the beginning of 2022 by including prepayments for non-current assets. Such presentation shows the amount of Investments made during the year more accurately since the number of advance payments grew significantly with the increase of renewable energy projects pipeline. For updated formula, see definitions of Alternative performance measures used by the Group.
[2] Other – other activities and eliminations (consolidation adjustments and related party transactions).
[3] Investments covered by customers include new customer connections and upgrades, and infrastructure equipment transfers.
[4] Due to change in accounting policy and reclassifications, Investments were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').

Statement of financial position

Assets

As of 30 September 2022, total assets reached EUR 5,304.7 million (24.8% increase from 31 December 2021).

Non-current assets have increased by EUR 267.4 million, or 9.1%, compared to 31 December 2021. The growth was mainly influenced by an increase in property, plant, and equipment (EUR +111.8 million) and in prepayments for non-current assets (EUR +89.4 million) mainly for the construction of Mažeikiai WF, Silesia WF I and Silesia WF II due to Investments made during 9M 2022.

Current assets increased by EUR 786.0 million, or 60.3%, compared to 31 December 2021, mainly due to an increase in working capital (for more information see section 'Net working capital' below). The increase was partly offset by repaid receivable from EPSO-G for the shares of AB "LitGrid" (EUR 84.1 million).

Equity

As of 30 September 2022, equity amounted to EUR 2,228.2 million and increased by EUR 379.2 million, or 20.5%, compared to 31 December 2021, mostly due to an increase in hedging reserve (EUR +303.4 million), which represents changes in the fair value of effective hedges that meet the qualifying criteria for hedge accounting. Additionally, due to net profit earned in H1 2022 (EUR +184.9 million), which was partly offset by dividends paid (EUR -43.9 million) for H2 2021 and the ones approved for H1 2022 (EUR -45.2 million).

Liabilities

Total liabilities increased by 28.1%, or EUR 674.2 million, during 9M 2022. The increase was mainly related to additional overdraft (EUR 284.2 million) and an increase in bank loans (EUR +93.4 million), mainly for financing net working capital. Additionally, the increase in liabilities is related to the increase in working capital (for more information, see section 'Net working capital' below).

Net working capital

As of 30 September 2022, net working capital amounted to EUR 1,068.7 million and increased by EUR 582.3 million compared to 31 December 2021, mainly driven by high energy prices. The drivers of the change are the following:

- growth in total inventory by EUR +552.5 million, mainly in Customers & Solutions (EUR +425.7 million), due to increasing volume and value of stored gas, and Flexible Generation (EUR +144.0 million), due to the acquisition of additional natural gas reserve, both impacted by ceased gas purchases from Gazprom while substituting them with LNG cargo shipments;
- increase in accrued regulatory debt (EUR +100.4 million) related to the regulated activities of the public supply of electricity and natural gas (Customers & Solutions) due to actual acquisition prices being higher than the ones set in the tariff by the regulator. The regulatory debt for the public supply of natural gas was normally an off-balance sheet item, however, according to changes in legislation, it has been accounted in the balance sheet over the period of H1 2022;
- increase in trade receivables (EUR +216.0 million), mainly in Customers & Solutions;
- increase in derivative trading deposits (EUR +57.0 million) due to higher market prices (Customers & Solutions);
- partly offset by an increase in mark-to-market (MtM) related to Nasdaq commodities market (cash part of all open derivatives positions)[1] (EUR -203.9 million), lower current prepayments made (EUR -48.0 million), mainly for gas (Customers & Solutions), and higher other current payables (EUR -75.6 million), mainly from accrued expenses for electricity in Networks and Customers & Solutions.

Balance sheet, EURm

	30.09.2022	31.12.2021	Δ	Δ, %
Non-current assets	3,214.4	2,947.0	*267.4*	*9.1%*
Current assets	2,090.3	1,304.3	*786.0*	*60.3%*
TOTAL ASSETS	**5,304.7**	**4,251.3**	***1,053.4***	***24.8%***
Equity	2,228.2	1,849.0	*379.2*	*20.5%*
Total liabilities	3,076.5	2,402.3	*674.2*	*28.1%*
Non-current liabilities	2,034.6	1,704.8	*329.8*	*19.3%*
Current liabilities	1,042.0	697.5	*344.5*	*49.4%*
TOTAL EQUITY AND LIABILITIES	**5,304.7**	**4,251.3**	***1,053.4***	***24.8%***
Capital employed APM	3,741.0	2,806.2	*934.8*	*33.3%*
Net working capital APM	1,068.7	486.4	*582.3*	*119.7%*
Net working capital/Revenue LTM APM	28.5%	25.7%	*2.8 pp*	*n/a*
Current ratio APM	2.01	1.87	*0.14*	*7.5%*
Asset turnover LTM APM	0.80	0.46	*0.34*	*73.9%*
ROA LTM APM	4.8%	3.8%	*1 pp*	*n/a*

[1] Mark-to-market (MtM) cash part is sum of financial derivatives related cash flows, covering all payments that are settled in full each business day between counterparties. The daily cash settlement corresponds to the amount of fair value movement for futures product traded on Nasdaq Commodities market.

Financing

Net debt

As of 30 September 2022, Net debt amounted to EUR 1,512.8 million, an increase of 58.0%, or EUR 555.6 million, compared to 31 December 2021, mainly due to higher need for working capital and Investments made. It was partly offset by positive FFO and a receivable from EPSO-G (for more information see section 'Statement of financial position'). FFO LTM/Net debt decreased to 23.9%, however, ratio is above 23% threshold required for 'BBB+' credit rating.

Net debt, EURm

	30.09.2022	31.12.2021	Δ	Δ, %
Total non-current financial liabilities	**1,485.5**	**1,164.4**	***321.1***	***27.6%***
Non-current loans	537.1	229.6	*307.5*	*133.9%*
Bonds	889.7	888.5	*1.2*	*0.1%*
Interests payable (including accrued)	-	-	-	*n/a*
Lease liabilities (IFRS 16)	58.7	46.3	*12.4*	*26.8%*
Total current financial liabilities	**318.1**	**241.9**	***76.2***	***31.5%***
Current portion of non-current loans	25.2	13.8	*11.4*	*82.6%*
Current loans	-	214.1	*(214.1)*	*(100.0%)*
Banks overdrafts	284.3	-	*284.3*	*100.0%*
Interests payable (including accrued)	5.4	9.3	*(3.9)*	*(41.9%)*
Lease liabilities (IFRS 16)	3.2	4.7	*(1.5)*	*(31.9%)*
Gross debt APM	**1,803.6**	**1,406.3**	***397.3***	***28.3%***
Cash, cash equiv. and cash in escrow acc.	**290.8**	**449.1**	***(158.3)***	***(35.2%)***
Net debt APM	**1,512.8**	**957.2**	***555.6***	***58.0%***
Net debt / Adjusted EBITDA LTM APM	3.23	2.88	*0.35*	*12.2%*
Net debt / EBITDA LTM APM	3.65	2.85	*0.80*	*28.1%*
FFO LTM/ Net debt APM	23.9%	30.5%	*(6.6 pp)*	*n/a*
Gross debt/Equity APM	0.81	0.76	*0.05*	*6.6%*
Equity ratio APM	0.42	0.43	*(0.01)*	*(2.3%)*

Debt summary, EURm

	Outstanding as of 30.09.2022	Effective interest rate (%)	Average time to maturity (years)	Fixed interest rate	Euro currency
Bonds (incl. interest)	904.7[1]	*1.96*	6.6	*100.0%*	*100.0%*
Bank loans	412.8	*1.82*	7.2	*96.7%*[2]	*80.9%*
Bank credit lines and overdrafts	434.3	*1.44*	0.9	-	*100.0%*
Lease liabilities	62.0	-	7.2	-	*100.0%*
Total	**1,813.8**	***1.8***	**5.7**	***71.9%***	***95.6%***

[1] Nominal value of issued bonds amount to 900 EURm. As of 30 September 2022, bonds accounted for 889.7 EURm in the consolidated balance sheet as the nominal remaining capital will be capitalised until maturity according to IFRS.
[2] As of 30 September 2022, one loan (residual value of 110 EURm) with floating interest rate is classified to fixed interest rate loans as an interest rate swap was entered for this loan.

Bond issues and loans

The Group has 3 bond issues with a total EUR 900.0 million nominal outstanding amount, out of which 2 are green (EUR 600.0 million).

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+

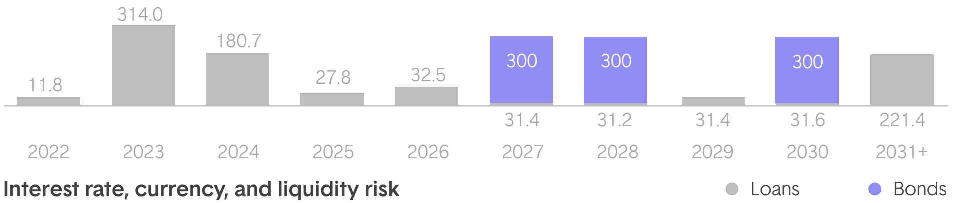
During the reporting period, there have been no material changes regarding bonds. Related information, including the structure of bondholders as of the issue date, is available in the Annual report 2021, section '7.1 Further investor related information'.

As of 30 September 2022, the outstanding amount of bank loans, credit lines and overdrafts was EUR 847.1 million, out of which 51.3% was dedicated to the working capital needs of the Customers & Solutions segment, 38.5% – to the Green Generation segment's projects, and 8.6% – to the smart meter roll-out in the Networks segment.

Maturities

Bonds maturing in 2027 (EUR 300.0 million, green), in 2028 (EUR 300.0 million, green) and in 2030 (EUR 300.0 million) make the largest portion of the Group's financial liabilities. Average maturity of the financial liabilities as of 30 September 2022 was 5.7 years (31 December 2021: 6.4 years).

Repayment schedule of Group's financial liabilities, EURm



Interest rate, currency, and liquidity risk

As of 30 September 2022, financial liabilities amounting to EUR 1,303.4 million were subject to fixed interest rate (74.8% of loans[2], credit lines, overdrafts, bonds, and interests payable) and the remaining amount of financial liabilities were subject to floating interest rate. Effective interest rate was 1.8% as of 30 September 2022. 95.5% of the total debt is in EUR, and 4.5% – in PLN.

The Group manages liquidity risk by entering credit line and overdraft agreements with banks. As of 30 September 2022, there were five credit line and overdraft facilities available in four separate banks with a total limit of EUR 599 million. The disbursed amount was EUR 434 million. After the reporting period, additional EUR 120 million credit line was concluded. The credit line facilities are committed, i.e., funds must be paid by the bank upon request.

Cash flows

CFO

Net cash flows from operating activities (CFO) amounted to EUR -144.4 million in 9M 2022. Compared to 9M 2021, CFO decreased by EUR 346.2 million, mainly due to an increase in working capital, which was partly offset by receivable repaid by EPSO-G for the shares of AB "LitGrid" and higher net profit.

CFI

Net cash flows from investing activities (CFI) amounted to EUR -321.0 million in 9M 2022. Compared to 9M 2021, CFI decreased by EUR 197.6 million, mainly due to higher payments for investments (EUR +171.6 million) compared to 9M 2021.

CFF

Net cash flows from financing activities (CFF) amounted to EUR 307.2 million in 9M 2022. CFF was positive due to the overdraft of EUR 284.2 million and additional loans received in amount EUR 109.4 million. These effects were partly offset by the dividends paid (EUR -43.9 million), the treasury shares acquired (EUR -14.3 million) and the interest paid (EUR -24.6 million). While, during 9M 2021, the CFF was negative due to the dividends paid (EUR -44.0 million), the equity acquired from non-controlling interest (EUR -19.0 million) and the interest paid (EUR -23.5 million).

Cash flows, EURm

	9M 2022	9M 2021	Δ	Δ, %
Cash and cash equiv. at the beginning of the period	**449.1**	**658.8**	***(209.7)***	***(31.8%)***
CFO	(144.4)	201.8	*(346.2)*	*n/a*
CFI	(321.0)	(123.4)	*(197.6)*	*160.1%*
CFF	307.2	(101.0)	*408.2*	*n/a*
Increase (decrease) in cash and cash equiv.	**(158.2)**	**(22.6)**	***(135.6)***	***600.0%***
Cash and cash equiv. at the end of period	**290.8**	**636.2**	***(345.3)***	***(54.3%)***

FFO

In 9M 2022, the Group's FFO increased by 32.5% (EUR +70.4 million) and amounted to EUR 286.9 million. The main reason for the growth was higher EBITDA.

FFO, EURm

	9M 2022	9M 2021[1]	Δ	Δ,%
EBITDA APM	333.5	255.0	*78.5*	*30.8%*
Interest received	0.4	0.4	-	-
Interest paid	(24.7)	(23.5)	*(1.2)*	*5.1%*
Income tax paid	(22.3)	(15.4)	*(6.9)*	*44.8%*
FFO APM	**286.9**	**216.5**	***70.4***	***32.5%***

FCF

In 9M 2022, the Group's FCF amounted to EUR -626.6 million. The main reason for substantially negative FCF was the change in working capital and the significant Investments made, partially offset by 32.5% higher FFO.

FCF, EURm

	9M 2022	9M 2021[1]	Δ	Δ, %
FFO APM	286.9	216.5	*70.4*	*32.5%*
Investments	(367.8)	(128.1)	*(239.7)*	*187.1%*
Grants received	18.1	13.5	*4.6*	*34.1%*
Cash effect of new connection points and upgrades	17.7	12.5	*5.2*	*41.6%*
Proceeds from sale of PPE and intangible assets[2]	0.8	1.7	*(0.9)*	*(52.9%)*
Change in net working capital	(582.3)	(75.1)	*(507.2)*	*675.4%*
FCF APM	**(626.6)**	**41.0**	***(667.6)***	***n/a***

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').
[2] Cash inflow indicated in CF statement line 'Proceeds from sale of PPE and intangible assets', excluding gain or loss, which is already included in FFO.

Key operating indicators

Electricity

The Green Generation capacity increased by 81 MW. The installed capacity increased by 95 MW since Pomerania WF reached COD in December 2021. Over the last quarter, two projects Silesia WF I (+50 MW) and Polish solar portfolio II (+30 MW) reached the construction phase.

The total distributed electricity volumes decreased by 1.4% compared to the year prior. A more significant fall in electricity distributed was noticed in September. The decrease is mainly driven by the B2C segment.

Electricity generation (net) decreased by 24.8%, or 0.42 TWh, compared to 9M 2021 and amounted to 1.29 TWh in 9M 2022. The decrease in electricity generated (net) was mainly driven by lower generation of CCGT unit at Elektrėnai Complex (-0.59 TWh), due to an increase in natural gas prices, which negatively affected the clean spark spread, and lower generation of Kruonis PSHP (-0.12 TWh). The decrease was offset by higher Green Generation volumes: Pomerania WF (+0.18 TWh) and Kaunas HPP (+0.08 TWh). A contributing positive impact of Pomerania WF was due to COD in December 2021 and the Kaunas HPP increase was driven by around 40% higher water levels in the Nemunas river.

An increase in electricity sales (18.1% higher compared to 9M 2021) was mainly driven by higher B2B sales in Lithuania, Latvia, and Poland. The number of B2B customers nearly doubled, whereas B2C sales slightly decreased due to ongoing electricity market deregulation in Lithuania.

Electricity SAIFI indicator, which reflects the average number of unplanned long interruptions per customer, increased compared to the previous year and was 1.23 interruptions (1.10 interruptions in 9M 2021). Electricity SAIDI indicator, which shows the average duration of unplanned interruptions, improved to 148.90 minutes (compared to 173.31 minutes in 9M 2021). 9M 2022 quality indicators were negatively affected by extreme weather conditions/natural disasters (that caused 4 mass disconnections in January and February 2022) and strong winds/local storms. Higher number of installed automatic solutions as well as proactive management of staff levels based on the weather forecast resulted in reduced average interruption duration (SAIDI).

		9M 2022	9M 2021	*Δ*	*Δ, %*
Electricity					
Green Generation capacity	MW	1,431[1]	1,350	*81*	*6.0%*
Green Generation installed capacity	MW	1,215	1,120	*95*	*8.5%*
Green Generation projects under construction	MW	216	230	*(14)*	*(6.0%)*
Electricity distributed	TWh	7.50	7.60	*(0.10)*	*(1.4%)*
Electricity generated (net)	TWh	1.29	1.71[2]	*(0.42)*	*(24.8%)*
Green electricity generated (net)	TWh	1.15	0.98[2]	*0.17*	*17.3%*
Green share of generation	%	89.5%	57.4%[2]	*32.1 pp*	*n/a*
Electricity sales	TWh	6.07	5.14	*0.93*	*18.1%*
SAIFI	units	1.23	1.10[3]	*0.13*	*12.1%*
SAIDI	min	148.90	173.31[3]	*(24.41)*	*(14.1%)*
Heat					
Green Generation capacity	MW	349	339	*10*	*2.9%*
Green Generation installed capacity	MW	180[4]	170	*10*	*5.9%*
Green Generation projects under construction	MW	169	169	*-*	*-%*
Heat generated (net)	TWh	0.64	0.57	*0.07*	*12.5%*
Natural gas					
Natural gas distributed	TWh	4.66	5.76	*(1.09)*	*(19.0%)*
Natural gas sales	TWh	8.96	8.70	*0.26*	*3.0%*
SAIFI	units	0.003	0.004	*(0.002)*	*(39.8%)*
SAIDI	min	0.23	0.37	*(0.14)*	*(37.8%)*

[1] Vilnius CHP's WtE unit reached COD in Q1 2021, and the actual electricity generation capacity was verified by NERC (+1 MW).
[2] Electricity generated (net) includes electricity sales by Pomerania WF before COD (in December 2021), which was not reported in the 9M 2021 interim report.
[3] Previously reported electricity SAIDI 177.13, SAIFI 1.12 values were adjusted with regards to new information.
[4] Vilnius CHP's WtE unit reached COD in March 2021 and the actual heat generation capacity was verified by NERC (+10 MW).

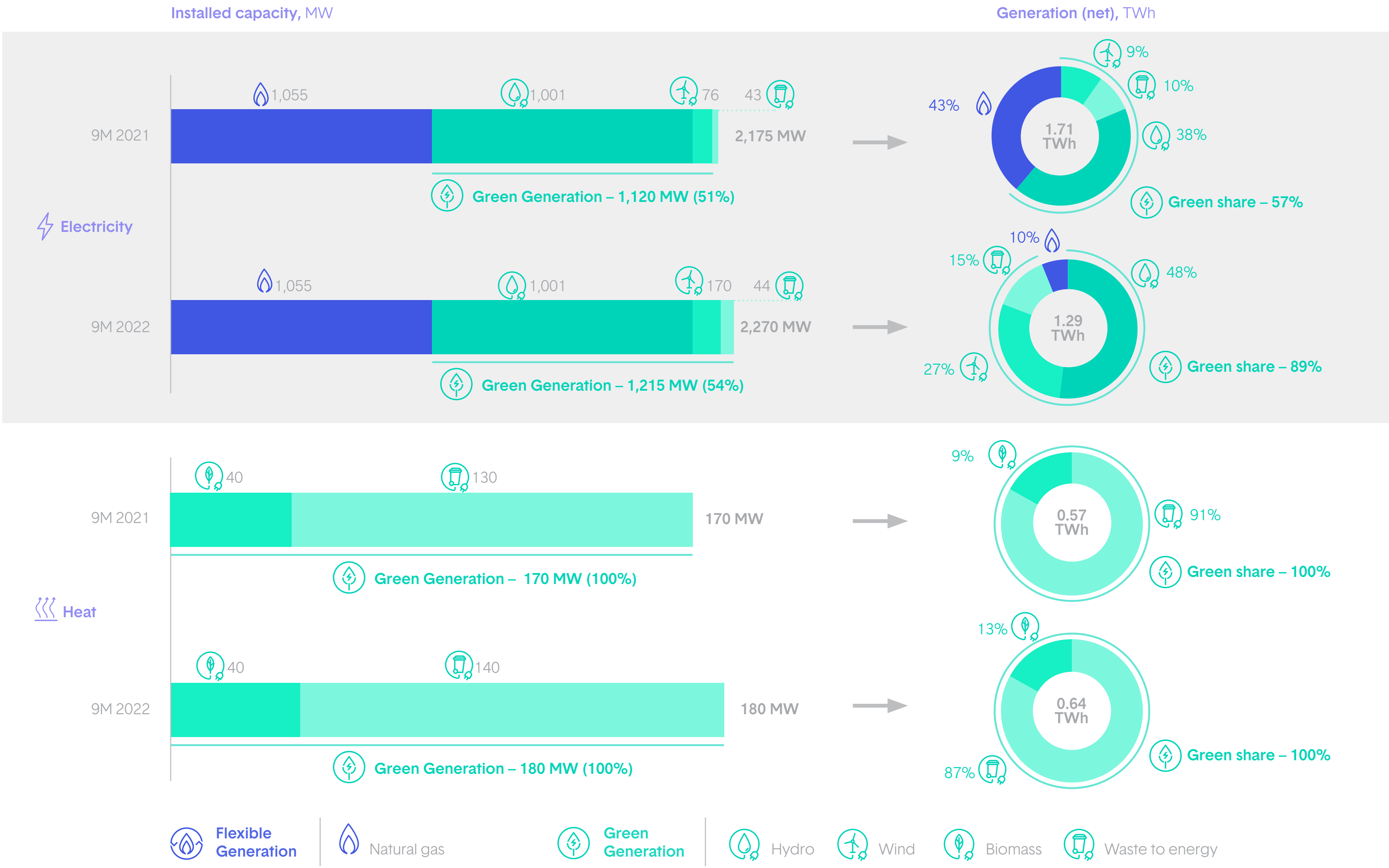
Heat

In 9M 2022 heat generated (net) amounted to 0.64 TWh and was 12.5% higher compared to 9M 2021. This increase was mainly driven by Vilnius CHP's WtE unit, which started commercial operations in March 2021, as well as more heat produced by Elekrėnai biomass boiler.

Natural gas

A significant increase in natural gas prices pushed B2B customers to reduce gas consumption, halt production or switch to alternative fuels, therefore, this had an impact on natural gas distribution volumes, which decreased by 19.0% compared to the year prior. The volume of natural gas sold in 9M 2022 increased by 3.0%, mainly from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers. Natural gas distribution SAIFI and SAIDI indicators improved in 9M 2022 compared to the corresponding period last year as there were no significant disruptions. Natural gas SAIFI improved to 0.003 interruptions (from 0.004 interruptions in 9M 2021). SAIDI indicator also decreased and was 0.23 minutes (compared to 0.37 minutes in 9M 2021).

Installed capacity and generation mix overview

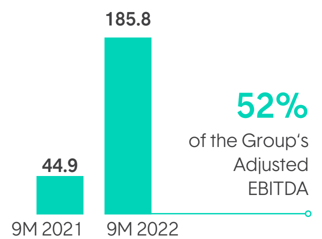


3.2 Results by business segment

Overview[1]

Green Generation

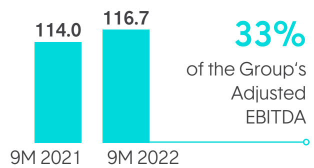
Adjusted EBITDA, EURm



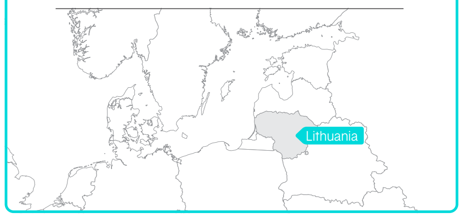
Revenue, EURm 413.8
Adjusted EBIT, EURm 161.9
Investments, EURm 166.4
Net debt, EURm 694.9

Networks

Adjusted EBITDA, EURm

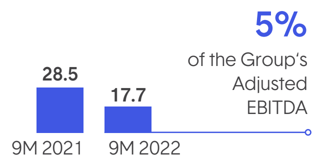


Revenue, EURm 397.2
Adjusted EBIT, EURm 47.3
Investments, EURm 178.5
Net debt, EURm 878.2

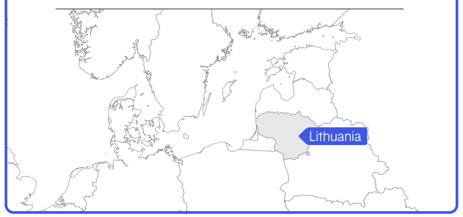


Flexible Generation

Adjusted EBITDA, EURm

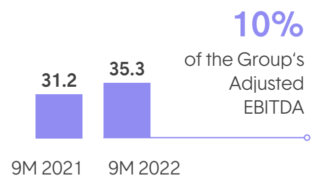


Revenue, EURm 165.6
Adjusted EBIT, EURm 8.7
Investments, EURm 14.6
Net debt, EURm 24.9

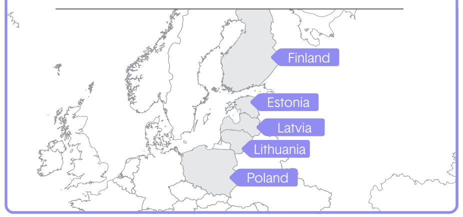


Customers & Solutions

Adjusted EBITDA, EURm



Revenue, EURm 2,143.9
Adjusted EBIT, EURm 33.8
Investments, EURm 2.6
Net debt, EURm 813.7



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

[1] *Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021')*

Green Generation

Highlights

- **Significant increase in Adjusted EBITDA, which reached EUR 185.8 million in 9M 2022, was driven by higher electricity prices, new asset launches and better performance of the operating assets.**
- **Our year-over-year Green Generation capacity increased by +81 MW from 1,350 MW to 1,431 MW. It is a result of two projects with a total capacity of 80 MW (Silesia WF I (+50 MW) and Polish solar portfolio II (+30 MW) reaching a construction phase. For detailed status of our projects under development see section 2.4 'Investment program'.**
- **Volumes of Green electricity generated increased by 17.3% compared to 9M 2021 mainly driven by Pomerania WF (COD in December 2021) and higher generation at Kaunas HPP due to higher levels of water in the Nemunas river.**
- **Pomerania WF sold 21.1% of total electricity generated during 9M 2022 via CfD subsidy mechanism and the remaining 78.9% - at spot price. It is envisaged that approximately 20% of total electricity generated in 2022 will be sold via CfD subsidy mechanism.**
- **Starting from July 2022 the majority of power generated in operating Lithuanian wind farms has been sold according to long-term Power Purchase Agreements (PPA) at a fixed price with an average length of 2.5 years. Until July 2022, the electricity produced by Lithuanian operating wind farms was sold under feed-in tariff. Lithuanian law allows an electricity producer to prematurely opt out current feed-in tariff agreements and to continue selling produced electricity on market terms. With PPA agreements inflows of Lithuanian operating wind farms will be secured at a higher price than before.**
- **Due to disruptions in supply chain and construction markets, Vilnius CHP biomass unit budget was revised to around EUR 270.0 million (from EUR 232.0 million). Important to notice, that based on arbitration court ruling in court case between Vilnius CHP and Rafako S.A., where our claim was fully satisfied, currently there are ongoing settlement negotiations, and we expect the significant amount of CAPEX increase to be covered by the compensation received from former contractor.**

Financial results

Revenue

In 9M 2022, Green Generation revenue amounted to EUR 413.8 million and was 294.1% or EUR 308.8 million higher than in 9M 2021. The increase of revenue in all types of Green Generation technologies was driven by higher electricity prices and Pomerania WF COD reached in December 2021.

Adjusted EBITDA

In 9M 2022, Adjusted EBITDA reached EUR 185.8 million and was 313.8% or EUR 140.9 million higher than in 9M 2021. The increase recorded throughout all technologies (Wind, Hydro, Waste-to-Energy) was mainly driven by higher electricity prices and Pomerania WF COD reached in December 2021.

Investments

Investments in the Green Generation segment amounted to EUR 166.4 million in 9M 2022 and were EUR 151.0 million higher compared to 9M 2021. The Investments were mostly made into onshore wind farms in Lithuania and Poland (EUR 104.8 million) mainly to Mažeikiai WF (44.9 million) and Silesia II WF (50.2 million) and biomass/WtE technology (EUR 38.5 million) mainly Vilnius CHP biomass unit.

Key financial indicators, EURm	9M 2022	9M 2021[1]	Δ	Δ,%
Revenue	413.8	105.0	*308.8*	*294.1%*
Adjusted EBITDA APM	185.8	44.9	*140.9*	*313.8%*
EBITDA APM	185.8	40.1	*145.7*	*363.3%*
Adjusted EBIT APM	161.9	29.7	*132.2*	*445.1%*
EBIT APM	161.9	24.9	*137.0*	*550.2%*
Investments APM	166.4	15.4	*151.0*	*980.5%*
Adjusted EBITDA margin APM	44.9%	40.9%	*4 pp*	*n/a*
	30.09.2022	31.12.2021	Δ	Δ, %
PPE, intangible and right-of-use assets	821.5	773.1	*48.4*	*6.3%*
Net debt APM	694.9	390.1	*304.8*	*78.1%*

Key regulatory indicators[2]		2022[3]	2021[3]	Δ	Δ, %
Regulated activities share in adjusted EBITDA in 9M	**%**	**0.8**	**2.6**	***(1.8 pp)***	***n/a***
Kruonis PSHP					
RAB[4]	EURm	16.5	16.7	*(0.2)*	*(1.2%)*
WACC	%	4.03	3.50	*0.53 pp*	*n/a*
D&A (regulatory)	EURm	1.4	1.4	-	-

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all adjusted financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').
[2] Full year numbers unless stated otherwise.
[3] Numbers approved and published by NERC.
[4] The regulator has halved the RAB of the secondary power reserve since 2021 but allowed to keep half of the profit earned from electricity sales from activities of the secondary power reserve.

Contents »

Operating performance

Electricity generation

Electricity generated (net) in the Green Generation segment increased by 17.3% in 9M 2022, compared to 9M 2021. This was mainly due to higher electricity generation from wind, driven by Pomerania WF (which reached COD in December 2021), and hydro by increased generation at Kaunas HPP due to around 40% higher water level in the Nemunas river. The increase was offset by lower Kruonis PSHP generation (-27.5% 9M 2022 vs 9M 2021) due to market conditions (fewer favourable days for generation).

In 9M 2022, electricity generated (net) by wind farms amounted to 0.34 TWh and increased by 0.18 TWh compared to 9M 2021: a positive effect of Pomerania WF and a more favorable wind speed this year (+1.2 m/s). Both factors were also the reasons for the increase in wind farm load factor, whereas the availability factor of wind farms deteriorated slightly compared to 9M 2021 due to a couple of minor breakdowns.

Heat generation

In 9M 2022 heat generated (net) amounted to 0.64 TWh and was 12.5% higher compared to 9M 2021. This increase was mainly driven by Vilnius CHP's WtE unit that started commercial operations in March 2021 as well as more heat produced in Elektrėnai biomass boiler.

Installed capacity of heat generation increased by 10 MW YoY since Vilnius CHP's WtE unit reached COD in March 2021 and the actual heat generation capacity was verified by NERC (+10 MW).

Key operating indicators		9M 2022	9M 2021	Δ	Δ,%
Electricity generation					
Green generation capacity	MW	1,431	1,350	*81*	*6.0%*
Installed capacity	MW	1,215	1,120	*95*	*8.5%*
Wind	MW	170	76	*94*	*123.0%*
Hydro	MW	1,001	1,001	-	*-%*
Pumped storage	MW	900	900	-	*-%*
Run-of-river	MW	101	101	-	*-%*
Waste	MW	44	43	*1*	*2.3%*
Projects under construction	MW	216	230	*(14)*	*(6.0%)*
Wind	MW	113	157	*(44)*	*(28.0%)*
Solar	MW	30	-	*30*	*-%*
Biomass	MW	73	73	-	*-%*
Electricity generated (net)	TWh	1.15	0.98[1]	*0.17*	*17.3%*
Wind	TWh	0.34	0.16[1]	*0.18*	*113.1%*
Hydro	TWh	0.62	0.66	*(0.04)*	*(5.9%)*
Pumped storage	TWh	0.32	0.44	*(0.12)*	*(27.5%)*
Run-of-river	TWh	0.30	0.21	*0.08*	*38.6%*
Waste	TWh	0.19	0.17	*0.03*	*16.4%*
Wind farms availability factor	%	98.9%	99.1%[2]	*(0.2 pp)*	*n/a*
Wind farms load factor[3]	%	30.6%	28.3%	*2.3 pp*	*n/a*
Heat generation					
Green generation capacity	MW	349	339	*10*	*2.9%*
Installed capacity	MW	180	170	*10*	*5.9%*
Projects under construction	MW	169	169	-	*-%*
Heat generated (net)	TWh	0.64	0.57	*0.07*	*12.5%*
Waste[4]	TWh	0.56	0.52	*0.04*	*7.1%*
Biomass	TWh	0.08	0.05	*0.03*	*70.2%*

[1] Electricity generated (net) includes electricity sales by Pomerania WF before COD (in December 2021), which was not reported in the 9M 2021 interim report.
[2] Previously reported 99.0% value was adjusted with regards to new information.
[3] The wind load factor has been recalculated using weighted average method.
[4] Vilnius CHP and Kaunas CHP can use natural gas for starting/stopping the power plant, test runs, etc., which are included in reported values of "Waste".

Networks

Highlights

- **Higher Investments compared to 9M 2021 driven by higher level of expansion and maintenance investments into electricity distribution network.**
- **Distributed volume of electricity in 9M 2022 amounted to 7.50 TWh and was 1.4% lower than in 9M 2021. Distributed volume of natural gas in 9M 2022 decreased by 19.0% compared to the same period in 2021 and comprised 4.66 TWh. High energy prices are driving the fall in energy consumption.**
- **The smart meter rollout was launched in July 2022. In Q3 2022, 70,075 smart meters have been installed. After the reporting period, this number has increased to 100,000.**
- **Electricity quality indicators (SAIFI and SAIDI) were negatively affected by extreme conditions/ natural disasters and strong winds/local storms. Higher number of installed automatic solutions as well as proactive management of staff levels based on the weather forecast resulted in reduced average interruption duration.**
- **After the reporting period, in October, NERC established ESO's income level for electricity distribution services for 2023, comprising EUR 395.5 million, which is 65.0% higher compared to the income level set for year 2022 (EUR 239.7 million). The income level increase was mainly the result of higher electricity technological losses expenses, which have increased due to higher electricity purchase prices.**

Financial results

Revenue

In 9M 2022, the Networks revenue reached EUR 397.2 million and was 2.3%, or EUR 9.0 million, higher compared to 9M 2021. The increase was mainly driven by higher revenue from the supply of last resort (EUR +36.1 million) due to 228.7% higher electricity market price. The increase was partly offset by lower electricity distribution (EUR -25.9 million) revenue due to, on average, 12.0% lower electricity distribution tariff approved by the regulator market price.

Adjusted EBITDA

Adjusted EBITDA reached EUR 116.7 million and was 2.4%, or EUR 2.7 million, higher than in 9M 2021. The increase was driven by introduction of an additional tariff component (EUR +20.2 million). The increase was partly offset by lower share of allowed return and D&A recognized in 9M 2022 vs 9M 2021 due to volume effect (EUR -10.3 million). This effect will level off over the course of the year as annual ROI and compensated D&A is fixed for the year but allocated between the months based on the distributed volume. Also, Adjusted EBITDA increase was partly offset due to lower electricity WACC (4.16% in 2022 vs 5.34% in 2021) (EUR -9.0 million) as a result of updated WACC methodology for the new regulatory period started in 2022.

EBITDA

EBITDA reached EUR 39.0 million and was 73.5%, or EUR -108.3 million lower than in 9M 2021. The decrease was driven by higher electricity technological losses expenses (EUR -54.6 million) due to 228.7% higher electricity market price and lower electricity distribution (EUR -25.9 million) revenue due to lower tariff.

Investments

Investments amounted to EUR 178.5 million and were 71.0%, or EUR 74.1 million, higher compared to 9M 2021. Investments in expansion of electricity distribution network increased by EUR 41.4 million, or +104.8%, and amounted to EUR 80.9 million. The main reasons for the increase were higher number of new connection points and upgrades as well as higher contractor fees. Contractor fees for new connections and upgrades increased on average by 55% per customer. Investments in maintenance of electricity distribution network increased by EUR +22.8 million, or +53.4%, and amounted to EUR 65.5 million. The increase was caused by higher number of objects renovated and higher contractor fees. Contractor fees for maintenance increased on average by 50% per object. Additionally, increase is related to smart meter rollout (EUR +7.6 million) launched in July 2022.

Key financial indicators, EURm	9M 2022	9M 2021[1]	Δ	Δ,%
Revenue	397.2	388.2	9.0	2.3%
Adjusted EBITDA APM	116.7	114.0	2.7	2.4%
EBITDA APM	39.0	147.3	(108.3)	(73.5%)
Adjusted EBIT APM	47.3	50.1	(2.8)	(5.6%)
EBIT APM	(30.5)	83.5	(114.0)	n/a
Investments APM	178.5	104.4	74.1	71.0%
Adjusted EBITDA margin APM	24.6%	32.1%	(7.5 pp)	n/a
	30.09.2022	**31.12.2021**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	1,759.2	1,654.6	104.6	6.3%
Net debt APM	878.2	710.0	168.2	23.7%

Key regulatory indicators[2]		2022	2021[1]	Δ	Δ,%
Regulated activities share in adjusted EBITDA in 9M	%	**100.0**	**100.0**	**0 pp**	**n/a**
Total					
RAB	EURm	1,345	1,258	87	6.9%
WACC (weighted average)	%	4.13	5.05	(0.93 pp)	n/a
D&A (regulatory)	EURm	67.8	69.1	(1.3)	(1.9%)
Additional tariff component	EURm	28.0	0.00	28.0	100%
Deferred part of investments covered by clients and electricity equipment transfer in 9M	EURm	12.1	10.8	1.4	12.6%
Electricity distribution					
RAB	EURm	1,097	1,009	88	8.7%
WACC	%	4.16	5.34	(1.18 pp)	n/a
D&A (regulatory)	EURm	58.5	59.6	(1.1)	(1.8%)
Additional tariff component	EURm	28.0	0.0	28.0	100%
Deferred part of investments covered by clients and electricity equipment transfer in 9M	EURm	11.0	9.7	1.2	12.8%
Natural gas distribution					
RAB	EURm	248	249	(1.0)	(0.4%)
WACC	%	3.98	3.90	0.08 pp	n/a
D&A (regulatory)	EURm	9.3	9.5	(0.2)	(2.1%)
Deferred part of investments covered by clients and electricity equipment transfer in 9M	EURm	1.1	1.0	0.1	10.7%

[1] Due to changes in accounting policy and reclassifications as well as reduction of management adjustments, all financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').
[2] RAB, WACC, D&A and additional tariff component approved and published by NERC. Full year numbers unless stated otherwise. Share of regulated activities and deferred part of investments covered by clients and electricity equipment transfer reflect semiannual values. The annual value of deferred part of investments covered by clients and electricity equipment transfers in 2021 comprise 13.5 EURm and 1.4 EURm in electricity and gas respectively.

Operating performance

Electricity distribution

Total distributed electricity decreased by 1.4%. A more significant fall in electricity distributed was noticed in September. The decrease is mainly driven by the B2C segment. Technological losses ratio is in line with the ratio recorded last year. The number of electricity distribution customers increased by 24,605, or 1.4%, in 9M 2022 compared to 9M 2021, which was mainly affected by a growing number of new connections of prosumers and producers and relatively stable growth of traditional B2B and B2C customers. The increase in prosumers and producers is related to high energy prices and the government support schemes for solar plants. The average time to connect increased by 72.3% because of high volume of applications, disrupted supply of materials, and increased workload due to termination of some contracts by service providers.

Electricity distribution quality indicator SAIFI slightly deteriorated compared to the previous year and was 1.23 interruptions (1.10 interruptions in 9M 2021). Electricity SAIDI indicator improved to 148.90 minutes (compared to 173.31 minutes in 9M 2021). 9M 2022 quality indicators were negatively affected by extreme weather conditions/ natural disasters (that caused 4 mass disconnections in January and February 2022) and strong winds/local storms. Higher number of installed automatic solutions as well as proactive management of staff levels based on the weather forecast resulted in reduced average interruption duration.

Natural gas distribution

A significant increase in natural gas prices pushed B2B customers to reduce gas consumption, halt production or switch to alternative fuels, therefore, this had an impact on natural gas distribution volumes, which decreased by 19.0% compared to the year prior. Average time to connect ratio improved by 21.6% due to stable demand, allowing contractors to complete works within agreed timelines. Both natural gas supply quality indicators SAIFI and SAIDI have improved compared to the same period last year and were equal to 0.003 interruptions and 0.23 minutes respectively. Natural gas quality indicators improved as there were less significant disruptions in 9M 2022 compared to 9M 2021.

