

Independent Auditor's Report

To the Shareholders of AB "Ignitis grupė"

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

■ Opinion

We have audited the separate financial statements of AB "Ignitis grupė" ("the Company") and the consolidated financial statements of AB "Ignitis grupė" and its subsidiaries ("the Group"). The Company's separate and the Group's consolidated financial statements comprise:

- the separate and the consolidated statement of profit or loss for the year ended 31 December 2024,
- the separate and the consolidated statement of other comprehensive income for the year then ended,
- the separate and the consolidated statement of financial position as at 31 December 2024,
- the separate and the consolidated statement of changes in equity for the year then ended,
- the separate and the consolidated statement of cash flows for the year then ended, and
- the notes to the separate and the consolidated financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the non-consolidated financial position of the Company and the consolidated financial position of the Group as at 31 December 2024, and of their non-consolidated and consolidated financial performance and their non-consolidated and consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards, as adopted by the European Union.

■ Basis for Opinion

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

■ Key Audit Matters

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

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

We refer to the financial statements:

The carrying value of trade receivable in the consolidated statement of financial position as at 31 December 2024 amounts to EUR: 294.0 million.

Material accounting policies – Note 1.9 “Financial instruments”; financial disclosures – Note 34 “Risk management”, Note 19 “Trade receivables”.

The key audit matter

Impairment allowances represent Management’s best estimate of the expected credit losses within the trade receivables at the reporting date. We focused on this area as the determination of impairment allowances requires a significant amount of judgment over the amounts of any such impairment.

Trade receivables are assessed by the Group for impairment at each reporting date on a collective and individual basis. For those trade receivables, measured on collective basis, the Management measures the loss allowance at an amount equal to expected credit losses (ECLs) being a probability weighted estimate of credit losses. Credit losses are measured as the present value of expected cash shortfalls (i.e. the difference between the cash flows due to the Group and the cash flows expected to be received). The estimate takes into account, among other things, repayment history and past credit loss experience and an assessment of both the current and forecast general economic conditions at the reporting date.

Accordingly, the key areas of estimation uncertainty and judgement associated with recognition of impairment allowances for trade receivables are:

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

How the matter was addressed in our audit

Our audit procedures in the area included, among others:

- Assessing the appropriateness of the Group’s impairment methodology against the relevant financial reporting requirements;
- Independently assessing the relevant forward-looking information and macroeconomic forecasts used in the ECL assessment by inspecting publicly available information, our knowledge of business and through discussions with Management;
- Assessing the accuracy and completeness of the Group’s ECL estimates at 31 December 2024 including:
 - Assessing the key impairment model parameters, by reference to the Group’s own historical credit loss experience, our understanding of the business and current economic trends and expectations;
 - Performing a retrospective assessment of the historical accuracy of the Management Board’s impairment assumptions and estimates, including estimated loss rates, against actual outcomes;
- Evaluating whether the disclosures in the financial statements in respect of the expected credit losses for trade receivables satisfy the requirements of the relevant financial reporting standards.

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

Impairment testing of goodwill and underlying cash-generating units in Green Capacities segment (consolidated financial statements)

We refer to the financial statements:

The carrying amount of goodwill as at 31 December 2024: EUR 16.7 million; carrying amount assets grouped to CGU where goodwill is allocated as at 31 December 2024: EUR 906 million.

Material accounting policies – 1.6 “Intangible assets”, 1.7 “Property, plant and equipment”, financial disclosures – Note 11.5 “Significant accounting estimate: Impairment of goodwill”.

The key audit matter

The Group has recognized goodwill and other intangible assets acquired 2021 - 2024 as a part of business combinations within the Green Capacities segment. At each reporting date, the Group's management tests goodwill and the underlying cash-generating unit (CGU) for impairment.

The recoverable amounts of the goodwill and CGU were determined based on their value in use, estimated using the discounted cash flow method. Management groups assets to CGUs according to individual Green Capacities projects.

