

AB INTER RAO LIETUVA

**UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 3 MONTH PERIOD ENDED 31 MARCH 2019,**
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

10 May 2019

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 2019

I. General Information

Reporting period

3 month period ended 31st March 2019

Company and its contact details

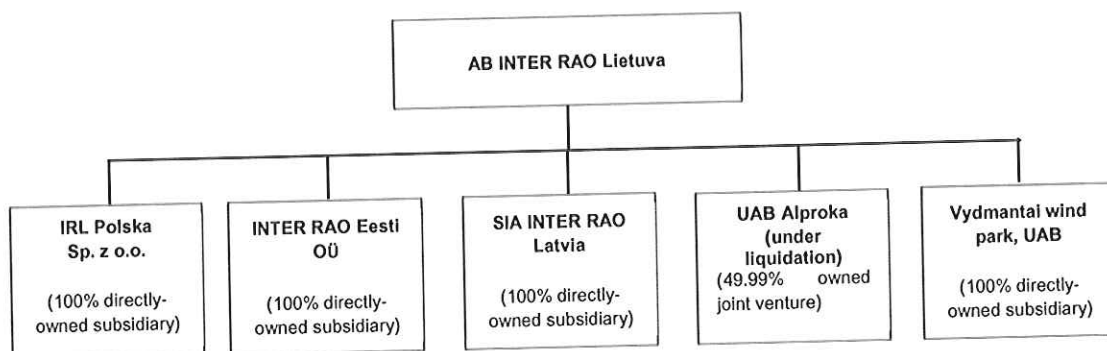
Company name	AB INTER RAO Lietuva (hereinafter - IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno str. 4, block B, LT-01109 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 2019, 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 2019	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	79	Peterburi tee 47, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(473)	76 Gustava Zemgala Ave., Riga, LV-1039, Latvia	Trade of electricity
IRL Polska Sp. z.o.o. - subsidiary	0000436992	100 %	2,116	Twarda 18, 00-105 Warsaw, Poland	Trade of electricity
UAB Alproka - joint venture (under liquidation)	125281684	49,99 %	78	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB - subsidiary	302666616	100 %	14,163	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 2019:



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.

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 2019
(all amounts are in EUR thousand unless otherwise stated)

- 2013 AB INTER RAO Lietuva shareholders decided to distribute 27 million Lit as dividends.
- In July 2013, the Company has completed a merger of its two subsidiary companies UAB IRL Wind and Vydantai wind park, UAB. Subsidiary companies were reorganised by merging UAB IRL Wind, which ceased its activities as a legal entity after the merger, into Vydantai 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 Lit as.
- 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.

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.

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 2019
(all amounts are in EUR thousand unless otherwise stated)

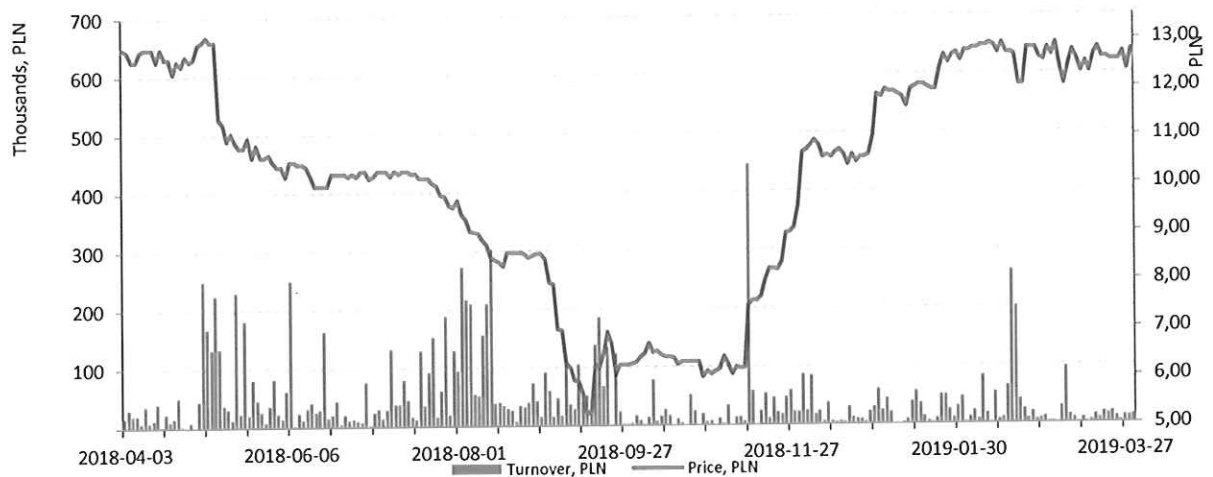
Data about securities traded on regulated market

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.