Smart meters

The smart meter rollout has started in July 2022. In Q3 2022, 70,075 smart meters have been installed. This number reached 100,000 after the reporting period.

Key operating indicators		9M 2022	9M 2021	Δ	Δ, %
Electricity distribution					
Electricity distributed	TWh	7.50	7.60	*(0.10)*	*(1.4%)*
of which B2C	TWh	2.36	2.49	*(0.14)*	*(5.5%)*
of which B2B	TWh	5.14	5.11	*0.03*	*0.6%*
Distribution network	thousand km	127.33	126.61	*0.72*	*0.6%*
Technological losses	%	4.6%	4.6%	-	*n/a*
Number of customers	thousand	1,819	1,794	*25*	*1.4%*
of which prosumers and producers	thousand	29	16	*13*	*83.7%*
Admissible power of prosumers and producers	MW	203.80	98.10	*105.70*	*107.7%*
New connection points	thousand	25.71	20.18	*5.53*	*27.4%*
Connection point upgrades	thousand	19.42	17.02	*2.39*	*14.1%*
Admissible power of new connection points and upgrades	MW	387.26	368.80	*18.46*	*5.0%*
Time to connect (average)	c. d.	62.84	36.47	*26.37*	*72.3%*
SAIFI	unit	1.23	1.10[1]	*0.13*	*12.1%*
SAIDI	min	148.90	173.31[1]	*(24.41)*	*(14.1%)*
Natural gas distribution					
Natural gas distributed	TWh	4.66	5.76	*(1.09)*	*(19.0%)*
of which B2C	TWh	1.61	1.80	*(0.19)*	*(10.6%)*
of which B2B	TWh	3.05	3.95	*(0.90)*	*(22.8%)*
Distribution network	thousand km	9.63	9.51[2]	*0.11*	*1.2%*
Technological losses	%	2.2%	1.9%	*0.3 pp*	*n/a*
Number of customers	thousand	622	615	*6*	*1.0%*
New connection points and upgrades	thousand	3.81	5.75	*(1.94)*	*(33.7%)*
Time to connect (average)	c. d.	59.54	75.90	*(16.36)*	*(21.6%)*
SAIFI	unit	0.003	0.004	*(0.002)*	*(39.8%)*
SAIDI	min	0.23	0.37	*(0.14)*	*(37.8%)*
Customer experience					
NPS	%	50%	62%[3]	*(12 pp)*	*n/a*
Smart meters status					
Number of smart meters installed	thousand	70.08	0	*70.08*	*n/a*

[1] Previously reported electricity SAIDI 177.13, SAIFI 1.12 values were adjusted with regards to new information.
[2] Previously reported 9.80 value was adjusted with regards to new information.
[3] Changed survey methodology. Since July 2021, it is being carried out daily „post-contact".

Flexible Generation

Highlights

- **Considering the current geopolitical uncertainty, natural gas reserve of 1.1 TWh has been acquired according to a supplementary agreement to the isolated regime services contract. The acquisition caused an increase in working capital level. The regulatory mechanism is supposed to ensure compensation for additional costs incurred via the isolated regime services tariff.**
- **Clean spark spread was negatively affected by changes in electricity, natural gas, and EUA prices, which caused significant drop in volumes generated (-81.4%) and consequently led to a material decrease in Adjusted EBITDA.**

Financial results

Revenue

In 9M 2022, Flexible Generation revenue reached EUR 165.6 million and was 48.3%, or EUR 53.9 million, higher than in 9M 2021. The increase was driven by power reserve (isolated regime services) due to revenue (EUR +64.6 million) intended to cover incurred expenses related to gas reserve, which was acquired in order to comply with new requirements for the isolated regime services. The increase was partly offset by lower revenue from CCGT commercial activities (EUR -12.9 million) due to worse market conditions (less favourable days for generation).

Adjusted EBITDA

In 9M 2022, Adjusted EBITDA amounted to EUR 17.7 million and was 37.9%, or EUR 10.8 million, lower than in 9M 2021. The decrease was mainly caused by worse results from commercial activities, which amounted to EUR 7.5 million and were 56.3%, or EUR 9.7 million, lower than in 9M 2021. The major contributor is worse results of CCGT unit (EUR -10.0 million) due to lower volume of generation (-0.6 TWh) as clean spark spread was lower under less favourable market conditions. Adjusted EBITDA from regulated activities reached EUR 10.2 million and was 10.3%, or EUR 1.2 million, lower than in 9M 2021. The decrease in EBITDA of regulated activities was mainly due to adjusted tariffs (lower D&A).

Investments

Investments in the Flexible Generation segment amounted to EUR 14.6 million in 9M 2022 and were EUR 14.4 million higher compared to 9M 2021. Investments were higher mostly due to an advance payment (EUR +13.2 million) made for planned CCGT overhaul.

Operating performance

Electricity generation (net) volume of CCGT unit as well as units 7 and 8 at Elektrėnai Complex was 0.14 TWh and in 9M 2022 decreased by 81.4% compared to 9M 2021. Clean spark spread was negatively affected by higher natural gas prices, which caused significant drop in volumes generated.

The total installed electricity generation capacity of Elektrėnai Complex is 1,055 MW, and 891 MW were used for reserve and isolated regime services. In 9M 2021, the tertiary active power reserve in the capacity of 482 MW was ensured by units 7 and 8 at Elektrėnai Complex, while in 9M 2022 the tertiary active power reserve was ensured in the scope of 519 MW by the same units. In 9M 2021, the CCGT was providing isolated system operation services in the scope of 371 MW. The remaining part of the isolated system operation services were provided by unit 7 in the scope of 38 MW. In 9M 2022, the CCGT was providing isolated system operation services in the scope of 371 MW. The remaining part of the isolated system operation services were provided by unit 8 in the scope of 1 MW.

Key financial indicators, EURm	9M 2022	9M 2021[1]	Δ	Δ,%
Revenue	165.6	111.7	*53.9*	*48.3%*
Adjusted EBITDA APM	17.7	28.5	*(10.8)*	*(37.9%)*
EBITDA APM	17.7	28.5	*(10.8)*	*(37.9%)*
Adjusted EBIT APM	8.7	19.9	*(11.2)*	*(56.3%)*
EBIT APM	8.7	19.9	*(11.2)*	*(56.3%)*
Investments APM	14.6	0.2	*14.4*	*n/a*
Adjusted EBITDA margin APM	10.7%	25.5%	*(14.8 pp)*	*n/a*
	30.09.2022	**31.12.2021**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	290.2	307.4	*(17.2)*	*(5.6%)*
Net debt APM	24.9	(37.5)	*62.4*	*n/a*

Key operating indicators		9M 2022	9M 2021	Δ	Δ, %
Installed electricity capacity	MW	1,055	1,055	-	-%
Electricity generated (net)	TWh	0.14	0.73	*(0.59)*	*(81.4%)*
Total reserve and Isolated regime services	MW	891	891	-	-
Tertiary power reserve services	MW	519	482	*37*	*7.7%*
Isolated system operation services	MW	372	409	*(37)*	*(9.0%)*

Key regulatory indicators[2]		2022[3]	2021[3]	Δ	Δ,%
Regulated activities share in adjusted EBITDA in 9M	**%**	**57.5**	**39.7**	***17.8 pp***	***n/a***
Total	**EURm**				
RAB	%	32.0	33.8	*(1.8)*	*(5.3%)*
WACC	EURm	4.03	3.50	*0.53 pp*	*n/a*
D&A (regulatory)		13.2	14.0	*(0.8)*	*(5.7%)*
CCGT					
RAB	EURm	-	-	-	-
WACC	%	-	-	-	-
D&A (regulatory)	EURm	9.3	10	*(0.7)*	*(7.0%)*
Units 7 and 8					
RAB	EURm	32	33.8	*(1.8)*	*(5.3%)*
WACC	%	4.03	3.50	*0.53 pp*	*n/a*
D&A (regulatory)	EURm	3.9	4.0	*(0.1)*	*(2.5%)*

[1] Due o change in accounting policy and reclassifications as well as reduction of management adjustments, all adjusted financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').
[2] Full year numbers unless stated otherwise.
[3] Numbers approved and published by NERC.

ignitis group

Customers & Solutions

Highlights

- **Despite a loss-making year in both electricity and natural gas B2C activities, positive change in Adjusted EBITDA was driven by natural gas B2B results, mainly from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers.**
- **The Group has ceased purchasing natural gas from Gazprom and, therefore, has acquired unscheduled liquefied natural gas cargoes, mainly to fill its storage at Inciukalns, and in H2 2022 continues purchasing additional cargoes in order to ensure uninterrupted natural gas supply for the customers.**
- **Net working capital increased further, mainly due to more expensive stored natural gas inventory.**
- **The Lithuanian Parliament amended the legislation related to providing consumers with partial compensation due to increasing prices of energy resources. During H2 2022, the state will compensate regulatory differences of Customers & Solutions accumulated up to 1 July 2022 (EUR 365 million) using the tariff, and EUR 205 million will be allocated to subsidize H2 2022 energy prices for all customers of deregulated supply companies. After the reporting period, the Government has been considering additional funds of around 1.2 billion to ensure price subsidy schemes for all B2C and B2B customers.**
- **Continuing B2C electricity market deregulation activities while maintaining leadership in independent supply B2C market share of 79.6% by number of objects. Also, the third deregulation stage has been postponed until 2025.**
- **The Baltic states stopped importing electricity from Russia after Europe's Nord Pool power exchange stopped Russian electricity trading. As a result, activity of Russian related market players, such as AB Inter RAO Lietuva, has stopped, which, in turn, opened opportunities to expand B2B customer portfolio.**
- **The gas interconnection between Poland and Lithuania (GIPL) started commercial operations in May 2022, allowing Lithuanian-Polish gas exchange, which strengthens the energy independence of the region and increases trading opportunities.**

Financial results

Revenue

In 9M 2022 Customers & Solutions revenue reached EUR 2,143.9 million and was 276.1%, or EUR 1,573.8 million, higher than in 9M 2021. However, higher sales do not translate into significantly better or sustainable results, since sales margins are fixed using hedging instruments.

Higher revenue from electricity business (EUR +791.7 million) was due to higher market prices (+228.7% on average) and higher retail volume sold (+20.7%). Natural gas business related income increased (EUR +777.7 million), mainly due to higher average TTF gas price index (+409.1%), which is mainly reflected in the company's natural gas supply, and due to higher volume (+14.2%) from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers.

Adjusted EBITDA

Adjusted EBITDA increased to EUR 35.3 million and was EUR 4.1 million higher than in 9M 2021.

Despite a loss-making year in both electricity and natural gas B2C activities, positive change was driven by natural gas B2B results, mainly from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers and also from favourable temporary inventory effect. The latter is caused by average cost accounting method, which results in temporarily higher result in an increasing natural gas price environment and will reverse once prices start to go down.

Key financial indicators, EURm	9M 2022	9M 2021[1]	Δ	Δ,%
Revenue	2,143.9	570.1	*1,573.8*	*276.1%*
Adjusted EBITDA APM	35.3	31.2	*4.1*	*13.1%*
EBITDA APM	89.3	36.7	*52.6*	*143.3%*
Adjusted EBIT APM	33.8	29.9	*3.9*	*13.0%*
EBIT APM	87.8	35.5	*52.3*	*147.3%*
Investments APM	2.6	1.8	*0.8*	*44.4%*
Adjusted EBITDA margin APM	1.7%	5.5%	*(3.8 pp)*	*n/a*
	30.09.2022	**31.12.2021**	**Δ**	**Δ, %**
PPE, intangible and right-of-use assets	7.3	6.5	*0.8*	*12.3%*
Net debt APM	813.7	474.4	*339.3*	*71.5%*
Net working capital APM	917.1	463.4	*453.7*	*97.9%*

Key regulatory indicators[2]		2022[3]	2021[3]	Δ	Δ,%
Regulated activities share in adjusted EBITDA in 9M	**%**	**(18.1)**	**6.2**	***(24.3 pp)***	***n/a***
RAB[4]	EURm	14.2	25.7	*(11.5)*	*(44.7%)*
WACC	%	3.05	2.93	*0.12 pp*	*n/a*

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all adjusted financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').
[2] Full year numbers unless stated otherwise.
[3] Numbers approved and published by NERC.
[4] RAB for businesses of the Customers & Solutions segment comprises net working capital for covering the demand of public supply of electricity.
[5] Mark-to-market (MtM) cash part is sum of financial derivatives related cash flows, covering all payments that are settled in full each business day between counterparties. The daily cash settlement corresponds to the amount of fair value movement for futures product traded on Nasdaq Commodities market.

Net working capital

Compared to 31 December 2021, net working capital has increased further (EUR +453.7 million). The increase was mainly driven by the increased value of natural gas inventory (EUR +402.4 million), the regulated price differences in electricity (EUR +9.5 million) and in natural gas (EUR +90.8 million), the increase in trade receivables (EUR +204.2 million) and the increase in derivative trading deposits (EUR +57.0 million) due to higher market prices. It was partly offset by an increase in mark-to-market (MtM) related to Nasdaq commodities market (cash part of all open derivatives positions)[5] (EUR -203.9 million), lower current prepayments made (EUR -57.1 million), mainly for gas, and higher prepayments received (EUR -79.8 million), mainly for B2B natural gas.

Amortisation of energy price increase

The Lithuanian Parliament amended the legislation related to providing consumers with partial compensation due to increasing prices of energy resources. From H2 2022, increasing prices as well as regulatory differences of regulated supply customers accumulated in 2021 and H1 2022 will be partially compensated directly from the state budget.

Out of the planned EUR 570 million allocated from the budget, the State will use a significant portion of the funds to compensate the regulatory differences (EUR 365 million) accumulated by Customers & Solutions in 2021 and H1 2022 through a distribution tariff, while the remaining EUR 205 million will be used to amortise the increase in energy prices for customers of all independent suppliers in H2 2022 with the majority going to Ignitis, which has the largest market share of customers (79.6%). Both measures are expected to have a positive impact on the Group's working capital and debt level as it will reduce accumulated debts that have been used to finance regulatory differences (due to lower energy prices included in regulated customer tariffs compared to the actual market prices) until H1 2022.

Furthermore, the Government plans to continue the provision of partial compensation to all B2C and B2B customers in 2023 and, therefore, considers allocating of around EUR 1.2 billion from the State budget. EUR 714 million to be directed to amortize the increase in electricity and natural gas prices of all B2C customers in 2023 and EUR 446 million to be directed to B2B customers. However, we do not expect any impact on the Group from these price amortisation measures, since they are directly channelled to all B2C and B2B customers. For more details, please refer to the section 'Overview and impact of partial compensation of energy prices' (34 p.).

Operating performance

Electricity volume sales

Total electricity sales in the retail market in 9M 2022 increased by 20.7% compared to 9M 2021. The increase was mainly driven by higher B2B sales in Lithuania, Latvia, and Poland. The number of B2B customers nearly doubled due to competitive spot pricing, increased activity in the market influenced by discontinued operations of AB Inter RAO Lietuva and more effective sales processes, which helped reaching targeted customers and turned into supply contracts. Sales to B2C customers in Lithuania were lower (-0.19 TWh) and number of customers decreased (-0.15 million) compared to 9M 2021 because the second stage of electricity market deregulation is over. However, it can be noted that we still maintain the leadership position (79.6% B2C customer share in the independent supply market by number of objects).

Natural gas volume sales

The volume of natural gas sold in 9M 2022 increased by 3.0%, mainly from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers.

Other

In 9M 2022 customer experience (NPS) ratio in the Customers & Solutions segment increased by 1.8 pp and 1.6 pp of both B2C and B2B customers respectively, compared to 9M 2021. Proactive communication about changes, new automated processes and better attraction and retention of call center employees led to improved customer experience.

Key operating indicators		9M 2022	9M 2021	Δ	Δ,%
Electricity sales					
Lithuania	TWh	4.64	4.08	*0.56*	*13.8%*
Latvia	TWh	0.92	0.71	*0.21*	*29.4%*
Other[1]	TWh	0.31	0.07	*0.23*	*313.5%*
Total retail	TWh	5.87	4.87	*1.01*	*20.7%*
of which B2C	TWh	1.92	2.11	*(0.19)*	*(9.1%)*
of which B2B	TWh	3.95	2.75	*1.20*	*43.5%*
Number of customers	m	1.40	1.55	*(0.15)*	*(9.6%)*
Natural gas sales	TWh	8.96	8.70	*0.26*	*3.0%*
Lithuania	TWh	3.53	4.06	*(0.53)*	*(13.0%)*
Latvia	TWh	0.47	0.21	*0.26*	*128.1%*
Finland	TWh	2.89	1.89	*1.00*	*53.1%*
Poland	TWh	0.12	-	*0.12*	*-%*
Estonia	TWh	0.02	-	*0.02*	*-%*
Total retail	TWh	7.03	6.16	*0.87*	*14.2%*
of which B2C	TWh	1.64	1.84	*(0.19)*	*(10.6%)*
of which B2B	TWh	5.39	4.32	*1.07*	*24.7%*
Wholesale market	TWh	1.93	2.54	*(0.61)*	*(24.0%)*
Number of customers	m	0.62	0.61	*0.01*	*0.8%*
Customer experience					
NPS (B2C)	%	56.9%	55.1%	*1.8 pp*	*n/a*
NPS (B2B)	%	51.6%	50.0%	*1.6 pp*	*n/a*

[1] *Electricity sales in Poland and Estonia.*

3.3 Results Q3

Financial results

Revenue

In Q3 2022, compared to Q3 2021, an increase (EUR +867.4 million) in revenue was the result of:

- Customers & Solutions segment (EUR +713 million), due to better results of electricity business, due to higher market price and volumes, and higher revenue from natural gas sales, due to higher natural gas prices;
- Green Generation segment (EUR +163.5 million), due to an increase in performance throughout all types of technologies, which was driven by higher electricity prices, and Pomerania WF, due to COD reached in December 2021.

Adjusted EBITDA

Adjusted EBITDA increased by EUR 78.6 million, mainly due to:

- better results of Green Generation segment (EUR +57.2 million), due to an increase in performance throughout all types of technologies (Wind, Hydro, Waste-to-Energy), which was mainly driven by higher electricity market prices, and Pomerania WF, due to COD reached in December 2021.

Adjusted net profit

Adjusted net profit increased by EUR 65.2 million, mainly due to higher Adjusted EBITDA.

Investments

Investments in Q3 2022 have increased, mainly due to higher Green Generation segment investments in onshore wind farms in Lithuania and Poland and Vilnius CHP's biomass unit.

Operating performance

Electricity

The distributed electricity decreased by 6.8% compared to Q3 2021. The decrease was the result of falling electricity consumption of B2C customers. Electricity generated (net) decreased by 42.0%. The decrease was mainly driven by lower electricity generation (net) of the CCGT unit at Elektrėnai Complex (-0.22 TWh) and Kruonis PSHP (-0.05 TWh), which is partly offset by higher electricity generation (net) of Pomerania WF (+0.02 TWh) as well as Kaunas and Vilnius CHP WtE (+0.02 TWh).

The Green Generation capacity increased by 81 MW. The installed capacity increased by 95 MW since Pomerania WF reached COD in December 2021. During Q3 2022, two projects Silesia WF I (+50 MW) and Polish solar portfolio II (+30 MW) reached the construction phase.

Higher number of installed automatic solutions, proactive management of staff levels based on the weather forecast, and more favourable weather conditions in Q3 2022 resulted in improved electricity quality indicators SAIFI and SAIDI.

Heat

Heat generation (net) in Q3 2022 was 0.03 TWh higher compared to Q3 2021, due to better position of Kaunas CHP in heat auctions.

Natural gas

Natural gas distribution volumes decreased as B2B customers reduced consumption, halting production or switching to alternative energy sources due to high natural gas prices. The increase of 81.8% in natural gas sales volumes is the result of utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers.

Natural gas quality indicator SAIFI remained similar to the 9M 2021 whereas SAIDI improved to 0.08 as there were no significant disruptions during Q3 2022.

Key financial indicators		Q3 2022	Q3 2021[1]	Δ	Δ,%
Revenue	EURm	1,294.7	427.3	867.4	n/a
EBITDA APM	EURm	122.1	83.8	38.3	45.7%
Adjusted EBITDA APM	EURm	150.8	72.2	78.6	108.9%
Adjusted EBITDA margin APM	%	11.4%	17.4%	n/a	(6.0 pp)
EBIT APM	EURm	83.3	53.0	30.3	57.2%
Adjusted EBIT APM	EURm	112.0	41.4	70.6	170.5%
Net profit	EURm	70.0	51.2	18.8	36.7%
Adjusted net profit APM	EURm	94.4	29.2	65.2	n/a
Investments APM	EURm	188.1	54.1	134.0	n/a
FFO APM	EURm	101.4	67.4	34.0	50.4%
FCF APM	EURm	(379.4)	(47.3)	(332.1)	n/a

Key operating indicators		Q3 2022	Q3 2021	Δ	Δ,%
Electricity					
Green Generation capacity	MW	1,431	1,350	81	6.0%
Green Generation installed capacity	MW	1,215	1,120	95	8.5%
Green Generation projects under construction	MW	216	230	(14)	(6.0%)
Electricity distributed	TWh	2.29	2.45	(0.17)	(6.8%)
Electricity generated (net)	TWh	0.33	0.57[2]	(0.24)	(42.0%)
Green electricity generated (net)	TWh	0.27	0.28[2]	(0.02)	(5.6%)
Green share of generation	%	81.4%	50.0%[2]	31 pp	n/a
Electricity sales	TWh	1.81	1.67	0.15	8.7%
SAIFI	units	0.29	0.38	(0.09)	(23.6%)
SAIDI	min.	19.66	30.80[3]	(11.14)	(36.2%)
Heat					
Green Generation capacity	MW	349	339	10	2.9%
Green Generation installed capacity	MW	180	170	10	5.9%
Green Generation projects under construction	MW	169	169	-	-%
Heat generated (net)	TWh	0.16	0.12	0.03	26.6%
Natural gas					
Natural gas distributed	TWh	0.77	1.02	(0.25)	(24.8%)
Natural gas sales	TWh	2.52	1.39	1.13	81.8%
SAIFI	units	0.001	0.001	-	-%
SAIDI	min.	0.08	0.12	(0.04)	(32.4%)

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all adjusted financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').
[2] Electricity generated (net) includes electricity sales by Pomerania WF before COD (in December 2021), which was not reported in the 9M 2021 interim report.
[3] Previously reported electricity SAIDI 31.31 value was adjusted with regards to new information.

Results by business segments Q3[1]

Green Generation

- Revenue was 419.2%, or EUR 163.5 million, higher compared to Q3 2021. Revenue increase throughout all types of technologies was driven by higher electricity market prices and Pomerania WF, due to COD reached in December 2021.
- Adjusted EBITDA was 621.7%, or EUR 57.2 million, higher compared to Q3 2021. Adjusted EBITDA increase throughout all types of technologies (Wind, Hydro, Waste-to-Energy) was mainly driven by higher electricity market prices and Pomerania WF, due to COD reached in December 2021.
- Investments were EUR 96.2 million higher compared to Q3 2021, mainly due to new Green Generation segment projects. Major investments were directed towards wind farms in Lithuania and Poland and Vilnius CHP's biomass unit.

Networks

- Revenue was 25.1%, or EUR 30.5 million higher, compared to Q3 2021. The increase was mainly driven by higher revenue from the supply of last resort due to 228.7% higher electricity market price.
- Adjusted EBITDA was -2.8%, or EUR 1.0 million, lower compared to Q3 2021. The decrease was driven by lower share of allowed return and D&A recognized in 9M 2022 vs 9M 2021, due to volume effect (EUR -4.3 million), and lower electricity WACC (EUR -3.0 million), due to the updated WACC methodology for the new regulatory period started in 2022. The decrease was partly offset by introduction of an additional tariff component (EUR +6.2 million).
- Investments were +58.4%, or EUR 27.5 million, higher compared to Q3 2021, mainly due to higher Investments made for expansion and maintenance of electricity distribution network (EUR +19.7 million and EUR +4.5 million respectively).

Flexible Generation

- Revenue was 37.0%, or EUR 18.7 million, higher compared to Q3 2021. The increase was driven by higher power reserve revenue intended to cover incurred expenses related to the gas reserve which was acquired in order to comply with new requirements for the isolated regime services.
- Adjusted EBITDA was -20.2%, or EUR 2.4 million, lower compared to Q3 2021. The decrease was caused by lower result from commercial (EUR -2.9 million) activities. Worse results of the CCGT unit's commercial activities (EUR -3.9 million) were mainly due to lower volumes of generation as clean spark spread was negatively affected by market conditions (less favourable days for generation).
- Investments were EUR 14.1 million higher compared to Q3 2021, mainly due to an advance payment (EUR +13.2 million) made for planned CCGT overhaul.

Customers & Solutions

- Revenue was +317.2%, or EUR 713.0 million, higher compared to Q3 2021. The increase was mainly driven by higher revenue of electricity business (EUR +379.1 million), due to higher market price and volumes sold, and higher revenue from natural gas sales (EUR +331.0 million), due to higher natural gas prices and volume sold, mainly from one-off deals.
- Adjusted EBITDA was +168.5%, or EUR 25.1 million, higher compared to Q3 2021. Positive change was driven by natural gas results, mainly from utilizing Lithuania's LNG terminal and securing profitable transactions with foreign customers, also from favourable temporary inventory effect.

Green Generation		Q3 2022	Q3 2021	Δ	Δ, %
Revenue	EURm	202.5	39.0	*163.5*	*419.2%*
Adjusted EBITDA APM	EURm	66.4	9.2	*57.2*	*621.7%*
EBITDA APM	EURm	66.4	8.0	*58.4*	*730.0%*
Adjusted EBIT APM	EURm	56.5	3.8	*52.7*	*n/a*
EBIT APM	EURm	56.5	2.6	*53.9*	*n/a*
Investments APM	EURm	97.7	1.5	*96.2*	*n/a*
Adjusted EBITDA margin APM	%	32.8%	22.9%	*9.9 pp*	*n/a*
		30.09.2022	31.12.2021	Δ	Δ,%
PPE, intangible and right-of-use assets	EURm	821.5	773.1	*48.8*	*6.3%*
Net debt APM	EURm	694.9	390.1	*304.8*	*78.1%*
Networks		Q3 2022	Q3 2021	Δ	Δ, %
Revenue	EURm	151.9	121.4	*30.5*	*25.1%*
Adjusted EBITDA APM	EURm	34.1	35.1	*(1.0)*	*(2.8%)*
EBITDA APM	EURm	(18.4)	40.5	*(58.9)*	*n/a*
Adjusted EBIT APM	EURm	10.3	13.1	*(2.8)*	*(21.4%)*
EBIT APM	EURm	(42.4)	18.7	*(61.1)*	*n/a*
Investments APM	EURm	74.6	47.1	*27.5*	*58.4%*
Adjusted EBITDA margin APM	%	16.7%	30.3%	*(13.6 pp)*	*n/a*
		30.09.2022	31.12.2021	Δ	Δ,%
PPE, intangible and right-of-use assets	EURm	1,759.2	1,654.6	*104.6*	*6.3%*
Net debt APM	EURm	878.2	710.0	*168.2*	*23.7%*
Flexible Generation		Q3 2022	Q3 2021	Δ	Δ, %
Revenue	EURm	69.2	50.5	*18.7*	*37.0%*
Adjusted EBITDA APM	EURm	9.5	11.9	*(2.4)*	*(20.2%)*
EBITDA APM	EURm	9.5	11.9	*(2.4)*	*(20.2%)*
Adjusted EBIT APM	EURm	6.5	10.1	*(3.6)*	*(35.6%)*
EBIT APM	EURm	6.5	10.1	*(3.6)*	*(35.6%)*
Investments APM	EURm	14.2	0.1	*14.1*	*n/a*
Adjusted EBITDA margin APM	%	13.7%	23.6%	*(9.9 pp)*	*n/a*
		30.09.2022	31.12.2021	Δ	Δ,%
PPE, intangible and right-of-use assets	EURm	290.2	307.4	*(17.2)*	*(5.6%)*
Net debt APM	EURm	24.9	(37.5)	*62.4*	*(166.4%)*
Customers & Solutions		Q3 2022	Q3 2021	Δ	Δ, %
Revenue	EURm	937.8	224.8	*713.0*	*317.2%*
Adjusted EBITDA APM	EURm	40.0	14.9	*25.1*	*168.5%*
EBITDA APM	EURm	63.9	22.2	*41.7*	*187.8%*
Adjusted EBIT APM	EURm	39.5	14.5	*25.0*	*172.4%*
EBIT APM	EURm	63.4	21.8	*41.6*	*190.8%*
Investments APM	EURm	0.9	1.3	*(0.4)*	*(30.8%)*
Adjusted EBITDA margin APM	%	4.4%	6.8%	*(2.4 pp)*	*n/a*
		30.09.2022	31.12.2021	Δ	Δ,%
PPE, intangible and right-of-use assets	EURm	7.3	6.5	*0.8*	*12.3%*
Net debt APM	EURm	813.7	474.4	*339.3*	*71.5%*

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all adjusted financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').

3.4 Quarterly summary

Key financial indicators[1]		Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Revenue	EURm	1,294.7	741.9	991.3	725.0	427.3	344.7	393.4	354.3	277.9
EBITDA APM	EURm	122.1	119.8	91.7	80.4	83.8	83.8	87.4	105.0	79.0
Adjusted EBITDA APM	EURm	150.8	95.1	111.4	111.7	72.2	70.6	78.1	90.6	72.9
Adjusted EBITDA margin APM	%	11.4%	13.3%	11.0%	14.8%	17.4%	21.3%	20.3%	26.7%	26.8%
EBIT APM	EURm	83.3	84.7	57.2	22.0	53.0	52.5	57.0	72.5	48.9
Adjusted EBIT APM	EURm	112.0	60.0	76.9	78.1	41.4	39.3	47.7	58.1	42.8
Net profit	EURm	70.0	68.1	46.8	41.7	51.2	18.0	43.0	61.7	36.4
Adjusted net profit APM	EURm	94.4	46.8	61.1	70.5	29.2	28.3	35.1	49.5	31.2
Investments APM	EURm	188.1	117.7	62.0	103.1	54.1	48.7	29.0	76.0	83.7
FFO APM	EURm	101.4	96.2	89.3	75.3	67.4	65.1	84.0	102.1	65.3
FCF APM	EURm	(379.4)	(108.9)	(138.3)	(333.4)	(47.3)	54.3	30.9	(7.7)	23.6
ROE LTM APM	%	11.2%	10.5%	8.3%	8.4%	11.1%	10.1%	12.0%	10.8%	9.4%
Adjusted ROE LTM APM	%	13.5%	10.5%	9.9%	8.9%	9.1%	9.1%	8.9%	6.0%	5.9%
ROCE LTM APM	%	8.0%	7.6%	6.8%	7.1%	9.9%	9.7%	10.2%	9.1%	7.0%
Adjusted ROCE LTM APM	%	10.6%	9.0%	8.7%	7.9%	7.8%	7.9%	7.7%	5.4%	4.6%
		Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020
Total assets	EURm	5,304.7	4,614.5	4,623.0	4,251.3	4,131.1	3,967.5	3,975.2	3,920.9	3,408.8
Equity	EURm	2,228.2	2,127.8	2,005.3	1,849.0	1,811.2	1,831.0	1,810.7	1,813.3	1,312.7
Net debt APM	EURm	1,512.8	1,156.2	1,000.7	957.2	620.4	571.6	579.2	600.3	1,026.8
Net working capital APM	EURm	1,068.7	747.2	642.4	486.4	169.5	99.1	129.7	94.4	31.4
Net debt/EBITDA LTM APM	times	3.65	3.08	2.95	2.85	1.72	1.61	1.61	1.80	3.64
Net debt/Adjusted EBITDA LTM APM	times	3.23	2.96	2.73	2.88	1.99	1.83	1.92	2.44	4.51
FFO LTM /Net debt APM	%	23.9%	28.4%	29.7%	30.5%	51.3%	55.4%	57.5%	51.5%	24.8%

[1] Due to change in accounting policy and reclassifications as well as reduction of management adjustments, all adjusted financial indicators were recalculated retrospectively for all quarters of the year 2021 (for more information, see Annual report 2021 section 'Annual results' part 'Significant changes in reporting period of 2021').

[2] The Investments formula has been adjusted retrospectively from the beginning of 2022 by including prepayments for non-current assets. Such presentation more accurately shows the amount of Investments made during the year since, the amount of advance payments grew significantly with the increase of renewable energy projects pipeline. The net working capital formula has been adjusted accordingly for the respective periods. For updated formula see definitions of Alternative performance measures used by the Group.

Key operating indicators		Q3 2022	Q2 2022	Q1 2022	Q4 2021	Q3 2021	Q2 2021	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Electricity											
Green Generation capacity	MW	1,431	1,351	1,351	1,350	1,350	1,350	1,350	1,350	1,350	1,287
Green Generation installed capacity	MW	1,215	1,215	1,215	1,214	1,120	1,120	1,120	1,101	1,101	1,077
Green Generation projects under construction	MW	216	136	136	136	230	230	230	249	249	210
Electricity distributed	TWh	2.29	2.44	2.77	2.77	2.45	2.43	2.72	2.55	2.30	2.17
Electricity generated (net)	TWh	0.33	0.38	0.58	0.59	0.57	0.58	0.57	0.65	0.86	0.56
Green electricity generated (net)	TWh	0.27	0.34	0.54	0.49	0.28	0.35	0.35	0.34	0.32	0.26
Green share of generation	%	81.4%	90.2%	93.6%	84.1%	50.0%	61.0%	61.0%	52.0%	36.7%	46.8%
Electricity sales	TWh	1.81	2.07	2.19	1.97	1.67	1.67	1.81	1.83	1.64	1.62
SAIFI	units	0.29	0.31	0.63	0.35	0.38	0.36	0.37	0.23	0.25	0.41
SAIDI	min	19.66	20.74	108.59	28.64	30.80	44.54	97.97	13.49	16.36	34.15
Heat											
Green Generation capacity	MW	349	349	349	339	339	339	339	339	339	339
Green Generation installed capacity	MW	180	180	180	170	170	170	170	110	110	40
Green Generation projects under construction	MW	169	169	169	169	169	169	169	229	229	299
Heat generated (net)	TWh	0.16	0.18	0.30	0.28	0.12	0.21	0.23	0.15	0.03	0.09
Natural gas											
Natural gas distributed	TWh	0.77	1.21	2.68	2.74	1.02	1.41	3.32	2.48	0.99	1.18
Natural gas sales	TWh	2.52	2.28	4.00	2.85	1.39	2.07	5.25	3.84	3.62	2.98
SAIFI	units	0.001	0.001	0.001	0.001	0.001	0.001	0.002	0.003	0.004	0.002
SAIDI	min	0.08	0.10	0.05	0.10	0.12	0.09	0.16	0.76	0.61	0.19

Governance

4.1 Governance framework

Corporate governance model

The Group's governance structure and model have been developed on the basis of the most advanced international and national practices, following the recommendations published by the OECD, having regard to the Corporate Governance Code for the companies listed on Nasdaq Vilnius and the Guidelines on the Governance for State-Owned Enterprises (SOEs) recommended by the Baltic Institute of Corporate Governance (BICG). Additionally, the corporate governance model of state-owned group of energy companies was implemented in observance of the Corporate Governance Guidelines approved by the Ministry of Finance of the Republic of Lithuania (Corporate Governance Guidelines) and amended several times. The most recent amendments were adopted on 30 August 2022, and the latest wording of Corporate Governance Guidelines is available here.

Our governance commitments were also recognised by independent parties. The parent company has a track record of being awarded the highest rating in Good Corporate Governance Index, assessing corporate governance of Lithuania's SOEs, since 2012.

In addition to local recognitions, in July 2021 the Group's rating of 'A' was upgraded to 'AA' (on a scale of 'CCC' to 'AAA') in the MSCI ESG Ratings assessment. This places the Group among the industry leaders and above the utility group average of 'A'.

On top of that, in 2021, the Group received a score of 20.4 (on a scale of 100–0, from highest to lowest risk, previous 26.5) in the ESG Risk Rating assessment performed by Sustainalytics, a leading independent ESG ratings firm. This places the Group among the top 14 percent of utility peers that manage their ESG risks optimally. Sustainalytics designated our overall ESG risk level as 'medium' (approaching 'low' risk category), whereas overall ESG risk management was rated as 'strong'. For more information on our ESG achievements in 9M 2022, please refer to section 'ESG performance report'.

The parent company employs a corporate governance system designed to manage and control the Group as a whole, with a view to achieve common objectives. The corporate governance of the Group is exercised through the parent company's functions, e.g., by coordinating common Group areas such as finance, law, risk management, etc. Activities of the Group in these areas are based on mutual agreement, i.e., cooperation with a focus on achieving a common result, and are coordinated by policies (common provisions and norms) applicable to the whole Group.

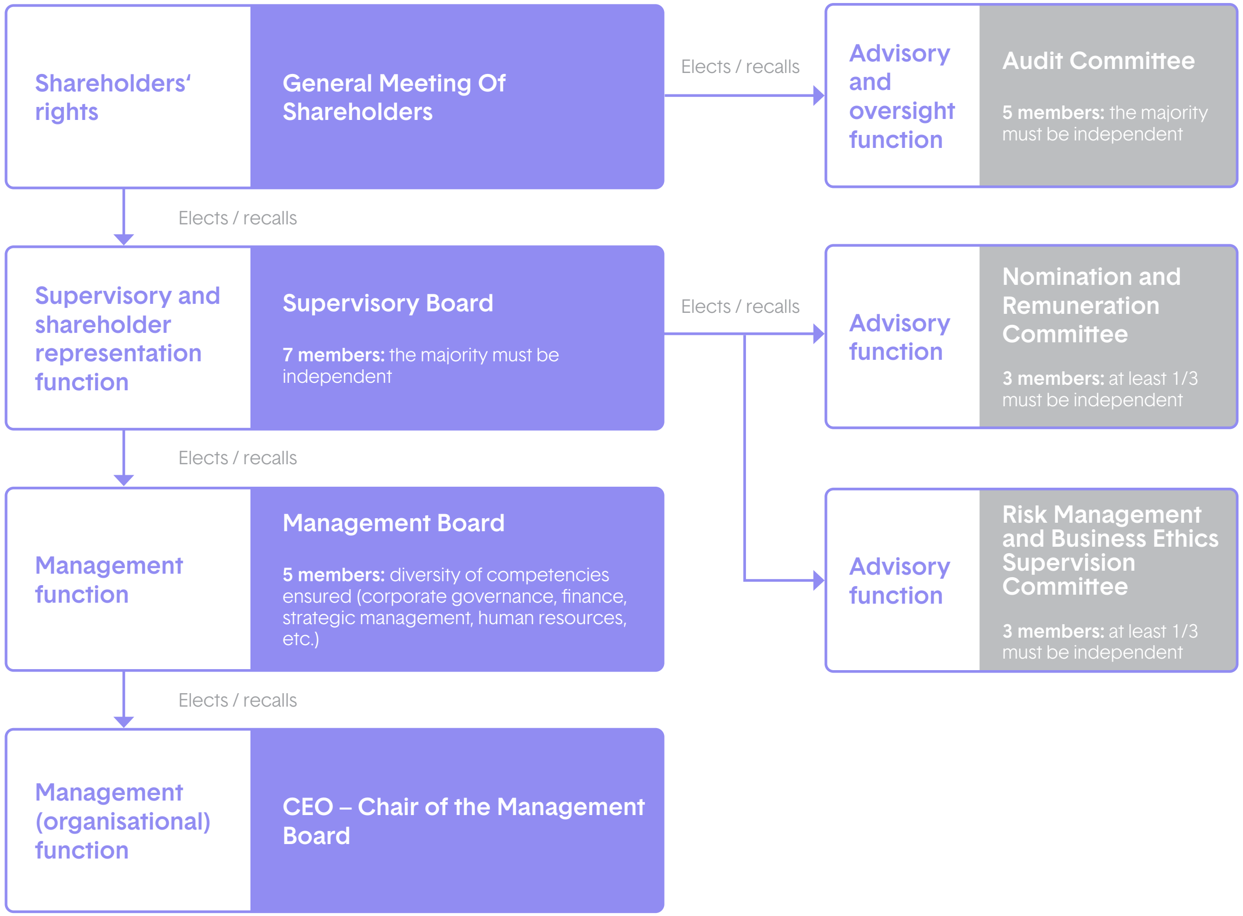
The parent company has a CEO and a two-tier board system consisting of a Management Board and a Supervisory Board. The CEO represents the parent company in all matters and, together with the Management Board, is responsible for its management, while the Supervisory Board is the body that oversees the Management Board and the CEO. The CEO manages the parent company's day-to-day operations and is entitled to solely represent the parent company.

