

AB INTER RAO LIETUVA

UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2020,
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

15 May 2020

Vilnius

Content

| | |
|---------------------------------------------------------------|----|
| I. Unaudited Consolidated Interim Report..... | 3 |
| II. Unaudited Consolidated Interim Financial Statements | 14 |
| III. Confirmation of Responsible Persons..... | 24 |

AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 3 Month Period Ended 31 March 2020

I. General Information

Reporting period

3 month period ended 31st March 2020

Company and its contact details

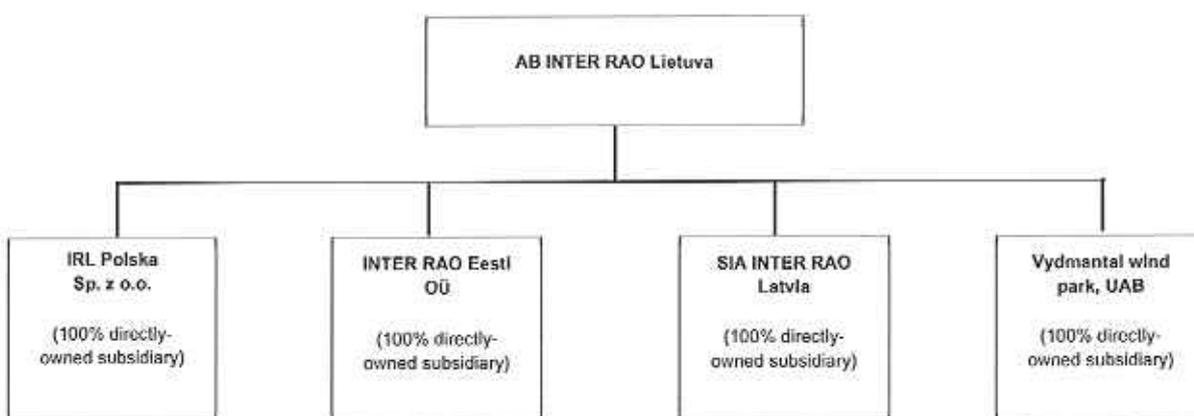
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|------------------------------------|-----------------------------------------------------------|
| Company name | AB INTER RAO Lietuva (hereinafter – IRL or „the Company“) |
| Company code | 126119913 |
| Legal form | Public company (joint-stock company) |
| Date of registration | 21 st December 2002 |
| Name of register of Legal Entities | State Enterprise Centre of Registers |
| Registered office | A.Tumėno str. 4, block B, LT-01109 Vilnius |
| Telephone number | +370 5 242 11 21 |
| Fax number | +370 5 242 11 22 |
| E-mail | info@interrao.lt |
| Internet address | www.interrao.lt |

The Group structure

As of 31st March 2020, INTER RAO Lietuva Group consisted of the Company and the below described directly and indirectly controlled subsidiaries and joint venture (hereinafter - the Group):

| Company | Company code | Directly and indirectly held effective attributable interest | Equity as of 31 March 2020 | Registration address | Activity (including planned) |
|---------------------------------------|--------------|--------------------------------------------------------------|----------------------------|------------------------------------------------|------------------------------|
| INTER RAO Eesti OÜ - subsidiary | 11879805 | 100 % | 63 | Peterburi tee 47, Tallinn, Estonia | Trade of electricity |
| SIA INTER RAO Latvia - subsidiary | 40103268639 | 100 % | (349) | 76 Gustava Zemgala Ave., Riga, LV-1039, Latvia | Trade of electricity |
| IRL Polska Sp. z o.o. - subsidiary | 0000436992 | 100 % | 3,631 | Twarda 18, 00-105 Warsaw, Poland | Trade of electricity |
| Vydmantal Wind Park, UAB – subsidiary | 302666616 | 100 % | 16,647 | A.Tumėno Str. 4, Vilnius, Lithuania | Generation of electricity |

The following chart sets out the Group' subsidiaries and interest in those subsidiaries, as well as the structure of the Group as of 31st March 2020:



Main activities of the Group

The Group of INTER RAO Lietuva (hereinafter – “the Group”) is an independent supplier of electricity and, as such, may engage in various forms of electricity trading. Moreover, the Group is also present in electricity generation operations, as it owns a wind farm in Western Lithuania.

The Group is engaged in various forms of electricity trading: the purchase and sale of electricity under bilateral contracts with other electricity suppliers, as well as on the power exchange; supply of electricity to end-users; provision of balancing services for end-users and other wholesalers of electricity; sale and purchase of regulating and balancing electricity for the transmission system operators; cross-border electricity trading.

The Group has permission to import and export electricity to and from Lithuania, it is engaged in the import of electricity from Russia and, to a lesser extent, from Belarus, as well as in export to these countries. The Group is also active in cross-border electricity trading between Lithuania and other EU Member States, namely Latvia and Estonia.

The Group sells all of the electricity it cross-border from the third countries to the Lithuanian internal market on the power exchange since, in accordance with respective regulations, all electricity cross-border delivered to the Lithuanian internal electricity market has to be sold on the power exchange. Then the Group buys the electricity on the power exchange in a volume corresponding to its contractual obligations with clients. Sale and purchase orders are submitted for the same prices and trades are executed at the market price. Some portion of electricity is also sold through Nord Pool AS in Lithuania to other market participants. Trades on the power exchange are executed at the market price.

The price of electricity sold under bilateral contacts is the market price, adjusted for variances depending on the electricity trading or consumption pattern of the customer and contractual arrangements (e.g., fixed on annual or monthly basis or agreed in daily delivery schedules).

Apart from importing electricity, the Group also purchases the electricity from other wholesalers of electricity in Lithuania and Latvia under bilateral contracts based on various pricing arrangements, as well as on Nord Pool AS in Lithuania, Latvia and Estonia.

The Group is also present in the electricity trading market in Poland, where it started its operations in 2014 and is involved in buying and selling electricity on the Polish Power Exchange.