Determining the CGU's recoverable amount is a process which requires significant judgment and estimation, especially in respect of the amounts of future cash flows, and associated discount rates and growth rates, based on management's projections of future performance.

The projected operating cash flows from the Group's activities are influenced primarily by assumptions concerning quantity electricity produced, changes in sales prices as well as level of main related costs.

Accordingly, this matter was considered by us to be associated with significant judgement and estimation and required our increased attention in the audit. As such, we determined it to be a key audit matter.

How the matter was addressed in our audit

Our procedures in the area included, among other things, the following:

- Evaluating, against the requirements of the relevant financial reporting standards, the Group's accounting policy for identification of impairment indicators;
- Assessing the appropriateness of the impairment methodology applied by the Group against methodologies commonly used for similar assets and the requirements of relevant financial reporting standards. As part of the above, we identified the relevant methods, assumptions and sources of data, and assessed, whether such methods, assumptions, data and application are appropriate in the context of the said requirements;
- Evaluating the quality of the Group's forecasting by comparing historical projections with actual outcomes of prior years.
- Assessing the appropriateness of asset grouping into CGUs, based on our understanding of the Group's operations and business units.
- Challenging the reasonableness of the Group's key assumptions and judgment used in the estimation of the recoverable amount, including:
 - Assisted by our own valuation specialists, challenging reasonableness of the key macroeconomic assumptions used, such as those in respect of discount rates, by reference to publicly available external sources;

	<ul style="list-style-type: none">- Tracing the key assumptions used in the discounted cash flows calculation, such as those in respect of the future demand, revenue growth and operating costs, by reference to the budgets approved by the Management Board, our understanding of the Group's operations and trends, and publicly available industry data;• Testing the internal consistency, underlying formulas and mathematical accuracy of the discounted cash flow model.• Assessing susceptibility of the impairment models and the resulting impairment conclusions to management bias, by challenging the Group's analysis of the model's sensitivity to changes in key underlying assumptions.• Considering the adequacy of the disclosures related to impairment in the Group's financial statements.
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■ Other Information

The other information comprises the information included in the consolidated management report, including the requirements for the information on corporate governance matters, remuneration and sustainability matters, but does not include the separate and consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

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

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

In addition, our responsibility is to consider whether information included in the consolidated management report for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements and whether consolidated management report, including the requirements for the information on corporate governance matters and remuneration and excluding the requirements for the information on sustainability matters on which the separate assurance report on sustainability reporting is issued by us on 25 February 2025, has been prepared in compliance with applicable legal requirements. Based on the work carried out in the course of audit of the separate and consolidated financial statements, in our opinion, in all material respects:

- The information given in the consolidated management report for the financial year for which the separate and consolidated financial statements are prepared is consistent with the separate and consolidated financial statements; and
- The consolidated management report, including the requirements for the information on corporate governance matters and remuneration and excluding the requirements for the information on sustainability matters, has been prepared in accordance with the requirements of the Law on Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.



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

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

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

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

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

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

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

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



- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

■ Report on Other Legal and Regulatory Requirements

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

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

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

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



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

We have been engaged based our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the European single electronic reporting format of the separate and consolidated financial statements, including consolidated management report, for the year ended 31 December 2024 (the "Single Electronic Reporting Format of the separate and consolidated financial statements") contained in the file abignitisgrupe-2024-12-31-en.zip (ParsePort generated hashcode: MOXaLPH1T6g120g=).

Description of a subject and applicable criteria

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

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

Responsibilities of management and those charged with governance

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

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

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

Our responsibility

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

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



Summary of the work performed

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

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

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

Conclusion

In our opinion, the Single Electronic Reporting Format of the separate and consolidated financial statements for the year ended 31 December 2024 complies, in all material respects, with the ESEF Regulation.

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

On behalf of KPMG Baltics, UAB

Rokas Kasperavičius
Partner
Certified Auditor

Vilnius, the Republic of Lithuania
26 February 2025