Key changes in collegial bodies

During the reporting period, there has been a change in the composition of the Management Board. The new members of the Management Board, its Chair and the CEO were elected on 18 February 2022. For more information on the new CEO and the members of the Management Board, see sections 'Management Board' and 'CEO'.

More detailed description of key corporate governance principles, each collegial body and its members is available in our Annual report 2021 and on our website.

Corporate governance model



Shareholders' rights, Majority Shareholder and General Meetings

Our shareholders exercise their rights at the General Meeting. The General Meeting is the highest decision-making body of the parent company and passes resolutions in accordance with the Law on Companies of the Republic of Lithuania (Link in Lithuanian). We provide a detailed description of shareholders' competences in our Annual report 2021.

The Majority Shareholder of the parent company, the Republic of Lithuania, hold 74.99% of the parent company's shares at the end of the reporting period. The rights and obligations of the Republic of Lithuania are exercised by the Ministry of Finance of the Republic of Lithuania (Majority Shareholder). In accordance with the Property Guidelines (Link in Lithuanian), the Majority Shareholder submits a Letter of Expectations to the parent company at least once every four years on the objectives pursued by the Majority Shareholder in the SOE and its expectations. With that in mind, the Letter of Expectations in relation to the activities of the Group was approved by the Order of the Minister of Finance on 13 April 2018, with the last amendment supporting the Group's strategy published on 17 February 2021. For a more detailed description of the Majority Shareholder's obligations and expectations, see our Annual report 2021.

On 29 July 2021 and 29 March 2022, the General Meetings of Shareholders of the parent company were held, which passed resolutions on the acquisition of the parent company's own ordinary registered shares, the purpose of which is to reduce the parent company's share capital by annulling it, thus potentially increasing each investor's shareholdings, including the Majority Shareholder's. Respectively, on 16 December 2021 and 29 April 2022, the parent company completed the acquisitions of own ordinary registered shares and in total acquired 1,894,797 units or 2.6% of total number of the parent company's securities.

In relation to the above, an Extraordinary General Meeting was held on 24 May 2022, which passed resolutions to reduce the share capital of the parent company from EUR 1,658,756,293.81 to EUR 1,616,445,476.80 by annulling 1,894,797 units of the parent company's ordinary registered shares with a nominal value of EUR 22.33 each (total value of the ordinary registered shares is EUR 42,310,817.01). The share capital of the parent company was reduced during the reporting period on 9 August 2022 and a new wording of the Articles of Association was approved. Accordingly, it resulted in proportional increase in each investor's shareholdings, leaving Majority Shareholder now holding 74.99% of shares (increased from 73.08%).

General Meetings of Shareholders

During the reporting period, three General Meetings of the parent company's shareholders were held. On 29 March 2022, the Ordinary General Meeting of Shareholders passed the following resolutions:

- regarding the assent to AB "Ignitis grupė" consolidated annual report for the year 2021, except for the part of the remuneration report;
- regarding the assent to the remuneration report of AB "Ignitis grupė", as a part of the consolidated annual report of AB "Ignitis grupė" for the year 2021;
- regarding the approval of the set of audited annual financial statements of AB "Ignitis grupė" and consolidated financial statements of AB "Ignitis grupė" group of companies for the year 2021;
- regarding the formation of reserve for acquisition of own ordinary registered shares;
- regarding the allocation of profit (loss) of AB "Ignitis grupė" for the year 2021;
- regarding the acquisition of AB "Ignitis grupė" own ordinary registered shares;
- regarding the approval of the new wording of the Articles of Association of AB "Ignitis grupė" and the power of attorney;
- regarding the approval of the updated Group Remuneration Policy of AB "Ignitis grupė";
- regarding the acknowledgement of Share Allocation Rules of AB "Ignitis grupė" as no longer effective.

On 24 May 2022 the Extraordinary General Meeting of Shareholders passed the following resolutions:

- regarding the reduction of the share capital of AB "Ignitis grupė";
- regarding the approval of the new wording of the Articles of Association of AB "Ignitis grupė" and the power of attorney.

On 29 September 2022 the Extraordinary General Meeting of Shareholders passed the following resolutions:

- regarding the assent to the consolidated interim report of AB "Ignitis grupė" for the six months period ended 30 June 2022;
- regarding the approval of the set of audited interim condensed financial statements of AB "Ignitis grupė" for the six months period ended 30 June 2022;
- regarding the allocation of dividends to the shareholders of AB "Ignitis grupė" for a period shorter than the financial year;
- regarding the approval of the updated Remuneration Policy of AB "Ignitis grupė" group of companies;
- regarding the remuneration of the members of the Supervisory Board of AB "Ignitis grupė".

Further information, including resolutions of previously held General Meetings of the parent company's shareholders, is available on our website.

4.2 Supervisory Board and committees

Supervisory Board overview

The Supervisory Board is a collegial supervisory body provided in the Articles of Association of the parent company. The Supervisory Board is functioning at the Group level, i.e., where appropriate, it addresses the issues related not only to the activities of the parent company, but also to the activities of its subsidiaries or the activities of their management and supervisory bodies. The Supervisory Board also elects its Chair from its members.

During the reporting period, the Supervisory Board of the parent company comprised seven members: five independent members and two representatives of the Majority Shareholder. The term of current Supervisory Board ends on 22 October 2025.

Further information on the Supervisory Board's functions, selection criteria, management of conflicts of interests and remuneration principles as well as information on education, experience and place of employment of the Supervisory Board members are available in our Annual report 2021. During the reporting period, there were no significant changes in the information provided.

It should be noted that the Extraordinary General Meeting held on 29 September 2022 approved the updated Remuneration Policy of the Group and, in accordance with it, adopted a resolution to determine, as of 1 October 2022, the changed fixed remuneration for the Supervisory Board's members.

There were no changes in the composition of the Supervisory Board during the reporting period and no members of the Supervisory Board had any participation in the capital of the parent company or its subsidiaries.

Activities of the Supervisory Board during the reporting period

Overall, 12 meetings of the Supervisory Board were held in 9M 2022, covering the following key areas:

- submission of proposals regarding business organisation and planning, objectives, financial position and performance of the parent company and the Group, including sustainability issues;
- issues related to the remuneration system of the Group, including long-term incentive share options programme for executives and employees;
- issues related to the annual report and annual financial statements for the year 2021;
- submission of opinions to the Management Board on the nominations of the members of the management and/or supervisory bodies of main subsidiaries;
- issues related to the replacement of a two-tier management model applied in the Group's subsidiaries AB "Energijos skirstymo operatorius", AB "Ignitis gamyba" and UAB "Ignitis" with a one-tier management model;
- issues related to the consolidated interim report of AB "Ignitis grupė" for the six months period ended 30 June 2022 and the set of audited interim condensed financial statements for the six months, and the allocation of dividends to the shareholders.

In addition, an extensive two-day strategic session took place in September 2022, where the current situation in the energy sector, challenges and opportunities, as well as the future of the Group and its strategic plans have been discussed

Committees of the Supervisory Board

In order to perform its functions and duties effectively, the parent company's Supervisory Board forms committees. The committees submit their conclusions, opinions and suggestions to the parent company's Supervisory Board in accordance with their competence. The committee must comprise at least three members, where at least one member is a member of the Supervisory Board and at least 1/3 of the members are independent. The members of the committees are elected for a period of four years.

The operating committees of the Supervisory Board are the following:

- the Risk Management and Business Ethics Supervision Committee;
- the Nomination and Remuneration Committee.

Further information on the Supervisory Board committees' functions, selection criteria, management of conflicts of interests and remuneration as well as information on education, experience and place of employment of the Supervisory Board committees' members are available in our Annual report 2021.

With the exception of the Risk Management and Business Ethics Supervision Committee, there were no changes in the composition of the committees during the reporting period and no members of the Supervisory Board committees had any participation in the capital of the parent company or its subsidiaries.

During the reporting period the parent company's Supervisory Board on 22 April 2022 elected new members of the Risk Management and Business Ethics Supervision Committee for a new term, which will end on 25 October 2025. It comprises two members, Tim Brooks (the Chair of the Committee) and Alfonso Faubel and regarding the third member of the Committee there is no decision made yet. Both members also served in the previous Risk Management and Business Ethics Supervision Committee. Information on education, experience, place of employment and shareholdings in Group companies of the newly elected Risk Management and Business Ethics Supervision Committee members is available on our website.

Overview of the Supervisory Board and its committees (during the reporting period)

	Supervisory Board	Nomination and Remuneration Committee	Risk Management and Business Ethics Supervision Committee
Term of office	26 October 2021 – 25 October 2025	3 November 2021 – 2 November 2025	22 April 2022 – 25 October 2025
Independence, including the Chair	71%	67%	100%
Meeting attendance	100%	97%	92%
Share holdings of the parent company or its subsidiaries	None	None	None

Overview of the meeting attendance[1] of members of the Supervisory Board and its committees (during the reporting period)

Member	Supervisory Board	Nomination and Remuneration Committee	Risk Management and Business Ethics Supervision Committee
Alfonso Faubel	12/12	-	4/4
Lorraine Wrafter	12/12	12/12	-
Tim Brooks	12/12	-	3/4
Judith Buss	12/12	-	-
Bent Christensen	12/12	12/12	-
Aušra Vičkačkienė	12/12	11/12	-
Ingrida Muckutė	12/12	-	-
Šarūnas Rameikis	-	-	1/1[2]

[1] The numbers indicate how many meetings the members have attended out of total meetings during the reporting period.
[2] The term of the Risk Management and Business Ethics Supervision Committee has ended on 19 April 2022 and Šarūnas Rameikis was not re-elected, so since then, he no loger belongs to the Risk Management and Business Ethics Supervision Committee causing attendance differences.

Audit Committee overview

Overall, the Audit Committee is responsible for monitoring the process of preparation of financial statements of the Group, with a focus on the relevance and consistency of accounting methods used. In addition, it is responsible for monitoring the effectiveness of the Group companies' internal control and risk management systems affecting the audited Group's financial statements as well as the effectiveness of internal audit. Also, the committee oversees the audit of the annual financial statements of Group companies which are public interest entities and the consolidated financial statements of the Group.

During the reporting period, the Audit Committee of the parent company comprised five members: four independent members and one representative of the Majority Shareholder. The term of the current Audit Committee ends on 26 September 2025.

Further information on the Audit Committee's functions, selection criteria, management of conflicts of interests and remuneration as well as information on education, experience and place of employment of the Audit Committee's members are available in our Annual report 2021.

There were no changes in the composition of the committee during the reporting period. No members of the Audit Committee had any participation in the capital of the parent company or its subsidiaries (Saulius Bakas, who previously held 1,800 shares of the parent company, sold his stake on 27 April 2022)

Overview of the Audit Committee (during the reporting period)

	Audit Committee
Term of office	27 September 2021 – 26 September 2025
Independence, including the Chair	80%
Meeting attendance	96%
Share holdings of the parent company or its subsidiaries	0[1]

[1] Saulius Bakas, who previously held 1,800 shares of the parent company, sold his stake on 27 April 2022.

Activities of the Audit Committee during the reporting period

Overall, 9 meetings of the Audit Committee were held in 9M 2022, covering the following key areas:

- an opinion was submitted to the Group on the conclusion of related party transactions in compliance with Article 372 of the Law on Companies of the Republic of Lithuania;
- the internal audit plan for 2022 was reviewed and approved;
- the reports on interim audit results of the Group were discussed;
- the process of preparation of the Group's financial statements was supervised;
- H1 2022 financial statements of the Group were discussed;
- the legal disputes in which the Group was involved were discussed;
- the implementation of the internal audit recommendations was carried out;
- the audit firm's reports on the Group's public interest companies were discussed;
- the audit firm's report of the Group's H1 2022 financial statements was discussed;
- semi-annual reports of Audit Committee's activities for 2021/2022 were submitted to supervisory boards of the Group's public interest companies;
- the impact of the Russia's invasion of Ukraine on the Group was discussed;
- the performance report of the parent company's investments into a venture capital fund Smart Energy Fund powered by Ignitis Group was reviewed;
- the selection procedure of an audit firm for the audit of financial statements for the period 2023–2025 was discussed;
- the periodic report on the Group's financial results was reviewed;
- the developments of the Group with the parent company's CEO were discussed;
- IT issues related to the preparation of financial statements were discussed;
- the process of generating the information for the Environmental Social Governance (ESG) report was discussed;
- the audit of the newly acquired companies of Ignitis Renewables during the year 2022 was discussed.

Overview of the meeting attendance[1] of the Audit Committee members (during the reporting period)

Member	Attendance[2]
Irena Petruškevičienė	9/9
Saulius Bakas	8/9
Marius Pulkauninkas	9/9
Ingrida Muckutė	9/9
Judith Buss	8/9

[2] The numbers indicate how many meetings the members have attended out of total meetings during the reporting period.

4.3 Management Board

Management Board overview

Management Board is a collegial management body set out in the Articles of Association of the parent company. The activities of the Management Board are regulated by the Law on Companies, its implementing legislation, the Corporate Governance Guidelines, the Articles of Association of the parent company and the Rules of Procedure of the Management Board. During the reporting period, the rules governing the election of the members of the Management Board of the parent company were not amended.

The main functions of the Management Board include developing and implementing the Group's strategy, making decisions regarding the acquisition and establishment of new companies as well as approving candidates for supervisory and management bodies of subsidiaries. Its responsibilities also cover approval of material transactions, making decisions on common rules and principles (policies, guidelines, recommendations) applicable to the entire Group, and other decisions assigned by the Law on Companies, the Articles of Associations or the decisions of the General Meeting of Shareholders.

During the reporting period, there were changes in the composition of the parent company's Management Board. On 18 February 2022, the Supervisory Board recalled the previous Management Board in corpore and elected new members to the Management Board as well as submitted an opinion regarding the CEO of the Group. After the decision of the Supervisory Board, the new Management Board elected its Chair from among its members in its first meeting, who was also appointed as CEO of the parent company. The term of the current Management Board ends on 17 February 2026.

The Management Board comprises five members. All Management Board members hold shares of the parent company (please refer to the table on the right side). The Group publishes relevant transactions through stock exchanges according to Article 19 of the Market abuse regulation (EU) No. 596/2014 and other relevant disclosure requirements.

Further information on the Management Board's functions, selection criteria, management of conflicts of interests as well as information on education, experience and place of employment is available in our Annual report 2021. Remuneration for the activities of the Management Board, available on our website, is paid in accordance with the Group's Remuneration Policy approved by the General Meeting of Shareholders. There were no other significant changes during the reporting period, except for the ones mentioned above.

Activities of the parent company's Management Board during the reporting

Overall 60 meetings of the Management Board were held in 9M 2022, covering the following key areas:

- evaluation of the most significant transaction planned by the Group, approval of their conclusion and approval of essential terms and conditions of transactions;
- evaluation of the organisation of the parent company's and the Group's activities and making decisions related thereto;
- making decisions on participation and voting in general meetings of shareholders of the companies wherein the parent company is a shareholder;
- approval of the consolidated annual report of the Group and its submission to the Supervisory Board and the General Meeting of Shareholders;
- evaluation of the parent company's annual financial statements, consolidated financial statements of the Group and draft allocation of profit (loss) and providing comments to the Supervisory Board and the General Meeting of Shareholders;
- approval of the interim report of the Group for the six months period and the set of audited interim condensed financial statements for the six months, and the allocation of dividends to the Shareholders and its submission to the General Meeting of Shareholders;
- making decisions on the approval of the Group's internal policies.

Meeting attendance and number of owned shares of the parent company (during the reporting period)

Member	Position	Attendance[1]	Number of shares
Darius Maikštėnas	Chair, CEO	60/60	3,000
Jonas Rimavičius	Member, CFO	50/50[2]	500
Dr. Živilė Skibarkienė	Member, Group Head of Organisational Development	60/60	300
Vidmantas Salietis	Member, Group Head of Commercial Activities	60/60	200
Mantas Mikalajūnas	Member, Group Head of Regulated Activities	50/50[2]	220

[1] The numbers indicate how many meetings in 9M 2022 the members have attended out of total meetings during the reporting period.
[2] Darius Maikštėnas, Dr. Živilė Skibarkienė and Vidmantas Salietis were re-elected, while Jonas Rimavičius and Mantas Mikalajūnas were newly elected members of the Management Board on 18 February 2022, causing attendance differences.

CEO overview

At the executive employees' level, the parent company is managed by the Chief Executive Officer and the Management Board. CEO is a single-person management body of the parent company, who organizes, directs, acts on behalf of the parent company and concludes transactions unilaterally, as provided by the Law on Companies (link in Lithuanian), its implemented legislation and the Articles of Association of the parent company. CEO is entitled to solely represent the parent company and execute documents on the parent company's behalf.

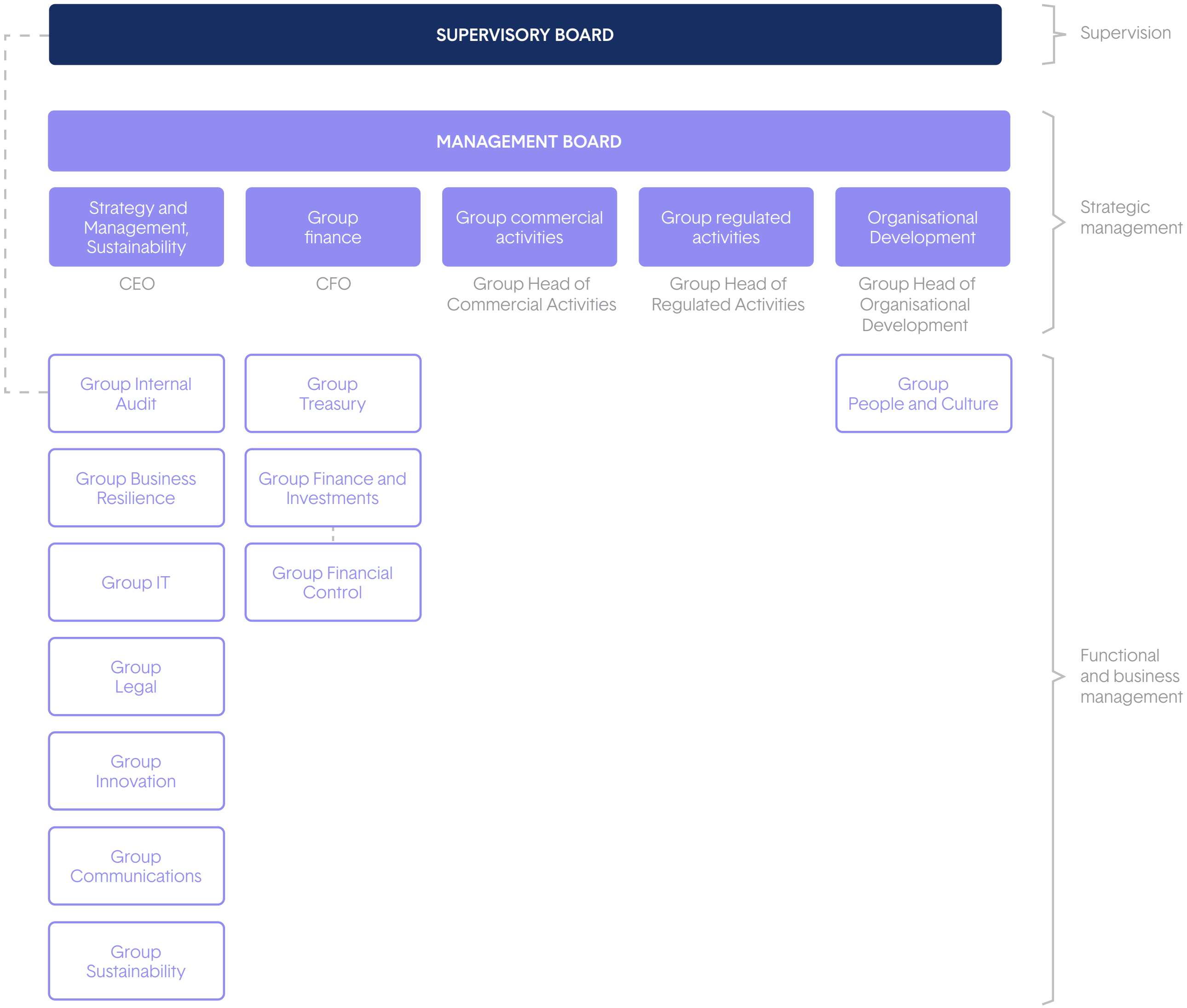
The competence of a CEO, the procedure of appointment and removal, the terms of office are established according to the Law on Companies (link in Lithuanian), its implemented legislation, the Corporate Governance Guidelines and the Articles of Association of the parent company. In accordance with the Corporate Governance Guidelines, the Chair of the Management Board elected by the Management Board is appointed as CEO of the parent company. It should be noted that CEO of the parent company, as a SOE, is also subject to special recruitment features set out in the Law on Companies (link in Lithuanian), according to which the term of a CEO is limited to five years. It stipulates that the same person can only be appointed for two consecutive five-year terms.

During the reporting period, on 18 February 2022 the Supervisory Board elected the new members of the Management Board and submitted an opinion regarding the CEO of the parent company. During the first meeting of the new Management Board held on the same day, Darius Maikštėnas was elected as the CEO of the parent company.

At the end of the reporting period, the parent company's CEO Darius Maikštėnas held 3,000 shares of the parent company.

Further information on the CEO's functions, responsibilities remuneration, including key contractual terms and conditions of his employment agreement with the parent company, is available in our Annual report 2021.

The parent company's organizational structure (at the end of the reporting period)[1]



[1] *After the reporting period the parent company's organizational structure was updated. Changes include: establishment of Group Diversity, Inclusion and Well-being under Organisational Development. Restructuring of Group finance into Group Treasury, Group Strategy, Group Financial Planning and Analysis, Investor Relations, Group Investment and M&A.*

4.4 Risk and risk management

Risk management framework

In connection with the business activities, the Group is exposed to strategic, operational (activity), financial 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 31000:2009. A clear segregation of risk management and control duties is controlled by applying the three-lines-of-defence principle 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 to and reflect the changes in the Group, each year the Group initiates a risk management process related to the Group's risks and the Group's strategic objectives, which include all the Group companies and functions. In order to ensure control, we monitor risks, risk management measures, key risk indicators and prepare internal reports to the management (both at the level of individual functions or Group companies and at the Group level) on a quarterly basis.

Further information on our risk management framework is available in our Annual report 2021.

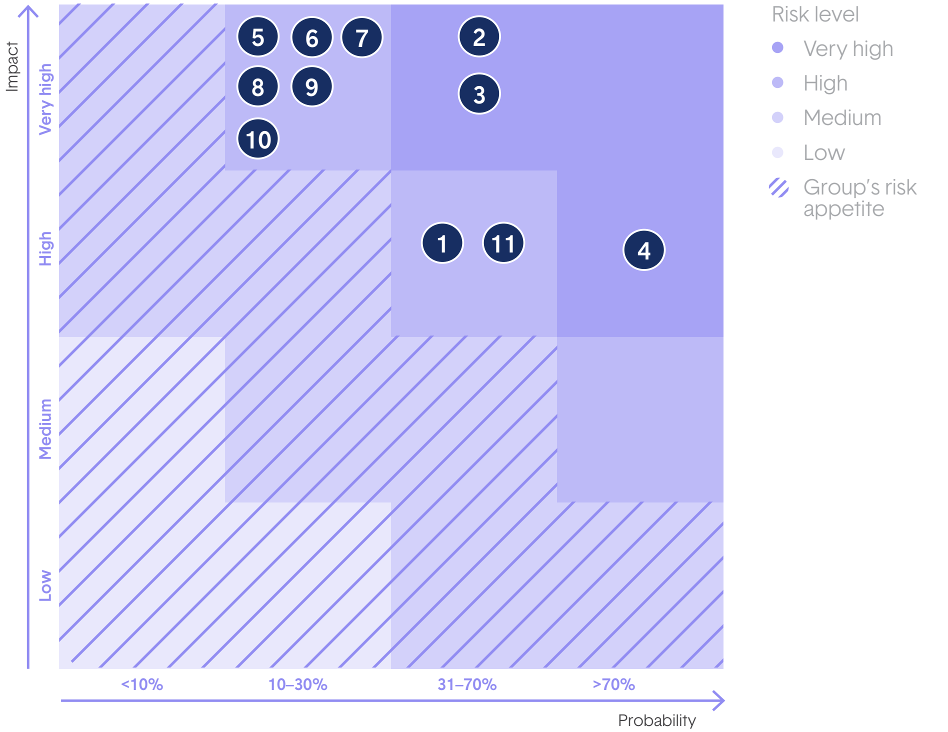
Key risks and their control

During and after the reporting period

After the risk review in Q3 2022, no adverse changes were recorded among the risks and their levels compared to the end of Q2 2022. Further in depth overview of potential impact and probability of all risks indicated in the heat map on the right side of the page together with the detailed disclosure of their mitigation strategies is available in our Annual report 2021.

However, in addition to the COVID-19 crisis continuing for the third year, at the end of February 2022 the world faced a new geopolitical crisis – the Russia's invasion of Ukraine. Considering that both issues have an impact on businesses and people across the globe, we provide separate disclosures on the issues below to ensure the transparency to the extent possible of their potential impact on the Group.

Key risks of the Group



1. Risk of occupational health & safety accidents of employees and contractors (the Group)
2. Risk of insufficient transmission grid capacities (Green Generation)
3. Risk of not winning the Lithuanian offshore wind tender (Green Generation)
4. Risk of liquid hedging products' deficit (Customers & Solutions)
5. Employees' attraction, development and retention risk (Green Generation)
6. Financial liquidity risk (the Group)
7. Risk of adverse / unplanned regulatory changes (the Group)
8. Risk of failure to complete the Vilnius CHP biomass unit project properly and on time (Green Generation)
9. Risk of recovery of not notified State-aid (Flexible Generation)
10. Lithuanian energy system security risk (Flexible Generation)
11. Risk of cyber-attack (the Group)

Regarding the Russia's invasion of Ukraine

Overview

The Group has assessed the actual and potential direct and indirect impact of Russia's invasion of Ukraine on business activities, the Group's exposure to the affected markets, supply chains, its financial situation and economic performance using all the information available at the time and did not identify any material threats to the Group's business continuity. However, it should be noted that, due to the ongoing uncertainty, the final impact of the Russia's invasion of Ukraine on the business of the Group companies cannot be assessed in full yet.

General potential effects that are tightly related to the Group's activities are an increase in electricity and natural gas prices, significant increase in net working capital, possible disruptions in supply chains as well as rising inflation and prices of other materials. In order to manage these effects, proper actions have been taken including, but not limited to, additional short-term loan agreements concluded with banks. Additionally, the Lithuanian Parliament made a decision to compensate regulatory differences accumulated by 1 July 2022 directly from the state budget though the tariff during H2 2022. Considering the increased risks of cyber incidents, the level of vigilance in cybersecurity is being raised nationwide. It must be noted that the Group is classified as owner of critical infrastructure.

Impact on business segments

The Networks segment is highly exposed to growing energy prices, which may increase the need for working capital due to temporary regulatory differences as the gap between the actual energy prices and the ones included in the tariff may widen. Moreover, additional funding may be required due to possibly higher costs in the future, which may lead to an increase in liabilities and higher loan interest. Additionally, investments in expansion and maintenance of the electricity distribution network increased due to an increase in contractor fees, which were affected by Russia's invasion of Ukraine. Contractor fees for new connections and upgrades increased on average by 55% per customer. Contractor fees for maintenance increased on average by 50% per object. Nevertheless, in the long run, the regulatory mechanism should ensure that the effects on consumption and prices will be eliminated. Currently, no significant changes in the level of bad debts were detected.

Growing electricity prices have a positive impact on EBITDA result of the Green Generation segment. However, considering Green Generation projects, there is a risk of longer lead times and higher expenditures for investments due to an increase in the price of materials. Due to disruptions in supply chain and construction markets, budget of Vilnius CHP's biomass unit was revised to around EUR 270.0 million (from EUR 232.0 million) and the risk of expected COD is identified (first energy generation on testing mode was already rescheduled around Q1 2023 and remains unchanged). Currently, there is a risk of possible delay of the major overhaul of Kruonis PSHP (replacement parts are manufactured in Ukraine). On the contrary, geopolitical tensions revealed the importance of green generation development and Europe's energy independence from Russia's fossil fuels. As a result of the geopolitical crisis, the overall interest in the development of green energy has increased dramatically, which accelerated the implementation of existing projects as well as the expansion of the pipelines for potential new ones.

Given the geopolitical situation, the Flexible Generation segment, as a provider of isolated regime services, was directly affected through an emerged need to prepare for uninterrupted electricity generation in advance, which required to acquire approx. 1.1 TWh of natural gas, which, in turn, increased the working capital level. The regulatory mechanism is supposed to ensure compensation for the additional costs incurred. Another issue is related to the supply of spare parts for the major overhaul of unit 8 of Elektrėnai Complex as the necessary parts were manufactured in Ukraine, however, an alternative solution was found in Czhech Republic, ensuring the supply of the parts with a delay compared to the initial plan.

The main impact on the Customers & Solutions segment is related to the suspended purchase of Gazprom's natural gas, which was replaced by LNG cargoes. This has led to an increase in working capital needs and additional hedging transactions. With the refusal of Russian natural gas, potential new challenges related to the infrastructure (limited infrastructure capacities for gas transportation) and more limited supply are being closely monitored and addressed. All required actions are taken to ensure secure natural gas and electricity supply as well as to manage increased net working capital. Net working capital growth was also affected by higher temporary regulatory differences due to growing energy prices as the gap between actual energy prices and the ones included in the tariff have widened. However, a package to counter the effects of inflation and to strengthen energy independence has been approved by the Lithuanian Parliament, and part of it has been allocated to UAB "Ignitis" to cover accumulated regulatory differences. Despite growing electricity and natural gas prices, significant changes in the level of bad debts were not detected. However, an increase in requests from business customers to postpone payments for electricity or gas supplies,

Overview of the impact of the Russia's invasion of Ukraine

Business segment	Overall impact
Networks	– Growing energy prices may cause temporary regulatory differences. – Uncertainty regarding the supply chain and an increase in the price of key materials.
Green Generation	– Growing electricity prices have positive impact on EBITDA of Green Generation portfolio. – Potential shortage of spare parts for Kruonis PSHP major overhaul. – Changes in the construction milestones and budget of Vilnius CHP's biomass unit. – Potential increase in investment expenditures in new projects due to growing commodity prices. – Potentially longer lead times of Green Generation projects.
Flexible Generation	– Shortage of spare parts for major overhaul of unit 8 of Elektrėnai Complex. – Additional natural gas reserve of 1.1 TWh was acquired, which increased the net working capital.
Customers & Solutions	– Natural gas purchases from Gazprom replaced by LNG cargoes increased the net working capital and caused infrastructure issues as well as more limited supply. – Growing electricity and natural gas prices caused higher temporary regulatory differences and increased net working capital needs.

or to extend contractual payment terms was noticed. The risk of an increase in receivables is being closely monitored.

Mitigation

Even though there are additional risk factors, proper actions have been taken to manage them and no significant changes in the risk levels of key risks of the Group were recorded. In order to ensure market demand and uninterrupted gas supply as well as to fund growing working capital needs, the Group concluded short-term loan agreements with banks (as of 30 September 2022 there were five credit line and overdraft facilities with a total limit of EUR 599 million, and, after the reporting period, the total limit increased to EUR 719 million, with an additional credit line concluded). Also, the Lithuanian Parliament amended the legislation related to providing consumers with partial compensation due to increasing prices of energy resources. From H2 2022, the increasing prices as well as the regulatory differences of regulated supply customers up to this point are being partially compensated directly from the state budget. Out of the EUR 570 million allocated from the state budget, a part is allocated through tariffs to cover regulatory differences of what has already been accumulated throughout 2021 and H1 2022. It is expected to lessen further increase in the Group's net working capital in H2 2022 as well as currently accumulated debts that have been used to finance the regulatory differences until the second half of this year. Moreover, the natural gas interconnection between Poland and Lithuania (GIPL) started commercial operations in May 2022, allowing Lithuanian-Polish gas exchange, which strengthens the energy independence of the region and increases trading opportunities.

The Group constantly monitors the situation and analyses the latest information as well as the changes in external factors, and their impact on the Group. In the same manner, the Group also ensures uninterrupted supply of energy and business continuity.

Other

Since the outbreak of the war in Ukraine, external scans and distributed denial-of-service (DDoS) attacks which target the IT infrastructure of the Group have been increasing. After considering the geopolitical situation and assessing the increased risks of cyber incidents, appropriate preventive measures have been taken to manage the increased cybersecurity risks. Our monitoring team ensures 24/7 monitoring of external and internal resources, which helps proactively detect, prevent, and mitigate malicious actions. In order to protect the Group against DDoS attacks, we closely cooperate with internet service providers and have made additional investments into cloud protection. Moreover, the Group is cooperating with the National Cyber Security Centre of Lithuania by sharing the information and implementing the recommendations received on strengthening of cybersecurity.
None of the Group companies and/or individuals are subjected to sanctions. Thus, there were no related party transactions with such parties.

COVID-19

Despite the resilient economic environment in the home market, COVID-19-related crisis could impact the Group's activities mostly by affecting our employees, contractors, suppliers, customers, and capital markets. We manage risks related to employees based on their functions and by ensuring the possibility to work remotely. Additionally, for employees we provide additional personal protection, hygiene measures and restrict unnecessary contact with others.

So far, we did not experience any significant disruptions due to COVID-19 in main business activities, investment strategies and development of projects, except for some delays in projects' milestones. However, using all the information available at this time, we are continuously assessing potential disruptions of cash flow, supply of services or goods, issues with attracting sources of financing, potential decrease in electricity and gas consumption due to economic slowdown, the risks of COVID-19 infection of critical personnel and the risk of delays in ongoing projects. We have not identified any circumstances yet which may give a reason to doubt the actions of the Group as a whole and the business continuity of subsidiaries of the Group, and we have also taken actions to manage risks arising from the Group's activities.

We will continue monitoring the potential impact on the Group based on the changes in internal and external factors to ensure the Group's business continuity.

Compliance Programme

The Group strives for maximum transparency, effective management of inside information and equality of all financial market participants in respect of availability of the issuer's material information, this corresponds to the goals of the Lithuanian and UK supervisory authorities. Consequently, effective prevention of market abuse is one of our main priorities. The Group is listed both in London and Nasdaq Vilnius stock exchanges – it complies with all relevant EU, Lithuanian and UK laws and guidelines.

We comply with the Market abuse regulation (EU) No. 596/2014 (MAR) and all related laws. Persons discharging managerial responsibilities and persons associated with them are under a duty to disclose their transactions related to the Group's financial instruments when a EUR 5,000 notification threshold has been reached within a calendar year. Trading of those individuals is also governed by "Trading guidelines for the issuer's managers and persons closely associated with them". The Group's own internal insider and transparency rules are updated regularly, including this year, and a specialized internal inside information management training is performed regularly by all Group employees who are included in an 'Insider List'. So far this year, more than 90% of employees completed the aforementioned training. The Group has an Insider Management Committee, which deals with complex insider management and relevant issues effectively. Moreover, the Group applies guidelines for the prevention of market abuse in practice to help employees identify illegal actions and provide relevant recommendations..

More detailed information regarding transparency and market abuse administration, the persons discharging managerial responsibilities and a duty to disclose, a 'Closed Period' as well as internal supervision of insiders and relevant affairs is available in the Annual report 2021.

Related party transactions

The parent company follows the provisions of the Law on Companies of the Republic of Lithuania when conducting related party transactions. It must be noted that the Supervisory Board of the parent company considers the conclusions of the Audit Committee and makes decisions regarding the related party transactions of the parent company and the Group companies if they are conducted under unusual market conditions and/or are not attributable to the usual economic activities, and/or have a significant impact on the parent company, its finances, assets and obligations, i.e., the value of such transaction is over 1/50 of the parent company's equity (excluding transactions that are necessary to ensure core activities of the Group companies and transactions which must be concluded under the requirement of the law, also short-term lending transactions as well as lending, collateral of obligations and services of collateral transactions between the parent company and a subsidiary of the Group (including subsequent subsidiaries), if the value of this transaction during the financial year does not exceed 1/10 of the value of the assets indicated in the latest published audited balance sheet of the parent company).

We disclose information about the concluded related party transactions on our website and in accordance with the IFRS requirements in the section 'Financial statements' of this report. Additionally, according to the Article 37^2 (10) of the Law on Companies of the Republic of Lithuania, the Group's annual report must include the sum of the values of the related party transactions (i.e., in the ordinary course of business during the financial year). Currently, the Parliament of the Republic of Lithuania is considering the draft of Law on Companies of the Republic of Lithuania establishing a new regulation, which is to be adopted on 3 November 2022. This draft law establishes that if the transactions or the total amount of such transactions during the financial year exceed 1/10 of the total assets indicated in the latest audited balance sheet of the publicly listed company, and transactions (a) are concluded under abnormal market conditions and/or (b) are not attributable to the company's normal economic activities, such transactions require the opinion of the Audit Committee and the approval of the Supervisory Board.

4.5 Information about the Group

Corporate structure

At the end of the reporting period, the Group consists of the parent company and 32 fully consolidated subsidiaries. This number has increased to 33 after the reporting period. Ignitis Grupė is the Group's parent company and is responsible for coordinating its activities and transparent management of the Group. Detailed information regarding the subsidiaries is available on our website, Annual report 2021 and the First half year 2022 Interim report.

The entities showed on the next page are directly or indirectly controlled by the Group, which applies the governance system as per below (i.e. each number indicated below and on the next page corresponds to governance system type the company uses):

1	**The Supervisory Board** is formed out of 7 non-executive members (2 shareholder's representatives, 5 independent). **The Management Board** is formed out of 5 executive members. **Chief Executive Officer** is also the Chair of the Management Board.
2	**The Supervisory Board** is formed out of 5 non-executive members[1] or 3 non-executive members (2 shareholder's representatives and 1 independent member). **The Board** is formed out of 5 or 3 executive members. **Chief Executive Officer** is also the Chair of the Board.
3	**The Board** is formed out of 3 non-executive members (2 shareholder's representatives and 1 independent member). The Board's structure might be different in some companies and it is not formed until the company starts its operations[2]. **General Manager** is not a member of the Board.
4	**Chief Executive Officer** is the sole management body. **The Board** is not formed.

[1] At ESO: 2 shareholder's representatives, 2 independent members and 1 employees' representative.
[2] The Boards of Ignitis Latvija and Ignitis Polska comprise 1 member – CEO, the Supervisory Board of Ignitis Latvija comprise shareholder's representatives, whilst the Supervisory Board of Ignitis Polska comprise 2 shareholder's representatives and 1 independent member. The Board of Ignitis Suomi Oy comprise 1 ordinary member and 1 deputy member. The Board of Ignitis Renewables Polska sp. z. o. o. comprise 2 non-executive members (shareholder's representatives).

The Group have adopted decisions to replace a two-tier management model applied in the Group's main subsidiaries ESO (Networks), Ignitis Gamyba (Flexible Generation and Green Generation) and Ignitis (Customers & Solutions) with a one-tier management model, i.e., to remove the Management Boards made up of employees and instead to form Boards with a supervisory function that will be made up of at least 1/3 of independent members, civil servants and shareholder representatives. The new model applied in the subsidiaries will ensure simpler but, at the same time, effective governance, which will continue to meet the highest standards of governance, speedy decision-making, fast communication, and active involvement of independent members. Given the different expiry dates of the terms of office of the subsidiaries' collegial bodies, the change in the governance model from a two-tier to a one-tier governance model will take place in two stages. In the first stage, the governance model of ESO (Networks) andIgnitis Gamyba (Flexible Generation and Green Generation) is planned to be changed by the end of this year, while the governance model of Ignitis (Customers & Solutions) will be changed in the second stage by Q2 2023.