The Group history and development

- | | |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2002 | The Company was incorporated as UAB Energijos realizacijos centras. |
| 2003 | The Company received its license as Independent electricity supplier with permission to export electricity. The Company signed sale-purchase agreements with INTER RAO UES and Lietuvos energija AB. The Company began electricity trading activities by exporting electricity to Russia and Belarus. |
| 2004 | Permission to import electricity was granted to the Company. |
| 2005 | The Company began importing electricity to Lithuania. RAO Nordic OY, a wholly owned subsidiary of INTER RAO UES, acquired 18 per cent of the Company's share capital from UAB VB rizikos kapitalo valdymas. |

- 2006 The Company acquired a 49.99 per cent stake in UAB Alproka, a company engaged in real estate development in the Lithuanian seaside resort of Palanga.
- 2007 UAB Scaent Baltic acquired an 82 per cent stake in the Company's share capital from Scaent Holdings Cooperatie UA and Bengtsbädd Förvaltning AB.
- 2008 RAO Nordic OY increased its shareholding in the Company by acquiring a 33per cent stake from UAB Scaent Baltic. The stake of RAO Nordic OY in the Company's share capital reaches 51 per cent, while the stake of UAB Scaent Baltic decreases to 49 per cent.
- 2009 The Company signed electricity sale-purchase agreements with the Belarusian company, Belenergo and the Latvian company, Latvenergo.
- Cooperation regarding the sale of electricity with the largest electricity consumer in the Baltic States, Orlen Lietuva, was established. Delivery was initiated in 2010.
- The Company changed its name to UAB INTER RAO Lietuva.
- 2010 The Company established two wholly-owned subsidiaries, one in Latvia (SIA INTER RAO Latvia) and the second in Estonia (INTER RAO Eesti OU).
- SIA INTER RAO Latvia received its license for electricity trading in Latvia.
- 2011 SIA INTER RAO Latvia begins electricity trading operations.
- The Company begins trading activities in the Estonian area of NordPool Spot.
- The Company begins operations in electricity generation from renewable energy sources by acquiring the wind park in Vydmantai.
- The Company signs an agreement with INTER RAO UES on potential export of electricity generated in Baltiiskaya NPP under construction in Kaliningrad Oblast.
- 2012 Decision on public offering and listing of the Company's shares on the Warsaw Stock Exchange was made.
- Business entity (IRL POLSKA Sp. z o.o.) in Poland was established.
- 2013 AB INTER RAO Lietuva shareholders decided to distribute 27 million Litas as dividends.
- In July 2013, the Company has completed a merger of its two subsidiary companies UAB IRL Wind and Vydmantai wind park, UAB. Subsidiary companies were reorganised by merging UAB IRL Wind, which ceased its activities as a legal entity after the merger, into Vydmantai wind park, UAB which continued its activities after the merger.
- On 4th December 2013, the statutory capital of subsidiary company of AB INTER RAO Lietuva in Poland IRL Polska Sp.z o.o. was increased from PLN 2 million to PLN 10 million.
- 2014 On 3rd January 2014, the subsidiary company of AB INTER RAO Lietuva in Poland IRL Polska Sp.z o.o. was granted the license for trade in electricity in Poland. The term of the license is from 9th January 2014 till 9th January 2024.

- On 30th of April 2014, the General Annual Meeting of shareholders has adopted the decision to pay dividends to the shareholders of the Company in the amount of 13 million Litass.
- On 22nd of May 2014, IRL Polska Sp. z o.o. begins electricity trading operations.
- 2015 After Lithuania joined the euro zone, AB INTER RAO Lietuva shareholders fixed a nominal value of one share 0.29 EUR, share capital equal to 5.8 million EUR.
- AB INTER RAO Lietuva shareholders decided to distribute 11.2 million EUR as dividends.
- 2016 AB INTER RAO Lietuva shareholders decided to distribute 16.1 million EUR as dividends.
- 2017 On 30th of March 2017 by decision of Supervisory Council The Board of the Company was re-elected for a new office term of four years.
- On 28th of April 2017 new three members of the Supervisory Council, among them one independent member, were elected at the Annual General Meeting of Shareholders.
- AB INTER RAO Lietuva shareholders decided to distribute 10.2 million EUR as dividends.
- 2018 AB INTER RAO Lietuva shareholders decided to distribute 7.1 million EUR as dividends.
- On 6th of November 2018 the decision has been taken to liquidate company's subsidiary UAB „Alproka“ which has successfully completed a real estate project and all real estate owned by UAB „Alproka“ has been sold. Therefore, UAB „Alproka“ was no longer carrying out any commercial activities.
- 2019 AB INTER RAO Lietuva shareholders decided to distribute 11.6 million EUR as dividends.
- 2020 UAB „Alproka“ was liquidated.
- AB INTER RAO Lietuva shareholders decided to distribute 14 million EUR as dividends.

Agreements with intermediaries of public trading in securities

Since 29th October 2012 the Company and UAB FMĮ Orion Securities (code 122033915), A. Tumėno str. 4, LT-01109 Vilnius, have an agreement on accounting of the Company's securities and services related to the accounting of securities.

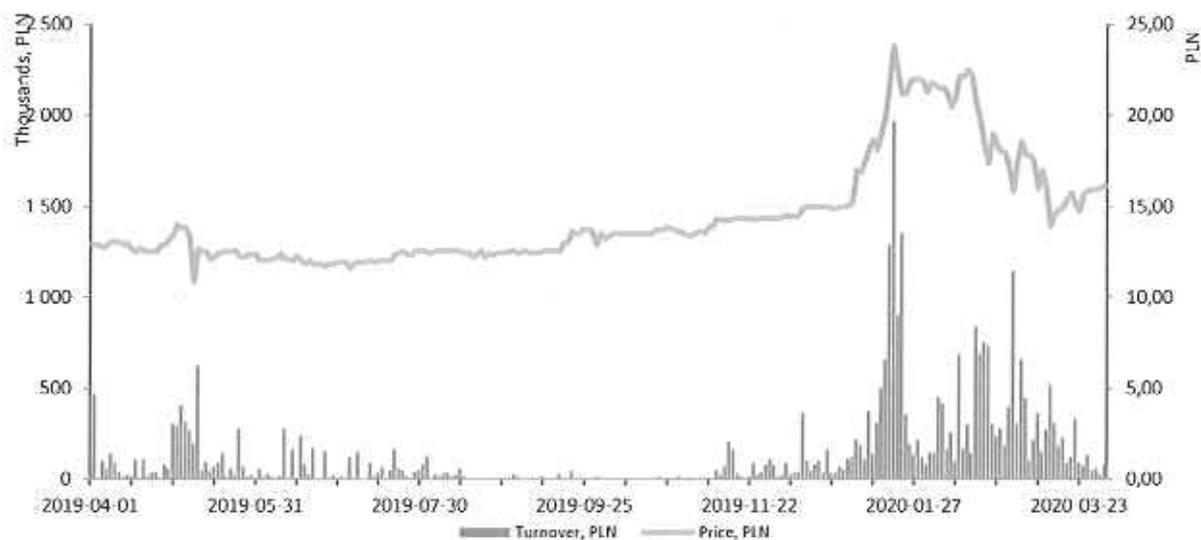
Data about securities traded on regulated market

