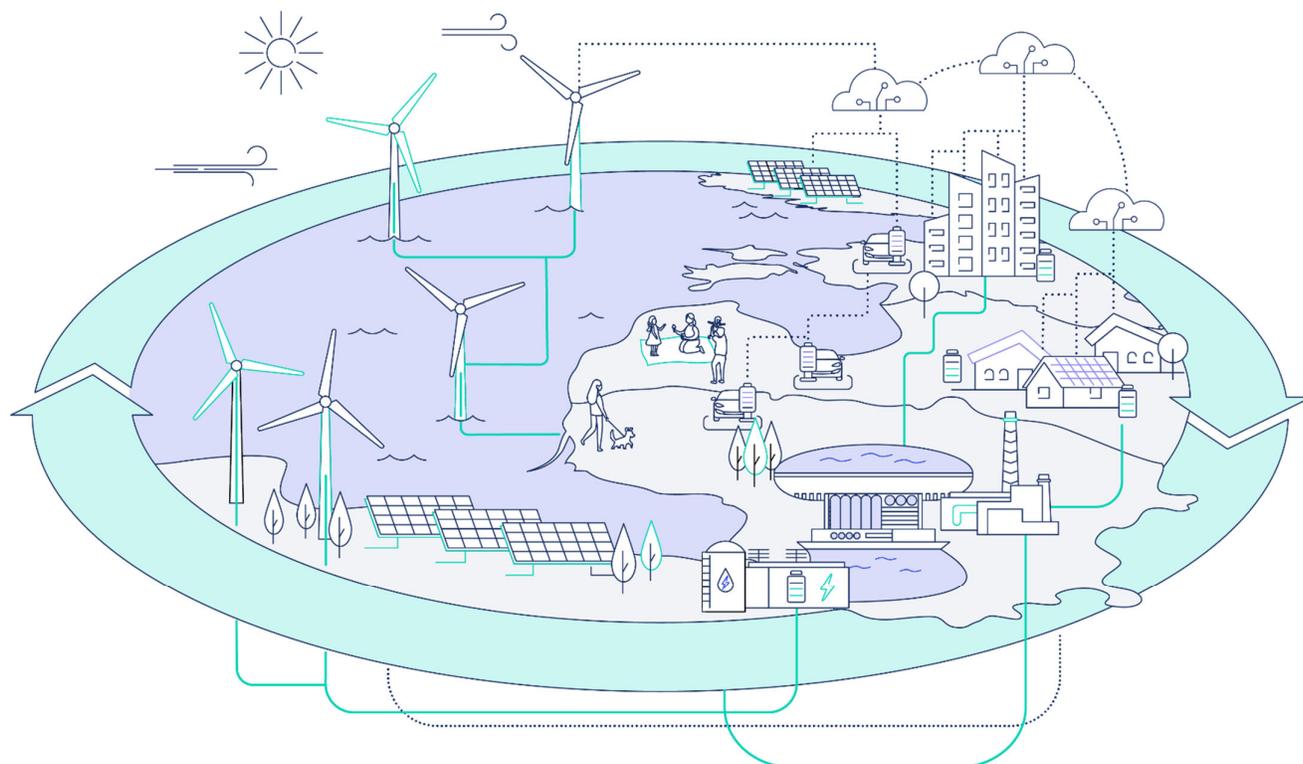


UAB Ignitis

Annual report for 2025

The consolidated annual report of the group of companies UAB Ignitis (Ignitis) for the year ended 31 December 2025 and consolidated and the parent company's financial statements for the year ended 31 December 2025, prepared in accordance with the IFRS Accounting Standards, as adopted by the European Union, presented together with independent auditor's report for the year ended 31 December 2025.



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1. Overview

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1.1 CEO's statement

Green energy

The year 2025 continued to be marked by significant strides in the use of green energy. The number of our customers using renewable energy grew by an impressive 150%, surpassing 673,000 households. This growth reflects the increasing commitment of our customers to sustainability. Throughout 2025, the green energy supplied to residents by Ignitis was produced entirely in Lithuania, with the majority coming from wind, biogas, and biomass power plants. These achievements affirm our leadership in pursuing a cleaner energy future.



E-mobility

Our fast-charging network in the Baltic States, achieved remarkable results last year. We recorded a 140% increase in gigawatt-hours of electricity charged, reaching 10.9 GWh, and daily charging sessions doubled to 1 400. This growth was fuelled by the expanding electric vehicle fleet and active infrastructure development. To support this expansion, Ignitis Group secured a EUR 60 million loan from the European Bank for Reconstruction and Development (EBRD), securing further EV charging network development till the end of 2027. Additionally, Ignitis Group signed a grant agreement of up to EUR 3.8 million under CEF funding to develop EV charging infrastructure in the Baltics. These strategic investments underscore our dedication to expanding the EV charging network, ensuring that Ignitis leads the way in transforming the Baltic region into a hub for sustainable and accessible EV charging infrastructure.

Integration into the European Energy Market

A significant milestone was achieved on February 9, 2025, when Lithuania, alongside Estonia and Latvia, successfully synchronized their electricity systems with the Continental Europe Synchronous Area. This integration strengthens the Baltic region's energy security and resilience and embeds us firmly within the EU's energy framework. The transition to the new 15-minute electricity trading standard further enhanced capacity to effectively integrate renewable energy sources like solar and wind, optimizing system stability and network management.

Changing Environment

We continue to navigate the challenges of electricity balancing, driven by increased renewable energy capacity and evolving consumer behaviour. The rapid rise in prosumers necessitates a shift from the current two-way accounting system, which fails to incentivize active consumer participation or the adoption of storage solutions crucial for renewable energy development, as outlined in the National Energy Strategy. This mismatch between energy generation timing and consumption results in supplier losses, demanding adaptive strategies to maintain leadership and performance in a changing regulatory landscape.

Challenges and Future Prospects

Looking forward to 2026, Ignitis is committed to improve profitability. 2025 negative financial results were driven by business and private prosumer-generated losses through seasonal and intra-day price differences, high balancing costs. Regulatory changes to prosumer net-metering compensation scheme are proposed and are expected to be passed into law in spring of 2026, therefore covering most of prosumer-related losses. Further profitability improvements are expected from pricing changes to customers as well as from lower cost of balancing due to proliferation of batteries.

Ignitis continues retail portfolio growth in neighbouring countries, with stable expansion in Poland, Latvia, and Estonia. We aim to leverage artificial intelligence solutions to improve customer service while continuing to expand public charging infrastructure network. In line with our strategic goals, we have increased significantly our long-term sales portfolio.

CEO Artūras Bortkevičius

1.2 Business highlights

During the reporting period

Quarter 1

Energy supply

- On 1 January 2025, the 10-year designated supply period, during which UAB “Ignitis” ensured the delivery of LNG cargoes to the Klaipėda LNG terminal, expired. In total, 40 TWh of natural gas was delivered over the 10-year period. With the conclusion of this obligation, Lithuania’s LNG market has transitioned to a fully commercial model.
- Lithuania, Latvia, and Estonia disconnected from the Russian IPS/UPS electricity system and commenced operation in isolated mode. Following more than 24 hours of island operation, the electricity grids of Lithuania, Latvia, and Estonia were successfully synchronized with the Continental European power system.

E-mobility

- Ignitis ON has successfully launched its multi-country EV charging app, enabling drivers in Lithuania, Latvia and Estonia to conveniently locate and access all Ignitis ON charging stations through a single, user-friendly mobile platform.

Quarter 2

Energy supply

- UAB “Ignitis” signed a 7-year PPA with Litgrid, the Lithuanian transmission system operator, under which Litgrid will purchase up to 160 GWh of renewable electricity annually at a fixed price of EUR 74.5/MWh, which will take effect in January 2026.

E-mobility

- Ignitis ON signed a grant agreement of up to EUR 3.8 million under CEF funding for the development of EV charging infrastructure in the Baltics. The actual funding amount will depend on the project scope and the eligibility assessment.
- Ignitis Group has signed a financing agreement with the European Bank for Reconstruction and Development for a loan of EUR 60 million, which will be used to develop a public EV fast charging network in the Baltics.
- Ignitis ON has updated the electric vehicle charging park at seaside (Palanga city, summer holiday location): all 10 stations are now 200 kW.

Regulation

- Parliament adopted extension of B2C market deregulation of Stage III (incl. socially vulnerable persons) until 2030.
- Upon end of designated supply period, Ignitis team has reconciled 10 year (2015-2025) regulatory differences with National Energy Regulatory Council (NERC).

Quarter 3

Regulation

- The Lithuanian Ministry of Energy has initiated a public consultation on September 2025 on the improvement of the prosumer framework proposing amendments to the Renewable Energy Sources Act and the Electricity Act.

E-mobility

- Ignitis ON installed 18 new ultra-fast electric vehicle charging points at the Viru Keskus shopping centre in central Tallinn, with charging capacity of up to 160 kW, making it the largest ultra-fast charging hub in Estonia.

Energy supply

- Ignitis designated as a gas Balancing Responsible Party (BRP) in Estonia from November, enhancing control over gas portfolio management.

Quarter 4

Energy supply

- The electricity power exchange EPEX SPOT officially commenced its operations in the Baltic States, including Lithuania.
- On 1 October 2025, European day-ahead power markets have successfully moved from 60-minute to 15-minute trading intervals. The change will benefit flexible generators as well as batteries.
- It was successfully completed the first shipment of liquefied biomethane (Bio-LNG) through a virtual pipeline at Klaipėda LNG terminal. This was the first such agreement and operation, enabling the supply of liquefied biomethane to our clients using maritime transport.
- The Swedish grid operator Svk has issued a statement indicating that in 2026 there are plans to implement a 10% auctioning project for the NordBalt connection (approximately 70 MW). This is expected to enhance electricity price hedging opportunities in Lithuania.

E-mobility

- A fast-charging hub with the ability to charge 20 EVs at once, including 14 fast and ultra-fast charging points, has been opened in Kaunas, Lithuania.

After reporting period

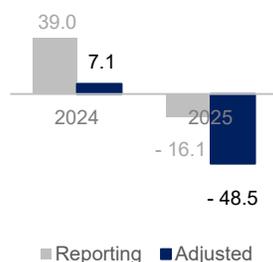
Energy supply

- Ignitis entered the B2C electricity supply market in Latvia.

1.3 Performance highlights

Financial

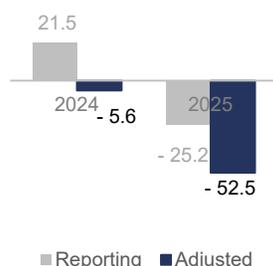
EBITDA, adjusted EBITDA ^{APM}
million EUR



In 2025, EBITDA dropped to EUR -16.1 million and was 141% or EUR 55.1 million lower, while adjusted EBITDA dropped to EUR -48.5 million and was 784% or EUR 55.6 million lower compared to the same period in 2024:

- Adjusted EBITDA decrease was mainly driven by negative impact from prosumers net-metering scheme which amounted to EUR -28.5 million, or (EUR -13.3 million loss increase compared to previous year), which was further amplified by the negative effect related to imbalance operations (EUR -24.5 million increase year-on-year). Moreover, company incurred negative year-on-year effect on Natural gas supply side from absence of higher gross margins that company was able to secure during volatile market in previous years.
- The main drivers behind the significant drop in EBITDA are linked to the same challenges affecting adjusted EBITDA.

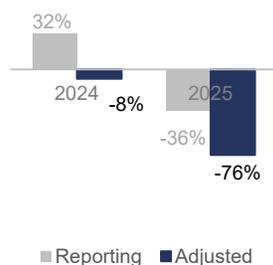
Net profit, Adjusted net profit ^{APM}
million EUR



In 2025, the net result amounted to EUR -25.2 million and was 217% or EUR 46.7 million lower, and the adjusted net result amounted to EUR -52.5 million and was 842% or EUR 46.9 million lower, compared to the same period of 2024:

- The net profit in 2025 was driven by a negative change in EBITDA (EUR 55.1 million, see the comment on EBITDA), which was offset by the deferred income tax asset (EUR +13.0 million).
- Adjusted net result decreased due to a negative change in adjusted EBITDA (EUR -55.6 million), which was offset by the deferred income tax asset (EUR +13.0 million).

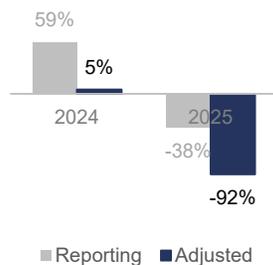
ROE (LTM), Adjusted ROE (LTM) ^{APM}
%



ROE decreased by 68 pp during the year, while adjusted ROE fell by 68 pp as well:

- The decrease in ROE was due to the change in net profit (EUR -46.7 million, see the comment on net profit) and the increase in average equity (EUR +1.2 million), which was driven by the change in the net profit and the change in the hedging reserve for derivatives.
- Adjusted ROE decreased due to the negative change in adjusted profit (EUR -46.9 million, see the comment on the adjusted net profit), as well as the increase in average equity (EUR +1.2 million).

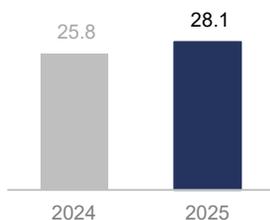
ROCE (LTM), Adjusted ROCE (LTM) ^{APM}
%



ROCE decreased by 97 pp during the year, while adjusted ROCE fell by 96 pp:

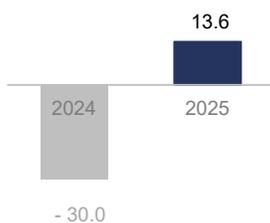
- The decrease in ROCE was due to an increase in EBIT (change EUR -58.3 million), the main reasons for which are similar a disclosed under EBITDA, and a slight increase in the net debt ratio (EUR +0.7 million on average per year, see the comment on the net debt).
- Adjusted ROCE decreased due to a decrease in the adjusted EBIT (change EUR -58.8 million), the main reasons for which are disclosed in the text next to the EBITDA graph above.

Investments ^{APM}
million EUR



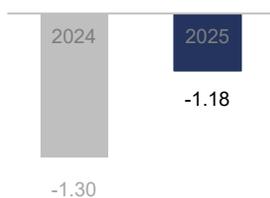
In 2025, investments were mainly related to the expansion of the Ignitis ON EV charging network (EUR 21.9 million), and the upgrading and development of information systems, applications, robotisation of daily operations and solutions for the clients in digital channels (EUR 6.1 million).

Net debt ^{APM}
million EUR



At the end of 2025, net debt amounted to EUR +13.6 million and increased by EUR 43.6 million compared to the previous year. The main reasons for the increase in net debt are continuous investments to EV network expansion and development of IT systems, as well as negative EBITDA of EUR -16.1 million in 2025.

FFO (LTM)/Net debt ^{APM}
%

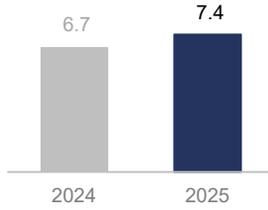


The changes in the FFO (LTM)/Net Debt ratio were primarily due to a shift in net debt from EUR -30 million to EUR 13.6 million, as detailed in the net debt commentary, coupled with a decline in FFO (LTM) from EUR 39 million to EUR -16.1 million, largely driven by unfavourable EBITDA performance, as noted in the EBITDA commentary.

^{APM} Alternative Performance Measures – adjusted figures used in this report refer for measurement of internal performance management. These indicators are not defined by International Financial Reporting Standards (IFRS) and do not comply with IFRS requirements. Definitions of alternative performance measures can be found on the website of the Ignitis Group ([link](#)).

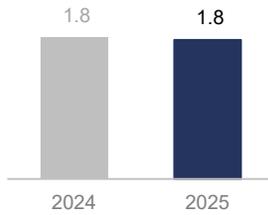
Operations

Total electricity sales ^{APM} TWh



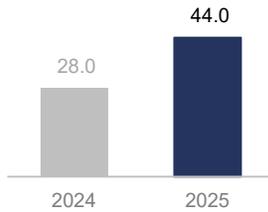
Total electricity sales on the retail market increased to 7.4 TWh from 6.7 TWh in 2025. was mainly driven by increased customer count in Poland's business segment.

Including: Unregulated supply electricity sales in Lithuania, B2C TWh



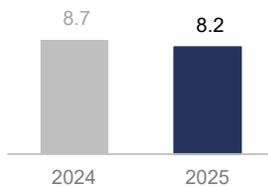
In 2025, unregulated supply electricity sales to B2C customers in Lithuania remained similar to 2024.

Share of total green electricity sales (to end users) %



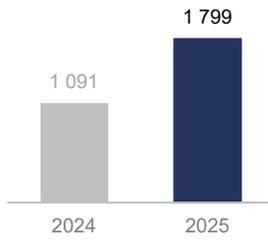
The growth in green electricity sales increased by 16 percentage points, reaching 44% of our electricity sales portfolio by 2025. This achievement underscores our shared commitment with our customers to advancing sustainability and fostering a cleaner energy future.

Total natural gas sales TWh



In 2025, natural gas sales amounted to 8.2 TWh and decreased by 5.7% compared to 2024. Retail sales grew slightly compared to the previous year, but wholesale volumes decreased significantly by 37% - mainly due to lack of feasible commercial opportunities.

EV charging points (Ignitis ON) (end of period),
units



At the end of 2025, the Ignitis ON platform in Lithuania, Latvia and Estonia had a total of 1,799 EV charging points, 65% percent more than at the end of 2024. This growth was fuelled by the expanding electric vehicle fleet and active infrastructure development.

APM *Alternative Performance Measures – adjusted figures used in this report refer for measurement of internal performance management. These indicators are not defined by International Financial Reporting Standards (IFRS) and do not comply with IFRS requirements. Definitions of alternative performance measures can be found on the website of the Ignitis Group ([link](#)).*

2. Business overview

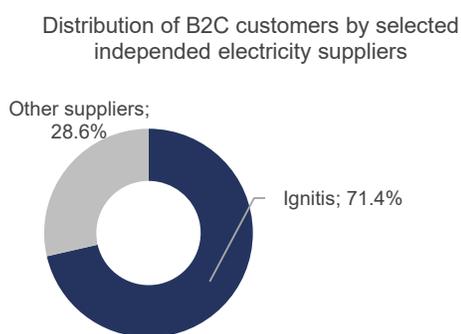
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2.1 Business profile

The main activities of Ignitis are the supply of electricity and natural gas, as well as an expansion of EV charging network in the Baltics. Ignitis provides energy services to more than 1.4 million residents in Lithuania and is gaining market share in other Baltic States and Poland. Ignitis is also developing a range of smart services, proposes electric vehicle charging solutions, electricity balancing services, solar power generation and other energy-related solutions based on technological innovations. Other activities of Ignitis include planning and (or) balancing of electricity consumption, trade in guarantees of origin and in derivative financial instruments.

Supply of electricity

Ignitis supplies electricity to the Lithuanian, Latvian, Estonian and Polish markets. In Lithuania, electricity is supplied to companies of energy, industrial and small commercial sectors as well as to B2C customers. According to the National Energy Regulatory Council (NERC), by the end of 2025, Ignitis had about 46% of the B2B market in Lithuania. According to the data of the Company, in all its markets, it supplies electricity to over 25 thousand B2B customers.



Ignitis in Lithuania holds a national electricity supplier's licence issued by the NERC. Up to 2020, Ignitis held almost 100% of the electricity market share of residential households by carrying out the public supply activities; however, under the current legislation, the public supply activity will be stopped till 2030 because of the started market liberalisation.

At the end of 2025, the Lithuanian market had a total of four independent electricity suppliers capable of supplying electricity to B2C customers, among which Ignitis is the market leader. At the end of 2025, over 71% of the Lithuanian population had chosen Ignitis as their independent supplier.

In 2025, in Lithuania, Ignitis sold 5.3 TWh of electricity in total, whereof 3.0 TWh to B2B customers and 2.3 TWh to B2C customers. Sales to B2B customers amounted to 0.84 TWh in Latvia and 1.21 TWh in Poland.

Ignitis continuously increases the supply of electricity generated from renewable energy sources to its customers by concluding long-term electricity purchase contracts directly with renewable energy producers. In 2025, Ignitis proactively sold green electricity and supplied a total of 3.3 TWh of green electricity, an increase of almost 74% compared to 2024. The total share of green energy in electricity sales increased by 16 pp compared to the previous period and was 44% in 2024.

Natural gas supply activity

Ignitis ensures the supply of natural gas from three different sources: LNG supply contracts, acquisitions of natural gas in the grid and from Inčukalns underground natural gas storage.

In 2025, Ignitis was active on both the retail and wholesale markets, trading natural gas on the exchange and under bilateral agreements with other wholesale market participants. It also provided natural gas flow balancing services, made a significant contribution to security of supply across the region in the face of supply constraint challenges across Europe.

As of January 1st, 2025, Ignitis has completed the designated supply function for LNG terminal in Klaipėda, which Company was performing for 10 years as per tendered by the Ministry of Energy. Over the last few years, supply routes into Baltic region and Finland have been reshaped, along with

the volumes required to keep LNG terminal infrastructure operating at minimum capacity. During 2025 Ignitis assessed and received approval from NERC for all plan's closing financial balances.

In 2025, Ignitis natural gas supply and sale on the exchange comprised 8.13 TWh in total, of which: 4.49 TWh are attributed to B2B and 2.48 TWh to B2C customers; the remaining part is wholesale transactions.

Ignitis is gradually shifting its gas business towards renewable solutions, building on the experience, market know-how and customer relationships developed over many years in the natural gas market. Biomethane and bioLNG are becoming an increasingly important energy source in the transition of gaseous energy supply, particularly in sectors where immediate low-emission alternatives are limited.

Ignitis has been active in the biomethane market since 2022 and in 2025 continued expanding this activity while executing its renewable energy targets. During the year, the Company delivered 111 GWh of biomethane, more than double the 53.1 GWh delivered in 2024, reflecting strong and growing demand. Most volumes were supplied as CNG fuel to public transport bus fleets, directly supporting national and EU renewable energy targets in the transport sector.

In December 2025, Ignitis also took its first step into renewable maritime fuels by completing a bioLNG transshipment at the Klaipėda's SGDT. Biomethane and bioLNG offer a ready-to-use, scalable and cost-efficient renewable fuel solution for transport and shipping, enabling meaningful emission reductions without changes to existing vehicles or vessels.

EV charging network

Ignitis operates Ignitis ON, the leading fast-charging network for EVs in the Baltic States. Ignitis ON set EV charging records in 2025. Compared to 2024, the amount of GWh charged last year increased by almost 140% to 10.9 GWh, and the average number of charging sessions per day reached 1 400, more than doubling from 2024, when it was 627 sessions.

The Ignitis ON network has now reached a level where it covers over 90% of the Baltic region, with coverage in Lithuania already at 98%. This means that whether traveling an electric vehicle charging station can almost always be found within a 30-kilometer radius. Ignitis ON has successfully launched its multi-country EV charging app, enabling drivers in Lithuania, Latvia and Estonia to conveniently locate and access all Ignitis ON charging stations through a single, user-friendly mobile platform.

Ignitis ON, concluded 2025 by opening one of its largest charging parks in Kaunas. Out of the 20 new charging points at this location, 14 provide fast and ultra-fast charging. The record achievements were largely driven by the rapidly growing fleet of EVs in the Baltic States and the actively developed Ignitis ON infrastructure. Ignitis ended last year with almost 1 800 charging points in the Baltic States, which is a 65% increase from the beginning of the year (1 091).

Throughout 2025, approximately 40,000 unique users charged their EV across the network. The average charging speed at fast and ultra-fast charging points increased to 44 kW (up from 39 kW in 2024), with an average of 24 kWh charged per session (up from 21 kWh in 2024).

In the fourth quarter of 2025, Ad-hoc payment systems were introduced, facilitating drivers to initiate a charging session by scanning a QR code without the necessity of an application. Additionally, the auto charge feature was launched, allowing compatible electric vehicles to commence charging automatically upon connection with the CCS cable.

Over the year, Ignitis ON's charging access points grew by 65%. The network grew by 30% in Lithuania, but the biggest growth was seen in Latvia and Estonia. The number of charging points in Latvia more than tripled, while the first 156 charging connections were launched in Estonia.

Rapid expansion was undertaken in Estonia in collaboration with the Maxima supermarket chain, which operates throughout the Baltics. Ultra-fast charging stations have been initiated adjacent to Maxima stores in Estonia. Additionally, intensive expansion efforts commenced near major

highways, key intersections, and transport hubs to ensure essential charging infrastructure is established across the country. Furthermore, an established and fully operational location was acquired from a competitor, situated near the IKEA shopping center in Tallinn.

The year 2025 marked a period of intensive expansion for operations in Latvia. New locations were strategically developed in the capital, along major national highways, and within regional towns. The year concluded with an achievement of 86% national coverage. This extensive network will ensure superior logistical efficiency, significantly enhance brand visibility, and strengthen competitive advantage within the Latvian market. By the end of the year in Latvia, there were 344 charging points.

In Lithuania last year, land plots were acquired in the capital city and along the country's major highways, where ultra-fast charging hubs are planned, each featuring at least 10 ultra-fast charging points.

Last year, intensive expansion was launched within the B2B and B2G segments. Partnerships were successfully secured with major fleet operators, including ESO, Lithuania Post (Lietuvos paštas), Telia, and many others.

Notably, bus fleet operators have been successfully integrated into the client portfolio, with initial operations already underway in Klaipėda and Alytus. These partnerships serve as a significant catalyst for the growth of overall charging energy volumes. Looking ahead to 2026, sustained engagement from bus fleet managers is anticipated, which will be instrumental in further scaling the Ignitis ON network's utilization and driving substantial throughput growth.

2.2 Business environment

Electricity

In 2025, Ignitis was active in wholesale and retail electricity trading in Lithuania, acquiring its electricity portfolio on the Nordic power exchange Nord Pool (NP) or through bilateral contracts. Last year, Ignitis continued to maintain its leading position in the retail market (according to National Energy Regulation Council in 2025 November market share was 65%). The main competitors were UAB Elektrum Lietuva and UAB Enefit.

A few years ago, the region saw a major change in the way it imports electricity from Russia and Belarus. Lithuania is now one of the European countries with the most electricity interconnections, enabling it to meet electricity demand despite reduced flows. The resilience and reliability of Lithuania's electricity system were further enhanced when the synchronisation project with Continental Europe was completed in 2025.

According to Lithuanian Energy Agency in 2025, Lithuania already produced about 75-80% of the necessary electricity – the most since 2009, when the Ignalina Nuclear Power Plant was closed. Last year, there were periods when Lithuania produced all or nearly all its needed electricity. In April, around 99% of the electricity required for consumption was generated, falling short of 100% by just 6 GWh of produced electricity. In May and June, this indicator reached about 95%. June was notable because wind and solar power plants alone produced approximately 77% of the electricity needed for Lithuania's consumption – this is the largest share in Lithuania's history. The rest of the electricity needed was imported. In recent years, the electricity import/export balance shows that most of the electricity is imported from Sweden. It is forecasted that by 2026, about 80–85% of the electricity needed for consumption will be produced, bringing Lithuania closer to the goal of becoming a self-sufficient and electricity-exporting country.

In 2025, the growth of national generation was influenced by an over 45% increase in installed capacity of solar power plants and a more than 41% increase in installed capacity of wind power plants over the year. In 2025, Lithuania's electricity consumption was similar to that in 2024, reaching 11.8 TWh. Changes in consumption were mainly driven by shifts in electricity usage by services and residents. With the electrification of industry, services, residents, and other sectors, a steady increase in electricity consumption is also expected in 2026.

Last year, two significant milestones were reached: in March, the combined capacity of solar and wind power plants exceeded the 4 GW mark, and six months later, in September, it surpassed the 5 GW mark. By 2026, it is highly likely that the total capacity of solar and wind power plants will increase by about 1.4–1.8 GW.

An average of 4,200 prosumers were connected each month, almost 1,000 more than in 2024. Consistent government support is accelerating the growth of prosumers. While prosumers contribute towards energy independence, due to current net-metering scheme it raises financial challenges for suppliers and, with the lack of battery storage solutions, also contributes towards disruption of balancing markets.

The annual wholesale electricity price remained stable, the same as last year, and it is forecasted to remain so in 2026. This year, Lithuanian residents paid about 2% less for electricity than last year, and the final electricity price matched the EU average.

During 2025, the electricity market has seen a drop in prices across most countries that company operates. However, the average system price that year was still 10.3% higher compared to the same period in the previous year. The highest average prices were recorded on the Polish market, where the average price in 2025 was EUR 104.46 per MWh (an increase of 8.1% compared to the previous year). In Lithuania, Latvia and Estonia, the price level in 2025 was similar – around EUR 85. The lower prices in 2025 were due to steady hydro production in Scandinavia and a significant share of renewable generation due expansion of wind and solar capacity in the Baltics.

Electricity price, Eur/MWh

	2025	2024	2023	2025 vs 2024 Δ ,%
Nord Pool system price	39.84	36.12	56.6	10.3%
Lithuania	85.77	87.20	94.6	(1.6%)
Latvia	86.19	87.29	94.1	(1.3%)
Estonia	80.89	87.12	91.0	(7.2%)
Finland	40.52	45.62	56.6	(11.2%)
Poland	104.46	96.59	111.9	8.1%

Natural gas

Ignitis natural gas supply activities are carried out in Lithuania, Latvia, Poland and Finland.

In Lithuania, Ignitis has a market share of more than 99% of the B2C market. In the B2B segment, in 2025, Ignitis was one of the 30 entities that supplied natural gas (H1 2025, NERC data). In H1 2025, Ignitis had 32.7% share of the natural gas retail market in terms of volumes sold to B2B customers.

Ignitis entered the Finnish natural gas supply market in 2020 and became one of the first players in the competitive Finnish market. In 2025, the market share was 15%.

In 2025, natural gas prices increased, with the TTF ICE price averaging 12% higher in 2025 compared to the same period of 2024. However, the TTF price trend during 2nd half of 2025 was down.

The Finish gas market was more stable in 2025, as there were no accidents in the Balticconnector pipeline since the pipeline resumed operations on 22 April 2024.

Natural gas price average, EUR/MWh

	2025	2024	Δ ,%
Natural gas – TTF ICE	37.9	33.8	12.1%

Lithuania was the first EU Member State to suspend its purchases from Gazprom at the beginning of Q2 2022 by replacing it with LNG cargoes, mainly from the USA and Scandinavia.

The termination of natural gas flows via Nord Stream I led to a significant increase in competition for LNG cargoes in Europe; however, Ignitis has successfully and quickly adapted to the changed supply conditions, using the available capacity of the Klaipėda LNG terminal to meet its commitments to its customers, and even increased the volume of natural gas export to neighbouring countries. The rest of Europe adapted quickly to the changed market conditions. According to Gas Infrastructure Europe, more than 20 new LNG terminals have been built in Europe between 2022 and 2024. The high prices have also led to increased investment in renewable energy generation, which contributed to lower natural gas prices.

According to International Energy Agency, LNG imports in Europe hitting record levels in 2025 and projected to rise further in 2026. U.S. LNG accounted for a major share of these imports in 2025

In 2025 Europe has continued expanding LNG infrastructure. As of mid-2025 there were dozens of LNG regasification terminals across the EU and UK with significant combined capacity, and new facilities — including Germany's second LNG terminal in Wilhelmshaven — entered operation during the year, further strengthening Europe's ability to import LNG.

In 2025, natural gas consumption in the Republic of Lithuania was 15.91 TWh, or 7% less than in 2024 (17.07 TWh). The total natural gas consumption in the Lithuanian market is strongly influenced by the production schedule of the largest national consumer – AB Achema fertiliser manufacturing plant.

EV charging

In Europe, the shift to cleaner vehicles by drivers is being strongly encouraged due to growing concerns about environmental pollution, as countries become more stringent in their requirements to reduce atmospheric CO2 emissions. One way to encourage this is by installing EV charging stations.

According to the Lithuanian Energy Agency, the share of passenger EV in the fleet is increasing annually and exceeded 2% in July 2025. Over the eleven months of 2025, the share of passenger EV in the fleet increased by more than 0.7 pp (from 1.61% to 2.34%). This accounted for about 45.3% growth over eleven months in 2025, compared to the entire year of 2024, which saw a 45.1% growth (+0.5 pp from 1.11% to 1.61%).

Among other road vehicle categories, the most significant change in 2025 was seen in buses (M3 category): the share of electric buses grew from 12.1% to 14.9% during 2025. The electrification of public transport continues to accelerate, especially in Vilnius and Kaunas, where a large portion of the M3 category fleet consists of trolleybuses. The fleet of heavy electric trucks has remained almost unchanged over the past year.

The share of light commercial electric vehicles (N1 category) in this fleet nearly doubled in 2025, increasing from 0.67% to 1.07%. Although the absolute numbers are small, they clearly indicate a trend—businesses are increasingly transitioning to electric transport.

According to the Lithuanian Energy Agency, in November 2025, the number of EV exceeded 42,700, with 22,425 battery electric vehicles (BEVs) and 20,279 plug-in hybrids (PHEVs) registered. The number of BEVs has already surpassed the earlier forecast of 20,950, while PHEVs are about 6% below the projected year-end figure of 20,500.

The current Lithuanian Energy Agency (LEA) forecast for the end of 2025 (43,800) is more than 2,000 EV higher than previous expectations. The growth of EV in Lithuania is faster than anticipated a year ago, especially in the BEV segment. Public sector companies and institutions have acquired hundreds of EV and plug-in hybrids simultaneously, updating their fleets with the help of additional government funding.

LEA predicts that by the end of 2026, the EV fleet could reach approximately 65,700, with 33,400 BEVs and 32,300 PHEVs. This would mean that over two years, the passenger electric vehicle fleet would increase nearly 2.5 times compared to the end of 2024.

At the end of 2025, there were 5 269 EV charging points in Lithuania. Ignitis On had the largest market share (23.3%) in the EV charging network, followed by Inbalance grid with 22.9%, Enefit Volt with 11.7%.

At the end of 2025, there were 2 325 EV charging points in Latvia. Elektrum Drive had the largest market share (33.8%) in the EV charging network, followed by E-Mobi with 20.4%, Ignitis ON with 19.3%, Enefit Volt with 8.8% and Eleport with 7.7%.

At the end of 2025, there were 2 155 EV charging points in Estonia. The largest market shares in the EV charging network were held by Enefit Volt with 30.4%, Alexela with 20.6%, Elektrum Drive 10.2% and Eleport with 9%. Ignitis ON had 7.1% market share.

Regulatory environment

EU-wide

Title	Description	Impact
A Competitiveness Compass for the EU	In January 2025, the Commission unveiled the Competitiveness Compass, a new roadmap designed to rejuvenate Europe's dynamism and enhance economic growth to close the innovation gap, integrate decarbonisation with competitiveness, and bolster security and economic resilience. This initiative aims to establish a common framework and strategic vision to ensure EU policies are aligned for competitiveness	Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with

		the Ignitis Group's strategy
The Clean Industrial Deal: Advancing through the Affordable Energy Action Plan	<p>On 26 February 2025 the European Commission issued two key communications: the Clean Industrial Deal and the Affordable Energy Action Plan. Together, these initiatives align climate policy with competitiveness strategies to accelerate decarbonisation and reduce energy costs across the EU. Both communications have been submitted to the European Parliament and the Council for review and consideration.</p> <p>The Clean Industrial Deal builds on the 2019 European Green Deal, advancing the transition to a sustainable economy while reinforcing industrial strength and competitiveness. It establishes the framework for achieving a 90% emissions reduction target by 2040 while ensuring that companies have access to affordable, sustainable energy and critical raw materials.</p> <p>The Affordable Energy Action Plan combines immediate measures to lower household and business energy bills with long-term structural reforms to strengthen the resilience of the EU energy system. It comprehensively addresses all three components of energy pricing – supply costs, network charges, and taxes/levies – to deliver maximum impact.</p>	As of the publication date, the financial impact cannot be assessed. However, expected to have an overall positive impact
European Steel and Metals Action Plan unveiled	On 19 March 2025, the European Commission introduced the European Steel and Metals Action Plan, designed to enhance the competitiveness and sustainability of Europe's steel and metals industries. These sectors are crucial to the EU's economy, providing essential materials for industries such as automotive, clean technology, and defence. The action plan includes key measures: ensuring affordable and secure energy supply; preventing carbon leakage; expanding and protecting European industrial capacities, etc.	As of the publication date, the financial impact cannot be assessed. However, expected to have an overall positive impact
EU's actions to implement the Alternative Fuels Infrastructure Regulation	In April 2025, the European Commission introduced three new delegated acts and one implementing act to enforce Regulation (EU) 2023/1804 of the European Parliament and of the Council. This legislation pertains to the deployment of alternative fuels infrastructure and repeals Directive 2014/94/EU. It specifically addresses charging infrastructure for electric vehicles and relevant provisions for charging point operators. Implementing Regulation (EU) 2025/655 sets standards for data format and availability, while Delegated Regulation (EU) 2025/645 establishes a universal interface for automated data exchange. Delegated Regulation (EU) 2025/671 expands data types to provide comprehensive information on charging and refuelling locations, thus accommodating technological advancements. Additionally, Delegated Regulation (EU) 2025/656 updates technical specifications to ensure seamless integration and accessibility, including wireless charging and vehicle-to-grid communication.	Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the Ignitis Group's strategy
REPowerEU roadmap: Ending EU's dependence on Russian energy	<p>On 6 May 2025, the European Commission unveiled the REPowerEU roadmap, a strategic plan to end the EU's dependence on Russian fossil fuels by 2027 and to phase out Russian nuclear energy, while safeguarding energy security and supply stability.</p> <p>On 17 June 2025, the Commission introduced a phased ban on Russian natural gas and LNG, with short-term LNG contracts to be terminated on 25 April 2026 and short-term natural gas contracts to be terminated on 17 June 2026. All long-term LNG contracts are to be terminated by 1 January 2027, while long-term natural gas contracts are to be terminated by 30 September 2027 (in specific exceptional cases approved by the Commission until 1 November 2027). These measures were adopted on 26 January 2026 and aim to redirect capacity to alternative suppliers and strengthen the EU's energy market resilience.</p> <p>Lithuania, notably, has already ceased importing Russian energy since 2022, underscoring its commitment to cutting financial flows supporting Russia's war effort.</p>	As of the publication date, the financial impact cannot be assessed. However, expected to have an overall positive impact
Amendment to the European Climate Law and deferral of ETS2	On 5 November 2025, the Council reached an agreement on amending the European Climate Law. It upheld the Commission's proposal for a binding 90% reduction in net greenhouse gas emissions by 2040 compared to 1990 levels. Additionally, the Council decided to delay the implementation of the EU emissions trading system for buildings and road transport (ETS2) by one year, shifting the start date from 2027 to 2028.	As of the publication date, the financial impact cannot be assessed. However, expected to have an overall positive impact

Pan-Baltic

Title	Description	Impact
Offshore project Baltic Hub and regional integration initiatives submitted for the EU Network Development Plan	In May 2025, the electricity system operators of Lithuania, Latvia, and Northeast Germany (Litgrid, Augstsprieguma tīkls, and 50Hertz) submitted a joint application for the inclusion of the Baltic Hub hybrid offshore electricity interconnection project in the 2026 Ten Year Network Development Plan (TYNDP) of the European Network of Transmission System Operators for Electricity. This project involves creating a 2 GW hybrid offshore electricity connection between the Baltic states and Germany, spanning approximately 600 km. The interconnector would be located on the Lithuania-Latvia border, with completion estimated by 2035–2037. The Baltic Hub will integrate up to 2 GW of offshore wind capacity in Lithuania and Latvia, enhance onshore and offshore renewable energy generation, and facilitate electricity trading	Expected to have an overall positive impact as it aims to accelerate the energy transition and strengthen the Baltic market's integration into the European energy market

	<p>between the Baltic nations and Germany, thereby boosting supply reliability across the region.</p> <p>The EE-LV-DE interconnection project has already received the TYNDP status and is progressing towards the status of 'Project of common interest' (PCI). The three TSOs involved have announced a joint procurement process for a comprehensive study aimed at identifying the most suitable financial, ownership, regulatory, and governance framework for the project's implementation.</p> <p>In addition to the Baltic Hub, Litgrid submitted two more international projects. The first is a collaboration with Poland, Latvia, and Estonia to ensure smooth implementation of the Harmony Link and safeguarding critical infrastructure. The second project aims to expand power transmission capacity with Latvia to support market integration as Lithuania's renewable energy capacity grows rapidly. Other projects also involve Latvia and Estonia and their projects to increase the interconnection between those two counties.</p> <p>All projects would contribute to the integration of the regional electricity market, increasing system reliability, and achieving national and European sustainability goals.</p>	
Harmony Link concept approved	<p>On 28 May 2025, the Ministry of Energy of Lithuania approved the concept of the Harmony Link, defining the connection route for the land-based electricity interconnection with Poland. This link will enhance the grid reliability and facilitate commercial electricity trade with Western Europe.</p> <p>Litgrid, Lithuanian TSO, is progressing with the territorial planning process. The Government of the Republic of Lithuania is expected to approve the final infrastructure development plan in 2026, with construction slated for 2027 and commissioning targeted for 2030.</p>	Expected to have an overall positive impact as it aims to accelerate the energy transition and strengthen the Baltic market's integration into the European energy market
Enhancing network resilience through Lithuania's updated synchronisation resolutions	<p>On 9 September 2025, the Government of the Republic of Lithuania adopted two legal acts. The first act amends Resolution No. 918, dated 4 September 2019, concerning the implementation of the Electricity System Synchronisation Project and the action plan to enhance the security and reliability of the electricity system. The second act amends Resolution No. 821, dated 7 August 2019, which approves the list of electricity projects linked to the synchronisation project. These amendments are designed to bolster national security and focus on dismantling intersystem power lines disconnected from the IPS/UPS system, including connections to Kaliningrad, and fortifying the resilience of infrastructure facilities installed or reconstructed as part of the synchronisation project.</p>	Expected to have an overall positive impact as it aims to accelerate the energy transition and strengthen the Baltic market's integration into the European energy market
15-minute trading intervals introduced in day-ahead and intraday markets	<p>On 1 October 2025, Nord Pool, the European power exchange, completed its transition to a 15-minute Market Time Unit (MTU). As a result, European electricity markets, including those in the Baltic countries, moved from 60-minute to 15-minute trading intervals in both the day-ahead and intraday markets. This transition aligns with Electricity Regulation (EU) 2019/943, which requires the harmonisation of market time units across Europe. From 30 September 2025, transmission system operators and nominated electricity market operators began trading 15-minute MTU products on the day-ahead market. The first delivery day based on 15-minute intervals was 1 October 2025. The introduction of 15-minute MTUs improves market precision, facilitates better integration of renewable energy sources, and provides additional opportunities for flexible generation assets and energy storage solutions, such as batteries.</p>	As of the publication date, the financial impact cannot be assessed. However, expected to have an overall positive impact

Lithuania

Title	Description	Impact
New accessibility requirements for public Charging Points	<p>On 13 March 2025, the Ministers of Transport and Communications and the Environment of the Republic of Lithuania approved the Requirements for the Accessibility of Publicly Accessible Charging Points for All User Groups. The document defines a uniform set of minimum accessibility standards for publicly accessible charging infrastructure, aiming to facilitate broader and more convenient use for all user groups, including persons with disabilities or users with functional limitations. This initiative supports the adoption of electric vehicles and contributes to national electromobility objectives. Charging point operators in Lithuania must comply with these standards when planning, constructing, or upgrading new publicly accessible charging points.</p>	As of the publication date, the financial impact cannot be assessed. However, expected to have an overall positive impact
Lithuania expands public electricity supply for small and vulnerable households	<p>On 17 April 2025, the Parliament of the Republic of Lithuania passed amendments to the Law on Electricity. The changes aim to fulfil the 19th Lithuanian Government Programme's goal of providing public electricity supply access to small and vulnerable households.</p> <p>Under the new amendments, by 2030, small household electricity consumers, who use less than 1,000 kWh annually, and vulnerable consumers, such as those receiving financial social assistance, individuals with disabilities, and social assistance beneficiaries, will have guaranteed access to public electricity supply. This extends the deadline from the original target of 2025, allowing approximately 800,000 consumers to continue using public electricity supply without obligation to choose an independent electricity supplier.</p>	As of the publication date, a negative but not material financial impact is expected

Transposition of RED III Directive	<p>On 25 June 2025, the Parliament of the Republic of Lithuania adopted a comprehensive package of legislative amendments to the Law on Electricity, the Law on Energy, the Law on Energy from Renewable Sources, the Law on Environmental Impact Assessment of the Proposed Economic Activity, and the Law on Alternative Fuels. These changes transpose Directive (EU) 2023/2413 (RED III), reinforcing Lithuania's commitment to the European Green Deal and accelerating the transition to a low-carbon economy.</p> <p>The amendments aim to remove barriers to renewable energy deployment, strengthen grid flexibility, and ensure compliance with ambitious EU targets for renewable energy and decarbonisation. Amendments strengthen national energy security by diversifying supply and reducing dependence on fossil fuels, while aligning national policy with long-term sustainability and competitiveness goals. Key measures include the following:</p> <ul style="list-style-type: none"> - Renewable Energy Sources: Renewable projects, such as solar, wind, and storage facilities, are now recognised as overriding public interest. New frameworks for accelerated development zones, streamlined permitting, and renewable potential mapping will significantly shorten project timelines and enhance investor confidence; - Electricity: Grid connection procedures have been simplified, technical compliance requirements have been made more flexible, and financial guarantees have been adjusted to reduce administrative burden; - Alternative Fuels: Obligations for renewable fuel supply have been tightened, RED III multipliers have been introduced, and accounting rules have been expanded to include electricity for electric vehicles. Transparency is being enhanced through mandatory reporting to EU databases and disclosure of biofuel origins at retail stations; - Energy: Permit timelines for modernisation projects have been shortened, certification requirements have been broadened, and outdated provisions on national importance projects have been repealed to reflect a more dynamic market environment; - Environmental Impact Assessment: New thresholds and exemptions balance environmental safeguards with accelerated renewable deployment, particularly for wind and transmission infrastructure, while maintaining cultural heritage protections. 	<p>Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the Ignitis Group's strategy</p>
Tax reforms	<p>In June 2025, the Parliament of the Republic of Lithuania adopted amendments to tax laws, which came into force on 1 January 2026. Key tax-related points that may be relevant to Ignitis are described below.</p> <p>1. Changes to the Personal Income Tax. Tax rates for total annual income (including income from individual activities, employment, rental, and property sales) are the following:</p> <ul style="list-style-type: none"> - 20% when the annual income does not exceed 36 average annual salaries (AAS) (in 2026 – EUR 82,962); - 25% when the annual income is between 36 AAS and 60 AAS (in 2026 – between EUR 82,962 and EUR 138,270); - 32% when the annual income exceeds 60 AAS (in 2026 – from EUR 138,270). <p>Possible impact of the proposed changes: it will affect the persons whose income is above around EUR 6.9 thousand/month on average.</p> <p>2. Changes to the Corporate Income Tax. It includes the following:</p> <ul style="list-style-type: none"> - the standard rate will increase from 16% to 17%, and the reduced rate will increase from 6% to 7%; - instant depreciation has been introduced, which will allow the full cost of acquiring fixed assets to be deducted from income in the tax period when the assets start being used. Depreciation will not be calculated for Corporate Income Tax purposes; - the amount of tax losses transferred between Ignitis Group companies may not exceed 70% of the profits of the company that absorbs the losses; - companies will be able to deduct up to EUR 2,500 per year for scholarships paid to students studying natural sciences, technology, engineering, or mathematics. <p>Possible impact of the proposed changes: the changes would depend on company results (profit/loss), the extent of applied investment project incentives, and the extent of tax loss carry-forwards between Ignitis Group companies.</p> <p>3. Changes to the Real Estate Tax: from 2026, companies will be subject to an additional 0.2% tax rate on the taxable value of real estate. A tax rate of 1 to 5% will be applied to abandoned or neglected real estate. The valuation of real estate will be carried out at least every 3 years (previously every 5 years).</p> <p>4. Changes to excise duties: from 2026, excise duty exemptions for natural gas were abolished, i.e. the excise duty exemption will no longer apply to:</p> <ul style="list-style-type: none"> - household consumers (in 2026 – EUR 0.5/MWh); - persons with beneficiary status (in 2026 – EUR 0.5/MWh); - the excise duty rates have increased from EUR 0.54/MWh to EUR 1/MWh for natural gas used for business purposes, and from EUR 1.08/MWh to EUR 1.5/MWh for natural gas used for non-business purposes. 	<p>As of the publication date, the financial impact cannot be assessed. However, it is expected not to have a material impact</p>

Transposition of Energy Market Design	<p>On 13 November 2025, the Parliament of the Republic of Lithuania adopted amendments to the Law on Electricity and the Law on Energy, transposing Directive (EU) 2024/1711 of the European Parliament and of the Council, amending Directives (EU) 2018/2001 and (EU) 2019/944, and Regulation (EU) 2024/1747 of the European Parliament and of the Council, amending Regulations (EU) 2019/942 and (EU) 2019/943 as regards improving the Union's Electricity Market Design.</p> <p>Independent electricity supply was further defined through the introduction of the concept of fixed price contracts. Independent suppliers, both B2C and B2B, with more than 200,000 customers are now required to offer consumers the option of entering into 12 month fixed price contracts.</p> <p>The amendments include boosting system flexibility through the introduction of new mechanisms such as flexibility services and peak demand reduction. Demand aggregation activities are now regulated, and a framework has been established to assess national flexibility requirements. Energy storage deployment has been simplified, with installations up to 100 kW that do not feed electricity into the grid exempt from permit requirements.</p> <p>Under the new flexible grid connection model, users who agree to temporary power restrictions can benefit from earlier connections while awaiting grid expansion. Conditions for active consumers and energy communities have been improved, enabling energy generation at remote sites and linking multiple installations to a single consumption point.</p> <p>Lastly, legislative amendments significantly strengthened consumer protection in the energy sector. Vulnerable consumers have the right to request debt rescheduling over periods of up to twelve months, while electricity supply disconnections are restricted during dispute resolution.</p>	<p>Expected to have an overall positive impact as it aims to accelerate the energy transition and strengthen the Baltic market's integration into the European energy market</p>
Transposition of Energy Efficiency Directive	<p>On 5 June 2025, the Parliament of the Republic of Lithuania adopted amendments to the Law on Energy Efficiency and other related laws to implement Directive (EU) 2023/1791. This directive, issued by the European Parliament and the Council on 13 September 2023, focuses on energy efficiency and amends Regulation (EU) 2023/955.</p> <p>The directive enhances the EU's energy efficiency target and enforces the "energy efficiency first" principle as a cornerstone of the EU's energy policy. The main changes include the following:</p> <p>Energy consumption and savings targets: Lithuania's annual primary energy consumption in 2030 should not exceed 63.3 TWh, reduced from the previous target of 63.5 TWh; annual final energy consumption should not exceed 51.0 TWh, down from 52.6 TWh; total final energy savings must reach at least 39.3 TWh by 2030, up from the current goal of 27.2 TWh.</p> <p>Extension of energy efficiency principles: the energy efficiency improvement priority now applies to non-energy sectors; for investment decisions exceeding EUR 100 million for individual projects or EUR 175 million for transport infrastructure projects, public entities and economic operators must perform a cost-benefit analysis and present alternatives at the decision-making stage.</p> <p>Energy audit and management requirements: companies with an average annual energy consumption between 2.8 GWh and 23.6 GWh must submit an energy audit report to the Lithuanian Energy Agency (LEA) within one calendar year; companies with an average annual final energy consumption above 23.6 GWh over the last three years must implement an energy management system within two calendar years from the end of the assessment period.</p>	<p>Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the Ignitis Group's strategy</p>
Changes paving the way for biomethane (Bio-LNG) services at Klaipėda LNG Terminal	<p>On 8 July 2025, the National Energy Regulatory Council (NERC) adopted new rules for the use of Klaipėda Liquefied Natural Gas (LNG) Terminal. The amendments primarily address the integration of a new biomethane liquefaction service, introducing definitions, service provision procedures, application deadlines, payment terms, and creditworthiness requirements.</p> <p>Key updates to the rules include the introduction of the biomethane liquefaction service. New application forms and measurement procedures have been established, and the pricing structure now includes fees specific to biomethane liquefaction. Operational and contractual requirements have been adjusted to facilitate Bio-LNG service delivery. These amendments provide a regulatory framework to support the development of sustainable liquefied biomethane (Bio-LNG) services at the LNG terminal, paving the way for enhanced integration of renewable energy sources.</p>	<p>Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the IgnitisGroup's strategy</p>
More balanced changes in the legal regulation of prosumers	<p>On 23 September 2025, the Ministry of Energy of the Republic of Lithuania announced public consultations on the proposed amendments to the Law on Energy from Renewable Sources and Law on Electricity. These amendments are intended to improve the prosumer framework and strengthen the integration of renewable energy into the electricity system. A key element of the proposal is to qualify net metering applications for prosumers as services of public interest (VIAP).</p>	<p>As of report publication date, the financial impact cannot be evaluated because the legislative amendments are still</p>