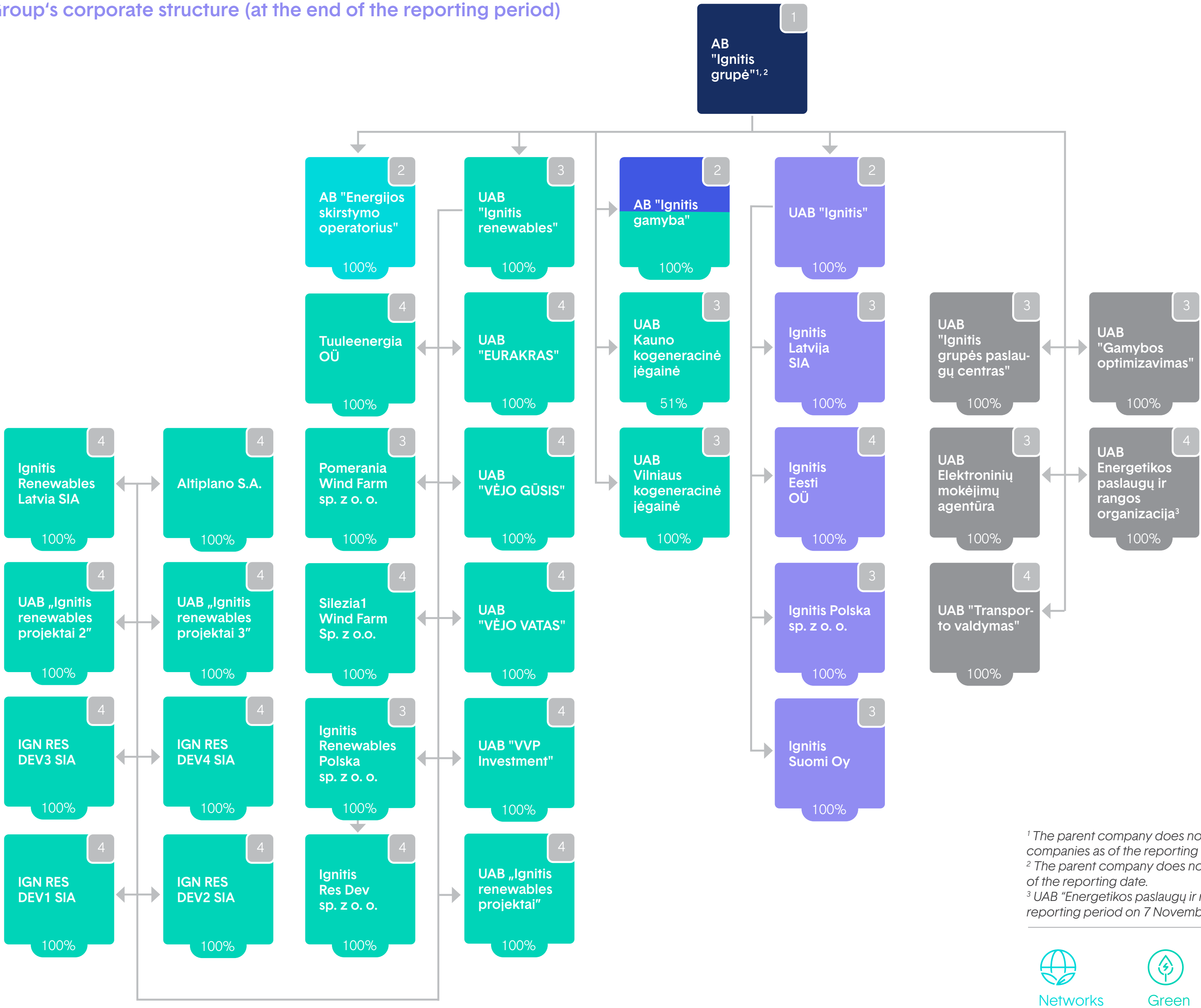
Changes in the Group's structure during the reporting period:

- Altiplano Elektrownie Wiatrowe B1 sp. z o. o. name was changed to Silezia1 Wind Farm Sp. z o. o.;
- UAB "Ignitis renewables" established six new subsidiaries: UAB "Ignitis renewables projektai 3", UAB "Ignitis renewables projektai 2", IGN RES DEV4 SIA, IGN RES DEV3 SIA, IGN RES DEV1 SIA and IGN RES DEV2 SIA;
- UAB "NT valdos" was liquidated;
- UAB "Ignitis renewables" acquired new company developing onshore wind farm Silesia II.

Changes in the Group's structure after the reporting period:

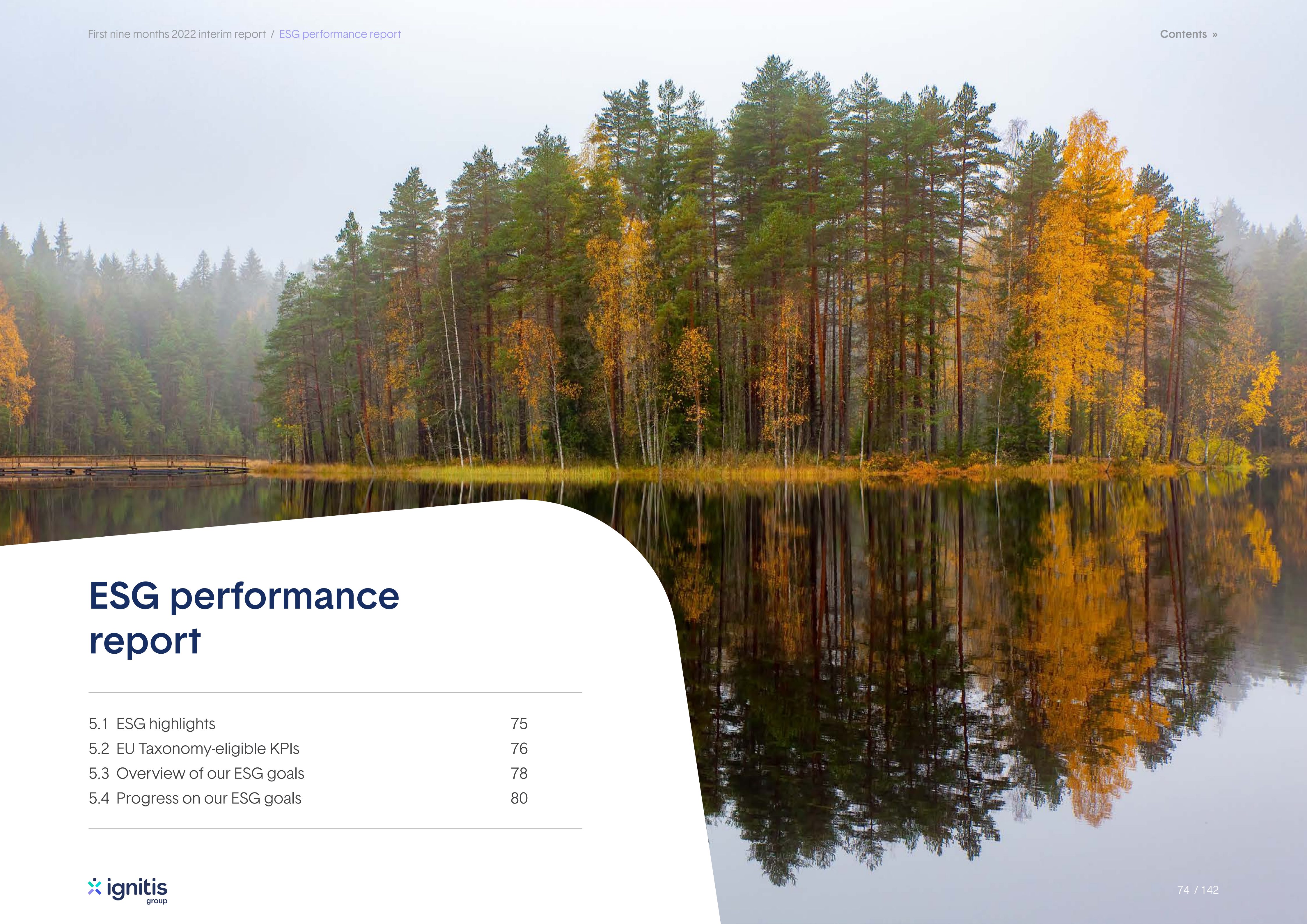
- UAB "Ignitis renewables" established a subsidiary UAB "Vėjo galia bendruomenei" which is responsible for administration of a wind farm "Vėjo galia";
- UAB "Energetikos paslaugų ir rangos organizacija" was liquidated.

The Group's corporate structure (at the end of the reporting period)



[1] The parent company does not have any branches and representative companies as of the reporting date.
[2] The parent company does not carry out research and development activities as of the reporting date.
[3] UAB "Energetikos paslaugų ir rangos organizacija" was liquidated after the reporting period on 7 November 2022.

Networks
Green Generation
Flexible Generation
Customers & Solutions



ESG performance report

5.1 ESG highlights

Commitment to sustainability excellence

Sustainability is at the core of the Group's strategy. The ambition to lead the energy transition across the region towards an energy smart world requires strengthening of our ESG performance and accountability. During 9M 2022, the Group received a rating of 'C' in the ISS ESG corporate rating and for the fourth year in a row was awarded by Governance Coordination Centre with the highest governance rating in the category of large-sized companies. Additionally, Ignitis (Customers & Solutions) received a platinum medal for its sustainability practices from EcoVadis, a ratings platform that focuses on sustainable supply chains. The most significant external benchmarks marking the Group's progress in implementing the principles of sustainability are presented below.

	MSCI ESG	Sustainalytics	ISS ESG	CDP climate	EcoVadis
Rank compared to utility peers	Top 35%[1]	Top 14%	6 decile	n/d	Top 3%[3]
ignitis group	'AA'	20.4 (Medium Risk)	'C'	'B'	78 (Platinum Medal)
Utiities average	'A'[1]	33.7[2]	N/A	'B'	N/A
Rating scale (worst to best)	'CCC' to 'AAA'	100 to 0	'D-' to 'A+'	'D-' to 'A'	0-100

[1] MSCI utilities rank and average based on utilities included in the MSCI ACWI index.
[2] Based on publicly available data.
[3] In electricity, gas, steam and air conditioning supply industry. Assessment of Groups' subsidiary UAB „Ignitis" (Customers & Solutions).

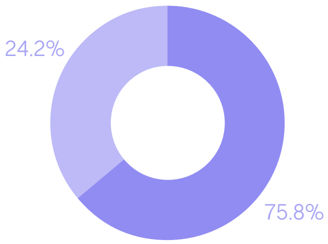
Following globally recognised standards

GRI	Integrated reporting using globally recognised standards.
TCFD	Joined TCFD supporters list and expect to fully implement TCFD guidelines for the 2022 reporting period.
SCIENCE BASED TARGETS	Validated GHG emissions targets for 2030 with the SBTi. Following net zero by 2050 trajectory.

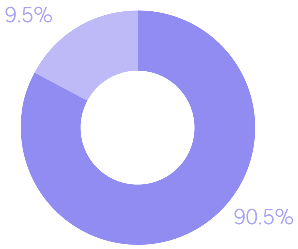
5.2 EU Taxonomy-eligible KPIs

The Taxonomy Regulation lays down a classification and investment screening system for environmentally sustainable economic activities, which aims to create transparency for shareholders, investors, and other stakeholders. Since 2022, it is required to disclose financial information linked to Taxonomy-eligible and non-eligible activities. Our reported KPIs refer to Taxonomy-eligible activities as defined in Article 1(5) of the Disclosures Delegated Act and Taxonomy-non-eligible activities as defined in Article 1(6) of the same Act. The Group has disclosed the Taxonomy-eligible KPIs for the first time in the Annual report 2021 and will continue this accountability practice.

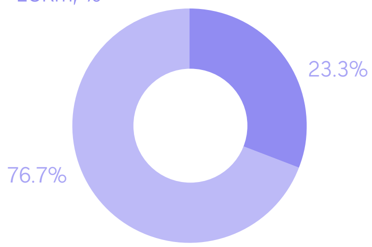
Adjusted EBITDA APM
EURm, %



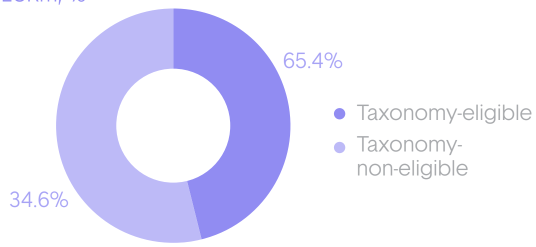
Investments APM
EURm, %



Revenue
EURm, %



OPEX APM
EURm, %



Current Taxonomy disclosure

Taxonomy-eligible activities of the Group include:

- electricity generation from wind power;
- electricity generation from hydropower;
- distribution of electricity;
- storage of electricity (Kruonis PSHP);
- electricity generation using solar photovoltaic technology;
- installation and operation of electric heat pumps;
- infrastructure enabling low-carbon road transport and public transport (EV charging points);
- cogeneration of heat/cool and power from bioenergy;
- installation, maintenance and repair of renewable energy technologies;
- instalation, maintenance and repair of energy efficiency equipment;
- electricity generation from fossil gaseous fuels.

Taxonomy-non-eligible economic activities of the Group include electricity supply, natural gas supply and distribution, cogeneration of heat/cool and power from waste and other activities non significant of Group level.

Taxonomy-eligibility evaluation regarding the Elektrėnai biomass boiler is still under ongoing analysis and the status will be disclosed in the annual report for year 2022.

Our work towards Taxonomy alignment

Eligibility reporting is the first step towards determining alignment of the activities to the Taxonomy to be disclosed for full-year 2022. Accordingly, we have started our preliminary Taxonomy-alignment process based on the following alignment evaluation criteria:

- activity substantially contributes to one of 6 defined environmental objectives (substantial contribution criteria) and complies with the relevant technical screening criteria;
- no significant harm (DNSH) is done to any of the other environmental objectives (DNSH criteria);
- activity complies with minimum social standards (will be defined by the social Taxonomy in the future).

Accounting policies

While the EU Taxonomy requires to disclose the share of turnover, OPEX and Investments that can make a significant contribution to at least one of the EU's environmental objectives, the Group additionally discloses the Adjusted EBITDA metric as it provides coherence with other KPIs and better reflects how much the Group's growth is linked to sustainable activities (as defined by the Taxonomy).

All reported Taxonomy KPIs are directly linked to the Group's financial accounting structure and exclude double counting. Proportional accounting is only undertaken in the case of OPEX, and Adjusted EBITDA related to the non-material activities/ transactions at the Group level.

Reported figures include results from both regulated and commercial activities of storage of electricity (Kruonis PSHP) and electricity generation from fossil gaseous fuels, where regulated result includes figures not necessarily from generation of electricity.

Taxonomy-eligible Adjusted EBITDA

The Group's Taxonomy-eligible share of adjusted EBITDA in 9M 2022 was 75.8% and primarily included result from distribution of electricity, electricity generation from hydropower, storage of electricity (Kruonis PSHP), electricity generation from wind power and from fossil gaseous fuels. The Taxonomy-non-eligible share of EBITDA was 24.2% and comes primarily from electricity and gas supply, distribution of natural gas and cogeneration of heat/cool and power from waste. The Group's Taxonomy-eligible share of adjusted EBITDA in 9M 2022 excluding electricity generation from fossil gaseous fuels was 70.9%.

Taxonomy-eligible Investments

The Group's Taxonomy-eligible share of Investments in 9M 2022 was 90.5% and is mainly related to electricity distribution network, installation, maintenance and repair of renewable energy technologies, cogeneration of heat/cool and power from bioenergy (Vilnius CHP biomass unit which is currently under construction) and electricity generation from fossil gaseous fuels. Non-eligible investments corresponded to 9.5%, mainly related to investments in maintenance and expansion of natural gas distribution network. The Group's Taxonomy-eligible share of Investments in 9M 2022 excluding electricity generation from fossil gaseous fuels was 86.6%.

Taxonomy-eligible revenue

The Group's share of revenue associated with Taxonomy-eligible activities in 9M 2022 was 23.3% and is mainly coming from distribution and transmission of electricity, electricity generation from fossil gaseous fuels, storage of electricity (Kruonis PSHP), electricity generation from hydropower, electricity generation from wind power. Our share of revenue from Taxonomy-non-eligible activities was 76.7% and was primarily associated with electricity supply, natural gas supply and distribution. The Group's share of revenue associated with Taxonomy-eligible activities in 9M 2022 excluding electricity generation from fossil gaseous fuels was 18.1%.

Taxonomy-eligible OPEX

OPEX from Taxonomy-eligible activities in 9M 2022 represented 65.4% and were primarily related to electricity distribution activities, electricity generation from wind power and electricity generation from fossil gaseous fuels. 34.6% of OPEX was from non-eligible activities and was mainly related to electricity supply, natural gas supply and and distribution, cogeneration of heat/cool and power from waste. The Group's share of OPEX associated with Taxonomy-eligible activities in 9M 2022 excluding electricity generation from fossil gaseous fuels was 59.1%.

5.3 Overview of our ESG goals

Ambitious ESG goals have been set

In Q1 2022, the Supervisory Board of the Group approved the Strategic Plan 2022–2025, which establishes the Group's commitment to create a sustainable future and pursue its goals under the four main pillars: climate action, preserving natural resources, ensuring future-fit employees, and robust organisation. The overview of the Group's ESG goals and progress towards them is presented in the table below and detailed in section '5.4 Progress on our ESG goals'.

The Group continues to monitor its progress in accordance with the evaluation results of international ratings agencies assessing ESG risk management, as well as CDP, a globally recognised environmental disclosure organisation. For more in-depth information, see section 'Sustainability (Corporate Social Responsibility) report' in the Group's Annual report 2021. Information on the 9M 2022 performance can be found in the table below, and the detailed information on key Q1 and H1 2022 results is available in our First quarter 2022 Interim report (pp. 68–74) and First half year 2022 Interim report (pp. 69–76).

Sustainability pillar		2020 baseline	2021	9M 2022 status	2022–2025 target
Environmental dimension					
Climate action	Installed Green Generation capacity, GW	1.1	1.2	1.2	2.0–2.2
	GHG emissions reduction, million t CO_2-eq[1]	5.37	4.76	2.77 (H1 2022)	23% reduction (vs. 2020)
Preserving natural resources	Each business segment to implement at least one circularity transformation[2]	N/A	N/A	The analysis of the Group's transformation towards circularity is ongoing	Implemented at least one circularity transformation in each business segment
	Net gain in biodiversity[3]	N/A	N/A	The analysis of the Group's biodiversity and ecosystems management is ongoing	Net gain in biodiversity
Social dimension					
Future-fit employee	Fatal employee and contractor accidents	0	0	3	0
	Total recordable injury rate (TRIR) for a million hours worked by employees[4]	0.45	2.01	2.1	≤1.90
	Employee net promoter score (eNPS), %	56.0	57.4	59.7	≥50
	Share of women in top management[5], %	28	27	24.6	≥34%
Governance dimension					
Robust organisation	Share of employees intolerant of corruption[6], %	96	97	97 (2021)	≥95
	Share of sustainable adjusted EBITDA[7]	70% (EUR 171 million)	64% (EUR 212 million)	64% (EUR 212 million, 2021)	≥70%

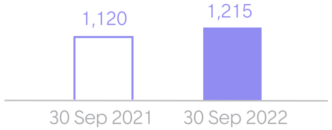
[1] Including scope 1,2,3 and biogenic emissions. 2020 value is the baseline for the validated science-based 2030 targets.
[2] Four business segments, for each: at least one significant initiative involving significant resource use reduction, reuse, or recycling.
[3] Involving first, an assessment of total biodiversity impact, and second, coordination with environmental experts to create a positive impact on biodiversity (restore, compensate natural habitat and species loss).
[4] Total recordable injury rate (TRIR): Total recordable injuries x 1 million hours worked divided by all hours worked during the reporting period. After implementing contractor TRIR monitoring, we plan to set targets that also cover contractors.
[5] Includes boards, general managers and 1st management level below them. Excludes double-counting (when the same person holds more than one top management position in the same company).
[6] Based on an annual employee survey question about how likely employees are to report potential corruption if they encounter it. Lithuania's public sector average – 21.0% (2021).
[7] Sustainable activities, as defined by the EU Taxonomy and delegated acts applicable since January 2022.

ISS ESG rating

The Group was rated by ESG corporate rating agency ISS and received a rating of 'C' (on a scale of 'D-' to 'A+'). It places the Group among 6th decile of utility peers in managing the most significant ESG risks.

5.4 Progress on our ESG goals

ENVIRONMENTAL

Sustainability pillar	**Climate action**		**Preserving natural resources**
Sustainability programme	Expanding green generation	Decarbonising operations & living	Adopting circularity and Preserving ecosystems & biodiversity
Progress in 9M 2022[1]	– We increased the installed capacity of the Green Generation segment by 95 MW in 9M 2022 compared to 9M 2021. **Green Generation installed capacity,** MW  – Since the end of 2021, we expanded our Green Generation pipeline by around 1.9 GW to 3.3 GW, which was mainly driven by the accelerated greenfield portfolio development. In 9M 2022, it increased by around 0.9 GW to a total of 1.1 GW. After the reporting period, we secured land plots for further 0.7 GW and now our greenfield pipeline comprises a total of around 1.8 GW. – The Group also contributes to the transition to green energy by increasing prosumers and sales of solar power plants. In 9M 2022, we sold twice as much solar power plants – 1,525, representing 37.0 MW (out of which 10.3 MW sold in Q3 2022) – to B2B and B2C customers compared to the same period last year. As for the prosumers, ESO (Networks) has received a record number of applications for connecting residential solar power plants to the grid. In 9M 2022, the company received 39,976 applications (4.1 times more than in 9M 2021).	– In Q3 2022, we invited business companies to estimate the amount of GHG emitted in their activities using the preliminary GHG emissions calculator on the Ignitis (Customers & Solutions) B2B website. Afterwards, we use the data to prepare a report where we identify the most polluting activities of the business and advise on how the GHG emissions could be reduced. Since the launch of the service in July 2022, we've prepared 4 reports for companies that expressed their interest in GHG calculation. – We continue to develop public EV charging network. By the end of this year, we aim to secure at least 100 new locations where new chargers will be installed and to expand Ignitis ON network to more than 200 locations. Currently, Ignitis ON network have 106 public charging stations, where 260 EVs can charge at the same time. All our charging stations supply only renewable energy. – In July 2022, a mass smart meter roll-out (Networks) has been started. In Q3 2022, 70,075 smart meters have been installed. After the reporting period this number increased to 100,000. We are planning to install around 192,000 smart meters by the end of this year.	– The analysis of the Group's biodiversity and ecosystems management started in Q1 2022 and will continue until the end of 2022. After completing the analysis, we plan to implement measures to mitigate our impact on natural ecosystems and achieve net gain in biodiversity in 2025. – The analysis of the Group's circularity started in the Q3 2022 and will be finished by the end of 2022. After the completion, we plan to implement measures to enhance the development of the circular economy activities in the Group. The goal is to achieve that each business segment would implement at least one circularity promoting change by the end of 2025.
At the end of 2021	1,214 MW of installed Green Generation capacity	GHG emissions: 4.76m t CO_2-eq[2]	N/A
2025 strategic milestones and goals	2.0–2.2 GW of installed Green Generation capacity	23% GHG emissions reduction (vs. 2020)[3]	Each business segment to implement at least one circularity transformation[4] and Net gain in biodiversity[5]

5 GENDER EQUALITY | 8 DECENT WORK AND ECONOMIC GROWTH

SOCIAL

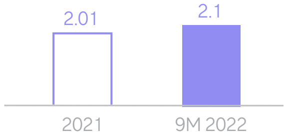
Sustainability pillar: Future-fit employees and communities

Sustainability programme: Increasing safety at work

Progress in 9M 2022[1]

- Total recordable injury rate (TRIR) for a million hours worked by employees was 2.1 in 9M 2022 (almost 17% less than in H1 2022). The accidents mainly occured due to challenging weather conditions and failure to follow proper safety precautions.

TRIR, times



- Working with contractors and employees on occupational safety and health (OSH) issues is one of the top priorities of the Group. The importance of it was, unfortunately, illustrated by real examples. Three fatal accidents were recorded so far in 2022. Two contractor's employees were fatally injured: one – while clearing trees and shrubs under a high-voltage power line in January 2022, and another – during maintenance works in July 2022. Also, an employee of the Group was electrocuted to death during work in June 2022. Unfortunately, these tragedies occurred due to improper assessment of circumstances, poor preparation for work and failure to follow safety precautions. In order to prevent such accidents in the future and to raise the competence of employees in the field of occupational health and safety (OHS), we've prepared the OHS programme "Is it safe?", which will be launched in Q4 2022. The programme is dedicated to elevating safety culture within the Group and includes trainings, management improvement, procedures and communication.

At the end of 2021: 2.01 TRIR[6]

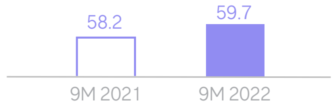
2025 strategic milestones and goals: 0 employee and contractor fatalities; TRIR <1.90

Sustainability programme: Cultivating a collaborative and nurturing workplace

Progress in 9M 2022[1]

- Employee net promoter score (eNPS) – one of the measures of employee satisfaction – has increased by 1.5 pp compared to the same period in 2021, but decreased by 5.2 pp compared to Q2 2022.

Employee satisfaction, eNPS, % (1–100)



- In 9M 2022, during the implementation of the 'Energy Smart START' programme, we gave lectures in 54 educational institutions for more than 1,700 students. Moreover, the Group has signed cooperation agreements with eight high schools in Lithuania and allocated EUR 150,000 for 50 scholarships for the education of future energy engineers.
- In 9M 2022, 85 employees of the Group took the opportunity to volunteer in various social and environmental activities.
- At the end of April 2022 we reopened tours to some of our facilities. We had 1,225 visitors by the end of 9M 2022.
- In July 2022, Ignitis Renewables (Green Generation) invited communities located near the Group's Green Generation projects to submit applications to receive financial support. Financial support can be granted to social, education, art, culture, science and sport (excluding extreme and high-risk sport) projects, activities. These projects and/or activities must create, encourage long-term cooperation between the Group and the community, also it must comply with the support granting criteria established in Financial Support Management Guidelines. In September 2022,16 applications for financial support were received (10 from Lithuania and 6 from Poland). After the reporting period the evaluation of applications were finalized and 9 applications were granted the support amounting to EUR 86,100. Now we will move to the stage of signing contracts with communities and implementing projects.

At the end of 2021: 57.4% eNPS

2025 strategic milestones and goals: ≥50% net share of employees promoting the Group as an employer (eNPS)

Sustainability programme: Growing a diverse and inclusive workplace

Progress in 9M 2022[1]

- We are focusing our diversity efforts on improving gender balance at the Group. We pay particular attention to two areas where there is an identified gender disbalance: among our colleagues who work in engineering and IT as well as among top management. In 9M 2022 the share of women in top management was 24.6%, and 20.5% in IT and engineering positions (21.0% and 19.0% respectively in the same period last year).
- We have improved our anti-discrimination efforts by setting a requirement for all hiring managers, talent acquisition specialists and HR business partners to personally commit to ensure equal opportunities during recruitment. Whenever carrying out hiring activities, all hiring managers agree not to ask discriminatory questions, to apply the same selection criteria, and to consider and apply the principles of equal opportunities, otherwise, a job ad cannot be posted. A follow-up training was carried out to explain and remind the responsibilities of non-discrimination and other duties while recruiting. 321 managers (72.0% of all managers) as well as talent acquisition specialists and HR business partners have participated in the training, and it was shared with the rest of managers.
- To increase gender balance in candidate pool for top management positions, we sent official Letters of Expectations to 5 major recruitment agencies that we are working with, asking them to aim to present an equal number of female and male candidates in shortlists, when organizing further selections for top management positions. We also sent official statements to our key stakeholders that participate in the selection procedures, encouraging to evaluate candidates without prejudice or stereotypes related to gender and to make sure – before making a decision – that equal selection conditions have been created for women and men.
- During the "Energise Equality" project, where we promote a culture of dialogue on the topic of equal opportunities, our employees (10 women and 9 men) were trained to be moderators of Barbershop toolbox discussions that invite women and men to find a common ground in the importance of gender equality in our Group. Moderators working in pairs have initiated and led discussions that have attracted 85 colleagues so far, and gathered insights on how to improve gender equality in the workplace.
- In Q3 2022, an employee of the Group submitted a complaint to the State Labor Inspectorate regarding possible psychological violence at work. The inspection carried out an investigation and did not find any violations regarding this complaint. In addition, we have initiated an internal assessment of the situation.

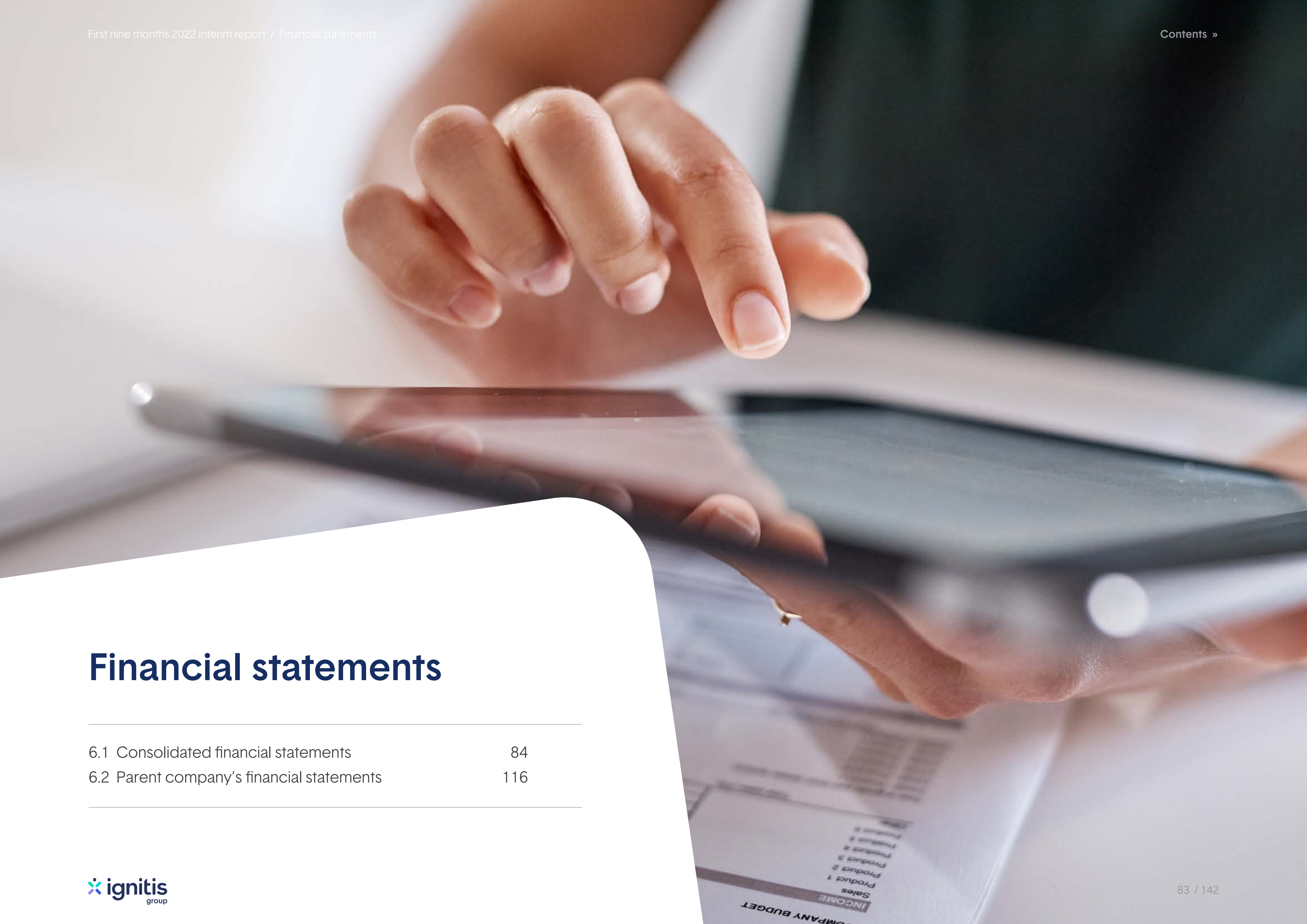
At the end of 2021: 27% share of women in top management[7]

2025 strategic milestones and goals: ≥34% share of women in top management

GOVERNANCE

Sustainability pillar	**Robust organisation**	
Sustainability programme	Running transparent and ethical operations	Ensuring operational resilience and sustainable value creation
Progress in 9M 2022[1]	– 100% of new employees participated in Anticorruption and Code of Ethics knowledge tests (2021–2024 target – 100%[8]), pass rate is 99.2% (2021–2024 target – 80%[8]). Testing of all employees has started, results will be presented in Annual report 2022. – At the beginning of 2022, the Group launched a socially responsible procurements initiative. The share of socially responsible procurements in terms of value of all successfully completed procurements in 9M 2022 was 8.0% (9.0% in Q3 2022, almost twice as much as in Q2 2022). The share of green procurements in 9M 2022 was 91.2% (97.1% in Q3 2022). – Mandatory compliance with the Supplier Code of Ethics is incorporated in more than 90.0% of public procurements. At the end of September 2022, we started the inspections of the Group's suppliers regarding compliance with the Group's Supplier Code of Ethics. We submitted questionnaires to 76 of the Group's most significant suppliers, 17 of which are foreign companies. We expect to have the results by the end of 2022. – Share of procurements (by value) where supplier screenings were conducted as part of procurement procedures in 9M 2022 was 93.5% (92.6% in Q3 2022, 1 pp more than in Q2 2022). Share of published procurements that received only one bid in 9M 2022 was 24.3% (33.6% in Q3 2022, 12.2% more than in Q2 2022) (2021–2024 target – ≤15%)[9].	– During 9M 2022, Ignitis Group received a rating of 'C' (on a scale of 'D-' to 'A+') in the ISS ESG corporate rating. Moreover, Ignitis (Customers & Solutions) received a platinum medal for its sustainability practices from EcoVadis, a ratings platform that focuses on sustainable supply chains. Compared to the previous annual assessment, which placed it among top 8% companies globally, it now falls among the top 1% of all companies assessed by EcoVadis and among top 3% of assessed electricity and natural gas suppliers globally[11]. – For the fourth year in a row, the parent company received the highest possible 'A+' rating and was recognised as a leader in the category of large SOEs. – In Q3 2022, the modernization of the natural gas network's geoinformation systems and management tools adapted by ESO (Networks) have received international recognition. At the international conference 'ESRI UC 2022', the innovation implemented by ESO was included among the best projects worldwide and was awarded for special achievements in the Electricity and Gas category. – Residents submitted a record number of applications (over 24,000) for technical connection conditions to ESO (Networks) in 9M 2022. Thus, in Q3 2022, in order to simplify and speed up the entire process as well as to facilitate the customer experience, customers are now able to upgrade their power capacity and apply for a prosumer status at the same time. – The Supervisory Board and the Management Board of the the Group have made decisions to replace a two-tier management model applied in the Group's main subsidiaries ESO (Networks), Ignitis Gamyba (Flexible Generation) and Ignitis (Customers & Solutions) with a one-tier management model, i.e., to remove the Management Boards made up of employees and instead to form Boards with a supervisory function that will have at least 1/3 of independent members, civil servants and shareholder representatives. The new model will ensure simpler but, at the same time, effective governance which will continue to meet the highest standards of governance, speedy decision-making, fast communication, and active involvement of independent members. – In September 2022, the Group Computer Emergency Response Team – Ignitis CERT – was accredited by the international organization 'TF-CSIRT Trusted Introducer'. This step confirms the high maturity of our digital security team's operational processes and compliance with global cyber security and incident management standards.
At the end of 2021	97% corruption intolerance among employees	64% (EUR 212 million out of EUR 332.7 million) sustainable Adjusted EBITDA share
2025 strategic milestones and goals	≥95% corruption intolerance among employees[10]	≥70% Sustainable Adjusted EBITDA share[12]

[1] Detailed information on main previous quarter results is available in our First quarter 2022 interim report (pp. 68–74) and First half year 2022 Interim report (pp. 69–76). [2] Detailed information on H1 2022 GHG emissions is available in our First half year 2022 Interim report (p. 74). [3] Including scopes 1, 2 and 3 and biogenic emissions. 2020 value is the baseline for the validated science-based 2030 targets. [4] Four business segments, for each: at least one significant initiative involving significant resource use reduction, reuse, or recycling. [5] Involving first, an assessment of total biodiversity impact, and second, coordination with environmental experts to create a positive impact on biodiversity (restore, compensate natural habitat and species loss).[6] Total recordable injury rate (TRIR): Total recordable injuries x 1 million hours worked divided by all hours worked during the reporting period. After implementing the contractor TRIR monitoring, we plan to set targets that also cover contractors.[7] Includes boards, general managers and 1st management level below them. Excludes double-counting (when the same person holds more than one top management position in the same company).[8] The goals of the Group's Strategic Plan 2021–2024 are not included in the Strategic Plan 2022–2025, therefore, the progress towards them is noted separately. [9] The low value of the indicator showcases good governance practices in procurement procedures. A high share of published procurements that received only one bid can mean two things: that the terms of procurement are tailored to a single supplier, or that there are not many suppliers of such services or goods on the market. [10] Based on an annual employee survey question about how likely employees are to report potential corruption if they encounter it. Lithuania's average was 21.0% (2021). [11] According to EcoVadis, to date their database counts over 50,000 rated companies from 150 countries and 190 industries. [12] Sustainable activities, as defined by the EU Taxonomy and delegated acts applicable since January 2022.

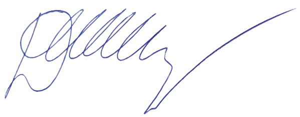


Financial statements

6.1 Consolidated financial statements

Unaudited interim condensed consolidated financial statements for the nine-month period ended 30 September 2022, prepared in accordance with International accounting standard 34 'Interim financial reporting' as adopted by the European Union

The Group's interim condensed consolidated financial statements were prepared and signed by AB "Ignitis grupė" management on 22 November 2022:



Darius Maikštėnas
Chief Executive Officer

Jonas Rimavičius
Chief Financial Officer

Giedruolė Guobienė
UAB "Ignitis grupės paslaugų centras",
Head of Accounting acting under
Order No IS-22-22
(signed 4 April 2022)

Interim Condensed Consolidated Statement of Financial Position

As at 30 September 2022
All amounts are in EUR thousand unless otherwise stated

	Notes	30 September 2022	31 December 2021
ASSETS			
Non-current assets			
Intangible assets	5	145,508	114,035
Property, plant and equipment	6	2,721,372	2,609,576
Right-of-use assets		61,485	57,543
Prepayments for non-current assets		105 201	15,768
Investment property		4,743	4,546
Non-current receivables	8	44,027	96,139
Other financial assets	9	34,479	30,094
Other non-current assets		70,412	3,712
Deferred tax assets		27,125	15,547
Total non-current assets		**3,214,352**	**2,946,960**
Current assets			
Inventories	10	738,151	185,606
Prepayments and deferred expenses		20,483	68,476
Trade receivables	11	490,940	274,897
Other receivables	12	489,915	292,529
Other current assets		58,990	33,218
Prepaid income tax		497	134
Cash and cash equivalents		290,845	449,073
		2,089,821	**1,303,933**
Assets held for sale		516	360
Total current assets		2,090,337	**1,304,293**
TOTAL ASSETS		**5,304,689**	**4,251,253**
EQUITY AND LIABILITIES			
Equity			
Issued capital	13.1	1,616,445	1,658,756
Treasury shares		-	(23,000)
Reserves		565,835	248,861
Retained earnings		45,876	(35,636)
Equity attributable to equity holders of the parent		**2,228,156**	**1,848,981**
Non-controlling interests		-	-
Total equity		**2,228,156**	**1,848,981**
Liabilities			
Non-current liabilities			
Non-current loans and bonds	15	1,426,826	1,118,077
Non-current lease liabilities	16	58,722	46,275
Grants and subsidies		288,564	279,134
Deferred tax liabilities		32,369	47,187
Provisions	18	26,367	30,058
Deferred income	17	198,960	183,608
Other non-current amounts payable and liabilities		2,754	420
Total non-current liabilities		**2,034,562**	**1,704,759**
Current liabilities			
Loans	15	314,851	237,274
Lease liabilities	16	3,246	4,688
Trade payables		94,964	100,183
Advances received		108,524	57,508
Income tax payable		94,758	11,567
Provisions	18	25,881	41,561
Deferred income	17	53,850	18,046
Other current amounts payable and liabilities	19	345,897	226,686
Total current liabilities		**1,041,971**	**697,513**
Total liabilities		**3,076,533**	**2,402,272**
TOTAL EQUITY AND LIABILITIES		**5,304,689**	**4,251,253**

Interim Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the three and nine months periods ended 30 September 2022
All amounts are in EUR thousand unless otherwise stated

	Notes	9M 2022	Q3 2022	9M 2021 (restated)[1]	Q3 2021 (restated)[1]
Revenue from contracts with customers	21	3,023,740	1,293,660	1,131,777	415,541
Other income		4,066	1,026	33,631	11,718
Total revenue and other income		**3,027,806**	**1,294,686**	**1,165,408**	**427,259**
Purchases of electricity, natural gas and other services		(2,427,841)	(1,060,216)	(787,270)	(302,428)
Salaries and related expenses		(84,212)	(26,533)	(70,692)	(21,104)
Repair and maintenance expenses		(25,355)	(10,511)	(20,925)	(8,108)
Other expenses	22	(156,891)	(75,336)	(31,473)	(11,822)
Total		**(2,694,299)**	**(1,172,596)**	**(910,360)**	**(343,462)**
EBITDA[2]		**333,507**	**122,090**	**255,048**	**83,797**
Depreciation and amortisation		(102,600)	(34,712)	(90,427)	(30,805)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets		(5,711)	(4,075)	(2,089)	17
Operating profit (loss) (EBIT)[2]		**225,196**	**83,303**	**162,532**	**53,009**
Finance income		12,063	8,557	15,355	12,403
Finance expenses		(25,786)	(9,731)	(43,724)	(6,826)
Finance activity, net		(13,723)	(1,174)	(28,369)	5,577
Profit (loss) before tax		**211,473**	**82,129**	**134,163**	**58,586**
Current period income tax (expenses)/benefit	23	(52,545)	(34,271)	(8,646)	(3,051)
Deferred tax (expenses)/benefit	23	25,949	22,187	(13,351)	(4,307)
Net profit for the period		**184,877**	**70,045**	**112,166**	**51,228**
Attributable to:					
Equity holders of the parent		184,877	70,045	112,442	52,208
Non-controlling interest		-	-	(276)	(980)
Other comprehensive income (loss)					
Items that will not be reclassified to profit or loss in subsequent periods (net of tax)					
Revaluation of property, plant and equipment		170	170	-	-
Change in actuarial assumptions		134	309	(236)	21
Items that will not be reclassified to profit or loss in subsequent periods, total		**304**	**479**	**(236)**	**21**
Items that may be reclassified to profit or loss in subsequent periods (net of tax)					
Cash flow hedges – effective portion of change in fair value		404,523	184,086	(77,408)	(77,408)
Cash flow hedges – reclassified to profit or loss		(101,134)	(103,483)	50,703	50,703
Foreign operations – foreign currency translation differences		(6,482)	(5,578)	(650)	(646)
Items that may be reclassified to profit or loss in subsequent periods, total		**296,907**	**75,025**	**(27,355)**	**(27,351)**
Total other comprehensive income (loss) for the period		**297,211**	**75,504**	**(27,591)**	**(27,330)**
Total comprehensive income (loss) for the period		**482,088**	**145,549**	**84,575**	**23,898**
Attributable to:					
Equity holders of the parent		482,088	145,549	84,851	24,878
Non-controlling interests		-	-	(276)	(980)
Basic earnings per share (in EUR)	24	**2.54**	**0.97**	**1.51**	**0.70**
Diluted earnings per share (in EUR)	24	**2.54**	**0.97**	**1.51**	**0.70**
Weighted average number of shares	24	**72,671,619**	**72,388,960**	**74,283,757**	**74,283,757**

[1] Part of the amounts do not agree with the interim condensed financial statements issued for the nine month period ended 30 September 2021 due to accounting policy change. See more information disclosed in Note 4.