The following securities of the Company are included into the Main List of Warsaw stock exchange (symbol: IRL):

| Types of shares | Number of shares | Nominal value (in EUR) | Total nominal value (in EUR) | Issue Code |
|----------------------------|-------------------------|-------------------------------|-------------------------------------|-------------------|
| Ordinary registered shares | 20,000,000 | 0.29 | 5,800,000 | LT0000128621 |

In December 2012, the initial public offering of the Company's ordinary shares was completed on the Warsaw Stock Exchange. The total oversubscription for the Company's ordinary shares exceeded 26 per cent. Given the ordinary share offer price of PLN 24.17 the value of the offering exceeded PLN 96.7 million. The Company's ordinary shares were included into the Main list of the Warsaw Stock Exchange.

Trading in the Company's securities on Warsaw Stock Exchange:



Securities of the Group's subsidiaries are not traded publicly.

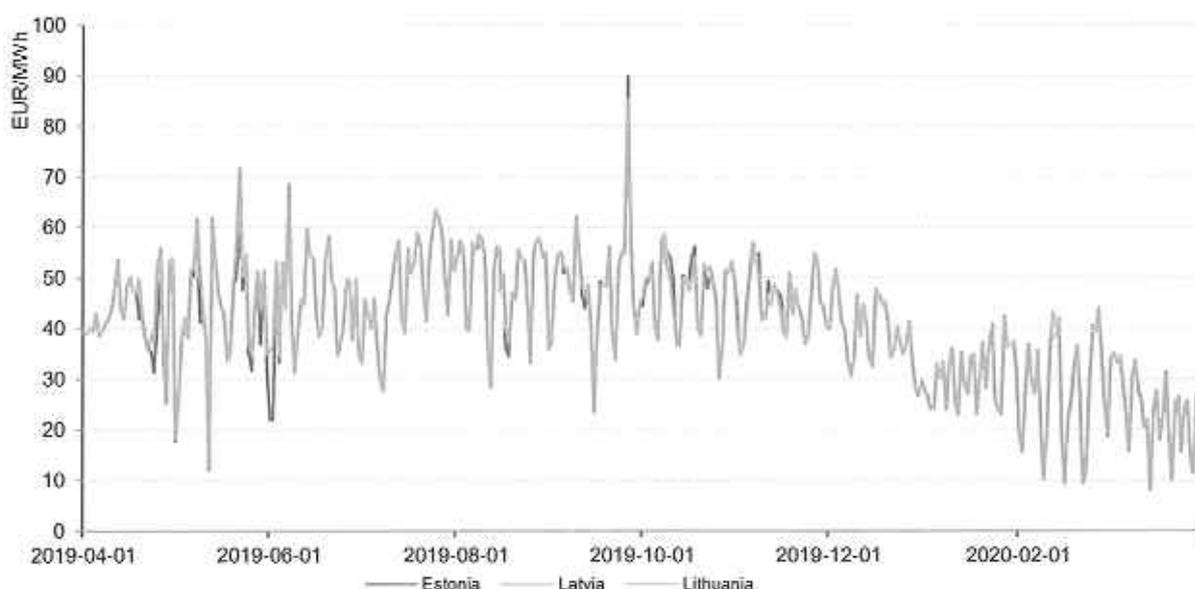
As of 31st March 2020 the shareholder structure of the Company was as following:

| Shareholder | Number of shares/votes | Percentage of shares |
|--------------------|------------------------|----------------------|
| RAO Nordic Oy | 10,200,000 | 51% |
| UAB Scaent Baltic | 5,822,856 | 29,11% |
| Other shareholders | 3,977,144 | 19,89% |
| Total | 20,000,000 | 100% |

II. Financial information

Revenues

The total consolidated Group's sales revenue in January-March of 2020 was equal to EUR 58.2 million, a 45.69 per cent less than in the first 3 months of 2019. Total revenue decreased due to the lower amounts of electricity traded. The decrease in the amount of electricity traded was mainly influenced by decrease in sales in Lithuanian market. Company's sales revenue in the first 3 months of 2020 was equal to EUR 34.4 million – decreased by 59.77 per cent, compared to the same period in 2019 due to some reasons – there were less electricity traded in Lithuania, and the average price on the NordPool market was lower if compared to the prices in the 1st quarter of 2019.



The consolidated financial statements of the Group have been prepared according to the International Financial Reporting Standards as adopted by the European Union.