	<p>Under the proposed model, the compensation scheme would consist of two components: (i) prosumers contributing up to EUR 0.01 per kWh and (ii) other electricity consumers contributing based on the system-wide benefits generated by prosumers, as estimated by the National Energy Regulatory Council (NERC). Prices would be set by the NERC based on audited supplier reports and assessment of prosumer's generated financial impact on wholesale electricity market price. Grid operators would collect funds, transfer them to Baltpool and subsequently distribute them to suppliers based on verified costs to cover financial imbalances arising from prosumer activities.</p> <p>The amendments also propose changes to the duration of the electricity accumulation period, setting the price at which suppliers would compensate prosumers for unused electricity at the end of the accumulation period.</p> <p>On 3 December 2025, the legislative amendments were adopted by the Government of the Republic of Lithuania. These amendments are currently being discussed in the Parliament. However, as the legislative process is still ongoing, the final scope, timeline, and impact of the proposed amendments may change.</p>	under discussion, but the overall impact is positive
Formation of the new Government in Lithuania and the new programme	<p>Following the resignation of the nineteenth Government, Lithuania's twentieth Government took office with a clear commitment to maintain the country's strategic energy direction and accelerate the green transition. On 25 September 2025, the Parliament of the Republic of Lithuania approved the new Government's programme.</p> <p>The programme focuses on expanding renewable energy sources such as solar, wind, water and biomass, while reducing the use of fossil fuels to the minimum necessary for grid stability. By 2028, Lithuania aims to produce more electricity from renewable energy sources than its annual consumption, ensuring that this transition preserves the country's most valuable landscapes and biodiversity. A central element of the programme is the development of energy storage capacity, including advanced battery technologies and enhanced storage at Kruonis PSHP. Offshore and onshore wind projects are prioritised, with the condition that offshore development does not lead to significant increases in electricity costs for consumers and the industry. The programme also promotes the use of surplus renewable energy for green hydrogen production to meet the needs of the chemical industry and synthetic fuel manufacturing.</p> <p>Decentralised energy generation is strongly encouraged, with opportunities for households, small and medium enterprises and renewable energy communities to participate actively in the energy transition. The programme places particular emphasis on expanding electric vehicle charging infrastructure, including public charging stations and facilities near apartment buildings, to support the growing number of electric vehicles. In addition, the Government is committed to supporting investments in the modernisation and expansion of transmission and distribution networks to improve reliability and enable the integration of increasing renewable capacity.</p>	Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the Ignitis Group's strategy
The Government's decision to reduce electricity prices for vulnerable consumers	<p>On 12 November 2025, the Government decided to reduce electricity prices for vulnerable consumers in the public electricity supply. To achieve this, surplus revenues collected from electricity producers during the energy crisis, when prices were exceptionally high, will be used. These revenues were obtained from producers whose sales prices exceeded EUR 180 per megawatt hour (or EUR 18 cents/kWh) and are managed by Baltpool under a Government-approved procedure. The electricity price for vulnerable consumers is reduced by EUR 4 cents per kWh for 2026.</p> <p>The final electricity price is set by the National Energy Regulatory Council (NERC). In 2026, around EUR 2.6 million is allocated to reduce electricity prices for vulnerable consumers, with the full amount of approximately EUR 10 million to be utilised between 2027 and 2029, subject to annual Government decisions.</p>	As of report announcement date, negative but not significant impact is expected at the Ignitis Group level
Draft legislation in Lithuania targets hydrogen market expansion	<p>On 9 December 2025, the Ministry of Energy announced a public consultation on the draft Law on Hydrogen, which ran until 19 January 2026. Lithuania must transpose Directive (EU) 2024/1788, adopted by the European Parliament and the Council on 13 June 2024, by 5 August 2026. This directive establishes common rules for internal markets on renewable gas, natural gas, and hydrogen.</p> <p>To comply with this directive, the Ministry has drafted the Law on Hydrogen to regulate various aspects of the hydrogen sector, drawing on existing legal principles from the natural gas and electricity sectors. The legislation aims to establish a competitive, economically viable, and reliable hydrogen market in Lithuania by setting hydrogen production, transmission, distribution, storage, and supply requirements. It also addresses the development, operation, and connection of related infrastructure, along with the licensing of hydrogen-related activities.</p> <p>Additionally, the law seeks to facilitate the timely development of the Nordic Baltic Hydrogen Corridor, a joint hydrogen transmission infrastructure project involving Lithuania and five partner countries: Finland, Estonia, Latvia, Poland, and Germany. This initiative is expected to boost investment in high-capacity electrolysis for export-oriented green hydrogen production, thereby increasing electricity demand, promoting renewable energy expansion, and creating jobs. These efforts align with the EU's Green Deal, decarbonisation, and energy security objectives.</p>	Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the Ignitis Group's strategy

Latvia

Title	Description	Impact
Amendments to the National Security Law to streamline the management of critical infrastructure	<p>On 27 June 2025, the Parliament of the Republic of Latvia amended the National Security Law to streamline the management of critical infrastructure, including renewable energy assets such as solar and wind technologies, and align Latvian regulation with EU directives (Directive 2022/2557/EC and 2008/114/EC).</p> <p>Energy generation and transmission facilities, including wind and solar installations, may now be classified as critical infrastructure or as infrastructure of particular European significance according to the criteria outlined in the national and EU law. Individuals affiliated with regimes that undermine democratic governance, such as nationals from Russia and Belarus, are prohibited from owning interests, exercising control, or holding management positions in entities designated as critical infrastructure. Furthermore, they are barred from providing services that grant access to sensitive information or critical technologies.</p> <p>Operators of critical infrastructure are required to implement continuity plans, resilience measures, and regular risk assessments, with mandatory incident reporting and penalties for non-compliance. The Cabinet of Ministers has been authorised to establish detailed security measures and procedures to ensure compliance with European standards.</p>	As of the publication date, the financial impact cannot be assessed. However, expected to have an overall positive impact
Solution for expanding land availability in Latvia for wind farm development	<p>On 22 July 2025, the Cabinet of Ministers of Latvia approved the final map and positions for radar mitigation, which enabled previously restricted territories to become available for wind technology and at the same time restricted some territories near the country's borders. In total, this decision opens more areas for wind energy projects, facilitating the expanded development opportunities. Additionally, the Cabinet has allocated funds for the procurement of necessary technologies to support these initiatives. These actions were defined in the Cabinet of Ministers' decision 'On a solution for broader access to Latvia's land territory for wind farm development.'</p>	Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the Ignitis Group's strategy
Latvia's Energy Strategy 2050	<p>On 3 June 2025, the Cabinet of Ministers unveiled Latvia's Energy Strategy 2050, a dynamic plan designed to bolster the country's energy competitiveness amidst an uncertain future. The document will be regularly updated and supported by a monitoring mechanism. The strategy centres around the overarching aim of energy enhancing Latvia's competitiveness.</p> <p>To achieve this, the strategy sets the following three key objectives:</p> <ol style="list-style-type: none"> 1. Regional leadership in energy pricing: Latvia aims to establish itself as a regional leader in offering competitive energy prices. 2. High energy self-sufficiency: The focus is on significantly boosting domestic energy production to reduce reliance on imports. 3. Efficient use of energy infrastructure: Latvia plans to optimise its energy infrastructure for sustainability and efficiency. <p>These objectives are supported by specific targets, including reducing electricity prices by roughly a third, increasing local energy production from 6.6 TWh to 25 TWh by 2050, and ensuring a stable balance between consumption and production to meet future demand, which is expected to rise from 7.7 TWh in 2024 to 19 TWh by 2050. Projections for 2050 include offshore wind generating 1 TWh, solar 2 TWh, and onshore wind 4.5 TWh.</p> <p>The plan aims for a closer integration of the heat, transport (including railway), and power sectors. It includes utilising residual heat, progressively electrifying the heat sector, and employing district heating systems for efficient energy storage.</p>	Expected to have an overall positive impact as it aims to reduce dependence on imports, increase Latvia's energy security and increase stability in the sector
Latvia's Transport Energy Law promotes alternative fuels	<p>On 27 November 2025, the Parliament of the Republic of Latvia adopted the Transport Energy Law to advance the development of alternative fuel infrastructure and transparency in the transport energy sector. By 2030, new and renovated publicly accessible fuel stations must provide at least one charging point or alternative fuel station, where technically feasible. Stations located on national roads within the European transport network must include at least one high-power charging point. Operators of publicly accessible charging points are required to offer consumers information about the location, real-time availability, and charging data through digital platforms. Suppliers must report electricity usage at charging points to the Central Statistical Bureau by 31 March 2026, detailing connection types and use of renewable energy.</p>	Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the Ignitis Group's strategy

Estonia

Title	Description	Impact
New balancing capacity fee	<p>On 31 October 2025, the Competition Authority approved the methodology for the allocation of balancing capacity costs. Starting from January 2026, according to the frequency reserve pricing methodology, 50% of the costs will be allocated to production</p>	As of the publication date, a negative but not material financial impact is expected

	and 50% to consumption. The fixed tariff for 2026 will amount to EUR 3.73/MWh for both consumption and production.	
	The purpose of this fee is to ensure the operation of fast-responding balancing reserves (also known as frequency reserves), which keep the power system balanced every second. When generation changes abruptly or unexpected faults occur, these reserves step in to prevent the lights from going out while bringing consumption and production back into balance.	
Formation of the new Government in Estonia and the new programme	<p>Following the formation of Estonia's new Government, the coalition agreement approved on 24 March 2025 set out a clear strategic direction for strengthening the country's energy security, accelerating the expansion of renewable energy and ensuring the responsible use of natural resources.</p> <p>Ensuring reliable domestic generation remains a priority, with existing oil shale power plants kept operational until new controllable capacities and sufficient system flexibility enter the market. The Government intends to launch a major onshore renewable electricity auction of up to 2 TWh, while also proposing additional state-owned land for wind energy projects. Offshore wind development will be supported through new financial instruments. The programme also highlights the importance of energy storage and demand-side management. Biogas production will be advanced to its maximum potential, supported by a new biomethane grid injection scheme. Electricity system resilience and connectivity are also key elements of the programme. The Government will decide on the schedule and corridor routes for the new EstLink 3 and the fourth Estonia-Latvia interconnector and will work with neighbouring countries to enhance the protection of critical Baltic Sea energy infrastructure.</p> <p>In parallel, Estonia is preparing for the potential introduction of nuclear energy. The Government will initiate the national spatial plan for a possible nuclear power plant site, develop and adopt a Nuclear Energy and Safety Act,</p> <p>Finally, the coalition reaffirms its commitment to preserving biodiversity, therefore thirty per cent of Estonia's land and maritime areas will be protected, and seventy per cent of forest land will remain designated as commercial forest.</p>	Expected to have an overall positive impact as it aims to accelerate the energy transition, aligning with the Ignitis Group's strategy

Poland

Title	Description	Impact
Transposition of the Energy Market Design	<p>On 24 March 2025, draft amendment to the Energy Law Act was presented by the Ministry of Climate and Environment.</p> <p>The proposed legislation is designed to transpose, <i>inter alia</i>, Directive (EU) 2024/1711 of the European Parliament and the Council, amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union's Electricity Market Design.</p> <p>Proposed amendments include the following obligations for energy suppliers:</p> <ul style="list-style-type: none"> - introducing fixed-priced, fixed-term energy sale contracts with a minimum tenor of one year, applicable to energy supplies with more than 200,000 customers; - providing the customers with clear and concise information about the costs, benefits, and risks associated with a particular type of energy sale contract; - every three years, implementing and updating the hedging strategies that minimise the risk of losses resulting from changes in the wholesale market. <p>The draft amendment is submitted for the Parliament's consideration and is expected to be adopted on the first quarter of 2026.</p>	As of the publication date, the financial impact cannot be assessed. However, no material financial impact is expected

2.3 Strategy

Main purpose and integrated strategy

Ignitis is an important part of Ignitis Group integrated business model and strategy. Ignitis Group is a renewables-focused integrated utility and the largest energy group in the Baltic States.

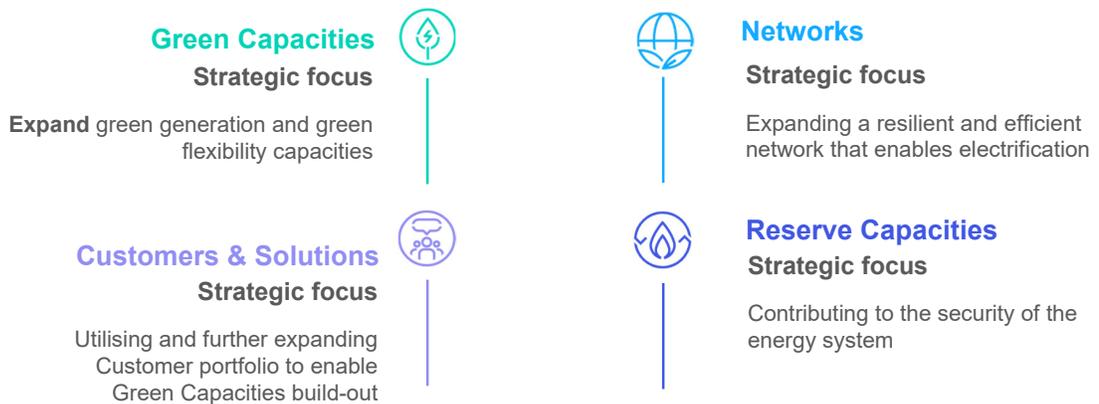
Our purpose is to create a 100% green and secure energy ecosystem for current and future generations.

Priorities oriented towards the main purpose:

- 
1. **Green.** Growing green generation and green flexibility capacity
 2. **Flexible.** Creating a flexible system that can operate on 100% green energy in the short, medium, and long term.
 3. **Integrated.** Utilising the integrated business model to enable Installed Green Capacities build-out.
 4. **Sustainable.** Maximising sustainable value.

We contribute to Europe’s decarbonisation and to ensuring energy security in the region by accelerating the energy transition and electrification in the Baltic States and Poland. We aim to achieve net-zero greenhouse gas emissions by 2040–2050.

Integrated business model



Sustainability ESG priorities

We deliver our strategy by focusing reducing carbon intensity of scope 1 & 2 GHG emissions, promoting safety at work, taking care of employee experience and, promoting diversity, creating a sustainable value through our sustainable investments and returns.

Mindsets

We are a team of diverse and energetic people united by a common purpose.



Ignitis’s strategic priorities, objectives and their implementation

Ignitis is a part of the Ignitis Group and belongs to the Customers and Solutions segment.

Strategic priorities:

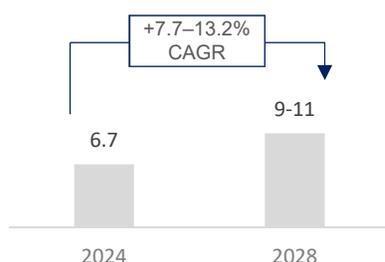
1. Utilising and further expanding our customer portfolio to enable the Green capacities build-out;
2. Building a leading EV charging network in the Baltics.
3. Contributing to the transition away from fossil fuels.

The first priority: Utilising and further expanding the customer portfolio.

Exploiting synergies with the Green Capacities segment: Large customer base supports the Green Capacities build-out through internal PPA's.

Expanding electricity supply portfolio: Form green electricity offtake portfolio to meet the growing demand for green energy supply.

Electricity supply portfolio, TWh



The second priority: Building a leading EV charging network in the Baltics.

EV network will become one of the offtakers of green electricity in the future:

Focused on developing a public EV fast-charging network and being the first-choice provider of charging solutions for the home and business customers Expanding in the Baltics across public, commercial and home charging segments Exploring the utilisation of our EV network's balancing capabilities.

The third priority: Contributing to the transition away from fossil fuels.

Ensuring the security of energy supply, grid flexibility and energy affordability during the transition period.

Providing cleaner alternatives for green transition.

The company's annual operational objectives are aligned with the strategy, strategic priorities, and plans to ensure their consistent implementation.

2025 targets' achievement

Performance criteria	Weight, %	Performance Objectives	Achieved performance
Financial targets	30	Financial targets with focus on: <ul style="list-style-type: none"> Adjusted EBITDA 	0%
Strategic projects or their key milestones	30	Utilizing and further expanding the customer portfolio: <ul style="list-style-type: none"> Electricity supply portfolio risk management (20%) Electricity supply portfolio expansion in the Baltics (10%) 	90%
		Building a leading EV charging network in the Baltics: <ul style="list-style-type: none"> O&M of public EV fast-charging network (10%) Expansion of public EV fast-charging network (10%) Development of infrastructure solutions (5%) 	100%
Service quality	10	Ensuring a great customer experience: <ul style="list-style-type: none"> B2C transactional NPS (5%) B2B transactional NPS (5%) 	98%
			100%
Sustainability targets	5	ESG targets with focus on: <ul style="list-style-type: none"> Implementation of inclusive recruitment program 	100%
		Total STV*, %	68%

* Rounded to a whole number.

2026 targets

Performance criteria	Weight, %	Performance Objectives
Financial targets	35	Financial targets with focus on: <ul style="list-style-type: none"> Adjusted EBITDA (20%) OPEX (15%)
Strategic projects and their key milestones	40	Utilizing and further expanding customer portfolio: <ul style="list-style-type: none"> Development of the electricity supply portfolio in the region (20%) Building a leading EV charging network in the Baltics: <ul style="list-style-type: none"> EBITDA (20%)
Service quality	10	Ensuring a great customer experience: <ul style="list-style-type: none"> B2C transactional NPS (5%) B2B transactional NPS (5%)
Sustainability targets	15	ESG targets with focus on: <ul style="list-style-type: none"> Increasing safety at work (10%) Implementation of inclusive recruitment program (5%)

The performance target indicators are linked to the variable component of the company's executive compensation. More information is disclosed in section 4.4, "People and Compensation."

Key projects and investments

The key object of Ignitis activity infrastructure is IT systems and programs as well as expansion of EV charging stations on the Ignitis ON network. In Lithuania alone, Ignitis has almost 1.4 million B2C customers and more than 25 thousand B2B customers. By serving a large customer base daily, the Company is continuously searching for solutions to enhance customer relationships and to simplify daily operations both for customers and employees. Ignitis also invests in renewable energy related solutions for customers. One of the best-known products of such investments is the fast-charging network of electric vehicles in Lithuania – Ignitis ON. In 2025, Ignitis Group concluded a EUR 60 million financing agreement with the European Bank for Reconstruction and Development (EBRD) to finance EV fast charging stations across the Baltics by the end of 2027. Also, the grant agreement of up to 3.8 EUR million to develop EV charging infrastructure in the Baltics was signed. The actual funding amount will depend on the project scope and the eligibility assessment. In 2025 EUR 21.9 million was invested in EV charging business.

The investment policy of Ignitis Group, which is also followed by Ignitis, stipulates that all investments must be in line with the objectives set out in the strategic plan and with the State's objectives, as set out in the current shareholder's Letter of Expectations.

Main investment directions:

- Business sector. Business sectors must be consistent with the directions of the strategy. Most of the investments of Ignitis Group are directed towards the Green Generation and Networks segments, with a smaller share in Flexible Generation, Customers & Solutions (Ignitis) and other activities (e.g., IT). Ignitis Group does not invest in coal-fired power plants and nuclear power. Investments in new gas-fired generation capacity are limited to those necessary to ensure system security.
- Geography. Investments are made in projects in the countries identified in the strategy and strategic plan. Most of the investments are directed towards the "home" markets – the Baltic States, Poland, Finland. Under favourable conditions, investment projects may be considered in other markets undergoing major energy market changes.
- Partnerships. Investments in new services, technologies, new markets or other unusual investments may consider collaboration with partners.
- Governance. Ignitis Group seeks to invest in controlling interests or interests that confer significant management rights (i.e. must be able to influence operational decisions). However, when strategic benefits are present, participation in projects as a minority shareholder may be considered.

The investment actions of Ignitis Group must consider the economic, environmental and social aspects of its operations, the greenhouse gas emission reduction targets of Ignitis Group, and sustainable value creation as described in the Sustainability Policy of Ignitis Group.

Total investment in IT systems in 2025 amounted to EUR 6.1 million, and in the expansion of Ignitis ON charging stations network – EUR 21.9 million. In 2026, Company plans to invest to both EV charging network and development of new IT solutions. The investment in the Ignitis ON project is in line with Ignitis Group’s strategy to accelerate the expansion of EV charging stations, to expand the largest network of fast EV charging stations in all the Baltic States.

Projects/directions	
Investing in the innovative solutions segment	New key IT systems installed
Expansion of Ignitis ON EV charging stations network Project-based activities	Customer Relationship Management (CRM) system Installation of main IT system (Billing)
Investment period: 2024–2026 Progress: EUR 42.1 million invested during 2024-2025	Investment period: 2024–2026 Progress: EUR 10.8 million invested during 2024-2025

3. Results

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3.1 Annual results

Revenue

In 2025, revenue decreased by 1.1% compared to 2024, and amounted to EUR 1,213.6 million. The main reasons for the change in revenue are the following:

1. **Higher revenue from electricity supply (EUR 48.8 million).** The increase in revenue from electricity supply was primarily driven by higher volumes, which rose by 10.2%. The main source of this revenue growth was the acquisition of additional B2B customers in Poland's market (EUR 56.4 million). However, this was slightly offset by a decrease in sales to B2C customers in the Lithuanian's unregulated supply sector (EUR -21.6 million), due to a decline in average market prices, which form the key basis for sales pricing.
2. **Lower revenue from natural gas supply (EUR -46.0 million).** The decline in revenues from natural gas supply and trading was primarily driven by reduced sales in the wholesale sector, resulting from limited commercial opportunities, which company were able to capture during year 2024.
3. **Lower revenue from project-based activities and other revenue (EUR -16.2 million).** The decline was mainly due to a decrease in project-based activity income (EUR -12.1 million); the main factor was the discontinuation of sales of solar power plants. Other income also decreased, influenced by the realisation of derivatives that were ineffective for financial accounting purposes (EUR -1.9 million).

Revenue by activity, EURm

	2025	2024	Δ	Δ,%
Supply of electricity	820.5	771.7	48.8	6.3%
Natural gas supply	387.7	433.7	(46.0)	(10.6%)
Revenue from project activities	3.3	15.4	(12.1)	(78.6%)
Other income	2.1	6.2	(4.1)	(66.1%)
Revenue	1,213.6	1,227.0	(13.4)	(1.1%)

Main sources of revenue at Ignitis are the supply of natural gas and electricity:

- 32% of total revenue of Ignitis comprises revenue from total gas supply. Ignitis sells natural gas to customers in Lithuania and the other Baltic States, as well as in Finland and Poland. It is sold to clients of both B2B and B2C segments. In 2025, 2.5 TWh of natural gas was sold to B2C customers, 4.6 TWh to B2B customers in the region, and 1.2 TWh as a wholesale sale.
- 68% of total revenue of Ignitis comprises revenue from electricity supply. Ignitis sells electricity in Lithuania, Latvia and Poland. It is sold to clients of both B2B and B2C segments. In 2025, 2.3 TWh of electricity was sold to B2C customers, and 5.1 TWh to B2B customers.

Revenue by country, EURm

	2025	2024	Δ	Δ,%
Lithuania	769.8	841.1	(71.3)	(8.5%)
Other ¹	443.8	385.9	57.9	15.0%
Revenue	1,213.6	1,227.0	(13.4)	(1.1%)

¹ Others: Latvia, Estonia, Poland, Finland.

Other revenue of Ignitis in 2025 comprised sales of natural gas and electricity abroad.

Revenue by type, EURm

	2025	2024	Δ	Δ,%
B2B sales revenue	860.3	875.4	(15.1)	(1.7%)
B2C sales revenue	353.4	351.6	1.7	0.5%
Revenue	1,213.6	1,227.0	(13.3)	(1.1%)

B2B sales revenue comprises 71% of total revenue of the Company. Most of B2C revenue (approx. 52%) comes from unregulated supply activities.

Expenses

Purchases of electricity, natural gas and other services

In 2025 the purchases of electricity and natural gas of Ignitis amounted to EUR 1,174.7 million and increased by 2.6% compared to 2024. The increase was due to higher purchases of electricity (EUR +50.6 million). The increase in electricity expenses was driven by higher volumes.

Operating expenses

In 2025, operating expenses (OPEX) of Ignitis amounted to EUR 53.5 million, an increase of 24.1% compared to 2024. The main reason for the increase in OPEX were an increase in remuneration costs (EUR +4.4 million), as the number of employees grew due to the expansion of activities and services, Ignitis also performed the annual review of employees' remuneration. Furthermore, additional IT costs (EUR +2,1 million) were incurred to support business development.

Other expenses

Expenses, EURm

	2025	2024	Δ	Δ,%
Purchases of electricity, natural gas and other services	1,174.7	1,144.5	30.2	2.6%
Purchases of electricity and related services	800.5	749.9	50.6	6.8%
Purchases of natural gas and related services	372.4	382.7	(10.3)	(2.7%)
Other	1.8	11.9	(10.1)	(84.7%)
OPEX ^[APM]	53.5	43.1	10.4	24.1%
Wages and salaries and related expenses	25.3	20.9	4.4	21.1%
Other	28.2	22.2	6.0	27.0%
Other	8.9	4.6	4.3	93.5%
Depreciation and amortisation	7.6	4.2	3.4	81.0%
Write-offs and impairment of non-current and current amounts receivable, inventories and other amounts	1.3	0.4	0.9	225.0%
Total	1,237.1	1,192.2	44.9	3.8%

Adjusted EBITDA

In 2025, adjusted EBITDA amounted to EUR (48.5) million and was 783.1% or EUR 55.6 million lower than in the same period of 2024. In 2025, adjusted EBITDA margin was (4.0%) (0.6% in the same period of 2024).

The main reasons behind the change in adjusted EBITDA were as follows:

1. Negative change in results from activity of supply and trade of natural gas (EUR -24.2 million). The decrease in the indicator is mainly due to a lower sale in wholesale sector, as well as absence of favourable margins, that company was able to secure during turbulent markets of 2023-2024.
2. The lower electricity supply result was mostly related to the higher loss effect associated with prosumers under the current net-metering scheme, with the total loss amounting to EUR -28.5 million in 2025 (EUR -15.2 million in 2024). The negative result of the electricity supply business was further amplified by the negative effect related to imbalance operations.

Adjusted EBITDA by nature of activity, EURm

	2025	2024	Δ	Δ, %
Natural gas supply and trading activity	8.8	33.0	(24.2)	(73.3%)
Electricity supply and trading activity	(45.3)	(21.2)	(24.1)	113.7%
Other activities	(12.0)	(4.7)	(7.3)	155.3%
Adjusted EBITDA^{APM}	(48.5)	7.1	(55.6)	(783.1%)

EBITDA adjustments

1. In addition, Natural gas supply activities of B2C customers accounted for the adjustment to EBITDA of EUR +5.4 million, out of which EUR 3.2 million was returned to consumers through reduced rates, while EUR 2.2 million is a temporary regulatory difference that will be received from consumers in the future periods.
2. Upon end of designated supply period, Ignitis team has reconciled regulatory differences with National Energy Regulatory Council (NERC) and recognised EUR -3.1 million regulatory EBITDA adjustment, which is non-cash adjustment.
3. The adjustment for loss-making contracts relates to a provision of EUR 45.8 million recognised by the Company as of 31 December 2024, which was revalued as of 31 December 2025 for EUR 11.1 million. This provision is related to electricity purchase agreements concluded during earlier years in an environment of high prices for energy commodities. The Company actively manages the risks of energy commodity price volatility and diversifies its portfolio of acquisitions. As a result of the significant drop in market prices, as well as the optimisation of the supply cost of B2C unregulated electricity supply segment and the B2C customer migration to lower fixed price supply plans, some of the Company's electricity purchase agreements might generate losses in future periods.

EBITDA adjustments, EURm

	2025	2024	Δ	Δ, %
EBITDA^{APM}	(16.1)	39.0	(55.1)	(141.2%)
<i>Adjustments¹</i>				
Temporary regulatory differences arising from the activity of B2C natural gas supply (1)	5.4	0.7	4.7	682.4%
Temporary regulatory differences arising from the activity of designated supply (2)	(3.1)	(11.9)	8.8	(74.2%)
Loss-making contracts (3)	(34.8)	(20.7)	(14.1)	68.1%
Total EBITDA adjustments	(32.4)	(31.9)	(0.5)	1.7%
Adjusted EBITDA^{APM}	(48.5)	7.1	(55.6)	(784.0%)
<i>Adjusted EBITDA margin^{APM}</i>	<i>-4.0%</i>	<i>0.6%</i>	<i>n/a</i>	<i>(4.6 p. p.)</i>

Net profit

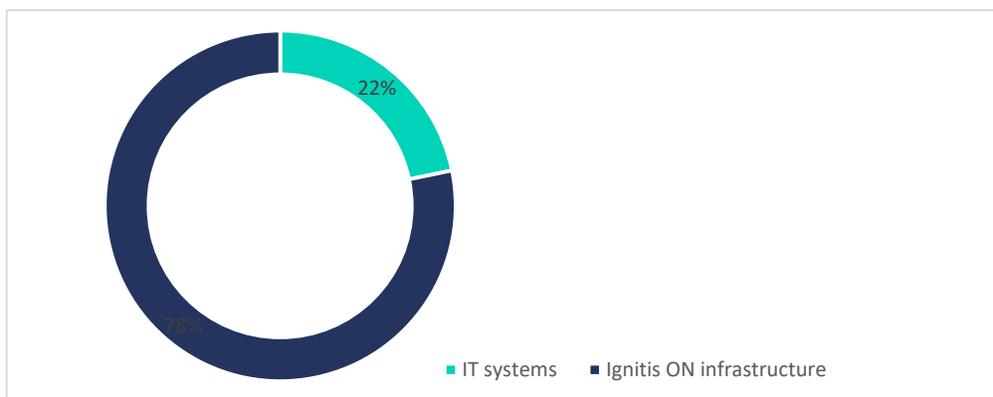
In 2025, adjusted net loss amounted to EUR -52.5 million (EUR -46.9 million, compared to the same period in 2024). Decrease in adjusted net loss was due to a negative change in adjusted EBITDA (EUR -55.6 million, the reasons for which are described in the section “Adjusted EBITDA”), which was offset by the recalculation of deferred income tax asset (EUR +13.0 million).

Reported net profit for 2025 was EUR -25.2 million (EUR -46.7 million, compared to the same period in 2024). The main reasons behind the decrease: a negative change in EBITDA (EUR -55.1 million, see the comment on EBITDA), which was offset by the recalculation of deferred income tax asset (EUR +13.0 million).

Investments

In 2025, the investments amounted to EUR 28.1 million (EUR +2.3 million, compared to the same period in 2024). EUR 6.1 million of investments were made in modernisation and installation of IT systems (customer self-service, billing system, Ignitis ON management system, wholesale systems and other systems focused on customer service and employee well-being). EUR 21.9 million was spent on the expansion of the Ignitis ON EV charging network.

Investments by nature of activity in 2025, %



Statement of financial position

Assets

As of 31 December 2025, total assets amounted to EUR 467.1 million (EUR 12.3 million less, compared to 31 December 2024). The decline was mainly influenced by the decrease in value of trade receivables (EUR -6.6 million) and inventories (EUR -25.5 million) at year-end, driven by a lower volume of gas held in storage and a decrease in gas acquisition costs. The negative effects were partly offset by an increase in non-current assets due to long-term asset acquisitions (EUR +33.8 million), mainly related to investments in Ignitis ON infrastructure.

Equity capital

As of 31 December 2025, equity amounted to EUR 57.5 million (EUR -23.4 million, compared to 31 December 2024). The change in equity was mainly influenced by net profit in 2025 (EUR -25.2 million) and change in the revaluation reserve of derivative financial instruments (EUR +1.7 million).

Liabilities

As of 31 December 2025, liabilities amounted to EUR 409.5 million (EUR 11.1 million, compared to 31 December 2024). The increase was driven by newly received loans (EUR +53.5 million), partly offset by a decrease in trade payables (EUR -47.5 million).

Balance sheet, EURm

	31.12.2025	31.12.2024	Δ	Δ, %
Non-Current Assets	134.4	100.6	33.8	33.6%
Current assets	332.6	378.8	(46.1)	(12.2%)
TOTAL ASSETS	467.1	479.4	(12.3)	(2.6%)
Equity capital	57.5	80.9	(23.4)	(28.9%)
Total liabilities	409.5	398.4	11.1	2.8%
Non-current liabilities	66.2	19.8	46.3	233.5%
Current liabilities	343.4	378.6	(35.2)	(9.3%)
TOTAL EQUITY AND LIABILITIES	467.1	479.4	(12.3)	(2.6%)
Turnover of assets <small>APM</small>	2.6	2.4	0.2	8.2%
ROA <small>APM</small>	(5.3%)	4.2%	n/a	(9.5 p p)
Current ratio <small>APM</small>	1.0	1.0	(0.0)	(3.2%)
Working capital/revenue <small>(LTM) APM</small>	(3.0%)	(1.0%)	n/a	(1.9 p p)

Financing

Net debt

As of 31 December 2025, net debt amounted to (EUR 13.6 million), an increase of (145.5%) or EUR 43.6 million, compared to 31 December 2024. The main reasons for the increase in net debt are continuous investments to EV network expansion and upgrades and development of IT systems as well as negative EBITDA of EUR -16.1 million in 2025.

FFO (LTM)/Net Debt ratio increased from (130.0%) to (118.0%). The ratio does not show significant changes. However, Net debt increased from EUR -30 million to EUR 13.6 million and FFO (LTM) decreased from EUR 39 million to EUR -16.1 million well as FFO (LTM) mainly due to EBITDA changes (see EBITDA section).

Net debt, EURm

	31/12/2025	31/12/2024	Δ	Δ, %
Total non-current financial liabilities	58.1	15.8	42.3	268.6%
Non-current loans	47.4	11.8	35.6	301.8%
Lease liabilities (IFRS 16)	10.7	4.0	6.7	169.6%
Total current financial liabilities	20.3	0.9	19.4	2,054.8%
Current loans	19.3	0.4	18.9	4,136.8%
Lease liabilities (IFRS 16)	1.0	0.5	0.5	109.2%
Financial debts <small>APM</small>	78.4	16.7	61.7	369.5%
Cash, cash equivalents and funds in escrow account	64.8	46.7	18.1	38.8%
Cash and cash equivalents	64.8	46.7	18.1	38.8%
Funds in escrow account	-	-	-	n/a
Net debt <small>APM</small>	13.6	(30.0)	43.6	(145.5%)
Net debt/Adjusted EBITDA (LTM) <small>APM</small>	(0.3)	(4.2)	3.9	(93.4%)
Net debt/EBITDA (LTM) <small>APM</small>	(0.8)	(0.8)	(0.1)	10.2%
FFO (LTM)/Net debt <small>APM</small>	(118.0%)	(130.0%)	n/a	12.1 pp
Gross debt/Equity <small>APM</small>	136.3%	20.6%	115.6%	560.4%
Equity ratio <small>APM</small>	12.3%	16.9%	(4.6%)	(27.0%)

Dividends

Dividend policy of the subsidiary companies of Ignitis Group was approved in 2025. According to the policy:

1. governance bodies of the companies are proposing appropriation of profit for the payment of dividends for the financial year or a period shorter than the financial year to be at least 80% of the net profit for the financial period for which the dividends are proposed.
2. governance bodies of the companies may propose to distribute profit for the payment of dividends for the financial year if a Company incurred loss during the reporting period but has retained earnings accrued from the previous reporting periods and, accordingly, the amount of the Company's distributable profit (loss) for the reporting financial year is positive. This provision shall apply only when there is a necessary need for the Ignitis Group to receive dividends in the implementation of the Ignitis Group dividend policy.
3. governance bodies of the companies may propose to set a lower share of profits than it is set out in sub-paragraph 1 for the payment of dividends for companies or they may propose not to pay dividends for the reporting period if at least one of the following conditions is met:
 - 3.1. a company implements green generation investment projects in accordance with the strategy of Ignitis Group;
 - 3.2. a company's ability to allocate dividends is limited by the covenants set out in the financing agreements;
 - 3.3. a company implements or participates in the implementation of an economic project of state importance recognised by the decision of the Government of the Republic of Lithuania;
 - 3.4. a company's equity, after payment of dividends, would become less than the amount of the company's authorised capital, mandatory reserve, revaluation reserve and reserve for acquisition of own shares;
 - 3.5. a company is insolvent, or would become insolvent upon payment of dividends or company's debt level is too high;
 - 3.6. a company has received a written consent passed by the Head of Treasury and the Head of Finance and Treasury Service of the Ignitis Group to apply sub-paragraph 3 in cases which are not anticipated in sub-paragraphs 3.1–3.5.

In 2025 and in 2024, Ignitis did not pay dividends.

Dividends distributed for the specified years, EURm

	2025	2024	Δ	Δ,%
Dividends paid for the period indicated	-	-	-	n/a

Key performance indicators

		2025	2024	Δ	Δ, %
Electricity					
Number of customers	m	1.4	1.4	0.0	0.2%
EV charging points	units	1799	1091	715	64.9%
Natural gas					
Number of customers	m	0.6	0.6	(0.0)	(0.1%)
Gas inventory	TWh	0.7	0.9	(0.2)	(21.4%)
Electricity sales					
Lithuania	TWh	5.32	5.12	0.20	3.9%
Latvia	TWh	0.84	0.78	0.06	7.6%
Estonia	TWh	0.02	0.00	0.02	102.3%
Poland	TWh	1.21	0.80	0.41	51.6%
Total retail	TWh	7.38	6.70	0.68	10.2%
of which: B2C	TWh	2.27	2.21	0.06	2.9%
of which: B2B	TWh	5.11	4.49	0.62	13.8%
Total gas sales					
Lithuania	TWh	5.75	6.77	1.02	(15.1%)
Latvia	TWh	0.29	0.33	(0.04)	(12.1%)
Finland	TWh	1.80	1.36	0.44	(32.3%)
Poland	TWh	0.29	0.26	(0.04)	(15.1%)
Estonia	TWh	0.00	0.00		
Total retail	TWh	6.97	6.81	0.15	2.3%
of which: B2C	TWh	2.48	2.34	0.14	6.0%
of which: B2B	TWh	4.49	4.47	0.01	0.3%
Wholesale	TWh	1.16	1.84	(0.68)	(37.0%)
Biomethane	TWh	0.11	0.05	0.06	120%
Customer experience					
NPS (B2C – Transactional)	%	74	69	5.58 pp	n/a
NPS (B2B – Transactional)	%	67	64	(3.00 pp)	n/a

3.2 Three-year annual summary

Key financial indicators

		2025	2024	2023
Revenue	EUR m	1,213.6	1,227.0	1,646.8
EBITDA ^{APM}	EUR m	(16.1)	39.0	(126.4)
Adjusted EBITDA ^{APM}	EUR m	(48.5)	7.1	30.3
Adjusted EBITDA margin ^{APM}	%	(4.0%)	0.6%	1.8%
EBIT ^{APM}	EUR m	(23.5)	34.8	(130.7)
Adjusted EBIT ^{APM}	EUR m	(55.9)	2.9	26.0
Net profit	EUR m	(25.2)	21.5	(123.3)
Adjusted net profit ^{APM}	EUR m	(52.5)	(5.6)	9.8
Investments ^{APM}	EUR m	28.1	25.8	23.9
FFO ^{APM}	EUR m	(16.1)	39.0	(126.4)
FCF ^{APM}	EUR m	40.5	18.0	(38.1)
ROE ^{APM}	%	(36.4%)	31.6%	(100.9%)
Adjusted ROE ^{APM}	%	(75.8%)	(8.2%)	8.0%
ROCE ^{APM}	%	(38.4%)	58.9%	(42.3%)
Adjusted ROCE ^{APM}	%	(91.5%)	4.9%	8.4%
ROA ^{APM}	%	(5.3%)	4.2%	(12.4%)
Adjusted ROA ^{APM}	%	(11.1%)	(1.1%)	1.0%
		31/12/2025	31/12/2024	31/12/2023
Total assets	EUR m	467.1	479.4	555.7
Equity capital	EUR m	57.5	80.9	55.1
Net debt ^{APM}	EUR m	13.6	(30.0)	12.1
Net working capital ^{APM}	EUR m	(35.9)	(12.5)	59.9
Equity ratio ^{APM}	%	(3.0%)	(1.0%)	3.6%
Net debt/EBITDA ^{APM}	times	(0.8)	(0.8)	(0.1)
Net debt/adjusted EBITDA ^{APM}	times	(0.3)	(4.2)	0.4
FFO/Net debt ^{APM}	%	(118.0%)	(130.0%)	(1,041.2%)
Current ratio ^{APM}	%	96.9%	100.1%	103.2%
Turnover of assets ^{APM}	times	2.6	2.4	1.6

Key performance indicators

			2025	2024	2023
Electricity sales					
Lithuania	TWh		5.32	5.12	5.22
Latvia	TWh		0.84	0.78	0.75
Estonia	TWh		0.02	0.00	0.00
Poland	TWh		1.21	0.80	0.69
Total retail	TWh		7.38	6.70	6.65
of which: B2C	TWh		2.27	2.21	2.19
of which: B2B	TWh		5.11	4.49	4.46
Number of customers	m		1.4	1.4	1.4
Total gas sales					
Lithuania	TWh		5.75	6.77	5.76
Latvia	TWh		0.29	0.33	1.36
Finland	TWh		1.80	1.36	1.79
Poland	TWh		0.29	0.26	0.36
Estonia	TWh		0.00	0.00	0.01
Total gas sales	TWh		8.23	8.71	9.29
Total retail	TWh		6.97	6.87	6.58
of which: B2C	TWh		2.48	2.34	2.34
of which: B2B	TWh		4.49	4.47	4.24
Total wholesale	TWh		1.16	1.84	2.71
Biomethane	TWh		0.11	0.05	0.00
Number of customers	m		0.6	0.6	0.6

4. Governance

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4.1 Governance framework

Governance model

Ignitis management structure consists of the CEO and the Board. The CEO represents Ignitis in all matters and, alongside the Board, is responsible for the management of Ignitis.

The key competences of the Board are the following:

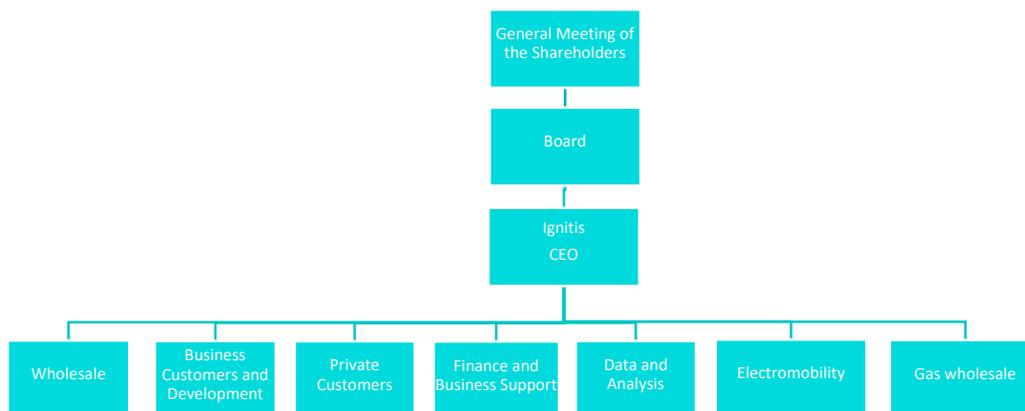
- consider and approve the operational strategy of Ignitis;
- consider and approve the activity planning documents of Ignitis in accordance with the strategic planning procedure established by the parent company of Ignitis;
- consider and approve the management and/or organisational structure of Ignitis up to the second subordination level (N-2) of Ignitis organisational structure (a more detailed structure may also be approved by a decision of the Board), the list of positions and the maximum number of posts;
- consider and approve the regulations of Ignitis branches and representative offices;
- consider and approve the annual report of Ignitis, the interim report of Ignitis prepared for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year;
- consider and approve the articles of association of companies in which it is a shareholder;
- making decision regarding Ignitis becoming a founder or participant of other legal entities, the establishment of Ignitis branches and representative offices and termination of their activities as well as the amendment of the regulations thereof;
- making decision regarding any transfer of the shares (parts, stocks) held by Ignitis or the rights granted by them to other persons or restriction thereof;
- making decision regarding participation and voting at the General Meetings of Shareholders of the companies of which Ignitis is a shareholder and shall appoint a person who will implement the decision of the Board at a particular General Meeting of Shareholders of the company of which Ignitis is a shareholder, taking into account the rules and principles applicable to the Ignitis Group of companies as laid down by the Ignitis Group (policies, guidelines, recommendations, opinions);
- making other decisions regarding other issues which fall within the competence of the Board under legal acts, the Articles of Association of Ignitis or the General Meeting of Shareholders as well as significant issues (including issues concerning the conclusion of transactions) which are referred to the Board by the CEO;
- analyse and assess information about the implementation of the operational strategy of Ignitis submitted by the CEO, the organisation of the activities of Ignitis, the results of the economic activities of Ignitis, its income and expenditure estimates, inventory data and other accounting data on changes in assets;
- analyse and assess a set of annual financial statements of Ignitis, a set of interim financial statements of Ignitis prepared for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year, a draft distribution of the Ignitis profit (loss) and a draft decision regarding dividends for a period shorter than the financial year;
- analyse and assess the financial situation of Ignitis, the results of the economic activities of Ignitis, its income and expenditure estimates, inventory data and other accounting data on changes in assets.

The CEO manages daily activities of Ignitis and is entitled to unilaterally represent Ignitis.

The key competences of the CEO are:

- ensuring the implementation of Ignitis operational strategy;
- submitting proposals to the Board regarding the annual budgets of Ignitis, being responsible for the preparation a set of annual financial statements of Ignitis, the annual report of Ignitis, be responsible for preparing a draft decision on the allocation of dividends for a period shorter than the financial year, preparing a set of interim financial statements and preparing an interim report for the purpose of making a decision on the allocation of dividends for a period shorter than the financial year;
- voting at the General Meetings of Shareholders of Ignitis subsidiaries on matters which are not delegated to the Board of Ignitis and where the opinion of the Executive Committee of Ignitis is not required by the Articles of Association of Ignitis on the approval of the conclusion of transactions of Ignitis subsidiaries as set out in the procedure for concluding transactions established by the parent company of Ignitis;
- make decisions on granting financial support in accordance with the procedure approved by the Board and on gratuitous transfers of assets, make decisions on the conclusion of transactions, the initiation of legal disputes and/or conclusion of settlement agreements in accordance with the procedure for concluding transactions established by Ignitis Group;
- perform other functions set forth in laws, the Articles of Association of Ignitis, the decisions of the General Meeting of Shareholders, the decisions of the Board as well as the job description of the Chief Executive Officer and address other issues relating to the activities of Ignitis which do not fall within the competence of other bodies of Ignitis under law or the Articles of Association of Ignitis.

The Executive Committee was established by a decision of Ignitis CEO. Members of the Executive Committee are managers who report directly to Ignitis CEO and are responsible for their respective areas of activity. The main purpose of the Executive Committee is to work together with the Ignitis CEO to properly organise and conduct Ignitis economic, business and financial activities, to make decisions on matters specified in Ignitis Articles of Association, the Executive Committee's Operating Regulations, and other internal legal acts of Ignitis Group and/or Ignitis, to ensure the effective operation of Ignitis and the achievement of Ignitis objectives. The convening and decision-making procedures of the Executive Committee is determined by Ignitis Articles of Association and other legal acts regulating the activities of the Executive Committee.



Shareholders, their rights and functions

Ignitis belongs to the state-owned energy-holding group of companies Ignitis Group, 100% of Ignitis shares is controlled by AB Ignitis grupė. The General Meeting of Shareholders is the supreme

governing body of Ignitis. The competence of the General Meeting of Shareholders, the procedure for convening and decision-making is determined by laws, other legal acts and the Articles of Association of Ignitis.

Shareholders' competence

The competence of Ignitis General meeting covers the following key areas:

- the operational strategy of Ignitis;
- Ignitis becoming a founder or participant of other legal entities, the establishment of Ignitis branches and representative offices and termination of their activities as well as the amendment of the regulations thereof;
- any transfer of the shares (parts, stocks) held by the Company or the rights granted by them to other persons or restriction thereof;
- the conclusion of agreements with Board members and the Chair of the Board and the terms and conditions of their activities as well as the appointment of the person authorised to sign these agreements on behalf of Ignitis;
- the approval of the annual and/or interim report of Ignitis prepared for making a decision on the allocation of dividends for a period shorter than the financial year;
- the approval of the conclusion of transactions as set out in the procedure for concluding transactions established by Ignitis Group;
- other functions set forth in laws, other legal acts and the Articles of Association of Ignitis.

4.2 Board

Overview

The Board is a collegial management body of Ignitis which performs functions set out in the Articles of Association of Ignitis and performs the supervisory functions set out in the Law on Companies of the Republic of Lithuania. The members of the Board are elected and dismissed by the General Meeting of Shareholders of Ignitis for a term of four years. The Board is composed of five members, at least 1/3 of whom are independent and more than half of whom have no employment relationship with Ignitis. The Board must also include at least one civil servant. The Board elects the Chairman of the Board from among its members.