[2] EBITDA – earnings before finance activity, taxes, depreciation and amortization, write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets. For more information on EBITDA as an alternative performance measure – see Note 28.
EBIT – earnings before finance activity, taxes. For more information on EBIT as an alternative performance measure – see Note 28.

Interim Condensed Consolidated Statement of Changes in Equity

For the nine-month period ended 30 September 2022
All amounts are in EUR thousand unless otherwise stated

	Notes	Equity, attributed to equity holders of the parent										Non-controlling interest	Total
		Issued capital	Share premium	Treasury shares	Legal reserve	Revaluation reserve	Hedging reserve	Treasury shares reserve	Other reserves	Retained earnings	Subtotal		
Balance at 1 January 2021		1,658,756	-	-	116,029	155,969	-	-	(2,229)	(86,164)	1,842,361	1,470	1,843,831
Change of accounting policy		-	-	-	-	(36,837)	-	-	-	6,300	(30,537)	(1)	(30,538)
Balance as at 1 January 2021 (restated)[1]		1,658,756	-	-	116,029	119,132	-	-	(2,229)	(79,864)	1,811,824	1,469	1,813,293
Net profit for the period[1]		-	-	-	-	-	-	-	-	112,442	112,442	(276)	112,166
Other comprehensive income (loss) for the period[1]	14	-	-	-	-	-	(26,705)	-	(650)	(235)	(27,590)	-	(27,590)
Total comprehensive income (loss) for the period (restated)[1]		-	-	-	-	-	(26,705)	-	(650)	112,207	84,852	(276)	84,576
Transfer of revaluation reserve to retained earnings (transfer of depreciation, net of tax)		-	-	-	-	(8,510)	-	-	-	8,510	-	-	-
Transfers to legal reserve		-	-	-	9,791	-	-	-	-	(9,791)	-	-	-
Transfer to reserves to acquire treasury shares	13.2	-	-	-	-	-	-	-	23,000	(23,000)	-	-	-
Dividends	25	-	-	-	-	-	-	-	-	(86,763)	(86,763)	-	(86,763)
Dividends paid to non-controlling interest		-	-	-	-	-	-	-	-	(1,152)	(1,152)	-	(1 152)
Share-based payments		-	-	-	-	-	-	-	-	213	213	-	213
Other movement		-	-	-	-	-	-	-	-	984	984	-	984
Balance as at 30 September 2021 (restated)[1]		1,658,756	-	-	125,820	110,622	(26,705)	-	20,121	(78,656)	1,809,958	1,193	1,811,151
Balance as at 1 January 2022		1,658,756	-	(23,000)	125,820	84,148	18,639	23,000	(2,746)	(35,636)	1,848,981	-	1,848,981
Net profit for the period		-	-	-	-	-	-	-	-	184,877	184,877	-	184,877
Other comprehensive income (loss) for the period	14	-	-	-	-	170	303,389	-	(6,482)	134	297,211	-	297,211
Total comprehensive income (loss) for the period		-	-	-	-	170	303,389	-	(6,482)	185,011	482,088	-	482,088
Transfer of revaluation reserve to retained earnings (depreciation, disposals and other movements, net of tax)		-	-	-	-	(7,405)	-	-	-	7,405	-	-	-
Transfers to legal reserve		-	-	-	12,642	-	-	-	-	(12,642)	-	-	-
Transfer to reserves to acquire treasury shares	13.2	-	-	-	-	-	-	14,660	-	(14,660)	-	-	-
Treasury shares acquired	13.2	-	-	(9,968)	-	-	-	-	-	(4,333)	(14,301)	-	(14,301)
Dividends	25	-	-	-	-	-	-	-	-	(88,995)	(88,995)	-	(88,995)
Share capital reduction	13.3	(42,311)	-	32,968	-	-	-	-	-	9,343	-	-	-
Other movement		-	-	-	-	-	-	-	-	383	383	-	383
Balance as at 30 September 2022		1,616,445	-	-	138,462	76,913	322,028	37,660	(9,228)	45,876	2,228,156	-	2,228,156

[1] *Part of the amounts do not agree with the interim condensed financial statements issued for the nine months period ended 30 September 2021 due to accounting policy change. See more information disclosed in Note 4.*

ignitis group

Interim Condensed Consolidated Statement of Cash Flows

For the nine-month period ended 30 September 2022
All amounts are in EUR thousand unless otherwise stated

	Notes	9M 2022	9M 2021 (restated)[1]
Cash flows from operating activities			
Net profit for the period		184,877	112,166
Adjustments to reconcile net profit to net cash flows:			
Depreciation and amortisation expenses		111,391	98,316
Impairment of property, plant and equipment, including held for sale		-	(678)
Revaluation of investment property		-	(947)
Fair value changes of derivatives	20	87,301	10,018
Fair value change of financial instruments	3.1	(2,689)	9,439
Impairment/(reversal of impairment) of financial assets	11, 12	1,597	1
Income tax expenses/(benefit)	23	26,596	21,997
Depreciation and amortisation of grants		(8,791)	(7,889)
Increase/(decrease) in provisions		(19,128)	468
Inventory write-off to net realizable value/(reversal)		24,514	252
Loss/(gain) on disposal/write-off of assets held for sale and property, plant and equipment		5,376	3,959
Share-based payments expenses		-	213
Other expenses of investing activities		-	787
Interest income		(811)	(715)
Interest expenses		21,105	17,884
Other expenses of financing activities		2,948	1,761
Changes in working capital:			
(Increase)/decrease in trade receivables and other amounts receivable		(335,598)	(45,561)
(Increase)/decrease in inventories, prepayments and other current and non-current assets		(517,433)	(117,669)
Increase/(decrease) in trade payables, deferred income, advances received, other non-current and current amounts payable and liabilities		296,656	113,422
Income tax (paid)/received		(22,267)	(15,443)
Net cash flows from operating activities		**(144,356)**	**201,781**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(304,412)	(135,832)
Proceeds from sale of property, plant and equipment, assets held for sale and intangible assets		1,144	1,914
Acquisition of a subsidiary, net of cash acquired	30	(22,243)	-
Loans granted		(13,912)	(3,195)
Loan repayments received		-	2,041
Grants received		18,089	13,494
Interest received		386	412
Finance lease payments received		1,332	1,567
Investments in Innovation Fund	3.1	(1,696)	(3,765)
Other increases/(decreases) in cash flows from investing activities		270	-
Net cash flows from investing activities		**(321,042)**	**(123,364)**
Cash flows from financing activities			
Loans received	16	223,000	-
Repayments of loans	16	(113,598)	(3,470)
Overdrafts received	16	284,285	-
Lease payments	16	(4,048)	(12,021)
Interest paid	16	(24,685)	(23,496)
Dividends paid		(43,866)	(44,007)
Dividends returned		383	984
Equity acquisition from non-controlling interest		-	(19,024)
Treasury shares acquisition	13.2	(14,301)	-
Net cash flows from financing activities		**307,170**	**(101,034)**
Increase/(decrease) in cash and cash equivalents		**(158,228)**	**(22,617)**
Cash and cash equivalents at the beginning of the period		449,073	658,795
Cash and cash equivalents at the end of the period		**290,845**	**636,178**

[1] Part of the amounts do not agree with the interim condensed financial statements issued for the nine months period ended 30 September 2021 due to accounting policy change and reclassifications. See more information disclosed in Note 4.

All amounts are in EUR thousand unless otherwise stated

Explanatory Notes

For the nine-month period ended 30 September 2022

1 General information

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

The Company's shares are listed on the Main List of NASDAQ OMX Vilnius Stock Exchange, as well the global depositary receipts are admitted to the standard listing segment of the Official List of the United Kingdom Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange.

The Company and its subsidiaries are hereinafter collectively referred to as "the Group". The Group engages in electricity and heat generation (including electricity generation from renewable energy sources), supply, electricity import and export, distribution and trade, natural gas distribution and supply, as well as the maintenance and development of the electricity sector, management and coordination of activities. Information on the Group's structure is provided in Note 7.

The Group's principal shareholder is the Republic of Lithuania (74.99%).

Shareholders of the Group	30 September 2022		31 December 2021	
	Share capital, in EUR '000	%	Share capital, in EUR '000	%
Republic of Lithuania represented by the Ministry of Finance of the Republic of Lithuania	1,212,172	74.99	1,212,156	73.08
Other shareholders	404,273	25.01	418,838	25.25
Own shares	-	-	27,762	1.67
	1,616,445		**1,658,756**	

These interim consolidated financial statements were prepared and signed by Group's management on 22 November 2022. These are interim condensed consolidated financial statements of the Group. The Company also prepares separate interim condensed financial statements in accordance with local requirements.

2 Summary of significant accounting policies

2.1 Basis of preparation

These interim condensed consolidated financial statements are prepared for the nine months period ended 30 September 2022 (hereinafter "interim financial statements") and have been prepared in accordance with International Accounting Standard (hereinafter "IAS") 34 "Interim Financial Reporting".

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 2021, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter "IFRS").

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

These interim financial statements are presented in euros and all values are rounded to the nearest thousand (EUR '000), except when otherwise indicated. The Group's interim financial statements provide comparative information in respect of the previous period. The financial year of the Group coincides with the calendar year.

During 2021 the Group made change in accounting policy – see Note 2.2.1 of annual financial statements for the year ended 31 December 2021 and Note 4 of these interim financial statements for detailed explanation.

2.2 New standards, amendments, interpretations and changes in accounting policy

2.2.1 Changes in accounting policy and disclosures

The accounting policies applied in the preparation of these interim financial statements are consistent with the accounting policies applied in the preparation of the Group's annual financial statements for the year ended 31 December 2021, with the exception of the new standards which entered into force during 9M of 2022.

All amounts are in EUR thousand unless otherwise stated

2.2.1.1 Standards and their interpretations, announced and adopted by the European Union, effective for the current reporting period

The following are new standards and/or amendments to the standards that have been approved by International Accounting Standards Board (hereinafter – IASB) and endorsed in European Union during the reporting period ended as at 30 September 2022.

Standards or amendments that came into force during 9M 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
Annual Improvements to IFRS Standards 2018–2020
Reference to Conceptual Framework

The adoption of these standards, revisions and interpretations had no material impact on the financial statements except Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16). The Group's management has assessed the impact of amendments on the acquisition cost of property, plant and equipment items, which were made available for use in 2021 year, and determined that the acquisition cost of these items should be increased by EUR 10,179 thousand. The final impact will be determined later in year 2022 and will be recognized in financial statements for the year ended 31 December 2022.

2.2.2 Standards issued but not yet effective and not early adopted

Preparing these interim financial statements the Group did not adopt new IFRS, IAS, their amendments and interpretations issued by IASB, the effective date of which is later than 30 September 2022 and early adoption is permitted. The following are new standards and/or amendments to the standards that have been issued but not yet effective:

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. Amendments are endorsed for application in European Union (hereinafter – EU).

The management of the Group is currently assessing the impact of these amendments on the financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. Amendments are not yet endorsed for application in EU.

The management of the Group is currently assessing the impact of this amendment on the financial statements.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. These amendments applies to sale and leaseback transactions in which the transfer of the asset satisfies the requirements to be accounted for as a sale of the asset. Amendments do not result in changes to the existing measurement requirements in IFRS 16 applicable to all leases but rather explain how to apply the existing principles to leases arising in the context of sale and leaseback transactions that have variable payments not based on an index or rate. Amendments result in a seller-lessee recognising a gain only to the proportion of the rights it has transferred to the buyer-lessor. A seller-lessee applies these amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Amendments are not yet endorsed for application in EU.

The management of the Group is currently assessing the impact of this amendment on the financial statements.

Other standards

The following new and amended standards are not expected to have a significant impact on the Group's financial statements.

Other new standards or amendments	IASB Effective date	EU Endorsement status
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023	Endorsed
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	Endorsed
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023	Endorsed
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)	1 January 2023	Endorsed

All amounts are in EUR thousand unless otherwise stated

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

Preparing these interim financial statements the significant management judgements regarding the application of the accounting policies and accounting estimates were the same as used in preparing the annual financial statements for the year ended 31 December 2021 except the following:

3.1 Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB

Total amount of the investment to Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB increased for an amount EUR 4,385 thousand during the 9M of 2022.

The fair value gain of Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB recognised for an amount EUR 2,689 thousand and is presented as “Finance income” in SPLOCI for the 9M of 2022. The fair value of this financial asset is determined by reference to new investment rounds or other recent events and data (Note 29).

Remaining change is related to new investments made during 9M of 2022 for an amount EUR 1,696 thousand.

Fair value corresponds to Level 3 in the fair value hierarchy. Fair value of this financial asset will change depending on future investment rounds or other significant events

3.2 Services ensuring isolated operation of the power system and capacity reserve

On 14 November 2019, NERC adopted a resolution No O3E–715 ‘On approval of the methodology for establishing the prices for electricity, capacity reserve and services ensuring isolated operation of the power system’. This resolution stipulates that Companies that discontinue capacity reserve ensuring services or services ensuring isolated operation of the power system shall reimburse any discrepancies between the projected and actual costs of providing these services to the transmission system operator (related company – Litgrid AB) if the costs actually incurred by the Group were less than the revenues received from the transmission system operator. If the actual costs incurred by the Group were higher than the income of the transmission system operator , the transmission system operator shall reimburse this amount to the Group. Formulas determined for period y in the resolution for isolated operation of the power system and capacity reserve services:

- In the case of capacity reserve assurance services: the amount of discrepancy between the assigned investment return that meets the reasonableness criteria, compared to the determined investment return, during the reporting period (y-2);
- In the case of isolated operation of the power system: the amount of discrepancy between the costs assigned in the reporting period (y-2) compared to the amount of income received from transmission system operator in the reporting period (y-2).

With regard to the resolution above, if the costs actually incurred by the Group were higher than the income received from the transmission system operator, the transmission system operator must return such amount to the Group, and vice versa. Due to this reason the Group recognizes assets or liabilities of regulated activities, the purpose of which is to equalize the current year's profit to a set level.

On 8 February 2022 an additional agreement with transmission system operator was signed. Under the agreement the Group undertook to purchase the required amount of gas and sell the set amount of electricity in advance on the electricity market in accordance with the electricity generation schedule submitted by transmission system operator, and transmission system operator undertook to reimburse the costs incurred by the Group under the schedule. After this additional agreement during 9M of 2022 the Group has entered into a derivative financial instruments transaction, which hedges the sale price of gas.

The Group presents short term provisions related to isolated power system operations’ and system services together with accrued revenue.

As at 30 September 2022 the Group accounted EUR 26,017 thousand as accrued revenue such amounts related to regulated activity (Note 8):

- EUR 64,575 thousand accounted as accrued revenue related to the gas derivative transaction described above;
- EUR (1,815) thousand – one quarter of provision for isolated power system operations’ and system services which was accounted as non-current provision as at 31 December 2021 recognised for Q3 of 2022;
- EUR (36,743) thousand – provision formed for isolated power system operations’ and system services for 9M of 2022.

As at 30 September 2022 the Group has also accounted EUR 9,234 thousand as current liabilities under the caption “Provisions” in the statement of financial position (Note 18):

- EUR (3,790) thousand – remaining amount of balance confirmed by NERC (as at 31 December 2021 Group has accounted EUR 15,161 thousand current liabilities under the caption “Provisions” in the statement of financial position, which is used in equal parts during 2022);
- EUR (5,444) thousand – three quarters of provision for isolated power system operations’ and system services which was accounted as non-current provision as at 31 December 2021, which will be settled within 12 months.

3.3 Natural gas supply to household customers

On 4 November 2021 amendments were established to Laws on Natural Gas and Electricity, which provide for price amortization mechanisms in the face of high gas and electricity market prices. The price amortization mechanism means that the gas or electricity supplier agrees to set a lower price for the product and to spread the return of the accumulated losses within 5 year period.

The Group did take an opportunity to set lower prices for 6M of 2022, due to that the losses (loss of revenue) caused by the lower gas price in the tariff will be returned to the Group through the additional component which is included in distribution service tariff. Losses will be reimbursed regardless of whether the Group continues to provide supply services in the future or not. Therefore with regard to these Law amendments the Group did recognize accrued revenue in amount of EUR 90,821 thousand (Note 12) to eliminate mismatches between the current period earnings and the regulated level. According to Legislation issued as of 12 May 2022, at the end of reporting period the Group expects to receive significant part of this amount during upcoming 12 months period, due to that total amount was recognised as current receivable.

All amounts are in EUR thousand unless otherwise stated

4 Restatement of comparative figures due to change of accounting policy and reclassifications

Restatement of comparative figures due to change of accounting policy

The Group participates in the greenhouse gas emissions (hereinafter – European Union emission allowances or EUEA) trading system. In 2021 the management has concluded that the current accounting policy for emission allowances does not present the SPLOCI and the statement of financial position in the best interest of the users of the financial statements. Therefore, the management has determined that there is a need for a voluntary change in accounting policy. The new accounting policy is described in Note 2.3 of annual financial statements as at 31 December 2021.

The main arguments for changing the accounting policy are:
1. Revaluation of provision for EUEA will no longer have impact to the SPLOCI of the future periods.
2. More fairly presentation of SPLOCI and better relationship with cash flows.
3. More fairly presentation of the statement of financial position as EUEAs are used in the Group's operations rather than for sale.

As IAS 8 requires that the users of financial statements need to be able to compare the financial statements of an entity over time to identify trends, the management presents the information regarding the accounting policy changes, that are performed retrospectively (see restatement 1).

Restatement of comparative figures due to reclassifications

In 9M of 2022 the Group has reclassified amounts related with current loans provided from Changes in working capital to Cash flows from investing activities in the consolidated statement of cash flows in order to provide more reliable information for the users of financial statements. Accordingly, comparative amounts were reclassified – a net change in current loans provided amounting to EUR 1,154 thousand was reclassified from Changes in working capital by presenting amount for loans granted (EUR 3,195 thousand) and loans repayment received (EUR 2,041 thousand) in the Cash flows from investing activities in the consolidated statement of cash flows in 9M of 2021. Reclassification had no impact on the statement of financial position, SPLOCI and statement of changes in equity (see restatement 2).

Retrospective corrections of consolidated SPLOCI for nine months period ended 30 September 2021:

	9M 2021 before restatement	Restatement 1	9M 2021 after restatement
Revenue from contracts with customers	1,131,777	-	1,131,777
Other income	33,631	-	33,631
Total revenue and other income	**1,165,408**	**-**	**1,165,408**
Purchases of electricity, natural gas and other services	(792,703)	5,433	(787,270)
Salaries and related expenses	(70,692)	-	(70,692)
Repair and maintenance expenses	(20,925)	-	(20,925)
Other expenses	(31,473)	-	(31,473)
Total	**(910,360)**	**5,433**	**(910,360)**
EBITDA	**249,615**	**5,433**	**255,048**
Depreciation and amortisation	(90,427)	-	(90,427)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	(2,089)	-	(2,089)
Revaluation of emission allowances	(12,017)	12,017	-
Operating profit (loss) (EBIT)	**145,082**	**17,450**	**162,532**
Finance income	15,355	-	15,355
Finance expenses	(43,724)	-	(43,724)
Finance activity, net	**(28,369)**	**-**	**(28,369)**
Profit (loss) before tax	**116,713**	**17,450**	**134,163**
Current income tax (expenses)/benefit	(8,954)	308	(8,646)
Deferred tax (expenses)/benefit	(13,351)	-	(13,351)
Net profit for the period	**94,408**	**17,758**	**112,166**
Attributable to:			
Equity holders of the parent	95,500	16,942	112,442
Non-controlling interest	(1,092)	816	(276)
Other comprehensive income (loss)			
Items that will not be reclassified to profit or loss in subsequent periods (net of tax)			
Revaluation of emission allowances through other comprehensive income	59,995	(59,995)	-
Change in actuarial assumptions	(236)	-	(236)
Items that will not be reclassified to profit or loss in subsequent periods, total	**59,759**	**(59,995)**	**(236)**
Items that may be reclassified to profit or loss in subsequent periods (net of tax)			-
Cash flow hedges – effective portion of change in fair value	(77,408)	-	(77,408)
Cash flow hedges – reclassified to profit or loss	50,703	-	50,703
Exchange differences on translation of foreign operations into the Group's presentation currency	(650)	-	(650)
Items that may be reclassified to profit or loss in subsequent periods, total	**(27,355)**	**-**	**(27,355)**
Total other comprehensive income (loss) for the period	**32,404**	**(59,995)**	**(27,591)**
Total comprehensive income (loss) for the period	**126,813**	**(42,238)**	**84,575**
Attributable to:			
Equity holders of the parent	127,089	(42,237)	84,852
Non-controlling interests	(276)	-	(276)
Basic earnings per share (in EUR)	**1.29**	**0.23**	**1.51**
Diluted earnings per share (in EUR)	**1.29**	**0.23**	**1.51**
Weighted average number of shares	**74,283,757**		**74,283,757**

All amounts are in EUR thousand unless otherwise stated

Retrospective corrections of consolidated statement of cash flows for nine months period ended 30 September 2021:

	9M 2021 before restatement	Restatement 1	Restatement 2	9M 2021 after restatement
Cash flows from operating activities				
Net profit for the period	94,408	17,758	-	112,166
Adjustments to reconcile net profit to net cash flows:			-	
Depreciation and amortisation expenses	98,316	-	-	98,316
Impairment of property, plant and equipment, including held for sale	(678)	-	-	(678)
Revaluation of investment property	(947)	-	-	(947)
Fair value changes of derivatives	10,018	-	-	10,018
Fair value change of financial instruments	9,439	-		9,439
Impairment/(reversal of impairment) of financial assets	1	-	-	1
Income tax expenses/(benefit)	22,305	(308)	-	21,997
Depreciation and amortisation of grants	(7,889)	-	-	(7,889)
Increase/(decrease) in provisions	(6,558)	7,026	-	468
Inventory write-off to net realizable value/(reversal)	252	-	-	252
Expenses/(income) of revaluation of emission allowances	12,017	(12,017)	-	-
Emission allowances utilised	22,904	(22,904)	-	-
Loss/(gain) on disposal/write-off of assets held for sale and property, plant and equipment	3,959	-		3,959
Share based payments	213	-	-	213
Other expenses of investing activities	787	-	-	787
Interest income	(715)	-	-	(715)
Interest expenses	17,884	-	-	17,884
Other expenses of financing activities	1,761	-	-	1,761
Changes in working capital:			-	
(Increase)/decrease in trade receivables and other amounts receivable	(45,561)	-	-	(45,561)
(Increase)/decrease in inventories, prepayments and other current and non-current assets	(125,176)	7,507	-	(117,669)
Increase/(decrease) in trade payables, deferred income, advances received, other non-current and current amounts payable and liabilities	112,267	-	1,154	113,422
Income tax (paid)/received	(15,443)	-	-	(15,443)
Net cash flows from operating activities	**203,564**	**(2,938)**	**1,154**	**201,781**
Cash flows from investing activities				
Acquisition of property, plant and equipment and intangible assets	(138,788)	2,956	-	(135,832)
Proceeds from sale of property, plant and equipment, assets held for sale and intangible assets	1,933	(19)	-	1,914
Loans granted	-	-	(3,195)	(3,195)
Loan repayments received	-	-	2,041	2,041
Grants received	13,494	-	-	13,494
Interest received	412	-	-	412
Finance lease payments received	1,567	-	-	1,567
Investments in Innovation Fund	(3,765)	-	-	(3,765)
Net cash flows from investing activities	**(125,147)**	**2,937**	**(1,154)**	**(123,364)**
Cash flows from financing activities				
Repayments of loans	(3,470)	-	-	(3,470)
Lease payments	(12,021)	-	-	(12,021)
Interest paid	(23,496)	-	-	(23,496)
Dividends paid	(44,007)	-	-	(44,007)
Dividends returned	984	-	-	984
Equity acquisition from non-controlling interest	(19,024)	-	-	(19,024)
Net cash flows from financing activities	**(101,034)**	**-**	**-**	**(101,034)**
Increase/(decrease) in cash and cash equivalents (including overdraft)	**(22,617)**	**-**	**-**	**(22,617)**
Cash and cash equivalents (including overdraft) at the beginning of the period	658,795	-	-	658,795
Cash and cash equivalents (including overdraft) at the end of the period	**636,178**	**-**	**-**	**636,178**

All amounts are in EUR thousand unless otherwise stated

5 Intangible assets

Movement on the Group's account of intangible assets is presented below:

	Patents and licences	Computer software	Other intangible assets	Goodwill	Servitudes and security zones	In total
As at 31 December 2021						
Acquisition cost	310	40,702	72,588	4,927	33,567	**152,094**
Accumulated amortisation	(267)	(23,246)	(14,546)	-	-	**(38,059)**
Carrying amount	**43**	**17,456**	**58,042**	**4,927**	**33,567**	**114,035**
Carrying amount at 1 January 2022	**43**	**17,456**	**58,042**	**4,927**	**33,567**	**114,035**
Additions	4	67	20,525	-	4,358	**24,954**
Reclassified from (to) property plant and equipment	-	(26)	(692)	-	-	**(718)**
Write-offs	-	-	(2,935)	-	-	**(2,935)**
Reclassifications between categories	12	3,932	(3,944)	-	-	**-**
Re-measurement of provision related to rights to servitudes and security zones	-	-	-	-	(3,196)	**(3,196)**
Assets identified after business combination (Note 30)	-	-	(480)	24,762	-	**24,282**
Amortisation	(19)	(4,721)	(2,928)	-	-	**(7,668)**
Foreign currency exchange difference	-	-	(3,091)	(155)	-	**(3,246)**
Carrying amount at 30 September 2022	**40**	**16,708**	**64,497**	**29,534**	**34,729**	**145,508**
As at 30 September 2022						
Acquisition cost	326	44,675	70,005	29,534	34,729	**179,269**
Accumulated amortisation	(286)	(27,967)	(5,508)	-	-	**(33,761)**
Carrying amount	**40**	**16,708**	**64,497**	**29,534**	**34,729**	**145,508**

The Group reviewed the carrying amount of its goodwill to determine whether there are any indications that those assets have suffered an impairment loss. Goodwill has not showed any indications of impairment.

During 9M of 2022 the Group companies Eurakras UAB and Vėjo vatas UAB discontinued its contracts based on FiT (Feed-in Tariff) subsidy scheme and signed bilateral contracts. The value of assets identified by the Group during business combination of subsidiaries Eurakras UAB and Vėjo vatas UAB is calculated based on licence to generate electricity and FiT. As at 30 September 2022 due to discontinuation of FiT the Group written off the part of value which relates to FiT advantage. Acquisition cost written-off comprised of EUR 7,771 thousand and accumulated amortisation – EUR 4,835 thousand.

Change in assets identified during business combination is related to acquisition of subsidiary Altiplano A.S. (Note 30.1) and the reassessment of fair values of assets identified during business combination established in 2021 year (Note 30.2).

Re-measurement of provision related to rights to servitudes and security zones relates to utilised provision recognized for compensations to land owners, the actual costs of which the Group incurred during 6M of 2022.

The Group has significant acquisition commitments of intangible assets which will have to be fulfilled during the later years. Group's acquisition commitments amounted to EUR 3,405 thousand as at 30 September 2022 (EUR 2,310 thousand as at 31 December 2021).

All amounts are in EUR thousand unless otherwise stated

6 Property, plant, and equipment

Movement on the Group's account of property, plant and equipment is presented below:

	Land	Buildings	Electricity networks and their structures	Gas distribution pipelines, gas technological equipment and installations	Assets of Hydro Power Plant, Pumped Storage Power Plant	Wind power plants and their installations	Combined Cycle Unit and Reserve Power Plant	Cogeneration plants	Other property, plant and equipment	Construction-in-progress	In total
As at 31 December 2021											
Cost or revalued amount	3,371	42,629	1,166,416	285,812	212,108	194,973	772,490	258,827	96,650	251,289	**3,284,565**
Accumulated depreciation	-	(390)	-	(13,282)	(118,614)	(27,063)	(441,451)	(10,821)	(28,130)	-	**(639,751)**
Accumulated impairment	-	-	-	(9,392)	-	-	(25,623)	-	-	(223)	**(35,238)**
Carrying amount	**3,371**	**42,239**	**1,166,416**	**263,138**	**93,494**	**167,910**	**305,416**	**248,006**	**68,520**	**251,066**	**2,609,576**
Carrying amount at 1 January 2022	3,371	42,239	1,166,416	263,138	93,494	167,910	305,416	248,006	68,520	251,066	**2,609,576**
Additions	-	64	272	8	22	3,708	113	30	2,922	200,897	**208,036**
Sales	-	(4)	(23)	-	-	-	-	-	(150)	-	**(177)**
Write-offs	-	(19)	(2,504)	(170)	-	-	(11)	-	(54)	(18)	**(2,776)**
Revaluation	-	-	-	-	-	-	-	-	200	-	**200**
Reclassifications between categories	-	2,837	145,163	9,005	-	-	317	(839)	5,670	(162,153)	**-**
Reclassified from (to) intangible assets	-	-	-	-	-	-	-	-	26	692	**718**
Reclassified from (to) finance lease	-	-	-	-	-	-	-	-	828	-	**828**
Reclassified from (to) assets held for sale	-	-	-	-	-	-	-	-	(850)	-	**(850)**
Reclassifications (to)/from investment property	-	-	-	-	-	-	(197)	-	-	-	**(197)**
Reclassified from (to) inventories	-	-	(1)	-	13	-	25	(68)	(32)	(10)	**(73)**
Reclassified from (to) right-of-use assets	-	-	-	-	-	6,061	-	-	-	-	**6,061**
Depreciation	-	(1,608)	(51,618)	(4,935)	(4,062)	(5,428)	(15,298)	(7,984)	(8,683)	-	**(99,616)**
Assets identified after business combination (Note 30)	-	-	-	-	-	-	-	-	-	5,166	**5,166**
Foreign currency exchange difference	-	-	-	-	-	(5,374)	-	-	-	(150)	**(5,524)**
Carrying amount at 30 September 2022	**3,371**	**43,509**	**1,257,705**	**267,046**	**89,467**	**166,877**	**290,365**	**239,145**	**68,397**	**295,490**	**2,721,372**
As at 30 September 2022											
Cost or revalued amount	3,371	45,507	1,309,235	294,344	212,051	201,060	771,785	257,949	104,538	296,128	**3,495,968**
Accumulated depreciation	-	(1,998)	(51,530)	(19,461)	(122,584)	(34,183)	(465,738)	(18,804)	(36,148)	(415)	**(750,861)**
Accumulated impairment	-	-	-	(7,837)	-	-	(15,682)	-	7	(223)	**(23,735)**
Carrying amount	**3,371**	**43,509**	**1,257,705**	**267,046**	**89,467**	**166,877**	**290,365**	**239,145**	**68,397**	**295,490**	**2,721,372**

Additions of property, plant and equipment during 9M of 2022 include the following major acquisitions to the construction in progress:

- acquisitions related to the development of the electricity and gas distribution network;
- acquisitions related with the construction of new high-efficiency waste-fired cogeneration power plant and its biofuel unit.

The Group reviewed the carrying amount of its property, plant and equipment which are recognised at acquisition cost less depreciation and impairment to determine whether there are any indications that those assets have suffered an impairment loss. During 9M of 2022 the Group follows changes in economic environment, however did not identify any significant impact on assumptions used in assessment of impairment indications. Additionally, the Group analysed whether there were any significant changes in the regulatory environment or other areas which could impact fair value of property, plant and equipment which is recognized at revalued amount. The Group did not notify any significant changes which could materially impact carrying amount of such assets.

The Group has significant acquisition commitments of property, plant and equipment which will have to be fulfilled during the later periods. Group's acquisition and construction commitments amounted to EUR 138,432 thousand as at 30 September 2022 (31 December 2021: EUR 175,462 thousand).

All amounts are in EUR thousand unless otherwise stated

7 Structure of the group

The Group's structure as at 30 September 2022:

Company name	Country of business	Group's effective ownership interest, %	Non-controlling interest's effective ownership interest, %	Profile of activities
Ignitis grupė AB	Lithuania	-	-	Parent company - management and coordination of activities of the Group companies
Subsidiaries of the Group:				
Energijos skirstymo operatorius AB	Lithuania	100.00	-	Distribution of electricity and gas, supply of last resort service
Ignitis gamyba AB	Lithuania	100.00	-	Generation and trading of electricity
Energetikos paslaugų ir rangos organizacija UAB	Lithuania	100.00	-	The subsidiary is under liquidation
Elektroninių mokėjimų agentūra UAB	Lithuania	100.00	-	Payment aggregation
Ignitis UAB	Lithuania	100.00	-	Electricity and gas supply, trading, energy efficiency projects
Ignitis Eesti, OÜ	Estonia	100.00	-	Supply of electricity
Ignitis Latvija SIA	Latvia	100.00	-	Supply of electricity and gas
Ignitis Polska Sp. z o. o.	Poland	100.00	-	Supply and trading of electricity and gas
Ignitis Suomi OY	Finland	100.00	-	Supply of gas
Ignitis grupės paslaugų centras UAB	Lithuania	100.00	-	Shared business support services
Vilniaus Kogeneracinė Jėgainė UAB	Lithuania	100.00	-	Development and operation of cogeneration power plant project
Kauno Kogeneracinė Jėgainė UAB	Lithuania	51.00	49.00	Electricity and heat production from waste
Tuuleenergia OÜ	Lithuania	100.00	-	Generation of renewable electricity
Transporto valdymas UAB	Lithuania	100.00	-	Vehicle rental, leasing, repair, maintenance, renewal and service
Gamybos optimizavimas UAB	Lithuania	100.00	-	Planning, optimization, forecasting, trading, brokering and other electricity related services
Ignitis renewables UAB	Lithuania	100.00	-	Coordination of operation, supervision and development of renewable energy projects
Eurakras UAB	Lithuania	100.00	-	Generation of renewable electricity
Vėjo Vatas UAB	Lithuania	100.00	-	Generation of renewable electricity
Vėjo Gūsis UAB	Lithuania	100.00	-	Generation of renewable electricity
VVP Investment UAB	Lithuania	100.00	-	Development of a renewable energy (wind) power plant project
Pomerania Wind Farm Sp. z o. o.	Poland	100.00	-	Generation of renewable electricity
Ignitis Renewables Polska Sp. z o. o.	Poland	100.00	-	Sub-holding controlling wind/solar assets
Ignitis Res Dev Sp. z o. o.	Poland	100.00	-	Development of wind/solar projects
Ignitis renewables projektai UAB	Lithuania	100.00	-	Development of wind/solar projects
Ignitis renewables projektai 2 UAB	Lithuania	100.00	-	Development of wind/solar projects
Ignitis renewables projektai 3 UAB	Lithuania	100.00	-	Development of wind/solar projects
Silezia1 Wind Farm Sp. z o.o.[1]	Poland	100.00	-	Development of wind/solar projects
Altiplano A.S.	Poland	100.00	-	Development of wind/solar projects
Ignitis renewables Latvia SIA	Latvia	100.00	-	Development of wind/solar projects
IGN RES DEV1 SIA	Latvia	100.00	-	Development of wind/solar projects
IGN RES DEV2 SIA	Latvia	100.00	-	Development of wind/solar projects
IGN RES DEV3 SIA	Latvia	100.00	-	Development of wind/solar projects
IGN RES DEV4 SIA	Latvia	100.00	-	Development of wind/solar projects

[1]*Previously Altiplano Elektrownie Wiatrowe B1 Sp. z o. o.*

8 new entities joined the Group in Latvia and Lithuania during the 9M of 2022 the main activity of which is development of wind and solar projects in Latvia and Lithuania:

- On 16 February 2022 Ignitis renewables Latvia SIA was registered;
- On 29 March 2022 IGN RES DEV1 SIA was registered;
- On 30 March 2022 IGN RES DEV2 SIA was registered;
- On 19 August 2022 IGN RES DEV3 SIA was registered;
- On 18 August 2022 IGN RES DEV4 SIA was registered;
- On 15 September 2022 Ignitis renewables projektai 2 UAB was registered;
- On 15 September 2022 Ignitis renewables projektai 3 UAB was registered;
- On 29 September 2022 Altiplano A.S. was acquired.

On 12 August 2022 Group entity NT valdos UAB was liquidated.

All amounts are in EUR thousand unless otherwise stated

8 Non-current receivables

Amounts receivable after one year comprised as follows:

	30 September 2022	31 December 2021
Accrued revenue related to isolated power system operations' and system services (Note 3.2)	26,017	-
Cash reserved for guarantees	10,633	734
Finance lease	6,245	7,600
Loans granted	64	87
Accrued revenue related to regulatory activity of the public electricity supply (Note 12.2)	-	86,520
Other non-current amounts receivable	1,068	1,198
Carrying amount	**44,027**	**96,139**

Line item “Accrued revenue related to regulatory activity of the public electricity supply” represents contract assets (Note 21.2).

8.1 Cash reserved for guarantees

During 9M of 2022 the Group issued EUR 3,780 thousand guarantee on behalf of Litgrid AB, maturity of the guarantee 1 January 2026 and EUR 332 thousand guarantee related to capacity reserve, maturity of the guarantee 15 September 2025, moreover limit of guarantee on behalf of Nord Pool AS was increased by EUR 2,000 thousand.

During 9M of 2022 EUR 3,598 thousand guarantees were reclassified from Other receivables to Non-current receivables as return terms of guarantees were extended.

9 Other financial assets

The Group's other financial assets comprised as follows:

	30 September 2022	31 December 2021
Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB (Note 3.1)	29,479	25,094
Investment into Moray West Holdings Limited	5,000	5,000
Carrying amount	**34,479**	**30,094**

10 Inventories

The Group's inventories comprised as follows:

	30 September 2022	31 December 2021
Natural gas	689,621	149,112
Emission allowances	26,629	30,172
Consumables, raw materials and spare parts	15,150	2,916
Other	6,751	3,406
Carrying amount	**738,151**	**185,606**

Carrying amount of natural gas 30 September 2022 increased due to increased gas prices during 9M of 2022 and due to increased quantity of gas as the Group commit to purchase the required amount of gas and sell the set amount of electricity in advance on the electricity market in accordance with the electricity generation schedule submitted by LitGrid AB (Note 3.2).