Key figures of IRL Group

| Financial figures | 1 st quarter 2020 | 1 st quarter 2019 |
|---------------------------------|------------------------------|------------------------------|
| Sales (EUR thousand) | 58,153 | 107,072 |
| Gross profit (EUR thousand) | 4,910 | 7,958 |
| Gross profit margin (%) | 8.44% | 7.43% |
| Operating profit (EUR thousand) | 2,696 | 5,978 |
| Operating profit margin (%) | 4.64% | 5.58% |
| EBITDA (EUR thousand) | 3,654 | 7,821 |
| EBITDA profit margin (%) | 6.28% | 7.30% |
| Net profit (EUR thousand) | 2,415 | 6,416 |
| Net profit margin (%) | 4.15% | 5.99% |
| Number of shares (thousand) | 20,000 | 20,000 |
| Earnings per share (EUR) | 0.12 | 0.32 |

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 3 MONTH PERIOD ENDED 31st March 2020
(all amounts are in EUR thousand unless otherwise stated)

Gross profit margin – Gross profit / Sales
Operating profit margin – Operating profit / Sales
EBITDA profit margin – EBITDA / Sales
Profit before taxes margin – Profit before taxes / Sales
Net profit margin – Net profit / Sales
Earnings per shares – Net profit / Number of shares
Return on capital employed – EBIT / (Total assets – Current liabilities)
Return on assets – Net profit / Total assets
Return on equity – Net profit / Total shareholders' equity
Gearing ratio – Total debt / Total shareholders' equity
Net financial debt to equity – (Financial borrowings – Cash and cash equivalents) / Total equity
Equity to assets ratio – Total equity / Total assets
Current ratio – Current assets / Current liabilities
Rate of turnover of assets – Total assets / Sales
EBITDA - Profit (loss) before income tax + Interest expenses + Depreciation and amortization + impairment

These performance indicators are used to determine Group's progress in achieving its strategic and operational goals, and also to compare Group's finances and performance against other businesses within the industry.

Group's sales decreased by 45.69 per cent in first 3 months of 2020, compared to the same period in 2019. The decrease in sales was caused by lower amount of electricity traded in most of the markets with the growth in Polish market. The market price of electricity purchased was lower, if compared to the same period in 2019, in all the markets, and the price for consumers decreased as well if compared to the same period the year ago. As a result – Group's gross profit decreased by 38.3 per cent if compared to the same period a year ago, but Group's gross profit margin was equal to 8.44 per cent in the accounting period, compared to 7.43 per cent during the period of January-March of 2019. Group's operating profit decreased by 54.9 per cent if compared to the same period a year ago and was equal to EUR 2.7 million.

Company's gross profit margin in 2020 accounted to 5.26 per cent, compared to 6.81 per cent in the first 3 months of 2019. The difference between Group's and Company's profitability was mainly caused by the positive impact from Polish operations and wind park results. Operating profit of the Company for the January-March of 2020 was equal to EUR 0.4 million compared to EUR 4.4 million a year ago.

Group's and Company's EBITDA for the first 3 months of 2020 was EUR 3.7 million and EUR 0.8 million respectively, it decreased from EUR 7.8 million and EUR 5.7 million respectively, if compared to the same period a year ago. Group's EBITDA margin decreased from 7.3 per cent in first 3 months of 2019 to 6.28 per cent in the same period in 2020. Company's EBITDA profit margin decreased from 6.67 per cent in January-March of 2019 to 2.19 per cent in the accounting period. In the 3 months of 2020, Group's net profit decreased to EUR 2.4 million from EUR 6.4 million during the same period a year ago, and returned to the level of first quarter of the year 2017 and year 2018. As a result, Group's net profit margin during the accounting period was equal to 4.15 per cent, compared to 5.99 per cent a year ago. Net profit of the Company in first 3 months of 2020 decreased to EUR 0.6 million compared to EUR 5.1 million in January-March 2019.

Sales revenues by operating segments, thous.

| EUR | 1 st quarter of 2020 | 1 st quarter of 2019 |
|----------------------------------|---------------------------------|---------------------------------|
| Electricity purchases and sales | 55,906 | 105,251 |
| Electricity production and sales | 2,247 | 1,821 |
| Total | 58,153 | 107,072 |

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UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 3 MONTH PERIOD ENDED 31st March 2020
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Group's revenue from purchases and sales of electricity in the first 3 months of 2020 amounted to EUR 55.9 million compared to EUR 105.3 million in the same period a year ago. Revenue from produced electricity sales accounted for EUR 2.2 million, the 23.43 per cent increase if compared to the same period a year ago. During the accounting period Vydmantai wind park, UAB has produced a higher amount of electricity compared to the same period a year ago, due to better meteorological conditions: average wind speed in 1st quarter of 2020 was 7.87 m/s if compared to 7.26 m/s a year ago.

Company's revenue during January-March 2020 shrunk by 59.77 per cent and was equal to EUR 34,4 million compared to EUR 85,5 million in the same period in 2019.

The tables below present data on the electricity trading activities of the Group for the three-month period ended on 31st March 2020, compared with the same periods in 2019, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

| | For the 1 st quarter of 2020 | | For the 1 st quarter of 2019 | |
|---------------|-----------------------------------------|--------------|-----------------------------------------|--------------|
| | S | P | S | P |
| | GWh | | GWh | |
| Lithuania* | 846 | 24 | 1,758 | 1 |
| Latvia | 15 | 15 | 81 | 81 |
| Estonia | 68 | 97 | 70 | 78 |
| Russia | 21 | 814 | 7 | 1,697 |
| Belarus | - | - | - | 60 |
| Poland | 367 | 367 | 218 | 218 |
| Total* | 1,317 | 1,317 | 2,134 | 2,135 |

* Excluding equivalent trades on the power exchange
Differences between purchased and sold electricity total values
is due to rounding

Expenses

| COGS by operating segments, thous. EUR | 1 st quarter of 2020 | 1 st quarter of 2019 |
|----------------------------------------|---------------------------------|---------------------------------|
| Electricity purchases and sales | 52,911 | 98,656 |
| Electricity production and sales | 332 | 458 |
| Total | 53,243 | 99,114 |

Group's cost of sales in January-March of 2020 accounted to EUR 53.2 million, the 46.28 per cent decrease if compared to the first three months of 2019. As a result of the lower amount of electricity traded and lower price of electricity on Nord Pool market, the cost of sales of the Group were lower compared to the results a year ago. Cost of sales of electricity production shrunk if compared to the same period a year ago – a 27.5 per cent decrease due to the change of maintenance contract of the wind turbines.

Cost of sales of the Company was lower by 59.1 per cent if compared the accounting period and the same period a year ago and amounted to EUR 32.6 million if compared to EUR 79.7 million a year ago.