Information about Board selection criteria

The selection of the members of the Board is initiated and carried out by Ignitis Group, acting as the parent company, in accordance with the Description of the Selection of Candidates for the collegial supervisory or management body of a state or municipal enterprise, a state- or municipally controlled company, or its subsidiary, approved by Resolution No. 631 of the Government of the Republic of Lithuania of 17 June 2015, as well as the Guidelines for the Selection Procedures of Civil Servants and Other Selected Persons Proposed for Voting in the Election of the Collegial Bodies of Ignitis Group subsidiaries, approved by the Board of Ignitis Group.

In accordance with the Selection Description, the Board was formed with the aim of ensuring diversity of competencies and that Board members possess sufficient expertise in at least one of the following areas: finance, strategic planning and management, international business development, and energy supply (regulated and commercial activities).

The selection of Board members is carried out in accordance with the Equal Opportunities and Diversity Policy of the Ignitis Group group of companies.

On 31 May 2023, the sole shareholder of Ignitis – AB Ignitis grupė – approved the following composition of the Board according to specific areas of competence, for a four-year term of office.

Overview of the reporting period

The composition of the Board did not change during the reporting period.

The Board meetings are held monthly. Additionally, ad hoc meetings are organized as needed.

The Board operated according to the 2025 action plan, which was fully executed. All planned issues were considered, as well as additional issues related to the organization and execution of Ignitis activities that arose during the year.

Overall, 26 meetings of the Board were held in 2025. The tables below provide an overview of meeting attendance.

Overview of the meeting attendance of the Board members

Name, surname	
Vidmantas Salielis – Chairman	26/26
Mantas Mikalajūnas	20/26
Paulius Dambrauskas	26/26
Roger Hunter	25/26
Toma Sasnauskienė	26/26

* The numbers indicate the number of meetings attended by members out of all the meetings organized in 2025 during the reporting period.

The main activities of the Board in 2025:

1. Financial issues

- Issuance, amendment and extension of bank guarantee to various beneficiaries.
- Approval of audited and non-audited financial statements for Ignitis and its subsidiaries.
- Setting borrowing and lending limits.
- Review of internal audit results and audit plan for 2026.
- Payment of remuneration to the CEO for achieving the objectives.

2. Strategic issues and development

- Approval of planning package for 2026, including strategic initiatives, budget, and risk management plan.
- Approval of long-term planning documents for 2025–2028+.
- Adoption of various strategic decisions for subsidiaries in Poland, Latvia, and Estonia.
- Approval of the updated gas business strategy.
- Development of B2C and B2B market strategies.

3. Organisational issues

- Approval of the updated management and organizational structure.
- Annual review of the CEO's fixed base salary.
- Approval of new positions.
- Board self-assessments and approval of the action plans.

4. Business performance and market issues

- Review of Performance reports.
- Updates on hedge portfolio status and balancing market status.

5. Legal and regulatory Issues

- Adopt decisions by sole shareholders regarding agreements and amendments for various subsidiaries.
- Conclude land acquisition transactions and lease agreements.
- Approved material terms and conditions for various agreements, including marketing service agreements and power purchase agreements.

6. Other topics

- Review of investments in innovative services and explore innovation opportunities.
- Conclude grant agreement with European Climate, Infrastructure and Environment Executive Agency.
- Review artificial intelligence-based automation project.
- Approve the list of confidential information and commercial secrets.

Members of the Board

	Description	Experience	Education	Other currently held positions
	<p>Vidmantas Salietis Chairman (representative of shareholder) Area of competence – commercial activities.</p> <p>Term of office: from 30/05/2023 to 29/05/2027</p>	<p>2018 – now Management Board member of AB Ignitis grupė, Head for Commercial Activities (Main workplace) 2018 – now Different positions at the collegial bodies of AB Ignitis grupė companies 2015 – 2018 CEO of UAB Energijos tiekimas 2013 – 2016 Board member at AB Ignitis gamyba 2011 Market analyst at AB Ignitis gamyba 2009 – 2010 Consultant at UAB Ernst & Young Baltic (EY Lietuva)</p>	<p>Bachelor's degree in business and economics, Stockholm School of Economics, Latvia (2006–2009)</p>	<p>AB Ignitis grupė (company code: 3018444044, address: Laisvės pr. 10, LT-04215 Vilnius) Management Board member of AB Ignitis grupė, Head for Commercial Activities (Main workplace)</p> <p>Other managerial positions held:</p> <p>AB Ignitis gamyba (company code: 302648707, Elektrinės g. 21, LT-26108 Elektrėnai) Member of the Board and Chairman of the Board</p> <p>UAB Ignitis renewables (company code: 304988904, Laisvės pr. 10, LT-04215, Vilnius) Member of the Management Board</p>
	<p>Mantas Mikalajūnas Member (representative of shareholder) Area of competence – regulatory activities. Term of office: from 30/05/2023 to 29/05/2027</p>	<p>2019 – now Management Board member of AB Ignitis grupė, Head for Regulated Activities (Main employer) 2017 – now Different positions at the collegial bodies of AB Ignitis grupė companies 2014 – 2019 CEO of UAB Lietuvos dujų tiekimas / UAB Lietuvos energijos tiekimas 2013 – 2014 Head of Strategic Development at UAB Lietuvos dujų tiekimas 2008 – 2013 Project Manager / Strategic Development 2006 – 2008 Business controller at E. ON Ruhrgas International</p>	<p>2002 – 2004 Master's degree in business administration and management, Vilnius University, Lithuania Bachelor's degree in communications and information management, Vilnius University, Lithuania (1998 – 2004)</p>	<p>AB Ignitis grupė (company code: 3018444044, address: Laisvės pr. 10, LT-04215 Vilnius) Head for Regulated Activities and Management Board member (Main workplace)</p> <p>Other managerial positions held:</p> <p>AB Ignitis gamyba (company code: 302648707, Elektrinės g. 21, LT-26108 Elektrėnai) Management Board member.</p> <p>UAB Kauno kogeneracinė jėgainė (company code: 303792888, Jėgainės g. 6, Biruliškių k, LT-54469 Kauno r.) Management Board member</p> <p>UAB Vilniaus kogeneracinė jėgainė (company code: 303782367, Jočionių g. 13, LT-02300, Vilnius) Member of the Board and Chairman of the Board</p>
	<p>Paulius Dambrasuskas Independent member Area of competence – strategic planning and management. Term of office: from 30/05/2023 to 29/05/2027</p>	<p>2020 – now CEO of UAB AL Holdingas (Main employer) 2017 – 2020 COO at UAB Girteka Logistics 2016 – 2017 Head for Commerce of UAB Maxima LT 2009 – 2015 CEO of UAB Cgates 1999 – 2008 Member of the Management Boards of Bite Group</p>	<p>2024 Certified Board Member of the Baltic Institute of Corporate Governance (BICG) 2005 – 2006 Corporate Talent Pool leadership programme INSEAD 1996 – 1998 Master's degree in international marketing, Vilnius University, Lithuania 1992 – 1996 Bachelor's degree in international trading and marketing, Vilnius University, Lithuania</p>	<p>UAB AL holdingas (company code: 3002288643, address: Ulonų g. 2, LT-08245 Vilnius) CEO (Main workplace)</p> <p>UAB Kotryna Group (Company code: 121673734, address: Dariaus ir Girėno g. 34, LT-02189 Vilnius) Chairman of the Board</p>

	<p>Roger Hunter Independent member Area of competence – international business development.</p> <p>Term of office: from 30/05/2023 to 29/05/2027</p>	<p>2023 – 2025 Q4 BorgWarner Vice-president Charging 2019 – 2023 Global Vice President EV Charging at Shell 2016 – 2019 Vice President Digital Businesses at Shell 2014 – 2016 Shell's Alternative Energy Strategy Leader 2011 – 2014 Head of Hydrocarbon Deal making, Shell UK & Nordics</p>	<p>1994 – 1998 MSc in Electronic and Electrical Engineering, University of Birmingham, UK</p>	
	<p>Toma Sasnauskienė Member (civil servant) Area of competence – finance.</p> <p>Term of office: from 30/05/2023 to 29/05/2027</p>	<p>2024 – now Senior Adviser, State Treasury Department, Ministry of Finance of the Republic of Lithuania (Main workplace) 2012 – 2024 Head of the Borrowing and Investment Division of the Ministry of Finance of the Republic of Lithuania 2012 – 2017 Member of the Management Board of Agricultural Credit Guarantee Fund</p>	<p>2006 – 2008 master's degree in economics, Vilnius University, Lithuania 2002 – 2006 bachelor's degree in economics, Vilnius University, Lithuania</p>	<p>Ministry of Finance of the Republic of Lithuania (address: Lukiškių Str. 2, LT-01108 Vilnius) Senior Adviser, State Treasury Department, Ministry of Finance of the Republic of Lithuania (Main employer)</p>

Chief Executive Officer

Overview

The CEO of Ignitis is a single-person governing body. The CEO organises, directs, acts on behalf of Ignitis and concludes transactions unilaterally, except for cases provided for in legislation and the Articles of Association of Ignitis. The competence of the CEO, election and recalling procedures are established by laws, other legal acts and the Articles of Association Ignitis. The CEO is elected and revoked by the Board. Information about the CEO is provided below:

Profile

	Description	Experience	Education	Other currently held positions
<p>Artūras Bortkevičius CEO Term of office: from 09/07/2021 to 08/07/2026</p>	<p>Over past years, Artūras Bortkevičius held the position of the Head of Finance and Business Support at UAB Ignitis. Up until then he held the position of the Head of Finance for the Baltic States at the international pharmaceutical company Sandoz Pharmaceuticals. He also worked as a financial expert at the consulting company Frauditoriai, he held the position of the Head of Finance at the company Ceres S.P.A. of the Danish group Royal Unibrew. He was also gaining experience at the Kalnapilis - Taurus group and Sior Biotech.</p>	<p>Bachelor's degree in applied accounting, Oxford Brooks University, the United Kingdom (2003–2005) 2002 – 2006 Certified Public Accountants Association 1995 – 2000 Bachelor's degree in business administration LCC International University, Lithuania</p>	<p>Main employer – UAB Ignitis (company code: 303383884, address: Laisvės pr. 10, LT-04215 Vilnius) CEO</p>	

4.3 People and remuneration

Remuneration

Overview

Remuneration structure of the Ignitis Group is based on two key documents: the Remuneration Policy and the Remuneration Guidelines. The Remuneration Policy defines the key principles and essential provisions on remuneration management and structure whereas Remuneration Guidelines, which is an internal document, is a supporting document detailing the provisions of the Remuneration Policy (e.g., setting and evaluating objectives, determining and payment of short-term incentives). Both documents are integrated and apply to all companies of the Ignitis Group.

The **Remuneration Policy's** approval process is based on the Lithuanian Labour Code, the Corporate Governance Code for the Companies Listed on Nasdaq, and the Law on Companies. Ignitis Group is required to submit any proposed amendments to the Remuneration Policy for the approval of the General Meeting of Shareholders. In addition, representatives of Ignitis Group and Ignitis employees and other stakeholders are consulted on changes to the Remuneration Policy (if any). The latest version of the Remuneration Policy was approved by the General Meeting on 7 May 2025 with 76.64% of the votes in favour and is available on our website.

The **Remuneration Guidelines** are approved by the Management Board of Ignitis Group.

Remuneration policy and structure

The key objective of the Remuneration Policy is to support the Ignitis Group's pathway towards achieving its goals through five key principles detailed in the table below.

Key principles of the Ignitis Group's Remuneration Policy

Internal fairness	We ensure that similar- or same-value-creating work is compensated equally throughout the organisation.
External competitiveness	Employees are entitled to receive a competitive salary based on their function, market conditions and geography.
Clarity	We aim that all employees are informed about how their performance, competences and qualification impact their remuneration package as well as on what basis it is set.
Transparency	We believe in transparency and share our objective remuneration criteria with our employees.
Equal opportunities and non-discrimination	Decisions on remuneration must be made in accordance with the provisions set out in the Remuneration Policy and the <u>Equal Opportunities and Diversity Policy</u> in force in the Ignitis Group.

The Remuneration Policy defines the remuneration structure, the fixed base salary (FBS) review and determination process, the composition of the maximum variable remuneration, related guidelines, principals, etc. To be competitive in the market and ensure internal fairness, Ignitis Group participates in annual remuneration market surveys to obtain a fair view of market expectations and tendencies.

The purpose of the Remuneration Policy is to attract, retain and motivate employees to achieve Ignitis Group's objectives by creating a results-oriented organisational culture. Therefore, we aim to pay the median of the market where the group companies operate. Depending on the competitive environment in a certain country or the strategic objectives set for a group company, a different remuneration ratio (higher or lower than the median of remuneration market) may be set. To ensure the principle of external competitiveness, the FBS salary ranges may be determined and reviewed annually while considering the data of an independent national salary survey and the remuneration market trends. Salary ranges are determined for each job level based on the median of the salary market.

The remuneration structure of the Ignitis Group is applied equally to everyone, including the CEO, whose remuneration structure is in line with that of the other Ignitis Group employees. Remuneration includes fixed and variable remuneration parts, which are described in detail in the table below. Additionally, further information on short-term variable (STV) remuneration is provided separately in the following pages. Full details of the long-term variable (LTV) remuneration can be found in the Ignitis Group's Integrated Annual Report of 2025 and on the Ignitis Group's [website](#).

The complete Remuneration Policy and the group's People and Culture Policy as well as other information related to HR management is provided on the Ignitis Group's [website](#).

Remuneration structure of Ignitis Group

Type	Element	Applicability	Description and performance indicators
Fixed remuneration	Fixed base salary (FBS)	All Ignitis Group employees	The FBS is set out in the contract of employment, depending on the level of the post and the level of competence of the employee. The FBS is paid monthly. The FBS review is carried out at the time of the annual remuneration review or as and when required (changes in job functions, career progression, etc.).
Variable remuneration	Short-term incentive paid for short-term results (STI)	All Ignitis Group employees	Performance-based (monetary) incentives, i.e. for the achievement of objectives or indicators set for a specific position. The proportion of STI is set as a percentage of FBS. 20% STI (from the annual FBS) is applied to managers and positions with strategic responsibilities, while other staff is eligible to 10% STI. Specialised reward systems with different levels or payout intervals of STI may be introduced to make the reward system flexible for specific groups of employees.
	Long-term incentives paid for achieving long-term objectives (LTI)	Key executives ²	Performance-based (monetary) incentive for the achievement of the 4-year strategic objectives (not overlapping with the STI objectives ³). The proportion of LTI is set as a percentage of the average salary, e.g. 40% LTI from the average annual FBS over the relevant strategic period (10% of annual FBS each year). The LTI is determined by assessing the sustainable performance of the business over a rolling 4-year period and is payable at the end of each 4-year strategic period
		Managers with strategic responsibilities ⁴	Performance-based (monetary) incentive paid for the development of strategic long-term projects (must be consistent with the objectives of the STI ³). The proportion of LTI is set as a percentage of the average salary, e.g. Up to 30% LTI (from the average annual FBS over the relevant strategic period). The Management Board of the parent company sets and approves the criteria and targets for the achievement of the long-term objectives.
Other rewards	Additional financial incentives	All Ignitis Group employees, except for the CEO and members of the Management Board of the parent company	Performance-based incentives for extraordinary results and for managing the Ignitis Group's strategically important initiatives. Additional financial incentives are granted at the initiative and discretion of the employer and are not a guaranteed part of the remuneration package.
	Expatriate's/attraction package	Employees who are hired from a foreign country	Reimbursement of the extra costs incurred when an employee moves from one country to another on the employer's instructions to carry out their duties. The package can also be used to attract talent from abroad.
	Additional benefits	All Ignitis Group employees	Non-monetary forms of remuneration, such as accident insurance and various health insurance packages with a pre-defined benefit amount (up to EUR 1,000 per person and applied equally to all), private pension contributions to selected funds and other additional benefits, subject to internal regulations and the employee's decisions. Additional benefits are designed to boost employee motivation and loyalty. The benefits package for members of the management committees of the parent company and group companies includes a company EV or mobility allowance.

Remuneration of the parent company's CEO

To attract high level professionals to management positions, the aim is to keep the remuneration close to the market median in the country where Ignitis operates. Further information on the principles for determining remuneration at the Ignitis Group is available in the Remuneration Policy and the Ignitis [Group's Integrated Annual report for 2025](#).

Remuneration of the CEO of Ignitis (Fixed Remuneration), EUR (before taxes)

Name, surname	2025	2024
Artūras Bortkevičius	166,459	151,802

Information about STI payouts for the Ignitis CEO, EUR (before taxes)

	Name, surname	2025	2024
STI	Artūras Bortkevičius	26,766	28,146

Information about LTI payouts for the Ignitis CEO, EUR (before taxes)

	Name, surname	2025	2024
LTI	Artūras Bortkevičius	35,589	25,220

Remuneration of the Board

The remuneration of the members of Ignitis collegial bodies is determined in accordance with the Description of the Procedure for Payment of Remuneration to Members of Collegial Bodies of State-Owned Enterprises and Municipal-Owned Enterprises, approved by the Resolution of the Government of the Republic of Lithuania No 794 of 3 August 2022, which establishes the procedure for the payment of remuneration to the members of the collegial bodies elected by the General Meeting of Shareholders of a state-owned company and its subsidiaries that are companies of importance to national security.

Remuneration of members of the Board of Ignitis EUR (before taxes)

Name, surname (position)	2025	2024
Paulius Dambrauskas (Member of the Board)	31,560	29,760
Roger Hunter (Member of the Board)	31,560	29,760
Toma Sasnauskienė (Member of the Board)	15,760	14,880
Mantas Mikalajūnas (Member of the Board) ¹	0	0
Vidmantas Salietis (Chairman of the Board) ¹	0	0

¹The remuneration of the employees of Ignitis Group for their activities in Ignitis collegial bodies is included in their remuneration and no additional remuneration is paid.

Remuneration of employees of the parent company

Ignitis salary fund in 2025 was equal to EUR 19.6 million (EUR 17.1 million in 2024). The table below shows the average monthly salary of employees (FBS, STI and LTI) for 2024–2025. Salary information is also available on the Ignitis [website](#).

Average monthly salary of Ignitis employees, EUR (before taxes)

Position category	2025		2024	
	Number of employees	Average salary	Number of employees	Average salary
Managers	70	7,099	57	6,768
Experts, specialists	314	3,540	327	3,173
Total	384	4,122	384	3,715

Employee composition

At the Ignitis Group, we recognise that our employees are the cornerstone of our success. Understanding the diverse composition of our workforce is crucial for fostering an inclusive and equitable workplace where everyone has the opportunity to thrive. This section provides an overview of our workforce demographics, including age, education, gender, and seniority.

By sharing this data, we aim to demonstrate our commitment to transparency and accountability while highlighting the diversity that strengthens our organisation. We believe that a well-balanced and diverse team drives innovation, collaboration, and sustainable growth, aligning with our core values and strategic goals.

Gender distribution across organisational levels over 2025

Position category	2025	
	Female	Male
Managers	51%	49%
Experts, specialists	73%	27%
Total	69%	31%

Employee distribution by age over 2025

Age group	2025
57–76	8%
37–56	48%
25–36	41%
17–24	3%

Employee distribution by education across organisational levels over 2025

Position category	2025			
	Higher university	Higher college	Secondary and vocational	Other/ Not disclosed
Managers	84%	9%		7%
Experts, specialists	70%	13%	10%	7%
Total	72%	12%	9%	7%

4.4 Risk management

Overview

This section outlines the Ignitis Group's risk management governance model, the key components of its risk management process, a review of significant risks of the Ignitis Group.

The Ignitis Group is exposed to a range of internal and external risks that could affect its performance. To address these risks, the Ignitis Group operates under a unified risk management framework based on the best practices, such as ISO 31000:2018 and COSO.

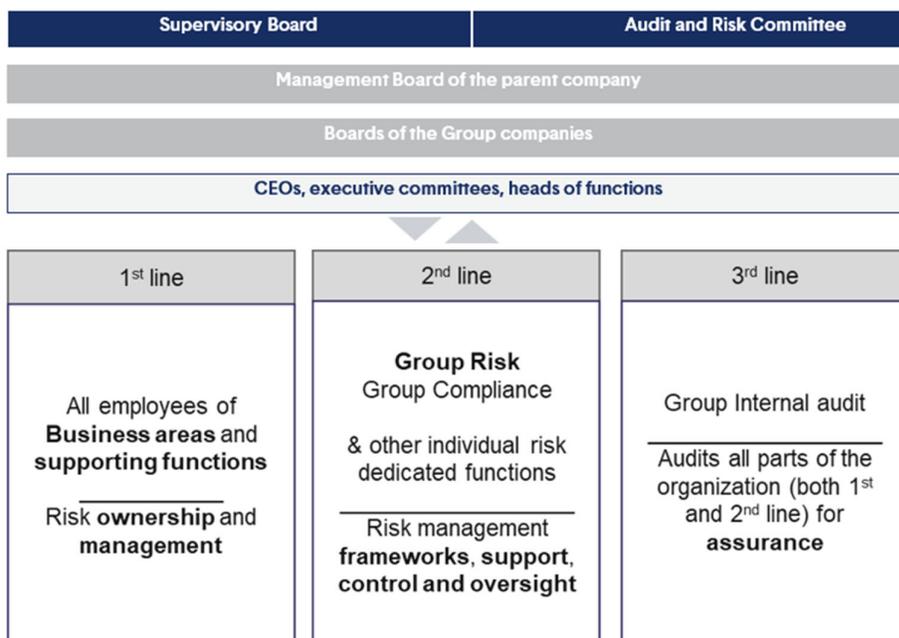
The purpose of the Ignitis Group Risk Management Framework is to safeguard the group's value, reputation, customers, stakeholders and shareholders, while fostering a risk-aware culture and enabling informed decision-making that aligns with the achievement of the Ignitis Group's strategic objectives.

The Ignitis Group risk management framework is based on the following principles:

- risk-based approach;
- continuous improvement and learning;
- transparency and accountability;
- integration with business processes;
- tone from the top and risk culture.

Our risk management governance is based on established 'Three-lines risk management model', ensuring clear segregation of responsibilities among businesses, functions and governance bodies.

Three-lines risk management model



Risk management process

The Ignitis Group promotes proactive risk management to achieve its strategic goals and adapt to a dynamic environment. Following are the key steps of our risk management process:



1. Identification. The Ignitis Group analyses potential impacts arising from various risks, both internal and external, such as climate change, regulatory changes, geopolitical and economic situations, market trends, and social issues, with ESG factors considered and assessed integrally. All employees are responsible for identifying risks in a timely manner. The Ignitis Group uses various methods for risk identification by utilizing both top-down and bottom-up approaches. Risks are assessed in various time horizons, i.e., from short term (up to 1 year), medium term (2–4 years) to long term (5 years or more), depending on when they are the most relevant.

2. Assessment. The Ignitis Group determines the level of risks (from low to very high) based on the risk probability and impact assessment carried out while following internal methodology. The following risk impacts were reassessed: financial, reputation, compliance, people, OHS.

The risks are classified into four different categories:

Strategic risks	Financial risks	Operational risks	Legal risks
Risks category covering business risk that affect the Ignitis Group's long-term goals and objectives including competition risk, sector relevant regulatory changes and political risk.	The category of financial risks includes financing risk, market risk, currency and interest rate risk, as well as credit and liquidity risks.	Risk of day-to-day operations including system failures and cyber security threats, supply chain disruptions, process risk, human capital, OHS risk and other.	Risk associated with legal obligations and compliance including litigation regulatory fines and contractual disputes.

3. Risk treatment. The Ignitis Group decides whether to accept, mitigate, avoid, or transfer risks. All the risks exceeding the group's risk appetite must be mitigated.

4. Monitoring and reporting. Continuous risk review ensures timely and effective decision making in all group companies. This process includes quarterly and triggered-based risk monitoring of Top risks measures and indicators and other relevant information, as well as the preparation of internal management reports. Risk reports provide oversight over all the risk types relevant to the Ignitis Group.

Maturing risk management

In 2025, the function overseeing risk management was reorganised and the Ignitis Group Risk Management function was created to strengthen the role of risk management and progress its maturity in the Ignitis Group. As a result, at the end of 2025, the Ignitis Group has approved the revised Risk Management Policy and the underlying methodology that includes revised risk taxonomy and extended the risk rating matrix to a five-point scale and other. The risk levels remained the same, i.e. low, medium, high and very high. The updated framework will apply starting from 2026.

Updated risk management framework further strengthens integration with all relevant processes such as double materiality assessment (DMA) that was successfully completed in accordance with the CSRD and EFRAG guidelines during 2025.

Risk management overview

Overview of Top risks in 2025

In 2025, the company's risk management landscape was notably impacted by unfavourable and evolving legal regulations, resulting in a financial loss:

- Risk of Net Metering: The dominant billing model in Lithuania presents significant challenges for the company. Prosumers typically generate excess electricity to the grid in the warm season and face shortages in the cold season, creating balancing costs that are difficult to predict and manage, as stored electricity can be used at any time regardless of market prices. This model creates significant losses for the company, does not incentivize consumption management, and destabilize the market, potentially leading to higher electricity prices.
- Risk of Contract Termination: Customers have opportunity to change their electricity supplier or consumption plan unilaterally at any time. Suppliers are prohibited from imposing contract termination fees, reclaiming discounts, or failing to meet obligations, which adds uncertainty to the company's revenue streams. This risk was also impacted by stopping full electricity market liberalization which increased customers migration from independent supplier back to public supplier, due to this, risk level of Customers contracts termination risk has been adjusted from high to very high.

The risk of rising electricity balancing costs throughout the year 2025 remains at a very high level. This risk has been influenced by the disconnection from the BRELL network, the synchronization with the Continental European grids, and the transition to the new 15-minute electricity trading standard, effective from October 1, 2025.

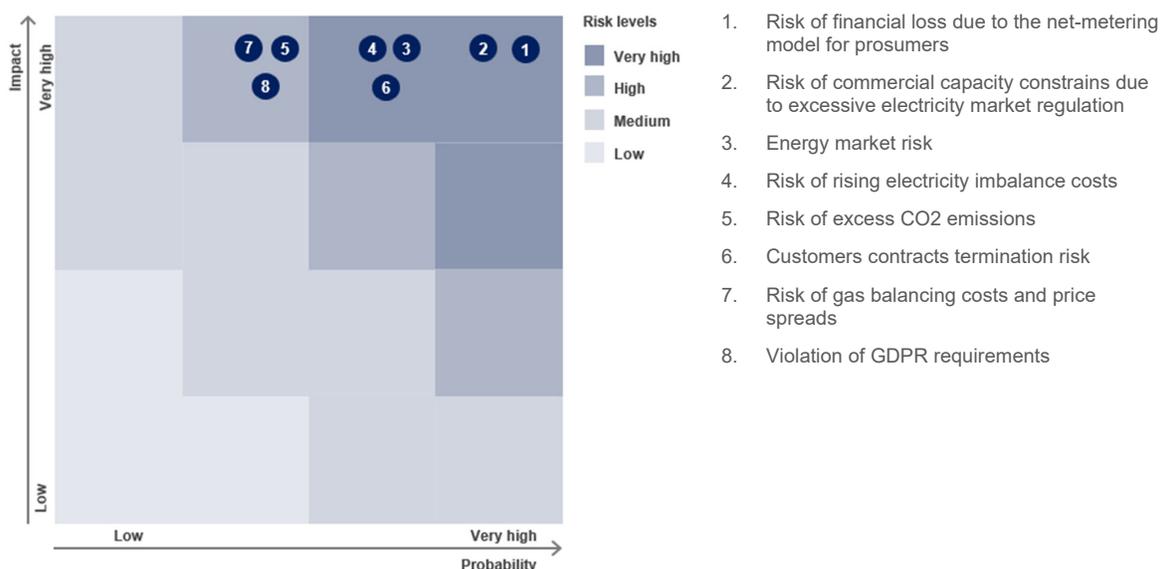
Considering the ESG aspects, sustainability objectives and strategy, the Company pays particular attention to managing the risks related to these areas. In 2025 we reached and exceeded forecasted green electricity share goals in supply portfolio and keep on going with higher goals, therefore the Excess CO2 emissions risk level has been adjusted from very high to high.

The identified risks continued to be closely monitored and mitigated as part of ongoing risk management efforts.

For more information on Ignitis Group's Risk Management Framework, risk factors and their management, please refer to Ignitis Group's Annual Report for 2025.

Heat map of company's Top risks

The Top risks the Company faced in 2025 are outlined in the heatmap.



Management plan of the Top risks of Ignitis

1. Risk of financial loss due to the net-metering model for prosumers

Risk category	Financial	Risk description	Key risk mitigation directions:
ESG type	Not related	<p>Key sources of risk:</p> <ul style="list-style-type: none"> - The currently used net metering model in Lithuania has a direct negative im-pact on the Company's financial results. 	<ul style="list-style-type: none"> - Proactive engagement with regulators to present the current situation and propose changes. - Continuous evaluation of actions and changes to reduce direct losses.

2. Risk of commercial capacity constraints due to excessive electricity market regulation

Risk category	Strategic	Risk description	Key risk mitigation directions:
ESG type	Not related	<p>Key sources of risk:</p> <ul style="list-style-type: none"> - A regulatory environment that prohibits suppliers from charging a termination fee or demanding repayment of discounts received by private customers in the event of unilateral termination of a contract by small and very small enterprises. - The constantly changing legal framework governing electricity supply. 	<ul style="list-style-type: none"> - Proactive engagement with regulators, including analysis of existing and draft legislation and proposing rational (annotated) amendments to it. - Continuous monitoring and evaluation of regulatory initiatives and developments. - Timely preparation for regulatory changes.

3. Energy market risk

Risk category	Financial	Risk description	Key risk mitigation directions:
ESG type	Not related	<p>Key sources of risk:</p> <ul style="list-style-type: none"> - Lack of derivative hedging, transaction parties and producers in Lithuania and other Baltic states. - Developments in long-term PPAs and future energy prices. - The constantly changing legal framework governing electricity supply. 	<ul style="list-style-type: none"> - Daily monitoring of the hedging portfolio, PnL valuation and market exposure to proxy and full hedge. - Long-term power purchase agreements.

4. Risk of rising electricity imbalance costs

Risk category	Financial	Risk description	Key risk mitigation directions:
ESG type	Not related	<p>Key sources of risk:</p> <ul style="list-style-type: none"> - The growth of EV charging stations and a consumption pattern that is hard to predict. 	<ul style="list-style-type: none"> - Monitoring and analysis of data provided by the market operator and historical data. - Implementing real-time data solutions.

	<ul style="list-style-type: none"> - The increasing number and capacity of prosumers – creates uncertainty in the balancing market. - The increasing growth of RES in the Baltic region increases the risk of a large quantity/price imbalance. - From 2025, the market trading unit will change to 15 min., which may have an impact on electricity balancing costs. 	<ul style="list-style-type: none"> - Algorithmic trading. - Investing into BESS (Battery Energy Storage System)
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5. Risk of excess CO2 emissions

Risk category	Strategic	Risk description	Key risk mitigation directions:
ESG type	Environmental, climate	<p>Key sources of risk:</p> <ul style="list-style-type: none"> - Increasing the share of green electricity in the overall supply portfolio is necessary to meet the greenhouse gas reduction targets adopted by the SBTi. - Customer reluctance to switch to renewables due to higher prices. 	<ul style="list-style-type: none"> - Ongoing initiative “Carbon footprint reduction in power supply”. - Programs to encourage customers to choose green energy alternatives and use energy more efficiently are actively pursued. The activities including both Lithuanian and foreign clients. - Green electricity certificates to reduce emissions from electricity sales. - Guarantees on the origin of biomethane to reduce emissions from natural gas sales. - Monitoring of emissions and reporting to governing bodies.

6. Customers contracts termination risk

Risk category	Financial	Risk description	Key risk mitigation directions:
ESG type	Not related	<p>Key sources of risk:</p> <ul style="list-style-type: none"> - A regulatory environment that prohibits suppliers from charging termination fees or demanding repayment of discounts received by private customers in the event of unilateral termination of a contract by small and micro enterprises has a direct impact on the Company's financial results. - Contract drops are affected by institutions encouraging customers to choose plan that suit them best at any time (not waiting till contract expires). - Churning is affected by 3 main factors: high energy prices, competitors' actions and active migration to public supply due to changes in regulation. 	<ul style="list-style-type: none"> - Timely preparation for regulatory changes. - Shortening the duration of fixed contracts. - Applying discounts at the end of the contract period.

7. Risk of gas balancing cost and price spreads

Risk category	Operational	Risk description	Key risk mitigation directions:
ESG type	Not related	<p>Key sources of risk:</p> <ul style="list-style-type: none"> - The drop in demand is hard to predict. - Insufficient data quality. - Exploitation of surplus gas is potentially below purchasing price. - 2-month degasification period – price differences may lead to significant losses. 	<ul style="list-style-type: none"> - Monitoring and analysis of data provided by the market operator. - Regular communication with the LNG terminal operator regarding possible corrections in regasification schedule. - Swap contracts. - Gas storage at the Inčukalns UGS. - Active trading on the gas exchange.

8. Violation of GDPR requirements

Risk category	Operational	Risk description	Key risk mitigation directions:
ESG type	Social	<p>Key sources of risk:</p> <ul style="list-style-type: none"> - Large volumes of personal data. 	<ul style="list-style-type: none"> - Centralized coordination of compliance issues within the Ignitis Group and local oversight of GDPR matters within the Company. - Improvement of processes and applicable control mechanisms. - Mandatory training programs of employees. - Adaptation and improvement of IT systems in order to meet personal data protection requirements. - Analysis of the market and external regulation.

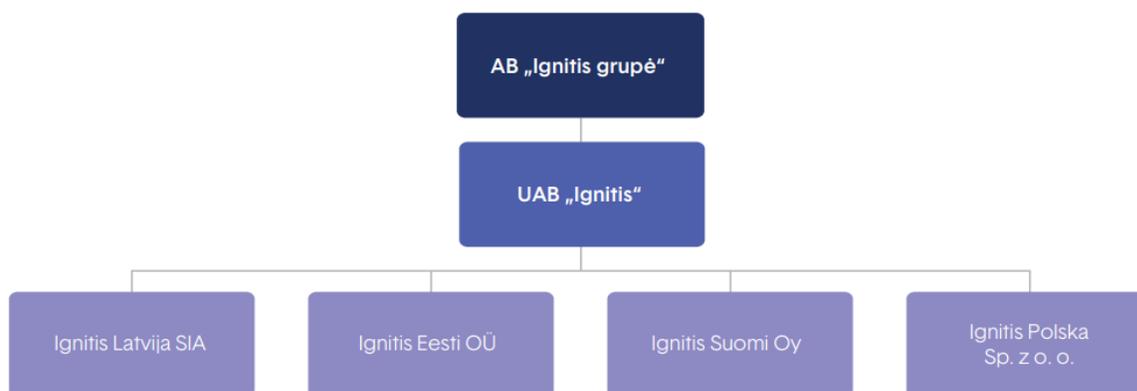
4.5 Information on subsidiaries

Overview of subsidiaries

As of the issuing date of this report, Ignitis directly controls four subsidiaries presented in the picture of the structure below.

The main activity of the companies – supply of gas and electricity in the markets of Poland, Estonia, Latvia and Finland. The companies in Latvia and Estonia are also engaged in development of the electric vehicle charging network.

Structure



Ignitis Eesti, OÜ was established in 2013, and the company is currently actively investing in the expansion of the Ignitis ON charging station network in Estonia, starting electricity supply. 18 new Ignitis ON charging points at Viru Keskus, offering up to 160 kW of power, were installed by the end of last year, making it the largest ultra-fast charging hub in Estonia. By the end of 2025, 144 fast charging points had been commissioned, and Ignitis ON had achieved an 11.4% market share in Estonia. Total investments to EV network in Estonia during 2025 amount to EUR 5.5 million.

Ignitis Suomi Oy was established in 2021 to move closer to local customers to better understand and respond to their needs, to gain trust and knowledge of the country’s legal framework. Through the new Estonian Finnish gas interconnector Balticconnector, natural gas is supplied to Finland’s largest industrial companies and its largest natural gas distribution operator. In 2025, the Company’s supply volumes to Finland amounted to almost 1.8 TWh.

In addition to supplying electricity and natural gas to the Latvian retail market, Ignitis Latvia SIA also developed a network of EV charging infrastructure in 2025. In 2025, the company had a market share of around 12% in the supply of electricity (around 0.8 TWh supplied) and supplied around 0.1 TWh of natural gas. By the end of 2025, 353 fast charging points were commissioned in Latvia and Ignitis ON had achieved an almost 29% market share in Latvia. Total investments to EV network in Latvia during 2025 amount to EUR 10.6 million.

Ignitis Polska sp. z o. o. was established in 2017 to achieve synergies with other companies of AB Ignitis grupė operating on the Polish market. The aim is also to take advantage of the supply of highly skilled employees with specific competencies available on this market. The company trades on the PolPx Polish exchange and has been supplying electricity and natural gas on the retail market since 2021. In 2025, Ignitis Polska Sp. z o. o. supplied 1.2 TWh of electricity and 0.3 TWh of natural gas to B2B customers.

Subsidiaries of UAB Ignitis and their performance at the end of the reporting period

<p>Ignitis Latvija</p> <p>Electricity and gas supply, Ignitis ON EV charging network development</p>	<p>Company code: 40103642991 Head-office address: Gustava Zemgala gatve 74A, Riga, LV-1039, Latvia Effective ownership interest: 100% Share capital: EUR 17,500,000 Website: www.ignitis.lv</p>	<p>Performance results (EUR million): Revenue: 94.5 Expenses: 97.3 Adjusted EBITDA: (4.1) Net profit: (6.4) Investments: 11.9 Assets: 58.8 Liabilities: 47.5</p> <p>Number of employees: 50</p>
<p>Ignitis Eesti</p> <p>Electricity supply, Ignitis ON EV charging network development</p>	<p>Company code: 12433862 Head-office address: Hobujaama 4, 10151 Talinas, Estonia Effective ownership interest: 100% Share capital: EUR 175,000</p>	<p>Performance results (EUR million): Revenue: 1.4 Expenses: 3.1 Adjusted EBITDA: (1.7) Net profit: (2.2) Investments: 6.1 Assets: 17.7 Liabilities: 12.9</p> <p>Number of employees: 18</p>
<p>Ignitis Polska</p> <p>Supply and sale of electricity and gas</p>	<p>Company code: 0000681577 Head-office address: Puławska 2-B, PL-02-566, Warsaw Effective ownership interest: 100% Share capital: PLN 10,500,000 Website: www.ignitis.pl</p>	<p>Performance results (EUR million): Revenue: 217.2 Expenses: 210.5 Adjusted EBITDA: 6.4 Net profit: 4.4 Investments: 0 Assets: 47.0 Liabilities: 36.0</p> <p>Number of employees: 32</p>
<p>Ignitis Suomi</p> <p>Supply and sale of gas</p>	<p>Company code: 3202810-4 Head-office address: Firdonkatu 2, Workery West, 6th floor 00520 Helsinki, Finland Effective ownership interest: 100% Share capital: EUR 200,000 Website: www.ignitis.fi</p>	<p>Performance results (EUR million): Revenue: 88.2 Expenses: 87.7 Adjusted EBITDA: 0.5 Net profit: (0.4) Investments: 0 Assets: 20.0 Liabilities: 19.5</p> <p>Number of employees: 2</p>

5. Sustainability

5.1 Overview of sustainability

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5.1 Overview of sustainability

Up-to-date sustainability information for Ignitis is provided in the Ignitis Group's (address of the registered office Laisvės pr. 10, 04215 Vilnius) integrated annual report.

The Ignitis Group's [sustainability report and conclusion on sustainability reporting](#) are available on the group's website.

Ignitis is a subsidiary undertaking and its sustainability information, and that of its subsidiaries, is included in the consolidated management report of the parent company AB Ignitis grupė; therefore, following Article 23(1)(1) of the Law of the Republic of Lithuania on Reporting of Enterprises and Groups of Enterprises, it qualifies as a non-discloser of the information on sustainability issues specified in that law.

The consolidated Management Report of the Ignitis Group includes the Sustainability report of 2025 that provides sustainability information for Ignitis Group and its subsidiaries, including its subsidiary undertaking Ignitis. This includes an overview of commitments and actions in areas such as environmental performance, social responsibility and governance practices. The Sustainability report is available on the Ignitis Group's website www.ignitisgrupe.lt, on pages "For Investors" and "Sustainability".

The Ignitis Group's Sustainability report is prepared in accordance with the Corporate Sustainability Reporting Directive, which was transposed into Lithuanian law on 1 July 2024 and fully aligned with the European Sustainability Reporting Standards (ESRS). The disclosures are based on a double materiality assessment, which identifies the significant sustainability-related impacts, risks and opportunities (IROs) at the group level.

The Ignitis Groups Sustainability report is prepared on a consolidated basis, and its scope is aligned with the financial statements of 2025.

The following provides a summarised overview of the relevant sustainability information for Ignitis and where it can be found in the Ignitis Group's Sustainability report.

Sustainability management in Ignitis Group and the company Ignitis

Sustainability is part of the Ignitis Group's strategy and, to deliver on the ambition of creating a 100% green and secure energy ecosystem for present and future generations, the Ignitis Group's strategy sets out clear, ambition-driven priorities to achieve its environmental, social and governance (ESG) objectives. It is important to follow best sustainability practices and maintain and continuously improve ESG ratings. [The Ignitis Group's Strategic Plan for 2025–2028](#) established five strategic priorities for sustainability, focusing on decarbonisation, safety, employee experience, diversity and sustainable value creation. All these five areas consider the group's sustainability-related IROs.

The Ignitis [Group's Sustainability Policy](#) establishes shared sustainability principles and their implementation measures in all the companies of Ignitis Group, including Ignitis. It aims to create a culture and practice of responsible and sustainable business. The Sustainability Policy discloses, among other things, the commitment of Ignitis Group to the principles of the United Nations Global Compact and to aligning its strategic goals and activities with the Sustainable Development Goals, to contributing to the Paris Agreement in the fight against climate change, and to adhering to good governance practices.

Information on other [policies](#) and [sustainability management](#) is publicly disclosed and presented in the Sustainability report of Ignitis Group of 2025. Alongside detailed information on our sustainability

management, we periodically publish a sustainability overview and ESG data in our interim and annual [reports](#). This ensures that all stakeholders receive the necessary information about the sustainability objectives of Ignitis Group.

Sustainability activities in the group’s companies are coordinated centrally through a separate Sustainability Function reporting directly to the CEO of the parent company. The Management Board of the Ignitis Group decides on the formulation, approval and updating of sustainability strategic directions, policies and activities of the organisation. Detailed description of the management of sustainable activities within the Ignitis Group is available in the Sustainability report for 2025, and on the Group’s website under [“Sustainability”](#).

Ignitis Group membership and external initiatives

Sustainable activities within the Ignitis Group are carried out together with partners. By participating in various organisations, Ignitis Group shares experiences and learns from others. The Group contributes to the following global initiatives:

- is committed to the UN Global Compact principles;
- contributes to the UN Sustainable Development Goals (SDGs) implementation;
- aims a zero emissions balance by 2040–2050 in line with the GHG emission reduction targets adopted by the SBTi;
- has signed the Women's Empowerment Principles, WEPs, thus promoting gender equality and women’s empowerment.

WE SUPPORT



Details of membership can be found on the Ignitis Group’s [website](#).

Sustainability goals and target indicators

Ignitis places great importance on ESG aspects and has set key status indicators for ESG and constantly monitors their values.

ESG key indicators monitored by Ignitis

Sustainable direction	Indicator	Company	Unit of measure	2024	2025
Reducing climate impacts	GHG emissions ⁴	Ignitis (Lithuania, Latvia, Estonia, Finland, Poland)	mill. t CO2 equiv.	2.94	2.88
	Scope 1 ¹			-	-
	Scope 2 ²			-	-
	Scope 3			2.94	2.88
Future-fit employees	Fatal accidents (total)	Ignitis (Lithuania, Latvia, Finland, Poland)	units	0	0
	Employees		units	0	0
	Contractors		units	0	0
	TRIR (indicator of overall occupational injuries of employees)		-	0	0
	eNPS (Employee Satisfaction Score) ³	Ignitis (Lithuania, Latvia, Poland)	%	69.1	68.1
	Share of women in management positions	Ignitis (Lithuania)	%	15.38	15.38
		Ignitis (Poland)		0	0
Ignitis (Estonia)			0	0	
Ignitis (Latvia)			0	0	
	Ignitis (Finland)		0	0	

^{1, 2} In case of this company, Scope 1 and Scope 2 emissions are very low and therefore not evaluated.

³ eNPS indicator is not monitored in the company Ignitis Finland, while in Ignitis Estonia it has been monitored from Q4 of the reporting year.

⁴ In 2024, the GHG calculation methodology was updated, resulting in a significant change in Ignitis’s emissions. The GHG data presented in this report cannot be compared with previous reports.

Stakeholder relations and assessment of ESG priorities

Active stakeholder engagement is an essential aspect of the sustainability agenda in assessing the priorities of the ESG. The Ignitis Group's stakeholder engagement guidelines underline its commitment to listening to and engaging stakeholders. Through an ongoing dialogue, the Ignitis Group seeks to understand their views, concerns and expectations. This ongoing dialogue guides the implementation of sustainability objectives, projects and processes that respond to the interests and views expressed by stakeholders.

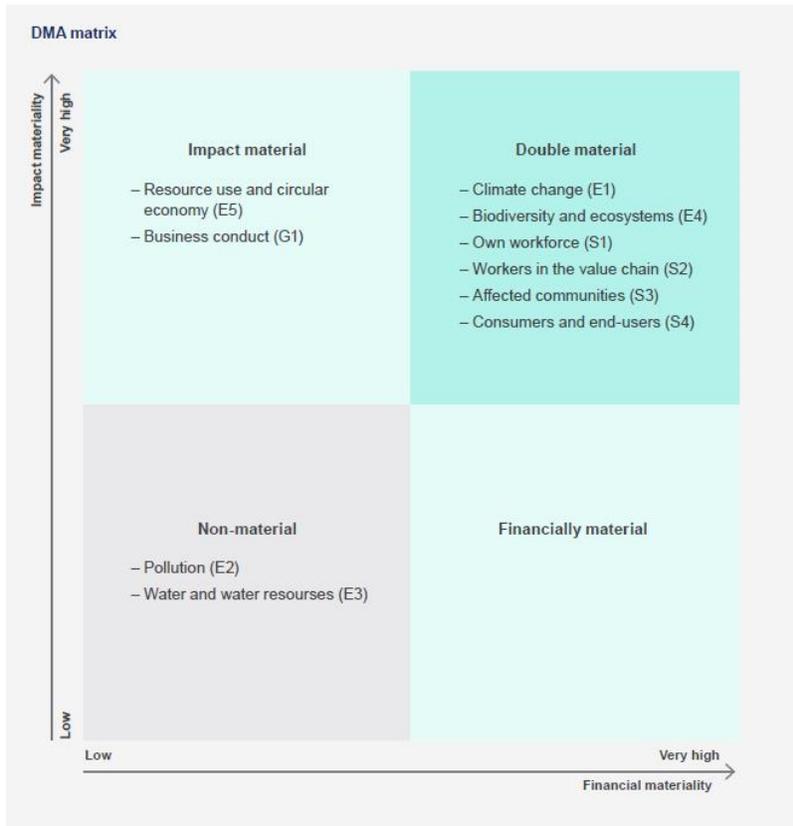
In 2024, the Ignitis Group developed guidelines for stakeholder engagement as part of the double materiality assessment, taking into account the principles set out in Annex I to Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023, and the implementation guidance on double materiality provided by the European Financial Reporting Advisory Group (EFRAG) in the European Sustainability Reporting Standard (ESRS). The group has identified and assessed the impacts of its activities on people and the environment, as well as potential business risks and opportunities. In addition, the group has assessed its impacts, risks and opportunities (IROs) on a number of topics, with a strong focus on what has emerged from the value chain maps of different business segments, including Ignitis.

Main stakeholders of Ignitis

B2C customers	Suppliers and contractors	Media
B2B customers	Government and municipal institutions	Partners
Employees	Shareholders/investors	

The expectations of stakeholders expressed during this process were aligned with existing goals and objectives of Ignitis, which led to the identification of priority topics that are in line both with stakeholders' expectations and the established operational objectives of Ignitis. The outcome of the double materiality assessment (DMA) provides for the basis for further embedding sustainability in the activities of Ignitis in a way that makes it possible to consider the overall impact of Ignitis on its stakeholders and align the expectations expressed by the stakeholders with the strategic objectives.

The Ignitis Group's Double Materiality Assessment Matrix



The Ignitis Group's comprehensive double materiality assessment process included the following steps:

- Stakeholder engagement: involving experts from different fields and group functions to develop a common understanding of the legislation and the objectives of the assessment.
- Value chain mapping: mapping value chains of key business segments, including Ignitis, identifying impacts, risks and opportunities.
- Listing and grouping of impacts: a comprehensive list of existing and potential impacts was made, IROs grouped according to the ESRS topics.
- Impact materiality assessment: impacts were assessed, results documented in the DMA tool.
- Validation of material impacts: they were discussed with stakeholders and assessed for their relevance. Financial materiality assessment: focused on potential sustainability risks and opportunities. It was carried out involving experts in risk management, finance and sustainability. A list of risks and opportunities was compiled and their financial materiality assessed.
- Determination: the final list of material impacts, risks and opportunities determined: based on the results of dialogue with stakeholders and the results of assessments.

The Ignitis Group determined the sustainability matters of Climate Change (E1), Biodiversity and Ecosystems (E4), Resource use and circular economy (E5), Own workforce (S1), Workers in the value chain (S2), Affected communities (S3), Consumers and end-users (S4), and Business conduct (G1) as material, while Pollution (E2) and Water and marine resources (E3) as not material. The materiality assessment of the group was found to be consistent with Ignitis' material topics, except for the material matters of the group level - Affected communities (S3) and Biodiversity and ecosystems (E4) - which are not individually material to Ignitis. A detailed description of the group-wide materiality assessment is provided in the Group's Annual Sustainability Report for 2025.

ESG risks and risk management

The key ESG Risks and risk management solutions are disclosed in more detail in section 4.7 “Risk Management” in the Integrated Annual Report of Ignitis Group.

Overview of Ignitis’ material impacts, risks and opportunities, and links to information on their management

The following tables list the IROs that are material to Ignitis. The full list of material IROs of Ignitis, how they are managed is provided in the Ignitis Group’s Integrated Annual Report of 2025. Information on Ignitis’ actions, initiatives and objectives is provided in the descriptions of the Customers & Solutions business segment.

Each material ESRS topic is presented in the tables including sub-topics that identify material impacts, risks or opportunities related to, for example, climate change mitigation and adaptation.

In addition, the tables indicate whether the impacts and risks are manifested in the Ignitis Group’s own operations (OO) or in its value chain (VC). The Ignitis Group also discloses whether its impact is positive or negative. Impact means an existing impact, unless it is indicated as a potential one.

