

AB INTER RAO LIETUVA

**UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
AND UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 6 MONTH PERIOD ENDED 30 JUNE 2019,**
prepared in accordance with International Financial Reporting Standards,
as adopted by the European Union

30 August 2019

Vilnius

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AB INTER RAO Lietuva Unaudited Consolidated Interim Report for the 6 Month Period Ended 30 June 2019

I. General Information

Reporting period

1st half of year ended 30th June 2019

Company and its contact details

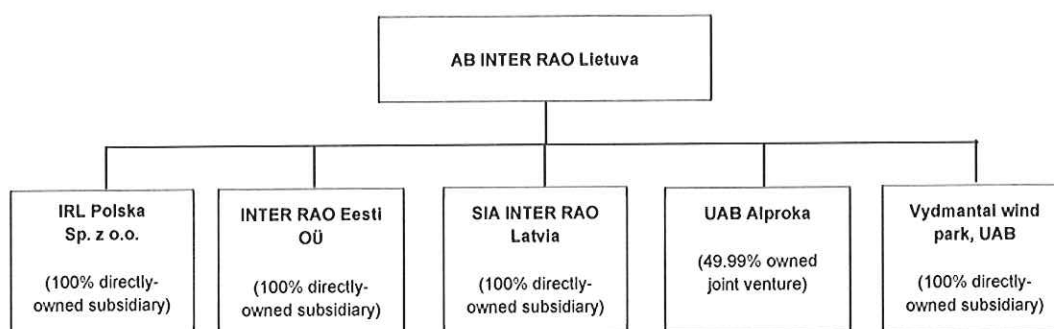
Company name	AB INTER RAO Lietuva (hereinafter – IRL or „the Company“)
Company code	126119913
Legal form	Public company (joint-stock company)
Date of registration	21 st December 2002
Name of register of Legal Entities	State Enterprise Centre of Registers
Registered office	A.Tumėno g. 4, block B, LT-01109 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 30th June 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 30 June 2019	Registration address	Activity (including planned)
INTER RAO Eesti OÜ - subsidiary	11879805	100 %	69	Peterburi tee 47, Tallinn, Estonia	Trade of electricity
SIA INTER RAO Latvia - subsidiary	40103268639	100 %	(356)	76 Gustava Zemgala Ave., LV 1039, Riga, Latvia	Trade of electricity
IRL Polska Sp. z o.o. - subsidiary	0000436992	100 %	2,280	Twarda 18, 00-105. Warsaw, Poland	Trade of electricity
UAB Alproka – joint venture (under liquidation)	125281684	49.99 %	155	Verkių Str. 25C, Vilnius, Lithuania	Operations with real estate
Vydmantai Wind Park, UAB – subsidiary	302666616	100 %	14,192	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 30th June 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 | <p>The Company received its license as independent electricity supplier with permission to export electricity.</p> <p>The Company signed sale-purchase agreements with INTER RAO UES and Lietuvos energija AB.</p> <p>The Company began electricity trading activities by exporting electricity to Russia and Belarus.</p> |
| 2004 | Permission to import electricity was granted to the Company. |
| 2005 | <p>The Company began importing electricity to Lithuania.</p> <p>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.</p> |

- 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 33 per 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 Lit 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 Lit.
- 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.

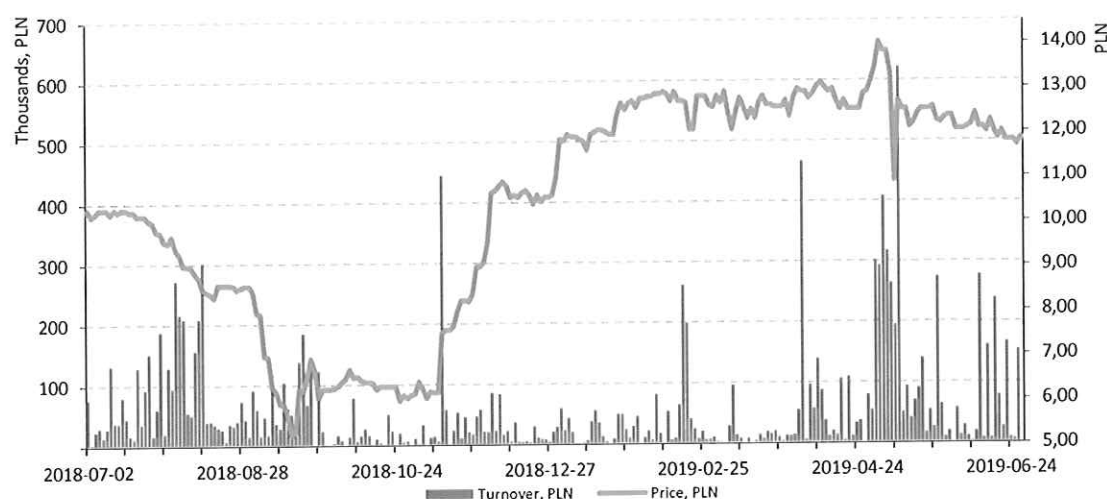
Data about securities traded on regulated market

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.