Group's cost of purchased electricity in the first quarter of 2020 amounted to EUR 52.1 million. Group's cost of purchased electricity comprised 97.86 per cent of total cost of sales, Company's – 97.53 per cent.

Group's operating expenses in the three-month period of 2020 amounted to EUR 2.2 million, a 11.82 per cent increase over a year ago. Company's operating expenses amounted to EUR 1.4 million in January-March 2020, a 3.37 per cent increase over a year ago.

Earnings

Gross profit of the Group in January-March of 2020 amounted to EUR 4.9 million (compared to the EUR 8.0 million), while the gross profit margin increased to 8.44 per cent (from 7.43 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 1.8 million if compared to EUR 5.8 million a year ago. Company's gross profit margin decreased from 6.81 per cent in January-March 2019 to 5.26 per cent in the first three months of 2020.

Group's operating profit over the same period decreased to EUR 2.7 million from EUR 6.0 million a year ago, while the operating profit margin accounted to 4.64 per cent. Operating profit in the first quarter of 2020 of the Company decreased to EUR 0.4 million, compared to EUR 4.5 million in the same period a year ago.

Net profit of financial activities of the Group in the first quarter of 2020 amounted to EUR 0.2 million, a decrease over the net financial profit during the same period a year ago was from the fair value change of derivatives not designated as hedging instruments. Financial expenses were mainly comprised of interest expenses that were due for the stand-alone financing of the wind park.

Group's net profit in the January-March of 2020 decreased if compared with the same period a year ago and amounted to EUR 2.4 million. The profit margin decreased from 5.99 per cent a year ago to 4.15 per cent in the accounting period. Company's profit decreased to EUR 0.6 million in the first quarter of 2020 from EUR 5.1 million in the same period a year ago and profit margin in the first quarter of 2020 decreased to 1.62 per cent from 6.02 per cent at the same period a year ago.

Balance sheet and Cash Flows

During January-March 2020 total assets of the Group decreased by 29.01 per cent and of the Company decreased by 38.84 per cent. The most significant influence to the change of the assets was caused by decrease of cash and cash equivalents and decrease of trade receivables in the Group and in the Company.

Total non-current assets of the Company decreased by 2.76 per cent over a year ago and of the Group decreased by 3.78 per cent. The most significant change in assets in the Group was related to depreciation of patents and licenses and depreciation of wind farm equipment held by subsidiary Vydmantai wind park, UAB.

During the first quarter of 2020, shareholders' equity of the Company and of the Group decreased by 12.7 per cent and 3.56 per cent respectively and amounted to 61 per cent of the total equity and liabilities of the Company and to 61 per cent of the total equity and liabilities of the Group.

At the end of March 2020, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 4.1 million for the Group and the Company had EUR 0.3 million such borrowings. Cash, cash equivalents amounted to EUR 7.9 million for the Company and EUR 14.3 million for the Group.

Net cash flows from operating activities of the Group were lower in the first quarter of 2020 and amounted to EUR (11.8) million outflow, if compared to EUR 4.0 million inflow in the same period a year ago. Net cash flows from operating activities of the Company in the first 3 months of 2020 equaled to EUR (14.6) million outflow, if compared to EUR 1.2 million inflow a year ago.

Net cash flows from investing activities of the Group and the Company in the January-March of 2020 stayed at the same level as at the same period of 2019.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 3 MONTH PERIOD ENDED 31st March 2020
(all amounts are in EUR thousand unless otherwise stated)

Net cash flows from financing activities of the Group in the first quarter of 2020 amounted to EUR (1.0) million outflow, the same if compared to the same period a year ago. Net cash flows from financing activities of the Company in the first 3 months of 2020 equaled to EUR 0 million outflow, the same as in the same period a year ago.

Personnel

As of 31st March 2020 there were 38 employees in the Group and 23 in the Company. The employment structure by category is provided in the table below.

| Employee category | Number of employees | | | |
|-----------------------------------|-----------------------------------|-----------|-----------------------------------|-----------|
| | As of 31 st March 2020 | | As of 31 st March 2019 | |
| | Group | Company | Group | Company |
| Management | 8 | 8 | 8 | 8 |
| Sales Managers, including Traders | 11 | 5 | 13 | 7 |
| PR & Marketing Staff | 1 | 1 | 1 | 1 |
| Project managers | 2 | 1 | 2 | 1 |
| Technical staff | 3 | 1 | 3 | 1 |
| Office Staff | 13 | 7 | 12 | 6 |
| Total | 38 | 23 | 39 | 24 |

On 31st March 2020 Company's personnel consisted of 8 managers and 15 specialists, as Group's personnel consisted of 8 managers and 30 specialists.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 3 Month Period Ended 31 March 2020

Statement of financial position

| | Notes | Group | | Company | |
|--------------------------------------------|-------|--------------------------------------|--------------------------------------------|--------------------------------------|--------------------------------------------|
| | | As at 31 st March 2020 | As at 31 st December 2019 | As at 31 st March 2020 | As at 31 st December 2019 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Intangible assets | | | | | |
| Goodwill | | 716 | 716 | - | - |
| Patents and licenses | | 905 | 1,207 | - | - |
| Other intangible assets | | 13 | 9 | - | - |
| Total intangible assets | | 1,634 | 1,932 | - | - |
| Property, plant and equipment | | | | | |
| Land | | | | | |
| Buildings and structures | | 2,356 | 2,398 | - | - |
| Machinery and equipment | | 13,231 | 13,461 | - | - |
| Office premises | | 528 | 547 | 528 | 547 |
| Other property, plant and equipment | | 40 | 45 | 16 | 16 |
| Total property, plant and equipment | | 16,155 | 16,451 | 544 | 563 |
| Right-of-use asset | | 1,026 | 1,102 | 367 | 412 |
| Investment property | | 323 | 323 | 323 | 323 |
| Interest in a joint venture | | - | - | 10,927 | 10,927 |
| Other non-current financial assets | | 63 | 147 | 43 | 38 |
| Derivative financial instruments | | - | - | - | - |
| Deferred income tax asset | | - | - | 397 | - |
| Total non-current assets | | 19,201 | 19,955 | 12,601 | 12,263 |
| Current assets | | | | | |
| Inventories and prepayments | | 463 | 1,251 | 277 | 167 |
| Accounts receivable | | | | | |
| Trade receivables | | 9,052 | 12,576 | 7,206 | 10,216 |
| Receivables from subsidiaries | | - | - | 1,664 | 3,157 |
| Other receivables | | 1,513 | 992 | - | - |
| Total accounts receivable | | 10,565 | 13,568 | 8,870 | 13,373 |
| Prepaid income tax | | - | - | - | - |
| Other current assets | | 1,163 | 1,163 | 100 | 100 |
| Derivative financial instruments | | 509 | 2,104 | 764 | 1,407 |
| Cash and cash equivalents | | 14,284 | 27,022 | 7,901 | 22,584 |
| Total current assets | | 26,984 | 45,108 | 17,912 | 37,631 |
| Total assets | | 46,185 | 65,063 | 30,513 | 49,894 |