During 9M of 2022 the Group wrote down its inventory by EUR 24,514 thousand. The write-down is included in Purchases of electricity, natural gas and other services in SPLOCI (during 9M of 2021 the Group wrote down its inventory by EUR 252 thousand).
Major write-down was accounted for natural gas. Due to market-shift that was observed in October, the acquisition price of natural gas held in inventory exceeded the gas futures price. The group has evaluated its inventory and determined that carrying value of inventory was higher than estimated net realizable value. As a result, write-down for natural gas was recognized for the value EUR 23,310 thousand.

All amounts are in EUR thousand unless otherwise stated

11 Trade receivables

The Group's trade receivables comprised as follows:

	30 September 2022	31 December 2021
Amounts receivable under contracts with customers		
Receivables from electricity related sales	349,369	170,167
Receivables from gas related - non-household	140,793	102,182
Receivables from gas related - household	4,215	4,309
Other receivables under contracts with customers	8,201	8,109
Amounts receivable under other contracts		
Receivables for lease of assets	37	50
In total	**502,615**	**284,817**
Less: impairment of trade receivables	(11,675)	(9,920)
Carrying amount	**490,940**	**274,897**

As at 30 September 2022 and 31 December 2021, the Group had no pledged 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 insignificant part of total trade receivables. The Group doesn't provide the settlement period longer than 1 year. The Group didn't identify any financing components.

11.1 Impairment of amounts receivable (lifetime expected credit losses)

The table below presents information on the Group's trade receivables under contracts with customers as at 30 September 2022 that are assessed on a collective basis using the loss ratio matrix:

	Loss ratio	Trade receivables	Impairment
Not past due	0.53	409,274	2,154
Up to 30 days	1.21	23,696	287
30–60 days	5.91	3,995	236
60-90 days	13.92	970	135
90-120 days	20.33	669	136
More than 120 days	56.99	12,689	7,232
As at 30 September 2022	**2.26**	**451,293**	**10,180**

The table below presents information on the Group's trade receivables under contracts with customers that are assessed on an individual basis:

	30 September 2022	
	Trade receivables	Impairment
Not past due	48,881	-
Up to 30 days	643	-
30–60 days	93	8
60-90 days	49	1
90-120 days	-	65
More than 120 days	1,656	1,421
Carrying amount	**51,322**	**1,495**

12 Other receivables

The Group's other receivables comprised as follows:

	30 September 2022	31 December 2021
Accrued revenue related to regulatory activity of the public electricity supply (Note 12.1)	134,568	39,024
Deposits for electricity related derivatives in electricity market (Note 12.3)	119,301	60,210
Accrued revenue related to regulatory activity of natural gas supply (Note 3.3)	90,821	-
Deposits for gas related derivatives to commodity traders (Note 12.3)	40,656	39,210
Unbilled accrued revenue from electricity sales	21,370	26,254
Receivables for derivatives	20,685	-
Current portion of non-current loans and current loans	16,997	3,578
Value added tax	15,359	14,612
Other accrued revenue	8,388	10
Accrued revenue for natural gas	4,523	1,416
Cash reserved for guarantees	2,769	3,648
Current portion of finance lease	1,723	2,517
Receivable on sale of LitGrid AB (Note 12.2)	-	84,128
Other receivables	13,454	15,017
In total	**490,614**	**293,406**
Less: impairment of other receivables	(699)	(877)
Carrying amount	**489,915**	**292,529**

Line items "Accrued revenue related to regulatory activity of the public electricity supply", "Accrued revenue related to regulatory activity of natural gas supply", "Unbilled accrued revenue from electricity sales", "Accrued revenue for natural gas" and "Other accrued revenue" represent contract assets (Note 21.2).

The fair values of other receivables as at 30 September 2022 and 31 December 2021 approximated their carrying amounts.

12.1 Accrued revenue related to regulatory activity of the public electricity supply

Line item "Accrued revenue related to regulatory activity of the public electricity supply" has increased because discrepancies between the Group's forecasted and actual costs incurred in providing public electricity supply services during the reporting period are recognized as assets or liabilities of regulated activities.

During 9M of 2022 electricity prices in the market remained high. As at 30 September 2022 amount of regulatory difference is almost EUR 135 million, EUR 101 million of this amount is related to services provided during the first half of 2022 (to equalize the current period's profit to the regulated level, regardless of whether the services will be provided in the future) and EUR 34 million is related to services provided during periods before 31 December 2021. According to Legislation issued as of 12 May 2022, at the end of reporting period the Group expects to receive significant part of this amount during upcoming 12 months period, due to that total amount is recognised as current portion of accrued revenue related to regulatory activity of the public electricity supply as at 30 September 2022. Due to the same legislation, during Q3 of 2022 the group has received EUR 89 million and significantly reduced regulatory difference related to activity of public electricity supply.

All amounts are in EUR thousand unless otherwise stated

12.2 Receivable on sale of LitGrid AB

In 2012, the shares of LitGrid AB held by the parent company were transferred to a newly established private limited liability company EPSO-G UAB in return for a certain consideration based on the market value of the shares established by independent valuers. According to the shares sale-purchase agreement EPSO-G UAB must repay the debt to the Group for the shares of AB LitGrid acquired in 30 September 2012 until 30 September 2022. During the 9M of 2022 EPSO-G UAB has repaid total debt of EUR 84,128 thousand to the parent company.

12.3 Deposits related to derivatives

The Group has made deposits for derivative instruments as assurance of contractual obligations with the Commodities exchange and Commodity traders for trading of derivatives linked to electricity and gas market prices. Deposits are in a form of cash collateral and the value moves on a daily basis, i.e. depends on market prices. The Group estimates that the whole amount of cash collateral will be recovered as the amounts payable are related to the realization of the future hedge and the sales contracts will be realized together with the hedge, thus invoices for derivative instruments will be covered with sales income and after this payment cash collateral will be returned.

13 Equity and reserves

13.1 Issued capital

Issued capital of the Group consisted of:

	30 September 2022	31 December 2021
Authorised shares		
Ordinary shares, EUR	1,616,445,477	1,658,756,294
Ordinary shares issued and fully paid, EUR	**1,616,445,477**	**1,658,756,294**

As at 30 September 2022 the Group's issued capital comprised EUR 1,616,445,477 (31 December 2021: EUR 1,658,756,294) and was divided into 72,388,960 ordinary registered shares with EUR 22.33 nominal value for a share (31 December 2021: 74,283,757 ordinary registered shares with EUR 22.33 nominal value for a share).

13.2 Treasury shares reserve

At the ordinary general meeting of shareholders held on 29 March 2022 it was decided to form additional reserve of EUR 14,660 thousand for the acquisition of treasury shares in 2022 which as at 30 September 2022 amounted to EUR 37,660 thousand (31 December 2021: EUR 23,000 thousand)

The Group on 19–27 April 2022 has conducted an acquisition of the Company's ordinary registered shares (hereinafter – ORS or treasury shares) through the auction for tender offers of AB "Nasdaq Vilnius" stock exchange, with SEB bankas, AB acting as an intermediary. Treasury shares were acquired by the Group on 29 April 2022, when the right of ownership transferred to the Group. Shares purchase price EUR 15.30 per share, number of shares acquired 651,554 and total value of treasury shares acquired EUR 9,968 thousand. Afterwards, a fee for stabilization related services to Stabilisation Manager – Swedbank AB paid for an amount EUR 4,333 thousand which was recognised in retained earnings. As the price at which the Stabilized Securities were sold through the above mentioned public tender offer was less than the price at which the Stabilized Securities were purchased, the Company has paid the difference to the Stabilization Manager.

Treasury shares reserve can be dissolved only by the decision of the ordinary general meeting of shareholders.

13.3 Share capital reduction

On 9 August 2022 Group share capital was reduced by annulling the ORS acquired by the Group in relation to the stabilisation that occurred after the initial public offering (hereinafter – IPO) of 5 October 2020. During the reduction of the Group's share capital, 1,894,797 units of the Group's ORS with a nominal value of EUR 22.33 each, which were acquired by the Group itself, were annulled. The total nominal value of the annulled ORS is EUR 42,310,817.01. Accordingly, the Group's share capital decreased to EUR 1,616,445,477 (from EUR 1,658,756,294) and the total number of ORS decreased to 72,388,960 units (from 74 283 757 units).

Due to the reduction of the Group's share capital, the free float of ORS decreased to 25.01% (from 26.92% at the time of the Group's IPO). A share of securities held by each shareholder has also increased proportionally, including that of the majority shareholder (the Republic of Lithuania implementing the shareholder's will, i.e. the Ministry of Finance of the Republic of Lithuania) whose securities portfolio currently amounts to 74.99% (increased from 73.08%).

All amounts are in EUR thousand unless otherwise stated

14 Other comprehensive income

Other comprehensive income (loss) in reserves:

	Equity, attributed to equity holders of the parent				
	Revaluation reserve	Hedging reserve	Other reserves	Retained earnings	Total
Cash flow hedges – effective portion of change in fair value	-	(77,408)	-	-	**(77,408)**
Cash flow hedges – reclassified to profit or loss	-	50,703	-	-	**50,703**
Result of change in actuarial assumptions	-	-	-	(236)	**(236)**
Foreign operations – foreign currency translation differences	-	-	(650)	-	**(650)**
In total for the 9M 2021	**-**	**(26,705)**	**(650)**	**(236)**	**(27,591)**
Revaluation of property, plant and equipment, net of tax	170	-	-	-	**170**
Cash flow hedges – effective portion of change in fair value	-	404,523	-	-	**404,523**
Cash flow hedges – reclassified to profit or loss	-	(101,134)	-	-	**(101,134)**
Result of change in actuarial assumptions	-	-	-	134	**134**
Foreign operations – foreign currency translation differences	-	-	(6,482)	-	**(6,482)**
In total for the 9M 2022	**170**	**303,389**	**(6,482)**	**134**	**297,211**

Hedging reserve movement comprises recognition of effective portion of EUR 404,523 thousand (gross before tax EUR 484,681 thousand) and reclassification to profit or loss of SPLOCI of EUR 101,134 thousand (gross before tax EUR 118,981 thousand) to Purchases of electricity, gas and other services.

15 Loans and bonds

Borrowings of the Group consisted of:

	30 September 2022	31 December 2021
Non-current		
Bonds issued	889,744	888,524
Bank loans	537,082	229,553
Current		
Current portion of non-current loans	25,214	13,857
Bank loans	-	214,100
Bank overdrafts	284,285	-
Accrued interest	5,352	9,317
In total	**1,741,677**	**1,355,351**

Non-current borrowings by maturity:

	30 September 2022	31 December 2021
From 1 to 2 years	176,640	18,880
From 2 to 5 years	375,994	73,793
After 5 years	874,192	1,025,404
In total	**1,426,826**	**1,118,077**

15.1 Movement of borrowings

Movement of borrowings during the 9M 2022 mainly consisted of the following:

During the 9M of 2022 the Group borrowed EUR 73,000 thousand according to the long-term loan contract with European Investment bank signed on 21 September 2020. The loan is intended for the implementation of IT solutions for smart meters and their data collection and management. Maturity of the loan is 14 February 2038, interests rate is fixed. The balance of loan as at 30 September 2022 is EUR 73,000 thousand.

During the 9M of 2022 the Group signed overdraft contract with bank Swedbank AB with the limit of EUR 300,000 thousand. The balance of this overdraft as at 30 September 2022 is EUR 284,285 thousand.

On 31 May 2022 the Group signed a refinance contract with Swedbank AB for loan issued to the Group company Kauno kogeneracinė jėgainė UAB. Maturity of loan is 31 May 2032 therefore the loan was reclassified from current loans to non-current loans. The balance of loan as at 30 September 2022 consists of current portion for an amount EUR 7,333 thousand and non-current part for an amount of EUR 102,667 thousand (as at 31 December 2021 the loan for an amount of EUR 110,000 thousand was classified as current loans).

On 23 August 2022 the Group borrowed EUR 150,000 thousand according to the long-term loan contract with banks SEB AB and SEB AS. The loan was used to refinance subsidiary's loan and for working capital. Maturity of the loan is 23 August 2024, interest rate is variable. The balance of loan as at 30 September 2022 is EUR 150,000 thousand.

15.2 Covenants and unwithdrawn balances

The loan agreements provide for financial and non-financial covenants that the individual Group entities are obliged to comply with. All Group companies complied with the covenants as at 30 September 2022 and 31 December 2021.

As at 30 September 2022, the Group's unwithdrawn balance of loans and bank overdrafts amounted to EUR 164,715 thousand (31 December 2021: EUR 115,291thousand).

All amounts are in EUR thousand unless otherwise stated

16 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. Management is monitoring net debt metric as a part of risk-management strategy. For the purpose of net debt calculation, borrowings comprise only debts to financial institutions, issued bonds and related interest payables. This note sets out an analysis of net debt, a non-IFRS measure for the purposes of these financial statements presentation defined by management as presented below.

Net debt balances:

	30 September 2022	31 December 2021
Cash and cash equivalents	(290,845)	(449,073)
Non-current borrowings payable after one year	1,426,826	1,118,077
Current borrowings payable within one financial year (including accrued interest)	30,566	237,274
Bank overdrafts	284,285	-
Lease liabilities	61,968	50,963
Net debt	**1,512,800**	**957,241**

Reconciliation of the Group's net debt balances and cash flows from financing activities:

	Assets	Lease liabilities		Borrowings		
	Cash and cash equivalents	Non-current	Current	Non-current	Current	Total
Net debt at 1 January 2022	**(449,073)**	**46,275**	**4,688**	**1,118,077**	**237,274**	**957,241**
Cash changes						
(Increase) decrease in cash and cash equivalents	158,228	-	-	-	-	**158,228**
Proceeds from borrowings	-	-	-	223,000	-	**223,000**
Repayments of borrowings	-	-	-	-	(113,598)	**(113,598)**
Lease payments	-	-	(4,048)	-	-	**(4,048)**
Interest paid	-	-	(612)	-	(24,073)	**(24,685)**
Bank overdraft received (repaid)	-	-	-	-	284,285	**284,285**
Non-cash changes						
Lease contracts concluded	-	9,923	247	-	-	**10,170**
Accrual of interest payable	-	8	927	1,220	20,109	**22,264**
Reclassification of interest payable from (to) trade and other payables	-	-	(174)	-	-	**(174)**
Lease liabilities written-off	-	-	(26)	-	-	**(26)**
Reclassifications between items	-	(2,114)	2,114	88,903	(88,903)	**-**
Assumed through business combination (Note 30)	-	5,166	-	-	-	**5,166**
Change in foreign currency	-	(537)	130	(4,374)	(243)	**(5,024)**
Net debt at 30 September 2022	**(290,845)**	**58,722**	**3,246**	**1,426,826**	**314,851**	**1,512,800**

All amounts are in EUR thousand unless otherwise stated

17 Deferred income

Deferred income of the Group consisted of:

	30 September 2022		31 December 2021	
	Current portion	Non-current portion	Current portion	Non-current portion
Deferred income under contracts with customers				
Deferred income related to new customers fees	10,138	198,960	9,347	183,608
Deferred income related to electricity over declaration	5,712	-	1,502	-
Deferred income related to gas over declaration	24,999	-	7,197	-
Deferred revenue related to other contracts with customers	13,001	-	-	-
In total	**53,850**	**198,960**	**18,046**	**183,608**

Movement in the Group's deferred income:

	9M 2022	
	Current portion	Non-current portion
Balance as at 1 January	**18,046**	**183,608**
Increase during the period	54,433	22,133
Recognised as revenue	(25,410)	-
Reclassifications between items	6,781	(6,781)
Balance as at 30 September	**53,850**	**198,960**

Revenue from new customers fees is recognised over the average useful life of related items of property, plant and equipment.

All amounts are in EUR thousand unless otherwise stated

18 Provisions

The Group's provisions were as follows:

	30 September 2022	31 December 2021
Non-current	26,367	30,058
Current	25,881	41,561
Total	**52,248**	**71,619**

Movement of the Group's provisions was as follows:

	Emission allowance liabilities	Provisions for employee benefits	Provisions for servitudes	Provisions for registration of protection zones	Provision for isolated power system operations' and system services	Other provisions	Total
Balance as at 1 January 2022	**12,207**	**5,521**	**14,375**	**10,687**	**22,268**	**6,561**	**71,619**
Increase (decrease) during the period	6,798	880	-	-	-	3,159	**10,837**
Utilised during the period	(12,207)	(80)	-	(3,196)	(13,185)	(1,413)	**(30,081)**
Result of change in assumptions	-	(157)	-	-	-	-	**(157)**
Discount effect	-	-	-	-	151	-	**151**
Reclassifications between categories	-	-	1	-	-	(1)	**-**
Foreign currency exchange difference	-	-	-	-	-	(121)	**(121)**
Balance as at 30 September 2022	**6,798**	**6,164**	**14,376**	**7,491**	**9,234**	**5,196**	**52,248**
Non-current	-	5,350	13,397	4,511	-	120	**26,367**
Current	6,798	814	979	2,980	9,234	5,076	**25,881**
Balance as at 30 September 2022	**6,798**	**6,164**	**14,376**	**7,491**	**9,234**	**5,196**	**52,248**

EUR 9,234 thousand current provision for isolated power system operations' and system services is related to previous periods return corrections confirmed by NERC and three quarters of provision for isolated power system operations' and system services which was accounted as non-current provision as at 31 December 2021, which will be settled within 12 months (Note 3.2).

During the 9M of 2022 "Other provision" has mainly increased due to formed dismantling provision EUR 3,110 thousand, as to Poland Law dismantling provision should be formed for dismantling of wind farms, as the Group has wind farms operating in Poland, dismantling provision was formed.

All amounts are in EUR thousand unless otherwise stated

19 Other current amounts payable and liabilities

The Group's other current amounts payable and liabilities were as follows:

	30 September 2022	31 December 2021
Derivative financial instruments (Note 20)	66,593	71,431
Accrued expenses	65,830	48,046
Taxes (other than income tax)	55,391	30,600
Non-controlling interest dividends	48,487	3,358
Amounts payable for property, plant and equipment	37,016	23,263
Payroll related liabilities	24,864	19,157
Put option redemption liability	20,919	20,919
Irrevocable commitment to acquire a minority interest	3,675	3,751
Other amounts payable and liabilities	23,140	6,160
Carrying amount	**345,897**	**226,685**

20 Derivative financial instruments

The Group's derivative financial instruments mainly comprises of:

- Contracts related to electricity and natural gas commodities (hedge accounting)
- Contracts made directly with other parties – over-the-counter (OTC)
- Contracts made through "Nasdaq Commodities" market – Nasdaq
- Other contracts (non-hedge accounting)
- Other contracts – derivative financial instruments

Fair value of Nasdaq contracts are being set-off with cash on day-to-day basis. Accordingly no financial assets or liabilities are being recognized in statement of financial position. Gain or loss of such transactions is recognized same as all derivative financial instruments.

20.1 Derivative financial instruments included in the statement of financial position

Movement of assets and liabilities related to the Group's agreements on derivative financial instruments were as follows:

	Note	Movement during 9M 2022
Derivative financial instruments		
Other non-current assets		3,624
Other current assets		9,859
Other non-current amounts payable and liabilities		(21)
Other current amounts payable and liabilities	19	(71,431)
Carrying amount as at 31 December 2021		**(57,969)**
Change in the value		
Fair value change of derivative financial instruments recognised in Finance income		6,830
Fair value change of derivative financial instruments recognised in Other expenses		396
Fair value change of OTC recognised in Other expenses		(94,527)
Fair value change of OTC recognised in OCI		196,000
Total change during 9M of 2022		**108,669**
Derivative financial instruments		
Carrying amount as at 30 September 2022		**50,730**
Other non-current assets		70,032
Other current assets		47,291
Other current amounts payable and liabilities	19	(66,593)

20.2 Derivative financial instruments included in SPLOCI

Derivative financial instruments included in SPLOCI:

	Note	9M 2022	9M 2021
Fair value change of derivative financial instruments recognised in Finance income	20.1	6,830	-
Total recognised in Finance income		**6,830**	**-**
Fair value change of derivative financial instruments recognised in Other expenses		396	-
Fair value change of OTC		(94,527)	(2,934)
Fair value change of Nasdaq		20,179	15,487
Hedge ineffectiveness recognised – Nasdaq		(53,684)	22,644
Hedge ineffectiveness recognised – OTC		14,935	(5,268)
Total recognised in other income/ (other expenses)	**22**	**(112,701)**	**29,929**
Effective hedges reclassified from Hedging reserve to SPLOCI		118,981	19,264
Total recognised in Purchases of electricity, natural gas and other services	**14**	**118,981**	**19,264**
Total recognised in SPLOCI		**13,110**	**49,192**

All amounts are in EUR thousand unless otherwise stated

21 Revenue from contracts with customers

21.1 Disaggregated revenue information

The Group's revenue from contracts with customers were as follows:

	9M 2022	9M 2021
Electricity related revenue		
Revenue from the sale of electricity	961,149	230,718
Revenue from sale of produced electricity	351,398	160,471
Revenue from electricity transmission and distribution	289,681	326,690
Revenue from public electricity supply	205,528	114,705
Revenue from services ensuring the isolated operation of power system and capacity reserve	110,819	38,195
Gas related revenue		
Revenue from gas sales	1,005,929	168,380
Revenue from gas distribution	28,721	31,638
Revenue of LNGT security component	14,445	26,863
Other revenue		
Revenue from sale of heat energy	20,508	6,810
Revenue from new customers' connection fees	6,782	6,049
Other revenue from contracts with customers	28,780	21,258
In total	**3,023,740**	**1,131,777**

The Group's revenue based on the timing of transfer of goods or services:

	9M 2022	9M 2021
Performance obligation settled over time	3,017,952	1,121,622
Performance obligation settled at a specific point in time	5,788	10,155
In total	**3,023,740**	**1,131,777**

21.2 Contract balances

Balances arising from contracts with customers as at the end of the period are as follows:

	Notes	30 September 2022	31 December 2021 (restated)[2]
Trade receivables[1]	11	**490,903**	**274,847**
Contract assets		**285,687**	**153,224**
Accrued revenue from gas sales	12	95,344	1,416
Accrued revenue from electricity related sales[2]	8, 12	155,938	151,798
Accrued revenue related to the system services	8	26,017	-
Other accrued revenue		8,388	10
Contract liabilities		**346,772**	**256,624**
Deferred income	17	239,809	201,654
Advances received		106,963	54,970

[1] Trade receivables related to lease contracts and other trade receivables are excluded.
[2] Presentation of contract asset's comparative figure related to accrued revenue from electricity related sales was corrected by adding a non-current part which as at 31 December 2021 amounted to EUR 86,520 thousand (Note 8).

21.3 Rights to returned goods assets and refund liabilities

The Group does not have any significant contracts with the customers' right to return goods.

21.4 Performance obligations

The remaining performance obligations expected to be recognised after the end of the reporting period relate to new customers' connection fees:

	30 September 2022	31 December 2021
More than one year	198,960	183,608
Within one year	40,849	18,046
Total liability under connection contracts	**239,809**	**201,654**

22 Other expenses

The Group's other expenses were as follows:

	9M 2022	9M 2021
OTC and Nasdaq contracts (Note 20.2)	112,701	-
Customer service	9,667	6,742
Telecommunications and IT services	7,221	6,004
Taxes	5,439	4,532
Transport	2,872	2,142
Utilities	2,558	2,555
Personnel development	2,073	529
Consulting services	1,945	2,056
Impairment / (reversal) of impairment of amounts receivable and loans	1,597	1
Expenses of low-value inventory items	1,426	1,182
Write-offs of long term and short term receivables	506	640
Other	8,886	5,090
In total	**156,891**	**31,473**

All amounts are in EUR thousand unless otherwise stated

23 Income tax

23.1 Amounts recognised in profit or loss

The Group's income taxes recognised in profit or loss were as follows:

	9M 2022	9M 2021 (restated)[1]
Income tax expenses (benefit) for the year	52,545	8,646
Deferred tax expenses (benefit)	(25,949)	13,351
In total	**26,596**	**21,997**

[1] Part of the amounts do not agree with the interim condensed financial statements issued for the nine months period ended 30 September 2021 due to accounting policy changes. See more information disclosed in Note 4.

23.2 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 profit of the Group:

		9M 2022		9M 2021 (restated)[2]
Profit (loss) before tax		211,473		134,163
Income tax expenses (benefit) at tax rate of 15%	15.00%	31,721	15.00%	20,124
Effect of tax rates in foreign jurisdictions	0.11%	233	(0.06)%	(79)
Expenses not deductible for tax purposes	4.68%	9,899	5.96%	7,992
Income not subject to tax	(5.29)%	(11,194)	(4.99)%	(6,692)
Income tax recognised in other comprehensive income	29.47%	62,311	-	-
Other	(1.92)%	(4,063)	0.49%	652
Income tax expenses (benefit)	**42.04%**	**88,907**	**16.40%**	**21,997**

[2] Part of the amounts do not agree with the interim condensed financial statements issued for the nine months period ended 30 September 2021 due to accounting policy changes. See more information disclosed in Note 4.

Income tax recognised in other comprehensive income related to derivative financial instruments held by the Group. They are treated as deductible expenses (or taxable income) for tax purposes.

24 Earnings per share

The Group's earnings per share and diluted earnings per share attributable to the shareholders of the parent company were as follows:

	9M 2022	9M 2021[1]
Net profit (loss)	**184,877**	**112,166**
Attributable to:		
Equity holders of the parent	184,877	112,442
Non-controlling interests	-	(276)
Weighted average number of nominal shares	72,671,619	74,283,757
Basic earnings/(loss) per share attributable to shareholders of the parent company	2.54	1.51
Diluted earnings/(loss) per share attributable to shareholders of the parent company	2.54	1.51

[1] Part of the amounts do not agree with the interim condensed financial statements issued for the nine months period ended 30 September 2021 due to accounting policy changes. See more information disclosed in Note 4.

Basic and diluted earnings per share indicators have been calculated based on 72,671,619 weighted average number of ordinary shares for three quarters of 2022 as Ignitis grupė AB reacquired its own ordinary shares (treasury shares) as at 16 December 2021 and as at 29 April 2022. Treasury shares are not regarded as outstanding, thus were excluded from the outstanding shares count at the period for which they are held by Ignitis grupė AB. On 9 August 2022 the Group has reduced its share capital by annulling treasury shares acquired (Note 13.3).

25 Dividends

Dividends declared by the Company during the 9M of 2022:

	9M 2022	9M 2021
Ignitis grupė AB	88,995	86,763

EUR 43,824 thousand dividends for the second half of 2021 was approved at the Ordinary General Meeting of shareholders on 29 March 2022 and EUR 45,171 thousand dividends for the first half of 2022 was approved at the Extraordinary General Meeting of shareholders on 29 September 2022

All amounts are in EUR thousand unless otherwise stated

26 Commitments, contingent liabilities and contingent assets

26.1 Litigations

During 9M of 2022 there were no significant changes in litigations reported in annual financial statements for 2021 or new significant litigations except for mentioned below.

Litigation with Šiaulių energija AB

Šiaulių energija AB filed a claim against the Group's subsidiary ESO for indemnification of losses incurred due to a failure in LitGrid AB networks on 25 March 2019.

By a ruling of 24 March 2022, the Lithuanian Court of Appeal upheld the 6 April 2021 decision (to dismiss the claim) of the Vilniaus Regional Court against ESO.

On 3 June 2022 the Supreme Court of Lithuania has accepted a cassation appeal of LITGRID AB. On 4 July 2022 ESO submitted a reply to the cassations appeal. The hearing has not been scheduled yet.

The Group believes that it will defend its interests in these proceedings successfully and has not made provisions for these proceedings.

On received court claim of the prosecutor of the Vilnius Regional Prosecutor's Office and adopted interim measures

On 22 April 2022 the Vilnius District Court approved the settlement agreement and dismissed the civil case. Under the settlement agreement, the Prosecutor has abandoned the claims brought against the Group and the Ministry of Finance of the Republic of Lithuania. The parties have also agreed under the settlement agreement to waive any current or future claims regarding the basis and subject matter of the case. The Court's ruling came into force on 3 May 2022.

Litigation with Rafako S.A.

On 5 August 2022 Arbitration Institute of the Stockholm Chamber of Commerce (hereinafter "Arbitration Court") made a favourable ruling in the legal dispute between a Polish company Rafako S.A. (hereinafter – Rafako) and Group's company Vilniaus kogeneracinė jėgainė UAB regarding the contract signed on 29 September 2016, under which, among other things, declared that a subsidiary of the Group Vilniaus kogeneracinė jėgainė UAB was entitled to terminate the contract with Rafako and has the legal right to claim delay damages and reimbursement of damages from Rafako. The issues of reimbursement of damages and the size thereof are scheduled to examine on the second stage of the arbitration proceedings. Further hearings of the Arbitration Court shall be held, and other proceedings of the parties shall be conducted in accordance with the schedule approved by the Arbitral Court.

The Group expects to succeed in defending its interests. According to the Group management, this dispute will not have significant financial consequences for the implementation of the project.

26.2 Issued guarantees

The Group has provided the following guarantees:

Name of the entity	Beneficiary of the guarantee	Issue at	Maturity	Maximum amount of the guarantee	30 September 2022[1]	31 December 2021
Moray Offshore Windfarm (West) Limited	Barclays Bank PLC	22/07/2022	31/03/2023	7,264	-	-
Moray Offshore Windfarm (West) Limited	NEXANS NORWAY AS	26/07/2022	31/12/2022	3,834	-	-
Moray Offshore Windfarm (West) Limited	Engie UK Markets Limited	21/04/2021	31/12/2024	1,193	-	-
Moray Offshore Windfarm (West) Limited	Engie UK Markets Limited	28/07/2022	01/05/2025	447	-	-
Moray Offshore Windfarm (West) Limited	GARDLINE Limited	19/07/2022	01/02/2023	353	-	-
				13,091	**-**	**-**

[1] Amount which should be covered by the Group in case entity could not perform its obligations as at 30 September 2022.

On 19 July 2022 the Group has issued a guarantee in favour of GARDLINE Limited for EUR 353 thousand. The guarantee is provided to guarantee performance obligations of Moray Offshore Windfarm (West) Limited.

On 22 July 2022 the Group has issued a guarantee in favour of Barclays Bank PLC for EUR 7 264 thousand. The guarantee is provided to guarantee performance obligations of Moray Offshore Windfarm (West) Limited.

On 26 July 2022 the Group has issued a guarantee in favour of NEXANS NORWAY AS for EUR 3 834 thousand. The guarantee is provided to guarantee performance obligations of Moray Offshore Windfarm (West) Limited related to engineering, manufacturing, transport and installation of offshore export cables and onshore export cables.

On 28 July 2022 the Group has issued a guarantee in favour of Engie UK Markets Limited for EUR 447 thousand. The guarantee is provided to guarantee performance obligations of Moray Offshore Windfarm (West) Limited under power purchase agreement.

26.3 Regulatory assets and liabilities

Natural gas distribution to household customers

Natural gas supply to household customers activity is regulated by NERC. The NERC regulates natural gas tariff paid by customers. Regulatory differences defined as the difference between the fixed natural gas sale price and the actual natural gas purchase price are were not recognized in the financial statements till 31 December 2021 as Group had no guarantee for this difference will be returned in future according to the legislation base.

Total uncollected unrecognised amount as at 30 September 2022 is EUR 44 million, amount is related to period before 31 December 2021 (31 December 2021: EUR 64 million).

All amounts are in EUR thousand unless otherwise stated

On 4 November 2021 amendments were established to Laws on Natural Gas and Electricity, which provide for price amortization mechanisms in the face of high gas and electricity market prices (Note 3.3). The Group did take an opportunity to set lower prices from 6M of 2022, due to that the losses (loss of revenue) caused by the lower gas price in the tariff will be returned to the Group through the additional component which is included in distribution service tariff. According to this, as at 30 September 2022 the entity recognised regulatory asset of EUR 91 million. Lower prices were not set for the second half of 2022 and no additional regulatory assets were recognised.

On 12 May 2022 a legislation was issued, according to which the group is able to recover a significant amount of regulatory differences in the next 6 months. Due to the same legislation, during Q3 of 2022 the group has recovered EUR 39 million of regulatory difference related to natural gas distribution to household customers. During Q4 of 2022 the group expects to significantly reduce the remaining amount of unrecognised and recognised regulatory differences.

Designated supply of natural gas

Designated supply activity is also regulated by NERC. Regulatory differences arise when the actual costs differ from those estimated, but the Group does not recognize regulated assets or liabilities in the financial statements as the difference will be refunded by providing the services in the future. The overcollected amount of EUR 92,9 million as of 30 September 2022 will be included in the LNGT security component in the future (overcollected amount of EUR 53 million as of 31 December 2021).

26.4 Evaluation of Russia's invasion of Ukraine on Group's financial statements

The Group has evaluated current and, to the extent possible, expected impact of Russia's invasion of Ukraine on the financial position, performance, cash-flows and the principal risks and uncertainties to which the Group is exposed. As the Group does not have any significant operations in the affected markets and does not have subsidiaries in the affected markets, the management of the Group has concluded that:

- no expected credit losses adjustments should be made as Group does not have balances with affected markets;
- no adjustment to the carrying amounts of assets and liabilities should be made;
- the situation does not have impact on Group's ability to continue as a going concern.
- general potential effects that are tightly related to the Group's activities are an increase in electricity and natural gas prices, possible disruptions in supply chains as well as increased inflation and growing prices of other materials. Furthermore, the level of vigilance in cybersecurity is being raised nationwide while the Group is classified as the owner of critical infrastructure.

As to the above no significant impact of Russia's invasion of Ukraine on Group's financial statements was identified. However, it should be noted that, due to the ongoing uncertainty, the final impact of the Russia's invasion of Ukraine on the business of the Group companies cannot be assessed in full yet.

27 Related party transactions

The Group transactions with related parties and period-end balances arising on these transactions are presented below:

	Accounts Receivable 30 September 2022	Accounts Payable 30 September 2022	Sales 9M 2022	Purchases 9M 2022	Finance income (expenses) 9M 2022
EPSO-G UAB	3	-	22	-	64
LitGrid AB	28,366	28,882	130,467	166,095	-
Amber Grid AB	4,206	2,604	20,728	24,142	-
Baltpool UAB	216	10,920	(61,092)	10,491	-
GET Baltic UAB	7,643	1	88,287	50,849	-
Other related parties	127	1,495	8,269	5,170	-
Total	**40,561**	**43,902**	**186,681**	**256,747**	**64**

	Accounts Receivable 31 December 2021	Accounts Payable 31 December 2021	Sales 9M 2021	Purchases 9M 2021	Finance income (expenses) 9M 2021
EPSO-G UAB	84,131	78	21	-	414
LitGrid AB	19,520	38,727	55,835	129,620	-
Amber Grid AB	8,146	5,009	30,543	35,238	-
Baltpool UAB	788	33,587	41,014	76,620	-
GET Baltic UAB	7,304	-	23,737	43,778	-
Other related parties	701	2,760	200	2,391	2
Total	**120,590**	**80,161**	**151,350**	**287,647**	**416**

Negative sales amount in 9M of 2022 to Baltpool UAB is related with credit invoices issued for PSO services. Revenue from PSO funds is calculated for 1 MW electricity as the difference between the fixed tariff set by the NERC and the weighted average price of electricity sold in Power exchange of electricity. If the weighted average price on the Electricity Exchange exceeds the fixed rate set by NERC, the Group issues credit invoices to Baltpool UAB.

27.1 Compensation to key management personnel

	9M 2022	9M 2021
Wages and salaries and other short-term benefits to key management personnel	824	776
Whereof:	-	-
Short-term benefits	*729*	*611*
Termination benefits	*95*	*8*
Share-based payment expenses	-	*157*
Number of key management personnel	12	12

All amounts are in EUR thousand unless otherwise stated

28 Operating segments

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

Management follows performance by operating segments that are consistent with the lines of business specified in the Group's strategy:

- Green generation segment includes activities carried out by Ignitis gamyba AB (Kaunas Algirdas' Brazauskas Hydro Power Plant, Kruonis pumped storage power plant, Biofuel and Steam Boiler), Vilniaus kogeneracinė jėgainė UAB, Kauno kogeneracinė jėgainė UAB, Eurakras UAB, Tuuleenergia OU, Vėjo gūsis UAB, Vėjo vatas UAB, VVP Investment UAB, Ignitis renewables UAB, Pomerania Wind Farm sp. z o. o., Silezia1 Wind Farm Sp. z o. o., Ignitis Renewables Polska Sp. z o. o., Ignitis Res Dev Sp. z o. o., Ignitis renewables projektai, UAB, IGN RES DEV1 SIA, IGN RES DEV2 SIA, Ignitis renewables Latvia SIA, IGN RES DEV3 SIA, IGN RES DEV4 SIA, Ignitis renewables projektai 2 UAB, Ignitis renewables projektai 3 UAB, Altiplano A.S.;
- Networks segment includes the activities carried out by Energijos skirstymo operatorius AB;
- Flexible generation segment includes activities carried out by Ignitis gamyba AB (except Kaunas Algirdas' Brazauskas Hydro Power Plant, Kruonis pumped storage power plant, Biofuel and Steam Boiler);
- Customers and solutions segment includes activities carried out by Ignitis UAB, Ignitis Eesti OÜ, Ignitis Latvija SIA, Ignitis Polska Sp. z o. o., Ignitis Suomi OY.

Other activities and eliminations include:

- support service company (Ignitis grupės paslaugų centras UAB);
- non-core activities companies (Energetikos paslaugų ir rangos organizacija UAB, Transporto valdymas UAB);
- additional service entities (Elektroninių mokėjimų agentūra UAB, Gamybos optimizavimas UAB);
- parent company Ignitis grupė AB;
- consolidation corrections and eliminations of intercompany transactions.

The chief operating decision-maker does not monitor the results based on geographical segments. 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, i.e. information on profit or loss, including the reported amounts of revenue and expenses. The primary performance measure is adjusted Earnings Before Interest, Taxes, Depreciation, and Amortization (adjusted EBITDA – a non-IFRS alternative performance measure). Another performance measure is adjusted Earnings Before Interest and Taxes (adjusted EBIT – a non-IFRS alternative performance measure). Both measures are calculated starting from the data presented in the financial statements as adjusted by management for selected items which are not defined by IFRS. Additionally to adjusted EBITDA and adjusted EBIT management also analyses Investments and Net debt of each individual segment.

The Group management calculates EBITDA as follows:

Total revenue and other income -
Purchases of electricity, natural gas and other services -
Salaries and related expenses -
Repair and maintenance expenses -
Other expenses
EBITDA

The Group management calculates adjusted EBITDA as follows:

EBITDA +
Management adjustments
Adjusted EBITDA

The Group management calculates EBIT as follows:

Total revenue and other income -
Purchases of electricity, natural gas and other services -
Salaries and related expenses -
Repair and maintenance expenses -
Other expenses -
Depreciation and amortisation -
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets
EBIT

The Group management calculates adjusted EBIT as follows:

EBIT +
Management adjustments -
Significant one-off revaluation and impairment losses of property, plant and equipment and intangible assets
Adjusted EBIT

The Group management calculates adjusted EBITDA margin as follows:

Adjusted EBITDA ÷
(Total revenue and other income +
Management adjustments)
Adjusted EBITDA margin

The Group management calculates Investments as follows:

Additions of property, plant and equipment +
Additions of intangible assets +
Assets acquired through the acquisition of subsidiaries +
Additions of other financial assets +
Additions of investment property
Investments

The Group management calculates Net debt as indicated in Note 16.

All amounts are in EUR thousand unless otherwise stated

28.1 Management's adjustments, adjusted EBITDA and adjusted EBIT

Management's adjustments include:

- temporary regulatory differences;
- result from generation before COD.

In 2021, to simplify the reporting the management have decided to cease the use of management's adjustments (for more detailed information on reduction of management's adjustments see Annual report section '3.1 Annual Results') for:

- cash effect of new connection points and upgrades;
- temporary fluctuations in fair value of derivatives;
- result of disposal of non-current assets;
- impairment and write-offs of current and non-current amounts receivables, loans, goods and others.

Adjusted EBITDA is EBITDA further adjusted by adding management's adjustments.
Adjusted EBIT is EBIT further adjusted by adding management's adjustments.
Management's adjustments all may have both positive and negative impact on the reporting period results.