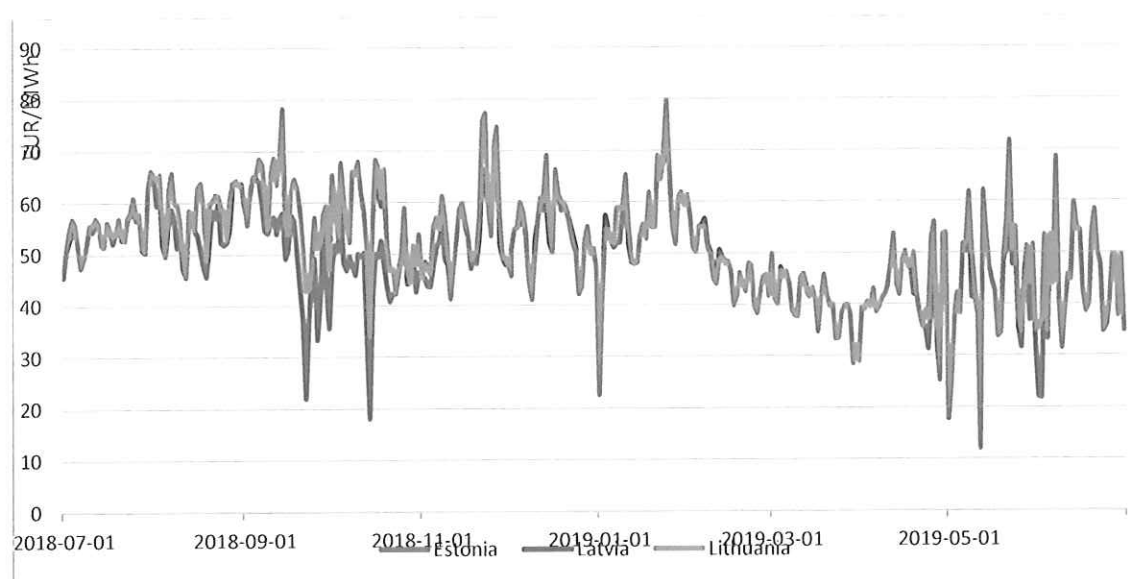
As of 30th June 2019 the shareholder structure of the Company was as following:

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	3,977,144	19,89%
Total	20,000,000	100%

II. Financial information

Revenues

The total consolidated Group's sales revenue in January-June of 2019 was equal to EUR 198 million, an 84.40 per cent more than in the first half 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 1st half 2019 was equal to EUR 146.7 million – increased by 68 per cent, compared to the same period in 2018 due to the same reasons – there were more electricity traded in Lithuania.



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 half 2019	1 st half 2018
Sales (EUR thousand)	197,588	107,153
Gross profit (EUR thousand)	14,646	7,523
Gross profit margin (%)	7.41%	7.02%
Operating profit (EUR thousand)	10,197	3,693
Operating profit margin (%)	5.16%	3.45%
EBITDA (EUR thousand)	12,760	5,019
EBITDA profit margin (%)	6.46%	4.68%
Net profit (EUR thousand)	10,310	2,390
Net profit margin (%)	5.22%	2.23%
Number of shares (thousand)	20,000	20,000
Earnings per share (EUR)	0.52	0.12

Gross profit margin – Gross profit / Sales

Operating profit margin – Operating profit / Sales

EBITDA profit margin – EBITDA / Sales

Net profit margin – Net profit / Sales

Earnings per shares – Net profit / Number of shares

EBITDA - Profit (loss) before income tax + Interest expenses + Depreciation and amortization

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 84.4 per cent in 1st half 2019, compared to the same period in 2018. The increase in sales was caused by higher amount of electricity traded, and higher average price of electricity sold at the same time – as the result Group's cost of sales increased by 83.62 per cent if compared to the 1st half of 2018, which is less than increase in sales revenues during the same period. The Group's gross profitability equaled to 7.41 per cent in the accounting period, if compared to 7.02 per cent in January-June 2018.

Company's gross profit margin in 2019 accounts to 7.68 per cent, compared to 8.7 per cent in the 1st half of 2018. Operating profit of the Company for the 1st half of 2019 was equal to EUR 8.2 million compared to EUR 5 million a year ago.

Group's and Company's EBITDA for the 1st half 2019 was EUR 12.8 million and EUR 9.6 million respectively. Group's EBITDA profit margin increased from 4.68 per cent in 1st half 2018 to 6.46 per cent in 1st half of 2019. Company's EBITDA profit margin increased from 6.32 per cent in 2018 to 6.52 per cent in the accounting period. In the 1st half of 2019, Group's net profit increased to EUR 10.3 million from EUR 2.4 million in 2018. As a result, Group's net profit margin during the accounting period increased and was equal to 5.22 per cent, if compared to 2.23 per cent a year ago. Net profit of the Company in 1st half 2019 increased and was equal to EUR 8.8 million compared to EUR 4.3 million in January-June 2018.