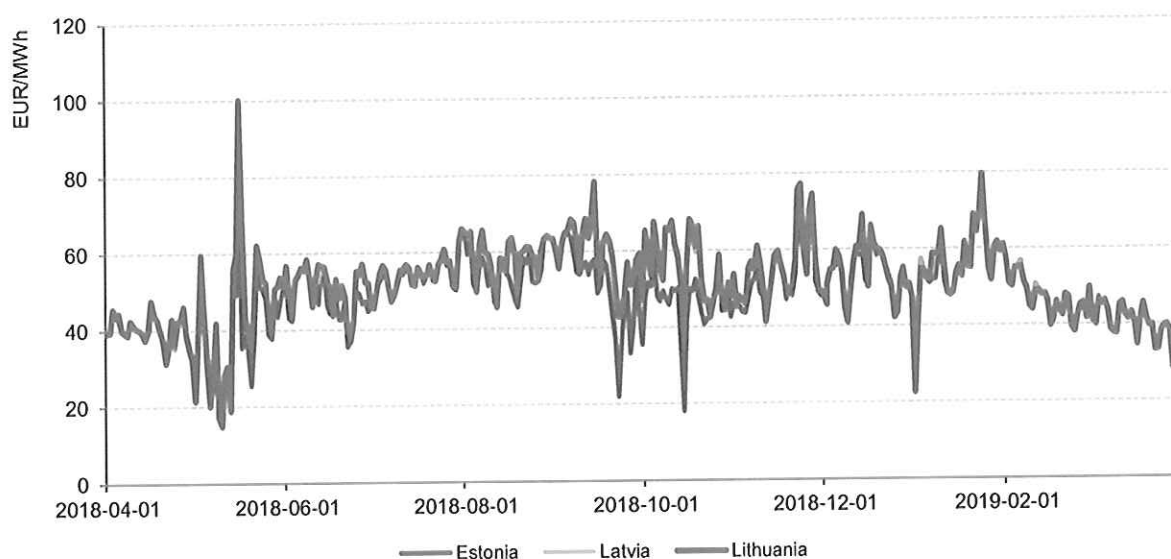
As of 31st March 2019 the shareholder structure of the Company was as following:

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	4,000,000	19,89%
Total	20,000,000	100%

II. Financial information

Revenues

The total consolidated Group's sales revenue in January-March of 2019 was equal to EUR 107.1 million, an 80.08 per cent more than in the first 3 months of 2018. Total revenue increased due to the higher amounts of electricity traded. The increase in the amount of electricity traded was mainly influenced by increase in sales in Lithuanian market. Company's sales revenue in the first 3 months of 2019 was equal to EUR 85.5 million - increased by 73.37 per cent, compared to the same period in 2018 due to some reasons - there were more electricity traded in Lithuania, and the average price on the NordPool market was higher if compared to the prices in the 1st quarter of 2018.



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 2019	1 st quarter 2018
Sales (EUR thousand)	107,072	59,457
Gross profit (EUR thousand)	7,958	5,275
Gross profit margin (%)	7.432%	8.87%
Operating profit (EUR thousand)	5,978	3,440
Operating profit margin (%)	5.58%	5.79%
EBITDA (EUR thousand)	7,821	4,051
EBITDA profit margin (%)	7.30%	6.81%
Net profit (EUR thousand)	6,416	2,564
Net profit margin (%)	5.99%	4.31%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.32	0.13

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 2019
(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 increased by 80.08 per cent in first 3 months of 2019, compared to the same period in 2018. The increase in sales was caused by higher amount of electricity traded in all the markets with the main growth in Lithuanian market. The market price of electricity purchased was higher, if compared to the same period in 2018, in all the markets, and the price for consumers rose as well if compared to the same period the year ago. As a result - Group's gross profit increased by 50.86 per cent if compared to the same period a year ago, but Group's gross profit margin was equal to 7.43 per cent in the accounting period, compared to 8.87 per cent during the period of January-March of 2018. Group's operating profit increased by 73.78 per cent if compared to the same period a year ago and was equal to EUR 6.0 million. Significant contribution to the rising profit came from the successful hedging activities of the Group, which compose an integral part of risk management system implemented within the Group.