Environment

Material IROs	Description	More detailed information on the IRO and its materiality is provided in the Ignitis Group’s Sustainability Report
Direct and indirect GHG emissions Type: negative impact Place in value chain: OO & VC Changes compared to 2024: none	The GHG emissions through energy production (e.g., emissions from incineration process), energy use (e.g., purchased electricity for own operations), energy supply (e.g., electricity retail) and other business activities negatively contribute to climate change.	6.2 Environment – E1 Climate change – Sub-topic: Climate change mitigation
Enabling electrification Type: positive impact Place in value chain: VC Changes compared to 2024: none	Electrification is a key part of energy transition, where the development of a resilient and efficient network allows to meet the needs arising during the electrification process. Additionally, the Ignitis Group works on scaling the EV charging network, thus enabling electrification.	6.2 Environment – E1 Climate change – Sub-topic: Climate change mitigation
Waste generation and decommissioning Type: negative impact Place in value chain: OO Changes compared to 2024: new sub-topic	Due to limited end-of-life solutions for certain technologies and materials used in the Ignitis Group’s operations, recycling and reuse opportunities are often restricted. This can lead to increased waste generation and contribute to environmental challenges.	6.2 Environment – E5 Resource use and circular economy – Sub-topic: Waste

Social responsibility

Material IROs	Description	More detailed information on the IRO and its materiality is provided in the Ignitis Group's Sustainability Report:
Work-related injuries and fatalities Type: negative impact Place in value chain: OO Changes compared to 2024: none	The energy sector involves working in high-risk environment. That presents inherent occupational health and safety risks, leading to health-related impacts on our own workforce.	6.3. Social responsibility – S1 Own workforce – Sub-topic: Working conditions
Demanding professional environment Type: negative impact Place in value chain: OO Changes compared to 2024: new	The implementation of ambitious targets and large-scale projects, driven by the green transition, often results in an intense work environment that affects employees' wellbeing and can lead to burnout, stress or mental health issues. Ignitis Group is working to create a comprehensive mental health ecosystem, to ensure safeguards for employee wellbeing and boost their resilience.	6.3. Social responsibility – S1 Own workforce – Sub-topic: Working conditions
Occupational health and safety Type: risk Place in value chain: OO Changes compared to 2024: none	The energy sector involves working in high-risk environment, such as construction sites, remote locations, and in dangerous conditions (heights, voltage, etc.). This can increase the risk of physical harm, including accidents, injuries, and fatalities.	6.3. Social responsibility – S1 Own workforce – Sub-topic: Working conditions
Promoting non-discrimination and non-harassment culture Type: positive impact Place in value chain: OO Changes compared to 2024: none	Ignitis Group promotes a culture of non-discrimination and non-harassment, which is essential for creating a safe, inclusive, and high-performing work environment. By fostering respect and equality, Ignitis Group empowers its employees and enhances collaboration.	6.3. Social responsibility – S1 Own workforce – Sub-topic: Equal treatment and opportunities for all
Unequal gender distribution Type: negative impact Place in value chain: OO Changes compared to 2024: reversed from positive to negative	Noting inherent gender balance issues in the traditionally male-dominated energy sector, IgnitisGroup acknowledges the unequal gender distribution across different roles, including management. Ignitis Group is seeking to foster a diverse and inclusive environment while ensuring equal opportunities for all employees.	6.3. Social responsibility – S1 Own workforce – Sub-topic: Equal treatment and opportunities for all
Human capital Type: risk Place in value chain: OO Changes compared to 2024: none	A highly skilled workforce is crucial for achieving the Ignitis Group's strategic goals, especially as we navigate the energy transition. New competencies are essential for success in this evolving landscape, and a lack of expertise may significantly impede our progress. To maintain our competitive edge, we must invest in talent development and cultivate a culture that fosters innovation and excellence.	6.3. Social responsibility – S1 Own workforce – Sub-topic: Equal treatment and opportunities for all
Work-related injuries and fatalities Type: negative impact Place in value chain: VC Changes compared to 2024: none	The energy sector involves working in high-risk environment. That presents inherent occupational health and safety risks, leading to health-related impacts on workers in the value chain as our contractors.	6.3. Social responsibility – S2 Workers in the value chain – Sub-topic: Working conditions
Occupational health and safety Type: risk Place in value chain: VC Changes compared to 2024: none	The energy sector involves working in high-risk environment, such as construction sites, remote locations, and dangerous conditions (heights, voltage, etc.). This can increase the risk of physical harm, including accidents, injuries, and fatalities.	6.3. Social responsibility – S2 Workers in the value chain – Sub-topic: Working conditions
Access to energy Type: positive impact Place in value chain: VC Changes compared to 2024: none	Recognising the critical role of energy in driving social and economic development, Ignitis Group provides accessible, reliable and sustainable energy services and solutions, ensuring that everyone has access to the energy they need. IgnitisGroup goes beyond supplying energy by educating and giving advice on responsible use of energy and reducing energy waste. By offering tailored guidance and innovative solutions, Ignitis Group empowers customers and end-users to make informed decisions that minimise their environmental impact, optimise energy efficiency and reduce cost.	6.3. Social responsibility – S4 Consumers and end-users – Sub-topic: Social inclusion of consumers and/or end-users
Cybersecurity Type: risk Place in value chain: VC Changes compared to 2024: none	Cyberattacks pose a significant threat to the organisation due to its importance for providing energy services in Lithuania. These attacks can range from simple phishing attempts to sophisticated data breaches and ransomware attacks that are significant at the group level, causing disruptions in the energy generation systems, personal data leaks, theft of confidential information, etc.	6.3. Social responsibility – S4 Consumers and end-users – Sub-topic: Information-related impacts for consumers and/or end-users

Governance

Material IROs	Description	More detailed information on the IRO and its materiality is provided in the Ignitis Group's Sustainability Report:
Strong corporate culture	Type: positive impact Place in value chain: OO Changes compared to 2024: none	6.4. Governance – G1 Business conduct – Sub-topic: Company culture Ignitis Group fosters a strong corporate culture built on high ethical standards, transparency, whistleblower protection and best governance practices. This creates trustworthiness and accountability in working environment, setting an example and inspiring confidence among stakeholders.
Sustainable procurement practices	Type: positive impact Place in value chain: VC Changes compared to 2024: none	6.4. Governance – G1 Business conduct – Sub-topic: Management of relationships with suppliers including payment practices Recognizing that our environmental and social impacts extend beyond our own operations, IgnitisGroup integrates sustainability into its procurement practices, promoting environmental and social responsibility, transparency and traceability in supply chain.
Contribution to energy security	Type: positive impact Place in value chain: OO & VC Changes compared to 2024: none	6.4. Governance – G1 Business conduct – Company-specific sub-topic: Contributing to national energy security By leading the regional transition into a climate-neutral, secure and independent energy ecosystem and contributing to Europe's decarbonization by facilitating green energy flows, Ignitis Group is playing a pivotal role in Lithuania's national energy independence strategy.

Other financial and non-financial performance results related to climate actions (E1), personnel (S1), anti-corruption and anti-bribery (G1) are disclosed in the Ignitis Group's Integrated Annual report. We encourage to report possible unethical behaviour of employees or representatives, cases of discrimination or corruption, as well as other breaches of the principles of sustainability or concerns to the Trust Line by email pasitikėjimolinija@ignitis.lt, by phone +370 640 88889, or by filling out an [online form](#). Both employees and all stakeholders can use these contacts. If you have any questions concerning the content of the Ignitis Group's Sustainability Report or sustainability activities of Ignitis, please contact us at sustainability@ignitis.lt.

6. Additional information

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6.1 Other statutory information

This annual report includes a consolidated annual management report and financial statements, in which UAB Ignitis (hereinafter - Ignitis), informs shareholders, creditors and other stakeholders about the operations of the Company and the companies it controls for the period of January–December 2025. The composition of this document corresponds to the composition of the set of annual accounts as per Article 6 of the Law on Financial Reporting by Undertakings and Groups of Undertakings of the Republic of Lithuania.

The Annual Report has been prepared by Ignitis administration in accordance with the Law of the Republic of Lithuania on Financial Reporting by Undertakings, Law on Companies of the Republic of Lithuania and taking into consideration the description of the guidelines for transparency of the activities of state-owned enterprises. Shares of Ignitis are not included and they are not traded on the regulated stock exchange. Articles of Association of Ignitis do not set any other requirements for the content of Ignitis Annual Report than the ones provided for in the legislation specified above.

Ignitis management is responsible for the information contained in the Annual Report. The report and the documents, on the basis of which it was prepared, are available at the head office of the company (Laisvės pr. 10, Vilnius) on working days from Mondays to Thursdays from 7.30 am to 4.30 pm, and on Fridays from 7.30 am to 3.15 pm (with a prior arrangement).

Company details

1. Company name: Ignitis
2. Legal form: Private Limited Liability Company
3. Share capital: EUR 41,155,000.26
4. Registration date and place: 2 September 2014, the Register of Legal Entities
5. Company code: 303383884
6. Company address: Laisvės pr. 10, LT-04215 Vilnius
7. Company's register: Register of Legal Entities
8. Phone: +370 5 278 2222
9. Email: info@ignitis.lt
10. Website: www.ignitis.lt

Legal disclaimers

1. There were no significant events after the end of the financial year except those revealed in Business highlights.
2. The Company uses derivatives and hedging instruments that are subject to accounting of hedging transactions.
3. As at the beginning of the reporting period, the Company did not have own shares and did not acquire any during the reporting period.
4. The Company does not have any branches or representative offices.
5. The Company foresees further sustainable development of its existing operations seeking to ensure higher profitability of the activities and efficiency of asset use in a long term. Research will be carried out as and when required.
6. The Company's operations are in compliance with the requirements of environmental protection legislation.

Alternative Performance Measures

Alternative Performance Measures (APM) – adjusted figures used in this report refer for measurement of internal performance management. As such, they are not defined or specified under IFRS, nor do they comply with IFRS requirements. Definitions of alternative performance measures can be found on the website of AB Ignitis grupė ([link](#)).

Internal control and risk management systems relevant to the preparation of financial statements

The Company's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

The staff of the company's accounting firm ensures that the financial statements are properly prepared and that the data is collected in a timely and accurate manner. The preparation of the company's financial statements, the systems of internal control and financial risk management are controlled and managed according to legal acts, that regulate financial statements.

Information about agreements of the company or its governing body members or employees, providing for compensation in the event of their resignation or termination of employment on no grounds or in case their employment is terminated due to changes in controls of the parental company (official proposal).

Company and its governing body members or employees have not entered into agreements that provide for compensation in the event of their resignation or termination of employment on no grounds or in case their employment is terminated due to changes in controls of the parental company

Information about the restrictions on the transfer of the company's equity securities established in legal acts, articles of association or shareholder agreements

There are no restrictions on the transfer of the company's equity securities set out in legal acts, articles of association or shareholder agreements.

Information about the company's branches and representative offices and research and development activities

The company has no branches and representative offices and does not carry out research and development activities

Notice on the language

In the event of discrepancies between the Lithuanian and English versions of the documents, the Lithuanian version shall prevail.

6.2 Information on compliance with the Guidelines on Transparency in State-Owned Companies

Information on compliance with the Guidelines on Transparency in State-Owned Companies

Point in the description of the Guidelines on Transparency in State-Owned Companies (version as at 30 April 2021)	Disclosure	Explanation
Chapter II. Disclosure of information by a State-owned enterprise		
5. The following data and information must be published on the website of a state-owned entity:		
5.1. name;	Yes	
5.2. the code and register in which the company's data is collected and stored;	Yes	
5.3. registered office (address);	Yes	
5.4. the legal status if the state-owned entity is being restructured, reorganised (indicating the type of reorganisation), liquidated, bankrupt or insolvent;	Yes	Information available on www.ignitis.lt
5.5. the name of the authority representing the State and a link to its website;	Yes	
5.6. operational objectives, vision and mission;	Yes	
5.7. structure;	Yes	
5.8. data about the head of the company;	Yes	
5.9. data about the chairman and members of the management board, if the management board established under the articles of association;	Yes	
5.10. data about the chairman and members of the supervisory council, if the supervisory council is established under the articles of association;	Not applicable	
5.11. names of committees, data about their chairman and members, if committees are established under the articles of association;	Not applicable	
5.12. the sum of the nominal values of the shares owned by the State (to the nearest euro cent) and the share (as a percentage) in the authorised capital of the State-owned company;	Yes	
5.13. special obligations shall be carried out in accordance with the guidelines approved by the Minister of Economy and Innovation of the Republic of Lithuania: the purpose of the special obligations shall be specified, the state budget allocations for their execution in the current calendar year and the legal acts by which the state-owned companies is entrusted with the execution of the special obligation shall be indicated, the terms and conditions of the execution of the special obligation shall be set and/or the pricing shall be regulated;	Not applicable	The company has no special obligations
5.14. information on social responsibility initiatives and measures, major investment projects underway or planned.	Yes	Information available on www.ignitis.lt
6. In order to ensure publicity regarding the professionalism of the members of the management and supervisory bodies and committees of State-owned companies, the following data shall be published for the persons referred to in sub-paragraphs 5.8 to 5.11 of the Description: name, surname, date of commencement of the current position, other managerial positions held in other legal entities, education, qualifications, professional experience. If the person referred to in points 5.9 to 5.11 is elected or appointed as an independent member, this shall be indicated in addition to his/her data.	Yes	Information available on www.ignitis.lt
7. The following documents shall be published on the website of a State-owned enterprise:		
7.1. Articles of Association;	Yes	Information available on www.ignitis.lt
7.2. statement from the representative body of the State on the definition of the State's objectives and expectations in a State-owned enterprise;	Not applicable	A Letter of Expectations is submitted to the Parent company and is available on www.ignitisgrupe.lt
7.3. the business strategy or a summary thereof where the business strategy contains confidential information or information considered to be a commercial/industrial secret;	Yes	
7.4. a document setting out the remuneration policy covering the remuneration of the chief executive of a State-owned enterprise and the remuneration of the members of the collegiate bodies and committees of a State-owned enterprise, as detailed in the Corporate Governance Code;	Yes	Information available on www.ignitis.lt
7.5. annual and interim reports of a State-owned enterprise, and annual and interim activity reports of a State-owned enterprise for a period of at least 5 years;	Yes	Annual reports are available on www.ignitis.lt The Company

7.6. sets of annual and interim financial statements for a period of at least 5 years and auditor's reports on the annual financial statements.	Yes	does not prepare interim reports Annual financial statements and auditor's reports are available on www.ignitis.lt The Company does not prepare interim financial statements
8. If the State-owned company is the parent company, its website shall publish the structure of the group of companies, as well as the particulars referred to in points 5.1 to 5.3 of the Description concerning the subsidiaries and entities of subsequent rows, the website addresses, the percentage of the parent company's shareholding in their share capital as well as the annual consolidated financial statements and the consolidated annual reports.	Yes	Information available on www.ignitis.lt
9. If a State-owned company is a participant in legal entities other than those referred to in point 8 of the Description, the data and website addresses of those legal entities referred to in points 5.1 to 5.3 of the Description shall be published on its website.	Yes	Information available on www.ignitis.lt
9 ¹ . If the entity is a subsidiary or an entity of a subsequent row of the State-owned company, the website shall contain the parent company's data referred to in points 5.1 to 5.3 of the Description and a link to the website of the parent company.	Yes	
10. Any change or publication of incorrect data, information and documents referred to in points 5 and 6, 7.1 to 7.4, 8, 9 and 91 of the Schedule shall be promptly amended and published on the website.	Yes	Information and documents that have changed are updated immediately
11. The set of annual financial statements of the State-owned company, the annual report of the State-owned company, the annual activity report of the State-owned company, as well as the auditor's report on the annual financial statements of the State-owned company, must be published on the website of the State-owned company within 10 working days from the date of the approval of the annual financial statements of the State-owned company.	Yes	Documents are published on the website within a set time limit
12. The sets of interim financial statements of the State-owned company, the interim reports of the State-owned company and the interim activity reports of the State-owned company must be published on the website of the State-owned company at the latest 2 months after the end of the reporting period.	Not applicable	The Company does not prepare interim financial statements
13. The documents referred to in point 7 of the Description shall be published in PDF format and shall be technically printable.	Yes	Documents are published in PDF format
Chapter III. Preparation of financial statements, reports and activity reports		
14. State-owned companies shall maintain their accounting in such a way as to ensure the preparation of financial statements in accordance with international accounting standards.	Yes	The Company's accounting is in accordance with IFRS
15. In addition to the annual financial statements, a State-owned company prepares a set of 6-month interim financial statements, and a state enterprise prepares sets of 3-month, 6-monthly and 9-month interim financial statements.	Not applicable	The Company does not prepare interim financial statements
16. A State-owned company classified as a public interest entity under the Law on Audit of Financial Statements of the Republic of Lithuania prepares a 6-month interim report in addition to the annual report. A State-owned enterprise classified as a public-interest entity under the Law on Audit of Financial Statements of the Republic of Lithuania shall, in addition to the annual activity report, prepare a 6-month interim activity report.	Not applicable	The Company does not meet the criteria of a public-interest entity established by law
17. The annual report of a State-owned company or the annual activity report of a State-owned company shall, in addition to the content requirements set out in the Law on Financial Reporting of Enterprises of the Republic of Lithuania or the Law on State and Municipal Enterprises of the Republic of Lithuania, contain:		
17.1. a brief description of the business model of the State-owned company;	Yes	The Company presents information in the annual report
17.2. information on significant events that occurred during and after the financial year (prior to the preparation of the annual report or the annual activity report) that had a material impact on the activities of the State-owned enterprise;	Yes	
17.3. the results of the achievement of the objectives set out in the State-owned company's operational strategy;	Yes	
17.4. profitability, liquidity, asset turnover, debt ratios;	Yes	
17.5. fulfilment of specific obligations;	Not applicable	
17.6. Implementation of the investment policy, ongoing and planned investment projects and Investments during the year under review;	Yes	The Company presents information in the annual report
17.7. implementation of the risk management policy in a State-owned company;	Yes	
17.8. implementation of dividend policy in State-owned companies;	Yes	
17.9. implementation of remuneration policy;	Yes	
17.10. the total annual payroll fund, the average monthly salary by position and/or department;	Yes	
17.11. information on compliance with the provisions of Chapters II and III of the Description: how they are being implemented, which provisions are not being complied with and an explanation of why.	Yes	
18. State-owned companies and state enterprises that are not required to prepare a corporate social responsibility report are recommended to include in their annual report or annual activity report, as appropriate, information on environmental, social and human resources, human rights, anti-corruption and anti-bribery issues.	Not applicable	The social responsibility report (included in the annual report) is prepared at the level of Ignitis Group and published on

19. If the information referred to in point 17 of the Description is considered to be a commercial (industrial) secret or confidential information of the State-owned company, the State-owned company may not disclose such information, but state in the annual report of the State-owned company or the annual activity report of the State-owned company, as the case may be, that the information is not to be disclosed and under what reason.	Not applicable	The Company presents information in the annual report
20. The annual report of the State-owned company or the annual activity report of the State enterprise may also contain other information not specified in the Description.	Yes	The annual report also contains other information
21. A State-owned company which is the parent company shall disclose in its consolidated annual report or, if it is not required by law to prepare a consolidated annual report, in its annual report, the structure of the group of companies, as well as the data referred to in points 5.1 to 5.3, for each of its subsidiaries and subsequent-row subsidiaries, the shareholding (in percentage of share capital) in the authorised capital of the subsidiary and the financial and non-financial results of its operations for the financial year. Where a State-owned company which is the parent company prepares a consolidated annual report, the requirements of point 17 of the Description shall apply <i>mutatis mutandis</i> to it.	Yes	The Company presents information in the annual report
22. The interim report of a State-owned enterprise or the interim performance report of a State-owned enterprise shall include a brief description of the business model of the State-owned enterprise, an analysis of its financial performance for the period under review, information on significant events that occurred during the period under review, as well as the indicators of profitability, liquidity, turnover, assets and debt, and the changes of these indicators as compared to the corresponding period of the previous year.	Not applicable	The Company does not prepare interim report

7. Glossary

#	Number
%	In percent
'000	Thousand
12-month	The period of the previous twelve months
AB	Joint Stock Company
RE	Renewable energy
RES	Renewable energy sources
ESG	Environmental, Social and Corporate Governance
company	UAB Ignitis
B2B	Business to business
B2C	Business to consumer
BEV	Battery Electric Vehicle
CO2	Carbon dioxide
CAGR	Compound Annual Growth Rate
d	days
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, taxes, depreciation and amortisation.
eNPS	Employee Net Promoter Score
EU	European Union
GW	Gigawatts
Ignitis Eesti	Ignitis Eesti OÜ
Ignitis group	The group of companies AB Ignitis grupē
Ignitis Latvija	Ignitis Latvija SIA
Ignitis Polska	Ignitis Polska sp. z o.o
ISO	International Organisation for Standardisation
Litgas	UAB Litgas
y	Year
month	Month/month
m	Million
MW	Megawatt
MWh	Megawatt hour
n/a	Not applicable
NPS	Net promoter score
OPEX	Operating expenses
Parent company	UAB Ignitis
pp	Percentage point
ROA	Return on Assets
ROCE	Return on Capital Employed
ROE	Return on Equity
ROI	Return on Investment
SBTi	Science Based Targets initiative
LNG	Liquefied Natural Gas
LNGT	Liquefied Natural Gas Terminal
LEA	Lithuanian Energy Agency
GHG	Greenhouse gas
TRIR	Total Recordable Incident Rate
TWh	Terawatt hour
UAB	Private Limited Liability Company
UNGC	United Nations Global Compact
NERC	National Energy Regulatory Council
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
PBM	Payment for the activities of Board member

8. Financial statements

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8.1 Consolidated financial statements

Unaudited consolidated financial statements prepared for the year ended 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the European Union

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The Group's consolidated financial statements were prepared and signed by UAB Ignitis management on 24 February 2026:

Artūras Bortkevičius	Darius Šimkus	Rūta Tijūnaitienė
General Manager	Manager of Finance and Business Support Department	Senior accounting expert of UAB „Ignitis grupės paslaugų centras”, acting under Decision No 26_GSC_SP_0024 of 19 February 2026

Consolidated Statement of profit or loss and other comprehensive income

For the year ended 31 December 2025

EURk	Note	2025	2024
Revenue from contracts with customers	5	1,211,589	1,222,703
Other income	6	2,053	4,267
Total revenue		1,213,642	1,226,970
Purchases of electricity, natural gas and other services	7	(1,174,700)	(1,144,544)
Depreciation and amortisation		(7,573)	(4,181)
Salaries and related expenses	7	(25,270)	(20,886)
Other expenses	7	(29,569)	(22,562)
Total expenses		(1,237,112)	(1,192,173)
Operating profit (loss)		(23,470)	34,797
Finance income	8	2,093	3,723
Finance expenses	8	(10,254)	(10,417)
Finance activity result, net		(8,161)	(6,694)
Profit (loss) before tax		(31,631)	28,103
Income tax (expenses)/benefit	9	6,430	(6,574)
Net profit (loss) for the year		(25,201)	21,529
Other comprehensive income			
Change in actuarial assumptions		34	(18)
Items that will not be reclassified to profit or loss in subsequent periods (net of tax), total		34	(18)
Cash flow hedges – effective portion of change in fair value		8,100	196
Cash flow hedges – reclassified to profit or loss		(6,393)	4,014
Foreign operations – foreign currency translation differences		67	112
Items that may be reclassified to profit or loss in subsequent periods (net of tax), total		1,774	4,322
Total other comprehensive income (loss) for the year	10	1,808	4,304
Total comprehensive income (loss) for the year		(23,393)	25,833

Consolidated Statement of financial position

As at 31 December 2025

EURk	Note	31 December 2025	31 December 2024
Assets			
Intangible assets	11	23,012	20,490
Property, plant and equipment	12	61,919	40,141
Right-of-use assets		12,332	4,492
Prepayments for non-current assets		3,797	4,956
Non-current receivables	13.1	5,906	8,185
Other non-current assets		2,184	1,351
Deferred tax assets	9.4	25,273	20,968
Non-current assets		134,423	100,583
Inventories	14	24,529	50,053
Prepayments and deferred expenses		1,692	2,008
Trade receivables	15	191,116	197,702
Other receivables	13.2	47,082	74,652
Other current assets	24	3,098	2,893
Prepaid income tax		345	4,805
Cash and cash equivalents	16	64,781	46,673
Current assets		332,643	378,786
Total assets		467,066	479,369
Equity and liabilities			
Share capital	17.2	41,155	41,155
Share premium		93,985	93,985
Reserves	18		
Legal reserve		-	4,116
Hedging reserve		(4,611)	(6,318)
Other reserves		440	373
Retained earnings		(27,656)	(52,369)
Equity		57,549	80,942
Non-current loans	19.1	47,407	11,800
Non-current lease liabilities	19.1	10,663	3,955
Provisions	20	5,953	332
Other non-current liabilities		2,129	3,746
Non-current liabilities		66,152	19,833
Loans	19.1	19,320	456
Lease liabilities	19.1	1,021	488
Trade payables	22	210,042	257,509
Advances received	21.2	40,334	13,458
Provisions	20	11,290	49,311
Deferred income	21.1	29	6,132
Other current liabilities	23	61,332	51,240
Current liabilities		343,365	378,594
Total liabilities		409,517	398,427
Total equity and liabilities		467,066	479,369

Consolidated Statement of changes in equity

For the year ended 31 December 2025

EURk	Note	Share capital	Share premium	Legal reserve	Hedging reserve	Other reserves	Retained earnings (deficit)	Total
Balance as at 1 January 2024		41,155	93,985	5,151	(10,528)	261	(74,915)	55,109
Net profit for the year		-	-	-	-	-	21,529	21,529
Other comprehensive income (loss)	10	-	-	-	4,210	112	(18)	4,304
Total comprehensive income (loss) for the year		-	-	-	4,210	112	21,511	25,833
Transfers from legal reserve		-	-	(1,035)	-	-	1,035	-
Balance as at 31 December 2024		41,155	93,985	4,116	(6,318)	373	(52,369)	80,942
Balance as at 1 January 2025		41,155	93,985	4,116	(6,318)	373	(52,369)	80,942
Net profit for the year		-	-	-	-	-	(25,201)	(25,201)
Other comprehensive income (loss)	10	-	-	-	1,707	67	34	1,808
Total comprehensive income (loss) for the year		-	-	-	1,707	67	(25,167)	(23,393)
Transfers from legal reserve		-	-	(4,116)	-	-	4,116	-
Loss coverage from share premium		-	(45,764)	-	-	-	45,764	-
Balance as at 31 December 2025		41,155	48,221	-	(4,611)	440	(27,656)	57,549

Consolidated Statement of cash flow

For the year ended 31 December 2025

EURk	Note	2025	2024
Net profit (loss) for the year		(25,201)	21,529
Adjustments for:			
Depreciation and amortisation expenses	11,12	7,573	4,181
Fair value changes of derivatives	24.1	(1,661)	(823)
Income tax expenses/(benefit)	9	(6,430)	6,574
Increase/(decrease) in provisions	20	(32,359)	(31,791)
Inventory write-off to net realizable value/(reversal)	14	2,942	(14,103)
Impairment/(reversal of impairment) of financial assets		585	(1,093)
Loss/(gain) on disposal/write-off of property, plant and equipment		83	17
Interest income	8	(2,046)	(3,258)
Interest expenses	8	4,286	4,273
Other expenses/(income) of financing activities		5,923	5,679
Other non-monetary adjustments		531	(97)
Changes in working capital:			
(Increase)/decrease in trade receivables and other receivables		9,975	5,199
(Increase)/decrease in inventories, prepayments and deferred expenses, and other non-current assets		20,332	55,715
Increase/(decrease) in trade payables, deferred income, advances received, other non-current and current liabilities		(933)	38,817
Income tax (paid)/received		(1,537)	18,807
Net cash flows from operating activities		(17,937)	103,546
Acquisition of property, plant and equipment and intangible assets		(27,879)	(25,263)
Proceeds from sale of property, plant and equipment		20	20
Loans granted		-	(25,718)
Loans repayment		25,617	-
Interest received		827	1,877
Finance lease payments received		993	1,617
Net cash flows from investing activities		(422)	(47,467)
Loans received	19.2.1	37,603	-
Repayment of loans	19.2.1	-	(27,000)
Net change of overdrafts	19.2.1	(23)	23
AB „Ignitis grupė“ group's cash-pool platform, net	19.2.1	16,668	(38,959)
Lease payments	19.2.1	(1,531)	(405)
Interests paid	19.2.1	(4,708)	(4,497)
Amounts under trade finance agreements		(11,542)	(6,080)
Net cash flows from financing activities		36,467	(76,918)
Increase (decrease) in cash and cash equivalents		18,108	(20,839)
Cash and cash equivalents at the beginning of the period		46,673	67,512
Cash and cash equivalents at 31 December	16	64,781	46,673

Notes

For the year ended 31 December 2025

1 General information

UAB Ignitis (hereinafter – the parent company) is a private limited liability company registered in the Republic of Lithuania. The parent company was registered on 02 September 2014 with the Register of Legal Entities managed by the public institution the Centre of Registers. Parent company's registered office address is Laisvės pr. 10, LT-04215, Vilnius, Lithuania. Parent company code 303383884, VAT code LT100008860617. Parent company has been founded for an indefinite period.

The parent company and its subsidiaries are hereinafter collectively referred to as 'the Group'. The Group's core line of business is the supply, purchase (import), planning and sale of natural gas and electricity to consumers. The Group supplies natural gas to corporate customers operating in the sectors of energy, industry and small commercial businesses, and to private customers, including supply of liquefied natural gas (hereinafter – LNG) through the Klaipėda LNG Terminal. The Group also develops a range of smart services, offers charging solutions for electric vehicles, an electricity balancing service, solar power and other energy solutions based on technological innovations, and sells electricity origin certificates. Information on the Group's structure is provided in Note 25.

The Group's sole shareholder was:

Company's shareholder	31 December 2025		31 December 2024	
	Number of shares held	%	Number of shares held	%
AB „Ignitis grupė“	141,913,794	100	141,913,794	100
Total	141,913,794	100	141,913,794	100

The Group's sole shareholder is AB „Ignitis grupė“ (company code 301844044, registered address Laisvės pr. 10, LT-04215 Vilnius, Lithuania), which owns 100% of shares as at 31 December 2025 and 2024. As at 31 December 2025 and 31 December 2024, the shareholder structure of AB „Ignitis grupė“ is as follows: the Ministry of Finance of the Republic of Lithuania (74.99%), and retail and institutional investors (25.01%).

AB „Ignitis grupė“ is an ultimate controlling company. AB „Ignitis grupė“ group comprises AB Ignitis grupė and all of its subsidiaries (AB „Ignitis grupė“ group).

These consolidated financial statements were prepared and signed for issue by Group's management on 24 February 2026.

The Group's shareholders have a statutory right to either approve or refuse to approve these financial statements and require the management to prepare a new set of financial statements. These are consolidated financial statements of the Group. The parent company also prepares separate financial statements in accordance with IFRS Accounting Standards as adopted by the EU as required by local legislation.

2 Basis of preparation

2.1 Basis of accounting

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (hereinafter referred to as 'IFRS') issued by International Accounting Standards Board (hereinafter referred to as 'IASB') and endorsed for application in European Union.

The Group's financial statements as at and for the year ended 31 December 2025 have been prepared on a going concern basis applying measurement based on historical cost, except certain financial instruments measured at fair value.

The financial statements provide comparative information in respect of the previous period.

Details of the Group's accounting policies, including changes thereto, are included in the section 'Accompanying information' of these financial statements.

2.2 Functional and presentation currency

These consolidated financial statements are presented in euros, which is the Group's functional currency and all values are rounded to the nearest thousand (EUR '000), except when otherwise indicated. The Group's financial statements provide comparative information in respect of the previous period.

3 Changes in material accounting policies

3.1 Changes in accounting policy and disclosures

The accounting policies applied in the preparation of these 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 2024, with the exception of the new standards which entered into force during the year of 2025. The Group has not applied any standard, interpretation, or amendment for which the early application is permitted but is not yet effective.

More information about new standards is available in section 'Material accounting policies' of these financial statements.

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

While preparing these financial statements, the management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, costs and contingencies. Changes in the underlying assumptions of such estimates and judgements may have a material effect on financial statements in the future.

Estimates and judgements with underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments, where appropriate. Revisions to the estimates and judgements are recognised prospectively.

Significant accounting estimates and judgements used in the preparation of the financial statements are described in this note. For other estimates and judgements used herein, refer to other notes of these financial statements.

Significant accounting estimates and judgments	Note	Estimate/judgment
Principal or an Agent in relation to gas and electricity transmission and distribution services	5.4.1	Judgment
Realization of deferred tax	9.3	Estimate
Impairment of intangible assets identified during business combination	11	Estimate
Collective assessment of ECL applying provision matrix	15.1.1	Estimate/judgment
Individual assessment of ECL	15.1.2	Estimate/judgment
Expected credit losses of trade receivables	15.2	Estimate/judgment
Regulated Activities: Accrued Income and Provisions	20.2.1	Estimate
Assessment of onerous contracts	20.2.2	Estimate
Regulated activity: accrual of income and regulatory provision from public electricity supply	27.2.2.1	Estimate
Impact of climate change	29.4	Estimate

5 Revenue

5.1 Revenue by type

EURk	2025	Non-household customers	Household customers	Total
Revenue from the sale of electricity		580,368	186,862	767,230
Revenue from gas sales		273,219	114,956	388,175
Revenue from public electricity supply		2,514	50,478	52,992
Revenue of LNGT security component ¹		(436)	-	(436)
Revenue from project activities		2,749	580	3,329
Other revenue		299	-	299
Total revenue		858,713	352,876	1,211,589

¹Adjustment (return) of revenues collected through LNGT security component, as per the Law on the Liquefied Natural Gas Terminal of the Republic of Lithuania. Approved by NERC.

EURk	2024	Non-household customers	Household customers	Total
Revenue from the sale of electricity		520,030	206,529	726,559
Revenue from gas sales		302,443	99,487	401,930
Revenue from public electricity supply		1,266	43,895	45,161
Revenue of LNGT security component		31,797	-	31,797
Revenue from project activities		13,770	1,650	15,420
Other revenue		1,836	-	1,836
Total revenue		871,142	351,561	1,222,703

5.2 Revenue from contracts with customers by timing

EURk	2025	2024
Performance obligation settled over time	1,203,184	1,168,965
Performance obligation settled at a specific point in time	8,405	53,738
Total	1,211,589	1,222,703

5.3 Contract balances

EURk	Note	31 December 2025	31 December 2024
Trade receivables	15	190,378	197,702
Accrued revenue from electricity related sales		13,180	10,766
Accrued revenue from gas related sales		2,781	1,537
Other accrued revenue		902	1,621
Contract assets		16,863	13,924
Advances received	21.2	40,318	13,443
Deferred income	21.1	26	6,132
Contract liabilities		40,344	19,575
Current contract liabilities	21.2	40,344	19,575

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under the contracts. Recognised expected credit losses (if any) are disclosed in Note 15.

5.4 Significant accounting estimates and judgements

5.4.1 Collection and transfer of fees for gas and electricity transmission and distribution components

The Group's management has identified that in respect of gas and electricity distribution and transmission services the Group acts as an agent. The management relied on the following arguments:

- For all transmission and distribution services the Group is not ultimately responsible, since the owners of the transmission and distribution grid take full responsibility, as provided for in the laws and regulations, and agreements with customers;
- The Group also does not bear inventory risk since price of transmission and distribution services is determined based on meter readings, i.e. fee of transmission and distribution components is charged to the Group only to the amount of gas and electricity consumed by the end customer;
- The prices of transmission and distribution components are determined by the grid operator and approved by the NERC.

6 Other income

EURk	2025	2024
Ineffective hedging result (Note 24.1)	1,296	2,339
Interest on late payments	454	1,219
Other income	303	709
Total	2,053	4,267

7 Expenses

7.1 Purchases of electricity, natural gas and other services

EURk	2025	2024
Purchases of electricity and related services	800,525	749,920
Purchases of natural gas and related services	372,360	382,717
Other purchases	1,815	11,907

Total	1,174,700	1,144,544
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7.2 Other expenses

EURk	2025	2024
Telecommunications and IT services	7,126	5,008
Customer service	7,116	6,709
Asset management and administration	3,026	2,419
Communication	2,527	1,650
Finance and accounting	1,945	1,576
People and culture	1,352	1,211
Legal	1,351	1,164
Impairment (impairment reversal) of receivables	585	(1,065)
Write-offs of receivables	531	1,290
Insurance	171	146
Write-offs of inventories	147	-
Tax (other than income tax) expenses	35	107
Other	3,578	2,096
Total	29,490	22,562

8 Finance activity

EURk	2025	2024
Interest income at the effective interest rate	2,046	3,258
Positive effect of changes in exchange rates	-	175
Other income from financing activities	47	290
Total finance income	2,093	3,723
Finance costs related to trade finance agreements	5,771	6,080
Interest expenses	4,286	4,273
Loss from foreign currency exchange differences	46	-
Other expenses of financing activities	151	64
Total financial expenses	10,254	10,417
Finance activity, net	(8,161)	(6,694)

9 Income taxes

9.1 Amounts recognised in profit or loss

EURk	2025	2024
Income tax expenses (benefit) for the year	1,699	728
Deferred tax expenses (benefit)	(8,730)	3,676
Result from sale of tax losses	601	2,170
Total	(6,430)	6,574

9.2 Amounts recognised in other comprehensive income

Income taxes during 2025 recognised in other comprehensive income comprise EUR 284 thousand in income tax expenses and EUR 334 thousand in deferred tax expenses (in 2024, EUR 343 thousand in income tax benefit and EUR 1,083 thousand in deferred tax expenses).

9.3 Effective tax rate

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

EURk	2025	2025	2024	2024
Profit (loss) before tax		(31,631)		28,103
Income tax expenses (benefit) at tax rate of 16%	16.00 %	(5,061)	15.00 %	4,215
Effect of tax rates in foreign jurisdictions	(4.88) %	1,545	1.06 %	299
Non-taxable income and non-deductible expenses	6.49 %	(2,052)	5.33 %	1,497
Adjustments in respect of prior years	-	-	(0.92) %	(258)
Income tax rate change	5.02 %	(1,588)	(4.71) %	(1,325)
Other	(2.30) %	726	7.64 %	2,146
Income tax expenses (benefit)	20.33 %	(6,430)	23.40 %	6,574

Standard income tax rate of 16% was applicable to the companies in Lithuania (starting from 2026 – 17%), in Poland – 19%, in Finland – 20%. Standard income tax rate in Latvia 20% and Estonia is 22% on the gross amount of the distribution.

9.4 Deferred tax

EURK	31 December 2023	Recognised in profit or loss	Recognised in other comprehensive income	Sold tax loss	Difference on exchange rate	31 December 2024	Recognised in profit or loss	Recognised in other comprehensive income	Sold tax loss	Difference on exchange rate	31 December 2025
Deferred tax assets											
Tax losses carry forward	33,553	(333)	1,451	(24,328)	-	10,343	12,111	(1,604)	(3,490)	-	17,360
Provision for onerous contracts	9,980	(2,645)	-	-	-	7,335	(5,913)	-	-	-	1,422
Inventories write down to NRV	2,204	(2,109)	-	-	-	95	506	-	-	-	601
Accrued expenses	3,418	(635)	-	-	5	2,788	1,724	-	-	(2)	4,510
Impairment of trade receivables	1,021	(104)	-	-	2	919	171	-	-	1	1,091
Differences of financial and tax value (PPE)	1,702	(319)	-	-	-	1,383	(309)	-	-	-	1,074
Non-current employee benefits	19	(1)	3	-	-	21	2	(7)	-	-	16
Lease liability (IFRS16)	59	483	-	-	1	543	358	-	-	-	901
Other	508	(76)	-	-	1	433	184	-	-	1	618
Deferred tax asset	52,464	(5,739)	1,454	(24,328)	9	23,860	8,834	(1,611)	(3,490)	-	27,593
Deferred tax liabilities											
Derivatives	554	(281)	2,537	-	-	2,810	417	(1,272)	-	-	1,955
Right-of-use asset (IFRS16)	45	482	-	-	-	527	343	-	-	-	870
Other	(354)	(94)	-	-	3	(445)	(55)	(5)	-	-	(505)
Deferred tax liability	245	107	2,537	-	3	2,892	705	(1,277)	-	-	2,320
Deferred tax, net	52,219	(5,846)	(1,083)	(24,328)	6	20,968	8,129	(334)	(3,490)	-	25,273

The Group's statement of financial position as at 31 December 2025 presents separately deferred tax assets EUR 25,273 thousand related to different subsidiaries. The net balance of deferred tax is assets of EUR 25,273 thousand. Deferred tax assets and liabilities arising from the same entity are presented on net basis in the statement of financial position (as at 31 December 2024 deferred tax assets EUR 20,968 thousand).

Deferred tax asset has been recognized on the assumption that the Group expects to utilize tax losses over the next 10 years. The tax loss incurred in 2025 is planned to be transferred to Group companies.

On 14 May 2025, the Group signed a tripartite agreement, under which it transferred to the Group company tax losses of EUR 25,568 thousand, for which it received the consideration for amount EUR 3,490 thousand.

During the year 2024 the parent company transferred tax losses for amount EUR 176,653 thousand (deferred tax asset amounts to EUR 26,498 thousand) to other Group companies and received a payment for amount EUR 24,328 thousand.

As at 31 December 2025, the Group did not recognise the deferred tax assets from temporary differences of EUR 3,661 thousand (investment tax relief), as it is not clear whether future taxable profits will be available against which they can be used (31 December 2024: the Group did not recognise deferred tax assets on investment tax relief in the amount of EUR 2,271 thousand). The Group will be able to benefit from investment project incentives, for which it did not recognize deferred income tax, over the next four years, until 2029 inclusive.

In Lithuania tax losses can be carried forward for an indefinite period, except for losses incurred as a result of disposal of securities and/or derivative financial instruments. Such carrying forward is disrupted if the Company changes its activities due to which these losses incurred except when the Company does not continue its activities due to reasons which do not depend on the Company itself can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. The transferable tax loss cannot cover more than 70% of the taxable profit of the current year.

In Poland, losses that could not have been set off may be carried forward for the maximum period of 5 years. Up 50% of loss may be utilised in a given year. It is also possible to reduce the losses by the amount not exceeding PLN 5.0 million at a time, with the amount not deducted being settled in the remaining years over the five-year period, provided that the amount of the reduction in any of those years may not exceed 50% of the amount of the losses.

10 Other comprehensive income

EURm	Hedging re-serve	Other reserves	Retained earnings	Total
Items that will not be reclassified to profit or loss in subsequent periods				
Result of change in actuarial assumptions	-	-	(21)	(21)
Tax	-	-	3	3
Items that may be reclassified to profit or loss in subsequent periods				
Cash flow hedges – effective portion of change in fair value	231	-	-	231
Cash flow hedges – reclassified to profit or loss	4,722	-	-	4,722
Foreign operations – foreign currency translation differences	-	112	-	112
Tax	(743)	-	-	(743)
Total as at 31 December 2024	4,210	112	(18)	4,304
Items that will not be reclassified to profit or loss in subsequent periods				
Result of change in actuarial assumptions	-	-	41	41
Tax	-	-	(70)	(7)
Items that may be reclassified to profit or loss in subsequent periods				
Cash flow hedges – effective portion of change in fair value	9,991	-	-	9,991
Cash flow hedges – reclassified to profit or loss	(7,668)	-	-	(7,668)
Foreign operations – foreign currency translation differences	-	62	-	62
Tax	(616)	5	-	(611)
Total as at 31 December 2025	1,707	67	34	1,808

11 Intangible assets

EURk	Patents and licences	Computer software	Intangible assets identified during business combination	Software development	Total
Acquisition cost at 1 January 2025	9	9,508	43,958	4,496	57,972
Additions	-	863	-	5,294	6,157
Reclassifications between categories	-	4,521	-	(4,521)	-
Acquisition cost at 31 December 2025	9	14,892	43,958	5,269	64,128
Accumulated amortisation at 1 January 2025	(9)	(6,238)	(31,234)	-	(37,481)
Amortisation	-	(2,245)	(1,198)	-	(3,443)
Reclassifications (to)/from other items of Statement of financial position	-	(189)	-	-	(189)
Foreign currency exchange difference	-	-	-	(3)	(3)
Accumulated amortisation at 31 December 2025	(9)	(8,672)	(32,432)	5,269	(41,116)
Carrying amount at 31 December 2025	-	6,220	11,526	5,269	23,012
Acquisition cost at 1 January 2024	9	6,865	43,958	2,491	53,323
Additions	-	195	-	4,449	4,644
Reclassifications between categories	-	2,448	-	(2,448)	-
Reclassifications (to)/from property, plant & equipment	-	-	-	4	4
Acquisition cost at 31 December 2024	9	9,508	43,958	4,496	57,972
Accumulated amortisation at 1 January 2024	(9)	(4,851)	(30,036)	-	(34,896)
Amortisation	-	(1,387)	(1,199)	-	(2,586)
Foreign currency exchange difference	-	-	1	-	1
Accumulated amortisation at 31 December 2024	(9)	(6,238)	(31,234)	-	(37,481)
Carrying amount at 31 December 2024	-	3,270	12,724	4,496	20,490

As at 31 December 2025, the Group carried out an analysis to determine existence of indications of impairment for intangible assets. The Group conducted a thorough review of the business benefits provided by intangible assets, considering information from internal and external sources. Additionally, the Management assessed whether during the reporting period there have been any significant adverse changes in the technological, market, economic and legal environment in which the Group operates, which could impact the value of intangible assets. Although the Group recorded a net loss for the year ended 31 December 2025, which represents an indicator of potential impairment for intangible assets, Management has assessed the recoverable amount of intangible assets and concluded that no impairment is necessary, as the Group is forecasted to return to profitability in 2026.

11.1 Intangible assets identified during business combination

Assets identified during business combination consists of the following Group's operations:

- Hedging activity. The carrying amount of derivative trading activities that were acquired in previous periods as at 31 December 2025 was EUR 4,150 thousand (31 December 2024: EUR 4,565 thousand). Amortisation is calculated over a period of 20 years.
- Balancing services. The carrying amount of balancing services that were acquired in previous periods was EUR 5,736 thousand as at 31 December 2025 (31 December 2024: EUR 6,310 thousand). Amortisation is calculated over a period of 20 years.
- Public electricity supply service, client contracts and relationships. The carrying amount of client contracts and relations relate to public electricity supply that were acquired in previous periods as at 31 December 2025 was EUR 1,640 thousand (31 December 2024: EUR 1,849 thousand). Amortisation is calculated over a period of 15 years.

11.2 Fully amortised intangible assets

The acquisition cost of fully amortised intangible assets used by the Group were as follows:

EURk	31 December 2025	31 December 2024 ¹
Patents and licences	10	10
Computer software	365	171
Acquisition cost of fully amortised assets, total	375	181

¹Due to inaccurate presentation in the previous year, the comparative amount relating to fully amortized patents and licenses has been changed in the 2024 column. Consequently, the total comparative amount has change.

11.3 Acquisition commitments

As at 31 December 2025 and 2024 the Group has no significant acquisition commitments of intangible assets which will have to be fulfilled during the later years.

11.4 Pledged assets

As at 31 December 2025 and 2024, the Group has no pledged intangible assets.

12 Property, plant, and equipment

EURk	Land	Electric Vehicle charging stations	Solar plants	Other property, plant and equipment	Construction in progress	Total
Acquisition cost at 1 January 2025	430	20,076	4,081	236	18,464	43,287
Additions	2,655	10,027	-	160	11,063	23,905
Write-offs	-	(566)	-	(35)	-	(233)
Reclassifications from constructions in-progress	-	14,080	-	141	(14,221)	-
Reclassifications (to)/from other items of Statement of financial position	-	563	-	-	261	824
Acquisition cost at 31 December 2025	3,085	44,180	4,081	502	15,935	67,783
Accumulated depreciation at 1 January 2025	-	(2,029)	(942)	(175)	-	(3,146)
Depreciation	-	(2,658)	(364,0)	(26)	-	(3,048)
Write-offs	-	100	-	34	-	134
Reclassifications (to)/from other items of Statement of financial position	-	197	-	(1)	-	196
Accumulated depreciation at 31 December 2025	-	(4,390)	(1,306)	(168)	-	(5,864)
Carrying amount at 31 December 2025	3,085	39,790	2,775	334	15,935	61,919

EURk	Land	Electric Vehicle charging stations	Solar plants	Other property, plant and equipment	Construction in progress	Total
Acquisition cost at 1 January 2024	-	-	4,081	3,183	14,249	21,513
Additions	430	-	-	10	21,306	21,746
Write-offs	-	-	-	-	(17)	(17)
Reclassified from (to) inventories	-	17,119	-	-	(17,119)	-
Reclassifications between categories	-	2,957	-	(2,957)	-	-
Reclassifications (to)/from other items of Statement of financial position	-	-	-	-	45	45
Acquisition cost at 31 December 2024	430	20,076	4,081	236	18,464	43,287
Accumulated depreciation at 1 January 2024	-	-	(578)	(1,420)	-	(1,998)
Depreciation	-	(737)	(364)	(47)	-	(1,148)
Reclassifications between categories	-	(1,292)	-	1,292	-	-
Accumulated depreciation at 31 December 2024	-	(2,029)	(942)	(175)	-	(3,146)
Carrying amount at 31 December 2024	430	18,047	3,139	61	18,464	40,141

12.1 Fully depreciated property, plant and equipment

The cost of fully depreciated property, plant and equipment, but still used by the Group, were as follows:

EURk	31 December 2025	31 December 2024
Other property, plant and equipment	31	79
Total	31	79

12.2 Pledged property, plant and equipment

As at 31 December 2025 and 2024, the Group did not have property, plant and equipment pledged.

12.3 Acquisition commitments

As at 31 December 2025 and 2024, the Group had no significant acquisition commitments of property, plant and equipment which will have to be fulfilled during the later years.

12.4 Significant accounting estimates related to impairment of property plant and equipment

A major part of assets presented in Property, plant and equipment are used in Electric vehicle charging network activities performed by the Group. The carrying amount of Property, Plant and Equipment allocated to this CGU (incl. land, construction in progress and electric vehicle charging stations is EUR 58,810 thousands as at 31 December 2025 (EUR 36,941 thousands as at 31 December 2024).

Taking into account the fact that the Electric Vehicle charging network CGU is a new business growing in line with the Group's strategy, after evaluating all related assumptions, the Group determined that the carrying amount of the Property, plant and equipment used in Electric Vehicle charging network activity at 31 December 2025 does not require impairment.

13 Other receivables

13.1 Other non-current receivables

EURk	31 December 2025	31 December 2024
Non-current portion of finance lease	5,828	6,873
Other non-current amounts receivable	78	1,312
Total:	5,906	8,185
Less: loss allowance	-	-
Carrying amount	5,906	8,185

Financial assets comprise EUR 5,906 thousand of the total other non-current receivables (31 December 2024: EUR 8,185 thousand).

As at 31 December 2025 and 2024 the Company had no pledged other non-current receivables.