Sales revenues by operating segments, thous. EUR	6 months 2019	6 months 2018
Electricity purchases and sales	194,833	105,104
Electricity production and sales	2,755	2,049
Total	197,588	107,153

Group's revenue from purchases and sales of electricity in the 1st half of 2019 amounted to EUR 194.8 million. Revenue from produced electricity sales accounted for EUR 2.8 million, a 34.5 per cent more than in the same period a year ago. During the accounting period Vydmantai wind park, UAB has produced more electricity compared to 1st half 2018, due to the better meteorological conditions.

Company's revenue during January-June 2019 were higher by 68 per cent and was equal to EUR 146.67 million compared to EUR 87.3 million in the same period in 2018.

AB INTER RAO LIETUVA, company code 126119913, A.Tumėno str. 4, Vilnius, Lithuania
UNAUDITED CONSOLIDATED INTERIM REPORT
FOR THE 6 MONTH PERIOD ENDED 30th June 2019
(all amounts are in EUR thousand unless otherwise stated)

The tables below present data on the electricity trading activities of the Group for the 6 months period ended on 30th June 2019 and the 2nd quarter of 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 half of 2019		For the 1 st half of 2018	
	S	P	S	P
	GWh		GWh	
Lithuania*	3 075	20	2 595	466
Latvia	148	148	156	156
Estonia	127	157	124	197
Russia	30	2 992	30	1 518
Belarus	-	63	-	568
Poland	590	590	151	151
Total*	3 970	3 970	3 056	3 056

* Excluding equivalent trades on the power exchange

Differences between purchased and sold electricity total values is due to rounding

	For the 2 nd quarter of 2019		For the 2 nd quarter of 2018	
	S	P	S	P
	GWh		GWh	
Lithuania*	1 317	19	1 363	40
Latvia	67	67	69	69
Estonia	57	79	59	97
Russia	23	1 295	14	713
Belarus	-	3	-	186
Poland	372	372	70	70
Total*	1 835	1 835	1 575	1 575

* 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	6 months 2019	6 months 2018
Electricity purchases and sales	182,148	98,715
Electricity production and sales	794	915
Total	182,942	99,630

Group's cost of sales in January-June of 2019 accounted to EUR 182.9 million, an 83.62 per cent more than during the first six months of 2018. As a result of the higher amount of electricity traded, the cost of sales of the Group were higher compared to the results a year ago. Cost of sales of electricity production shrunk if compared to the same period a year ago due to the change of maintenance contract of the wind turbines, and cost of sales of electricity purchased and sold were higher by 84.52 per cent if compared to the same period a year ago.

Cost of sales in 1st half of 2019 of the Company was higher by 69.88 per cent if compared to the accounting period a year ago.

Group's and Company's cost of purchased electricity in the 1st half of 2019 amounted to EUR 180 million and EUR 133.2 million respectively. Group's cost of purchased electricity comprised 98.37 per cent of total cost of sales, Company's – 98.39 per cent.

Group's operating expenses in the 1st half of 2019 amounted to EUR 4.4 million, a 16.14 per cent increase over a year ago. Company's operating expenses amounted to EUR 3.1 million in January-June 2019 compared to EUR 2.6 million in the same period a year ago (a 19.8 per cent increase).

Earnings

Gross profit of the Group in January-June of 2019 amounted to EUR 14.6 million, while the gross profit margin increased to 7.41 per cent (7.02 per cent a year ago). Gross profit of the Company in the same period accounted to EUR 11.3 million. Company's gross profit margin decreased from 8.7 per cent in January-June of 2018 to 7.68 per cent in the 1st half of 2019.

Group's operating profit over the same period accounted to EUR 10.2 million, while the operating profit margin increased to 5.16 per cent from 3.45 per cent a year ago. Operating profit in the 1st half of 2019 of the Company increased by 63.35 per cent compared to the same period in 2018. It amounted to EUR 8.2 million in 1st half of 2019 compared to EUR 5 million in the same period a year ago.

Net profit of financial activities of the Group in the 1st half of 2019 amounted to EUR 1 million if compared to a loss of EUR 0.1 million during the same period a year ago. Financial expenses were mainly comprised of interest expenses that were due for the stand-alone financing of the wind park. Net profit of financial activities of the Company in the 1st half of 2019 mostly arose from the fair value change of derivatives not designated as hedging instruments and dividend income from the wind park.

As a result, profit before tax for the Group and the Company in the accounting period amounted to EUR 11.2 million and EUR 9.4 million compared to EUR 3.6 million and EUR 5.4 million in the 1st half in 2018 respectively.

Group's net profit in the 1st half of 2019 amounted to EUR 10.3 million, if compared to the profit of EUR 2.4 million for the same period year ago. The profit margin increased from 2.23 per cent a year ago to 5.22 per cent in the accounting period. Company's net profit in the 1st half of 2019 amounted to EUR 8.8 million, if compared to the profit of EUR 4.3 million for the same period year ago.