Company's gross profit margin in 2019 accounted to 6.81 per cent, compared to 11.06 per cent in the first 3 months of 2018. 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 2019 was equal to EUR 4.5 million compared to EUR 4.3 million a year ago.

Group's and Company's EBITDA for the first 3 months of 2019 was EUR 7.8 million and EUR 5.7 million respectively, it increased from EUR 4.1 million and EUR 4.3 million respectively, if compared to the same period a year ago. Group's EBITDA margin increased from 6.81 per cent in first 3 months of 2018 to 7.3 per cent in the same period in 2019. Company's EBITDA profit margin decreased- from 8.7 per cent in January-March of 2018 to 6.67 per cent in the accounting period. In the 3 months of 2019, Group's net profit -increased to EUR 6.4 million from EUR 2.6 million during the same period a year ago. As a result, Group's net profit margin during the accounting period was equal to 5.99 per cent, compared to 4.31 per cent a year ago. Net profit of the Company in first 3 months of 2019 increased to EUR 5.1 million compared to EUR 3.5 million in January-March 2018.

Sales revenues by operating segments, thous. EUR	1 st quarter of 2019	1 st quarter of 2018
Electricity purchases and sales	105,251	58,346
Electricity production and sales	1,821	1,111
Total	107,072	59,457

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 2019
(all amounts are in EUR thousand unless otherwise stated)

Group's revenue from purchases and sales of electricity in the first 3 months of 2019 amounted to EUR 105.3 million compared to EUR 58.3 million in the same period a year ago. Revenue from produced electricity sales accounted for EUR 1.8 million, the 63.91 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 2019 was 7.26 m/s if compared to 5.97 m/s a year ago.

Company's revenue during January-March 2019 were higher by 73.37 per cent and was equal to EUR 85.5 million compared to EUR 49.3 million in the same period in 2018.

The tables below present data on the electricity trading activities of the Group for the three-month period ended on 31st March 2019, compared with the same periods in 2018, with a breakdown by each country for the periods indicated (S - sale, P - purchase).

	For the 1 st quarter of 2019		For the 1 st quarter of 2018	
	S	P	S	P
	GWh		GWh	
Lithuania*	1,758	1	1,232	26
Latvia	81	81	87	87
Estonia	70	78	65	100
Russia	7	1,697	16	805
Belarus	-	60	-	382
Poland	218	218	81	81
Total*	2,134	2,135	1,481	1,481

* 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 2019	1 st quarter of 2018
Electricity purchases and sales	98,656	53,724
Electricity production and sales	458	458
Total	99,114	54,182

Group's cost of sales in January-March of 2019 accounted to EUR 99.1 million, the 82.93 per cent increase if compared to the first three months of 2018. As a result of the higher amount of electricity traded and higher price of electricity on Nord Pool market, the cost of sales of the Group were higher compared to the results a year ago. Cost of sales of electricity production stayed at the same level as at the same period a year ago, and cost of sales of electricity purchased and sales were higher by 83.63 per cent if compared to the same period a year ago.

Cost of sales of the Company was higher by 81.65 per cent if compared the accounting period and the same period a year ago and amounted to EUR 79.7 million if compared to EUR 43.9 million a year ago.

Group's cost of purchased electricity in the first quarter of 2019 amounted to EUR 97.5 million. Group's cost of purchased electricity comprised 98.41 per cent of total cost of sales, Company's - 98.59 per cent.

Group's operating expenses in the three-month period of 2019 amounted to EUR 2 million, a 7.9 per cent increase over a year ago. Company's operating expenses amounted to EUR 1.4 million in January-March 2019, a 14.32 per cent increase over a year ago.

Earnings

Gross profit of the Group in January-March of 2019 amounted to EUR 8.0 million (compared to the EUR 5.3 million), while the gross profit margin decreased to 7.43 per cent (from 8.87 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 5.8 million if compared to EUR 5.5 million a year ago. Company's gross profit margin decreased from 11.06 per cent in January-March 2018 to 6.81 per cent in the first three months of 2019.

Group's operating profit over the same period increased to EUR 6.0 million from EUR 3.4 million a year ago, while the operating profit margin accounted to 5.58 per cent. Operating profit in the first quarter of 2019 of the Company increased to EUR 4.5 million, compared to EUR 4.3 million in the same period a year ago.