13.2 Other current receivables

EURk	31 December 2025	31 December 2024
Accrued revenue from electricity related sales	13,180	10,766
Public supply regulatory differences of electricity	12,395	-
Deposits for electricity related derivatives in electricity market	7,796	12,377
Deposits for gas related derivatives to commodity traders	7,165	19,650
Accrued revenue from natural gas related sales	2,781	1,537
Current portion of finance lease	1,145	1,093
Other accrued revenue	902	1,621
Loans granted	34	25,772
Other receivables	1,684	1,836
Total	47,082	74,652
Less: loss allowance	-	-
Carrying amount	47,082	74,652

Financial assets comprise EUR 17,110 thousand of the total other receivables (31 December 2024: EUR 58,892 thousand). Accrued revenue from electricity sales, Accrued revenue from natural gas sales, Other accrued revenue and Other receivables are not financial assets.

13.2.1 Deposits for electricity and gas related 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 natural 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 recovered. In the Group's assessment, the expected credit losses on derivative-related deposits are insignificant and therefore not accounted for.

13.2.2 Finance lease receivables

The Group accounts for energy saving contracts as finance lease receivables.

EURk	31 December 2025	31 December 2024
Minimum payments		
Within the first year	1,379	1,366
From two to five years	4,883	5,394
More than five years	2,009	2,730
Total	8,271	9,490
Unearned finance income		
Within the first year	(234)	(273)
From two to five years	(807)	(877)
More than five years	(257)	(374)
Total	(1,298)	(1,524)
Carrying amount	6,973	7,966

As at 31 December 2025 and 2024, the Group assessed whether credit risk of finance lease clients has increased significantly and did not establish any indications and has no information indicating that credit risk of finance lease recipients on an individual basis has increased significantly. Therefore, no lifetime expected credit loss was recognised neither for finance lease receivables.

14 Inventories

EURk	31 December 2025	31 December 2024
Natural gas	20,547	46,464
Consumables, raw materials and spare parts	3,070	2,787
Other	912	802
Carrying amount	24,529	50,053

Under the Lithuanian legislation the Group is required to store a quantity of natural gas in the underground storage facility as a reserve for the smallest (the most sensitive) consumers of the Group. As at 31 December 2025, the latter quantity comprised 480 GWh or EUR 15,998 thousand (31 December 2024: 480 GWh or EUR 21,463 thousand).

The Group's inventories expensed were as follows:

EURk	2025	2024
Natural gas	364,372	385,165
Consumables, raw materials and spare parts	539	11,864
Total	364,911	397,029

Movements on the account of inventory write-down to net realisable value were as follows:

EURk	2025	2024
Carrying amount at 1 January	592	14,695
Additional write-down to net realisable value	2,942	-
Reversal of write-down to net realisable value	-	(14,103)
Carrying amount at 31 December	3,534	592

In 2025, the additional write-down to net realisable value was recognised because market price of natural gas was lower than cost.

The write-down is included in 'Purchase of electricity, natural gas and other services' in the Statement of profit or loss and other comprehensive income.

15 Trade receivables

EURk	31 December 2025	31 December 2024
Amounts receivable under contracts with customers		
Receivables for electricity / gas from non-household customers	136,049	140,550
Receivables for electricity / gas from household customers	59,923	58,738
Other trade receivables	2,148	4,850
Total	198,120	204,138
Less: loss allowance	(7,004)	(6,436)
Carrying amount	191,116	197,702

As at 31 December 2025 and 2024, the Group had not pledged the claim rights to trade receivables.

No interest is charged on trade receivables and the regular settlement period is between 15 and 30 days. Trade receivables for which the settlement period is more than 30 days comprise insignificant part of the total trade receivables. The Group doesn't provide the settlement period longer than 1 year. The Group didn't identify any significant financing components. For terms and conditions on settlements between related parties, see Note 28.

15.1 Loss allowance of amounts receivable (lifetime expected credit losses)

15.1.1 Collective basis assessment of ECL

The table below presents information on the Group's trade receivables under contracts with customers as at 31 December 2025 that are assessed on a collective basis using the loss ratio matrix:

EURk	Loss ratio, %	Trade receivables	Loss allowance
Not past due	0.45	158,154	705
Up to 30 days	1.39	21,926	304
30–60 days	6.55	1,770	116
60–90 days	11.46	707	81
90–120 days	13.66	366	50
More than 120 days	48.61	11,824	5,748
As at 31 December 2025	3.60	194,747	7,004

The table below presents information on the Group's trade receivables under contracts with customers as at 31 December 2024 that are assessed on a collective basis using the loss ratio matrix:

EURk	Loss ratio, %	Trade receivables	Loss allowance
Not past due	0.20	49,326	98
Up to 30 days	0.67	8,841	59
30–60 days	3.32	1,925	64
60–90 days	2.96	2,024	60
90–120 days	12.95	363	47
More than 120 days	52.96	8,408	4,453
As at 31 December 2024	6.74	70,887	4,781

The loss ratio matrix is based on historical data on the settlement for trade receivables during the period of validity of trade receivables and is adjusted with respect to future forecasts. The loss ratios are updated during the preparation of the annual financial statements with respect to the impact of forward-looking information where forward-looking information is indicative of any exacerbation of economic conditions during upcoming years.

15.1.2 Individual assessment of ECL

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

EURk	31 December 2025		31 December 2024	
	Trade receivables	Loss allowance	Trade receivables	Loss allowance
Not past due	2,635	-	23,741	-
Up to 30 days	-	-	-	-
30–60 days	-	-	-	-
60–90 days	-	-	-	-
90–120 days	-	-	-	-
More than 120 days	-	-	11	-
Carrying amount	2,635	-	23,754	-

Loss allowance of amounts receivable is stated in profit or loss of the statement of profit or loss.

15.1.3 Internal rating system assessment of ECL

The table below presents information on the Group's trade receivables from contracts with customers as at 31 December 2025 that are assessed on a collective basis using the internal rating system:

EURk	Trade receivables	Loss allowance
A	74,284	223
B	4,430	30
C	8,734	106
D	2,172	276
E	1,658	1,610
As at 31 December 2025	91,278	2,245

The table below presents information on the Group's trade receivables from contracts with customers as at 31 December 2024 that are assessed on a collective basis using the internal rating system:

EURk	Trade receivables	Loss allowance
A	88,896	204
B	13,624	84
C	5,030	97
D	603	69
E	1,344	1,201
As at 31 December 2024	109,497	1,655

The assessment on the basis of the internal ratings assigned takes into account external and internal information about the debtor, which may be material to determine the debtor's ability to settle with the Group. External sources of information include financial status, court involvement, and debt to other entities, employee trends, arrests, and other information that is used as the basis for establishing a bankruptcy rating (bankruptcy probability model) or risk class. This external information is obtained through service agreements with third parties (Credit Agencies). The internal sources of information include the debtor's profile of actual settlements with the Group based on which the settlement rating is determined. Based on the ratio of bankruptcy ratings or risk classes to settlement ratings, the borrower is assigned internal rating on a scale from A to E, where A is the lowest risk and E is the highest risk grade.

In doing so, expected credit losses are based on the internal ratings assigned to the borrowers.

15.1.4 Movement in the account of loss allowance of trade receivables

EURk	2025	2024
Carrying amount as at 1 January	6,436	7,473
Impairment loss of the year	2,145	1,987
Reversal of loss allowance	(1,577)	(3,024)
Carrying amount at 31 December	7,004	6,436

15.2 Significant accounting estimates and judgements: Expected credit losses of trade receivables

The Group uses a provision matrix to calculate the expected credit losses for trade receivables. The Group accounts for the expected credit losses (hereinafter referred to as 'ECL') by assessing the amounts receivable on an individual basis or on a collective basis and applying the provision matrix in respect of their customers.

15.2.1 Collective assessment of ECL applying provision matrix

The Group uses provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due or allocation to the Group's internal credit rating system for groupings of various customer segments that have similar loss patterns (i.e. by customer type).

The provision matrix is initially based on the Group's historical observed default rates. For instance, if forecast economic conditions (i.e., changes in gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in Note 15.

15.2.2 Individual assessment of ECL

Decision to assess amounts receivable on an individual basis depends on the possibility to obtaining information on the credit history of a particular client / borrower, its financial position as at the date of assessment, including forward-looking information that would allow to timely determine whether there has been a significant increase in the credit risk of that particular client, thus enabling making judgement on the recognition of lifetime expected credit losses in respect of that particular client / borrower. These accounting esti-mates require significant judgement. Judgement is based on information about substantial financial difficulties experienced by the debtor, probability that the debtor will enter bankruptcy or any other reorganisation, default of delinquency in payments.

In the absence of reliable sources of information on the credit history of a particular borrower, its financial position as at the date of assessment, including forward-looking information, the Group assesses the debt on a collective basis.

16 Cash and cash equivalents

EURk	31 December 2025	31 December 2024
Cash balances in bank accounts	61,485	43,269
Overnight deposits	3,296	3,404
Carrying amount	64,781	46,673

Based on contracts with solar fleet developers, the Group collects on their behalf client payments for the acquisition, lease and maintenance of remote solar plants. Collected amounts are transferred to bank accounts specified by the developers. As at 31 December 2025, the amount of payments collected on behalf of such developers amounted to EUR 259 thousand (31 December 2024: EUR 499 thousand).

17 Equity

17.1 Capital management

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

Pursuant to the Republic of Lithuania Law on Companies', the share capital of a private limited liability company must be not less than EUR 1 thousand, and the shareholders' equity must be not lower than 50% of the company's share capital. Foreign subsidiaries are subject for compliance with capital requirements according to the regulation adopted in those foreign countries. As at 31 December 2025 and 2024, the Group complied with the capital regulatory requirements.

When managing the capital risk in a long run, the Group seeks to maintain an optimal capital structure of subsidiaries to ensure a consistent implementation of capital cost and risk minimization objectives. The Group form their capital structure in view of internal factors relating to operating activities, the expected capital expenditures and developments and in view of business strategy of the Group, as well as based on external current or expected factors significant to operations relating to markets, regulation and local economic situation.

17.2 Share capital

Shares	31 December 2025		31 December 2024	
	Share capital, EURk	%	Share capital, EURk	%
Ordinary shares	41,155	100	41,155	100
Total	41,155		41,155	

As at 31 December 2025, the Group's share capital comprised EUR 41,155 thousand (31 December 2024: EUR 41,155 thousand) and was divided into 141,913,794 registered ordinary shares with a EUR 0.29 nominal value per share (31 December 2024: 141,913,794 ordinary registered shares with a EUR 0.29 nominal value per share).

17.3 Share capital reduction

In March 2025, the sole shareholder, has adopted the following decision: to offset the Group's accumulated losses against share premium amounting to EUR 45,764 thousand.

17.4 Dividends

No dividends were paid in 2025 and 2024.

18 Reserves

18.1 Legal reserve

The legal reserve is a compulsory reserve under the Lithuanian legislation. Companies in Lithuania are required to transfer 5% of the net profit from their distributable profit until the total reserve reaches 10% of their share capital. The legal reserve shall not be used for payment of dividends and is formed to cover the future losses only.

The Group's accumulated losses were offset against legal reserve amounting to EUR 4,116 thousand, as approved in the General Shareholders' Meeting on March, 2025.

The Group's legal reserve as at 31 December 2025 was not formed (as at 31 December 2024 - was fully formed).

18.2 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

19 Financing

19.1 Loans and lease liabilities

EURk	31 December 2025	31 December 2024
Other non-current loans	47,407	11,800
Lease liabilities	10,663	3,955
Total non-current	58,070	15,755
Current portion of other non-current loans	756	-
Current portion of bank loans	17,908	-
Bank overdrafts	-	23
Other current loans	656	433
Lease liabilities	1,021	488
Total current	20,341	944
Total	78,411	16,699

Loans and lease liabilities by maturity:

EURk	31 December 2025	31 December 2024
Up to 1 year	20,341	944
From 1 to 2 years	14,228	425
From 2 to 5 years	30,538	12,788
After 5 years	13,304	2,542
Total	78,411	16,699

All loans and lease liabilities of the Group are denominated in euros.

19.1.1 Covenants

The loan agreements provide for financial and non-financial covenants that the Group is obliged to comply with. The Group complied with the covenants as at 31 December 2025 and 2024.

As at 31 December 2025, the balance of the Group's unwithdrawn balance EUR 90,783 thousand (31 December 2024: EUR 50,000 thousand).

19.2 Net Debt

Net Debt is a non-IFRS liquidity metric used to determine the value of debt against highly liquid assets owned by the Group. The management is monitoring the Net Debt metric as a part of its risk management strategy. Debts to financial institutions, loans under cash-pool agreement to Group companies and related interest payables and lease liabilities are included in the net debt calculation. The management defines the Net Debt measure for the purpose of these financial statements in the manner as presented below:

Net Debt balances:

EURk	31 December 2025	31 December 2024
Cash and cash equivalents	(64,781)	(46,673)
Non-current portion	58,070	15,755
Current portion	20,341	944
Net Debt	13,630	(29,974)

19.2.1 Reconciliation of the Group's Net Debt balances and cash flows from financing activities

EURk	Loans		Lease liabilities		Assets	Total
	Non-current	Current	Non-current	Current	Cash and cash equivalents	
Net Debt at 1 January 2024	11,800	66,797	767	285	(67,512)	12,137
Cash changes						
(Increase) decrease in cash and cash equivalents	-	-	-	-	20,839	20,839
Repayments of loans	-	(27,000)	-	-	-	(27,000)
Lease payments	-	-	-	(405)	-	(405)
Interests paid ¹	-	(4,325)	-	(172)	-	(4,497)
Overdrafts net change	-	23	-	-	-	23
AB "Ignitis grupė" group's cash-pool platform, net change	-	(38,959)	-	-	-	(38,959)
Non-cash changes						
Initial recognition of lease contracts	-	-	3,460	539	-	3,999
Accrual of interest payable	-	4,087	-	181	-	4,268
Reclassifications between items	-	-	(56)	56	-	-
Other non-monetary changes	-	(97)	(183)	(7)	-	(287)
VAT on interest payable	-	(70)	-	-	-	(70)
Change in foreign currency	-	-	(33)	11	-	(22)
Net Debt at 31 December 2024	11,800	456	3,955	488	(46,673)	(29,974)

Net Debt at 1 January 2025	11,800	456	3,955	488	(46,673)	(29,974)
Cash changes						
(Increase) decrease in cash and cash equivalents	-	-	-	-	(18,108)	(18,108)
Loans received	36,363	1,240	-	-	-	37,603
Repayments of loans	-	-	-	(1,531)	-	(1,531)
Lease payments	-	-	-	(527)	-	(527)
Interests paid ¹	-	(4,181)	-	-	-	(4,181)
Overdrafts net change	-	(23)	-	-	-	(23)
AB "Ignitis grupė" group's cash-pool platform, net change	-	16,668	-	-	-	16,668
Reclassifications between items	(756)	756	-	-	-	-
Non-cash changes						
Initial recognition of lease contracts	-	-	7,181	1,388	-	8,569
Accrual of interest payable	-	3,794	-	641	-	4,435
Remeasurement of lease liabilities	-	-	100	(61)	-	39
Reclassifications between items	-	-	(409)	409	-	-
Other non-monetary changes	-	610	(164)	197	-	643
Change in foreign currency	-	-	-	17	-	17
Net Debt at 31 December 2025	47,407	19,320	10,663	1,021	(64,781)	13,630

¹ Interest paid are presented with VAT

20 Provisions

EURk	31 December 2025	31 December 2024
Non-current	5,953	332
Current	11,290	49,311
Total	17,243	49,643

The balances and movement of the Group's provisions:

EURk	Employee benefits	Regulatory differences of public electricity supply activity (Note 27.2)	Provisions for onerous contracts	Other	Total
Balance as at 1 January 2024	111	13,171	66,734	1,397	81,413
Increase (decrease) during the year	6	(11,010)	(20,689)	1,251	(30,442)
Utilised during the year	(7)	-	-	(5,212)	(5,219)
Result of change in assumptions	21	(1,455)	-	-	(1,434)
Reclassification from other categories	-	-	-	5,241	5,241
Foreign currency exchange difference	(4)	-	-	92	88
Balance as at 31 December 2024	123	706	46,045	2,769	49,643
Non-current	100	-	199	33	322
Current	23	706	45,846	2,736	49,311
Balance as at 31 December 2024	123	706	46,045	2,769	49,643
Balance as at 1 January 2025	123	706	46,045	2,769	49,643
New provisions that were not calculated before	-	-	-	2,178	2,178
Increase (decrease) during the year	9	662	(34,981)	8	(34,302)
Utilised during the year	(4)	(1,368)	-	(185)	(1,557)
Result of change in assumptions	(16)	-	-	-	(16)
Unwinding of discount	(25)	-	-	-	(25)
Reclassification from other categories	-	-	-	1,285	1,285
Foreign currency exchange difference	1	-	-	36	37
Balance as at 31 December 2025	88	-	11,064	6,091	17,243
Non-current	71	-	5,687	195	5,953
Current	17	-	5,377	5,896	11,290
Balance as at 31 December 2025	88	-	11,064	6,091	17,243

The total change in the provisions in 2025 was EUR (32,400) thousand (in 2024: EUR (31,770) thousand). The change consists of the following:

- EUR (32,359) thousand was recognised in the Statement of profit or loss (in 2024: EUR (31,971) thousand);
- EUR (41) thousand in other comprehensive income (in 2024: EUR 21 thousand).

20.1 Description of the Group's provisions and the expected timing of resulting outflows of economic benefits

20.1.1 Provision for onerous contracts

As at 31 December 2025, the Group recognised a provision of EUR 11,064 thousand (31 December 2024: EUR 46,045 thousand) related to electricity purchase agreements concluded in the second half of 2022 in an environment of high prices for energy commodities. The Group actively manages the risks of energy commodity price volatility and diversifies its portfolio of acquisitions. As a result of the significant drop in market prices, as well as the optimisation of the supply cost of B2C independent electricity supply segment and the migration to lower fixed price supply plans, some of the Group's electricity purchase agreements are expected to generate losses in future periods. The expected loss will be realised in roughly equal instalments over the next two year.

20.2 Significant accounting estimates and judgements

20.2.1 Regulated Activities: Accrued Income and Provisions

The National Energy Regulatory Council (NERC) regulates the Group's profitability by approving service prices for the coming year. The price level depends on the expected costs for the upcoming year, the forecasted volume of services provided, deviations of the profit earned in previous periods from the regulated level, and other factors.

The Group's actual costs incurred during the year may differ from the estimated costs considered when approving the prices, and the actual service volumes may also differ from the forecast volumes. As a result, the Group's actual profit may deviate from the regulated level, and the resulting difference affects service prices in future periods.

20.2.2 Assessment of onerous contracts

As at 31 December 2024, the Group's management carried out a review of whether the Group has loss-making power purchase agreements. It was found that the Group has such contracts relating to the purchase of electricity which were entered into in the high commodity price environment prevailing in the second half of 2024. In the case of such contracts, the lesser of the cost incurred in the event of continuation of the contract or the termination of the contracts and the contractual penalty is recorded.

21 Deferred income and advances received

21.1 Deferred income

EURk	2025			2024		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Deferred income under contracts with customers						
Deferred income related to gas	26	-	26	5,851	-	5,851
Deferred income related to electricity over declaration	-	-	-	281	-	281
Total	26	-	26	6,132	-	6,132

Movement in the Group's deferred income:

EURk	2025			2024		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Balance as at 1 January	6,132	-	6,132	23,059	-	23,059
Increase during the year	15	-	15	281	-	281
Recognised as revenue	(6,121)	-	(6,121)	(17,208)	-	(17,208)
Balance as at 31 December	26	-	26	6,132	-	6,132

21.2 Advances received

EURk	31 December 2025	31 December 2024
Current prepayments under contracts with customers (contract liabilities)	40,318	13,443
Current prepayments under other contracts	16	15
Total	40,334	13,458

22 Trade payables

EURk	31 December 2025	31 December 2024
Amounts payable for gas	153,998	187,721
Amounts payable for electricity	51,345	62,301
Other trade payables	4,699	7,487
Carrying amount	210,042	257,509

23 Other current liabilities

EURk	31 December 2025	31 December 2024
Prosumer accrual	15,559	11,567
Taxes (other than income tax)	19,751	15,036
Accrued expenses	11,892	8,954
Derivative financial instruments (Note 24)	4,950	8,458
Payroll related liabilities	4,712	4,226
Amounts payable for property, plant and equipment	3,385	2,259
Other current liabilities	1,083	740
Carrying amount	61,332	51,240

As at 31 December 2025, financial liabilities comprise EUR 9,418 thousand (31 December 2024: EUR 11,457 thousand). Accrued expenses, taxes and payroll-related liabilities are not financial liabilities.

24 Derivatives

The Group's derivative financial instruments are related to electricity and natural gas commodities and comprise:

- contracts made directly with other parties – over-the-counter (OTC);
- contracts made through Nasdaq Commodities market – Nasdaq;
- other contracts.

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

24.1 Derivative financial instruments included in the Statement of financial position

EURK	31 December 2025	31 December 2024
Other non-current assets	-	956
Other current assets	3,098	2,893
Other non-current liabilities	(2,129)	(2,508)
Other current liabilities	(4,950)	(8,458)
Carrying amount	(3,981)	(7,117)

Movement of derivative financial instruments were as follows:

EURK	2025	2024
Carrying amount as at 1 January	(7,117)	(15,756)
Fair value change of derivatives in 'Finance income'	2	-
Fair value change of OTC ineffectiveness	1,659	823
Unrealised gain (loss) of OTC and other financial instruments ineffectiveness	1,661	823
Unrealised gain (loss) of Nasdaq ineffectiveness	(276)	(322)
Total Unrealised gain (loss)	1,385	501
Fair value change of OTC effectiveness	1,475	7,816
Fair value change of Nasdaq effectiveness	848	(2,873)
Unrealised gain (loss) in 'Other comprehensive income'	2,323	4,943
Fair value change of Nasdaq set off with cash	(572)	3,195
Carrying amount at 31 December	(3,981)	(7,117)

24.2 Derivatives included in Statement of profit or loss and other comprehensive income

EURK	2025	2024
Realised gain (loss) from OTC and Nasdaq	(89)	1,838
Unrealised gain (loss)	1,385	501
Total in profit or loss – ineffective energy hedging result	1,296	2,339
Cash flow hedges – reclassified to profit or loss from OCI	7,668	(4,722)
Total in profit or loss – effective energy hedging result	7,668	(4,722)
Total recognised in 'Statement of profit or loss and other comprehensive income'	8,964	(2,383)

25 Structure of the group

The Group's structure as at 31 December 2025 and 2024:

Company name	Country of registered office	Activities profile	Effective ownership interest, %	Non-controlling interest's effective ownership interest, %
UAB „Ignitis“	Lithuania	Parent company - Electricity and gas supply, trading; Expansion of EV charging stations	100.00	-
Subsidiaries of the Group:				
Ignitis Eesti OÜ	Estonia	Supply of electricity; Expansion of EV charging stations	100.00	-
Ignitis Latvija SIA	Latvia	Supply of electricity and natural gas; Expansion of EV charging stations	100.00	-
Ignitis Polska Sp.z.o.o.	Poland	Supply and trading of electricity and natural gas	100.00	-
Ignitis Suomi OY	Finland	Supply of natural gas	100.00	-

26 Contingent liabilities and commitments

26.1 Litigations

26.1.1 Litigation concerning the designated supplier state aid scheme and LNG price component

Following the judgement of the General Court on the European Union (the General Court) on 8 September 2021 in case T-193/19, AB "Achema" initiated the reopening of the previously suspended proceedings in the administrative courts of the Republic of Lithuania in respect of the complaints it has lodged against the National Energy Regulatory Council (hereinafter referred to 'the Council') regarding the Council's decisions of the setting of the LNG price supplement. The Group's parent company UAB "Ignitis" in these cases is intervened as a third party.

On 8 September 2021, in case T-193/19 the General Court decided to partially annul the European Commission's decision regarding the case SA.44678 (2018/N) (hereinafter referred to 'Decision') on procedural grounds. The General Court considered that the European Commission should have had doubts on the amendments regarding the designated supplier state aid scheme which have been valid for a period from 2016 to 2018 and annulled the Decision on that part. However, it maintained the validity of the remainder of the Decision, i.e., the designated supplier state aid scheme valid from 2019.

Following the General Court's judgment, the Commission has re-examined the compatibility of the 2016 amendments and has decided to open an in-depth investigation under EU State aid rules. The Commission will now investigate further to determine whether the amount of compensation received by Litgas for the period 2016–2018, in particular, regarding the boil-off and balancing costs, is in line with the SGEI Framework.

The European Commission's formal investigation procedure, limited to the points of doubt raised by the General Court, should lead to the adoption of a final and complete decision of the European Commission.

The Supreme Administrative Court of Lithuania issued four final rulings in favour of UAB "Ignitis", rejecting complaint of AB "Achema" regarding the setting of the LNG transmission price for 2019, 2020, 2021 and 2023.

After the formal investigation procedure (which started in December 2022), there will be more certainty in assessing the actual financial impact to the Group. The Group expects a decision to be taken in 2026.

26.1.2 Litigation with UAB Pamario jėgainių energija

On 30 April 2025, UAB Pamario jėgainių energija filed a claim against the Group's parent company UAB "Ignitis" requesting a contract termination penalty (EUR 10.0 million), plaintiff interest (EUR 0.4 million), procedural interest at a rate of 11.40% and plaintiff's litigation costs. Total claim amount - EUR 10.4 million.

The claim is based on the fact that upon termination of the agreement between the parties for the Purchase of electricity produced from renewable energy sources from the producer, purchase agreement from a renewable energy UAB "Ignitis" is obligated to pay a penalty calculated according to the formula specified in the contract. The claim comes from disagreement regarding the penalty calculation formula. UAB "Ignitis" position is that UAB Pamario jėgainių energija incorrectly applied the formula for calculating the penalty established in the contract. UAB "Ignitis" provided their calculations based on which the penalty amount was deemed to be EUR 0.

The parties in the case have exchanged procedural documents. The court hearings are scheduled for 27 February and 12 March 2026.

The Group has not recognized a provision in the Statement of Financial Position, as management believes it is more likely than not that the outcome of the litigation will be favourable.

27 Temporary regulatory differences

27.1 Regulatory activity: Accrual of income and regulatory provisions from regulated activities

Actual costs incurred by the Group during the year may be at variance with the projected costs that are considered during the approval of the tariffs, and the actual volume of services may be at variance with the projected one. Accordingly, the actual earnings of the Group may be at variance with the regulated level, and the resulting difference will affect the future tariffs of services. Such differences are considered to be temporary regulatory differences.

The Group recognises the assets and liabilities of the regulated activities only when the Group has a guarantee (stipulated in NERC resolutions or laws) that even in case of discontinuing regulated activities, the differences would be refunded to the Group in case of undercollection or the Group will have to refund in case of overcollection.

Changes in regulatory assets and liabilities include:

- 'New temporary regulatory differences' that are the management's estimates for the current year, which are calculated using the actual financial and operational data and are not yet confirmed by NERC;
- 'Received previous years differences' that are the amounts received during the current year for the differences in previous periods through tariffs based on the resolutions passed by NERC.

27.2 Movement of regulatory assets and liabilities

EURk	Not recognised in the Statement of financial position			Recognised in the Statement of financial position		Total
	Designated supply of natural gas	Natural gas supply to B2C customers	Subtotal not recognised in the Statement of financial position	Public supply of electricity	Subtotal recognised in the Statement of financial position	
Balance as at 1 January 2024	18,046	438	18,484	(13,171)	(13,171)	5,313
New temporary regulatory differences	19,332	692	20,024	11,010	11,010	31,034
Received previous years differences	(31,220)	-	(31,220)	-	-	(31,220)
Recalculation of previous years differences	-	-	-	1,455	1,455	1,455
Balance as at 31 December 2024	6,158	1,130	7,288	(706)	(706)	6,582
Balance as at 1 January 2025	6,158	1,130	7,288	(706)	(706)	6,582
New temporary regulatory differences	(2,242)	5,415	3,173	15,229	15,229	18,402
Received previous years differences	(822)	-	(822)	-	-	(822)
Recalculation of previous years differences	(3,094)	-	(3,094)	(2,128)	(2,128)	(5,222)
Balance as at 31 December 2025	-	6,545	6,545	12,395	12,395	18,940
Non-current	-	-	-	-	-	-
Current	-	6,545	6,545	12,395	12,395	18,940

27.2.1 Regulatory assets and liabilities not recognised in the Statement of financial position

27.2.1.1 Designated supply of natural gas

Designated supply activity is also regulated by NERC. The regulatory differences arise when the actual costs differ from those estimated, but the Group does not recognise the regulated assets or liabilities in the financial statements as the difference will be refunded by providing the services in the future.

27.2.1.2 Natural gas supply to B2C customers

Natural gas supply to B2C customers is regulated by NERC. NERC regulates the natural gas tariff paid by the customers. The regulatory differences, defined as the difference between the fixed natural gas sale price and the actual natural gas purchase price, were not recognised in the financial statements till 31 December 2025 as the Group had no guarantee for this difference to be considered when setting tariffs in the future according to the legislation base.

27.2.2 Regulatory assets and liabilities recognised in the Statement of financial position

27.2.2.1 Temporary regulatory differences of public electricity supply activity

On 25 September 2020, NERC adopted a Resolution No. O3E-879 'On the approval of the methodology for determining the electricity transmission, distribution and public supply services and the public price cap'. The resolution includes the methodology for determining the additional component for the distribution services to B2C consumers to compensate the difference between the actual and forecasted reasonable costs of a public supplier. The additional component is paid by B2C customers through the electricity distribution service price, which is included as one of the components of the public electricity tariff applied to the electricity consumed by B2C customers. This component is collected by the distribution system operator from all electricity suppliers that sell electricity to B2C customers. The calculation of the difference includes the difference resulting from the discrepancy between the forecasted electricity purchase price and the actual electricity purchase price as well as the amount of costs resulting from the difference between the public supplier's public electricity price cap and the actual electricity distribution service price caps. If the difference is negative, the loss is compensated through the increased price of the additional component applied in the next year and, accordingly, if the difference is positive, the gain is reduced through the decreased price of the additional component.

This resolution also stipulates that if the Group discontinues public supply services, the Group must refund the raised discrepancies between the forecasted and actual costs of providing these services if the costs actually incurred by the Group were less than the income received. The amount must be refunded to the Group if the costs actually incurred by the Group were higher than the income of the transmission system operator. The difference shall be reimbursed till 31 December 2025.

With regard to the above, the Group recognises contract assets and/or contract liabilities of the difference to eliminate the mismatches between the current year earnings and the regulated level, regardless of the difference in the provision of services in the future.

28 Related-party transactions

Related parties are defined as follows:

- the parent company's controlling shareholders or those who have significant influence;
- associated companies;
- joint ventures;
- state controlled companies and their subsidiaries (only significant transactions are being disclosed with such companies);
- the Ministry of Finance of the Republic of Lithuania along with agencies and enterprises that are attributable to the governance of the decisions (only significant transactions are being disclosed with such companies);
- the key management personnel and close members of that personnel's family and their controlled enterprises and companies.

In 2025 and 2024, the Group did not conclude any asset investment, acquisition, transfer, lease, pledge and mortgage, obligation fulfilment surety or guarantee transactions with a related party under normal market conditions during normal economic activity which (or the sum of which) exceed 1/10 of the assets provided in the Statement of financial position.

The table below summarises the main types of transactions carried out with related parties were as follows:

Related parties	Relationship	Nature of main transactions
AB "Ignitis grupė"	Ultimate controlling company	Financing, purchase of management services
AB „Ignitis grupė“ group companies	Other AB „Ignitis grupė“ group companies	Purchases of services related to leases of assets, information technology and telecommunication services, organization and execution of tenders, accounting and personnel administration services, construction, reconstruction and maintenance of electric equipment
UAB „EPSO-G“ group companies	Indirectly controlled by the Ministry of Energy of Lithuania	Sales and purchase of electricity transmission services, capacity services, sales of gas, purchases of gas transmission services

Transactions with related parties as at 31 December were as follows:

Related parties	Loans payable 31 December 2025	Accounts receivable 31 December 2025	Accounts payable 31 December 2025	Sales 2025	Purchases 2025	Finance income 2025	Finance expenses 2025
Parent company AB „Ignitis grupė”	55,026	19	138,200	7	961	-	(8,958)
AB „Ignitis grupė” group companies	1,885	3,917	70,744	59,790	404,481	624	-
UAB „EPSO-G” group companies	-	4,783	2,162	1,159	43,515	3	-
UAB GET Baltic	-	2	1	28,780	1,509	-	-
Other related parties of the Group	-	1,265	1,359	5,469	4,594	-	-
Total	56,911	9,986	212,466	95,205	455,060	627	(8,958)

Related parties	Loans payable 31 December 2024	Loans receivable 31 December 2024	Accounts receivable 31 December 2024	Accounts payable 31 December 2024	Sales 2024	Purchases 2024	Finance income 2024	Finance expenses 2024
Parent company AB „Ignitis grupė”	12,233	-	27	165,190	7	714	-	(9,559)
AB „Ignitis grupė” group companies	-	25,718	5,267	58,346	43,171	384,400	1,116	(22)
UAB „EPSO-G” group companies	-	-	18,388	5,246	79,216	68,439	20	-
Total	12,233	25,718	23,682	228,782	122,394	453,553	1,136	(9,581)

Transactions with other state-owned entities included regular business transactions and therefore they were not disclosed.

28.1 Terms of transactions with related parties

The payment terms set range from 30 to 90 days. Closing debt balances are not secured by pledges, they do not yield interest, and settlements occur in cash. There were no guarantees given or received in respect of the related party payables and receivables.

28.2 Compensation to key management personnel

EURk	2025	2024
Wages and salaries and other short-term benefits to key management personnel	314	251
Whereof:		
Short-term benefits: wages, salaries and other	273	217
Long-term benefits	41	34
Number of key management personnel	5	6

In 2025 and 2024 members of the Management Board (incl. CEO) and the Supervisory Board were considered to be the Group's key management personnel. For more information on the key management personnel, see section '4 Governance' of this report.

29 Risk management

Risks are a natural and integral part of business activities, and risk profile changes continuously. The Group aims to mitigate its risks and reduce them to an acceptable level through risk management. This part describes only the management of the main financial risks. Management of other risks is presented in section '4 Governance' of this report.

29.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the market prices. The market risk comprises three types of risk:

- foreign currency exchange risk;
- interest rate risk;
- energy and commodity risk.

29.2 Foreign currency exchange risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of the changes in the foreign exchange rates.

The sale/purchase contracts of the Group are denominated in the euro. Foreign exchange risk is mainly characteristic to contracts concluded by the Group for the purchase of natural gas from third parties. Aiming to reduce foreign exchange risk the agreement on natural gas purchase and supply is concluded in the same currency.

29.1.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the market interest rates.

Assuming debt obligations, it is aimed that non-current liabilities would bear a fixed interest rate. If the fixing of the interest rate is not possible due to

objective reasons and the liability assumed comprises a significant amount, interest rate derivatives would be used for the purpose of interest management (the Group did not use interest rate derivatives during 2025 and 2024). The aim is that non-current loans with fixed interest rates comprised no less than 50% of the Group's non-current borrowings portfolio. The usage of any of the interest rate derivatives requires the expiry date of the derivative to correspond to the maturity date of the debt obligation.

As at 31 December 2025 and 2024, there were no loans received with variable interest rate.

Interest rate risk is assessed in relation to sensitivity of the Group's profit to potential shift in interest rates. This assessment is provided in the table below:

Group	Increase/decrease, pp	(Decrease)/increase in profit
2025	1/(1)	530/(530)
2024	1/(1)	-/-

29.1.3 Energy and commodity risk

Commodity risk is the risk that the changes in the market prices (i.e., commodity prices) will affect the Group's results or the value of its holdings of financial instruments. The objective of the energy and commodity risk management is to manage and control the market risk exposures within acceptable parameters while optimising the return.

The Group uses derivatives to manage the commodity risk. All such transactions are carried out according to the Group's risk management policy. Generally, the Group seeks to apply hedge accounting to manage the volatility in the Statement of profit or loss and other comprehensive income.

In the ordinary course of its operations, the Group is exposed to commodity risks on natural gas and electricity products. The source of exposure lies with the cash flows from the sales of natural gas and electricity or the cost cash flows incurred to procure the fixed-price electricity/natural gas for the sales contracts. Majority of this type of exposure is based on the changes in the respective commodity prices in the market where the Group operates.

The commodity risk arises primarily from the following activities:

- fixed-price commodity sale contracts (electricity and natural gas) for B2C and B2B;
- fixed price electricity purchase contracts;
- fixed-price natural gas purchase contracts.

In order to manage the commodity price risk, the Group enters into financial derivatives contracts (cash flow hedges). This is performed in order to secure a fixed acquisition price for the above-mentioned commodities, so that the optimum profit margins could be obtained from the contracted or expected fixed-price sales.

For electricity-related hedges, the Group uses component-based hedges in the derivatives market (NASDAQ Commodities) or equivalent over-the-counter contracts (OTC), and for natural-gas-related hedges – OTC contracts with price indexes matching the hedged contracts. The assessment of economic relationship and hedge effectiveness is performed by:

- the dollar offset method for electricity hedges;
- the descriptive method for natural gas hedges.

The two separate components that are being used as a hedged item for electricity-related hedges are the SYS price and price component equivalent or similar to the difference between the Lithuanian price area and the SYS price. Their economic relationship is determined separately for each component:

- SYS price (the average price in the Nord Pool power market, of which Lithuania is a member);
- price component equivalent or similar to the difference between the Lithuanian price area and the SYS price (commonly referred as EPAD in NASDAQ Commodities market).

The source of hedge ineffectiveness is mainly related to the limited supply of financial derivatives for Lithuanian electricity price area in the market. Therefore, commodity risk is partly hedged in the similar price areas (Latvian, Estonian and other), which results in partial ineffectiveness. The designated risk component of SYS historically covered 100% of the changes in the hedged item, while the designated price component equivalent or similar to the difference between the Lithuanian price and the SYS price historically covered a variety of percentages (depending on the hedge timing and the hedged price area). However, at least 67% coverage is expected in order for a derivative to be classified as effective for hedge accounting purposes. During the reporting period of 2025, on average, nearly 81% of all electricity hedge contracts in terms of value have been effective.

Overview of the Group's derivatives positions:

EURK	31 December 2025		31 December 2024	
	Contractual nominal value	Market value ¹	Contractual nominal value	Market value
Market derivatives – Electricity (Nasdaq Commodities)	12,438	(581)	19,449	(604)
Over-the-counter (OTC) derivatives – Electricity (Note 24)	22,218	(1,579)	20,147	(3,923)
Over-the-counter (OTC) derivatives – Natural gas (Note 24)	24,505	(2,459)	7,997	(3,194)
Total	59,161	(4,619)	47,593	(7,721)

Nominal amounts (quantities in TWh) hedged:

	31 December 2025		
	2026	2027	2028
Electricity hedges	745	38	-
Natural gas hedges	595	179	88
Total	1,340	217	88

Nominal values hedged:

EURk	31 December 2025		
	2026	2027	2028
Electricity hedges	30,828	3,828	-
Natural gas hedges	16,958	5,111	2,436
Total	47,786	8,939	2,436

Negative amount indicates that there are more “sell” positions than “buy” positions.

Market value sensitivity analysis, due to the changes in market prices:

EURk	31 December 2025		
	Market value		
	Increase by 10%	Current prices	Decrease by 10%
Market derivatives – Electricity (Nasdaq Commodities)	517	(581)	(778)
Over-the-counter (OTC) derivatives – Electricity	1,173	(1,548)	(3,979)
Over-the-counter (OTC) derivatives – Natural gas	(183)	(2,459)	(4,606)
Total	1,507	(4,619)	(9,360)

29.2 Credit risk

Credit risk is a risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group’s exposure to credit risk arises from operating activities (trade and other amounts receivable) and from financing activities (granted loans, finance lease agreements, derivatives). The Group’s risk related to cash is limited, as the Group keeps cash balances only in reliable financial institutions.

The Group is not exposed to significant credit risk concentration related to trade receivables.

The Group is not exposed to significant credit risk concentration related to other receivables.

To make optimal decisions on the possibility of concluding agreements with the Group’s customers, the Group follows a process and criteria for assessing the solvency of its customer, organizes financial/expert due diligence and, based on the information obtained, makes a decision on the customer’s risk. The agreements are concluded with the Group’s customers in view of the customer solvency risk assessment by applying customized settlement terms: longer settlement periods are applied to customers with a lower risk and customers with a higher risk are subject to more stringent settlement terms and (or) additional collaterals, including funds deposited in the Group’s account, sureties, bills of exchange, etc. To manage the risk of counterparty default, the Group applies an approved Customer Solvency Risk Management Standard.

The Group measures receivables using expected credit loss provision matrix or on an individual basis, where the financial position and credit risk of each borrower are measured individually by analysing the borrower’s financial statements, settlement discipline and other publicly available information about the debtor that may be affected by the debtor’s credit assessment.

The priority objective of the Group’s treasury management is to ensure security of funds and maximize return on investments in pursuance of this objective. Risk of counterparties defaulting is managed by entering transactions with reliable financial institutions (or subsidiaries of such institutions) with a long-term credit rating (in foreign currency) lower than ‘A-’ according to the rating agency Fitch Ratings (or an equivalent rating of other rating agencies).

The maximum exposure to credit risk is equal to the carrying amount of financial assets. The table below summarises the Group’s financial assets by category:

EURk	Note	31 December 2025	31 December 2024
Financial assets measured at amortised cost			
Non-current receivables	13.1	78	74
Trade receivables	15	191,116	197,702
Other receivables	13.2	15,931	32,027
Loans granted	13.2	34	25,772
Cash and cash equivalents	16	64,781	46,673
Amounts receivable under finance lease agreements			
Non-current portion	13.1	5,828	6,873
Current portion		1,145	1,093
Financial assets measured at FVTPL or FVOCI			
Derivatives	24	3,098	3,849
Total		282,011	314,063

29.3 Liquidity risk

The liquidity risk is managed by planning future cash flows of the entities of the Group and ensuring sufficient cash and availability of funding through committed credit facilities and overdrafts to support the Group’s ordinary activities. The refinancing risk is managed by ensuring that borrowings over a certain period were repaid from available cash, from cash flows expected from the operating activities of the Group over that period, and from unwritten committed credit facilities which have to be repaid in later periods.

As at 31 December 2025, the Group’s current liquidity ratio (total current assets/total current liabilities) and quick ratio ((total current assets – inventories) / total current liabilities) were 0.97 and 0.90 respectively (31 December 2024: 1.00 and 0.87 respectively).

As at 31 December 2025, the Group’s balance of credit and overdraft facilities not withdrawn amounted to EUR 90,783 thousand (31 December 2024: EUR 82,740 thousand).

The table below summarises the Group's financial liabilities by category:

EURk	Note	31 December 2025	31 December 2024
Financial liabilities measured at amortised cost			
Loans	19	66,727	12,256
Lease liabilities	19	11,684	4,443
Trade payables		210,042	257,509
Other current liabilities		4,468	2,999
Financial liabilities measured at FVTPL or FVOCI			
Derivatives	24	7,079	10,966
Total		300,000	288,173

The table below summarises the maturity profile of the Group's financial liabilities under the contracts (based on contractual undiscounted payments of interest-bearing financial liabilities and the carrying amounts of other financial liabilities):

EURk	2025				Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Loans	17,347	2,607	38,071	9,391	67,416
Lease liabilities	-	1,777	6,841	8,291	16,909
Trade payables	179,714	30,328	-	-	210,042
Other current liabilities	3,818	650	-	-	4,468
Derivatives	1,055	2,801	973	2,250	7,079
As at 31 December 2025	201,934	38,163	45,885	19,932	305,914

EURk	2024				Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Loans	541	1,654	19,849	-	22,044
Lease liabilities	-	761	2,315	3,178	6,254
Trade payables	201,269	56,240	-	-	257,509
Other current liabilities	2,999	-	-	-	2,999
Derivatives	7,216	1,242	2,508	-	10,966
As at 31 December 2024	212,025	59,897	24,672	3,178	299,772

29.4 Impact of climate change

The Group pays special attention in order to reveal a potential impact of climate change and its related economic, transitional changes on the parent company's activities. This impact may arise from physical (extreme) weather phenomena and from the aspiration of states to adopt the Green Deal, which could cause additional requirements for the energy sector: to comply with new regulations, implement new technological solutions, manage reputational risks, respond to fast growing market demand for green solutions, etc.

Climate change and the transition to net zero have been considered in the preparation of these financial statements. While preparing these financial statements, the following has been considered:

29.4.1 Valuation of property, plant and equipment, and impairment assessment of goodwill

The Group assesses the useful economic life of its property, plant and equipment assets annually. The useful economic life of assets has not been shortened. There are no indicators suggesting that assets have reduced in value, significant impacts of climate change on the Group's assumptions used in estimating their recoverable value and there is no need to perform sensitivity analysis of the effects of climate risk within the assumptions made. The Group's management does not reasonably expect the climate change to have a significant impact of valuation of property, plant and equipment, and the impairment assessment of goodwill.

29.4.2 Impact of climate change on provision for risk and on ECL

The Group's management does not believe that there are any provisions for risks or potential liabilities requiring consideration in the financial statements in connection with possible disputes, specific regulatory requirements aimed at mitigating environmental damages, sanctions connected to failure to comply with environmental requirements, contracts that may become onerous, possible restructuring works aimed at achieving the climate objectives required. No significant climate and environmental risks had significant impact when calculating the ECL.

The impact of future climate change regulation is not material on the currently reported amounts of the Group's assets and liabilities.

30 Fair values of financial instruments

30.1 Financial instruments, measured at fair value

As at 31 December 2025 and 2024, the Group recognised assets and liabilities arising from derivative financial instruments. The Group accounts for financial derivative assets and liabilities at fair value and their accounting policies are set out in the section "Material accounting policies".

Market values based on quoted prices (Level 1) include commodity derivatives traded in active markets. Derivatives traded in an active market are often settled daily, resulting in minimal balances recognised in the statement of financial position.

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 derivatives 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.

30.2 Financial instruments for which fair value is disclosed

The fair value of the Group's financial liabilities related to loans to commercial banks and parent company's controlling shareholder is calculated by discounting future cash flows with reference to the interest rate observable in the market. The cash flows were discounted using a weighted average discount rate of 3.14% as at 31 December 2025 (31 December 2024: 3.55%). The measurement of financial liabilities related to the debts is attributed to Level 2 of the fair value hierarchy.

30.3 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 31 December 2025:

EURk	Note	Carrying amount	Level 1	Level 2	Level 3	Total
			Quoted prices in active markets	Other directly or indirectly observable inputs	Unobservable inputs	
Financial instruments measured at FVTPL or FVOCI						
Assets						
Derivatives	24	3,098	-	3,098	-	3,098
Liabilities						
Derivatives	24	7,079	-	7,079	-	7,079
Financial instruments for which fair value is disclosed						
Assets						
Loans granted	13.2	34	-	34	-	34
Liabilities						
Loans received	19.1	66,727	-	68,274	-	68,274

The table below presents allocation between the fair value hierarchy levels of the Group's financial instruments as at 31 December 2024:

EURk	Note	Carrying amount	Level 1	Level 2	Level 3	Total
			Quoted prices in active markets	Other directly or indirectly observable inputs	Unobservable inputs	
Financial instruments measured at FVTPL or FVOCI						
Assets						
Derivatives	24	3,849	-	3,849	-	3,849
Liabilities						
Derivatives	24	10,966	-	10,966	-	10,966
Financial instruments for which fair value is disclosed						
Loans granted	13.2	25,722	-	25,722	-	25,722
Liabilities						
Loans received	19.1	12,256	-	10,626	-	10,626

31 Events after the reporting period

There were no significant events after the reporting period until the issue date of these financial statements.

Accompanying information

1 Material accounting policies

1.1 New standards, amendments and interpretations

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

The following are the new standards and/or amendments to the standards that have been approved by IASB and endorsed in the European Union during the year ended as at 31 December 2025.

Standards or amendments that came into force during the year of 2025

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The adoption of these standards, their revisions and interpretations had no material impact on the financial statements.

1.1.2 Standards issued but not yet effective and not adopted early

While preparing these financial statements, the Group did not adopt the new IFRS, IAS, their amendments and interpretations issued by IASB, the effective date of which is later than 31 December 2025 and whose early adoption is permitted. The following are new standards and/or amendments to the standards that have been issued but not yet effective:

Other standards

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

Other new standards or amendments	IASB Effective date	EU Endorsement status
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026	Endorsed
Annual Improvements Volume 11	1 January 2026	Endorsed
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026	Endorsed
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Not yet endorsed
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Not yet endorsed
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	1 January 2027	Not yet endorsed

1.2 Consolidation principles

1.2.1 Consolidation

The financial statements comprise the financial statements of the parent company and its directly and indirectly controlled subsidiaries. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Control is generally obtained by holding more than one half of the voting rights. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The financial statements of subsidiaries have been prepared using uniform accounting policies and for the same reporting period as that covered by the financial statements of the Group. On consolidation, all inter-company transactions, balances and unrealized gains and/or losses on transactions among the Group companies are eliminated.

Non-controlling interest represents a part of net profit and net assets which is not controlled by the Group. Non-controlling interest is reported separately in the statement of profit or loss. The share of equity attributable to the non-controlling interest and to the owners of the parent is shown separately in the consolidated statement of financial position.

1.3 Business combinations

1.3.1 Business combination applying IFRS 3 (subsidiaries that are not under common control)

Acquisition of subsidiaries that are not jointly controlled entities is accounted for using the acquisition method. When the acquisition method is applied the consideration transferred in a business combination is measured as fair value of net assets transferred to the former owners of the acquiree. Acquisition-related costs are recognised in the statement of profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IAS 12 and IAS 19 respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree, or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IFRS 2 at the acquisition date (see below); and
- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

1.3.2 Goodwill

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, the net of the acquisition-date amounts of the identifiable net assets assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in the statement of profit or loss as a bargain purchase gain.

1.3.3 Contingent consideration

When the consideration transferred by the Group in a business combination includes a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination.

Changes in fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Other contingent consideration is remeasured to fair value at subsequent reporting dates with changes in fair value recognised in the statement of profit or loss.

1.3.4 Business combination is achieved in stages

When a business combination is achieved in stages, the Group's previously held interests (including joint operations) in the acquired entity are remeasured to its acquisition date fair value and the resulting gain or loss, if any, is recognised in the statement of profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to the statement of profit or loss, where such treatment would be appropriate if that interest were disposed of.

1.3.5 Business combination of entities under common control

For a business combination of entities under common control, the following methods are applied:

- (a) the acquisition method set out in IFRS 3; or
- (b) the pooling of interests' method.

In selecting which method to apply to the accounting for business combinations of entities under common control, the Group assesses whether there is a "commercial substance" for which the following criteria are considered:

- the purpose of the transaction;
- the involvement of outside parties in the transaction, such as non-controlling interests or other third parties;
- whether or not the transaction is conducted at fair value;
- the existing activities of the entities involved in the transaction; and
- whether or not it is bringing entities together into a 'reporting entity' that did not exist before.