Management's adjustments used in calculating adjusted EBITDA and adjusted EBIT:

Segment / Management's adjustments	9M 2022	9M 2021 (restated)[1]
Green generation		
Result from generation before COD	-	4,777
Networks		
Temporary regulatory differences of Energijos skirstymo operatorius AB	77,735	(33,335)
Customers and Solutions		
Temporary regulatory differences of Ignitis UAB	(54,012)	(5,544)
Total Management's adjustments for Adjusted EBITDA	**23,723**	**(34,102)**
Total Management's adjustments for Adjusted EBIT	**23,723**	**(34,102)**

[1]Part of the amounts do not agree with the interim condensed financial statements issued for nine months period ended as at 30 September 2021 due to change in accounting policy (see more information disclosed in Note 4) and Alternative performance measurement (hereinafter – APM) calculation changes as disclosed in Annual report section '3.1 Annual results'.

Adjusted EBIT is presented, for each period, as adjusted EBITDA less depreciation and amortisation expenses, write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets and impairment and write-offs of current and non-current amounts receivables, loans, goods and others except significant one-off items (if any).
In managements view, adjusted EBITDA and adjusted EBIT more accurately present results of operations and enable to better compare results between the periods as it indicate the amount that was actually earned by the Group in the reporting period by:

- eliminating differences between the permitted return set by the NERC and the actual return for the period;
- adjusting for effects not related to the main activities of the Group or related to other periods.

All amounts are in EUR thousand unless otherwise stated

The table below shows the Group's information on segments for the 9M of 2022:

	Green generation	Networks	Flexible generation	Customers and Solutions	Other activities and eliminations	Total Group
IFRS[1]						
Sales revenue from external customers	413,402	396,582	165,359	2,050,636	1,827	3,027,806
Inter-segment revenue (less dividend)	356	634	256	93,233	(94,479)	-,
Total revenue and other income	**413,758**	**397,216**	**165,615**	**2,143,869**	**(92,652)**	**3,027,806**
Purchases of electricity, natural gas and other services	(152,780)	(264,439)	(32,402)	(1,979,305)	1,085	(2,427,841)
Salaries and related expenses	(8,180)	(46,995)	(6,081)	(9,493)	(13,463)	(84,212)
Repair and maintenance expenses	(3,811)	(19,163)	(2,376)	(3)	(2)	(25,355)
Other expenses	(63,145)	(27,620)	(107,077)	(65,730)	106,681	(156,891)
EBITDA	**185,842**	**38,999**	**17,679**	**89,338**	**1,649**	**333,507**
Depreciation and amortization	(20,961)	(66,695)	(8,958)	(1,534)	(4,452)	(102,600)
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	(2,936)	(2,764)	(10)	-	(1)	(5,711)
Operating profit (loss) (EBIT)	**161,945**	**(30,460)**	**8,711**	**87,804**	**(2,804)**	**225,196**
Adjusted[2]						
EBITDA	**185,842**	**38,999**	**17,679**	**89,338**	**1,649**	**333,507**
Management adjustments	-	77,735	-	(54,012)	-	**23,723**
Adjusted EBITDA[2]	**185,842**	**116,734**	**17,679**	**35,326**	**1,649**	**357,230**
Adjusted EBITDA margin	*44.9%*	*24.6%*	*10.7%*	*1.7%*	*(1,8%)*	***11.7%***
Depreciation and amortisation	(20,961)	(66,695)	(8,958)	(1,534)	(4,452)	**(102,600)**
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	(2,936)	(2,764)	(10)	-	(1)	**(5,711)**
Total adjusted operating profit (loss) (adjusted EBIT)	**161,945**	**47,275**	**8,711**	**33,792**	**(2,805)**	**248,919**
Property, plant and equipment, intangible and right-of-use assets	821,458	1,759,176	290,150	7,345	50,236	**2,928,365**
Investments	166,424	178,516	14,563	2,639	5,614	**367,756**
Net debt	694,927	878,247	24,893	813,679	(898,946)	**1,512,800**

[1] Amounts are presented according to Consolidated Statement of Profit or Loss and other Comprehensive Income of these financial statements

[2] The indicators of Adjusted EBITDA and adjusted EBIT both of which are a non-IFRS alternative performance measures are presented in the manner calculated by the management. Management believes that adjusted indicators more accurately present results of operations and enable to better compare results between the periods

All amounts are in EUR thousand unless otherwise stated

The table below shows the Group's information on segments for 9M of 2021[1]:

	Green generation	Networks	Flexible generation	Customers and Solutions	Other activities and eliminations	Total Group
IFRS[2]						
Sales revenue from external customers	104,804	390,632	111,457	556,559	1,956	**1,165,408**
Inter-segment revenue (less dividend)	215	(2,386)	204	13,582	(11,615)	**-**
Total revenue and other income	**105,019**	**388,246**	**111,661**	**570,141**	**(9,659)**	**1,165,408**
Purchases of electricity, natural gas and other services	(39,236)	(163,297)	(70,591)	(514,480)	334	**(787,270)**
Salaries and related expenses	(5,908)	(38,844)	(5,760)	(7,643)	(12,537)	**(70,692)**
Repair and maintenance expenses	(2,564)	(14,322)	(4,032)	(4)	(3)	**(20,925)**
Other expenses	(17,236)	(24,473)	(2,744)	(11,271)	24,251	**(31,473)**
EBITDA	**40,075**	**147,310**	**28,534**	**36,743**	**2,386**	**255,048**
Depreciation and amortization	(15,147)	(61,882)	(8,506)	(1,288)	(3,604)	**(90,427)**
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	-	(1,973)	(113)	-	(3)	**(2,089)**
Operating profit (loss) (EBIT)	**24,928**	**83,455**	**19,915**	**35,455**	**(1,221)**	**162,532**
Adjusted[3]						
EBITDA	**40,075**	**147,310**	**28,534**	**36,743**	**2,386**	**255,048**
Management adjustments	4,777	(33,335)	-	(5,544)	-	**(34,102)**
Adjusted EBITDA[3]	**44,852**	**113,975**	**28,534**	**31,199**	**2,386**	**220,946**
Adjusted EBITDA margin	*40.9%*	*32.1%*	*25.6%*	*5.5%*	*(24.7%)*	***19.5%***
Depreciation and amortisation	(15,147)	(61,882)	(8,506)	(1,288)	(3,604)	**(90,427)**
Write-offs, revaluation and impairment losses of property, plant and equipment and intangible assets	-	(1,973)	(113)	-	(3)	**(2,089)**
Total adjusted operating profit (loss) (adjusted EBIT)	**29,705**	**50,120**	**19,915**	**29,911**	**(1,221)**	**128,430**
Property, plant and equipment, intangible and right-of-use assets	745,825	1,655,117	312,517	6,199	36,751	**2,756,409**
Investments	15,351	104,379	166	1,595	6,345	**127,836**
Net debt	376,754	676,919	(39,962)	163,241	(556,514)	**620,438**

[1] Certain amounts presented above do not correspond to the consolidated financial statements prepared for nine months period ended as at 30 September 2021 due to change in accounting policy (see more information disclosed in Note 4) and APM calculation changes as disclosed in Annual report section '3.1 Annual results'.
[2] Amounts are presented according to Consolidated Statement of Profit or Loss and other Comprehensive Income of these financial statements
[3] The indicators of Adjusted EBITDA and adjusted EBIT both of which are a non-IFRS alternative performance measures are presented in the manner calculated by the management. Management believes that adjusted indicators more accurately present results of operations and enable to better compare results between the periods

28.2 Seasonality of operations

Certain activities of the Group are affected by weather and temperature conditions and seasonal market price fluctuations. Therefore, amounts reported for the interim period may not be indicative of the amounts that will be reported for the full year due to seasonal fluctuations in customer demand for gas, electricity and services, and renewable generation output. The results may be affected by seasonality in the following segments:

1. Networks and Customer and Solutions – the fluctuation occurs mainly due to shift in demand for electricity and gas in different seasons (i.e. in winter time demand for gas and electricity increases).
2. Green generation – weather conditions has impact on the generation capacities of wind, solar and hydro assets.

As the financial year corresponds to the calendar year, the impact of weather related factors tend to be uniform throughout the year, therefore the Group does not provide additional disclosures of comparable amounts for 12 months period.

All amounts are in EUR thousand unless otherwise stated

29 Fair values of financial instruments

29.1 Financial instruments, measured at fair value

The Group's derivative financial instruments (Level 2 of the fair value hierarchy), the Group's option right to acquire shares in subsidiary (Level 2 of the fair value hierarchy) and investment into "Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB" (Level 3 of the fair value hierarchy) are measured at fair value.

As at 30 September 2022 and 31 December 2021, the Group has accounted for assets and liabilities arising from financial derivatives. The Group accounts for financial derivative assets and liabilities at fair value and their accounting policies are set out in Note 2.31 in annual financial statements prepared for the year 2021. Market values that are based on quoted prices (Level 1) comprise quoted commodities derivatives that are traded in active markets. The market value of derivatives traded in an active market are often settled on a daily basis, thereby minimising the market value presented on the balance sheet. Market values based on observable inputs (Level 2) comprise derivatives where valuation models with observable inputs are used to measure fair value. All assets and liabilities measured at market value are measured on a recurring basis. The Group attributes to Level 2 of the fair value hierarchy derivative financial instruments linked with the Lithuanian/Latvian and Estonian/Finish electricity price areas. Derivatives acquired directly from other market participants (OTC contracts) and physical transmission rights acquired are estimated based on the prices of the NASDAQ Commodities exchange.

As at 30 September 2022 and 31 December 2021, the Group has accounted for investment into "Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB". Fair value corresponds to Level 3 in the fair value hierarchy. The fair value measurement of this financial asset is based on investment rounds. Fair value of this financial asset will change depending on future investment rounds or other significant events.

As at 30 September 2022 and 31 December 2021 the Group has accounted for investment into Moray West Holdings Limited. Fair value corresponds to Level 3 in the fair value hierarchy. The fair value measurement of this financial asset is based on the valuation performed by external valuator. The valuation was performed based on discounted cash flows.

As at 30 September 2022 and 31 December 2021, the Group accounted for the option to acquire all the shares of Kauno kogeneracinė jėgainė UAB held by Gren Lietuva UAB (49%), the calculation of which is defined in the shareholders' agreement. In the opinion of the Group's management, the exercise price of the put option that the Group will have to pay to Gren Lietuva UAB for the redeemable Gren Lietuva UAB owned Kauno kogeneracinė jėgainė UAB shares, if they choose to sell them, equals the fair value of these shares within materiality limits (materiality limits are set, as to best markets practice, +/-15% of market value). Fair value corresponds to Level 2 in the fair value hierarchy.

29.2 Financial instruments for which fair value is disclosed

The Group's fair value of loans granted is approximately equal to carrying amount. The measurement of financial assets related to the loans issued is attributed to Level 3 of the fair value hierarchy.

The Group's fair value of financial liabilities related to the debt liabilities to commercial banks and state-owned investment banks is calculated by discounting future cash flows with reference to the interest rate observable in the market. The cash flows were discounted using a discount rate of 3.95% for loans above EUR 1 million and 3.78% for loans less EUR 1 million (as at 31 December 2021: accordingly 2.76% and 2.82%). Neither as at 30 September 2022 nor 31 December 2021 the Group had no loans less EUR 1 million. The measurement of financial liabilities related to these debts is attributed to Level 2 of the fair value hierarchy.

The Group's bond issue debt (Note 15) fair value was calculated by discounting 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 issued bonds. The cash flows were discounted using a weighted average discount rate of 6.942% as at 30 September 2022 (31 December 2021 – 2.90%). Discount rates for certain bond issues are determined as market interest rate increased by EUR interest rate swap for tenors that are similar to period left until redemption of issued bonds. The bond issue debt is attributed to Level 2 of the fair value hierarchy.

29.3 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 September 2022:

	Note	Carrying amount	Level 1 Quoted prices in active markets	Level 2 Other directly or indirectly observable inputs	Level 3 Unobservable inputs	In total
Financial instruments measured at fair value through profit (loss) or other comprehensive income						
Assets						
Derivative financial instruments	20	**117,323**	-	117,323	-	**117,323**
Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB	9	**29,479**	-	-	29,479	**29,479**
Investment into Moray West Holdings Limited	9	**5,000**	-	-	5,000	**5,000**
Liabilities						
Put option redemption liability	19	**20,919**	-	20,919	-	**20,919**
Derivative financial instruments	20	**66,593**	-	66,593	-	**66,593**
Financial instruments for which fair value is disclosed						
Assets						
Loans granted	8, 12	**17,003**	-	-	16,999	**16,999**
Liabilities						
Bonds issued	15	**894,444**	-	688,878	-	**688,878**
Debt liabilities to commercial banks	15	**557,904**	-	538,605	-	**538,605**
Debt liabilities to state-owned investment banks	15	**289,329**	-	210,273	-	**210,273**

All amounts are in EUR thousand unless otherwise stated

30 Business combinations

30.1 Acquisition of Altiplano A.S.

On 29 September 2022 the Group acquired a 100% shareholding in Altiplano A.S. from the legal person. As at 30 September 2022, ownership rights of shares were held by the Group. Total consideration transferred amounts to EUR 34,809 thousand, EUR 22,270 thousand of which were paid through bank account, EUR 12,539 thousand were identified as contingent consideration which relates the fulfillment of specific seller's obligations set out in the share purchase agreement. As at 30 September 2022, the investment was not fully paid.

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

As at 30 September 2022 the Group did not complete the establishment of the fair value of the net assets acquired. At the time of business combination, the values of assets and liabilities were as follows:

	Note	Altiplano A.S.
Assets acquired		
Property, plant and equipment	7	5,166
Right-of-use assets	8	5,166
Prepayments for non-current assets		192
Current receivables		6,514
Cash and cash equivalents		26
Goodwill identified during business combination		24,642
Liabilities assumed		
Non-current lease liabilities	19	(5,166)
Deferred tax liability		(78)
Income tax liabilities	29	(677)
Current payables		(976)
Total identifiable net assets acquired		**34,809**
Consideration transferred		(34,809)
Contingent consideration	24	12,540
Net cash flows from acquisition of subsidiary		
Cash paid to seller of shares		(22,269)
Cash and cash equivalents acquired		26
Net cash flows		**(22,243)**

The Group incurred acquisition-related costs for an amount of EUR 166 thousand on legal fees and due diligence costs. These costs have been included in line item Other expenses of SPLOCI.

The amounts of revenue and profit or loss of the acquiree since the acquisition date included in the consolidated statement of profit or loss and OCI for the reporting period are not significant.

If the acquisition of Altiplano A.S. had occurred on 1 January 2022, management estimates that the Group's total revenue for the reporting period would not have changed significantly, and the Group's net profit for the reporting period would have been higher on EUR 1,531 thousand. In determining these amounts, management has assumed that the fair value adjustments, that arose on the date of acquisition would have been the same if the acquisition had occurred on 1 January 2022.

30.2 Reassessment of fair values of assets identified during business combination

The Group made the reassessment of fair values of assets identified during business combination of subsidiary Silezia1 Wind Farm sp. z o.o. (previously Altiplano Elektrownie Wiatrowe B1 Sp. z o. o.) which was acquired on December 2021. Reassessment showed that fair value should be adjusted: the goodwill for an amount EUR 120 thousand was recognised and other intangible assets was reduced by EUR 480 thousand, as at 30 September 2022 other intangible assets comprised of EUR 9,550 thousand (31 December 2021 – EUR 10,030 thousand). As well, the reassessment affected deferred tax liability related to recognized other intangible assets therefore was reduced by EUR 91 thousand.

All amounts are in EUR thousand unless otherwise stated

31 Events after the reporting period

31.1 Other events

Regarding Networks segment income level of electricity distribution for 2023

On 17 October 2022 NERC adopted the resolution on the price caps for electricity distribution services of Energijos skirstymo operatorius AB (hereinafter – ESO) for the following regulatory period. NERC established ESO income level of electricity distribution services for 2023, comprising EUR 395.5 million, which is 65 % higher compared to the income level set for year 2022 (EUR 239.7 million). Income level increased due to higher natural electricity technological expenses and growth of operating costs (inflation, growth of wages, increase of ESO regulatory asset base due to investments into the development and renewal of the electricity distribution network in recent years). Since the income level has largely increased due to reimbursable planned electricity technological expenses, the growth of adjusted EBITDA will be significantly lower than the growth of the income level of electricity distribution, because adjusted EBITDA is determined by investments in the network and the return on investments rate set by the regulator (NERC).

Regarding the intention of the Group to take credit lines of EUR 120 million

On 25 October 2022 the Management Board of the Group approved the intention to conclude a credit agreement of EUR 120 million (hereinafter – the Agreement with SEB) with AB SEB bank, AS SEB Banka and AS SEB Pank.

The credit line will be used to finance the Group's need for working capital due to increased energy prices. The Agreement is committed and is concluded for a term of 12 months. The Agreement does not include additional measures ensuring the fulfilment of obligations.

New guarantees issued by the Group

On 27 October the Group has issued a guarantee in favour of Nexans Norway AS for GBP 7.67 million (EUR 8.85 million). The guarantee is provided to guarantee performance obligations of Moray Offshore Windfarm (West) Limited. Guarantee maturity date is not defined.

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

*****

6.2 Parent company's financial statements

Unaudited parent's company's interim condensed financial statements for the nine-month period ended 30 September 2022, prepared in accordance with International accounting standard 34 'Interim financial reporting' as adopted by the European Union

The Group's interim condensed consolidated financial statements were prepared and signed by AB "Ignitis grupė" management on 22 November 2022:

Darius Maikštėnas
Chief Executive Officer

Jonas Rimavičius
Chief Financial Officer

Giedruolė Guobienė
UAB "Ignitis grupės paslaugų centras",
Head of Accounting acting under
Order No IS-22-22
(signed 4 April 2022)

Interim Condensed Statement of Financial Position

As at 30 September 2022
All amounts are in EUR thousand unless otherwise stated

	Notes	30 September 2022	31 December 2021
ASSETS			
Non-current assets			
Intangible assets		1,791	1,839
Property, plant and equipment		73	64
Right-of-use assets		16,210	17,602
Investment property		77	77
Investments in subsidiaries	4	1,255,173	1,255,858
Non-current receivables	5	1,435,346	1,088,397
Other financial assets	8	29,479	25,094
Deferred tax assets		77	513
Total non-current assets		**2,738,226**	**2,389,444**
Current assets			
Prepayments and deferred expenses		131	80
Trade receivables		384	494
Other receivables	6	20	184,597
Other current assets		3,683	20,014
Current loans and interest receivable	7	352,108	136,452
Cash and cash equivalents		25,452	125,323
Total current assets		**381,778**	**466,960**
TOTAL ASSETS		**3,120,004**	**2,856,404**
EQUITY AND LIABILITIES			
Equity			
Issued capital	9.1	1,616,445	1,658,756
Treasury shares acquired	9.2	-	(23,000)
Reserves	9.2	37,660	88,059
Reserve for treasury shares	9.2	99,637	23,000
Retained earnings (deficit)		179,232	186,393
Total equity		**1,932,974**	**1,933,208**
Liabilities			
Non-current liabilities			
Non-current loans and bonds	11	1,112,744	888,524
Non-current lease liabilities	12	14,673	15,994
Other non-current amounts payable and liabilities		-	9
Total non-current liabilities		**1,127,417**	**904,527**
Current liabilities			
Loans	11	5,170	9,143
Lease liabilities	12	1,752	1,755
Trade payables		715	976
Advances received		15	99
Income tax payable		799	-
Other current amounts payable and liabilities		51,162	6,696
Total current liabilities		**59,613**	**18,669**
Total liabilities		**1,187,030**	**923,196**
TOTAL EQUITY AND LIABILITIES		**3,120,004**	**2,856,404**

Interim Condensed Statement of Profit or Loss and Other Comprehensive Income

For the three and nine months periods ended 30 September 2022
All amounts are in EUR thousand unless otherwise stated

	Notes	9M 2022	Q3 2022	9M 2021	Q3 2021
Revenue from contracts with customers	13	2,294	728	2,222	605
Other income		297	296	2	1
Dividend income	14.2	97,496	-	122,320	-
Total revenue and other income		**100,087**	**1,024**	**124,544**	**606**
Salaries and related expenses		(2,662)	(842)	(3,688)	(1,111)
Depreciation and amortisation		(1,443)	(480)	(234)	(83)
Other expenses		(3,838)	(1,551)	(2,863)	(989)
Total expenses		**(7,943)**	**(2,873)**	**(6,785)**	**(2,183)**
Operating profit (loss)		**92,144**	**(1,849)**	**117,759**	**(1,577)**
Finance income	15	29,211	10,769	30,714	17,856
Finance expenses	16	(17,867)	(6,015)	(17,949)	(6,041)
Finance activity, net		**11,344**	**4,754**	**12,765**	**11,815**
Profit (loss) before tax		**103,488**	**2,905**	**130,524**	**10,238**
Current period income tax (expenses)/benefit		(824)	(518)	(42)	(9)
Deferred tax (expenses)/benefit		15	18	322	33
Net profit for the period		**102,679**	**2,405**	**130,804**	**10,262**
Total other comprehensive income (loss) for the period		-	-	-	-
Total comprehensive income (loss) for the period		**102,679**	**2,405**	**130,804**	**10,262**
Basic earnings per share (in EUR)		**1.41**	**0.03**	**1.76**	**0.14**
Diluted earnings per share (in EUR)		**1.41**	**0.03**	**1.76**	**0.14**
Weighted average number of shares		**72,671,619**	**72,388,960**	**74,283,757**	**74,283,757**

Interim Condensed Statement of Changes in Equity

For the nine-month period ended 30 September 2022
All amounts are in EUR thousand unless otherwise stated

	Notes	Issued capital	Treasury shares	Legal reserve	Treasury shares reserve	Retained earnings	Total
Balance as at 1 January 2021		**1,658,756**	**-**	**82,330**	**-**	**71,869**	**1,812,955**
Net profit for the period		-	-	-	-	130,804	**130,804**
Other comprehensive income (loss) for the period		-	-	-	-	-	**-**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**-**	**130,804**	**130,804**
Transfer to reserves to acquire treasury shares		-	-	-	23,000	(23,000)	**-**
Transfers to legal reserve				5,729	-	(5,729)	**-**
Dividends	14.1	-	-	-	-	(86,763)	**(86,763)**
Other movement		-	-	-	-	984	**984**
Share-based payments		-	-	-	-	162	**162**
Balance as at 30 September 2021		**1,658,756**	**-**	**88,059**	**23,000**	**88,327**	**1,858,142**
Balance as at 1 January 2022		**1,658,756**	**(23,000)**	**88,059**	**23,000**	**186,393**	**1,933,208**
Net profit for the period		-	-	-	-	102,679	**102,679**
Other comprehensive income (loss) for the period		-	-	-	-	-	**-**
Total comprehensive income (loss) for the period		**-**	**-**	**-**	**-**	**102,679**	**102,679**
Transfer to reserves to acquire treasury shares	9.2	-	-	-	14,660	(14,660)	**-**
Treasury shares acquired	9.2	-	(9,968)	-	-	(4,333)	**(14,301)**
Transfers to legal reserve	9.2	-	-	11,578	-	(11,578)	**-**
Dividends	14.1	-	-	-	-	(88,995)	**(88,995)**
Reduction of share capital	9.3	(42,311)	32,968			9,343	**-**
Other movement		-	-	-	-	384	**384**
Balance as at 30 September 2022		**1,616,445**	**-**	**99,637**	**37,660**	**179,232**	**1,932,974**

Interim Condensed Statement of Cash Flows

For the nine-month period ended 30 September 2022
All amounts are in EUR thousand unless otherwise stated

	Notes	9M 2022	9M 2021
Cash flows from operating activities			
Net profit for the period		102,679	130,804
Adjustments to reconcile net profit to net cash flows:			
Depreciation and amortisation expenses		1,443	234
Fair value changes of financial instruments	8	(2,689)	(14,037)
Income tax expenses/(income)		809	(280)
Dividend income	14.2	(97,496)	(122,320)
Share-based payments expenses		-	162
Other expenses of investing activities		-	23
Interest income	15	(26,522)	(16,676)
Interest expenses	16	15,647	15,770
Other expenses of financing activities		2,220	2,178
Changes in working capital:			
(Increase)/decrease in trade receivables and other receivables	6.1	84,031	15,103
(Increase)/decrease in prepayments and deferred expenses, other current and other non-current assets		16,280	15,189
Increase/(decrease) in trade payables, advances received, other current amounts payable and liabilities		(3,425)	2,053
Income tax paid		451	490
Net cash flows from (to) operating activities		**93,428**	**28,693**
Cash flows from investing activities			
Acquisition of property, plant and equipment and intangible assets		(25)	-
Loans granted		(578,117)	(194,768)
Loan repayments received		16,176	67,085
Acquisition of a subsidiary		-	(19,031)
Interest received	15	25,899	19,118
Dividends received		197,936	122,320
Return of capital from subsidiaries		980	4,997
Investments in Innovation Fund	8	(1,696)	(2,427)
Net cash flows from investing activities		**(338,847)**	**(2,706)**
Cash flows from financing activities			
Loans received	12	223,000	-
Lease payments	12	(1,311)	(195)
Interest paid	12	(18,400)	(18,934)
Dividends paid	14.1	(43,824)	(43,010)
Dividends returned		384	984
Treasury shares acquisition	9.2	(14,301)	-
Net cash flows from financing activities		**145,548**	**(61,155)**
Increase/(decrease) in cash and cash equivalents		**(99,871)**	**(35,168)**
Cash and cash equivalents at the beginning of the period		125,323	421,289
Cash and cash equivalents at the end of the period		**25,452**	**386,121**

All amounts are in EUR thousand unless otherwise stated

Explanatory Notes

For the nine-month period ended 30 September 2022

1 General information

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

The Company's shares are listed on the Main List of NASDAQ OMX Vilnius Stock Exchange, as well the global depositary receipts are admitted to the standard listing segment of the Official List of the United Kingdom Financial Conduct Authority and to trading on the Main Market of the London Stock Exchange.

The Company is a parent company, which is responsible for the management and coordination of activities of the group companies (Note 4) engaged in electricity and heat generation (including electricity generation from renewable energy sources), supply, electricity import and export, distribution and trade, natural gas distribution and supply, as well as the maintenance and development of the power system, management and coordination of activities. The Company and its subsidiaries are hereinafter collectively referred to as "the Group".

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

The Company's principal shareholder is the Republic of Lithuania (74.99%).

Shareholders of the Company	30 September 2022		31 December 2021	
	Share capital, in EUR '000	%	Share capital, in EUR '000	%
Republic of Lithuania represented by the Ministry of Finance of the Republic of Lithuania	1,212,172	74.99	1,212,156	73.08
Other shareholders	404,273	25.01	418,838	25.25
Own shares	-	-	27,762	1.67
	1,616,445		**1,658,756**	

These interim condensed financial statements were prepared and signed by Company's management on 22 November 2022. These are interim condensed separate financial statements of the Company which are prepared in accordance with local law requirements. The Group also prepares consolidated interim condensed financial statements.

2 Summary of significant accounting policies

2.1 Basis of preparation

These interim condensed financial statements are prepared for the nine months period ended 30 September 2022 (hereinafter "interim financial statements") and have been prepared in accordance with International Accounting Standard (hereinafter – IAS) 34 "Interim Financial Reporting".

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 2021, which have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (hereinafter – IFRS).

Interim financial statements have been prepared on a going concern basis applying measurement based on historical cost, except for certain financial instruments measured at fair value.

These interim financial statements are presented in euros and all values are rounded to the nearest thousand (EUR '000), except when otherwise indicated. The Company's financial year coincides with a calendar year. These interim financial statements provide comparative information in respect of the previous period

2.2 New standards, amendments, interpretations and changes in accounting policy

2.2.1 Changes in accounting policy and disclosures

The accounting policies applied in the preparation of these interim financial statements are consistent with the accounting policies applied in the preparation of the Company's annual financial statements for the year ended 31 December 2021, with the exception of the new standards which entered into force during 9M of 2022.

2.2.1.1 Standards and their interpretations, announced and adopted by the European Union, effective for the current reporting period

The following are new standards and/or amendments to the standards that have been approved by International Accounting Standards Board (hereinafter – IASB) and endorsed in European Union during the reporting period ended as at 30 September 2022. The adoption of these standards, revisions and interpretations had no material impact on the financial statements:

Standards or amendments that came into force during 9M 2022
Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
Annual Improvements to IFRS Standards 2018–2020
Reference to Conceptual Framework

All amounts are in EUR thousand unless otherwise stated

2.2.2 Standards issued but not yet effective and not early adopted

Preparing these interim financial statements the Company did not adopt new IFRS, IAS, their amendments and interpretations issued by IASB, the effective date of which is later than 30 September 2022 and early adoption is permitted. The following are new standards and/or amendments to the standards that have been issued but not yet effective:

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments narrow the scope of the initial recognition exemption to exclude transactions that give rise to equal and offsetting temporary differences – e.g. leases liabilities. The amendments apply for annual reporting periods beginning on or after 1 January 2023. For leases the associated deferred tax asset and liabilities will need to be recognised from the beginning of the earliest comparative period presented, with any cumulative effect recognised as an adjustment to retained earnings or other components of equity at that date. For all other transactions, the amendments apply to transactions that occur after the beginning of the earliest period presented. Amendments are endorsed for application in European Union (hereinafter – EU).

The management of the Company is currently assessing the impact of these amendments on the financial statements.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1)

The amendments are effective for annual reporting periods beginning on or after January 1, 2023 with earlier application permitted. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current or non-current. The amendments affect the presentation of liabilities in the statement of financial position and do not change existing requirements around measurement or timing of recognition of any asset, liability, income or expenses, nor the information that entities disclose about those items. Also, the amendments clarify the classification requirements for debt which may be settled by the company issuing own equity instruments. Amendments are not yet endorsed for application in EU.

The management of the Company is currently assessing the impact of this amendment on the financial statements.

Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 with earlier application permitted. These amendments applies to sale and leaseback transactions in which the transfer of the asset satisfies the requirements to be accounted for as a sale of the asset. Amendments do not result in changes to the existing measurement requirements in IFRS 16 applicable to all leases but rather explain how to apply the existing principles to leases arising in the context of sale and leaseback transactions that have variable payments not based on an index or rate. Amendments result in a seller-lessee recognising a gain only to the proportion of the rights it has transferred to the buyer-lessor. A seller-lessee applies these amendments retrospectively in accordance with IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors' to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Amendments are not yet endorsed for application in EU.

The management of the Company is currently assessing the impact of this amendment on the financial statements.

Other standards

The following new and amended standards are not expected to have a significant impact on the Company's financial statements.

Other new standards or amendments	IASB Effective date	EU Endorsement status
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	1 January 2023	Endorsed
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)	1 January 2023	Endorsed
Definition of Accounting Estimates (Amendments to IAS 8)	1 January 2023	Endorsed
Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)	1 January 2023	Endorsed

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

Preparing these interim financial statements the significant management judgements regarding the application of the accounting policies and accounting estimates were the same as used in preparing the annual financial statements for the year ended 31 December 2021 except the following:

3.1 Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB

Total amount of the investment to Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB increased for an amount EUR 4,385 thousand during the 9M of 2022.

The fair value gain of Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB recognised for an amount EUR 2,689 thousand and is presented as "Finance income" in SPLOCI for the 9M of 2022. The fair value of this financial asset is determined by reference to new investment rounds or other recent events and data (Note 19).

Remaining change is related to new investments made during 9M of 2022 for an amount EUR 1,696 thousand.

Fair value corresponds to Level 3 in the fair value hierarchy. Fair value of this financial asset will change depending on future investment rounds or other significant events

All amounts are in EUR thousand unless otherwise stated

4 Investments in subsidiaries

Information on the Company's investments in subsidiaries as at 30 September 2022 provided below:

	Acquisition cost	Impairment	Carrying amount	Company's ownership interest, %	Group's effective ownership interest, %
Energijos skirstymo operatorius AB	750,422	-	750,422	100.00	100.00
Ignitis gamyba AB	321,202	-	321,202	100.00	100,00
Ignitis renewables UAB	54,156	-	54,156	100.00	100.00
Vilniaus kogeneracinė jėgainė UAB	52,300	-	52,300	100.00	100.00
Ignitis UAB	47,138	-	47,138	100.00	100.00
Kauno kogeneracinė jėgainė UAB	20,400	-	20,400	51.00	51.00
Ignitis grupės paslaugų centras UAB	5,975	-	5,975	50.47	100.00
Transporto valdymas UAB	2,359	-	2,359	100.00	100.00
Elektroninių mokėjimų agentūra UAB	871	-	871	100.00	100.00
Gamybos optimizavimas UAB	350	-	350	100.00	100.00
Energetikos paslaugų ir rangos organizacija UAB	22,961	(22,961)	-	100.00	100.00
	1,278,134	**(22,961)**	**1,255,173**		

The Company's investments in subsidiaries during the 9M of 2022 remained the same as at 31 December 2021 except the following changes:

- share capital of the company Elektroninių mokėjimų agentūra UAB was decreased by EUR 557 thousand;
- investment in subsidiary NT valdos UAB the carrying amount of which amounted to EUR 128 thousand was liquidated.

The Company carried out an analysis to determine existence of indications of impairment for investments into subsidiaries as at 30 September 2022. During the 9M of 2022 there have been no significant adverse changes in the technological, market and legal environment in which subsidiaries operate, and such changes are unlikely to occur soon. Changes in economic environment is followed by the Company, however currently the Company estimates that these changes will not have significant negative influence for subsidiaries operations.

Moreover the Company has considered assumptions used in the impairment test for investment into subsidiary Energijos skirstymo operatorius AB as at 31 December 2021 - no significant impact on assumptions used as at 31 December 2021 was identified, assumptions hasn't changed from 31 December 2021.

The Company considered other information from external and internal sources as well as current geopolitical situation (Note 17.3), although no significant impact on assumptions used as at 31 December 2021 was identified, assumptions hasn't changed from 31 December 2021. No impairment indications were identified as at 30 September 2022.

All amounts are in EUR thousand unless otherwise stated

5 Non-current receivables

Amounts receivable after one year comprised as follows:

	30 September 2022	31 December 2021
Non-current receivables		
Loans granted	1,435,203	1,088,254
Other non-current amounts receivable	143	143
Total	**1,435,346**	**1,088,397**
Less: impairment	-	-
Carrying amount	**1,435,346**	**1,088,397**

5.1 Expected credit losses of loans granted

As at 30 September 2022, the 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 credit risk of loan recipients on an individual basis has increased significantly. Therefore, no lifetime expected credit loss was recognised neither for non-current nor for current loans granted (Note 5.2).

5.2 Loans granted

The Company's loans granted as at 30 September 2022 comprised loans granted to the following subsidiaries:

	Interest rate type	Within one year	After one year	Total
Non-current loans				
Energijos skirstymo operatorius AB (green bonds)	Fixed interest	-	616,288	**616,288**
Energijos skirstymo operatorius AB (loans taken over)	Variable interest	5,926	29,591	**29,591**
Energijos skirstymo operatorius AB	Fixed interest	-	73,000	**73,000**
Energijos skirstymo operatorius AB	Fixed interest	-	80,000	**80,000**
Ignitis UAB	Fixed interest	-	300,000	**300,000**
Ignitis UAB	Variable interest	-	27,000	**27,000**
Ignitis UAB	Fixed interest	-	11,800	**11,800**
Ignitis UAB	Fixed interest		32,000	**32,000**
Ignitis renewables UAB	Fixed interest	-	55,950	**55,950**
Ignitis renewables UAB	Fixed interest	-	170,500	**170,500**
Tuuleenergia OÜ	Fixed interest	-	14,119	**14,119**
Eurakras UAB	Fixed interest	-	16,555	**16,555**
Transporto valdymas UAB	Variable interest	-	8,400	**8,400**
Current loans				
Ignitis gamyba AB (cash-pool)	Fixed interest	9,373	-	**9,373**
Ignitis grupės paslaugų centras UAB (cash-pool)	Fixed interest	8,215	-	**8,215**
Ignitis UAB (cash-pool)	Fixed interest	247,126	-	**247,126**
Energijos skirstymo operatorius AB (cash-pool)	Fixed interest	69,408	-	**69,408**
Total loans		**340,048**	**1,435,203**	**1,775,251**

Extension of the loan issued to Transporto valdymas UAB

Loan granted to subsidiary Transporto valdymas UAB was reclassified to non-current loans as on 2 February 2022 loan amendment was signed and the final repayment date changed to 30 September 2025.

New loan issued to Energijos skirstymo operatorius AB

On 20 April 2022 the Company signed loan agreement for issuing EUR 73 million loan to Energijos skirstymo operatorius AB.
The loan will be financed using the funds received from the European Investment Bank. Loan maturity date – 14 February 2038. The agreement does not include additional measures ensuring the fulfilment of obligations.

On 26 August 2022 the Company signed grant of periodic loan agreement for EUR 80 million loan to Energijos skirstymo operatorius AB. The maximum amount of granted loans – EUR 120 million. Loan maturity date – 19 April 2032. The purpose of the loan is investments in fixed assets and working capital needs.

Cash-pool loan issued to Ignitis gamyba AB

On 12 May 2022 the Company issued cash-pool loan to Ignitis gamyba AB with the limit of EUR 200 million for period till 12 May 2023. As at 30 September 2022 the loan's carrying amount was EUR 9,373 thousand.

Fair values of loans granted are presented in Note 19.

Loans after one year by maturity:

	30 September 2022	31 December 2021
From 1 to 2 years	7,901	6,708
From 2 to 5 years	254,052	47,125
After 5 years	1,173,250	1,034,421
Carrying amount	**1,435,203**	**1,088,254**

All amounts are in EUR thousand unless otherwise stated

6 Other receivables

The Company's other receivables comprised as follows:

	30 September 2022	31 December 2021
Other receivables	20	29
Dividends receivable	-	100,440
Amount receivable on disposal of LitGrid AB	-	84,128
Total	**20**	**184 597**
Less: impairment	-	-
Carrying amount	**20**	**184,597**

6.1 Amount receivable on sale of shares of LitGrid AB

In 2012, the shares of LitGrid AB held by the Company were transferred to a newly established private limited liability company EPSO-G UAB in return for a certain consideration based on the market value of the shares established by independent valuers. According to the shares sale-purchase agreement EPSO-G UAB had to repay debt to the Company for the shares of AB LitGrid acquired in 30 September 2012 until 30 September 2022. During the 9M of 2022 EPSO-G UAB has repaid total debt of EUR 84,128 thousand to the Company. Repaid amount presented in the cash flow statement under '(Increase)/decrease in trade receivables and other receivables'.

7 Current loans and interests receivable

The Company's current loans comprised as follows:

	30 September 2022	31 December 2021
Cash-pool loans	334,122	106,155
Interest receivable on loans and issued guarantees	12,060	11,396
Current loans	-	11,000
Current portion of non-current loans	5,926	7,901
Total	**352,108**	**136,452**
Less: impairment	-	-
Carrying amount	**352,108**	**136,452**

As at 30 September 2022, the 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 credit risk of loan recipients on an individual basis has increased significantly. Therefore, no lifetime expected credit loss (from here on further - ECL) was recognized.

8 Other financial assets

The Company's other financial assets comprised as follows:

	30 September 2022	31 December 2021
Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB (Note 3.1)	29,479	25,094
Carrying amount	**29,479**	**25,094**

9 Equity and reserves

9.1 Issued capital

Issued capital of the Company consisted of:

	30 September 2022	31 December 2021
Authorised shares		
Ordinary shares, EUR	1,616,445,477	1,658,756,294
Ordinary shares issued and fully paid, EUR	**1,616,445,477**	**1,658,756,294**

As at 30 September 2022 the Company's issued capital comprised EUR 1,616,445,477 (31 December 2021: EUR 1,658,756,294) and was divided into 72,388,960 ordinary registered shares with EUR 22.33 nominal value for a share (31 December 2021: 74,283,757 ordinary registered shares with EUR 22.33 nominal value for a share).

9.2 Reserves

At the ordinary general meeting of shareholders held on 29 March 2022 it was decided to form additional reserve of EUR 14,660 thousand for the acquisition of treasury shares in 2022.

The Company on 19–27 April 2022 has conducted an acquisition of the Company's ordinary registered shares (hereinafter – ORS or treasury shares) through the auction for tender offers of AB "Nasdaq Vilnius" stock exchange, with SEB bankas, AB acting as an intermediary. Treasury shares were acquired by the Company on 29 April 2022, when the right of ownership transferred to the Company. Shares purchase price EUR 15.30 per share, number of shares acquired 651,554 and total value of treasury shares acquired EUR 9,968 thousand. Afterwards, a fee for stabilization related services to Stabilisation Manager – Swedbank AB paid for an amount EUR 4,333 thousand which was recognised in retained earnings. As the price at which the Stabilized Securities were sold through the above mentioned public tender offer was less than the price at which the Stabilized Securities were purchased, the Company has paid the difference to the Stabilization Manager.

Treasury shares reserve can be dissolved only by the decision of the ordinary general meeting of shareholders.