Balance sheet and Cash Flows

During January-June 2019 total assets of the Group decreased by 13.19 per cent and of the Company decreased by 19.12 per cent. The most significant influence to the assets was caused by decrease of cash in the Group and in the Company.

Total non-current assets of the Company decreased by 6.43 per cent and of the Group stayed at the same level.

At the end of June 2019, total amount of borrowings, including financial liabilities related to finance lease and bank financing, amounted to EUR 11.2 million for the Group. Cash, cash equivalents amounted to EUR 3.5 million for the Company and EUR 6.2 million for the Group.

Net cash flows from operating activities of the Group were lower in the 1st half of 2019 and amounted to minus EUR 5.7 million, compared to EUR 11.8 million in the same period a year ago. Net cash flows from operating activities of the Company in the 1st half 2019 equaled to minus EUR 8.7 million compared to EUR 10 million a year ago.

Net cash flows from investing activities of the Company in the 1st half of 2019 equaled to EUR 0.14 million. Such a result was due to the dividends received from the Company's subsidiary Vydmantai wind park UAB (EUR 0.35 million in 2018).

Net cash flows from financing activities of the Group in the 1st half of 2019 amounted to EUR (-8.8) million outflow, compared to EUR (-12.8) million outflow in the same period a year ago. Net cash flows from financing activities of the Company in the 1st half 2019 equaled to EUR (-7.1) million outflow compared to EUR (-10.9) million outflow in the same period a year ago.

Personnel

As of 30th June 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 30 th June 2019		As of 30 th June 2018	
	Group	Company	Group	Company
Management	8	8	8	8
Sales Managers, including Traders	13	7	15	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	41	24

On 30th June 2019 Company's personnel consisted of 8 managers and 16 specialists, as Group's personnel consisted of 8 managers and 31 specialists.

III. Corporate governance

The corporate bodies of the Company are as follows: General Shareholders Meeting, a collegial supervisory body – Supervisory Council, a collegial management body – Board, and single-person management body – Chief Executive Officer.

Members of Supervisory council



Evgeniya Popova

Chairman of the Supervisory Council (term: 2016.12.29 – 2020.04.29)

Head of Operational Analysis and Trading Activity Forecasting
Department at PJSC Inter RAO

Education:

Moscow State Institute of International Relations qualification – Finance and Credit, and MBA at Kingston University and Academy of National Economy under the Government of the Russian Federation

Career over the last five years:

2016 - present: Chairman of the Supervisory Council at INTER RAO Lietuva

2011 - present: Head of Operational Analysis and Trading Activity Forecasting Department at PJSC Inter RAO



Danielis Kličmanas

Member of the Supervisory Council at INTER RAO Lietuva
(term: 2017.04.28 – 2020.04.29)

Head of Mergers and Acquisitions of Starman/Cgates group

Education:

Master's degree at Vytautas Magnus University, qualification – Finance and Banking

Career over the last five years:

2017 - present: Member of the Supervisory Council at INTER RAO Lietuva

2017 - present: Director of Finance, Starman/Cgates group

2015 - 2017: Head of Mergers and Acquisitions, Starman/Cgates group

2003 - 2014: Investment Manager of SEB bank, SEB Venture Capital



Jonas Garbaravičius

Member of the Supervisory Council at INTER RAO Lietuva (term: 2016.04.29 – 2020.04.29)

Partner at Riegel Capital Partners

Education:

Vytautas Magnus University

Career over the last five years:

2017 - present: Member at YPO

2015 - present: Partner at Riegel Capital Partners

2013 - present: Owner of JG Investment Management, UAB

2013 - present: Co Founder / Supporting Shareholder at Children Hospital Support Foundation (Vaikų Ligoninės Paramos Fondas)

2013 - present: Co Founder / Supporting Shareholder at Public Organization "Šiaurės Jeruzalė" (Northern Jerusalem), project LitvakWorld.com

2012 - present: Board member at Vilnius City Opera

2012 - present: Member of the Supervisory Council at INTER RAO Lietuva

2011 - 2017: Member of the Management Board at Inter Green Renewables and Trading

2013 - 2015: Managing Partner at CEE Resources & Investments LLP



Rytis Davidovičius

Member of the Supervisory Council (term: 2016.04.29 – 2020.04.29)

Director, Lewben Group, Lewben Asia Pacific

Education:

Bachelor degree, History and Political science at Vytautas Magnus University

Licence of consultant, Bank of Lithuania

Career over the last five years:

2017 - present: Director of Business Development, Lewben Group

2016 - present: Member of the Supervisory Council at INTER RAO Lietuva

2013 - present: President, Lithuanian Rugby Federation, Lithuania;

2016 - 2017: Director, Lewben Group, Lewben Asia Pacific;

2013 - 2016: CEO, JG Investment Management UAB, Lithuania;

2014 - 2016: Adviser of the Chairman of the Board, Orion Asset Management UAB, Lithuania.

2011 - 2014: CEO, Orion Asset Management UAB, Lithuania.