If the transaction has a commercial substance to the merging parties the Group applies the acquisition method as set above in paragraph "Acquisition of subsidiaries that are not under common control", accordingly if not – the Group applies the pooling of interests' method. By applying the pooling of interests' method, the business combination of entities under common control is accounted according to the following procedures:

- the assets and liabilities of the entities in business combinations are measured at their carrying amounts equal to those reported in the financial statements of the ultimate parent company;
- no newly arising goodwill is recognised on a business combination, however acquiree can recognise intangible assets that meet the recognition criteria in IAS 38;
- any difference between consideration paid and the carrying amount of net assets acquired as at the date of acquisition is recognised directly in equity within retained earnings.

1.3.6 Changes in ownership interest in a subsidiary that do not result in changes in control

Transactions with non-controlling interests that do not result in a loss of control are presented within equity, i.e. as transactions with equity owners. The difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, recorded as equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

1.4 Foreign currency translation

1.4.1 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (hereinafter 'the functional currency').

1.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at year-end exchange rate of monetary assets and liabilities denominated in foreign currencies are recognised in statement of profit or loss.

1.4.3 Group companies

On consolidation, the assets and liabilities of foreign operations are translated into euros at the rate of exchange prevailing at the reporting date and their statement of profit or loss are translated at average exchange rates observed during reporting period. The exchange differences arising on translation for consolidation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is reclassified to statement of profit or loss.

1.5 Revenue from contracts with customers

The Group in the contracts with customers identifies performance obligations (stated either explicitly or implied) to transfer either distinct goods or services or series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Promised goods or services represent separate performance obligation if the goods or services are distinct. A promised good or service is considered distinct if both of the following criteria are met:

- customer can benefit from the good or service on its own or with other readily available resources (i.e. distinct individually) and
- the good or service is separately identifiable from other promises in the contract (distinct within the context of the contract).

The Group's performance obligations set out in the agreements with customers are as follows:

- Sale of electricity (Note 1.5.1.1)
- Supply of electricity (Note 1.5.1.2)
- Sale of natural gas (Note 1.5.2)
- Liquefied Natural Gas Terminal Security Component Services (hereinafter "LNGT services") (Note 1.5.2.2)
- Project activities (Note 1.5.3.1)

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. When recognising revenue, the Group takes into consideration terms of contracts signed with customers and all significant facts and circumstances, including the nature, amount, timing and uncertainty relating to cash flows arising from the contract with the customer.

1.5.1 Electricity-related revenue

The Group's electricity-related revenue includes:

- Revenue from sale of electricity (Note 1.5.1.1);
- Revenue from public electricity supply (Note 1.5.1.2);

Electricity related revenue is received from non-household and household customers. Electricity to household customers is supplied at electricity tariff applied for public supply or independent supply tariff. Electricity to non-household customers is supplied at independent supply tariff.

Accounting policy for electricity related revenue may be presented in accordance with the components of the electricity tariff applied to the consumed electricity by household and non-household customers. The tariff consists of the following components:

- price of electricity (Note 1.5.1.1, 1.5.1.2);
- fee for electricity supply services (Note 1.5.1.1, 1.5.1.2);
- price of electricity distribution services, which include two components: transmission over high voltage grid and distribution over medium and low voltage grid (Note 1.5.1.1);
- price of electricity system services (includes capacity reserve services) (Note 1.5.1.1);
- fee for PSO services (hereinafter "PSO fees") (Note 1.5.1.1).

Regulation of tariffs and the Group's profitability is presented in Note 1.6.1.

1.5.1.1 Revenue from the sale of electricity

Revenue from the sale of electricity (Note 5, line item 'Revenue from the sale of electricity') mainly consists of electricity sales to:

- B2B customers;
- B2C customers by providing the independent supply services according to bilateral agreements.

Revenue includes the price of electricity and the fee for electricity supply services. Revenue is recognized over time in each reporting period on the basis of VAT invoices issued, which includes the calculated amount of electricity consumed. Electricity consumption is calculated on the basis of the declared meter readings provided by consumers.

When performing electricity supply, through tariff paid by customers, the Group collects fees and other tariff components (Note 1.4.4) and transfers them to other entities:

Tariff component: transmission over high voltage grid and distribution over medium and low voltage grid

Electricity distribution and transmission services are acquired from transmission grid operator. The Group collects fees for these services through the electricity tariff and transfers to aforesaid operator. The Group's management has identified that in respect of electricity distribution and transmission services (Note 5.4.1) the Group acts as an agent. Revenue and costs from these services are recorded under "Purchases of electricity, natural gas and other services" in the statement of profit or loss.

Tariff component: system services

System services are provided by and acquired from the electricity transmission system operator. The Group collects fees for these services through electricity tariff and transfers to aforesaid operator. On the basis of the same arguments used to determine the agent's activities with regard to electricity transmission and distribution services (Note 5.4.1), the Group's management has identified that the Group acts as an agent system services also. Revenue and costs from these services are recorded under "Purchases of electricity, natural gas and other services" in the statement of profit or loss.

Tariff component: PSO fee

PSO fee is an integral part of electricity tariff. The Group collects PSO fees through electricity tariff from the end-customers connected to the electricity distribution network and transfers them to the PSO fund administrator UAB Baltpool. The Group's management has identified that in respect of PSO fees

the Group acts as an agent. Revenue and costs from these fees are recorded under "Purchases of electricity, natural gas and other services" in the statement of profit or loss.

1.5.1.2 Revenue from public electricity supply

Revenue from public electricity supply (Note 5, line item 'Revenue from public electricity supply') consists of the following components of public supply electricity tariff:

- sale of consumed public electricity, and
- public supply service fee.

Revenue from public electricity supply to customers is recognised over time while referring to the supplied electricity quantity reading devices provided by them and verified by the distribution system operator. In case of differences between the provided and the verified quantities due to over declaration (Note 20.2.2), the Group estimates the amount of deferred income (Note 5) and accounts for as a contract liability. If the Group doesn't receive the data of electricity consumed according to the readings of meters due to specific reasons (customer's delays to present readings, fails of the remote meter's scanner or other agreements with the customer) the revenue from sale of electricity is recognised based on the average usage estimation method. By applying the average usage estimation method consumption of the electricity is calculated according to the historical 12 months data of electricity consumption, i.e. the average consumption for the certain period is calculated, and at the end of year is adjusted according to the actual readings.

Revenue from public electricity supply is regulated (Note 27).

When performing public electricity supply, through tariff paid by customers, the Group collects fees (Note 1.5.1) for other tariff components and transfers them to other entities (Note 1.5.1.1).

1.5.2 Natural gas-related revenue

The Group's gas-related revenue includes:

- revenue from gas sales (Note 1.5.2.1);
- revenue from the LNGT security component (Note 1.5.2.2).

Gas-related revenue is received from B2B customers and B2C customers by providing services of gas supply. Revenue of LNGT security component is received as a compensation for providing services of a designated supplier. For the purpose of these financial statements, terms "gas" and "natural gas" are used for referring to the same items.

Accounting policy for gas-related revenue received from B2C customers may be presented in accordance with the components of the natural gas tariff applied to the consumed gas by B2C customers.

Final natural gas tariff to B2C customers comprise of the following components:

- the price of gas (Note 1.5.2.1);
- the price of natural gas transmission over high-pressure network (Note 1.5.2.2);
- the price of natural gas distribution over medium- and low-pressure network (Note 1.5.2.2);
- LNGT security component (Note 1.5.2.2).

The Group as a natural gas supplier collects payments for all components from customers. The component of transmission service price and LNGT security component are transferred to transmission grid operator, gas distribution service price component – to the operator of natural gas distribution network. The Group is an agent in collection of transmission service component (Note 5.4.1), LNGT security component (Note 5.4.1) and distribution service component fees (Note 5.4.1). Revenue and costs are recorded under "Purchases of electricity, natural gas and other services" in the statement of profit or loss.

Regulation of tariffs and the Group's profitability is presented in Note 27

Accounting policy for revenue from B2B customers is presented in Notes 1.5.2.1

1.5.2.1 Revenue from gas sales

Revenue from sales of gas (Note 5 line, item 'Revenue from gas sales') consists of gas price and supply margin. Gas sales are performed by the Group as a natural gas supplier to B2C customers and as a designated LNG supplier to gas market.

Revenue from sale of gas to end-customers is recognised on a monthly basis referring to the supplied gas quantity readings devices provided by them and verified by the distribution system operator (an accrual basis). In case of difference between provided and verified quantities due to over-declaration (Note 20.2.1) the Group estimates the amount of deferred income (Note 21) and accounts for as a contract liability. Revenue and costs from are recorded under "Purchases of electricity, natural gas and other services" in the statement of profit or loss.

In Latvia natural gas distribution services are provided and acquired from the operator of gas distribution grid which is not a part of the Group. The Group as a natural gas supplier collects payments for distribution service component and transfers to operator of distribution grid. The Group is an agent in the collection of distribution service component in Latvia (Note 5.4.1).

1.5.2.2 LNGT security component

The Law on the Liquefied Natural Gas Terminal of the Republic of Lithuania provides that contribution to the security component, which is related to the following securities of natural gas supply, shall be collected from end users and added to the natural gas transmission price:

- for the installation of LNGT, its infrastructure and connection and all fixed operating costs that are not included in other state regulated prices; and
- to compensate for the reasonable costs of supplying the minimum quantity required to ensure the necessary operation of the LNGT.

Similarly to the PSO fees, the LNGT security component is collected by natural gas suppliers from end users through the natural gas tariff and then transferred to the state budget, from which the LNGT funds are distributed (i.e., disbursed) to LNGT service providers.

Similarly to PSO fees, LNGT security component is collected from end-customers through the natural gas tariff and transferred then to the state budget,

from which the LNGT funds are distributed (i.e. disbursed) to LNGT service providers. The Group acts as a natural gas supplier that collects LNGT security component from end-customers and as designated liquefied natural gas supplier (hereinafter “designated supplier”) the function of which is to ensure the necessary operation of the LNGT by supplying the minimum quantity of natural gas.

1.5.2.2.1 The Group’s activity as natural gas supplier to end users

LNGT security component is an integral part of the natural gas tariff to the customer. Payments for the LNGT security component are collected directly from customers or natural gas suppliers, if the customers don’t have a direct contract with the operator of transmission system. Collected amounts of the LNGT security component are transferred to the gas transmission system operator AB “Amber Grid”, which is appointed to perform the function of administering the LNGT security component. In accordance to the IFRS 15, the Group, when providing these services, considers itself as an Agent and recognises the revenue on a net basis (Note 5.4.1). Income and disbursements of the LNGT security component (regardless whether the net of it is positive or negative) are recognised under the item ‘Purchases of electricity, gas and other services’ in the Statement of profit or loss and other comprehensive income.

Income and disbursements of LNGT security component (regardless of whether the net of it is positive or negative) are recognised under the item “Purchases of electricity, natural gas and other services” in the statement of profit or loss.

1.5.2.2.2 The Group’s activity as designated LNG supplier to the gas market

The Group is providing a dedicated LNG supplier function.

In order to maintain the LNG Terminal’s infrastructure in minimum mode, a certain amount of natural gas, which is to be supplied through the LNG Terminal, is required for filling, regasification or transshipment and supply to the Lithuanian natural gas system or the international LNG market.

The Law on the LNG Terminal and the Description of the Natural Gas Supply Diversification Procedure provides that the required quantity shall be supplied by the designated supplier (nominated by the Ministry of Energy for 10 years, designation ends on 31 December 2024) by concluding a contract with the LNG supplier.

To ensure the operation of the LNG terminal, the designated supplier shall sell the required quantity on a competitive market and, therefore, its costs, which, due to the nature of its activities, are exclusively borne (whereas other suppliers don’t incur), are compensated by the transmission system operator by paying the LNGT funds that are paid from the budget of the LNGT security component collected by natural gas suppliers from end customers. Accordingly, the Group receives revenue from LNGT funds.

The revenue of LNGT funds is recognised over time by issuing VAT invoices to the transmission system operator according to the statements which are received from it and include information of degassed and/or reloaded quantity of LNG and the quantity of LNG used for the Group’s technological needs at the LNG Terminal. Revenue from the LNGT funds is recognised under item ‘Revenue from contracts with customers’ in the Statement of profit or loss and other comprehensive income. Revenue from the LNGT security component is presented in Note 5, line item ‘Revenue of LNGT security component’.

Revenue from the LNGT security component is regulated by NERC (Note 27).

1.5.3 Other significant revenue from contracts with customers

1.5.3.1 Revenue from project activities

Project-based activity comprise a number of interrelated works. Accordingly, the promise of the seller to render solar park, power saving, electric car charging and other installation services to the customer is identified as a performance obligation in the agreement concluded with the customer. The performance obligation under the agreement concluded with the customer is to be carried as soon as the object specified in the contract has been transferred to the customer. The progress of completion of the performance obligation is measured using the input method. The Group has determined that the input method, on the basis of costs incurred, provides an appropriate measure of progress towards complete satisfaction of the performance obligation.

After the completion of construction and contractual works, the seller grants a warranty period for these works and goods used. Pursuant to paragraph B31 of IFRS 15, whether the warranty is required by law, the warranty is aimed at protecting customers from the risk of purchasing defective products, therefore, it is not deemed a separate performance obligation of the seller.

The agreement concluded with the customer indicates the total price that the seller will recognise as revenue upon execution of the performance obligation over the validity period of the agreement. The seller and the customer may agree that the consideration for contractual works might increase due to additional works or other costs, but no variable consideration arises in the agreement concluded with the customer as a result of this condition.

Revenue under the agreement concluded is recognised over the time based on a stage of completion percentage. At the date of preparation of the financial statements, the seller assesses the ratio between the actually incurred expenses and the expenses projected in the estimate to the agreement and accounts for the amount of revenue as the product of the price of the agreement and the established stage of completion ratio.

1.6 Regulation of tariffs and profitability

Profitability of some individual activities of the Group is regulated by the National Energy Regulatory Council (NERC) through the service tariffs approved for the next periods. The level of tariffs depends on the projected costs and volume of services for the next period, the extent to which the previous period earnings are at variance with the regulated level, and other factors.

Actual costs of regulated activities incurred by the Group during the year may be at variance with the projected costs that are considered during the approval of the tariffs, and the actual volume of services may be at variance with the projected one. Accordingly, actual earnings from regulated activities may be at variance with the regulated level, and the resulting difference will affect the future tariffs of services.

The Group usually does not recognise assets and liabilities of the regulated activities that are intended to eliminate the mismatches between the current year earnings and the regulated level, provided the difference will be recovered/refunded only through the provision of services in the future, except those presented in Note 20.2.2.

1.6.1 Regulation of electricity related activities

The public electricity price is regulated by NERC by setting price caps for electricity purchase price and distribution services and by adding the difference between actual purchase price of electricity and the forecasted electricity price for the previous period.

1.6.2 Regulation of gas related activities

The NERC regulates the prices of gas transmission and distribution services and LNGT security component, in respect of which the Group acts as an agent, which are included in gas tariff for household customers

Liquefied natural gas is sold to regulated (supervised) energy producers at the market price set and approved by NERC. Non-regulated sales of natural gas are conducted at the prices agreed between the parties.

Activity of designated supply activities is regulated by the NERC. The Group receives a compensation to cover the difference between the price of designated supply and weighted average natural gas import price, which is recognised as revenue. Revenue is received through the LNGT component. The security component of the LNGT depends on the projected gas prices and other costs for the up-coming year, the forecasted gas supply volumes, the deviation of the revenue received in previous periods from the regulated amount and other things. Actual costs incurred by the Group during the year may differ from those estimated when approving prices and the actual amount of supply may differ from the forecast. As a result, the Group's actual revenue level may deviate from the regulated level and the difference will affect the future LNG terminal security component and thus future revenue. The Group does not recognise a regulated asset or liability that is intended to equalize current year revenue to a regulated level if the difference affects future supply prices and is recovered / refunded in the future provision of services.

1.7 Intangible assets

1.7.1 Patents, licences and trademarks

Patents and licenses are measured initially at acquisition cost and are amortised on a straight-line basis over the estimated useful life of 3 to 5 years or a specific validity term of a license and/or patent, if any. Useful life is reviewed on year-by-year basis.

1.7.2 Computer software

Computer software is stated at cost, less accumulated amortisation and impairment losses.

Amortisation of an asset begins when it is available for use, i.e. when it is in the location and condition necessary for it to be available for operating in the manner intended by management. Amortisation is calculated on the straight-line basis over the estimated economic useful life of 3 to 4 years. Useful life is reviewed on year-by-year basis.

1.7.3 Assets identified during business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

For assets acquired during business combination, useful life of 20 years was set for balancing services and trade in derivatives, and 15 years for customer relation assets. Amortisation is computed on a straight-line basis. Useful life is reviewed on year-by-year basis.

1.8 Property, plant and equipment

Property, plant and equipment is stated at acquisition (production) cost less accumulated depreciation and impairment losses, if any. Depreciation is calculated on a straight-line basis over the useful lives established for property, plant and equipment.

Cost includes expenditure incurred in relation to replacement of parts of property, plant and equipment if such expenditure meets the recognition criteria of the asset. The carrying amount of the replaced part is derecognised. Subsequent repair costs are included in the asset's carrying amount, only when it is probable that future economic benefits associated with these costs will flow to the Group and the costs can be measured reliably. All other repairs and maintenance costs charged to the statement of profit or loss during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed at least once per year, and adjusted if appropriate.

Construction in progress is transferred to appropriate categories of property, plant and equipment when asset is completed and ready for its intended use.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate the acquisition cost less their residual values over their estimated useful lives (number of years), as follows:

Category of property, plant and equipment	Useful lives (number of years)
Solar plants	5–10
Other property, plant and equipment	3–4

1.9 Right-of-use assets

Right-of-use asset is the asset that reflects the right of the Group to use the leased asset over the life of a lease. The Group recognises right-of-use assets for all types of leases, including leases of right-of-use assets in sublease, with the exception of leases of intangible assets, short-term leases and leases for which the underlying asset is of low value.

1.9.1 Initial measurement of right-of-use assets

On the lease commencement date, the Group measures right-of-use assets at cost. The cost of an asset managed under a right-of-use comprises of: the amount of the initial measurement of the lease liability, any lease payments at or before the inception date, less any lease incentives received; any initial direct costs incurred by the Group; and an estimate of the costs that the Group will incur in dismantling and disposing of the leased asset, maintaining its

location or restoring the leased asset to the condition required by the lease conditions, unless those costs are incurred in producing the inventories. The Group incurs obligation for these costs either at the commencement date or as a consequence of having used the underlying asset during a particular period. The Group recognises these costs as part of the cost of the right-of-use assets when a liability is incurred for these costs.

1.9.2 Subsequent measurement of right-of-use assets

Subsequent to initial recognition, the Group measures the right-of-use asset at cost. Under the cost model, the Group measures a right-of-use asset at cost less any depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability.

The right-of-use assets depreciated by the Group under the depreciation requirements of IAS 16, Property, Plant and Equipment.

Depreciation of right-of-use assets on a straight line basis:

Category of property, plant and equipment	Useful lives (number of years)
Buildings	8–75

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group calculates the depreciation of the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group presents rights-of-use assets separately from property, plant and equipment in the statement of financial position.

1.10 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.10.1 Financial assets

The Group classifies its financial assets into the following three categories:

- financial assets subsequently measured at amortised cost;
- financial assets subsequently measured at fair value through other comprehensive income (hereinafter 'FVOCI'), and
- financial assets subsequently measured at fair value through profit or loss (hereinafter 'FVTPL').

Transaction costs comprise all charges and commissions that the Group would not have paid if it had not entered into an agreement on the financial instrument.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (hereinafter 'SPPI')' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Interest income calculated on these financial assets is recognised as finance income and amortised using the effective interest rate method. Any gain or loss arising from the write-off of assets is recognised in the Statement of profit or loss and other comprehensive income. Impairment losses are accounted for as other expenses (Note 7) in the Statement of profit or loss and other comprehensive income.

Subsequent to initial recognition, financial assets are classified into the afore-mentioned categories based on the business model the Group applies when managing its financial assets and characteristics of cash flows from these assets. The business model applied to the group of financial assets is determined at a level that reflects how all groups of financial assets are managed together to achieve a particular business objective of the Group. The intentions of the Group's management regarding separate instruments have no effect on the applied business model. The Group may apply more than one business model to manage its financial assets. In view of the business model applied for managing the group of financial assets, the accounting for financial assets, is as follows:

1.10.1.1 Financial assets subsequently measured at FVOCI

The Group only has derivatives subsequently measured at FVOCI. More information is disclosed in Note 1.10.3.

1.10.1.2 Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (hereinafter 'EIR') method and are subject to impairment. Amortised cost is the amount at which the financial instrument was recognised at initial recognition minus principal repayments, plus accrued interest, and, for financial assets, minus any write-down for expected credit losses.

Financial assets are recognised as current assets, except for maturities greater than 12 months after the date of the statement of financial position, in which case they are classified as non-current assets.

1.10.1.3 Financial assets at FVTPL

Debt and equity instruments that do not meet the criteria of financial assets to be measured at amortised cost or financial assets to be measured at FVOCI are stated as financial assets to be measured at FVPL. The Group includes Derivatives in this category (see Note 1.10.3).

1.10.1.4 Effective interest method

The effective interest method is used in the calculation of the amortised cost of a financial asset and in the allocation of the interest revenue in the statement of profit or loss over the relevant period.

EIR is the rate that exactly discounts estimated future cash inflows through the expected life of the financial asset to the gross carrying amount of the financial asset that shows the amortised cost of the financial asset, before adjusting for any loss allowance. When calculating EIR, the Group estimates

the expected cash flows by considering all the contractual terms of the financial instrument (for example, advance payment, extension, call and similar options) but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of EIR, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

1.10.1.5 Impairment of financial assets – expected credit losses (hereinafter “ECL”)

The Group assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortised cost regardless of whether there are any impairment indicators.

Credit losses incurred by the Group are calculated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls) discounted at the original EIR. The Group estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument, including cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECL are measured in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; the time value of money; and reasonable and supportable information about past events and current conditions, and reasonable and supportable forecasts of future events and economic conditions at the reporting date.

Lifetime expected credit losses are ECL that result from all possible default events over the period from the date of initial recognition of a financial asset to the subsequent date of settlement of the financial asset or ultimate write-off of the financial asset.

The Group seeks for lifetime expected credit losses to be recognised before a financial instrument becomes past due. Typically, credit risk increases significantly before a financial instrument becomes past due or other lagging borrower-specific factors (for example, a modification or restructuring) are observed. Consequently, when reasonable and supportable information that is more forward-looking than past due information is available without undue cost or effort, it is used to assess changes in credit risk. Expected credit losses are recognised by taking into consideration individually or collectively assessed credit risk of loans granted and trade receivables. Credit risk is assessed based on all reasonable information, including forward-looking information.

Valuation of ECLs for receivables (other than trade receivables):

- For receivables from Group companies, ECLs are assessed on an individual basis;
- For other receivables, prepayments and accrued income, ECLs are assessed on an individual basis.

The Group's management performs the assessment on an individual basis reflecting the possibility of obtaining information on the credit history of a particular debtor its financial position as at the date of assessment, including forward-looking information that would allow to timely determine whether there has been a significant increase in the credit risk of that particular borrower, thus enabling making judgement on the recognition of lifetime ECL in respect of that particular borrower. In the absence of reliable sources of information on the credit history of a particular debtor its financial position as at the date of assessment, including forward-looking information, the Group assesses the debt on a collective basis.

Recognition stages of expected credit losses:

- 1) Upon granting of a loan or concluding a finance lease agreement, the Group recognises the expected credit losses for the twelve-month period. Interest income from the loan is calculated on the carrying amount of financial assets without adjusting it by the amount of ECL;
- 2) Upon establishing that the credit risk related to the borrower or lessee has significantly increased, the Group accounts for the life-time expected credit losses of the loan or finance lease agreement. All lifetime expected credit losses of a financial instruments are calculated only when there is a significant increase in credit risk relating to the borrower or lessee. Interest income from the loan (finance lease) is calculated on the carrying amount of financial assets without adjusting it by the amount of expected credit losses;
- 3) Where the Group establishes that the recovery of the loan or finance lease debt is doubtful, the Group classifies these debts as credit-impaired financial assets (doubtful loans and receivables). Interest income from the loan (finance lease) is calculated on the carrying amount of financial assets which is reduced by the amount of expected credit losses.

In stage 2, an assessment of the significant deterioration in the borrower's or lessee's financial situation is performed by comparing the financial situation as at the time of the assessment and the financial situation as at the time of issuing the loan or finance lease.

The latest point at which the Group recognises all lifetime expected credit losses of the loan granted or a finance lease agreement is identified when the borrower is late to pay a periodic amount or the total debt for more than 90 days. In case of other evidence available, the Group accounts for all lifetime expected credit losses of the loan or a finance lease granted regardless of the more than 90 days past due presumption.

1.10.1.6 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (a) significant financial difficulty of the borrower;
- (b) a breach of contract, such as a default or past due event for more than 90 days;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or another financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties;
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

1.10.1.7 Derecognition of financial assets

A financial asset (or, where applicable a part of financial asset or group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;

- the right to receive cash flows from the asset is retained, but an obligation is assumed to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the rights to receive cash flows from the asset are transferred and either (a) substantially all the risks and rewards of the asset have been transferred, or (b) substantially all the risks and rewards of the asset have neither been transferred nor retained, but control of the asset has been transferred:
 - if control is not retained, the financial asset is derecognised and any rights and obligations created or retained in the transfer are recognised separately as assets or liabilities;
 - if control is retained, the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Whether the control of the transferred asset is retained depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, control is not retained. In all other cases, control is retained.

1.10.2 Financial liabilities and equity instruments issued

Debt or equity instruments are classified as financial liabilities or equity based on the substance of the arrangement.

The Group has not issued any equity instruments, except for issued capital.

1.10.2.1 Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL (change in fair value of which is accounted through profit or loss), loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge. All financial liabilities are recognised initially at fair value and, in the case of loans, liabilities and payables, net of directly attributable transaction costs.

1.10.2.2 Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- financial liabilities at FVTPL;
- financial liabilities at amortised cost.

1.10.2.3 Financial liabilities at FVTPL

Financial liabilities at FVPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVPL.

Financial liabilities are classified as held for trading if they are incurred principally for the purpose of repurchasing them in the near term. This category also includes derivatives entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gain or loss arising from financial liabilities held for trading is recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at FVPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

1.10.2.4 Financial liabilities at amortised cost

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gain and loss is recognised in the statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

1.10.2.5 Presentation

Financial liabilities are classified as current unless the Group has an unconditional right to postpone repayment for at least 12 months after the end of the reporting period.

If a financing agreement concluded before the reporting date proves that the liability was non-current by its nature as of the date of the balance sheet, that financial liability is classified as non-current.

1.10.2.6 Effective interest rate method

The EIR method is used in the calculation of the amortised cost of a financial liability and in the allocation of the interest expenses in the Statement of profit or loss and other comprehensive income over the relevant period.

The EIR is the rate that exactly discounts estimated future cash outflows through the expected life of the financial liability to the gross carrying amount of the financial liability that shows the amortised cost of the financial liability.

1.10.2.7 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the respective balances is recognised in the statement of profit or loss and other comprehensive income.

1.10.3 Derivatives and hedge accounting

The Group enters into derivative transactions related to purchase and sale prices of electricity and gas. At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is 'an economic relationship' between the hedged item and the hedging instrument;
- the effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item and the quantity of the hedging instrument.

1.10.3.1 Presentation

Fair value of derivatives is presented in the statement of financial position as "Other non-current assets", "Other current assets", "Other non-current liabilities" and "Other current liabilities" (Note 24).

Changes in fair value and result of settled derivatives for hedges that do not meet the qualifying criteria for hedge accounting are disclosed in the statement of profit or loss either as "Other income" (Note 5), if result for a period of such derivatives is profit, or "Other expenses" if result of such derivatives for a period is loss (Note 8).

Changes in fair value and the result of financial instruments that have been settled and that are held for hedging and that qualify for hedge accounting are accounted for as follows:

1.10.3.2 Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in the statement of financial position, in the hedging reserve, while any ineffective portion is recognised immediately directly profit or loss of the statement of profit or loss in other income or expenses (accounting method is similar to derivatives that do not meet the hedge criteria). The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item. However, at least 67% hedged item coverage not exceeding 150% is expected in order for derivative to be classified as effective for hedge accounting purposes.

When cash flow hedges are realised, gain or losses are transferred from equity and recognised in the statement of profit or loss as "Purchases of electricity, natural gas and other services".

1.11 Energy saving solutions – Finance lease — the Group is a lessor

The Group provides energy saving services by preparing an energy saving project, for the implementation of which it is necessary to install special equipment and carry out construction works in the client's facilities. Based on the contract with the client, acquisition of special equipment can be financed by the client or the Group. For the contracts where acquisition of equipment and construction works is financed by the Group, the recognised sales revenue of the system corresponds to the minimum payments accumulated by the Group and allocated to cover the value of the installed system. The acquisition cost of the installed system, net of the present value of unguaranteed residual value, is expensed. The costs incurred in relation to negotiation and finance lease organisation at the inception of lease are expensed.

Amounts receivable are accounted for at amortised cost. On initial recognition, amounts receivable are estimated by discounting all future payments of the client for the installed energy saving system. Subsequently, amounts receivable are estimated using the annual interest rate, which was used on initial recognition when discounting the future payments of clients, and by recognising interest income from financing activities.

Interest income from financing activities is recognised over the period of lease using the effective interest rate, which was used when discounting the future payments of clients on initial recognition. Interest income from financing activities is accounted for irrespective of whether such interest is stipulated in the contract with the client.

The installed systems are transferred into the ownership of a client at no extra pay following the receipt of a full payment under the contract.

1.12 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method, except for natural gas and liquefied natural gas, the cost of which is determined using the weighted average costing method (see below). The cost of inventories comprises purchase price, taxes (other than those subsequently recoverable by the Group from the tax authorities), transportation, handling and other costs directly attributable to the acquisition of inventories. Cost does not include borrowing costs. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The cost of the remaining natural gas in the pipeline and storage is established using the weighted average cost method, and of liquefied natural gas stored at the terminal – the acquisition cost. Weighted average cost is calculated as weighted average of inventories at the beginning of the months and purchases made during that month.

1.13 Lease liabilities

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

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.13.1 Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Also, low-value asset lease recognition exemption to office equipment that are considered to be low value is applied. Lease related discounts are charged to the lease income proportionally over the term of the lease.

1.13.2 The Group as a lessor in operating leases

Leases in which the Group does transfer substantially all the risks and rewards incidental to ownership of an asset or the lessee has the ability to continue the lease for a secondary period at a rent that is substantially lower than market rent, are classified as finance leases. At the commencement date, the Group recognises assets held under a finance lease in its statement of financial position and pre-sent them as a receivable at an amount equal to the net investment in the lease. Finance lease income for the lease term based on periodic net investment in the lease is accounted for on a straight-line basis over the lease term and included into finance income in the statement of profit or loss. Lease payments are apportioned between finance income and reduction of the lease receivable so as to achieve a constant rate of interest on the remaining balance of the receivable. Finance charges are recognised in finance income in the statement of profit or loss.

1.14 Employee benefits

1.14.1 State plans

The Group pays social security contributions to the State Social Security Fund (hereinafter "the Fund") on behalf of its employees based on the defined contribution plan in accordance with the local legal requirements. A defined contribution is a plan under which the Group pays fixed contributions into the Fund and will have no legal or constructive obligations to pay further contributions if the Fund does not hold sufficient assets to pay all employees benefits relating to employee service in the current and prior period. The social security contributions are recognised as expenses on an accrual basis and are included in payroll expenses.

1.14.2 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy.

1.14.3 Non-current employee benefits

Each employee of retirement age who terminates his/her employment with the Group upon retirement is entitled to receive a payment equal to 2 monthly salaries according to Lithuanian laws.

A liability for such pension benefits is recognised in the statement of financial position and it reflects the present value of these benefits at the date of the statement of financial position. The aforementioned non-current liability for pension benefits to employees at the reporting date is estimated with reference to actuarial valuations using the projected relative unit method. The present value of the defined non-current liability for pension benefits to employees is determined by discounting the estimated future cash flows using the effective interest rates as set for government bonds denominated in a currency in which the benefits will be paid to employees and that have maturity term similar to that of the related liability. Actuarial gains or losses are recognised immediately in other comprehensive income

1.15 Fair value

The Group measures financial instruments such as derivatives, and non-financial assets such as investment properties, at fair value at each statement of financial position date. Determination of the fair value is based on the assumption that the asset sale or liability transfer transaction is performed either:

- in the principal market for the asset or liability;
- or
- in the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which is described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: fair value of assets is based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value of assets is based on other observable market data, directly or indirectly;
- Level 3: fair value of assets is based on non-observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

8.2 Company's financial statements

Prepared for the year ended 31 December 2025 in accordance with IFRS Accounting Standards as adopted by the European Union

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The Group's consolidated financial statements were prepared and signed by UAB Ignitis management on 24 February 2026:

Artūras Bortkevičius	Darius Šimkus	Rūta Tijūnaitienė
General Manager	Manager of Finance and Business Support Department	Senior accounting expert of UAB „Ignitis grupės paslaugų centras“, acting under Decision No 26_GSC_SP_0024 of 19 February 2026

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2025

EURk	Note	2025	2024
Revenue from contracts with customers	5	900,541	967,180
Other income	6	3,146	2,332
Total revenue		903,687	969,512
Purchases of electricity, natural gas and other services	7.1	(876,041)	(901,189)
Salaries and related expenses		(19,605)	(17,134)
Depreciation and amortisation		(5,910)	(3,896)
(Impairment)/reversal of impairment of investments in subsidiaries	25	-	4,100
Other expenses	7.2	(25,320)	(20,195)
Total expenses		(926,876)	(938,314)
Operating profit (loss)		(23,189)	31,198
Finance income	8	4,094	5,745
Finance expenses	8	(9,522)	(10,259)
Finance activity result, net		(5,428)	(4,514)
Profit (loss) before tax		(28,617)	26,684
Income tax (expenses)/benefit	9	7,646	(5,751)
Net profit (loss) for the year		(20,971)	20,933
Other comprehensive income			
Change in actuarial assumptions	10	33	(12)
Items that will not be reclassified to profit or loss in subsequent periods (net of tax), total		33	(12)
Cash flow hedges – effective portion of change in fair value	10	15,015	(11,994)
Cash flow hedges – reclassified to profit or loss	10	(6,591)	3,770
Items that may be reclassified to profit or loss in subsequent periods (net of tax), total		8,424	(8,224)
Total other comprehensive income (loss) for the year	10	8,457	(8,236)
Total comprehensive income (loss) for the year		(12,514)	12,697

Statement of financial position

As at 31 December 2025

EURk	Note	31 December 2025	31 December 2024
Assets			
Intangible assets	11	22,137	20,247
Property, plant and equipment	12	28,653	24,732
Right-of-use assets		5,265	3,611
Prepayments for non-current assets		2,228	2,440
Investment in subsidiaries	25	33,677	22,177
Non-current receivables	13.1	38,128	42,823
Other non-current assets		936	1,351
Deferred tax assets	9.3	25,299	22,754
Non-current assets		156,323	140,135
Inventories	14	23,554	41,895
Prepayments and deferred expenses		1,022	703
Trade receivables	15	140,806	152,831
Other receivables	13.2	33,145	60,091
Other current assets	24.1	3,782	3,064
Prepaid income tax		-	4,500
Cash and cash equivalents	16	49,017	36,353
Current assets		251,326	299,437
Total assets		407,649	439,572
Equity and liabilities			
Share capital	17.2	41,155	41,155
Share premium		48,221	93,985
Reserves			
Legal reserve	18.1	-	4,116
Hedging reserve	18.2	(10,849)	(19,274)
Retained earnings		(20,938)	(49,879)
Equity		57,589	70,103
Non-current loans	19	24,653	11,800
Non-current lease liabilities	19	4,894	3,242
Provisions	20	5,953	332
Other non-current liabilities	24.1	9,540	19,422
Non-current liabilities		45,040	34,796
Loans	19	17,978	433
Lease liabilities	19	483	402
Trade payables	22	193,038	235,456
Advances received	21.2	39,833	12,665
Provisions	20	5,623	46,773
Deferred income	21.1	26	292
Other current liabilities	23	48,039	38,652
Current liabilities		305,020	334,673
Total liabilities		350,060	369,469
Total equity and liabilities		407,649	439,572

Statement of changes in equity

For the year ended 31 December 2025

EURk	Note	Share capital	Share premium	Legal reserve	Hedging reserve	Retained earnings	Total
Balance as at 1 January 2024		41,155	93,985	5,151	(11,050)	(71,835)	57,406
Net profit for the year		-	-	-	-	20,933	20,933
Other comprehensive income (loss)	10	-	-	-	(8,224)	(12)	(8,236)
Total comprehensive income (loss) for the year		-	-	-	(8,224)	20,921	12,697
Transfers to legal reserve		-	-	(1,035)	-	1,035	-
Balance as at 31 December 2024		41,155	93,985	4,116	(19,274)	(49,879)	70,103
Balance as at 1 January 2025		41,155	93,985	4,116	(19,274)	(49,879)	70,103
Net profit for the year		-	-	-	-	(20,971)	(20,971)
Other comprehensive income (loss)	10	-	-	-	8,424	33	8,457
Total comprehensive income (loss) for the year		-	-	-	8,424	(20,938)	(12,514)
Transfers from legal reserve		-	-	(4,116)	-	4,116	-
Loss coverage from share premium		-	(45,764)	-	-	45,764	-
Balance as at 31 December 2025		41,155	48,221	-	(10,850)	(20,937)	57,589

Statement of cash flow

For the year ended 31 December 2025

EURk	Note	2025	2024
Net profit (loss) for the year		(20,971)	20,933
Adjustments for:			
Depreciation and amortisation expenses	11,12	5,910	3,896
Impairment of investments in subsidiaries	25	-	(4,100)
Fair value changes of derivatives	24	(3,120)	950
Income tax expenses/(benefit)	9	(7,646)	5,751
Increase/(decrease) in provisions	20	(35,489)	(32,946)
Inventory write-off to net realizable value/(reversal)		2,942	(14,102)
Impairment/(reversal of impairment) of financial assets		692	(1,080)
Loss/(gain) on disposal/write-off of assets held for sale and property, plant and equipment		98	(2)
Interest income	8	(4,094)	(5,562)
Interest expenses	8	3,749	4,117
Other expenses/(income) of financing activities		5,773	5,959
Changes in working capital:			
(Increase)/decrease in trade receivables and other receivables		12,803	17,388
(Increase)/decrease in inventories, prepayments and deferred expenses, other current and non-current assets and other financial assets		14,539	39,456
Increase/(decrease) in trade payables, deferred income, advances received, other non-current and current liabilities		1,686	16,037
Income tax (paid)/received		3,490	19,828
Net cash flows from operating activities		(19,638)	76,523
Acquisition of property, plant and equipment and intangible assets		(10,211)	(11,721)
Proceeds from sale of property, plant and equipment, assets held for sale and intangible assets		1	10
Investment in subsidiary		(11,500)	-
Loans granted	13.2.2	(42,700)	(53,650)
Loans recovered	13.2.2	46,350	62,600
Interest received	13.2.2	4,005	5,401
Finance lease payments received		993	1,617
Net change of AB "Ignitis grupé" group's cash pool platform	13.2.2	25,617	(25,617)
Net cash flows from investing activities		12,555	(21,360)
Loans received	19.2.1	13,609	-
Repayment of loans	19.2.1	-	(27,000)
Net change of AB "Ignitis grupé" group's cash pool platform	19.2.1	16,668	(38,959)
Lease payments	19.2.1	(521)	(366)
Interests paid	19.2.1	(4,238)	(4,452)
Amounts under trade finance agreements		(5,771)	(6,080)
Net cash flows from financing activities		19,747	(76,857)
Increase (decrease) in cash and cash equivalents		12,664	(21,694)
Cash and cash equivalents at the beginning of the period		36,353	58,047
Cash and cash equivalents at 31 December	16	49,017	36,353

Notes

For the year ended 31 December 2025

1 General information

UAB Ignitis (hereinafter referred to as 'the Company') is a public limited liability company registered in the Republic of Lithuania. The company's registered office address is Laisvės Ave. 10, LT-04215, Vilnius, Lithuania. The company was registered on 02 September 2014 with the Register of Legal Entities managed by the State Enterprise Centre of Registers. The company's code is 303383884, VAT code LT100008860617. The company has been founded for an indefinite period. Reporting period is one year ended 31 December 2025.

The Company's core line of business is the supply, purchase (import), planning and sale of natural gas and electricity to consumers. The Company supplies natural gas to corporate customers operating in the sectors of energy, industry and small commercial businesses, and to private customers, including supply of liquefied natural gas (hereinafter – LNG) through the Klaipėda LNG Terminal. The company carries out the independent supply of electricity to household customers. The Company also develops a range of smart services, offers charging solutions for electric vehicles, an electricity balancing service, solar power and other energy solutions based on technological innovations, and sells electricity origin certificates.

The Company's shareholder was:

Company's shareholder	31 December 2025		31 December 2024	
	Number of shares held	%	Number of shares held	%
AB "Ignitis grupė"	141,913,794	100	141,913,794	100
Total	141,913,794	100	141,913,794	100

The Company's parent company is AB "Ignitis grupė" (company code 301844044, registered address Laisvės Ave. 10, LT-04215 Vilnius, Lithuania), which owns 100% of shares of the Company as at 31 December 2025 and 2024. As at 31 December 2025 and 2024, the shareholders of AB "Ignitis grupė" were the Ministry of Finance of the Republic of Lithuania (74.99%), and retail and institutional investors (25.01%).

AB "Ignitis grupė" is an ultimate controlling company. The Company comprises AB Ignitis grupė and all of its subsidiaries ("the Group"). The ultimate parent company, AB "Ignitis grupė", prepares the consolidated financial statements of the Group, which include all subsidiaries of AB "Ignitis grupė", including the Company.

As at 31 December 2025 and 2024, the Company's subsidiaries are presented in Note 25.

The financial statements of the Company were signed by the Company's management on 24 February 2025. The Company's shareholders have a statutory right to either approve or not to approve these financial statements and require the preparation of new financial statements.

The Company also prepares consolidated financial statements in accordance with IFRS accounting standards as approved by International Accounting Standards Board (hereinafter referred to as 'IASB') and adopted by the European Union (hereinafter referred to as 'IFRS').

2 Basis of preparation

2.1 Basis of accounting

These financial statements (hereinafter referred to as 'financial statements') have been prepared in accordance with IFRS Accounting Standards issued by International Accounting Standards Board (hereinafter referred to as 'IASB') and endorsed for application in the European Union.

Financial statements as at and for the year ended 31 December 2025 have been prepared on a going concern basis by applying the measurements based on historical cost, except for certain financial instruments measured at fair value.

The financial statements provide comparative information in respect of the previous period.

Details of the Company's Material accounting policies, including changes thereto, are included in Note 8.6 and section '[Accompanying information](#)' of these financial statements.

2.2 Functional and presentation currency

These financial statements are presented in euros, which is the Company's functional currency, and all values are rounded to the nearest thousand (EUR '000), except when indicated otherwise.

3 Changes in material accounting policies

3.1 Changes in accounting policy and disclosures

The accounting policies applied in the preparation of these 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 2024, with the exception for the adoption of new standards effective as of 1 January 2025. The Company has not applied any standard, interpretation, or amendment for which the early application is permitted but is not yet effective.

Information about new standards is available in Note 8.6 section '[Accompanying information](#)' of these financial statements.

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

While preparing these financial statements, the management has made judgements and estimates about the future, including climate-related risks and opportunities, that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income, costs and contingencies. Changes in the underlying assumptions of such estimates and judgements may have a material effect on financial statements in the future.

Estimates and judgements with underlying assumptions are reviewed on an ongoing basis and are consistent with the Company's risk management and climate-related commitments, where appropriate. Revisions to the estimates and judgements are recognised prospectively.

Significant accounting estimates and judgements used in the preparation of the financial statements are described in this note. For other estimates and judgements used herein, refer to other notes of these financial statements.

Significant accounting estimates and judgments	Note	Estimate/judgment
Principal or an Agent in relation to gas and electricity transmission and distribution services	5.4.1	Judgment
Realization of deferred tax	9.3	Estimate
Impairment of intangible assets identified during business combination	11.1	Estimate
Expected credit losses of trade receivables	15.2	Estimate/judgment
Collective assessment of ECL applying provision matrix	15.2.1	Estimate/judgment
Individual assessment of ECL	15.2.2	Estimate/judgment
Regulated Activities: Accrued Income and Provisions	20.2.1	Estimate
Assessment of onerous contracts	20.2.2	Estimate
Impairment of investments	25.2.1	Estimate/judgment
Regulated activity: accrual of income and regulatory provision from public electricity supply	27.2.2.1	Estimate
Impact of climate change	29.3.1	Estimate

5 Revenue

5.1 Revenue by type

EURk	2025	Non-household customers	Household customers	Total
Revenue from the sale of electricity		299,854	186,862	486,716
Revenue from sale of natural gas		244,613	114,956	359,569
Revenue from public supply of electricity		2,514	50,478	52,992
Revenue from the LNGT security component ¹		(436)	-	(436)
Revenue from project activities		1,120	580	1,700
Total revenue		547,665	352,876	900,541

¹Adjustment (return) of revenues collected through LNGT security component, as per the Law on the Liquefied Natural Gas Terminal of the Republic of Lithuania. Approved by NERC.

EURk	2024	Non-household customers	Household customers	Total
Revenue from the sale of electricity		307,520	206,529	514,049
Revenue from sale of natural gas		261,266	99,487	360,753
Revenue from public supply of electricity		1,266	43,895	45,161
Revenue from the LNGT security component		31,797	-	31,797
Revenue from project activities		13,770	1,650	15,420
Total revenue		615,619	351,561	967,180

5.2 Revenue from contracts with customers by timing

EURk	2025	2024
Performance obligation settled over time	892,454	913,442
Performance obligation settled at a specific point in time	8,087	53,738
Total	900,541	967,180

5.3 Contract balances

EURk	Note	31 December 2025	31 December 2024
Trade receivables	15	140,806	152,831
Accrued revenue from electricity related sales	13	1,724	1,366
Accrued revenue from gas related sales	13	2,633	-
Other accrued revenue	13	1,133	1,621
Contract assets		5,490	2,987
Advances received	21.2	39,817	12,650
Deferred income	21.1	26	292
Contract liabilities		39,843	12,942
Non-current contract liabilities		-	-
Current contract liabilities	21.2	39,843	12,942

5.3.1 Contract assets

There has been no change in the estimation techniques or significant assumptions made during the current reporting period in assessing the loss allowance for the amounts due from customers under the contracts. Recognised expected credit losses (if any) are disclosed in Notes 13 and 15.

5.4 Significant accounting estimates and judgements

5.4.1 Collection and transfer of fees for gas and electricity transmission and distribution components

The Company's management has identified that in respect of gas and electricity distribution and transmission services the Company acts as an agent. The management relied on the following arguments:

- For all transmission and distribution services the Company is not ultimately responsible, since the owners of the transmission and distribution grid take full responsibility, as provided for in the laws and regulations, and agreements with customers;
- The Company also does not bear inventory risk since price of transmission and distribution services is determined based on meter readings, i.e. fee of transmission and distribution components is charged to the Company only to the amount of electricity consumed by the end customer;
- The prices of transmission and distribution components are determined by the grid operator and approved by the NERC.

6 Other income

EURk	2025	2024
Derivatives (commodities)	2,604	810
Interest on late payments	331	1,219
Gain on disposal of non-current assets	1	10
Other income	210	293
Total	3,146	2,332

7 Expenses

7.1 Purchases of electricity, natural gas and other services

EURk	2025	2024
Purchases of electricity and related services	529,170	546,595
Purchases of natural gas and related services	346,332	342,730
Operating costs related to other sub-contractors	539	11,864
Total	876,041	901,189

Operating costs related to other subcontractors were lower in 2025, mainly due to the completion of solar park projects in 2024.

7.2 Other expenses

EURk	2025	2024
Customer service	6,813	6,518
Telecommunications and IT services	6,223	4,494
Asset management and administration	2,369	2,021
Communication	1,831	1,424
Finance and accounting	1,453	1,169
Legal	1,198	1,027
Personnel development	1,088	1,111
Business resilience and Efficiency and digitalisation	849	484
Impairment of long term and short-term receivables	692	(1,080)
Write-offs of long term and short-term receivables	531	1,290
Repairs and maintenance	228	231
Procurement	173	174
Consulting services	79	93
Tax (other than income tax) expenses	32	100
Other	1,761	1,139
Total	25,320	20,195

8 Finance activity

EURk	2025	2024
Interest income at the effective interest rate	4,094	5,562
Other income from financing activities	-	183
Total finance income	4,094	5,745
Interest expenses	3,749	4,117
Finance costs related to trade finance agreements	5,771	6,080
Other expenses of financing activities	2	62
Total financial expenses	9,522	10,259
Finance activity, net	(5,428)	(4,514)

8.1 The Company's interest income

In 2025, the Company received in cash EUR 4,005 thousand (2024: EUR 5,401 thousand) in interest income, which is presented in the Statement of cash flows under 'Interest received'.

9 Income taxes

9.1 Amounts recognised in profit or loss

EURk	2025	2024
Income tax (benefit) for the year	-	(89)
Deferred tax expenses (benefit)	(7,646)	5,840
Total	(7,646)	5,751

9.2 Effective tax rate

Income tax on the Company's profit before tax differs from the theoretical amount that would arise using the effective tax rates applicable to profit of the Company.

EURk	2025	2025	2024	2024
Profit (loss) before tax	-	(28,617)	-	26,684
Income tax expenses (benefit) at tax rate of 16%	16.00%	(4,579)	15.00%	4,003
Non-taxable income and non-deductible expenses	5.17%	(1,479)	11.88%	3,169
Adjustments in respect of prior years	-	-	(0.36%)	(96)
Income tax rate change	5.55%	(1,588)	(4.97%)	(1,325)
Income tax expenses (benefit)	26.72%	(7,646)	21.55%	5,751

The income tax is calculated on the profit before taxes. The standard corporate income tax rate applicable to companies of the Republic of Lithuania in 2025 was 16% and 2024 was 15%. (from 2026 – 17%).