Net profit of financial activities of the Group in the first quarter of 2019 amounted to EUR 1.1 million, an increase over the net financial loss 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 2019 increased if compared with the same period a year ago and amounted to EUR 6.4 million. The profit margin increased from 4.31 per cent a year ago to 5.99 per cent in the accounting period. Company's profit increased to EUR 5.1 million in the first quarter of 2019 from EUR 3.5 million in the same period a year ago and thus profit margin in the first quarter of 2019 decreased to 6.02 per cent from 7.18 per cent at the same period a year ago.

Balance sheet and Cash Flows

During January-March 2019 total assets of the Group increased by 19.98 per cent and of the Company increased by 21.88 per cent. The most significant influence to the change of the assets was caused by increase of cash and cash equivalents and derivative financial instruments in the Group and in the Company.

Total non-current assets of the Company decreased by 6.33 per cent over a year ago and of the Group increased by 2.45 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 and increase in non-current financial assets.

During the I quarter of 2019, shareholders' equity of the Company and of the Group increased by 102.69 per cent and 85.54 per cent respectively and amounted to 46 per cent of the total equity and liabilities of the Company and to 44 per cent of the total equity and liabilities of the Group.

At the end of March 2019, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 7.3 million for the Group and the Company had EUR 0.2 million such borrowings. Cash, cash equivalents amounted to EUR 20.2 million for the Company and EUR 23.8 million for the Group.

Net cash flows from operating activities of the Group were higher in the first quarter of 2019 and amounted to EUR 4.0 million, compared to EUR 8.3 million in the same period a year ago. Net cash flows from operating activities of the Company in the first 3 months of 2019 equaled to EUR 1.2 million compared to EUR 7.0 million a year ago.

Net cash flows from investing activities of the Group and the Company in the January-March of 2019 stayed at the same level as at the same period of 2018.

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 2019
(all amounts are in EUR thousand unless otherwise stated)

Net cash flows from financing activities of the Group in the first quarter of 2019 amounted to EUR (1.0) million outflow, compared to EUR (4.8) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the first 3 months of 2019 equaled to EUR 0 million outflow compared to EUR (3.8) million outflow in the same period a year ago.

Personnel

As of 31st March 2019 there were 39 employees in the Group and 24 in the Company. The employment structure by category is provided in the table below.

Employee category	Number of employees			
	As of 31 st March 2019		As of 31 st March 2018	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	13	7	16	7
PR & Marketing Staff	1	1	1	1
Project managers	2	1	2	1
Technical staff	3	1	3	1
Office Staff	12	6	12	6
Total	39	24	42	24

On 31st March 2019 Company's personnel consisted of 8 managers and 17 specialists, as Group's personnel consisted of 8 managers and 31 specialists.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 3 Month Period Ended 31 March 2019

Statement of financial position

	Notes	Group		Company	
		As at 31 st March 2019	As at 31 st December 2018	As at 31 st March 2019	As at 31 st December 2018
ASSETS					
Non-current assets					
Intangible assets					
Goodwill		716	716	-	-
Patents and licenses		2,111	2,413	-	-
Other intangible assets		19	21	-	-
Total intangible assets		2,846	3,150	-	-
Property, plant and equipment					
Land		567	576	-	-
Buildings and structures		2,521	2,562	-	-
Machinery and equipment		14,149	14,379	-	-
Right-of-use asset		419	-	273	-
Office premises		604	622	604	622
Other property, plant and equipment		37	36	16	16
Total property, plant and equipment		18,297	18,175	893	638
Investment property		323	323	323	323
Interest in a joint venture		78	79	10,254	10,254
Other non-current financial assets		996	275	34	32
Derivative financial instruments		-	-	-	-
Deferred income tax asset		-	-	-	1,034
Total non-current assets		22,540	22,002	11,504	12,281
Current assets					
Inventories and prepayments		4,653	3,805	4,563	3,603
Accounts receivable					
Trade receivables		13,362	11,856	10,851	9,798
Receivables from subsidiaries		15	25	3,246	2,525
Other receivables		-	1,580	-	-
Total accounts receivable		13,377	13,461	14,097	12,323
Prepaid income tax		-	67	-	-
Other current assets		1,809	1,270	100	207
Derivative financial instruments		7,921	400	7,921	400
Cash and cash equivalents		23,778	20,737	20,227	19,110
Total current assets		51,538	39,740	46,908	35,643
Total assets		74,078	61,742	58,412	47,924