Valerian Goncharov

Member of the Supervisory Council at INTER RAO Lietuva (term: 2019.04.26 – 2020.04.29)

Head of Direction at International Law Department of PJSC Inter RAO

Education:

Moscow State Institute of International Relations (MGIMO University), Master degree in International Law

Career over the last five years:

2017 – present: Head of Direction at International Law Department of PJSC Inter RAO
2014 - 2017: Chief Expert at International Law Department of PJSC Inter RAO



Vasily Kulikov

Member of the Supervisory Council (term: 2016.04.29 – 2020.04.29)

Head of Risk management and internal control department PJSC Inter RAO

Education:

Bachelor degree in Management at Non –State Educational Institution Modern University for the Humanities

Career over the last five years:

2016 - present: Member of the Supervisory Council at INTER RAO Lietuva
2014 - present: Head of Risk management and internal control department PJSC Inter RAO
2012 - 2014: Head of audit procurement activity department JSC Inter RAO Electric Power Plants
2010 - 2012: Head of audit procurement activity department JSC Inter RAO UES



Victor Kolotievskiy

Member of the Supervisory Council at INTER RAO Lietuva (term:
2017.04.28 – 2020.04.29)

Head of European Operations of the Trading Unit of PJSC Inter
RAO

Education:

National Research University "Moscow Power Engineering Institute" qualification – Engineer-Manager
The Moscow University of Finance and Law, qualification – Lawyer

Career over the last five years:

2017 - present: Member of the Supervisory Council at INTER RAO Lietuva
2012 - present: Head of European Operations of the Trading Unit of PJSC Inter RAO

Members of the Board



Alexandra Panina

Chairman of the Management Board at INTER RAO Lietuva (term: 2018.07.06 – 2021.03.30)

Member of the Management Board, Acting Head of the Trading Unit of PJSC Inter RAO

Education:

Law faculty of Volgograd state University
State Academy of Innovation

Career over the last five years:

2018 - present: Chairman of the Management Board at INTER RAO Lietuva

2018 - present: Member of the Management Board, Interim Head of the Trading Division, PJSC Inter RAO

2018 - 2018: Deputy Head of Exports Division, Division Management Block, PJSC Inter RAO

2011 - 2018: Vice President of Marketing and Sales, LLC INTER RAO — Management of Electric Power Plants



Evgeny Miroshnichenko

Member of the Board at INTER RAO Lietuva (term: 2017.06.06 – 2021.03.30)

Member of the Management Board, Chief Financial Officer, PJSC Inter RAO

Education:

State University of Management

Career over the last five years:

2017 - present: Member of the Management Board at INTER RAO Lietuva

2017 - present: Member of the Management Board, Chief Financial Officer, PJSC Inter RAO

2010 - 2016: Director of Strategic Development with the Strategy and Investments Unit, Deputy Head of the Unit, Head of the Strategy Department of the Strategy and Investments Unit, PJSC Inter RAO



Evgeny Sarymsakov

Member of the Board (term: 2018.07.16 – 2021.03.30)

Head of International Law Department of Legal Affairs Unit of
PJSC Inter RAO

Education:

Master's Degree at Moscow State Institute of International Relations, qualification – International Law

Career over the last five years:

2018 - present: Member of the Management Board at INTER RAO Lietuva

2017 - 2018: Member of the Supervisory Council at INTER RAO Lietuva

2012 - present: Head of International Law Department of Legal Affairs Unit of PJSC Inter RAO



Giedrius Balčiūnas

Member of the Management Board at INTER RAO Lietuva

(term: 2017.03.30 – 2021.03.30)

Director General (CEO) at INTER RAO Lietuva

Career over the last five years:

2012 - present: Member of the Management Board at INTER RAO Lietuva

2010 - present: Member of the Management Board at INTER RAO Eesti OÜ

2006 - present: Member of the Management Board at Alproka

2003 - present: Director General (CEO) at INTER RAO Lietuva



Vidas Čebatariūnas

Member of the Management Board at INTER RAO Lietuva

(term: 2017.03.30 – 2021.03.30)

Director of Commerce of AB INTER RAO Lietuva

Education:

Master of Economic Analysis and Planning awarded by Vilnius University

Career over the last five years:

2012 - present: Member of the Management Board at IRL Polska

2012 – present: Chairman of the Management Board at INTER RAO Latvia

2010 – present: Member of the Management Board at INTER RAO Eesti

2010 – 2013: Member of the Management Board at Scaent Baltic

2007 – present: Member of the Management Board at INTER RAO Lietuva

2005 – present: Director of Commerce at INTER RAO Lietuva

CEO

The chief executive officer of the company is Giedrius Balčiūnas. Term in the position: 2003.05.21 – unlimited

Chief accountant

Chief accountant of the Company is Edita Vagonienė. Term in the position: 2012.10.01 – unlimited

Audit committee

The Company has formed an audit committee. On 6th of June 2017 the new members of committee were elected. The term of the Audit committee members will end in April 2020.