9.3 Deferred tax

EURK	As at 31 December 2023	Recognised in profit or loss	Recognised in other comprehensive income	Sold tax loss	As at 31 December 2024	Recognised in profit or loss	Recognised in other comprehensive income	Sold tax loss	As at 31 December 2025
Deferred tax assets									
Inventories write down to NRV	2,204	(2,109)	-	-	95	506	-	-	601
Provision for onerous contracts	9,980	(2,645)	-	-	7,335	(5,913)	-	-	1,422
Lease liability (IFRS16)	96	488	-	-	584	330	-	-	914
Accrued expenses	3,070	(509)	-	-	2,561	1,485	-	-	4,046
Impairment of trade receivables	930	(111)	-	-	819	169	-	-	988
Tax losses carry forward	33,320	(461)	1,450	(24,328)	9,981	12,112	(1,604)	(3,490)	16,999
Differences of financial and tax value (PPE)	1,702	(319)	-	-	1,383	(309)	-	-	1,074
Non-current employee benefits	20	(1)	2	-	21	1	(7)	-	15
Other	255	9	-	-	264	28	-	-	292
Deferred tax asset	51,577	(5,658)	1,452	(24,328)	23,043	8,409	(1,611)	(3,490)	26,351
Deferred tax liabilities									
Right-of-use asset (IFRS16)	96	484	-	-	580	315	-	-	895
Derivatives	11	(301)	-	-	(290)	446	-	-	156
Other	-	(1)	-	-	(1)	2	-	-	1
Deferred tax liability	107	182	-	-	289	763	-	-	1,052
Deferred tax, net	51,470	(5,840)	1,452	(24,328)	22,754	7,646	(1,611)	(3,490)	25,299

On 14 May 2025, the Company signed a tripartite agreement, under which it transferred to the Group company tax losses of EUR 25,568 thousand, for which it received the consideration for amount EUR 3,490 thousand.

During the year 2024 the parent company transferred tax losses for amount EUR 176,653 thousand (deferred tax asset amounts to EUR 26,498 thousand) to other Group companies and received a payment for amount EUR 24,328 thousand.

As at 31 December 2025, the Company did not recognise the deferred tax assets from temporary differences of EUR 3,661 thousand (investment tax relief), as it is not clear whether future taxable profits will be available against which they can be used (31 December 2024: the Company did not recognise deferred tax assets on investment tax relief in the amount of EUR 2,271 thousand). The Company will be able to benefit from investment project incentives, for which it did not recognize deferred income tax, over the next four years, until 2029 inclusive.

In Lithuania tax losses can be carried forward for an indefinite period, except for losses incurred as a result of disposal of securities and/or derivative financial instruments. Such carrying forward is disrupted if the Company changes its activities due to which these losses incurred except when the Company does not continue its activities due to reasons which do not depend on the Company itself can be carried forward for 5 consecutive years and only be used to reduce the taxable income earned from the transactions of the same nature. The transferable tax loss cannot cover more than 70% of the taxable profit of the current year.

Deferred tax asset has been recognized on the assumption that the Company expects to utilize tax losses over the next 10 years. The tax loss incurred in 2025 is planned to be transferred to Group companies.

10 Other comprehensive income

EURK	Hedging reserve	Retained earnings	Total
Items that will not be reclassified to profit or loss in subsequent periods			
Revaluation of property, plant and equipment	-	-	-
Result of change in actuarial assumptions	-	(15)	(15)
Tax	-	3	3
Items that may be reclassified to profit or loss in subsequent periods			
Cash flow hedges – effective portion of change in fair value	(14,111)	-	(14,111)
Cash flow hedges – reclassified to profit or loss	4,437	-	4,437
Tax	1,450	-	1,450
Total as at 31 December 2024	(8,224)	(12)	(8,236)
Items that will not be reclassified to profit or loss in subsequent periods			
Revaluation of property, plant and equipment	-	-	-
Result of change in actuarial assumptions	-	40	40
Tax	-	(7)	(7)
Items that may be reclassified to profit or loss in subsequent periods			
Cash flow hedges – effective portion of change in fair value	17,874	-	17,874
Cash flow hedges – reclassified to profit or loss	(7,846)	-	(7,846)
Tax	(1,604)	-	(1,604)
Total as at 31 December 2025	8,424	33	8,457

11 Intangible assets

EURk	Computer software	Intangible assets identified during business combination	Software projects in progress	Other intangible assets	Total
Acquisition cost at 1 January 2025	8,844	43,958	4,424	82	57,308
Additions	-	-	5,234	44	5,278
Reclassifications between categories	4,521	-	(4,521)	-	-
Acquisition cost at 31 December 2025	13,365	43,958	5,137	126	62,586
Accumulated amortisation at 1 January 2025	(5,817)	(31,234)	-	(10)	(37,061)
Amortisation	(2,190)	(1,198)	-	-	(3,388)
Accumulated amortisation at 31 December 2025	(8,007)	(32,432)	-	(10)	(40,449)
Carrying amount at 31 December 2025	5,358	11,526	5,137	116	22,137
<hr/>					
Acquisition cost at 1 January 2024	6,396	43,958	2,491	10	52,855
Additions	-	-	4,381	68	4,449
Reclassifications between categories	2,448	-	(2,448)	-	-
Reclassifications (to)/from property, plant & equipment	-	-	-	4	4
Acquisition cost at 31 December 2024	8,844	43,958	4,424	82	57,308
Accumulated amortisation at 1 January 2024	(4,508)	(30,036)	-	(10)	(34,554)
Amortisation	(1,309)	(1,198)	-	-	(2,507)
Accumulated amortisation at 31 December 2024	(5,817)	(31,234)	-	(10)	(37,061)
Carrying amount at 31 December 2024	3,027	12,724	4,424	72	20,247

As at 31 December 2025, the Company carried out an analysis to determine existence of indications of impairment for intangible assets. The Company conducted a thorough review of the business benefits provided by intangible assets, considering information from internal and external sources. Additionally, the Management assessed whether during the reporting period there have been any significant adverse changes in the technological, market, economic and legal environment in which the Company operates, which could impact the value of intangible assets. Considering all of the above criteria Management has determined that as at 31 December 2025 no indications of possible impairment could be identified with respect to intangible assets of the Company. Although the Company recorded a net loss for the year ended 31 December 2025, which represents an indicator of potential impairment for intangible assets, Management has assessed the recoverable amount of intangible assets and concluded that no impairment is necessary, as the Company is forecasted to return to profitability in 2026.

11.1 Intangible assets identified during business combination

Assets identified during business combination consists of the following Company's operations:

- Hedging activity. The carrying amount of derivative trading activities that were acquired in previous periods as at 31 December 2025 was EUR 4,150 thousand (31 December 2024: EUR 4,565 thousand). Amortisation is calculated over a period of 20 years.
- Balancing services. The carrying amount of balancing services that were acquired in previous periods was EUR 5,736 thousand as at 31 December 2025 (31 December 2024: EUR 6,310 thousand). Amortisation is calculated over a period of 20 years.
- Public electricity supply service, client contracts and relationships. The carrying amount of client contracts and relations relate to public electricity supply that were acquired in previous periods as at 31 December 2025 was EUR 1,640 thousand (31 December 2024: EUR 1,849 thousand). Amortisation is calculated over a period of 15 years.

11.2 Fully amortised intangible assets

The acquisition cost of fully amortised intangible assets used by the Company were as follows:

EURk	31 December 2025	31 December 2024 ¹
Patents and licences	10	10
Computer software	365	171
Acquisition cost of fully amortised assets, total	375	181

¹Due to inaccurate presentation in the previous year, the comparative amount relating to fully amortized patents and licenses has been changed in the 2024 column. Consequently, the total comparative amount has change.

11.3 Acquisition commitments

As at 31 December 2025 and 2024, the Company has no significant acquisition commitments of intangible assets to be fulfilled during the subsequent years.

11.4 Pledged assets

As at 31 December 2025 and 2024, the Company has no pledged intangible assets.

12 Property, plant, and equipment

EURk	Land	Solar plants	Other property, plant and equipment	Construction-in-progress	Electric Vehicle charging stations	Total
Acquisition cost amount at 1 January 2025	-	4,081	54	7,730	15,767	27,632
Additions	1,666	-	14	4,261	-	5,941
Write-offs	-	-	(35)	368	(566)	(233)
Reclassifications from constructions in-progress	-	-	141	(7,743)	7,602	-
Acquisition cost or revalued amount at 31 December 2025	1,666	4,081	174	4,616	22,803	33,340
Accumulated depreciation and impairment losses at 1 January 2025	-	(942)	(46)	-	(1,912)	(2,900)
Depreciation	-	(363)	(8)	-	(1,550)	(1,921)
Write-offs	-	-	34	-	100	134
Accumulated depreciation and impairment losses at 31 December 2025	-	(1,305)	(20)	-	(3,362)	(4,687)
Carrying amount at 31 December 2025	1,666	2,776	154	4,616	19,441	28,653
EURk	Land	Solar plants	Other property, plant and equipment	Construction-in-progress	Electric Vehicle charging stations	Total
Acquisition cost or revalued amount at 1 January 2024	-	4,081	3,007	10,342	-	17,430
Additions	-	-	4	10,170	-	10,174
Write-offs	-	-	-	(8)	-	(8)
Reclassifications from constructions in-progress	-	-	-	(12,810)	12,810	-
Other reclassifications between categories	-	-	(2,957)	-	2,957	-
Reclassifications (to)/from other items of Statement of financial position	-	-	-	45	-	45
Other movement	-	-	-	(9)	-	(9)
Acquisition cost or revalued amount at 31 December 2024	-	4,081	54	7,730	15,767	27,632
Accumulated depreciation and impairment losses at 1 January 2024	-	(578)	(1,319)	-	-	(1,897)
Depreciation	-	(364)	(7)	-	(632)	(1,003)
Other reclassifications between categories	-	-	1,280	-	(1,280)	-
Accumulated depreciation and impairment losses at 31 December 2024	-	(942)	(46)	-	(1,912)	(2,900)
Carrying amount at 31 December 2024	-	3,139	8	7,730	13,855	24,732

12.1 Fully depreciated property, plant and equipment

The cost or revalued amount of fully depreciated property, plant and equipment, but still used by the Company, were as follows:

EURk	31 December 2025	31 December 2024
Electricity networks and their structures	3	19
Other property, plant and equipment	5	34
Total	8	53

12.2 Pledged property, plant and equipment

As at 31 December 2025, the Company's property, plant and equipment were not pledged for any banks.

12.3 Acquisition commitments

As at 31 December 2025 and 2024, the Company had no significant acquisition commitments of property, plant and equipment which will have to be fulfilled during the later years.

12.4 Significant accounting estimates related to impairment of property plant and equipment

A major part of assets presented in Property, plant and equipment are used in Electric Vehicle charging network activities performed by the Company. The carrying amount of Property, plant and equipment allocated to this CGU (incl. land, construction in progress and Electric Vehicle charging stations) is EUR 25,900 thousand as at 31 December 2025 (31 December 2024: EUR 21,600 thousand). Taking into account the fact that the Electric Vehicle charging network CGU is a new business growing in line with the Company's strategy, after evaluating all related assumptions, the Company determined that the carrying amount of the property, plant and equipment used in Electric Vehicle charging network activity at 31 December 2025 does not require impairment.

13 Other receivables

13.1 Other non-current receivables

EURk	31 December 2025	31 December 2024
Loans granted	32,300	35,950
Non-current portion of finance lease	5,828	6,873
Total:	38,128	42,823
Less: loss allowance	-	-
Carrying amount	38,128	42,823

Financial assets comprise EUR 38,128 thousand of the total other non-current receivables (31 December 2024: EUR 42,823 thousand).

As at 31 December 2025 and 2024 the Company had no pledged other non-current receivables.

13.2 Other current receivables

EURk	31 December 2025	31 December 2024
Public supply regulatory differences of electricity	12,395	-
Deposits for gas related derivatives to commodity traders	7,165	19,650
Deposits for electricity related derivatives in electricity market	6,444	10,017
Accrued revenue from natural gas related sales	2,633	-
Other accrued revenue	1,133	1,621
Accrued revenue from electricity related sales	1,724	1,366
Current portion of finance lease	1,145	1,093
AB "Ignitis grupė" group's cash-pool platform	-	25,617
Other receivables	506	727
Total	33,145	60,091
Less: loss allowance	-	-
Carrying amount	33,145	60,091

Financial assets comprise EUR 14,994 thousand of the total other receivables (31 December 2024: EUR 56,729 thousand). Value added tax, accrued revenue and part of other receivables are not financial assets.

As at 31 December 2025 and 2024 the Company had no pledged other current receivables.

13.2.1 Deposits for electricity and gas related derivatives

The Company 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 natural 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 Company 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 recovered. In the Company's assessment, the expected credit losses on derivative-related deposits are insignificant and therefore not accounted for.

13.2.2 Loans granted

As at 31 December 2025 the Company has accounted loans granted to the Group companies. Maturity of the loans granted was as follows:

EURk	31 December 2025	31 December 2024
Within one year	240	25,969
From 1 to 2 years	-	6,400
From 2 to 5 years	32,300	29,550
Carrying amount	32,540	61,919

As at 31 December 2025, 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 29.2).

Movement of loans granted during 2025 and 2024 and reconciliation with cash flow statement:

EURk	2025	2024
Balance as at 1 January	61,919	45,280
Loans granted	42,700	53,650
AB "Ignitis grupė" group's cash-pool platform, net change	(25,617)	25,617
Interest calculated	4,094	5,562
Loans recovered	(46,350)	(62,600)
Interest received	(4,005)	(5,401)
Reclassified from/(to) other receivables	(201)	(189)
Carrying amount as at 31 December	32,540	61,919

13.2.3 Finance lease receivables

EURk	31 December 2025	31 December 2024
Non-current receivables	5,828	6,873
Other amounts receivables	1,145	1,093
Carrying amount	6,973	7,966

The Company accounts for energy saving contracts as finance lease receivables.

EURk	31 December 2025	31 December 2024
Minimum payments		
Within the first year	1,379	1,366
From two to five years	4,883	5,394
More than five years	2,009	2,730
Total	8,271	9,490
Unearned finance income		
Within the first year	(234)	(273)
From two to five years	(807)	(877)
More than five years	(257)	(374)
Total	(1,298)	(1,524)
Carrying amount	6,973	7,966

As at 31 December 2025 and 2024, the Company assessed whether credit risk of finance lease clients has increased significantly and did not establish any indications and has no information indicating that credit risk of finance lease recipients on an individual basis has increased significantly. Therefore, no lifetime expected credit loss was recognised neither for finance lease receivables.

14 Inventories

EURk	31 December 2025	31 December 2024
Natural gas	20,546	40,416
Consumables, raw materials and spare parts	3,008	1,479
Carrying amount	23,554	41,895

The carrying amount of natural gas decreased during 2025 due to lower inventory quantity and lower inventory cost per MWh.

Under the Lithuanian legislation the Company is required to store a quantity of natural gas in the underground storage facility as a reserve for the smallest (the most sensitive) consumers of the Company. As at 31 December 2025, the latter quantity comprised 480 GWh or EUR 15,998 thousand (31 December 2024: 480 GWh or EUR 21,463 thousand).

The Company's inventories expensed were as follows:

EURk	2025	2024
Natural gas	338,425	347,140
Consumables, raw materials and spare parts	539	11,864
Total	338,964	359,004

Movements on the account of inventory write-down to net realisable value were as follows:

EURk	2025	2024
Carrying amount at 1 January	592	14,694
Additional write-down to net realisable value	3,146	-
Reversal of write-down to net realisable value	(204)	(14,102)
Carrying amount at 31 December	3,534	592

In 2025, the additional write-down to net realisable value was recognised because market price of natural gas was lower than cost.

The write-down is included in 'Purchase of electricity, natural gas and other services' in the Statement of profit or loss and other comprehensive income.

15 Trade receivables

EURk	31 December 2025	31 December 2024
Amounts receivable under contracts with customers		
Receivables for electricity / gas from non-household customers	85,256	94,455
Receivables for electricity / gas from household customers	59,923	58,738
Other trade receivables	1,438	4,757
Total	146,617	157,950
Less: loss allowance	(5,811)	(5,119)
Carrying amount	140,806	152,831

As at 31 December 2025 and 2024, the Company had not pledged the claim rights to trade receivables.

No interest is charged on trade receivables and the regular settlement period is between 15 and 30 days. Trade receivables for which the settlement period is more than 30 days comprise insignificant part of the total trade receivables. The Company doesn't provide the settlement period longer than 1 year. The Company didn't identify any significant financing components. For terms and conditions on settlements between related parties, see Note 28.

15.1 Loss allowance of amounts receivable (lifetime expected credit losses)

15.1.1 Collective basis assessment of ECL

The table below presents information on the Company's trade receivables under contracts with customers as at 31 December 2025 that are assessed on a collective basis using the loss ratio matrix:

EURk	Loss ratio, %	Trade receivables	Loss allowance
Not past due	0.18	41,864	77
Up to 30 days	1.11	3,771	42
30-60 days	3.36	1,222	41
60-90 days	7.69	455	35
90-120 days	13.20	356	47
More than 120 days	66.00	5,036	3,324
As at 31 December 2025	6.77	52,704	3,566

The table below presents information on the Company's trade receivables under contracts with customers as at 31 December 2024 that are assessed on a collective basis using the loss ratio matrix:

EURk	Loss ratio, %	Trade receivables	Loss allowance
Not past due	0.33	29,794	98
Up to 30 days	0.78	7,608	59
30-60 days	3.34	1,919	64
60-90 days	2.98	2,015	60
90-120 days	13.54	347	47
More than 120 days	57.14	5,488	3,136
As at 31 December 2024	7.34	47,171	3,464

The loss ratio matrix is based on historical data on the settlement for trade receivables during the period of validity of trade receivables and is adjusted with respect to future forecasts. The loss ratios are updated during the preparation of the annual financial statements with respect to the impact of forward-looking information where forward-looking information is indicative of any exacerbation of economic conditions during upcoming years.

15.1.2 Individual assessment of ECL

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

EURk	31 December 2025		31 December 2024	
	Trade receivables	Loss allowance	Trade receivables	Loss allowance
Not past due	2,635	-	1,194	-
Up to 30 days	-	-	77	-
30-60 days	-	-	-	-
60-90 days	-	-	-	-
90-120 days	-	-	-	-
More than 120 days	-	-	11	-
Carrying amount	2,635	-	1,282	-

Loss allowance of amounts receivable is stated in profit or loss of the statement of profit or loss.

15.1.3 Internal rating system assessment of ECL

The table below presents information on the Company's trade receivables from contracts with customers as at 31 December 2025 that are assessed on a collective basis using the internal rating system:

EURk	Trade receivables	Loss allowance
A	74,284	223
B	4,430	30
C	8,734	106
D	2,172	276
E	1,658	1,610
As at 31 December 2025	91,278	2,245

The table below presents information on the Company's trade receivables from contracts with customers as at 31 December 2024 that are assessed on a collective basis using the internal rating system:

EURk	Trade receivables	Loss allowance
A	88,896	204
B	13,624	84
C	5,030	97
D	603	69
E	1,344	1,201
As at 31 December 2024	109,497	1,655

The assessment on the basis of the internal ratings assigned takes into account external and internal information about the debtor, which may be material to determine the debtor's ability to settle with the Company. External sources of information include financial status, court involvement, and debt to other entities, employee trends, arrests, and other information that is used as the basis for establishing a bankruptcy rating (bankruptcy probability model) or risk class. This external information is obtained through service agreements with third parties (Credit Agencies). The internal sources of information include the debtor's profile of actual settlements with the Group based on which the settlement rating is determined. Based on the ratio of bankruptcy ratings or risk classes to settlement ratings, the borrower is assigned internal rating on a scale from A to E, where A is the lowest risk and E is the highest risk grade.

In doing so, expected credit losses are based on the internal ratings assigned to the borrowers.

15.1.4 Movement in the account of loss allowance of trade receivables

EURk	2025	2024
Carrying amount as at 1 January	5,119	6,199
Impairment loss of the year	2,109	1,948
Reversal of loss allowance	(1,417)	(3,028)
Carrying amount at 31 December	5,811	5,119

Impairment loss of receivables was recognised in line item 'Other expenses' in the Statement of profit or loss and other comprehensive income.

15.2 Significant accounting estimates and judgements: Expected credit losses of trade receivables

The Company uses a provision matrix to calculate the expected credit losses for trade receivables. The Company accounts for the expected credit losses (hereinafter referred to as 'ECL') by assessing the amounts receivable on an individual basis or on a collective basis and applying the provision matrix in respect of their customers.

15.2.1 Collective assessment of ECL applying provision matrix

The Company uses provision matrices to calculate ECL for trade receivables. The provision rates are based on days past due or allocation to the Company's internal credit rating system for groupings of various customer segments that have similar loss patterns (i.e. by customer type).

The provision matrixes are initially based on the Company's historical observed default rates. For instance, if forecast economic conditions (i.e., changes in gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

15.2.2 Individual assessment of ECL

Decision to assess amounts receivable on an individual basis depends on the possibility to obtaining information on the credit history of a particular client / borrower, its financial position as at the date of assessment, including forward-looking information that would allow to timely determine whether there has been a significant increase in the credit risk of that particular client, thus enabling making judgement on the recognition of lifetime expected credit losses in respect of that particular client / borrower. These accounting estimates require significant judgement. Judgement is based on information about substantial financial difficulties experienced by the debtor, probability that the debtor will enter bankruptcy or any other reorganisation, default of delinquency in payments.

In the absence of reliable sources of information on the credit history of a particular borrower, its financial position as at the date of assessment, including forward-looking information, the Company assesses the debt on a collective basis.

16 Cash and cash equivalents

EURk	31 December 2025	31 December 2024
Cash balances in bank accounts	44,651	31,132
Cash in transit	4,366	5,221
Carrying amount	49,017	36,353

The fair values of cash and cash equivalents as at 31 December 2025 and 2024 approximated their carrying amounts. The Company has no pledged current and future cash inflows.

Based on contracts with solar fleet developers, the Company collects on their behalf client payments for the acquisition, lease and maintenance of remote solar plants. Collected amounts are transferred to bank accounts specified by the developers. As at 31 December 2025, the amount of payments collected on behalf of such developers amounted to EUR 259 thousand (31 December 2024: EUR 499 thousand).

17 Equity

17.1 Capital management

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

Pursuant to the Republic of Lithuania Law on Companies¹, the share capital of a public limited liability company must be not less than EUR 1 thousand, and the shareholders' equity must be not lower than 50% of the company's share capital. Foreign subsidiaries are subject for compliance with capital requirements according to the regulation adopted in those foreign countries. As at 31 December 2025 and 2024, the Company complied with the capital regulatory requirements.

When managing the capital risk in a long run, the Company seeks to maintain an optimal capital structure of subsidiaries to ensure a consistent implementation of capital cost and risk minimization objectives. The Company form their capital structure in view of internal factors relating to operating activities, the expected capital expenditures and developments and in view of business strategy of the Company, as well as based on external current or expected factors significant to operations relating to markets, regulation and local economic situation.

17.2 Share capital

Shareholders of the company	31 December 2025		31 December 2024	
	Share capital, EURk	%	Share capital, EURk	%
AB Ignitis grupė	41,155	100	41,155	100
Total	41,155	100	41,155	100

As at 31 December 2025, the Company's share capital comprised EUR 41,155 thousand (31 December 2024: EUR 41,155 thousand) and was divided into 141,913,794 ordinary shares with a EUR 0.29 nominal value per share (31 December 2024: 141,913,794 ordinary registered shares with a EUR 0.29 nominal value per share).

17.3 Share capital reduction

In March 2025, the sole shareholder of the Company, has adopted the following decision: To offset the Company's accumulated losses against share premium amounting to EUR 45,764 thousand.

17.4 Dividends

No dividends were paid in 2025 and 2024.

18 Reserves

18.1 Legal reserve

The legal reserve is a compulsory reserve under the Lithuanian legislation. Companies in Lithuania are required to transfer 5% of the net profit from their distributable profit until the total reserve reaches 10% of their share capital. The legal reserve shall not be used for payment of dividends and is formed to cover the future losses only.

The Company's accumulated losses were offset against legal reserve amounting to EUR 4,116 thousand, as approved in the General Shareholders' Meeting on March, 2025.

The Company's legal reserve as at 31 December 2025 was not formed.

The Company's legal reserve as at 31 December 2024 was fully formed.

18.2 Hedging reserve

The hedging reserve comprises the effective portion of the cumulative net change in the fair value of hedging instruments used in cash flow hedges pending subsequent recognition in profit or loss.

19 Financing

19.1 Loans and lease liabilities

EURk	31 December 2025	31 December 2024
Other non-current loans	24,653	11,800
Lease liabilities	4,894	3,242
Total non-current	29,547	15,042
Other current loans	17,222	433
Current portion of other non-current loans	756	-
Lease liabilities	483	402
Total current	18,461	835
Total	48,008	15,877

Loans and lease liabilities by maturity:

EURk	31 December 2025	31 December 2024
Up to 1 year	18,461	835
From 1 to 2 years	471	353
From 2 to 5 years	19,180	12,788
After 5 years	9,896	1,901
Total	48,008	15,877

Loans and lease liabilities of the Company are denominated in euros.

19.1.1 Covenants

The loan agreements provide for financial and non-financial covenants that the Company is obliged to comply with. The Company complied with the covenants as at 31 December 2025 and 2024.

As at 31 December 2025, the balance of the Company's unwithdrawn balance 90,783 thousand (31 December 2024: EUR 50,000 thousand).

19.2 Net Debt

Net Debt is a non-IFRS liquidity metric used to determine the value of debt against highly liquid assets owned by the Company. The management is monitoring the Net Debt metric as a part of its risk management strategy. Debts to financial institutions, cash, loans under cash-pool agreement to AB "Ignitis grupė" group companies and related interest payables and lease liabilities are included in the net debt calculation. The management defines the Net Debt measure for the purpose of these financial statements in the manner as presented below:

Net Debt balances:

EURk	31 December 2025	31 December 2024
Cash and cash equivalents	(49,017)	(36,353)
Non-current portion	29,547	15,042
Current portion	18,461	835
Net Debt	(1,009)	(20,476)

19.2.1 Reconciliation of the Company's Net Debt balances and cash flows from financing activities

EURK	Loans		Lease liabilities		Assets	Total
	Non-current	Current	Non-current	Current	Cash	
Net Debt at 1 January 2024	11,800	66,797	408	229	(58,047)	21,187
Cash changes						
(Increase) decrease in cash and cash equivalents	-	-	-	-	21,694	21,694
Repayments of loans	-	(27,000)	-	-	-	(27,000)
Lease payments	-	-	-	(366)	-	(366)
Interests paid ¹	-	(4,325)	-	(127)	-	(4,452)
AB "Ignitis grupė" group's cash-pool platform, net change	-	(38,959)	-	-	-	(38,959)
Non-cash changes						
Initial recognition of lease contracts	-	-	2,874	499	-	3,373
Accrual of interest receivable	-	-	-	-	-	-
Accrual of interest payable	-	3,990	-	127	-	4,117
Remeasurement of lease liabilities	-	-	-	-	-	-
Reclassifications between items	-	-	(40)	40	-	-
VAT on interest payable	-	(70)	-	-	-	(70)
Change in foreign currency	-	-	-	-	-	-
Net Debt at 31 December 2024	11,800	433	3,242	402	(36,353)	(20,476)
Net Debt at 1 January 2025	11,800	433	3,242	402	(36,353)	(20,476)
Cash changes						
(Increase) decrease in cash and cash equivalents	-	-	-	-	(12,664)	(12,664)
Loans received	13,609	-	-	-	-	13,609
Lease payments	-	-	-	(521)	-	(521)
Interests paid ¹	-	(3,918)	-	(320)	-	(4,238)
AB "Ignitis grupė" group's cash-pool platform, net change	-	16,668	-	-	-	16,668
Reclassifications between items	(756)	756	-	-	-	-
Non-cash changes						
Initial recognition of lease contracts	-	-	2,080	174	-	2,254
Accrual of interest payable	-	3,429	-	320	-	3,749
Reclassifications between items	-	-	(428)	428	-	-
Other non-monetary changes	-	610	-	-	-	610
Net Debt at 31 December 2025	24,653	17,978	4,894	483	(49,017)	(1,009)

¹ Interest paid are presented with VAT

20 Provisions

EURK	31 December 2025	31 December 2024
Non-current	5,953	332
Current	5,623	46,773
Total	11,576	47,105

The balances and movement of the Company's provisions:

EURK	Employee benefits	Regulatory differences of public electricity supply activity (Note 32.2.2.2)	Provisions for onerous contracts	Other	Total
Balance as at 1 January 2024	111	13,171	66,535	219	80,036
Increase (decrease) during the year	(1)	(11,010)	(20,689)	210	(31,490)
Result of change in assumptions	19	(1,455)	-	-	(1,436)
Other	(6)	-	-	1	(5)
Balance as at 31 December 2024	123	706	45,846	430	47,105
Non-current	100	-	-	232	332
Current	23	706	45,846	198	46,773
Balance as at 31 December 2024	123	706	45,846	430	47,105
Balance as at 1 January 2025	123	706	45,846	430	47,105
Increase (decrease) during the year	5	(706)	(34,782)	(6)	(35,489)
Result of change in assumptions	(15)	-	-	-	(15)
Other	(25)	-	-	-	(25)
Balance as at 31 December 2025	88	-	11,064	424	11,576
Non-current	71	-	5,687	195	5,953
Current	17	-	5,377	229	5,623
Balance as at 31 December 2025	88	-	11,064	424	11,576

The total change in provisions in 2025 is EUR (35,529) thousand. Change recognised in the statement of profit or loss – EUR (35,489) thousand, recognised in the statement of comprehensive income – EUR (40) thousand (total change in provisions in 2024 – EUR (32,931) thousand, change recognised in the statement of profit or loss – EUR (32,946) thousand, recognised in the statement of comprehensive income – EUR 15 thousand).

20.1 Description of the Company's provisions and the expected timing of resulting outflows of economic benefits

20.1.1 Provision for onerous contracts

As at 31 December 2025, the Company recognised a provision of EUR 11,064 thousand (31 December 2024: EUR 45,846 thousand) related to electricity purchase agreements concluded in the second half of 2022 in an environment of high prices for energy commodities. The Company actively manages the risks of energy commodity price volatility and diversifies its portfolio of acquisitions. As a result of the significant drop in market prices, as well as the optimisation of the supply cost of B2C independent electricity supply segment and the migration to lower fixed price supply plans, some of the Company's electricity purchase agreements are expected to generate losses in future periods. The expected loss will be realised in roughly equal instalments over the next two years.

20.2 Significant accounting estimates and judgements

20.2.1 Regulated Activities: Accrued Income and Provisions

The National Energy Regulatory Council (NERC) regulates the Company's profitability by approving service prices for the coming year. The price level depends on the expected costs for the upcoming year, the forecasted volume of services provided, deviations of the profit earned in previous periods from the regulated level, and other factors.

The Company's actual costs incurred during the year may differ from the estimated costs considered when approving the prices, and the actual service volumes may also differ from the forecast volumes. As a result, the Company's actual profit may deviate from the regulated level, and the resulting difference affects service prices in future periods.

20.2.2 Assessment of onerous contracts

As at 31 December 2024, the Company's management carried out a review of whether the Company has loss-making power purchase agreements. It was found that the Company has such contracts relating to the purchase of electricity which were entered into in the high commodity price environment prevailing in the second half of 2024. In the case of such contracts, the lesser of the cost incurred in the event of continuation of the contract or the termination of the contracts and the contractual penalty is recorded (Note 20).

21 Deferred income and advances received

21.1 Deferred income

Movement in the Company's deferred income:

EURk	2025			2024		
	Current portion	Non-current portion	Total	Current portion	Non-current portion	Total
Balance as at 1 January	292	-	292	-	-	-
Increase during the year	15	-	15	292	-	292
Recognised as revenue	(281)	-	(281)	-	-	-
Balance as at 31 December	26	-	26	292	-	292

21.2 Advances received

EURk	31 December 2025	31 December 2024
Current prepayments under contracts with customers (contract liabilities)	39,817	12,650
Current prepayments under other contracts	16	15
Total	39,833	12,665

22 Trade payables

EURk	31 December 2025	31 December 2024
Amounts payable for gas	153,673	186,640
Amounts payable for electricity	34,993	44,162
Other trade payables	4,372	4,654
Carrying amount	193,038	235,456

23 Other current liabilities

EURk	31 December 2025	31 December 2024
Prosumer accrual	15,559	11,567
Accrued expenses	8,398	5,713
Taxes (other than income tax)	11,575	7,137
Derivative financial instruments	5,802	8,458
Amounts payable for property, plant and equipment	3,224	2,259
Payroll related liabilities	3,219	3,016
Other current liabilities	262	502
Carrying amount	48,039	38,652

Financial liabilities comprise EUR 9,288 thousand from total Other current liabilities (31 December 2024: EUR 11,219 thousand). Accrued expenses, taxes and payroll-related liabilities are not financial liabilities.

24 Derivatives

The Company's derivative financial instruments are related to electricity and natural gas commodities and comprise:

- contracts made directly with other parties – over-the-counter (OTC);
- contracts made through Nasdaq Commodities market – Nasdaq.

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

24.1 Derivative financial instruments included in the Statement of financial position

EURk	31 December 2025	31 December 2024
Other non-current assets	-	956
Other current assets	3,782	3,064
Other non-current liabilities	(9,540)	(19,422)
Other current liabilities (Note 23)	(5,802)	(8,458)
Carrying amount	(11,560)	(23,860)

Movement of derivative financial instruments were as follows:

EURk	2025	2024
Carrying amount as at 1 January	(23,860)	(16,110)
Unrealised gain (loss) of OTC and other financial instruments ineffectiveness	3,120	(950)
Unrealised gain (loss) of Nasdaq ineffectiveness	(824)	(322)
Total Unrealised gain (loss)	2,296	(1,272)
Fair value change of OTC effectiveness	9,180	(6,800)
Fair value change of Nasdaq effectiveness	848	(2,873)
Unrealised gain (loss) in 'Other comprehensive income'	10,028	(9,673)
Fair value change of Nasdaq set off with cash	(24)	3,195
Carrying amount at 31 December	(11,560)	(23,860)

24.2 Derivatives included in Statement of profit or loss and other comprehensive income

EURk	2025	2024
Realised gain (loss) from OTC and Nasdaq	308	2,081
Unrealised gain (loss)	2,296	(1,271)
Total in profit or loss – ineffective energy hedging result	2,604	810
Cash flow hedges – reclassified to profit or loss from OCI	7,846	(4,437)
Total in profit or loss – effective energy hedging result	7,846	(4,437)
Total recognised in 'Statement of profit or loss and other comprehensive income'	10,450	(3,627)

25 Investments in subsidiaries

Information on the Company's investments in subsidiaries as at 31 December 2025:

EURk	Acquisition cost	Impairment	Carrying amount	Company's ownership interest, %
Ignitis Eesti OÜ	7,585	-	7,585	100.00
Ignitis Latvija SIA	17,500	-	17,500	100.00
Ignitis Polska Sp.z.o.o.	6,192	-	6,192	100.00
Ignitis Suomi OY	2,400	-	2,400	100.00
Total	33,677	-	33,677	

Information on the Company's investments in subsidiaries as at 31 December 2024:

EURk	Acquisition cost	Impairment	Carrying amount	Company's ownership interest, %
Ignitis Eesti OÜ	2,085	-	2,085	100.00
Ignitis Latvija SIA	11,500	-	11,500	100.00
Ignitis Polska Sp.z.o.o.	6,192	-	6,192	100.00
Ignitis Suomi OY	2,400	-	2,400	100.00
Total	22,177	-	22,177	

25.1 Changes in the investments in subsidiaries

Movement of the company's investments during the year was as follows:

EURk	2025	2024
Carrying amount at 1 January	22,177	16,077
Share capital and share premium increase (Note 25.1.1)	11,500	2,000
Impairment (-) / Impairment reversal (+) (Note 25.2.1)	-	4,100
Carrying amount at 31 December	33,677	22,177

25.1.1 Share capital and share premium increase

In December 2025, the share capital of Ignitis Latvia SIA was increased through the issuance of 6,000 thousand new shares with a nominal value of EUR 1 per share. The share capital was fully paid in cash on 15 December 2025.

In June 2025, resulting in the Shareholder's Resolution concerning the increase of the share capital of the Ignitis Eesti OU from EUR 170 thousand by the amount of EUR 5 thousand up to the amount of EUR 175 thousand by increasing the nominal value of existing share, and subscription by the Shareholder to the capital of the Ignitis Eesti OU with cash contribution in aggregate value of EUR 5,500 thousand out of which the EUR 5 thousand will be paid to the share capital of the company and the surplus shall be left as a share premium of the Company. The amount was fully paid in cash on 8 August 2025.

In January 2024, was registered an equity increase of EUR 2,000 thousand in Ignitis Eesti OÜ.

25.2 Significant accounting estimates and judgements

25.2.1 Impairment of investments

On 31 December 2025, the Company carried out an analysis to determine existence of indications of impairment for investments into subsidiaries. The Company considered information from external and internal sources of information.

For the purpose to determine impairment indications it is assessed whether at least one of the following conditions exists (except for early stage companies):

1. actual EBITDA (Earnings Before Interests Taxes Depreciation and Amortization) is less than budgeted EBITDA;
2. the actual net profit is less than the actual dividends paid;
3. carrying amount of investment is higher than carrying amount of net assets.

In cases where at least one of the abovementioned conditions exists, before performing impairment tests, additional analysis was performed, helping to determine whether current conditions show impairment indications. Additionally, the management assessed whether during the reporting period there have been any significant adverse changes in the technological, market, economic and legal environment in which subsidiaries operate.

Having identified indications of possible impairment of investments in Ignitis Latvija SIA and Ignitis Eesti OÜ, the Company performed impairment tests as at 31 December 2025 (see below). The impairment tests showed that no impairment needs to be recognised as at 31 December 2025 in respect of investments in subsidiaries.

Ignitis Latvija SIA

The impairment test in 2025 was performed using the discounted cash flow method and using the following key assumptions:

1. cash flows were planned until 2040;
2. the average EBITDA margin is estimated at 4.9% and the average working capital at EUR 19.9 million;
3. discount rate of 10.4% (post-tax) was used to calculate discounted cash flows.

The Company exercised the fair value assessment analysis of unobservable inputs variation relying on the sensitivity of the rate of return on investment (WACC). The possible recoverable amount changes due to variation of this input are disclosed in table below (EUR million):

EUR million	WACC (post-tax)						
	8.9%	9.4%	9.9%	10.4%	10.9%	11.4%	11.9%
Δ	(1.5%)	(1.0%)	(0.5%)	0.0%	0.5%	1.0%	1.5%
Change in recoverable amount (EUR million)	31.3	19.3	8.9	-	(7.8)	(14.6)	(20.6)

Ignitis Eesti OÜ

The impairment test in 2025 was performed using the discounted cash flow method and using the following key assumptions:

1. cash flows were planned until 2040;
2. the average EBITDA margin is estimated at 5.1% and the average working capital at EUR 21.2 million;
3. discount rate of 10.1% (post-tax) was used to calculate discounted cash flows.

The Company exercised the fair value assessment analysis of unobservable inputs variation relying on the sensitivity of the rate of return on investment (WACC). The possible recoverable amount changes due to variation of this input are disclosed in table below (EUR million):

EUR million	WACC (post-tax)						
	8.6%	9.1%	9.6%	10.1%	10.6%	11.1%	11.6%
Δ	(1.5%)	(1.0%)	(0.5%)	0.0%	0.5%	1.0%	1.5%
Change in recoverable amount (EUR million)	28.9	17.6	8.1	-	(7.0)	(13.0)	(18.2)

26 Contingent liabilities and commitments

26.1 Litigations

26.1.1 Litigation concerning the designated supplier state aid scheme and LNG price component

Following the judgement of the General Court on the European Union (the General Court) on 8 September 2021 in case T-193/19, AB "Achema" initiated the reopening of the previously suspended proceedings in the administrative courts of the Republic of Lithuania in respect of the complaints it has lodged against the National Energy Regulatory Council (hereinafter referred to 'the Council') regarding the Council's decisions of the setting of the LNG price supplement. The Company in these cases is intervened as a third party.

On 8 September 2021, in case T-193/19 the General Court decided to partially annul the European Commission's decision regarding the case SA.44678 (2018/N) (hereinafter referred to 'Decision') on procedural grounds. The General Court considered that the European Commission should have had

doubts on the amendments regarding the designated supplier state aid scheme which have been valid for a period from 2016 to 2018 and annulled the Decision on that part. However, it maintained the validity of the remainder of the Decision, i.e., the designated supplier state aid scheme valid from 2019.

Following the General Court's judgment, the Commission has re-examined the compatibility of the 2016 amendments and has decided to open an in-depth investigation under EU State aid rules. The Commission will now investigate further to determine whether the amount of compensation received by Litgas for the period 2016–2018, in particular, regarding the boil-off and balancing costs, is in line with the SGEI Framework.

The European Commission's formal investigation procedure, limited to the points of doubt raised by the General Court, should lead to the adoption of a final and complete decision of the European Commission.

The Supreme Administrative Court of Lithuania issued four final rulings in favour of a Company, rejecting complaint of AB "Achema" regarding the setting of the LNG transmission price for 2019, 2020, 2021 and 2023.

After the formal investigation procedure (which started in December 2022), there will be more certainty in assessing the actual financial impact to the Group. The Group expects a decision to be taken in 2026.

26.1.2 Litigation with UAB Pamaris jėgainių energija

On 30 April 2025, UAB Pamaris jėgainių energija filed a claim against the Company requesting a contract termination penalty (EUR 10.0 million), plaintiff interest (EUR 0.4 million), procedural interest at a rate of 11.40% and plaintiff's litigation costs. Total claim amount - EUR 10.4 million.

The claim is based on the fact that upon termination of the agreement between the parties for the Purchase of electricity produced from renewable energy sources from the producer, purchase agreement from a renewable energy Company is obligated to pay a penalty calculated according to the formula specified in the contract. The claim comes from disagreement regarding the penalty calculation formula. Company position is that UAB Pamaris jėgainių energija incorrectly applied the formula for calculating the penalty established in the contract. Company provided their calculations based on which the penalty amount was deemed to be EUR 0.

The parties in the case have exchanged procedural documents. The court hearings are scheduled for 27 February and 12 March 2026.

The Company has not recognized a provision in the Statement of Financial Position, as management believes it is more likely than not that the outcome of the litigation will be favourable.

27 Temporary regulatory differences

27.1 Regulatory activity: Accrual of income and regulatory provisions from regulated activities

Actual costs incurred by the Company during the year may be at variance with the projected costs that are considered during the approval of the tariffs, and the actual volume of services may be at variance with the projected one. Accordingly, the actual earnings of the Company may be at variance with the regulated level, and the resulting difference will affect the future tariffs of services. Such differences are considered to be temporary regulatory differences.

The Company recognises the assets and liabilities of the regulated activities only when the Company has a guarantee (stipulated in NERC resolutions or laws) that even in case of discontinuing regulated activities, the differences would be refunded to the Company in case of undercollection or the Company will have to refund in case of overcollection.

Changes in regulatory assets and liabilities include:

- 'New temporary regulatory differences' that are the management's estimates for the current year, which are calculated using the actual financial and operational data and are not yet confirmed by NERC;
- 'Received previous years differences' that are the amounts received during the current year for the differences in previous periods through tariffs based on the resolutions passed by NERC.

27.2 Movement of regulatory assets and liabilities

EURk	Not recognised in the Statement of financial position			Recognised in the Statement of financial position		Total
	Designated supply of natural gas	Natural gas supply to B2C customers	Subtotal not recognised in the Statement of financial position	Public supply of electricity	Subtotal recognised in the Statement of financial position	
Balance as at 1 January 2024	18,046	438	18,484	(13,171)	(13,171)	5,313
New temporary regulatory differences	19,332	692	20,024	11,010	11,010	31,034
Received previous years differences	(31,220)	-	(31,220)	-	-	(31,220)
Recalculation of previous years differences	-	-	-	1,455	1,455	1,455
Balance as at 31 December 2024	6,158	1,130	7,288	(706)	(706)	6,582
Balance as at 1 January 2025	6,158	1,130	7,288	(706)	(706)	6,582
New temporary regulatory differences	(2,242)	5,415	3,173	15,229	15,229	18,402
Received previous years differences	(822)	-	(822)	-	-	(822)
Recalculation of previous years differences	(3,094)	-	(3,094)	(2,128)	(2,128)	(5,222)
Balance as at 31 December 2025	-	6,545	6,545	12,395	12,395	18,940
Non-current	-	-	-	-	-	-
Current	-	6,545	6,545	12,395	12,395	18,940

27.2.1 Regulatory assets and liabilities not recognised in the Statement of financial position

27.2.1.1 Designated supply of natural gas

Designated supply activity is also regulated by NERC. The regulatory differences arise when the actual costs differ from those estimated, but the Company does not recognise the regulated assets or liabilities in the financial statements as the difference will be refunded by providing the services in the future.

27.2.1.2 Natural gas supply to B2C customers

Natural gas supply to B2C customers is regulated by NERC. NERC regulates the natural gas tariff paid by the customers. The regulatory differences, defined as the difference between the fixed natural gas sale price and the actual natural gas purchase price, were not recognised in the financial statements till 31 December 2025 as the Company had no guarantee for this difference to be considered when setting tariffs in the future according to the legislation base.

27.2.2 Regulatory assets and liabilities recognised in the Statement of financial position

27.2.2.1 Temporary regulatory differences of public electricity supply activity

On 25 September 2020, NERC adopted a Resolution No. O3E-879 'On the approval of the methodology for determining the electricity transmission, distribution and public supply services and the public price cap'. The resolution includes the methodology for determining the additional component for the distribution services to B2C consumers to compensate the difference between the actual and forecasted reasonable costs of a public supplier. The additional component is paid by B2C customers through the electricity distribution service price, which is included as one of the components of the public electricity tariff applied to the electricity consumed by B2C customers. This component is collected by the distribution system operator from all electricity suppliers that sell electricity to B2C customers. The calculation of the difference includes the difference resulting from the discrepancy between the forecasted electricity purchase price and the actual electricity purchase price as well as the amount of costs resulting from the difference between the public supplier's public electricity price cap and the actual electricity distribution service price caps. If the difference is negative, the loss is compensated through the increased price of the additional component applied in the next year and, accordingly, if the difference is positive, the gain is reduced through the decreased price of the additional component.

This resolution also stipulates that if the Company discontinues public supply services, the Company must refund the raised discrepancies between the forecasted and actual costs of providing these services if the costs actually incurred by the Company were less than the income received. The amount must be refunded to the Company if the costs actually incurred by the Company were higher than the income of the transmission system operator. The difference shall be reimbursed till 31 December 2025.

With regard to the above, the Company recognises contract assets and/or contract liabilities of the difference to eliminate the mismatches between the current year earnings and the regulated level, regardless of the difference in the provision of services in the future.

28 Related-party transactions

Related parties are defined as follows:

- the parent company's controlling shareholders or those who have significant influence;
- associated companies;
- joint ventures;
- state controlled companies and their subsidiaries (only significant transactions are being disclosed with such companies);
- the Ministry of Finance of the Republic of Lithuania along with agencies and enterprises that are attributable to the governance of the decisions (only significant transactions are being disclosed with such companies);
- the key management personnel and close members of that personnel's family and their controlled enterprises and companies.

The table below summarises the main types of transactions carried out with related parties were as follows:

Related parties	Relationship	Nature of main transactions
"AB Ignitis grupė"	Ultimate controlling company	Financing, purchase of management services
AB „Ignitis grupė“ group companies	Other AB „Ignitis grupė“ group companies	Purchases of services related to leases of assets, information technology and telecommunication services, organization and execution of tenders, accounting and personnel administration services, construction, reconstruction and maintenance of electric equipment
UAB „EPSO-G“ group companies	Indirectly controlled by the Ministry of Energy of Lithuania	Sales and purchase of electricity transmission services, capacity services, sales of gas, purchases of gas transmission services

Transactions with related parties as at 31 December were as follows:

Related parties	Loans payable 31 December 2025	Loans receivable 31 December 2025	Accounts receivable 31 December 2025	Accounts payable 31 December 2025	Sales 2025	Purchases 2025	Finance income 2025	Finance expenses 2025
Parent company AB Ignitis grupė	40,746	-	19	138,199	7	957	-	(8,674)
Subsidiaries of the Company	-	32,506	14,320	9,608	90,088	3,832	2,188	-
Other AB "Ignitis grupė" group companies	1,885	-	3,173	48,046	48,034	344,257	680	(56)
State-controlled UAB EPSO-G group companies	-	-	4,786	2,163	29,946	45,024	3	-
Total	42,631	32,506	22,298	198,016	168,075	394,070	2,871	(8,730)

Related parties	Loans payable 31 December 2024	Loans receivable 31 December 2024	Accounts receivable 31 December 2024	Accounts payable 31 December 2024	Sales 2024	Purchases 2024	Finance income 2024	Finance income expenses 2024
Parent company AB Ignitis grupė	12,233	-	27	165,190	7	714	-	(9,559)
Subsidiaries of the Company	-	36,147	11,062	16,972	84,291	17,755	2,487	-
Other AB "Ignitis grupė" group companies	-	25,718	5,267	58,275	43,171	384,090	1,117	(22)
State-controlled UAB EPSO-G group companies	-	-	17,082	3,554	70,546	57,017	19	-
Total	12,233	61,865	33,438	243,991	198,015	459,576	3,623	(9,581)

The Company purchased electricity, transmission and distribution of electricity and gas, accounting, procurement, customer service, transport leasing and other services from related parties.

During 2025 and 2024, the Company used the AB "Ignitis grupė" group's cash-pool platform. Loans granted to related parties in 2025 and 2024 are disclosed in Note 13.2.2. Movements of loans from related parties are disclosed in Note 19.2. Derivatives with related parties are disclosed in Note 24.

Transactions with other state-owned entities included regular business transactions and therefore they were not disclosed.

28.1 Terms of transactions with related parties

The payment terms set the range from 30 to 90 days. Closing debt balances are not secured by pledges, they do not yield interest, and settlements occur in cash. There were no guarantees given or received in respect of the related-party payables and receivables.

28.2 Compensation to key management personnel

EURk	2025	2024
Wages and salaries and other short-term benefits to key management personnel	314	251
Whereof:		
Short-term benefits: wages, salaries and other	273	217
Long-term benefits	41	34
Number of key management personnel	5	6

In 2025 and 2024 members of the Management Board (incl. CEO) and the Supervisory Board were considered to be the Company's key management personnel. For more information on the key management personnel, see section '4 Governance' of this report.

29 Risk management

Risks are a natural and integral part of business activities, and risk profile changes continuously. The Company aims to mitigate its risks and reduce them to an acceptable level through risk management. This part describes only the management of the main financial risks. Management of other risks is presented in section '4 Governance' of this report.

29.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the market prices. The market risk comprises three types of risk:

- foreign currency exchange risk;
- interest rate risk;
- energy and commodity risk.

29.1.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in the market interest rates.

The Company manages interest rate risk by aiming non-current liabilities would bear a fixed interest rate. If the fixing of the interest rate is not possible due to objective reasons and the liability assumed comprises a significant amount, the interest rate derivatives would be used for the purpose of interest management. The aim is that non-current loans and bonds with fixed interest rates comprise not less than 50% of the Company's non-current loans portfolio. The usage of any of the interest rate derivatives requires the expiry date of the derivative to correspond to the maturity date of the debt obligation.

The risk of adverse changes in the interest rate of the investment is not actively insured. The risk management measures are applied only when the market has obvious indications that the interest rate might significantly decrease, resulting in negative investment returns.

As at 31 December 2025, there was EUR 30,277 thousand loans received with variable interest rate (as at 31 December 2024 there was no loans received with variable interest rate). As at 31 December 2025, loans granted with variable interest rate amounted to EUR 32,300 thousand (EUR 35,950 thousand as at 31 December 2024).