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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 2019
(all amounts are in EUR thousand unless otherwise stated)

Statement of financial position (cont'd)

	Notes	Group		Company	
		As at 31 st March 2019	As at 31 st December 2018	As at 31 st March 2019	As at 31 st December 2018
EQUITY AND LIABILITIES					
Equity					
Share capital		5,800	5,800	5,800	5,800
Legal reserves		982	982	579	579
Cash flow hedge reserve		3,737	(4,771)	3,672	(4,813)
Retained earnings		21,942	15,524	16,852	11,707
Currency translation reserve		(68)	(76)	-	-
Total equity		32,393	17,459	26,903	13,273
Liabilities					
Non-current liabilities					
Non-current borrowings		3,025	3,852	-	-
Financial lease obligations		778	613	118	-
Derivative financial instruments		5	14	-	-
Deferred income tax liability		2,317	654	641	-
Total non-current liabilities		6,125	5,133	759	-
Current liabilities					
Current portion of non-current borrowings		3,300	3,300	-	-
Other financial debts		-	-	-	-
Current portion of financial lease obligations		175	38	89	-
Derivative financial instruments		84	5,769	-	5,664
Trade payables		27,025	25,814	26,936	25,601
Income tax payable		1,991	1,910	1,886	1,910
Advances received		8	16	8	10
Other current liabilities		2,977	2,303	1,831	1,466
Total current liabilities		35,560	39,150	30,750	34,651
Total equity and liabilities		74,078	61,742	58,412	47,924

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

General Director Giedrius Balčiūnas 10 May 2019

Director of Economics Paulius Vazniokas 10 May 2019

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 2019
(all amounts are in EUR thousand unless otherwise stated)

Statement of comprehensive income

For the 3 months ended 31st March 2019

	Notes	Group		Company	
		2019	2018	2019	2018
Sales		107,072	59,457	85,527	49,333
Cost of sales		(99,114)	(54,182)	(79,704)	(43,877)
Gross profit		7,958	5,275	5,823	5,456
General and administrative expenses		(1,980)	(1,835)	(1,365)	(1,194)
Profit from operations		5,978	3,440	4,458	4,262
Other activities		10	4	4	4
Financing and investing activities profit		1,096	(130)	1,167	(21)
Finance income		1,194	2	1,194	1
Finance expenses		(97)	(131)	(27)	(22)
Share of result of joint venture		(1)	(1)	-	-
Profit before tax		7,085	3,314	5,629	4,245
Income tax		(668)	(751)	(484)	(705)
Net profit		6,417	2,563	5,145	3,540
Total comprehensive income, net of tax		14,934	2,335	13,630	3,245

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 2019
(all amounts are in EUR thousand unless otherwise stated)

Statement of changes in equity

For the 3 months ended 31st March 2019

Group

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1 st 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 31 st March 2019	5,800	982	3,737	(68)	21,942	32,393

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1 st January 2018	5,800	910	43	(22)	11,242	17,973
Profit for the period	-	-	-	-	2,563	2,563
Other comprehensive income, net of tax	-	-	(213)	-	-	(213)
Foreign exchange effect	-	-	-	(13)	-	(13)
Total comprehensive income	-	-	(213)	(13)	2,563	2,337
Dividends declared	-	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-	-
Balance as at 31 st March 2018	5,800	910	(170)	(35)	13,805	20,310


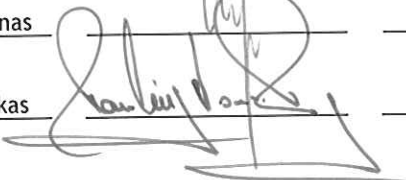
AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED 31st March 2019
(all amounts are in EUR thousand unless otherwise stated)

Company

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1 st 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 31 st March 2019	5,800	579	3,672	16,852	26,903

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1 st January 2018	5,800	579	42	7,198	13,619
Profit for the period	-	-	-	3,540	3,540
Other comprehensive income	-	-	(295)	-	(295)
Total comprehensive income	-	-	(295)	3,540	3,245
Dividends declared	-	-	-	-	-
Transfer to legal reserve	-	-	-	-	-
Balance as at 31 st March 2018	5,800	579	(253)	10,738	16,864
Balance as at 31 st March 2018	5,800	580	19	12,259	18,658