The members of the audit committee are the following: Mr Danielis Klicmanas, Mr Victor Kolotievskiy and Mr Vasily Kulikov.

IV. Publicly announced information

During the period from the start of 2019 to 30th June 2019 Company publicly announced and broadcasted through Warsaw Stock Exchange information system and on own webpage the following information:

Title	Category of announcement	Language	Date
Publication date of the results for the 4th quarter of 2018 and the Annual Information for 2018 of AB INTER RAO Lietuva	Investor news	EN, LT	20-Feb-2019
Announcement of the results for the 4th quarter of 2018 and the Annual Information for 2018 of AB INTER RAO Lietuva	Annual information	EN, LT	22-Feb-2019
Statement on corporate governance	Investor news	EN, LT	06-Mar-2019
AB INTER RAO Lietuva decisions of the Management Board	Notification on material event	EN, LT	27-Mar-2019
AB INTER RAO Lietuva decisions of the Supervisory Board	Notification on material event	EN, LT	01-Apr-2019
Notice on convocation of the Annual General Meeting of Shareholders	Notification on material event	EN, LT	05-Apr-2019
AB „INTER RAO Lietuva“ announces about the Management Board decision to approve the extension of the overdraft agreement with OP Corporate Bank plc Lithuania Branch	Notification on material event	EN, LT	11-Apr-2019
The decisions adopted by the Annual General Meeting of Shareholders of AB INTER RAO Lietuva	Notification on material event	EN, LT	26-Apr-2019
Notice on the procedure for the payment of dividends	Notification on material event	EN, LT	07-May-2019
Publication date of the results for the 1st quarter of 2019 of AB INTER RAO Lietuva	Investor news	EN, LT	08-May-2019
Announcement of the results for the 1st quarter of the year 2019 of AB INTER RAO Lietuva	Interim information	EN, LT	10-May-2019

Contents of above mentioned announcements can be obtained on Company's webpage <https://interrao.lt/en/reports/current-reports/>.

AB INTER RAO Lietuva Unaudited Consolidated Interim Financial Statements for the 6 Month Period Ended 30th June 2019

Statement of financial position

	Notes	Group	Group	Company	Company
		As at 30 th June 2019	As at 31 st December 2018	As at 30 th June 2019	As at 31 st December 2018
ASSETS					
Non-current assets					
Intangible assets					
Goodwill		716	716	-	-
Patents and licenses		1,810	2,413	-	-
Other intangible assets		17	21	-	-
Total intangible assets		2,543	3,150	-	-
Property, plant and equipment					
Land		558	576	-	-
Buildings and structures		2,480	2,562	-	-
Machinery and equipment		13,920	14,379	-	-
Right-of-use asset		465		278	
Office premises		585	622	585	622
Other property, plant and equipment		32	36	18	16
Total property, plant and equipment		18,040	18,175	881	638
Investment property		323	323	323	323
Interest in a joint venture		77	79	10,254	10,254
Other non-current financial assets		1,063	275	33	32
Derivative financial instruments		-	-	-	-
Deferred income tax asset		-	-	-	1,034
Total non-current assets		22,046	22,002	11,491	12,281
Current assets					
Inventories and prepayments		2,763	3,805	2,701	3,603
Accounts receivable					
Trade receivables		11,883	11,856	10,169	9,798
Receivables from subsidiaries		40	25	3,386	2,525
Other receivables		1,207	1,580	-	-
Total accounts receivable		13,130	13,461	13,555	12,323
Prepaid income tax		-	67	-	-
Other current assets		2,124	1,270	100	207
Derivative financial instruments		7,372	400	7,372	400
Cash and cash equivalents		6,166	20,737	3,544	19,110
Total current assets		31,555	39,740	27,272	35,643
Total assets		53,601	61,742	38,763	47,924

(cont'd on the next page)

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
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(all amounts are in EUR thousand unless otherwise stated)

Statement of financial position (cont'd)

	Notes	Group As at 30 th June 2019	Group As at 31 st December 2018	Company As at 30 th June 2019	Company As at 31 st December 2018
EQUITY AND LIABILITIES					
Equity					
Share capital		5,800	5,800	5,800	5,800
Legal reserves		1,011	982	579	579
Cash flow hedge reserve		542	(4,771)	462	(4,813)
Currency translation reserve		(43)	(76)	-	-
Retained earnings		14,205	15,524	8,889	11,707
Total equity		21,515	17,459	15,730	13,273
Liabilities					
Non-current liabilities					
Non-current borrowings		-	3,852	-	-
Financial lease obligations		830	613	143	-
Derivative financial instruments		1	14	-	-
Deferred income tax liability		1,658	654	52	-
Total non-current liabilities		2,489	5,133	195	-
Current liabilities					
Current portion of non-current borrowings		5,500	3,300	-	-
Current portion of financial lease obligations		181	38	94	-
Derivative financial instruments		907	5,769	906	-
Financial debts		4,639	-	4,639	5,664
Trade payables		15,075	25,814	14,791	25,601
Income tax payable		746	1,910	542	1,910
Advances received		9	16	9	10
Other current liabilities		2,540	2,303	1,857	1,466
Total current liabilities		29,597	39,150	22,838	34,651
Total equity and liabilities		53,601	61,742	38,763	47,924