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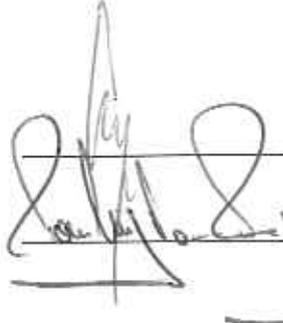
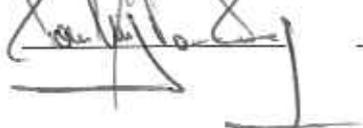
The accompanying notes are an integral part of these financial statements.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED 31st March 2020
(all amounts are in EUR thousand unless otherwise stated)

Statement of financial position (cont'd)

| | Notes | Group | | Company | |
|------------------------------------------------|-------|-----------------------------------------|--------------------------------------------|-----------------------------------------|--------------------------------------------|
| | | As at 31 st March 2020 | As at 31 st December 2019 | As at 31 st March 2020 | As at 31 st December 2019 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | | 5,800 | 5,800 | 5,800 | 5,800 |
| Legal reserves | | 1,011 | 1,011 | 579 | 579 |
| Cash flow hedge reserve | | (2,338) | 916 | (2,457) | 808 |
| Retained earnings | | 23,957 | 21,542 | 14,757 | 14,199 |
| Currency translation reserve | | (250) | (48) | - | - |
| Total equity | | 28,180 | 29,221 | 18,679 | 21,386 |
| Liabilities | | | | | |
| Non-current liabilities | | | | | |
| Non-current borrowings | | - | - | - | - |
| Financial lease obligations | | 808 | 890 | 215 | 245 |
| Derivative financial instruments | | 530 | - | 530 | - |
| Deferred income tax liability | | 886 | 1,501 | - | 176 |
| Total non-current liabilities | | 2,224 | 2,391 | 745 | 421 |
| Current liabilities | | | | | |
| Current portion of non-current borrowings | | 3,025 | 3,850 | - | - |
| Other financial debts | | - | - | - | - |
| Current portion of financial lease obligations | | 240 | 251 | 128 | 130 |
| Derivative financial instruments | | 2,673 | 243 | 2,658 | 255 |
| Trade payables | | 6,962 | 26,350 | 6,742 | 26,163 |
| Income tax payable | | 945 | 715 | 231 | 284 |
| Advances received | | 13 | 13 | 13 | 13 |
| Other current liabilities | | 1,923 | 2,029 | 1,317 | 1,242 |
| Total current liabilities | | 15,781 | 33,451 | 11,089 | 28,087 |
| Total equity and liabilities | | 46,185 | 65,063 | 30,513 | 49,894 |

The accompanying notes are an integral part of these financial statements.

| | | | |
|-----------------------|--------------------|--------------------------------------------------------------------------------------|-------------|
| General Director | Giedrius Balčiūnas |  | 15 May 2020 |
| Director of Economics | Paulius Vazniokas |  | 15 May 2020 |

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
 UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE 3 MONTH PERIOD ENDED 31st March 2020
 (all amounts are in EUR thousand unless otherwise stated)

Statement of comprehensive income
 For the 3 months ended 31st March 2020

| | Notes | Group | Group | Company | Company |
|--------------------------------------------------|-------|----------------|---------------|----------------|---------------|
| | | 2020 | 2019 | 2020 | 2019 |
| Sales | | 58,153 | 107,072 | 34,410 | 85,527 |
| Cost of sales | | (53,243) | (99,114) | (32,599) | (79,704) |
| Gross profit | | 4,910 | 7,958 | 1,811 | 5,823 |
| General and administrative expenses | | (2,214) | (1,980) | (1,411) | (1,365) |
| Profit from operations | | 2,696 | 5,978 | 400 | 4,458 |
| Other activities | | - | 10 | 4 | 4 |
| Financing and investing activities profit | | 208 | 1,097 | 255 | 1,167 |
| Finance income | | 287 | 1,194 | 282 | 1,194 |
| Finance expenses | | (79) | (96) | (27) | (27) |
| Share of result of joint venture | | - | (1) | - | - |
| Profit before tax | | 2,904 | 7,085 | 659 | 5,629 |
| Income tax | | (489) | (668) | (101) | (484) |
| Net profit | | 2,415 | 6,417 | 558 | 5,145 |
| Total comprehensive income, net of tax | | (1,041) | 14,934 | (2,707) | 13,630 |