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

General Director	Giedrius Balčiūnas		10 May 2019
Director of Economics	Paulius Vazniokas		10 May 2019

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 2019
(all amounts are in EUR thousand unless otherwise stated)

Statements of cash flows

For the 3 month ended 31st March

Notes	Group		Company	
	2019	2018	2019	2018
Cash flows from (to) operating activities				
Net profit	6,417	2,563	5,145	3,540
Adjustments for non-cash items:				
Income tax expenses	668	750	484	705
Depreciation and amortisation	640	606	52	23
Change in fair value of derivatives not designated as hedging instruments	(1,188)	155	(1,188)	155
Share of net profit of joint venture	1	1	-	-
Interest and dividend expenses	79	116	10	9
Other	12	(10)	9	(10)
	6,629	4,181	4,512	4,422
Changes in working capital:				
(Increase) decrease in inventories and prepayments	(921)	(509)	(1,681)	(1,679)
(Increase) decrease in accounts receivable and other current assets	(2,480)	1,464	(3,045)	1,446
Decrease in other non-current assets	(714)	(13)	-	-
Increase (decrease) in trade payables	1,187	4,012	1,331	3,516
Income tax (paid)	(359)	(305)	(330)	(300)
(Decrease) in other current liabilities	680	(500)	365	(390)
Net cash flows from operating activities	4,022	8,330	1,152	7,015
Cash flows from (to) investing activities				
(Acquisition) of non-current assets	(4)	(3)	(4)	(3)
(Increase) decrease in other non-current assets	-	(13)	-	-
Net cash flows (to) investing activities	(4)	(16)	(4)	(3)

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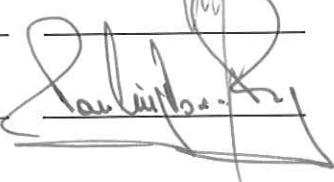
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AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE 3 MONTH PERIOD ENDED 31st March 2019
(all amounts are in EUR thousand unless otherwise stated)

Statements of cash flows (cont'd)

	Group		Company	
	2019	2018	2019	2018
Cash flows from (to) financing activities				
Interest(paid)	(80)	(116)	(10)	(9)
Proceeds from loans	(825)	(4,620)	-	(3,795)
Financial lease (payments)	(72)	(51)	(22)	-
Net cash flows (to) financing activities	(977)	(4,787)	(32)	(3,804)
Net increase (decrease) in cash and cash equivalents	3,041	3,527	1,117	3,208
Cash and cash equivalents at the beginning of the year	20,737	5,191	19,110	3,026
Cash and cash equivalents as at the end of the period	23,778	8,718	20,227	6,234

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

General Director	Giedrius Balčiūnas		10 May 2019
Director of Economics	Paulius Vazniokas		10 May 2019

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 2019
(all amounts are in EUR thousand unless otherwise stated)

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 2019

3 month ended 31 st 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

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 2019
(all amounts are in EUR thousand unless otherwise stated)

2018

3 month ended 31 st March 2018	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	58,346	1,111	59,457	-	59,457
Total revenue	58,346	1,111	59,457	-	59,457
Results					
Depreciation and amortisation	23	583	606	-	606
Interest expenses	9	107	116	-	116
Income tax expenses	705	45	750	-	750
Share of profit of associate joint venture	-	-	-	(1)	(1)
Segment operating profit	3,139	301	3,440	-	3,440
Segment assets	24,290	25,878	50,168	-	50,168
Segment liabilities	16,771	11,332	28,103	1,753	29,856

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	-	-	-	92	92
Capital expenditure	3	-	3	-	3

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.

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 2019
(all amounts are in EUR thousand unless otherwise stated)

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 2019 and as at 31st March 2018 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 2019		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	75,357	36	-	15	26,319
RAO Nordic Oy		-	-	-	-	-
UAB Scaent Baltic	b)	-	-	-	-	-
		75,357	36	-	15	26,319

For the 3 month period ended 31 st March 2018		Purchases	Sales	Paid (received) dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	27,670	80	-	27	10,493
RAO Nordic Oy		4	-	-	-	-
UAB Scaent Baltic	b)	5	-	-	-	-
		27,679	80	-	27	10,493

- a) The Group performs electricity trading transactions with PJSC Inter RAO.
b) The Group purchased rent of premises from UAB Scaent Baltic.

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, 2019 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