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

General Director

Giedrius Balčiūnas

30 August 2019

Director of Economics

Paulius Vazniokas

30 August 2019

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Statement of comprehensive income
For the six months ended 30th June


	Note s	Group	Group	Company	Company
		2019	2018	2019	2018
Sales		197,588	107,153	146,670	87,291
Cost of sales		(182,942)	(99,630)	(135,400)	(79,701)
Gross profit		14,646	7,523	11,270	7,590
General and administrative expenses		(4,448)	(3,830)	(3,104)	(2,591)
Profit from operations		10,198	3,693	8,166	4,999
Other activities	8	8	8	8	8
Financing and investing activities profit		977	(110)	1,246	428
Finance income		1,298	116	1,288	463
Finance expenses		(319)	(219)	(42)	(35)
Share of result of joint venture		(2)	(7)	-	-
Profit before tax		11,183	3,591	9,420	5,435
Income tax		(873)	(1,201)	(638)	(1,111)
Net profit		10,310	2,390	8,782	4,324
Other comprehensive income(expenses)					
Net (loss) on cash flow hedges		6,249	(4,297)	6,207	(4,597)
Income tax effect		(936)	645	(930)	691
Effect of currency exchange		33	(83)	-	-
Other comprehensive income, net of tax		5,346	(3,735)	5,277	(3,906)
Total comprehensive income, net of tax		15,656	(1,345)	14,057	418

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Statement of comprehensive income

	Notes	Group 2nd quarter 2019	Group 2nd quarter 2018	Company 2nd quarter 2019	Company 2nd quarter 2018
Sales		90,516	47,696	61,143	37,957
Cost of sales		(83,828)	(45,448)	(55,696)	(35,824)
Gross profit		6,688	2,248	5,447	2,133
General and administrative expenses		(2,469)	(1,995)	(1,739)	(1,397)
Profit from operations		4,219	253	3,708	736
Other activities		4	4	4	4
Financing and investing activities profit		(125)	20	79	450
Finance income		98	114	97	463
Finance expenses		(222)	(88)	(18)	(13)
Share of result of joint venture		(1)	(6)	-	-
Profit before tax		4,098	277	3,791	1,190
Income tax		(205)	(450)	(154)	(405)
Net profit		3,893	(173)	3,637	785
Total comprehensive income, net of tax		721	(3,680)	427	(3,122)

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

General Director	Giedrius Balčiūnas		30 August 2019
Director of Economics	Paulius Vazniokas		30 August 2019

Statement of changes in equity
For the six months ended 30th June 2019

Group

	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	-	-	-	-	10,310	10,310
Other comprehensive income, net of tax	-	-	5,313	-	-	5,313
Foreign exchange effect	-	-	-	33	-	33
Total comprehensive income	-	-	5,313	33	10,310	15,656
Dividends declared	-	-	-	-	(11,600)	(11,600)
Transfer to legal reserve	-	29	-	-	(29)	-
Balance as at 30th June 2019	5,800	1011	542	(43)	14,205	21,515

	Share capital	Legal reserve	Cash flow hedge reserve	Currency translation reserve	Retained earnings	Total
Balance as at 1st January 2018	5,800	910	43	(22)	11,242	17,973
Profit for the period	-	-	-	-	2,390	2,390
Other comprehensive income, net of tax	-	-	(3,652)	-	-	(3,652)
Foreign exchange effect	-	-	-	(82)	-	(82)
Total comprehensive income	-	-	(3,652)	(82)	2,390	(1,344)
Dividends declared	-	-	-	-	(7,100)	(7,100)
Transfer to legal reserve	-	71	-	-	(71)	-
Balance as at 30th June 2018	5,800	981	(3,609)	(104)	6,461	9,529


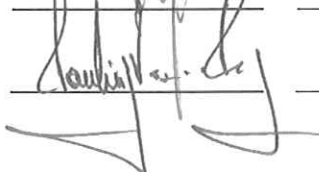
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UNAUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
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Company

	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	-	-	-	8,782	8,782
Other comprehensive income	-	-	5,275	-	5,275
Total comprehensive income	-	-	5,275	8,782	14,057
Dividends declared	-	-	-	(11,600)	(11,600)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30th June 2019	5,800	579	462	8,889	15,730

	Share capital	Legal reserve	Cash flow hedge reserve	Retained earnings	Total
Balance as at 1st January 2018	5,800	579	42	7,198	13,619
Profit for the period	-	-	-	4,324	4,324
Other comprehensive income	-	-	(3,906)	-	(3,906)
Total comprehensive income	-	-	(3,906)	4,324	418
Dividends declared	-	-	-	(7,100)	(7,100)
Transfer to legal reserve	-	-	-	-	-
Balance as at 30th June 2018	5,800	579	(3,864)	4,422	6,937