Interest rate risk is assessed in relation to sensitivity of the Company's profit to potential shift in interest rates. This assessment is provided in the table below:

	Increase/decrease, pp	(Decrease)/increase in profit
2025	1/(1)	20/(20)
2024	1/(1)	359/(359)

29.1.2 Energy and commodity risk

Commodity risk is the risk that the changes in the market prices (i.e., commodity prices) will affect the Company's results or the value of its holdings of financial instruments. The objective of the energy and commodity risk management is to manage and control the market risk exposures within acceptable parameters while optimising the return.

The Company uses derivatives to manage the commodity risk. All such transactions are carried out according to the Company's risk management policy. Generally, the Company seeks to apply hedge accounting to manage the volatility in the Statement of profit or loss and other comprehensive income.

In the ordinary course of its operations, the Company is exposed to commodity risks on natural gas and electricity products. The source of exposure lies with the cash flows from the sales of natural gas and electricity or the cost cash flows incurred to procure the fixed-price electricity/natural gas for the sales contracts. Majority of this type of exposure is based on the changes in the respective commodity prices in the market where the Company operates.

The commodity risk arises primarily from the following activities:

- fixed-price commodity sale contracts (electricity and natural gas) for household and business customers;
- fixed-price electricity purchase contracts;
- fixed-price natural gas purchase contracts.

In order to manage the commodity price risk, the Company enters into financial derivatives contracts (cash flow hedges). This is performed in order to secure a fixed acquisition price for the above-mentioned commodities, so that the optimum profit margins could be obtained from the contracted or expected fixed-price sales.

For electricity-related hedges, the Company uses component-based hedges in the derivatives market (NASDAQ Commodities) or equivalent over-the-counter contracts (OTC), and for natural-gas-related hedges – OTC contracts with price indexes matching the hedged contracts. The assessment of economic relationship and hedge effectiveness is performed by:

- the dollar offset method for electricity hedges;
- the descriptive method for natural gas hedges.

The two separate components that are being used as a hedged item for electricity-related hedges are the SYS price and price component equivalent or similar to the difference between the Lithuanian price area and the SYS price. Their economic relationship is determined separately for each component:

- SYS price (the average price in the Nord Pool power market, of which Lithuania is a member);
- price component equivalent or similar to the difference between the Lithuanian price area and the SYS price (commonly referred as EPAD in NASDAQ Commodities market).

The source of hedge ineffectiveness is mainly related to the limited supply of financial derivatives for Lithuanian electricity price area in the market. Therefore, commodity risk is partly hedged in the similar price areas (Latvian, Estonian and other), which results in partial ineffectiveness. The designated risk component of SYS historically covered 100% of the changes in the hedged item, while the designated price component equivalent or similar to the difference between the Lithuanian price and the SYS price historically covered a variety of percentages (depending on the hedge timing and the hedged price area). However, at least 67% coverage is expected in order for a derivative to be classified as effective for hedge accounting purposes. During the reporting period of 2025, on average, nearly 81% of all electricity hedge contracts in terms of value have been effective.

Overview of the Company's derivatives positions:

EURK	31 December 2025		31 December 2024	
	Contractual nominal value	Market value	Contractual nominal value	Market value
Market derivatives – Electricity (Nasdaq Commodities)	12,438	(581)	19,449	(604)
Over-the-counter (OTC) derivatives – Electricity	204,583	(9,101)	197,376	(20,518)
Over-the-counter (OTC) derivatives – Natural gas	24,505	(2,459)	7,850	(3,342)
Total	241,526	(12,141)	224,675	(24,464)

Nominal amounts (quantities in MWh) hedged:

	31 December 2025			
	2026	2027	2028	2029<
Electricity hedges	1,572	301	262	1,700
Natural gas hedges	595	179	88	-
Total	2,167	480	350	1,700

Nominal values hedged:

EURK	31 December 2025			
	2026	2027	2028	2029<
Electricity hedges	51,567	22,816	18,951	123,687
Natural gas hedges	16,958	5,111	2,436	-
Total	68,525	27,927	21,387	123,687

Negative amount indicates that there are more "sell" positions than "buy" positions.

Market value sensitivity analysis, due to the changes in market prices:

EURk	31 December 2025		
	Market value		
	Increase by 10%	Current prices	Decrease by 10%
Market derivatives – Electricity (Nasdaq Commodities)	517	(581)	(778)
Over-the-counter (OTC) derivatives – Electricity	6,358	(9,101)	(25,991)
Over-the-counter (OTC) derivatives – Natural gas	(183)	(2,459)	(4,606)
Total	6,692	(12,141)	(31,375)

29.2 Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company's exposure to credit risk arises from operating activities (trade and other amounts receivable) and from financing activities (granted loans, finance lease agreements, derivatives). The Company's risk related to cash is limited, as the Company keeps cash balances only in reliable financial institutions.

The Company is not exposed to significant credit risk concentration related to trade and other amounts receivable.

To make optimal decisions on the possibility of concluding agreements with the Company's customers, the Company follows a process and criteria for assessing the solvency of its customer, organises a financial/expert due diligence and, on the basis of the information obtained, makes a decision on the customer's risk. The agreements are concluded with the Company's customers in view of the customer solvency risk assessment by applying customised settlement terms: longer settlement periods are applied to customers with a lower risk and customers with a higher risk are subject to more stringent settlement terms and (or) additional collaterals, including funds deposited in the Company's account, sureties, bills of exchange, etc. To manage the risk of counterparty default, the Company applies an approved Customer Solvency Risk Management Standard.

The Company measures receivables using expected credit loss provision matrix (Note 15.2.1) or on an individual basis (Note 15.2.2), where the financial position and credit risk of each borrower are measured individually by analysing the borrower's financial statements, settlement discipline and other publicly available information about the debtor that may be affected by the debtor's credit assessment.

The priority objective of the Company's treasury management is to ensure security of funds and maximize return on investments in pursuance of this objective. Risk of counterparties defaulting is managed by entering into transactions with reliable financial institutions (or subsidiaries of such institutions) with a long-term credit rating (in foreign currency) lower than 'A-' according to the rating agency Fitch Ratings (or an equivalent rating of other rating agencies).

The maximum exposure to credit risk is equal to the carrying amount of financial assets. The table below summarises the Company's financial assets by category:

EURk	Note	31 December 2025	31 December 2024
Financial assets measured at amortised cost			
Non-current receivables	13	32,300	35,950
Trade receivables	15	140,806	152,831
Other receivables	13	13,609	29,707
Cash and cash equivalents	16	49,017	36,353
Amounts receivable under finance lease agreements			
Non-current portion	13	5,828	6,873
Current portion	13	1,145	1,093
Financial assets measured at FVTPL or FVOCI			
Derivatives	24	3,782	4,020
Total		246,487	266,827

29.3 Liquidity risk

The liquidity risk is managed by planning future cash flows of the entities of the Company and ensuring sufficient cash and availability of funding through committed credit facilities and overdrafts to support the Company's ordinary activities. The refinancing risk is managed by ensuring that borrowings over a certain period were repaid from available cash, from cash flows expected from operating activities of the Company over that period, and from unwithdrawn committed credit facilities which have to be repaid in later periods.

As at 31 December 2025, the Company's current liquidity ratio (total current assets/total current liabilities) and quick ratio ((total current assets – inventories) / total current liabilities) were 0.82 (see Note 29.4 "Going concern") and 0.75 respectively (31 December 2024: 0.89 and 0.77 respectively). As at 31 December 2025, the Company's balance of credit and overdraft facilities not withdrawn amount to EUR 83,332 thousand (31 December 2024 – EUR 50,000 thousand).

The table below summarises the Company's financial liabilities by category:

EURk	Note	31 December 2025	31 December 2024
Financial liabilities measured at amortised cost			
Loans	19.1	42,631	12,233
Lease liabilities	19.1	5,377	3,644
Trade payables and non-current amounts payable to suppliers		193,038	235,456
Other current and non-current liabilities		3,486	2,761
Financial liabilities measured at FVTPL or FVOCI			
Derivatives	24	15,342	27,880
Total		259,874	281,974

The table below summarises the maturity profile of the Company's financial liabilities under the contracts (based on contractual undiscounted payments of interest-bearing financial liabilities and the carrying amounts of other financial liabilities):

EURk	2025				Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Loans	17,307	2,607	16,922	9,391	46,227
Lease liabilities	-	846	3,095	3,949	7,890
Trade payables and non-current amounts payable to suppliers	162,775	30,263	-	-	193,038
Other current and non-current liabilities	3,486	-	-	-	3,486
Derivatives	1,276	4,527	7,289	2,250	15,342
As at 31 December 2025	184,844	38,243	27,306	15,590	265,983

EURk	2024				Total
	Less than 3 months	3 months to 1 year	1 to 5 years	More than 5 years	
Loans	518	245	19,849	-	20,612
Lease liabilities	-	644	2,231	2,537	5,412
Trade payables and non-current amounts payable to suppliers	189,758	45,698	-	-	235,456
Other current and non-current liabilities	2,761	-	-	-	2,761
Derivatives	7,347	1,674	13,522	5,900	28,443
As at 31 December 2024	200,384	48,261	35,602	8,437	292,684

29.3.1 Impact of climate change

The Company pays special attention in order to reveal a potential impact of climate change and its related economic, transitional changes on the parent company's activities. This impact may arise from physical (extreme) weather phenomena and from the aspiration of states to adopt the Green Deal, which could cause additional requirements for the energy sector: to comply with new regulations, implement new technological solutions, manage reputational risks, respond to fast growing market demand for green solutions, etc.

Climate change and the transition to net zero have been considered in the preparation of these financial statements. While preparing these financial statements, the following has been considered:

29.3.1.1 Valuation of property, plant and equipment, and impairment assessment of goodwill

The Company assesses the useful economic life of its property, plant and equipment assets annually. The useful economic life of assets has not been shortened. There are no indicators suggesting that assets have reduced in value, significant impacts of climate change on the Company's assumptions used in estimating their recoverable value and there is no need to perform sensitivity analysis of the effects of climate risk within the assumptions made. The Company's management does not reasonably expect the climate change to have a significant impact of valuation of property, plant and equipment, and the impairment assessment of goodwill.

29.3.1.2 Impact of climate change on provision for risk and on ECL

The Company's management does not believe that there are any provisions for risks or potential liabilities requiring consideration in the financial statements in connection with possible disputes, specific regulatory requirements aimed at mitigating environmental damages, sanctions connected to failure to comply with environmental requirements, contracts that may become onerous, possible restructuring works aimed at achieving the climate objectives required. No significant climate and environmental risks had significant impact when calculating the ECL.

The impact of future climate change regulation is not material on the currently reported amounts of the Company's assets and liabilities.

29.4 Going concern

The financial statements were prepared based on the going concern assumption. During the financial year 2025, the Company incurred a loss. Although the Company's current liabilities exceeded current assets by EUR 53,694 thousand (31 December 2024: 35,236). The Company's management believes that this will not affect the Company's ability to continue as a going concern. The Company plans to cover the difference between current assets and current liabilities from positive cash flows from operating activities during 2026 and available but not yet withdrawn loan limits.

30 Fair values of financial instruments

30.1 Financial instruments, measured at fair value

As at 31 December 2025 and 2024, the Company has accounted for assets and liabilities arising from financial derivatives. The Company accounts for financial derivative assets and liabilities at fair value and their accounting policies are set out in 8.6 Note 1.13.

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 statement of financial position.

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 Company attributes to Level 2 of the fair value hierarchy derivatives 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.

The Company's derivatives are measured at fair value (all allocations to hierarchy levels are presented in a table below).

30.2 Financial instruments for which fair value is disclosed

The fair value of the Company's financial liabilities related to loans to commercial banks and Group companies is calculated by discounting future cash flows with reference to the interest rate observable in the market. The cash flows were discounted using a weighted average discount rate of 3.138% as at 31 December 2025 (31 December 2024: 3.55%). The measurement of financial liabilities related to the debts is attributed to Level 2 of the fair value hierarchy.

The fair value of the loans granted by the Company to Group and other companies was determined by discounting cash flows with reference to the interest rate observable in the market. The cash flows were discounted using a weighted average discount rate of 3.138% as at 31 December 2025 for loans above EUR 1 million and 3.138% for loans less than EUR 1 million (31 December 2024: 3.55% for loans above EUR 1 million and 3.55% for loans less than EUR 1 million). The measurement of financial liabilities related to the debts is attributed to Level 2 of the fair value hierarchy.

30.3 Financial instruments' fair value hierarchy levels

The table below presents allocation between the fair value hierarchy levels of the Company's financial instruments as at 31 December 2025:

EURK	Note	Carrying amount	Level 1	Level 2	Level 3	Total
			Quoted prices in active markets	Other directly or indirectly observable inputs	Unobservable inputs	
Financial instruments measured at FVTPL or FVOCI						
Assets						
Derivatives	24	3,782	-	3,782	-	3,782
Liabilities						
Derivatives	24	15,342	-	15,342	-	15,342
Financial instruments for which fair value is disclosed						
Assets						
Loans granted	13	32,540	-	32,536	-	32,536
Liabilities						
Loans received		42,631	-	38,420	-	38,420

The table below presents allocation between the fair value hierarchy levels of the Company's financial instruments as at 31 December 2024:

EURK	Note	Carrying amount	Level 1	Level 2	Level 3	Total
			Quoted prices in active markets	Other directly or indirectly observable inputs	Unobservable inputs	
Financial instruments measured at FVTPL or FVOCI						
Assets						
Derivatives	24	4,020	-	4,020	-	4,020
Liabilities						
Derivatives	24	27,800	-	27,880	-	27,880
Financial instruments for which fair value is disclosed						
Assets						
Loans granted	13	61,919	-	62,533	-	62,533
Liabilities						
Loans received		12,233	-	11,704	-	11,704

31 Events after the reporting period

There were no significant events after the reporting period until the issue date of these financial statements.

Accompanying information

1 Material accounting policies

1.1 New standards, amendments and interpretations

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

The following are the new standards and/or amendments to the standards that have been approved by IASB and endorsed in the European Union during the year ended as at 31 December 2025.

Standards or amendments that came into force during the year of 2025

Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The adoption of these standards, their revisions and interpretations had no material impact on the financial statements.

1.1.2 Standards issued but not yet effective and not adopted early

While preparing these financial statements, the Company did not adopt the new IFRS, IAS, their amendments and interpretations issued by IASB, the effective date of which is later than 31 December 2025 and whose early adoption is permitted. The following are new standards and/or amendments to the standards that have been issued but not yet effective:

Other standards

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

Other new standards or amendments	IASB Effective date	EU Endorsement status
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7	1 January 2026	Endorsed
Annual Improvements Volume 11	1 January 2026	Endorsed
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026	Endorsed
IFRS 19 Subsidiaries without Public Accountability: Disclosures	1 January 2027	Not yet endorsed
IFRS 18 Presentation and Disclosure in Financial Statements	1 January 2027	Not yet endorsed
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency	1 January 2027	Not yet endorsed

1.2 Revenue from contracts with customers

The Company in the contracts with customers identifies performance obligations (stated either explicitly or implied) to transfer either distinct goods or services or series of distinct goods or services that are substantially the same and have the same pattern of transfer to the customer. Promised goods or services represent separate performance obligations if the goods or services are distinct. A promised good or service is considered distinct if both of the following criteria are met:

- customer can benefit from the good or service on its own or with other readily available resources (i.e. distinct individually), and
- the good or service is separately identifiable from other promises in the contract (distinct within the context of the contract).

Company's major legal performance obligations identified in the contracts with customers are: sale of electricity and gas, supply of electricity, sales of produced electricity, services ensuring the isolated operation of power system and capacity reserve, distribution of gas, distribution and transmission of electricity, new customers connection and upgrade, provision of Public Service Obligations (hereinafter referred to as 'PSO services') and provision of Liquefied Natural Gas Terminal Security Component Obligations (hereinafter referred to as 'LNGT services').

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the consideration to which the Company expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

For certain service contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided because the customer receives and uses the benefits simultaneously. When recognising revenue, the Company takes into consideration terms of contracts signed with customers and all significant facts and circumstances, including the nature, amount, timing and uncertainty relating to cash flows arising from the contract with the customer.

1.2.1 Electricity-related revenue

The Company's electricity-related revenue includes:

- Revenue from sale of electricity (Note 1.2.1.1);
- Revenue from supply of electricity (Note 1.2.1.2)

Electricity related revenue is received from non-household and household customers. For household customers, electricity is supplied at the public supply tariff (Note 1.2.1.2) or the independent supply tariff (Note 1.2.1.1). Electricity to non-household customers is supplied at independent supply tariff Note 1.2.1.1).

Accounting policy for electricity-related revenue may be presented in accordance with the components of the electricity tariff applied to the consumed electricity by household and non-household customers. The tariff comprises of the following components:

- the price of electricity (Note 1.2.1.1, 1.2.1.2);
- the fee for electricity supply services (Note 1.2.1.1, 1.2.1.2);
- price of electricity distribution services, which include two components: transmission over high voltage grid and distribution over medium and low voltage grid (Note 1.2.1.1);
- the price of electricity system services (includes capacity reserve services) (Note 1.2.1.1);
- fee for PSO services (hereinafter “PSO fees”) (Note 1.2.1.1);

Regulation of tariffs and the Company's profitability is presented in Note 1.2.3.3.

1.2.1.1 Revenue from the sale of electricity

Revenue from the sale of electricity (Note 5, line “Revenue from the sale of electricity”) mainly consists of sales of electricity to non-household customers and to household customers through the provision of an independent supply service under a bilateral contract.

Revenue includes the price of electricity and the fee for electricity supply services. Revenue is recognised over time in each reporting period on the basis of VAT invoices issued, which includes the calculated amount of electricity consumed. Electricity consumption is calculated on the basis of the declared meter readings provided by consumers.

When performing electricity supply, through tariff paid by customers, the Company collects fees and other tariff components (Note 1.2.1) and transfers them to other entities:

- *Tariff component: transmission over high voltage grid and distribution over medium and low voltage grid*

Electricity distribution and transmission services are acquired from transmission grid operator. The Company collects fees for these services through the electricity tariff and transfers to aforesaid operator. The Company's management has identified that in respect of electricity distribution and transmission services (Note 5.4.1) the Company acts as an agent. Revenue and costs from these services are recorded under “Purchases of electricity, natural gas and other services” in the statement of profit or loss.

- *Tariff component: system services*

System services are provided by and acquired from the electricity transmission system operator. The Company collects fees for these services through electricity tariff and transfers to aforesaid operator. On the basis of the same arguments used to determine the agent's activities with regard to electricity transmission and distribution services (Note 5.4.1), the Company's management has identified that the Company acts as an agent system services also. Revenue and costs from these services are recorded under “Purchases of electricity, natural gas and other services” in the statement of profit or loss.

- *Tariff component: PSO fee*

PSO fee is an integral part of electricity tariff. The Company collects PSO fees through electricity tariff from the end-customers connected to the electricity distribution network and transfers them to the PSO fund administrator UAB Baltpool. The Company's management has identified that in respect of PSO fees the Company acts as an agent (Note 4.2.1). Revenue and costs from these fees are recorded under “Purchases of electricity, natural gas and other services” in the statement of profit or loss.

1.2.1.2 Revenue from public electricity supply

Revenue from public electricity supply (Note 5, line item ‘Revenue from public electricity supply’) consists of the following components of public supply electricity tariff: (i) sale of consumed public electricity and (ii) public supply service fee. Revenue from public electricity supply to customers is recognised over time while referring to the supplied electricity quantity reading devices provided by them and verified by the distribution system operator. In case of differences between the provided and the verified quantities due to over declaration, the Company estimates the amount of deferred income (Note 9.3) and accounts for as a contract liability. If the Company doesn't receive the data of electricity consumed according to the readings of meters due to specific reasons (customer's delays to present readings, fails of the remote meter's scanner or other agreements with the customer) the revenue from sale of electricity is recognised based on the average usage estimation method. By applying the average usage estimation method consumption of the electricity is calculated according to the historical 12 months data of electricity consumption, i.e. the average consumption for the certain period is calculated, and at the end of year is adjusted according to the actual readings.

Revenue from public electricity supply is regulated (Note 1.2.3.3).

1.2.2 Gas-related revenue

The Company's gas-related revenue includes:

- revenue from gas sales (Note 1.2.2.1);
- revenue from the LNGT security component (1.2.2.2).

Natural gas related revenue is received from business customers and household customers by providing natural gas supply services. Income of LNGT security component is received as a compensation for providing services of designated supplier. For the purpose of these financial statements, terms “gas” and “natural gas” are inter-changeable.

Accounting policy for revenue from natural gas supply to household customers may be presented in accordance with the components of the natural gas tariff applied to the consumed gas by household customers.

Final natural gas tariff to B2C customers comprise of the following components:

- the price of gas (Note 1.2.2.1);
- the price of natural gas transmission over high-pressure network;
- the price of natural gas distribution over medium- and low-pressure network;
- LNGT security component (Note 1.2.2.2).

The Company as a natural gas supplier collects payments for all tariff components from customers. The component of transmission service price and LNGT security component are transferred to transmission grid operator, gas distribution service price component - to the operator of natural gas distribution network. The Company is an agent in collection of transmission service component (Note 5.4.1), LNGT security component (Note 5.4.1) and distribution service component fees (Note 5.4.1). Revenue and costs from are recorded under "Purchases of electricity, natural gas and other services" in the statement of profit or loss.

Regulation of tariffs and the Company's profitability is presented in Note 1.2.3.4.

Accounting policy for revenue from B2B customers is presented in Notes 1.2.2.1.

1.2.2.1 Revenue from gas sales

Revenue from sales of gas (Note 5 line, item 'Revenue from gas sales') consists of gas price and supply margin. Gas sales are performed by the Company as a natural gas supplier to household customers and as a designated LNG supplier to gas market.

Revenue from gas sales to end-customers is recognised on a monthly basis while referring to the supplied gas quantity readings devices provided by them and verified by the distribution system operator (an accrual basis). In case of differences between the provided and the verified quantities due to over declaration, the Company estimates the amount of deferred income (Note 9.3) and accounts for as a contract liability.

1.2.2.2 LNGT security component

The Law on the Liquefied Natural Gas Terminal of the Republic of Lithuania provides that contribution to the security component, which is related to the following securities of natural gas supply, shall be collected from end users and added to the natural gas transmission price:

- for the installation of LNGT, its infrastructure and connection and all fixed operating costs that are not included in other state regulated prices; and
- to compensate for the reasonable costs of supplying the minimum quantity required to ensure the necessary operation of the LNGT.

Similarly to the PSO fees, the LNGT security component is collected by natural gas suppliers from end users through the natural gas tariff and then transferred to the state budget, from which the LNGT funds are distributed (i.e., disbursed) to LNGT service providers.

The Company acts as a natural gas supplier that collects LNGT security component from end users and as a designated liquefied natural gas supplier (hereinafter 'designated supplier'), the function of which is to ensure the necessary operation of the LNGT by supplying the minimum required quantity of natural gas.

1.2.2.2.1 The Company's activity as natural gas supplier to end users

LNGT security component is an integral part of the natural gas tariff to the customer. Payments for the LNGT security component are collected directly from customers or natural gas suppliers, if the customers don't have a direct contract with the operator of transmission system. Collected amounts of the LNGT security component are transferred to the gas transmission system operator AB "Amber Grid", which is appointed to perform the function of administering the LNGT security component. In accordance to the IFRS 15, the Company, when providing these services, considers itself as an Agent and recognises the revenue on a net basis (Note 5.3). Income and disbursements of the LNGT security component (regardless whether the net of it is positive or negative) are recognised under the item 'Purchases of electricity, gas and other services' in the Statement of profit or loss and other comprehensive income.

1.2.2.2.2 The Company's activity as designated LNG supplier to the gas market

The Company is providing a dedicated LNG supplier function.

In order to maintain the LNG Terminal's infrastructure in minimum mode, a certain amount of natural gas, which is to be supplied through the LNG Terminal, is required for filling, regasification or transshipment and supply to the Lithuanian natural gas system or the international LNG market.

The Law on the LNG Terminal and the Description of the Natural Gas Supply Diversification Procedure provides that the required quantity shall be supplied by the designated supplier (nominated by the Ministry of Energy for 10 years, designation ends on 31 December 2024) by concluding a contract with the LNG supplier.

To ensure the operation of the LNG terminal, the designated supplier shall sell the required quantity on a competitive market and, therefore, its costs, which, due to the nature of its activities, are exclusively borne (whereas other suppliers don't incur), are compensated by the transmission system operator by paying the LNGT funds that are paid from the budget of the LNGT security component collected by natural gas suppliers from end customers. Accordingly, the Company receives revenue from LNGT funds.

The revenue of LNGT funds is recognised over time by issuing VAT invoices to the transmission system operator according to the statements which are received from it and include information of regasified and/or reloaded quantity of LNG and the quantity of LNG used for the Company's technological needs at the LNG Terminal. Revenue from the LNGT funds is recognised under item 'Revenue from contracts with customers' in the Statement of profit or loss and other comprehensive income. Revenue from the LNGT security component is presented in Note 5, line item 'Revenue of LNGT security component'.

1.2.3 Other significant revenue from contracts with customers

1.2.3.1 Revenue from project activities

Project-based activity comprise a number of interrelated works. Accordingly, the promise of the seller to render solar park, power saving, electric car charging and other installation services to the customer is identified as a performance obligation in the agreement concluded with the customer. The performance obligation under the agreement concluded with the customer is to be carried as soon as the object specified in the contract has been transferred to the customer. The progress of completion of the performance obligation is measured using the input method. The Company has determined that the input method, on the basis of costs incurred, provides an appropriate measure of progress towards complete satisfaction of the performance obligation.

After the completion of construction and contractual works, the seller grants a warranty period for these works and goods used. Pursuant to paragraph B31 of IFRS 15, whether the warranty is required by law, the warranty is aimed at protecting customers from the risk of purchasing defective products, therefore, it is not deemed a separate performance obligation of the seller.

The agreement concluded with the customer indicates the total price that the seller will recognise as revenue upon execution of the performance obligation over the validity period of the agreement. The seller and the customer may agree that the consideration for contractual works might increase due to additional works or other costs, but no variable consideration arises in the agreement concluded with the customer as a result of this condition.

Revenue under the agreement concluded is recognised over the time based on a stage of completion percentage. At the date of preparation of the financial statements, the seller assesses the ratio between the actually incurred expenses and the expenses projected in the estimate to the agreement and accounts for the amount of revenue as the product of the price of the agreement and the established stage of completion ratio.

1.2.3.2 Regulation of tariffs and profitability

Profitability of some individual activities of the Company is regulated by the National Energy Regulatory Council (NERC) through the service tariffs approved for the next periods. The level of tariffs depends on the projected costs and volume of services for the next period, the extent to which the previous period earnings are at variance with the regulated level, and other factors.

Actual costs of regulated activities incurred by the Company during the year may be at variance with the projected costs that are considered during the approval of the tariffs, and the actual volume of services may be at variance with the projected one. Accordingly, actual earnings from regulated activities may be at variance with the regulated level, and the resulting difference will affect the future tariffs of services.

The Company usually does not recognise assets and liabilities of the regulated activities that are intended to eliminate the mismatches between the current year earnings and the regulated level, provided the difference will be recovered/refunded only through the provision of services in the future, except those presented in Note 5.2.

1.2.3.3 Regulation of electricity related activities

The public electricity price is regulated by NERC by setting price caps for electricity purchase price and distribution services and by adding the difference between actual purchase price of electricity and the forecasted electricity price for the previous period.

1.2.3.4 Regulation of gas related activities

The NERC regulates the prices of gas transmission and distribution services and LNGT security component, in respect of which the Company acts as an agent, which are included in gas tariff for household customers

Liquefied natural gas is sold to regulated (supervised) energy producers at the market price set and approved by NERC. Non-regulated sales of natural gas are conducted at the prices agreed between the parties.

Activity of designated supply activities is regulated by the NERC. The Company receives a compensation to cover the difference between the price of designated supply and weighted average natural gas import price, which is recognised as revenue. Revenue is received through the LNGT component. The security component of the LNGT depends on the projected gas prices and other costs for the upcoming year, the forecasted gas supply volumes, the deviation of the revenue received in previous periods from the regulated amount and other things. Actual costs incurred by the Company during the year may differ from those estimated when approving prices and the actual amount of supply may differ from the forecast. As a result, the Company's actual revenue level may deviate from the regulated level and the difference will affect the future LNG terminal security component and thus future revenue. The Company does not recognise a regulated asset or liability that is intended to equalize current year revenue to a regulated level if the difference affects future supply prices and is recovered / refunded in the future provision of services.

1.3 Expense recognition

Expenses are recognised in the Statement of profit or loss and other comprehensive income as incurred while applying the accrual basis of accounting.

1.4 Intangible assets

1.4.1 Patents, licences

Patents, licenses and trademarks are measured initially at acquisition cost and are amortised on a straight-line basis over their estimated useful lives of 3 to 5 years or a specific validity term of a license and/or patent, if any. Useful life is reviewed on year-by-year basis.

1.4.2 Computer software

Licences acquired to the computer software are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (3 to 4 years).

Software projects under development are transferred to the appropriate intangible asset class when the projects are completed and the asset is ready for their intended use.

1.4.3 Other intangible assets

Intangible assets expected to provide economic benefits in future periods are measured at acquisition cost less subsequent accumulated amortisation and any accumulated impairment losses. Amortisation is calculated on the straight-line basis over the estimated economic useful life of 3 to 4 years.

The Company's intangible asset amortization expenses are accounted for within the item 'Depreciation and amortization' in the Statement of profit or loss and other comprehensive income.

1.5 Assets identified during business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are measured at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

For assets acquired during business combination, useful life of 20 years was set for balancing services and trade in derivatives, and 15 years for customer relation assets. Amortisation is computed on a straight-line basis. Useful life is reviewed on year-by-year basis.

1.6 Property, plant and equipment

Cost includes replacement costs of components of property, plant and equipment when incurred and when these costs meet the recognition criteria of property, plant and equipment. The carrying amount of the replaced part is derecognised. Subsequent repair costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with these costs will flow to the Company and the costs can be measured reliably. All other repairs and maintenance costs are recognised in the Statement of profit or loss and other comprehensive income during the financial period in which they are incurred.

The assets' residual values and useful lives are reviewed at least once per year and adjusted if appropriate.

'Construction in progress' is transferred to appropriate categories of property, plant and equipment when asset is completed and ready for its intended use.

When asset is retired or otherwise disposed of, the cost and related accumulated depreciation are derecognised, and any related gains or losses are included in the Statement of profit or loss and other comprehensive income. Gains or losses on disposal of property, plant and equipment are determined as proceeds received on disposal less the carrying amount of assets disposed.

Depreciation of property, plant and equipment is calculated using the straight-line method to allocate the acquisition cost/revalued amounts less their residual values over their estimated useful lives (number of years), as follows:

Category of property, plant and equipment	Useful lives (number of years)
Solar plants	5-10
Electric Vehicle charging stations	12
Other property, plant and equipment	3-4

1.7 Right-of-use assets

Right-of-use asset is the asset that reflects the right of the Company to use the leased asset over the life of a lease. The Company recognises right-of-use assets for all types of leases, including leases of right-of-use assets in sublease, with the exception of leases of intangible assets, short-term leases and leases for which the underlying asset is of low value.

1.7.1 Initial measurement of right-of-use assets

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

1.7.2 Subsequent measurement of right-of-use assets

Subsequent to initial recognition, the Company measures right-of-use assets using the cost model. Under the cost model, the Company measures the right-of-use asset at cost less any depreciation and any accumulated impairment losses adjusted for any remeasurement of the lease liability.

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

earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Right-of-use assets are depreciated on a straight-line basis.

Group of right-of-use assets	Depreciation period (in years)
Buildings	8-75

The Company presents rights-of-use assets separately from property, plant and equipment in the Statement of financial position.

1.8 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

1.8.1 Financial assets

The Company classifies its financial assets into the following three categories:

- financial assets subsequently measured at amortised cost;
- financial assets subsequently measured at fair value through other comprehensive income (hereinafter 'FVOCI'), and
- financial assets subsequently measured at fair value through profit or loss (hereinafter 'FVTPL').

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Transaction costs comprise all charges and commissions that the Company would not have paid if it had not entered into an agreement on the financial instrument.

In order for a financial asset to be classified and measured at amortised cost or FVOCI, it needs to give rise to cash flows that are 'solely payments of principal and interest (hereinafter 'SPPI')' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at FVTPL, irrespective of the business model. Interest income calculated on these financial assets is recognised as finance income and amortised using the effective interest rate method. Any gain or loss arising from the write-off of assets is recognised in the Statement of profit or loss and other comprehensive income. Impairment losses are accounted for as other expenses in the Statement of profit or loss and other comprehensive income.

Subsequent to initial recognition, financial assets are classified into the afore-mentioned categories based on the business model the Company applies when managing its financial assets and characteristics of cash flows from these assets. The business model applied to the group of financial assets is determined at a level that reflects how all groups of financial assets are managed together to achieve a particular business objective of the Company. The intentions of the Company's management regarding separate instruments have no effect on the applied business model. The Company may apply more than one business model to manage its financial assets. In view of the business model applied for managing the group of financial assets, the accounting for financial assets, is as follows:

1.8.1.1 Financial assets subsequently measured at FVOCI

The Company has derivatives and equity securities (debt investment) subsequently measured at FVOCI. For detailed information for derivatives, see Note 1.8.1.3.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are SPPI on the principal amount outstanding.

1.8.1.2 Financial assets at amortised cost

Financial assets at amortised cost are subsequently measured using the effective interest rate (hereinafter 'EIR') method and are subject to impairment. Amortised cost is the amount at which the financial instrument was recognised at initial recognition minus principal repayments, plus accrued interest, and, for financial assets, minus any write-down for expected credit losses. The Company's financial assets at amortised cost includes loans granted by the Company, trade and other amounts receivable, and cash and cash equivalents are accounted for under the business model the purpose of which is to hold financial assets in order to collect contractual cash flows that can contain cash flows related to the payment of the principal amount and interest inflows.

1.8.1.3 Financial assets at FVTPL

Debt instruments that do not meet the criteria of financial assets to be measured at amortised cost or financial assets to be measured at FVOCI are classified as financial assets to be measured at FVTPL.

The Company classifies financial assets as assets measured at FVTPL if this eliminates or significantly reduces the measurement or recognition inconsistency (sometimes referred to as 'an accounting mismatch') that would otherwise arise from measuring assets or liabilities or recognising gains or losses thereof on different bases. A gain or loss on fair value measurement of debt investment is recognised in the Statement of profit or loss and other comprehensive income in the period in which it arises. The Company classifies in this category investments to equity instruments that do not meet the SPPI conditions.

1.8.1.4 Effective interest method

The EIR method is used in the calculation of the amortised cost of a financial asset and in the allocation of the interest revenue in the Statement of profit or loss and other comprehensive income over the relevant period.

The EIR is the rate that exactly discounts estimated future cash inflows through the expected life of the financial asset to the gross carrying amount of the financial asset that shows the amortised cost of the financial asset, before adjusting for any loss allowance. When calculating the EIR, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. The calculation includes all fees and points paid or received between parties to the contract that are an integral part of the EIR, transaction costs, and all other premiums or discounts. There is a presumption that the cash flows and the expected life of a group of similar financial instruments can be estimated reliably. However, when it is not possible to reliably estimate the cash flows or the expected life of a financial instrument (or group of financial instruments), the Group uses the contractual cash flows over the full contractual term of the financial instrument (or group of financial instruments).

1.8.1.5 Impairment of financial assets – expected credit losses

The Company assesses on a forward-looking basis the expected credit losses associated with its debt instruments carried at amortised cost regardless of whether there are any impairment indicators.

Credit losses incurred by the Company are calculated as the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original EIR. The Company estimates cash flows by considering all contractual terms of the financial instrument through the expected life of that financial instrument, including cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Expected credit losses are measured in a way that reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes; the time value of money; reasonable and supportable information about past events and current conditions, and reasonable and supportable forecasts of future events and economic conditions at the reporting date.

Lifetime expected credit losses are the expected credit losses that result from all possible default events over the period from the date of initial recognition of a financial asset to the subsequent date of settlement of the financial asset or ultimate write-off of the financial asset.

The Company seeks for lifetime expected credit losses to be recognised before a financial instrument becomes past due. Typically, credit risk increases significantly before a financial instrument becomes past due or other lagging borrower-specific factors (for example, a modification or restructuring) are observed. Consequently, when reasonable and supportable information that is more forward-looking than past due information is available without undue cost or effort, it is used to assess changes in credit risk. Expected credit losses are recognised by taking into consideration individually or collectively assessed credit risk of loans granted and trade receivables. Credit risk is assessed based on all reasonable information, including forward-looking information.

The Company's management performs the assessment on an individual basis, reflecting the possibility of obtaining information on the credit history of a particular debtor, its financial position as at the date of assessment, including forward-looking information that would allow to timely determine whether there has been a significant increase in the credit risk of that particular borrower, thus enabling to make judgements on the recognition of lifetime expected credit losses in respect of that particular borrower. In the absence of reliable sources of information on the credit history of a particular debtor, its financial position as at the date of assessment, including forward-looking information, the Company assesses the debt on a collective basis.

For the purpose of determining the lifetime expected credit losses of amounts receivable, the Company on a collective basis applies the loss ratio matrix. The loss ratio matrix is based on historical data on the settlement for trade receivables during the period of validity of trade receivables and is adjusted with respect to future forecasts. The loss ratios are updated during the preparation of the annual financial statements with respect to the impact of operational prospects, where these prospects are indicative of any exacerbation of economic conditions during upcoming years or of customer types. To measure expected credit losses, trade receivables are grouped based on shared credit risk characteristics. The non-recoverability analysis is conducted for the last several years in order to determine the general default ratio. As regards to the different groups of consumers, a different loss ratio matrix is used.

The lifetime expected credit losses of other amounts receivable are assessed based on the individual assessment basis. The Company's management performs the assessment on an individual basis, reflecting the possibility of obtaining information on the credit history of a particular borrower, its financial position as at the date of assessment, including forward-looking information that would allow to timely determine whether there has been a significant increase in the credit risk of that particular borrower, thus enabling to make judgements on the recognition of lifetime expected credit losses in respect of that particular borrower.

Recognition stages of expected credit losses:

1. Upon granting of a loan or concluding a finance lease agreement, the Company recognises the expected credit losses for the twelve-month period. Interest income from the loan (finance lease) is calculated on the carrying amount of financial assets without adjusting it by the amount of expected credit losses.
2. Upon establishing that the credit risk related to the borrower or lessee has significantly increased, the Company accounts for the lifetime expected credit losses of the loan or finance lease agreement. All lifetime expected credit losses of financial instruments are calculated only when there is a significant increase in credit risk relating to the borrower. Interest income from the loan (finance lease) is calculated on the carrying amount of financial assets without adjusting it by the amount of expected credit losses.
3. Where the Company establishes that the recovery of the loan is doubtful or that the condition of the lessee shows that the loan of this lessee needs to be classified as doubtful debts, the Company classifies this loan (finance lease receivables) as credit-impaired financial assets (doubtful loans and receivables). Interest income from the loan (finance lease) is calculated on the carrying amount of financial assets, which is reduced by the amount of expected credit losses.

In stage 2, an assessment of the significant deterioration in the borrower's financial situation is performed by comparing the financial situation as at the time of the assessment and the financial situation as at the time of issuing the loan.

The latest point at which the Company recognises all lifetime expected credit losses of the loan granted or a finance lease agreement is identified when the borrower is late to pay a periodic amount or the total debt for more than 90 days. In case of other evidence available, the Company accounts for all lifetime expected credit losses of the loan granted regardless of the more-than-90-days-past-due presumption.

1.8.1.6 Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:

- (a) significant financial difficulty of the borrower;
- (b) a breach of contract, such as a default or past due event for more than 90 days;
- (c) the lender, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- (d) it is becoming probable that the borrower will enter bankruptcy or another financial reorganisation;
- (e) the disappearance of an active market for that financial asset because of financial difficulties;
- (f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

1.8.1.7 Derecognition of financial assets

A financial asset (or, where applicable a part of financial asset or group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset have expired;
- the right to receive cash flows from the asset is retained, but an obligation is assumed to pay them in full without material delay to a third party under a 'pass through' arrangement; or
- the rights to receive cash flows from the asset are transferred and either (a) substantially all the risks and rewards of the asset have been transferred, or (b) substantially all the risks and rewards of the asset have neither been transferred nor retained, but control of the asset has been transferred:
 - if control is not retained, the financial asset is derecognised and any rights and obligations created or retained in the transfer are recognised separately as assets or liabilities;
 - if control is retained, the financial asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Whether the control of the transferred asset is retained depends on the transferee's ability to sell the asset. If the transferee has the practical ability to sell the asset in its entirety to an unrelated third party and is able to exercise that ability unilaterally and without needing to impose additional restrictions on the transfer, control is not retained. In all other cases, control is retained.

1.8.2 Financial liabilities and equity instruments issued

Debt or equity instruments are classified as financial liabilities or equity based on the substance of the arrangement.

1.8.2.1 Initial recognition and measurement of financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at FVPL, loans and bonds, trade and other payables or derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and bonds and trade and other payables, as net of directly attributable transaction costs.

1.8.2.2 Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- financial liabilities at FVTPL;
- financial liabilities at amortised cost.

1.8.2.3 Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivatives entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the Statement of profit or loss and other comprehensive income. Financial liabilities designated upon initial recognition at FVTPL are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied.

1.8.2.4 Financial liabilities at amortised cost

After initial recognition, trade payables, interest-bearing loans and bonds are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised as profit or loss in the Statement of profit or loss and other comprehensive income when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of profit or loss and other comprehensive income.

1.8.2.5 Classification and borrowing costs

Financial liabilities are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

If a financing agreement concluded before the Statement of financial position date proves that the liability was non-current by its nature as of the date of the Statement of financial position, that financial liability is classified as non-current.

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial time (more than one year) to get ready for intended use or sale (qualifying assets) are capitalised as part of the costs of those assets until those assets are completely ready for use or sale. All other borrowing costs are expensed as incurred. Interest income that relates to temporal investment of borrowed funds until their use for the acquisition of the assets is deducted from the acquisition cost of the assets.

1.8.2.6 Effective interest rate method

The EIR method is used in the calculation of the amortised cost of a financial liabilities and in the allocation of the interest expenses in the Statement of profit or loss and other comprehensive income over the relevant period.

The EIR is the rate that exactly discounts estimated future cash outflows through the expected life of the financial liability to the gross carrying amount of the financial liability that shows the amortised cost of the financial liability.

1.8.2.7 Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as derecognition of the original liability and the recognition of a new liability. The difference between the respective carrying amounts is recognised in the Statement of profit or loss and other comprehensive income.

1.8.3 Derivatives and hedge accounting

The Company enters into derivatives' transactions related to purchase and sale prices of electricity and gas and emission allowances forwards.

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which it wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Company will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is 'an economic relationship' between the hedged item and the hedging instrument;
- the effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item and the quantity of the hedging instrument.

1.8.3.1 Presentation

Fair value of derivatives is presented in the Statement of financial position as 'Other non-current assets' (Note 13.1), 'Other current assets' (Note 13.2), 'Other non-current liabilities' and 'Other current liabilities' (Note 23).

Changes in fair value and the result of settled derivatives for hedges that do not meet the qualifying criteria for hedge accounting are recognised in the Statement of profit or loss and other comprehensive income either as 'Other income', if result for a period of such derivatives is profit, or 'Other expenses' if result of such derivatives for a period is loss (Note 24).

Changes in fair value and the result of settled derivatives for hedges that meet all the qualifying criteria for hedge accounting are accounted for as described below:

1.8.3.2 Cash flow hedges

The effective portion of the gain or loss on the hedging instrument is recognised in the Statement of financial position in the hedge reserve. Ineffective portion is recognised immediately in the Statement of profit or loss and other comprehensive income in 'Other income' or 'Other expenses' (accounting method is similar to derivatives that do not meet the hedge criteria. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in the fair value of the hedged item.

When cash flow hedges are realised, gain or losses are transferred from equity and recognised in the Statement of profit or loss and other comprehensive income as 'Purchases of electricity, gas and other services'.

1.9 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out (FIFO) method, except for natural gas and liquefied natural gas, the cost of which is determined using the weighted average costing method (see below). The cost of inventories comprises purchase price, taxes (other than those subsequently recoverable by the Company from the tax authorities), transportation, handling and other costs directly attributable to the acquisition of inventories. Cost does not include borrowings costs. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and the estimated costs necessary to make the sale.

The weighted average price is calculated as the weighted average of the inventory at the beginning of the month and the purchases during the month.

1.10 Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

1.10.1 Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). The Company also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

1.10.2 Company as a lessor in operating leases

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in the item 'Other income' in the Statement of profit or loss and other comprehensive income due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

1.11 Provisions

Provisions are recognised when the Company has a legal obligation or irrevocable commitment as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate may be made about the amount of the obligation. Expenses related to provisions are recorded in the Statement of profit or loss and other comprehensive income, net of compensation receivable. If the effect of the time value of money is material, the amount of provision is discounted using the effective pre-tax discount rate based on the interest rates for the period while taking into account specific risks associated with the provision, as appropriate. When discounting is applied, an increase in the provisions reflecting the period of past time is accounted for as finance expense.

1.12 Employee benefits

1.12.1 State plans

The Company participates only in State plans. State plans are established by legislation to cover all entities and are operated by national or local government or by another body (for example, in the case of the Company, the State Social Security Fund). State plans are a defined benefit plan under which the Company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These contributions are recognised as an expense on an accrual basis and are included within remuneration expenses.

1.12.2 Termination benefits

Termination benefits are payable whenever an employee's employment is terminated before the normal retirement date or if an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Non-current benefits are recognised at present value discounted using market interest rate.

Actuarial gains or losses arising from adjustments based on experience or from changes in actuarial assumptions are recognised immediately within the Company's other comprehensive income. All past service costs are recognised immediately.

1.12.3 Non-current employee benefits

Each employee of retirement age who terminates his/her employment with the Company upon retirement is entitled to receive a payment equal to 2 monthly salaries according to Lithuanian laws.

A liability for such pension benefits is recognised in the statement of financial position and it reflects the present value of these benefits at the date of the statement of financial position. The aforementioned non-current liability for pension benefits to employees at the reporting date is estimated with reference to actuarial valuations using the projected relative unit method. The present value of the defined non-current liability for pension benefits to employees is determined by discounting the estimated future cash flows using the effective interest rates as set for government bonds denominated in a currency in which the benefits will be paid to employees and that have maturity term similar to that of the related liability. Actuarial gains or losses are recognised immediately in other comprehensive income.

1.13 Fair value

The Company measures financial instruments, such as derivatives, and non-financial assets, such as investment properties, at fair value at each Statement of financial position date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the

liability takes place either:

- in the principal market for the asset or liability;
- or
- in the absence of principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their best economic interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, thus maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which the fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, which is described below, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1: fair value of assets is based on quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: fair value of assets is based on other observable market data, directly or indirectly;
- Level 3: fair value of assets is based on non-observable market data.

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



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Independent Auditor's Report

To the Shareholders of UAB Ignitis

■ Opinion

We have audited the separate financial statements of UAB Ignitis ("the Company"). The Company's separate financial statements comprise:

- the separate statement of financial position as at 31 December 2025,
- the separate statement of profit or loss and other comprehensive income for the year then ended,
- the separate statement of changes in equity for the year then ended,
- the separate statement of cash flows for the year then ended, and
- the notes to the separate financial statements, comprising material accounting policies and other explanatory information.

In our opinion, the accompanying separate financial statements give a true and fair view of the non-consolidated financial position of the Company as at 31 December 2025, and of its non-consolidated financial performance and its non-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 Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements of the Law on Audit of Financial Statements and Other Assurance Services of the Republic of Lithuania that are relevant to the audit of separate financial statements in the Republic of Lithuania, and with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) issued by the International Ethics Standards Board for Accountants. We have also 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.

■ Other Information

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

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

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



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

- The information given in the Company's management report for the financial year for which the separate financial statements are prepared is consistent with the separate financial statements; and
- The Company's management report, 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 Financial Statements

Management is responsible for the preparation of the separate 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 financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

On behalf of KPMG Baltics, UAB

Vilmantas Karalius
Certified auditor
Auditor's Certificate No. 000371

Vilnius, the Republic of Lithuania
24 February 2026

The electronic auditor's signature applies only to the Independent Auditor's Report on pages 153 to 155 of this document.

8.4 Information about the auditor

Overview

On 19 April 2023, the Company's Meeting of Shareholders re-appointed KPMG Baltics, UAB (KPMG) to audit the Company's financial statements for the period 2023 – 2027. Under the previous agreement, KPMG also audited the Company's financial statements for 2021 - 2023.

Worth noting that all independent auditor related tenders are carried out in accordance with best practice. Additionally, as public procurement law requirements are applicable to the parent company, all audit tenders are carried out in accordance to them. The key criterion of implementing public tenders is to ensure competitiveness and accordingly the only specific audit selection criterion eligible to be included is an experience in auditing energy sector companies. Finally, the whole audit selection process is supervised by the Audit Committee and the independent auditor is appointed by the decision of the General Meeting of Shareholders of the parent company and subsequently by the General Meeting of Shareholders of each Group company.

Independent auditors and financial period during which audit services have been provided

2021–2025
KPMG Baltics, UAB Lvivo g. 101 LT-08104 Vilnius, Lithuania

Services and fees

During the period 2024–2025, the following services have been provided to the Company by the independent auditor in conjunction with the firm's international partners.

Independent auditor's services and fees

EUR thousand	2025	2024
Audit of the annual financial statements under the agreements	76	70
Total	76	70

Based on the Ignitis Group's policy the annual fee for non-audit services provided by our statutory auditor cannot exceed the annual fee for statutory audit services measured at Ignitis Group level. The cap may be exceeded subject to approval by the Audit Committee of the parent company.

9. Responsibility statement

24 February 2026

We, Artūras Bortkevičius, Manager at UAB Ignitis, Darius Šimkus, Manager of Finance and Business Support Department at UAB Ignitis and Rūta Tijūnaitienė, Accounting Expert at UAB Ignitis grupės paslaugų centras acting under Decision No 26_GSC_SP_0024 of 19 February 2026, hereby confirm that, to the best of our knowledge, the UAB Ignitis consolidated and parent company's financial statements for the year ended 31 December 2025 prepared in accordance with IFRS Accounting Standards as adopted by the European Union, give a true and fair view of UAB Ignitis consolidated and parent company's assets, liabilities, financial position, profit or loss and cash flows for the period, and that the annual report for the year 2025 includes a fair review of the development and performance of the business as well as the position of UAB Ignitis and its group companies together with the description of the main risks and uncertainties they face.

Artūras Bortkevičius

General Manager

Darius Šimkus

Manager of Finance and
Business Support Department

Rūta Tijūnaitienė

Senior accounting expert of UAB Ignitis grupės paslaugų centras, acting under Decision No 26_GSC_SP_0024 of 19 February 2026

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