As at 29 March 2022 the Company transferred EUR 11,578 thousand to the legal reserve. The Company's legal reserve as at 30 2022 and 31 December 2021 was not fully formed.

All amounts are in EUR thousand unless otherwise stated

9.3 Share capital reduction

On 9 August 2022 Group share capital was reduced by annulling the ORS acquired by the Group in relation to the stabilisation that occurred after the initial public offering (hereinafter – IPO) of 5 October 2020. During the reduction of the Company's share capital, 1,894,797 units of the Company's ORS with a nominal value of EUR 22.33 each, which were acquired by the Company itself, were annulled. The total nominal value of the annulled ORS is EUR 42,310,817.01. Accordingly, the Company's share capital decreased to EUR 1,616,445,477 (from EUR 1,658,756,294) and the total number of ORS decreased to 72,388,960 units (from 74 283 757 units).

Due to the reduction of the Company's share capital, the free float of ORS decreased to 25.01% (from 26.92% at the time of the Company's IPO). A share of securities held by each shareholder has also increased proportionally, including that of the majority shareholder (the Republic of Lithuania implementing the shareholder's will, i.e. the Ministry of Finance of the Republic of Lithuania) whose securities portfolio currently amounts to 74.99% (increased from 73.08%).

10 Earnings per share

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

	9M 2022	9M 2021
Net profit (loss)	**102,679**	**130,804**
Attributable to:		
Equity holders of the parent	102,679	130,804
Non-controlling interests	-	-
Weighted average number of nominal shares	72,671,619	74,283,757
Basic earnings/(loss) per share attributable to shareholders of the Parent Company	1.41	1.76
Diluted earnings/(loss) per share attributable to shareholders of the Parent Company	1.41	1.76

Basic and diluted earnings per share indicators have been calculated based on 72,671,619 weighted average number of ordinary shares for 9M 2022 as Ignitis grupė AB reacquired its own ordinary shares (treasury shares) as at 16 December 2021 and as at 29 April 2022. Treasury shares are not regarded as outstanding, thus were excluded from the outstanding shares count at the period for which they are held by Ignitis grupė AB. On 9 August 2022 the Company has reduced its share capital by annulling treasury shares acquired (Note 9.3).

11 Loans and bonds

Loans and bonds of the Company consisted of:

	30 September 2022	31 December 2021
Non-current		
Bonds issued	889,744	888,524
Bank borrowings	223,000	-
Current		
Accrued interest	5,170	9,143
Total loans and bonds	**1,117,914**	**897,667**

For the 9M of 2022 expenses related to interest on the issued bonds totalled EUR 14,402 thousand (for the 9M of 2021: EUR 14,376 thousand).

Bonds by maturity:

	30 September 2022	31 December 2021
From 1 to 2 years	150,000	-
From 2 to 5 years	296,813	-
After 5 years	665,931	888,524
In total	**1,112,744**	**888,524**

Loans and bonds are denominated in euros.

During the 9M of 2022 the Company borrowed EUR 73,000 thousand according to the long-term loan contract with European Investment bank signed on 21 September 2020. The loan is intended for the implementation of IT solutions for smart meters and their data collection and management. Maturity of the loan is 14 February 2038, interests rate is fixed. The balance of loan as at 30 September 2022 is EUR 73,000 thousand.

On 23 August 2022 the Company borrowed EUR 150,000 thousand according to the long-term loan contract with banks SEB AB and SEB AS. The loan was used to refinance subsidiary's loan and for working capital. Maturity of the loan is 23 August 2024, interests rate is variable. The balance of loan as at 30 September 2022 is EUR 150,000 thousand.

During the 9M of 2022 the Company didn't have any breaches of financial and non-financial covenants due to which the classification of current and non-current liabilities could be changed.

As at 30 September 2022 the Company has EUR 149,000 thousand unwithdrawn balance of loans, bank overdrafts and credit lines (as at 31 December 2021: EUR 110,000 thousand).

All amounts are in EUR thousand unless otherwise stated

12 Net debt

Net debt is a non-IFRS liquidity measure used to determine the value of debt against highly liquid assets owned by the Company. Management is monitoring net debt metric as a part of risk-management strategy.

For the purpose of net debt calculation, borrowings comprise issued bonds and debts to financial institutions and other related interest payables.

This note sets out an analysis of net debt, a non-IFRS measure for the purposes of these financial statements presentation defined by management as presented below.

Net debt balances:

	30 September 2022	31 December 2021
Cash and cash equivalents	(25,452)	(125,323)
Non-current borrowings payable after one year	1,112,744	888,524
Current borrowings payable within one year (including accrued interest)	5,170	9,143
Lease liabilities	16,425	17,749
Net debt	**1,108,887**	**790,093**

Reconciliation of the Company's net debt balances cash flows from financing activities:

	Assets	Lease liabilities		Borrowings		Total
	Cash and cash equivalents	Non-current	Current	Non-current	Current	
Net debt at 1 January 2022	**(125,323)**	**15,994**	**1,755**	**888,524**	**9,143**	**790,093**
Cash changes						
(Increase) decrease in cash and cash equivalents	99,871	-	-	-	-	**99,871**
Proceeds from borrowings	-	-	-	223,000	-	**223,000**
Lease payments	-	-	(1,311)	-	-	**(1,311)**
Interest paid	-	-	(179)	-	(18,221)	**(18,400)**
Non-cash changes						
Accrual of interest payable	-	-	179	1,220	14,248	**15,647**
Write-off of lease liabilities	-	-	(13)	-	-	**(13)**
Reclassifications between items	-	(1,321)	1,321	-	-	**-**
Net debt at 30 September 2022	**(25,452)**	**14,673**	**1,752**	**1,112,744**	**5,170**	**1,108,887**

All amounts are in EUR thousand unless otherwise stated

13 Revenue from contracts with customers

The Company's revenue from contracts with customers are as follows:

	9M 2022	9M 2021
Management fee income	2,281	2,222
Other revenue from contracts with customers	13	-
Total	**2,294**	**2,222**

The Company's revenue from contracts with customers during 9M of 2022 and 2021 mainly comprised the revenue from advisory and management services provided to subsidiaries.

Also, the Company did not present any segment information as there is only one segment.

The Company's balances under the contracts with customers:

	30 September 2022	31 December 2021
Trade receivables	384	494

14 Dividends

14.1 Dividends declared by the Company

Dividends declared by the Company:

	9M 2022	9M 2021
Ignitis grupė AB	88,995	86,763

EUR 43,824 thousand dividends for the second half of 2021 was approved at the Ordinary General Meeting of shareholders on 29 March 2022 and EUR 45,171 thousand dividends for the first half of 2022 was approved at the Extraordinary General Meeting of shareholders on 29 September 2022.

14.2 Dividends declared by the Company's subsidiaries

Dividends declared by the Company's subsidiaries during the 9M of 2022 are the following:

Declared at	Dividends declared by	Period for which dividends are allocated	Dividends per share, in EUR	Amount of dividends declared	Dividend income attributable to the Company	Non-controlling interest dividends
31/03/2022	Elektroninių mokėjimų agentūra UAB	2021	0.1931	185	185	-
29/04/2022	Ignitis gamyba AB	Q4 2021	0.0680	44,064	44,064	-
29/04/2022	Energijos skirstymo operatorius AB	2021	0.0559	50,010	50,010	-
29/04/2022	Ignitis grupės paslaugų centras UAB	2021	0.0173	731	369	-
10/05/2022	Gamybos optimizavimas UAB	2021	0.1457	51	51	-
23/05/2022	Transporto valdymas,UAB	2021	12.8514	1,047	1,047	-
23/05/2022	Ignitis renewables UAB	2021	80.7850	1,770	1,770	-
Total				**97,858**	**97,496**	**-**

15 Finance income

The Company's finance income are as follows:

	9M 2022	9M 2021
Interest income at the effective interest rate	26,522	16,676
The fair value of Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB (Note 8)	2,689	14,037
Other income from financing activities	-	1
In total	**29,211**	**30,714**

The Company earns interest income from long-term and short-term loans, the majority of which is granted to the Group companies (Note 5.2 and 7). During the 9M of 2022, the Company received EUR 25,899 thousand (9M of 2021: EUR 19,118 thousand) interest income in cash, which is presented in the cash flow statement under 'Interest received'.

16 Finance expenses

The Company's finance expenses are as follows:

	9M 2022	9M 2021
Interest expenses	15,468	15,749
Interest and discount expense on lease liabilities	179	21
Negative effect of changes in exchange rates	4	7
Other expenses of financing activities	2,216	2,172
In total	**17,867**	**17,949**

All amounts are in EUR thousand unless otherwise stated

17 Contingent liabilities and commitments

17.1 Guarantees issued and received by the Company

17.1.1 Issued guarantees related to loans

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

Name of the subsidiary	Beneficiary of the guarantee	Issue at	Maturity	Maximum amount of the guarantee	30 September 2022	31 December 2021
Vilniaus kogeneracinė jėgainė UAB	European Investment Bank	30/12/2016	07/04/2037	190,000	137,193	139,649
Pomerania Wind Farm sp. z o. o.	European Investment Bank	09/03/2020	31/12/2035	63,743	49,975	55,311
Pomerania Wind Farm sp. z o. o.	Nordic Investment Bank	14/10/2020	31/12/2035	29,055	29,055	32,157
Group companies	Group companies	25/05/2021	24/05/2022	-	-	67,973
Ignitis renewables UAB	SEB bank AB	10/08/2022	09/08/2025	18,000	18,000	-
Kauno kogeneracinė jėgainė UAB	Swedbank AB	31/05/2017	18/10/2022	59,000	-	56,100
Vėjo gūsis UAB	Swedbank lizingas, UAB	29/01/2019	28/02/2022	9,258	-	258
				369,056	**234,223**	**351,448**

On 10 August 2022 the Company has issued a guarantee in favour of SEB bank AB for EUR 18 million. The guarantee is provided to guarantee performance obligations of subsidiary Ignitis renewables UAB related with financing provided by SEB bank AB.

17.1.2 Other issued guarantees

The Company has provided the following other guarantees:

Name of the entity	Beneficiary of the guarantee	Issue at	Maturity	Maximum amount of the guarantee	30 September 2022[1]	31 December 2021
Ignitis UAB	NASDAQ Clearing AB	25/08/2022	termless	140,000	-	-
Altiplano S.A.	Nordex Polska Sp.z.o.o.	30/09/2022	termless	136,863	-	-
Ignitis UAB	NASDAQ Clearing AB	24/05/2021	termless	110,000	-	3,494
Pomerania Wind Farm sp. z o. o.	Nordex Polska sp. z o. o.	31/05/2019	termless	83,354	-	874
VVP Investments UAB	Nordex Polska sp. z o. o.	17/02/2021	termless	55,097	1,496	-
Silezia1 Wind Farm Sp. z o. o.	Nordex Polska Sp. z o. o.	31/01/2022	termless	50,211	-	-
Ignitis UAB	Energijos skirstymo operatorius AB	29/09/2022	30/09/2023	36,000	17,005	-
Ignitis UAB	MACQUARIE BANK EUROPE DAC	17/06/2022	31/03/2023	25,000	-	-
Ignitis UAB	Mitsui Bussan Commodities (France) SA	13/09/2022	31/01/2025	20,000	-	-
Moray Offshore Windfarm (West) Limited	Barclays Bank PLC	22/07/2022	31/03/2023	7,264	-	-
Gamybos optimizavimas UAB	Ignitis gamyba AB	01/01/2020	30/06/2023	5,000	-	-
Moray Offshore Windfarm (West) Limited	NEXANS NORWAY AS	26/07/2022	31/12/2022	3,834	-	-
Ignitis UAB	RWE Supply & Trading GmbH	20/09/2022	05/11/2022	2,000	-	-
Moray Offshore Windfarm (West) Limited	Engie UK Markets Limited	21/04/2021	31/12/2024	1,193	-	-
VVP Investments UAB	Swedbank AB	11/10/2019	01/08/2023	945	945	945
Moray Offshore Windfarm (West) Limited	Engie UK Markets Limited	28/07/2022	01/05/2025	447	-	-
Moray Offshore Windfarm (West) Limited	GARDLINE Limited	19/07/2022	01/02/2023	353	-	-
				677,561	**19,446**	**5,313**

[1] Amount which should be covered by the Company in case entity could not perform its obligations as at 30 September 2022.

All amounts are in EUR thousand unless otherwise stated

New significant guarantees issued

On 31 January 2022 the Company has issued guarantee for its subsidiary Silezia1 Wind Farm Sp. z o. o. as Silezia1 Wind Farm Sp. z o. o. entered into supply and installation agreement with Nordex Polska sp. z o. o. for the supply and installation of wind turbine equipment for a wind farm. The Company undertakes and guarantees the performance of all payment obligations under the agreement concluded.

On 17 June 2022 the Company has issued a guarantee in favour of MACQUARIE BANK EUROPE DAC for EUR 25 million. The guarantee is provided to guarantee performance obligations of subsidiary Ignitis UAB related with derivatives trading activities provided by MACQUARIE BANK EUROPE DAC.

On 22 July 2022 the Company has issued a guarantee in favour of Barclays Bank PLC for EUR 7 264 thousand. The guarantee is provided to guarantee performance obligations of Moray West Offshore Wind Farm.

On 25 August 2022 the guarantee was provided to guarantee performance obligations of subsidiary Ignitis UAB related with clearing services provided by NASDAQ Clearing AB.

On 13 September 2022 the Company has issued a guarantee in favour of Mitsui Bussan Commodities (France) SA for EUR 20 million. The guarantee is provided to guarantee performance obligations of subsidiary Ignitis UAB related with derivatives trading activities provided by Mitsui Bussan Commodities (France) SA.

On 29 September 2022 the Company has issued a guarantee in favour of Energijos skirstymo operatorius AB for EUR 36 million. The guarantee is provided to guarantee performance obligations of subsidiary Ignitis UAB.

On 30 September 2022 the Company has issued guarantee for its subsidiary Altiplano S.A. as Altiplano S.A. entered into supply and installation agreement with Nordex Polska sp. z o. o. for the supply and installation of wind turbine equipment for a wind farm. The Company undertakes and guarantees the performance of all payment obligations under the agreement concluded.

Comfort letters issued

On 20 January 2022, the Company issued a confirmation letter for Kauno kogeneracinė jėgainė UAB (hereinafter – KKJ) which states that it will continue providing financial support for at least 12 months following the issue date of the letter to enable KKJ to continue trading activities and meet its liabilities. As at December 2021 KKJ‘s current liabilities exceeded current assets by EUR 95,167 thousand. The Company does not expect that there will be need of material support to KKJ or that loss will be incurred by the Company due to activities of KKJ.

On 21 April 2022, the Company issued a confirmation letter for Ignitis grupės paslaugų centras UAB (hereinafter – GSC) which states that it will continue providing financial support for at least 12 months following the issue date of the letter to enable GSC to continue its operations and meet its liabilities. As at December 2021 GSC‘s current liabilities exceeded current assets by EUR 1,883 thousand. The Company does not expect that there will be need of material support to GSC or that loss will be incurred by the Company due to activities of GSC.

17.2 Litigations

During the 9M of 2022 there were no significant changes in litigations reported in annual financial statements for 2021 or new significant litigations.

17.3 Evaluation of Russia’s invasion of Ukraine on Company’s financial statements

The Company has evaluated current and, to the extent possible, expected impact of Russia’s invasion of Ukraine on the financial position, performance, cash-flows and the principal risks and uncertainties to which the Company is exposed. As the Company does not have any operations in the affected markets and does not have subsidiaries in the affected markets, the management of the Company has concluded that:

- no expected credit losses adjustments should be made as Company does not have balances with affected markets;
- no adjustment to the carrying amounts of assets and liabilities should be made;
- no significant impact to the budgets and cashflows of subsidiaries. Accordingly, no significant impact to the carrying amounts of investments into subsidiaries;
- the situation does not have impact on Company’s ability to continue as a going concern.

As to the above no significant impact of Russia’s invasion of Ukraine on Company’s financial statements was identified. However, it should be noted that, due to the ongoing uncertainty, the final impact of the Russia’s invasion of Ukraine on the business of the Group companies cannot be assessed in full yet.

All amounts are in EUR thousand unless otherwise stated

18 Related party transactions

The Company's transactions with related parties during the period and period-end balances arising on these transactions are presented below:

Related parties	Accounts Receivable 30 September 2022	Loans Receivable 30 September 2022	Accounts Payable 30 September 2022	Sales 9M 2022	Purchases 9M 2022	Finance income (expenses) 9M 2022
Subsidiaries	398	1,787,253	348	2,284	1,659	26,418
EPSO-G UAB	-	-	-	-	-	64
Total	**398**	**1,787,253**	**348**	**2,284**	**1,659**	**26,482**

Related parties	Accounts Receivable 31 December 2021	Loans Receivable 31 December 2022	Accounts Payable 31 December 2021	Sales 9M 2021	Purchases 9M 2021	Finance income (expenses) 9M 2021
Subsidiaries	100,947	1,224,689	699	2,222	1,177	16,251
EPSO-G UAB	84,128	-	78	-	-	414
Total	**185,075**	**1,224 ,689**	**777**	**2,222**	**1,177**	**16,665**

The Company's dividend income received from subsidiaries during the 9M of 2022 is disclosed in Note 14.

As at 30 September 2022 the Company has issued guarantees for financial loans to its subsidiaries (Note 17.1)

18.1 Compensation to key management personnel

	9M 2022	9M 2021
Wages and salaries and other short-term benefits to key management personnel	824	776
Whereof:	-	-
Short-term benefits	*729*	*611*
Termination benefits	*95*	*8*
Share-based payment expenses	*-*	*157*
Number of key management personnel	12	12

19 Fair values of financial instruments

Financial instruments, measured at fair value

The Company's investment into "Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB" (Level 3) is measured at fair value.

As at 30 September 2022 and 31 December 2021, the Company has accounted for investment into "Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB". The fair value measurement of this financial asset is based on investment rounds. Fair value of this financial asset will change depending on future investment rounds or other significant events.

Financial instruments for which fair value is disclosed

The carrying amount of the Company's short-term financial assets and financial liabilities measured at amortised cost approximated their fair value, except for bond issue debts, debts liabilities to banks and loans granted. The measurement of financial instruments related to the loans and bonds is attributed to Level 2 of the fair value hierarchy.

As at 30 September 2022 and 31 December 2021, the fair value of the Company's loan that is issued to subsidiary Energijos skirstymo operatorius AB using the Company's bonds is estimated by discounting cash flows with market interest rate increased by EUR interest rate swap for tenors that is similar to period left until redemption of issued bonds. The cash flows were discounted using a weighted average discount rate of 6.94% (31 December 2021: 2.90%). Discount rates for certain bond issues are determined as market interest rate increased by EUR interest rate swap for tenors that is similar to period left until redemption of issued bonds. The fair value of amounts receivables is attributed to Level 2 of the fair value hierarchy.

The Company's fair value of loans granted is calculated by discounting future cash flows with reference to the interest rate observable in the market. The cash flows were discounted using a discount rate of 3.95% applied for loans above EUR 1 million as at 30 September 2022 (31 December 2021: 2,76%). The measurement of financial liabilities related to the debts is attributed to Level 2 of the fair value hierarchy.

The Company's bond issue debt (Note 11) fair value was calculated by discounting 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 issued bonds. The cash flows were discounted using a weighted average discount rate of 6.94% as at 30 September 2022 (31 December 2021: 2.90%). Discount rates for certain bond issues are determined as market interest rate increased by EUR interest rate swap for tenors that is similar to period left until redemption of issued bonds. The bond issue debt is attributed to Level 2 of the fair value hierarchy.

All amounts are in EUR thousand unless otherwise stated

The table below presents allocation between the fair value hierarchy levels of the Company's financial instruments as at 30 September 2022:

	Note	Carrying amount	Level 1 Quoted prices in active markets	Level 2 Other directly or indirectly observable inputs	Level 3 Unobservable inputs	In total
Financial instruments measured at fair value through profit (loss)						
Assets						
Innovation Fund Smart Energy Fund powered by Ignitis Group KŪB	8	**29,479**	-	-	29,479	**29,479**
Financial instruments for which fair value is disclosed						
Assets						
Bond receivables from subsidiary Energijos skirstymo operatorius AB	5	**620,755**	-	478,473	-	**478,473**
Loans granted	5, 7	**1,165,442**	-	1,082,563	-	**1,082,563**
Liabilities						
Bonds issued	11	**894,444**	-	688,878	-	**688,878**
Debt liabilities to commercial banks	11	**150,025**	-	144,300	-	**144,300**
Debt liabilities to state-owned investment banks	11	**73,445**		48,724		**48,724**

20 Events after the reporting period

Regarding the intention of the Company to take credit lines of EUR 120 million

On 25 October 2022 the Management Board of the Company approved the intention to conclude a credit agreement of EUR 120 million (hereinafter – the Agreement with SEB) with AB SEB bank, AS SEB Banka and AS SEB Pank.

The credit will be used to finance the Group's need for working capital due to increased energy prices. The Agreement is committed and is concluded for a term of 12 months. The Agreement does not include additional measures ensuring the fulfilment of obligations.

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

New guarantees issued by the Company

On 18 October 2022 the Company has issued a guarantee in favour of Klaipėdos nafta AB for EUR 8.46 million. The guarantee is provided to guarantee performance obligations of subsidiary. Guarantee maturity date is 31 January 2024.

On 24 October 2022 the Company has issued a guarantee in favour of EQIUNOR ASA for EUR 170 million. The guarantee is provided to guarantee performance obligations of subsidiary. Guarantee maturity date is 25 December 2022.

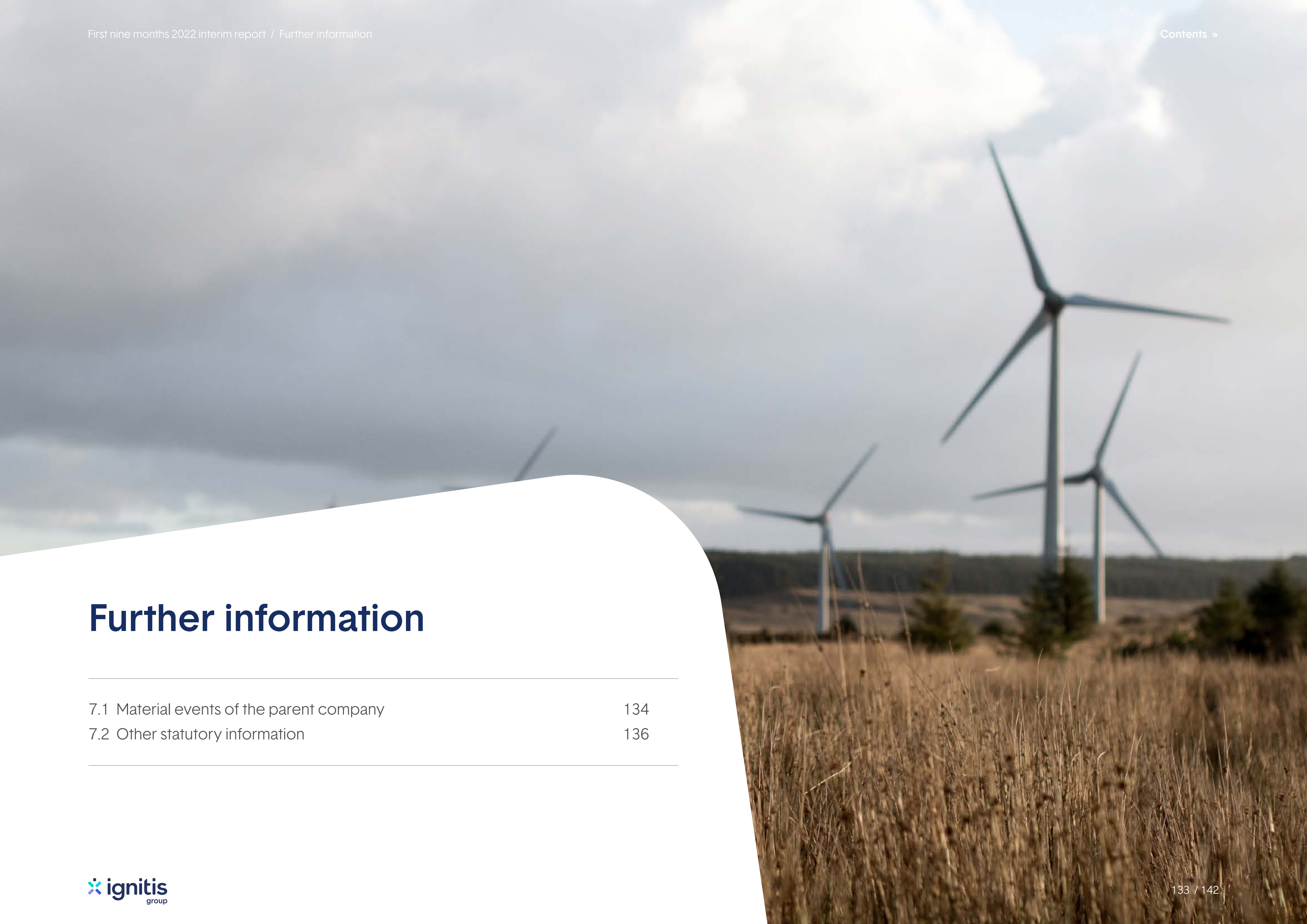
On 27 October the Company has issued a guarantee in favour of Nexans Norway AS for GBP 7.67 million (EUR 8.85 million). The guarantee is provided to guarantee performance obligations of Moray Offshore Windfarm (West) Limited. Guarantee maturity date is not defined.

On 10 November 2022 the Company has issued a guarantee in favour of Polskie Górnictwo Naftowe i Gazownictwo SA for PLN 9 million (EUR 1.85 million). The guarantee is provided to guarantee performance obligations of subsidiary. Guarantee maturity date is 31 December 2023.

On 22 November 2022 the Company has issued a guarantee in favour of Mitsui Bussan Commodities (France) SA for EUR 30 million. The guarantee is provided to guarantee performance obligations of subsidiary. Guarantee maturity date is 31 January 2025. This new guarantee replaces the 13 September 2022 issued guarantee to the same recipient (Mitsui Bussan Commodities (France) SA).

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

*****



Further information

7.1 Material events of the parent company

During the reporting period (9M 2022)

Date	Event
30 September	Ignitis Group acquires onshore wind farm project in Poland
29 September	Resolutions of Extraordinary General Meeting of AB "Ignitis grupė" shareholders
13 September	UPDATE: Regarding the supplementation of the agenda of the Extraordinary General Meeting of Shareholders of AB "Ignitis grupė" and draft resolutions on the items set out on the agenda
8 September	Regarding an opinion of AB "Ignitis grupė" Supervisory Board for the Extraordinary General Meeting of Shareholders
6 September	Regarding the intention of AB "Ignitis grupė" to take credit line of EUR 75 million
6 September	On the signed agreement to acquire wind and solar project in development in Latvia
23 August	Correction: Notice on convening the Extraordinary General Meeting of Shareholders of AB "Ignitis grupė"
23 August	Notice on convening the Extraordinary General Meeting of Shareholders of AB "Ignitis grupė"
23 August	Interim report for the first half year of 2022: strong Green Generation performance but challenges on net working capital
18 August	Ignitis Group refutes the public statements of a Parliament member about losses
17 August	On the appointment of interim CEO of AB "Energijos skirstymo operatorius"
16 August	Regarding the intention of AB "Ignitis grupė" to take credit lines of EUR 224 million
16 August	Governance of AB "Ignitis grupė" subsidiaries is optimised
16 August	Ignitis Group to present H1 2022 results on 23 August
9 August	Information on the completed reduction of AB "Ignitis grupė" share capital
9 August	Information on the annulment of AB "Ignitis grupė" own ordinary registered shares
9 August	Vilnius CHP received a favourable arbitration ruling in the case on biomass unit construction
15 July	The Supreme Court of Lithuania accepted for consideration the cassation appeal regarding the price for ESO's shares
14 July	Ignitis Group secured grid connection capacity for 252 MW solar park in Lithuania
27 June	On the resignation of CEO of AB "Energijos skirstymo operatorius" Mindaugas Keizeris
9 June	On compensation for increased energy prices for customers and on the approved prices of public supply of electricity and natural gas for private customers
2 June	The remaining stabilised securities of AB "Ignitis grupė" have been sold in the market
24 May	Resolutions of Extraordinary General Meeting of AB "Ignitis grupė" shareholders
19 May	Interim report for the first quarter of 2022: growth driven by Green Generation
13 May	On the compensation for consumers due to increasing energy prices
12 May	Ignitis Group to present Q1 2022 results on 19 May
3 May	Notice on convening the Extraordinary General Meeting of Shareholders of AB "Ignitis grupė"
27 April	AB "Ignitis grupė" completed an acquisition of its own ordinary registered shares
22 April	Vilnius District Court dismissed the case on the incentive share options programme for employees of AB "Ignitis grupė"

13 April	On the decision of AB "Ignitis grupė" Management Board regarding the acquisition of own ordinary registered own shares
5 April	Regarding the intention of AB "Ignitis grupė" to conclude internal loan agreement of EUR 73 million with AB "Energijos skirstymo operatorius"
4 April	Regarding the plan of the government of the Republic of Lithuania to compensate consumers for the increase in energy commodity prices
30 March	The Court ruled that the price paid for ESO's shares during the mandatory buyout is correct
29 March	Resolutions of Ordinary General Meeting of AB "Ignitis grupė" shareholders
23 March	Regarding the intention of AB "Ignitis grupė" subsidiary UAB Kauno kogeneracinė jėgainė to take a loan of EUR 110 million
18 March	Regarding the resolutions of AB "Ignitis grupė" Supervisory Board for General Meeting
14 March	Update: Regarding the supplementation of the agenda of the Ordinary General Meeting of Shareholders of AB Ignitis grupė and draft resolutions on the issues provided for in the agenda
14 March	Regarding the intention of AB "Ignitis grupė" subsidiary UAB "Ignitis" to take a loan up to EUR 150 million
8 March	Notice on convening the Ordinary General Meeting of Shareholders of AB "Ignitis grupė"
3 March	Notice on the contract concluded by the person discharging managerial responsibilities regarding AB "Ignitis grupė" financial instruments
28 February	Correction: Regarding the intention of AB "Ignitis grupė" subsidiary UAB "Ignitis" to take a loan up to EUR 150 million
28 February	Regarding the intention of AB "Ignitis grupė" subsidiary UAB "Ignitis" to loan up to EUR 150 million
28 February	Strategic Plan 2022–2025 of AB "Ignitis grupė" has been approved
28 February	2021 m. metinis pranešimas: dvigubas Žaliosios gamybos augimas ir ASV iniciatyvų įvertinimas
28 February	Annual report 2021: twofold Green Generation increase, recognition of ESG excellence
28 February	Interim report for the twelve months of 2021
22 February	Chief Executive Officer of Ignitis Renewables has been appointed
21 February	Ignitis renewables terminated agreement to acquire portfolio of solar PV projects under development in Poland
21 February	Ignitis Group to present full-year 2021 results and 2022–2025 Strategic Plan on 28 February
18 February	The Management Board, its Chair and CEO of the Group have been elected
9 February	Correction: On the supplementary agreement to the isolated regime services contract of Flexible Generation segment
8 February	On the supplementary agreement to the isolated regime services contract of Flexible Generation segment
1 February	The Supervisory Board of AB "Ignitis grupė" approved the candidates for the new term of the Management Board and the CEO
25 January	On the intent to establish a subsidiary of UAB "Ignitis renewables" in Latvia
21 January	On the intention of AB "Ignitis grupė" to amend key conditions of the internal loan agreement with UAB "Ignitis renewables"

After the reporting period

Date	Event
15 November	Ignitis Group to present 9M 2022 results on 22 November
8 November	Ignitis Group's financial calendar 2023
25 October	Regarding the intention of AB "Ignitis grupė" to take credit line of EUR 120 million
18 October	Regarding Networks segment income level of electricity distribution for 2023

7.2 Other statutory information

The interim report provides information to the shareholders, creditors and other stakeholders of AB "Ignitis grupė" (hereinafter – the parent company) about the parent company's and its controlled companies', which together are called group of companies (hereinafter – the "Group" or "Ignitis Group"), operations for the period of January–September 2022.

The interim report has been prepared by the parent company's administration in accordance with the Law on Companies of the Republic of Lithuania (link in Lithuanian) and the Law on Consolidated Financial Reporting of the Republic of Lithuania (link in Lithuanian).

The parent company's management is responsible for the information contained in the interim report. The report and the documents, on the basis of which it was prepared, are available at the head office of the parent company (Laisvės Ave. 10, Vilnius) on working days from Mondays through Thursdays from 7.30 am to 4.30 pm, and on Fridays from 7.30 am to 3.15 pm (by prior arrangement through IR@ignitis.lt).

All public announcements, which are required to be published by the parent company according to the effective legal acts of the Republic of Lithuania, are published on our website and the websites of Nasdaq Vilnius, London and Luxembourg stock exchanges.

Significant arrangements

The parent company was not a party to any significant arrangements that would take effect, be amended or terminated in the event of changes in the parent company's control situation.

During the reporting period, the parent company did not conclude any harmful agreements (which do not correspond to the parent company's objectives, current market conditions, violate the interests of shareholders or other groups of persons, etc.) which had or potentially may have a negative impact on the parent company's performance and/or results of operation nor there were any agreements concluded in the event of a conflict of interests between the obligations of the parent company's managers, the controlling shareholders or other related parties to the parent company and their private interests and/or other duties.

There are no agreements concluded between the parent company and the members of the management bodies or employees that provide for compensation in case of their resignation or dismissal without a reasonable cause or in case of termination of their employment as a result of the change in control of the parent company.

Internal control and risk management systems involved in the preparation of the consolidated 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 data are collected in a timely and accurate manner. The preparation of the company's financial statements, internal control and financial risk management systems, legal acts governing compilation of the financial statements are monitored and managed.

Information on the auditors

UAB "KPMG Baltics" on 27 September 2021 has been appointed as the new auditor (previously, audit services were provided by UAB "Ernst & Young Baltic") by the General Meeting of Shareholders of the parent company to provide audit services of financial statements of the parent company and the consolidated financial statements of the Group for the full years of 2021 and 2022.

More information about the auditor, including remuneration for services, is available in our Annual report 2021.

Information on delisted companies

Since September 2021, the parent company owns 100% of shares of ESO (Networks) and Ignitis Gamyba (Flexible Generation). More information about delisted companies, including the guidance of payment for shares, is available on our website.

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.

Glossary

Glossary

#	Number
%	Per cent
'000 / k	Thousand
AB	Joint stock company
Adjusted EBITDA	EBITDA after eliminating items, which are non-recurring, and/or non-cash, and/or related to other periods, and/or non-related to the main activities of the Group, and after adding back items, which better reflect the result of the current period
APM	Alternative performance measure (link)
	Business to consumer
B2B	Business to business
B2C	Business to consumer
BICG	Baltic Institute of Corporate Governance
bn	Billion
CCGT	Combined Cycle Gas Turbine Plant
CDP	Carbon Disclosure Project
CfD	Contract for difference
CHP	Combined heat and power
Clean spark	Indicative prices giving the difference between the combined cost of gas and emissions, and the equivalent price of electricity
CO2	Carbon dioxide
COD (commercial operation date) / commissioned	The start of energy generation after the test on completion
CPI	Consumer Price Index
E	Electricity
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
Electricity generated (net)	Electricity 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
Electricity sales	Amount of electricity sold in Lithuania (B2C, B2B and guaranteed customers), Poland, Latvia and Estonia
Energijos Tiekimas	Energijos Tiekimas UAB
Enepro	UAB Energetikos paslaugų ir rangos organizacija
eNPS	Employee Net Promoter Score
EPS	Earnings per share
ESG	Environmental, social and corporate governance
ESO	AB „ Energijos skirstymo operatorius "
etc.	et cetera
EURbn	billion EUR
EURm	million EUR
EU	European Union
Eurakras	UAB „EURAKRAS"
FCF	Free Cash Flow
FFO	Funds from operations
FiT	Feed-in Tariff
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 sold in wind farms, solar power plants, biofuel plants and CHP plants and hydropower plants (including Kruonis pumped storage power plant)
Green Generation capacity installed	Wind farms, solar power plants, biofuel plants, CHP plants and hydropower plants (including Kruonis pumped storage power plant) that have completed and have passed a final test
Green share of generation,%	Green share of generation shall be calculated as follows: Green electricity generated (including Kruonis pumped storage power plant) divided by total electricity generated in the Group
GRI	Global Reporting Initiative
Group or Ignitis Group	AB „Ignitis grupė" and its controlled companies
GW	Gigawatt
Heat generated (net)	Heat sold in CHP plants, biomass plants
Hydro power	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 Eesti	Ignitis Eesti OÜ
Ignitis Gamyba	AB „Ignitis gamyba"
Ignitis Latvija	Ignitis Latvija SIA
Ignitis Polska	Ignitis Polska sp. z o.o.
Ignitis Renewables	UAB „Ignitis renewables"

Installed capacity	Where all assets have been completed and have passed a final test
Investments	Acquisition of property, plant and equipment and intangible assets, acquisition of shareholdings
ISIN	International Securities Identification Number
YoY	Year over year
IPPC	Integrated pollution prevention and control
IPO	Initial Public Offering
ISO	International Organization for Standardization
Kaunas CHP	UAB Kauno kogeneracinė jėgainė
Kaunas HPP	Kaunas Algirdas Brazauskas Hydroelectric Power Plant
Kruonis PSHP	Kruonis Pumped Storage Hydroelectric Plant
Lietuvos energija	„Lietuvos energija", UAB (current AB „Ignitis grupė")
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
Net debt/ Adjusted EBITDA	Leverage ratio, which shows the Group's ability to repay its debt from the profit earned

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
NT Valdos	NT Valdos, UAB
OECD	Organisation for Economic Co-operation and Development
OPEX	Operating expenses
Parent company	AB „Ignitis grupė" (former „Lietuvos energija", UAB)
Pomerania	Pomerania Wind Farm sp. z o. o.
pp	Percentage point
PPE	Property, plant and equipment
Public supply	Electricity supply activity performed in accordance with the procedure and terms established by legal acts by an entity holding a public supply licence
Q	Quarter
RAB	Regulated asset base
ROCE	Return on Capital Employed
ROE	Return of Equity
ROI	Return on Investment
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
SDG	Sustainable Development Goal
SOE	State-owned company
STI	Short-Term Incentives

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
TRIR	Total Recordable Incident Rate
Tuuleenergia	„Tuuleenergia osaühing"
TWh	Terawatt-hour
UAB	Private Limited Liability Company
Units	Units
Vėjo Gūsis	UAB „VĖJO GŪSIS"
Vėjo Vatas	UAB „VĖJO VATAS"
Vilnius CHP	UAB Vilniaus kogeneracinė jėgainė
vs.	Versus
WACC	Weighted average cost of capital
WF	Wind farm
WtE	Waste-to-energy

Certification statement

ignitis group

Certification statement

22 November 2022

Referring to the provisions of the Article 14 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 Giedruolė Guobienė, Head of Accounting at UAB "Ignitis grupės paslaugų centras", acting under Order No IS-22-22 of 4 April 2022, hereby confirm that, to the best of our knowledge, AB "Ignitis grupė" interim condensed consolidated and the interim condensed parent company's financial statements for the nine-month period ended 30 September 2022 prepared according to International accounting standard 34 'Interim financial reporting' as adopted by the European Union, give a true and fair view of AB "Ignitis grupė" consolidated and the parent company's assets, liabilities, financial position, profit or loss and cash flows for the period, 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 it's group companies together with the description of the principle risks and uncertainties it faces.

Darius Maikštėnas
Chief Executive Officer

Jonas Rimavičius
Chief Financial Officer

Giedruolė Guobienė
UAB "Ignitis grupės paslaugų centras",
Head of Accounting acting under
Order No IS-22-22
(signed 4 April 2022)

AB "Ignitis grupė"
Laisvės av. 10, LT-04215 Vilnius, Lithuania

+370 5 278 2998
grupe@ignitis.lt

www.ignitisgrupe.lt

Company code 301844044
VAT payer code LT100004278519

AB "Ignitis grupė"

Laisvės av. 10, LT-04215 Vilnius, Lithuania
Company code 301844044
Tel. +370 5 278 2998
E-mail grupe@ignitis.lt
www.ignitisgrupe.lt/en/

Investor relations
Ainė Riffel-Grinkevičienė
Tel. +370 643 14925
E-mail ir@ignitis.lt

Sustainability
Valentas Neviera
Tel. +370 670 25997
E-mail sustainability@ignitis.lt

Corporate communication
Artūras Ketlerius
Tel. +370 620 76076
E-mail media@ignitis.lt

Publication
22 November 2022

ignitis group