Statement of changes in equity
For the 3 months ended 31st March 2020

Group

| | Share capital | Legal reserve | Cash flow hedge reserve | Currency translation reserve | Retained earnings | Total |
|--------------------------------------------------|---------------|---------------|-------------------------|------------------------------|-------------------|---------------|
| Balance as at 1st January 2020 | 5,800 | 1,011 | 916 | (48) | 21,542 | 29,221 |
| Profit for the period | - | - | - | - | 2,415 | 2,415 |
| Other comprehensive income, net of tax | - | - | (3,254) | - | - | (3,254) |
| Foreign exchange effect | - | - | - | (202) | - | (202) |
| Total comprehensive income | - | - | (3,254) | (202) | 2,415 | (1,041) |
| Dividends declared | - | - | - | - | - | - |
| Transfer to legal reserve | - | - | - | - | - | - |
| Balance as at 31st March 2020 | 5,800 | 1,011 | (2,338) | (250) | 23,957 | 28,180 |

| | Share capital | Legal reserve | Cash flow hedge reserve | Currency translation reserve | Retained earnings | Total |
|--------------------------------------------------|---------------|---------------|-------------------------|------------------------------|-------------------|---------------|
| Balance as at 1st January 2019 | 5,800 | 982 | (4,771) | (76) | 15,524 | 17,459 |
| Profit for the period | - | - | - | - | 6,418 | 6,418 |
| Other comprehensive income, net of tax | - | - | 8,508 | - | - | 8,508 |
| Foreign exchange effect | - | - | - | 8 | - | 8 |
| Total comprehensive income | - | - | 8,508 | 8 | 6,418 | 14,934 |
| Dividends declared | - | - | - | - | - | - |
| Transfer to legal reserve | - | - | - | - | - | - |
| Balance as at 31st March 2019 | 5,800 | 982 | 3,737 | (68) | 21,942 | 32,393 |

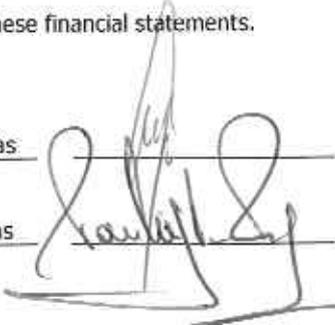
AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED 31st March 2020
(all amounts are in EUR thousand unless otherwise stated)

Company

| | Share capital | Legal reserve | Cash flow hedge reserve | Retained earnings | Total |
|--------------------------------------------------|---------------|---------------|-------------------------|-------------------|---------------|
| Balance as at 1st January 2020 | 5,800 | 579 | 808 | 14,199 | 21,386 |
| Profit for the period | - | - | - | 558 | 558 |
| Other comprehensive income | - | - | (3,265) | - | (3,265) |
| Total comprehensive income | - | - | (3,265) | 558 | (2,707) |
| Dividends declared | - | - | - | - | - |
| Transfer to legal reserve | - | - | - | - | - |
| Balance as at 31st March 2020 | 5,800 | 579 | (2,457) | 14,757 | 18,679 |

| | Share capital | Legal reserve | Cash flow hedge reserve | Retained earnings | Total |
|--------------------------------------------------|---------------|---------------|-------------------------|-------------------|---------------|
| Balance as at 1st January 2019 | 5,800 | 579 | (4,813) | 11,707 | 13,273 |
| Profit for the period | - | - | - | 5,145 | 5,145 |
| Other comprehensive income | - | - | 8,485 | - | 8,485 |
| Total comprehensive income | - | - | 8,485 | 5,145 | 13,630 |
| Dividends declared | - | - | - | - | - |
| Transfer to legal reserve | - | - | - | - | - |
| Balance as at 31st March 2019 | 5,800 | 579 | 3,672 | 16,852 | 26,903 |

The accompanying notes are an integral part of these financial statements.

| | | | |
|-----------------------|-------------------|--------------------------------------------------------------------------------------|-------------|
| General Director | Gedrius Balčiūnas |  | 15 May 2020 |
| Director of Economics | Paulius Vazniokas |  | 15 May 2020 |

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
 UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
 FOR THE 3 MONTH PERIOD ENDED 31st March 2020
 (all amounts are in EUR thousand unless otherwise stated)

Statements of cash flows
For the 3 month ended 31st March

| Notes | Group | | Company | |
|---------------------------------------------------------------------------|-----------------|--------------|-----------------|--------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from (to) operating activities | | | | |
| Net profit | 2,415 | 6,417 | 558 | 5,145 |
| Adjustments for non-cash items: | | | | |
| Income tax expenses | 489 | 668 | 101 | 484 |
| Depreciation and amortisation | 671 | 640 | 66 | 52 |
| Change in fair value of derivatives not designated as hedging instruments | (25) | (1,188) | (25) | (1,188) |
| Share of net profit of joint venture | - | 1 | - | - |
| Interest and dividend expenses | 48 | 79 | 10 | 10 |
| Other | (39) | 12 | (39) | 9 |
| | 3,559 | 6,629 | 671 | 4,512 |
| Changes in working capital: | | | | |
| (Increase) decrease in inventories and prepayments | 788 | (921) | 1,392 | (1,681) |
| (Increase) decrease in accounts receivable and other current assets | 4,657 | (2,480) | 3,702 | (3,045) |
| Decrease in other non-current assets | (113) | (714) | - | - |
| Increase (decrease) in trade payables | (19,388) | 1,187 | (19,421) | 1,331 |
| Income tax (paid) | (300) | (359) | (150) | (330) |
| (Decrease) in other current liabilities | (992) | 680 | (837) | 365 |
| Net cash flows from operating activities | (11,789) | 4,022 | (14,643) | 1,152 |
| Cash flows from (to) investing activities | | | | |
| (Acquisition) of non-current assets | (2) | (4) | (2) | (4) |
| (Increase) decrease in other non-current assets | - | - | - | - |
| Net cash flows (to) investing activities | (2) | (4) | (2) | (4) |

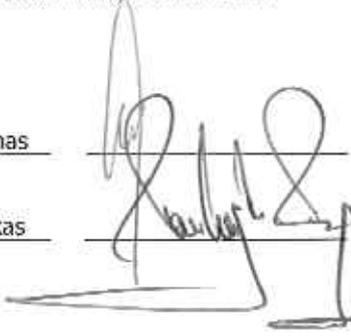
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The accompanying notes are an integral part of these financial statements.