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

General Director	Giedrius Balčiūnas		30 August 2019
Director of Economics	Paulius Vazniokas		30 August 2019

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Statements of cash flows

For the six months ended 30th June

	Notes	Group		Company	
		2019	2018	2019	2018
Cash flows from (to) operating activities					
Net profit		10,310	2,390	8,782	4,324
Adjustments for non-cash items:					
Income tax expenses		873	1,202	638	1,111
Depreciation and amortisation		1,258	1,209	102	45
Interest and dividend (income)		(1)	(1)	(150)	(351)
Change in fair value of derivatives not designated as hedging instruments		(1,128)	(111)	(1,128)	(111)
Share of net profit of joint venture		2	7	-	-
Interest and dividend expenses		148	201	19	18
		11,462	4,897	8,263	5,036
Changes in working capital:					
(Increase) decrease in inventories and prepayments		1,009	(1,010)	25	(2,818)
(Increase) decrease in accounts receivable and other current assets		(5,916)	4,434	(5,672)	4,428
Decrease in other non-current assets		(787)	(50)	-	-
Increase (decrease) in trade payables		(10,762)	3,401	(10,812)	3,109
Income tax (paid)		(1,810)	(613)	(1,759)	(600)
(Decrease) in other current liabilities		1,066	772	1,295	896
Unrealized foreign currency exchange		33	(82)	-	-
Net cash flows from operating activities		(5,705)	11,749	(8,660)	10,051
Cash flows from (to) investing activities					
(Acquisition) of non-current assets		(19)	(9)	(9)	(3)
Interest and dividends received		1	1	150	351
Net cash flows (to) investing activities		(18)	(8)	141	348

(cont'd on the next page)

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

Statements of cash flows (cont'd)

	Group		Company	
	2019	2018	2019	2018
Cash flows from (to) financing activities				
Proceeds from loans and borrowings	4,639	-	4,639	-
Dividends (paid)	(11,600)	(7,100)	(11,600)	(7,100)
Loans repaid	(1,650)	(5,445)	-	(3,795)
Interest (paid)	(148)	(201)	(19)	(18)
Financial lease (payments)	(89)	(56)	(67)	-
Net cash flows (to) financing activities	(8,848)	(12,802)	(7,047)	(10,913)
Net increase (decrease) in cash and cash equivalents	(14,571)	(1,061)	(15,566)	(514)
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	6,166	4,130	3,544	2,512

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

General Director	Giedrius Balčiūnas		30 August 2019
Director of Economics	Paulius Vazniokas		30 August 2019

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 six months ended 30th June 2019.

Six month ended 30 th June 2019	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	194,833	2,755	197,588	-	197,588
Total revenue	194,833	2,755	197,588	-	197,588
Results					
Depreciation and amortisation	106	1,152	1,258	-	1,258
Interest income					
Interest expenses	19	129	148	-	148
Share of profit of associate joint venture	-	-	-	(2)	(2)
Segment operating profit	8,947	1,250	10,197	-	10,197
Segment assets	31,347	22,254	53,601	-	53,601
Segment liabilities	23,193	6,489	29,682	2,404	32,086

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	-	-	-	77	77
Capital expenditure	9	10	19	-	19

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The following tables present information regarding the Group's operating segments for the six months ended 30th June 2018.

Six month ended 30 th June 2018	Electricity purchases and sales	Electricity production and sales	Total Segments	Adjustments and eliminations	Consolidated
Revenue					
External customers	105,104	2,049	107,153	-	107,153
Total revenue	105,104	2,049	107,153	-	107,153
Results					
Depreciation and amortisation	45	1,164	1,209	-	1,209
Interest income	-	-	-	-	-
Interest expenses	18	183	201	-	201
Share of profit of associate joint venture	-	-	-	(7)	(7)
Segment operating profit	3,261	432	3,693	-	3,693
Segment assets	17,916	24,281	42,197	-	42,197
Segment liabilities	21,358	10,034	31,398	1,276	32,668

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	-	-	-	85	85
Capital expenditure	9	-	-	-	9

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 six month periods ending 30 June 2019 and as at 30 June 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 six month period ended 30th June 2019

		Purchases	Sales	Paid dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	128,448	143	-	40	14,063
RAO Nordic Oy		-	-	5,916	-	-
UAB Scaent Baltic		-	-	1,914	-	-
Other related parties		-	-	3,770	-	-
		128,448	143	11,600	40	14,063

For the six month period ended 30th June 2018

		Purchases	Sales	Paid dividends	Receivables	Payables, including loans granted
PJSC Inter RAO	a)	52,861	149	-	25	11,382
RAO Nordic Oy		4	-	3,621	-	-
UAB Scaent Baltic		5	-	2,059	-	-
Other related parties		-	-	1,420	-	-
		52,870	149	7,100	25	11,382

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

Confirmation of Responsible Persons

Following the Article No. 23 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 6 month period ended 30 June, 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