Statements of cash flows (cont'd)

| | Group | | Company | |
|---------------------------------------------------------------|-----------------|---------------|-----------------|---------------|
| | 2020 | 2019 | 2020 | 2019 |
| Cash flows from (to) financing activities | | | | |
| Interest(paid) | (48) | (80) | (10) | (10) |
| Proceeds from loans | (825) | (825) | - | - |
| Financial lease (payments) | (74) | (72) | (28) | (22) |
| Net cash flows (to) financing activities | (947) | (977) | (38) | (32) |
| Net increase (decrease) in cash and cash equivalents | (12,738) | 3,041 | (14,683) | 1,117 |
| Cash and cash equivalents at the beginning of the year | 27,022 | 20,737 | 22,584 | 19,110 |
| Cash and cash equivalents as at the end of the period | 14,284 | 23,778 | 7,901 | 20,227 |

The accompanying notes are an integral part of these financial statements.

| | | | |
|-----------------------|--------------------|--------------------------------------------------------------------------------------|-------------|
| General Director | Giedrius Balčiūnas |  | 15 May 2020 |
| Director of Economics | Paulius Vazniokas | | 15 May 2020 |

Notes to financial statements

1 General information

AB INTER RAO Lietuva (hereinafter "the Company") is a private limited liability company registered in the Republic of Lithuania. The Company's core line of business is trade of electricity. The Group companies operate in electricity trading and production sectors.

2 Segment information

Operating segments

The following tables present information regarding the Group's operating segments for the 3 month ended 31st March

2020

| 3 month ended 31 st March 2020 | Electricity purchases and sales | Electricity production and sales | Total Segments | Adjustments and eliminations | Consolidated |
|----------------------------------------------|---------------------------------------|----------------------------------------|-------------------|------------------------------------|---------------|
| Revenue | | | | | |
| External customers | 55,904 | 2,249 | 58,153 | - | 58,153 |
| Total revenue | 55,904 | 2,249 | 58,153 | - | 58,153 |
| Results | | | | | |
| Depreciation and amortisation | 86 | 585 | 671 | - | 671 |
| Interest expenses | 11 | 37 | 48 | - | 48 |
| Income tax expenses | 257 | 232 | 489 | - | 489 |
| Share of profit of associate joint venture | - | - | - | - | - |
| Segment operating profit | 1,132 | 1,566 | 2,698 | - | 2,698 |
| Segment assets | 23,650 | 22,535 | 46,185 | - | 46,185 |
| Segment liabilities | 10,287 | 5,887 | 16,174 | 1,831 | 18,005 |

Segment assets and liabilities are presented after elimination of intercompany assets and liabilities within the segment, which are eliminated on consolidation.

Other disclosures

| | | | | | |
|-----------------------------|---|---|---|---|---|
| Interest in a joint venture | - | - | - | - | - |
| Capital expenditure | 2 | - | 2 | - | 2 |

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED 31st March 2020
(all amounts are in EUR thousand unless otherwise stated)

2019

| 3 month ended 31st March 2019 | Electricity purchases and sales | Electricity production and sales | Total Segments | Adjustments and eliminations | Consolidated |
|-----------------------------------------------------|------------------------------------------------|-------------------------------------------------|---------------------------|---------------------------------------------|---------------------|
| Revenue | | | | | |
| External customers | 105,252 | 1,821 | 107,073 | - | 107,073 |
| Total revenue | 105,252 | 1,821 | 107,073 | - | 107,073 |
| Results | | | | | |
| Depreciation and amortisation | 67 | 573 | 640 | - | 640 |
| Interest expenses | 10 | 69 | 79 | - | 79 |
| Income tax expenses | 522 | 146 | 668 | - | 668 |
| Share of profit of associate joint venture | - | - | - | (1) | (1) |
| Segment operating profit | 4,972 | 1,006 | 5,978 | - | 5,978 |
| Segment assets | 51,653 | 23,055 | 74,708 | | 74,708 |
| Segment liabilities | 30,012 | 7,376 | 37,388 | 4,307 | 41,695 |

Segment assets and liabilities are presented after elimination of intercompany assets and liabilities within the segment, which are eliminated on consolidation.

Other disclosures

| | | | | | |
|-----------------------------|---|---|---|----|-----------|
| Interest in a joint venture | - | - | - | 78 | 78 |
| Capital expenditure | 4 | - | 4 | - | 4 |

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

Adjustments and eliminations

Finance income and expenses are allocated to individual segments as the underlying instruments are managed on each separate Company basis.

Taxes and certain financial liabilities are not allocated to operating segments as they are managed on a Group basis.

Related party transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions. The related parties of the Group during the 3 month period ending 31st March 2020 and as at 31st March 2019 were as follows:

PJSC Inter RAO (ultimate parent);
 RAO Nordic Oy (one of the shareholders);
 UAB Scaent Baltic (one of the shareholders);
 UAB Alproka (associate);
 Other related parties include:
 UAB Scaent Baltic Group companies (the same shareholder).
 Management

3 Related party transactions

| For the 3 month period ended 31 st March 2020 | | Purchases | Sales | Paid (received) dividends | Receivables | Payables, including loans granted |
|----------------------------------------------------------|----|---------------|------------|---------------------------|-------------|-----------------------------------|
| PJSC Inter RAO | a) | 31,231 | 108 | - | 32 | 6,436 |
| | | 31,231 | 108 | - | 32 | 6,436 |

| For the 3 month period ended 31 st March 2019 | | Purchases | Sales | Paid (received) dividends | Receivables | Payables, including loans granted |
|----------------------------------------------------------|----|---------------|-----------|---------------------------|-------------|-----------------------------------|
| PJSC Inter RAO | a) | 75,357 | 36 | - | 15 | 26,319 |
| | | 75,357 | 36 | - | 15 | 26,319 |

a) The Group performs electricity trading transactions with PJSC Inter RAO.

Confirmation of Responsible Persons

Following the Article No. 24 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Central Bank of the Republic of Lithuania, I, Giedrius Balčiūnas, the General Director of AB INTER RAO Lietuva hereby confirm that, to the best of my knowledge, AB INTER RAO Lietuva Unaudited Consolidated Interim Financial statements for the 3 month period ended 31 March, 2020 as set out on above are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and give a true and fair view of the assets, liabilities, financial position and profit or loss and cash flows of the Company and the Group. The Unaudited Consolidated Interim Report of the Company include a fair review of the development and performance of the business of the Company and the Group.

Giedrius Balčiūnas

General Director

